

نموذج رقم (4-1)

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Date : 6/8/2020

الرقم : 2020/9/263

التاريخ : 2020/8/6

To: Jordan Securities Commission
Amman Stock Market

Subject: Semi-Annual Report as of 30/06/2020

السادة : هيئة الأوراق المالية

السادة : بورصة عمان

الموضوع : التقرير نصف السنوي كما في 2020/06/30

Attached a copy of the English version of the Housing Bank for Trade and Finance semi-annual financial statements as of June 30th 2020, after being reviewed by the external auditor.

مرفق طيه نسخة من البيانات المالية نصف السنوية لشركة (بنك الإسكان للتجارة والتمويل) باللغة الإنجليزية كما في 2020/06/30 بعد مراجعتها من قبل مدققي الحسابات .

Kindly accept high appreciation and respect

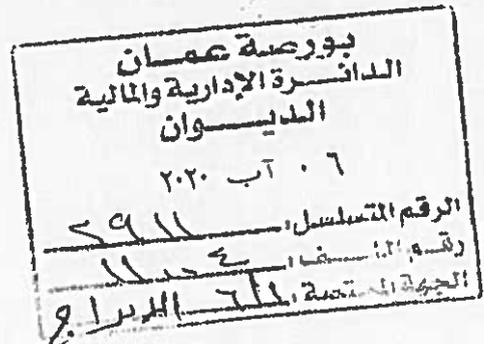
وتفضلوا بقبول فائق الاحترام ،،

The Housing Bank for Trade and Finance

بنك الإسكان للتجارة والتمويل

Chief Financial Officer : Mr. Nidal Luffi

رئيس المجموعة المالية : نضال لطفى



THE HOUSING BANK FOR TRADE AND FINANCE
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - THE HASHEMITE KINGDOM OF JORDAN

CONDENSED CONSOLIDATED INTERIM FINANCIAL
INFORMATION FOR THE
SIX MONTHS ENDED JUNE 30, 2020
TOGETHER WITH THE REVIEW REPORT

THE HOUSING BANK FOR TRADE AND FINANCE
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - THE HASHEMITE KINGDOM OF JORDAN
JUNE 30, 2020

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditor's Review Report	1
Condensed Consolidated Interim Statement of Financial Position	2
Condensed Consolidated Interim Statement of Profit or Loss	3
Condensed Consolidated Interim Statement of Comprehensive Income	4
Condensed Consolidated Interim Statement of Changes in Owners' Equity	5
Condensed Consolidated Interim Statement of Cash Flows	6
Notes to the Condensed Consolidated Interim Financial informations	7 - 45

Review Report on the Condensed Consolidated Interim Financial Information

AM/ 010923

H.E. The Chairman and Board of Directors Members
The Housing Bank for Trade and Finance
(Public Shareholding Limited Company)
Amman – The Hashemite Kingdom of Jordan

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of The Housing Bank for Trade and Finance (Public Shareholding Limited Company) as of June 30, 2020 and the related condensed consolidated interim statements of profit or loss and comprehensive income for the six months ended on June 30, 2020, and changes in owners' equity and cash flows for the six-months then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these condensed consolidated interim financial information in accordance with the international accounting standard No.(34) " Interim Financial Reporting " as adopted by the Central Bank of Jordan. Our responsibility is to express a conclusion on these condensed consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements No.2410, "Review of Condensed Interim Financial Information Performed by the Independent Auditor". A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters in the bank, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information are not prepared, in all material respects in accordance with the International Accounting Standard No. (34)" interim financial reporting" as adopted by the Central Bank of Jordan.

Other Matter

The accompanying condensed consolidated interim financial information are a translation of the statutory condensed consolidated interim financial information in the Arabic language to which reference is to be made.

Amman – Jordan
July 26, 2020

Deloitte & Touche (M.E.) – Jordan

Deloitte & Touche (M.E.)

ديلويت آند توش (الشرق الأوسط)

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THE HOUSING BANK FOR TRADE AND FINANCE
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - THE HASHEMITE KINGDOM OF JORDAN
CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

	<u>Note</u>	<u>June 30,</u> <u>2020</u>	<u>December 31,</u> <u>2019</u>
		<u>(Reviewed)</u>	<u>(Audited)</u>
		<u>JD</u>	<u>JD</u>
<u>Assets:</u>			
Cash and balances at central banks - net	5	726,207,377	1,114,595,764
Balances at banks and financial institutions - net	6	338,217,010	452,515,681
Deposits at banks and financial institutions - net	7	64,918,996	56,296,849
Direct credit facilities at fair value through profit or loss	8	130,263,446	-
Financial assets at fair value through profit or loss	9	3,476,420	3,673,524
Financial assets at fair value through other comprehensive income	10	380,218,827	388,454,051
Direct credit facilities at amortized cost - net	11	4,088,509,731	4,158,821,005
Financial assets at amortized cost - net	12	1,873,687,521	1,826,623,951
Property and equipment - net		177,483,336	185,136,052
Intangible assets - net		22,977,646	23,582,588
Rights of use assets -net		26,969,789	28,702,451
Deferred tax assets		96,795,663	77,273,667
Other assets	13	133,596,059	128,935,815
TOTAL ASSETS		<u>8,063,321,821</u>	<u>8,444,611,398</u>
<u>LIABILITIES AND OWNERS' EQUITY:</u>			
<u>LIABILITIES:</u>			
Banks and financial institutions deposits		664,885,165	725,249,222
Customers' deposits	14	5,414,756,948	5,810,512,968
Cash margins		217,772,961	267,507,285
Borrowed funds	15	284,592,136	158,310,466
Sundry provisions		45,243,008	49,697,700
Income tax provision	16/a	37,596,154	46,550,293
Deferred tax liabilities		8,555,253	6,569,323
Lease liability		25,435,877	26,734,220
Other liabilities	17	226,998,298	229,666,079
TOTAL LIABILITIES		<u>6,925,835,800</u>	<u>7,320,797,556</u>
<u>OWNERS' EQUITY:</u>			
<u>BANK'S SHAREHOLDERS EQUITY:</u>			
Paid-up capital		315,000,000	315,000,000
Share premium		328,147,537	328,147,537
Statutory reserve		235,753,970	235,755,327
Special reserve		11,302,452	11,184,797
Foreign currencies translation		(123,947,737)	(112,455,441)
Fair value reserve - net	19	8,110,457	5,400,864
Retained earnings	20	285,149,402	285,267,050
Profit for the period		25,898,348	-
TOTAL BANK'S SHAREHOLDERS EQUITY		<u>1,085,414,429</u>	<u>1,068,300,134</u>
Non-controlling interest		52,071,592	55,513,708
TOTAL OWNERS' EQUITY		<u>1,137,486,021</u>	<u>1,123,813,842</u>
TOTAL LIABILITIES AND OWNERS' EQUITY		<u>8,063,321,821</u>	<u>8,444,611,398</u>

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION AND SHOULD BE READ WITH THEM AND WITH THE REVIEW REPORT.

THE HOUSING BANK FOR TRADE AND FINANCE
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - THE HASHEMITE KINGDOM OF JORDAN
CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS

	Note	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
		2020	2019	2020	2019
		(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)
		JD	JD	JD	JD
Interest income	21	101,249,194	109,145,676	211,805,502	218,273,780
Interest expense	22	(26,549,413)	(35,280,364)	(58,640,026)	(70,998,499)
Net Interest Income		74,699,781	73,865,312	153,165,476	147,275,281
Net commission income		4,601,550	6,632,320	11,216,850	14,251,032
Net Interest and Commission Income		79,301,331	80,497,632	164,382,326	161,526,313
Gain from foreign currencies		2,622,475	2,678,711	5,709,394	5,309,225
Gain (loss) from financial assets at fair value through profit or loss	23	1,253,023	(8,690)	1,019,338	30,727
Cash dividends from financial assets at fair value through other comprehensive income		175,000	43,194	175,000	218,194
Other revenue		3,678,276	6,575,227	10,950,698	12,812,725
Total Income		87,030,105	89,786,074	182,236,756	179,897,184
Expenses					
Employees' expenses		19,851,791	24,082,175	40,941,168	44,651,036
Depreciation and amortization		5,850,796	5,704,063	12,152,453	10,620,056
Other expenses		13,364,945	13,253,511	27,027,640	24,934,482
Allowance for expected credit losses	18	32,557,318	24,603,832	58,488,277	40,618,758
Sundry provisions		135,116	16,656	460,673	501,122
Total Expenses		71,759,966	67,660,237	139,070,211	121,325,454
Profit for the period before income tax expense		15,270,139	22,125,837	43,166,545	58,571,730
Income tax expense	16/b	(5,244,749)	(8,356,798)	(16,569,202)	(19,792,042)
Profit for the Period		10,025,390	13,769,039	26,597,343	38,779,688
<u>Attributable to:</u>					
Bank's Shareholders		10,250,609	12,919,263	25,898,348	36,771,416
Non-Controlling Interest		(225,219)	849,776	698,995	2,008,272
		10,025,390	13,769,039	26,597,343	38,779,688
Basic and diluted earnings per share for the period attributable to the Bank's Shareholders	24	0,033	0,041	0,082	0,117

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INTERIM FINANCIAL INFORMATION AND SHOULD BE READ WITH THEM AND WITH THE REVIEW REPORT.**

THE HOUSING BANK FOR TRADE AND FINANCE
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - THE HASHEMITE KINGDOM OF JORDAN
CONDENSED CONSOLIDATED INTERIM
STATEMENT OF COMPREHENSIVE INCOME

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2020	2019	2020	2019
	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)
	JD	JD	JD	JD
Profit for the period	10,025,390	13,769,039	26,597,343	38,779,688
<u>Other comprehensive income items which may be reclassified to profit or loss in the subsequent period</u>				
Foreign currencies translation	(5,002,350)	(1,733,570)	(15,633,407)	(79,460)
Net change in valuation reserve of financial assets at fair value through other comprehensive income after tax - debt instruments	5,826,276	443,670	2,708,028	3,083,171
<u>Other comprehensive income items that will not be reclassified to profit or loss in the subsequent period</u>				
Net change in valuation reserve of financial assets at fair value through other comprehensive income after tax - equity instruments	213,820	1,042,479	1,565	1,042,479
Total other comprehensive income items for the period after tax	1,037,746	(247,421)	(12,923,814)	4,046,190
Total Comprehensive Income for the Period	<u>11,063,136</u>	<u>13,521,618</u>	<u>13,673,529</u>	<u>42,825,878</u>
<u>Attributable to:</u>				
Bank's shareholders	12,421,432	13,155,234	17,115,645	40,838,571
Non-controlling interest	(1,358,296)	366,384	(3,442,116)	1,987,307
	<u>11,063,136</u>	<u>13,521,618</u>	<u>13,673,529</u>	<u>42,825,878</u>

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THE HOUSING BANK FOR TRADE AND FINANCE
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - THE HASHEMITE KINGDOM OF JORDAN
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN OWNERS' EQUITY

	Bank's Shareholders Equity										
	Paid-up Capital	Share premium	Reserves		Foreign Currency Translation	Fair value reserve - net	Retained Earnings	Profit for the Period	Total Shareholder's Equity	Non-controlling Interest	Total Owners' Equity
			Statutory	Special Reserve							
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
For the Six Months Ended June 30, 2020											
(Reviewed)											
Beginning Balance for the Period (Audited)	315,000,000	328,147,537	235,755,327	11,184,797	(112,455,441)	5,400,864	285,267,050	-	1,068,300,134	55,513,708	1,123,813,842
Prior years adjustments	-	-	(1,357)	117,655	-	-	(116,298)	-	-	-	-
Adjusted Beginning Balance for the Period (Reviewed)	315,000,000	328,147,537	235,753,970	11,302,452	(112,455,441)	5,400,864	285,150,752	-	1,068,300,134	55,513,708	1,123,813,842
Profit for the period	-	-	-	-	-	-	-	25,898,348	25,898,348	698,995	26,597,343
Net change in valuation reserve of financial assets at fair value through other comprehensive income – debit instruments	-	-	-	-	-	2,708,028	-	-	2,708,028	-	2,708,028
Net change in valuation reserve of financial assets at fair value through other comprehensive income – equity instruments	-	-	-	-	-	1,565	-	-	1,565	-	1,565
Foreign currencies translation	-	-	-	-	(11,492,296)	-	-	-	(11,492,296)	(4,141,111)	(15,633,407)
Total comprehensive income for the period	-	-	-	-	(11,492,296)	2,709,593	-	25,898,348	17,115,645	(3,442,116)	13,673,529
Realized gain from sold financial assets at fair value through other comprehensive income – equity instruments	-	-	-	-	-	-	(1,350)	-	(1,350)	-	(1,350)
Ending Balance for the Period (Reviewed)	315,000,000	328,147,537	235,753,970	11,302,452	(123,947,737)	8,110,457	285,149,402	25,898,348	1,085,414,429	52,071,592	1,137,486,021
For the Six Months Ended June 30, 2019											
(Reviewed)											
Beginning Balance for the Period (Audited)	315,000,000	328,147,537	219,222,999	10,798,320	(113,597,748)	(2,219,625)	268,842,701	-	1,026,194,184	53,899,390	1,080,093,574
Prior years adjustments	-	-	-	-	-	-	(287,049)	-	(287,049)	(83,337)	(370,386)
Adjusted Beginning Balance for the Period (Reviewed)	315,000,000	328,147,537	219,222,999	10,798,320	(113,597,748)	(2,219,625)	268,555,652	-	1,025,907,135	53,816,053	1,079,723,188
Profit for the period	-	-	-	-	-	-	-	36,771,416	36,771,416	2,008,272	38,779,688
Net change in valuation reserve of financial assets at fair value through other comprehensive income – debt instruments	-	-	-	-	-	3,083,171	-	-	3,083,171	-	3,083,171
Net change in valuation reserve of financial assets at fair value through other comprehensive income – equity instruments	-	-	-	-	-	1,042,479	-	-	1,042,479	-	1,042,479
Profit from sell of financial assets at fair value through other comprehensive income – equity instruments	-	-	-	-	-	-	-	-	-	-	-
Foreign currencies translation	-	-	-	-	(58,495)	-	-	-	(58,495)	(20,965)	(79,460)
Total comprehensive income for the period	-	-	-	-	(58,495)	4,125,650	-	36,771,416	40,838,571	1,987,307	42,825,878
Transferred to statutory reserve	-	-	(8,708)	-	-	-	8,708	-	-	-	-
Retained earning	-	-	-	-	-	-	(47,250,000)	-	(47,250,000)	(889,799)	(48,139,799)
Ending Balance for the Period (Reviewed)	315,000,000	328,147,537	219,214,291	10,798,320	(113,656,243)	1,906,025	221,314,360	36,771,416	1,019,495,706	54,913,561	1,074,409,267

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THE HOUSING BANK FOR TRADE AND FINANCE
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - THE HASHEMITE KINGDOM OF JORDAN
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

	For the Six Months Ended June 30,		
	Note	2020 (Reviewed)	2019 (Reviewed)
OPERATING ACTIVITIES		JD	JD
Profit for the period before income tax		43,166,545	58,571,730
Adjustments for non-cash items:			
Depreciation and amortization		12,152,453	10,620,056
Provision for expected credit losses		58,488,277	40,618,758
Net unrealized gain from valuation of credit facilities at fair value through profit and loss		(1,185,650)	-
Unrealized loss from valuation of dereivaitive		1,185,650	-
Net unrealized loss from the valuation of financial assets at fair value through profit or loss		184,722	138,973
Net accrued interest and commission income		(3,920,422)	1,771,818
Effect of the change in exchange rates on cash and cash equivalents		(2,702,706)	(1,433,653)
Provision for end of service indemnity expense		5,483,627	5,497,776
Premiums and discounts amortization		(508,986)	(39,126)
Sundry provisions		460,673	407,112
Others		1,470,651	1,523,687
Cash flows from operating activities before changes in assets and liabilities		114,274,834	117,677,131
Decrease (Increase) in Assets:			
Deposits at banks and financial institutions (maturing within more than 3 months)		(8,684,263)	7,792,405
Direct credit facilities		(121,941,959)	(142,944,280)
Financial assets at fair value through profit or loss		12,382	48,297
Other assets		(12,338,346)	(10,700,744)
Increase (Decrease) in Liabilities:			
Banks and financial institutions' deposits (maturing within more than 3 months)		11,427,587	(61,798,688)
Customers' deposits		(395,756,020)	(7,135,039)
Cash margins		(49,734,324)	8,789,555
Other liabilities		(5,205,704)	388,625
Sundry provisions		(1,295,991)	(19,880,817)
Net Cash Flow (Used in) Operating Activities Before Income Tax		(469,241,804)	(107,763,555)
Income tax paid		(45,013,500)	(40,974,304)
Net Cash Flow (Used in) Operating Activities		(514,255,304)	(148,737,859)
INVESTING ACTIVITIES			
(Purchase) of financial assets at fair value through other comprehensive income		(63,043,940)	(41,434,624)
Matured of financial assets at fair value through other comprehensive income		75,281,478	70,132,318
(Purchase) of financial assets at amortized cost		(165,414,130)	(428,947,476)
Matured financial assets at amortized cost		118,700,000	157,433,372
(Purchase) of property and equipment		(2,931,061)	(7,044,964)
Proceeds from sale of property and equipment		15,723	(7,374)
(Purchase) of intangible assets		(2,263,367)	(1,896,429)
Lease liability paid		(2,365,357)	(2,431,491)
Net Cash Flow (Used in) Investing Activities		(42,020,654)	(254,196,668)
FINANCING ACTIVITIES			
Borrowed funds		126,281,670	24,479,651
Dividends paid to shareholders		(45,436)	(44,995,167)
Non-controlling interest		-	(889,799)
Net Cash Flows from (Used in) Financing Activities		126,236,234	(21,405,315)
Net (Decrease) in Cash and Cash Equivalent		(430,039,724)	(424,339,842)
Effect of the change in exchange rates on cash and cash equivalents		(325,415)	1,320,431
Cash and cash equivalents - beginning of the period		909,289,435	1,266,920,934
Cash and Cash Equivalents - End of the Period	25	478,924,296	843,901,523

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.THE HOUSING BANK FOR TRADE AND FINANCE
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - THE HASHEMITE KINGDOM OF JORDAN
NOTES TO THE CONDENSED CONSOLIDATED INTERIM
FINANCIAL INFORMATION

1. Incorporation and Activitives

- The Housing Bank for Trade and Finance ("the Bank") was established in 1973 and registered as a public shareholding limited company in accordance with the Jordanian Companies Law No. (12) of 1964.
- The Bank provides its banking and financing business activities through its headquarter in Amman – Jordan and through its branches in Jordan (122 branches) and abroad in Palestine and Bahrain (16 branches) and through its subsidiaries in Jordan, Syria, Algeria and the United Kingdom.
- The Bank’s shares are traded on Amman Stock Exchange.
- The condensed consolidated interim financial information were approved by the Bank’s Board of Directors on July 23, 2020.

2. Basis of Preparation of the Condensed Consolidated Interim Financial Information

- The accompanying condensed consolidated interim financial information have been prepared in accordance with the International Accounting Standard No. (34) “Interim Financial Reporting”, as adopted by the Central Bank of Jordan.
- The condensed consolidated interim financial information are prepared in accordance with the historical cost principle, except for financial assets and financial liabilities which are stated at fair value at the date of the condensed consolidated interim financial information.
- The reporting currency of the condensed consolidated interim financial information is the Jordanian Dinar, which is the functional currency of the Bank.
- The condensed consolidated interim financial information do not include all notes and information presented in the annual financial statements which is prepared in accordance with the international financial reporting standards as adopted by the Centernal Bank of Jordan and should be read with the Bank’s annual report for the year ended December 31, 2019. The results of the six months ended June 30, 2020 do not indicate the expected results for the year ended December 31, 2020. There was no appropriation of the profit of the six months ended June 30, 2020 which is usually performed at year end.
- The condensed consolidated interim financial information includes the condensed interim financial information of the Bank and its subsidiaries under its control. Control is achieved when the Bank has the ability to control the financial and operational policies of subsidiaries in order to obtain benefits from their activities. Transactions, balances, revenue and expenses between the Bank and its subsidiaries are eliminated.

As of June 30, 2020, the Bank owns the following subsidiaries:

a. Foreign subsidiaries:

- International Bank for Trade and Finance / Syria : paid-in capital is Syrian Lira 5.25 billion, of which the Bank owns 49.063%. The Bank has the power to control the administrative and financial policies of this bank. Therefore, its financial statements have been consolidated with the financial statements of the Bank. In this regard, the Bank's main objective is to conduct commercial banking activities, and ownership of this bank dates back to 2003. In addition, the International Bank for Trade and Finance has a subsidiary – The International Financial Center/ Syria with an ownership percentage of 85% of the company's capital amounting to 100 million SYL, whereas The Housing Bank for Trade and Finance owns a percentage of 5% of the company's capital.
- Housing Bank for Trade and Finance – Algeria : the ownership is 85% of the bank's capital of 10 billion Algerian dinars. The main objective of this bank is to conduct commercial banking activities, and ownership of this bank dates bank to 2002.
- Jordan International Bank / London: the Bank ownership is 75% of paid-up capital, which amounts to 65 million pounds sterling (65 million shares). The main objective of this bank is to conduct banking activities.

b. Local subsidiaries:

- International Financial Center Company- Jordan : the Bank ownership is 77.5% of paid-up capital, which amounted to JD 5 million. The Company's main activity is financial brokerage in local and foreign markets, and it conducts purchase and sale transactions of financial instruments for customers and the company. The Bank's ownership in this company dates back to 1998.
- Specialized Lease Finance Company – Jordan : the Bank owns 100% of paid- in capital of JD 30 millions (30 million shares). The Company's main activity is to conduct finance leases for various types of equipment and machinery, in addition to real estate, land, vehicles, and other items purchased by the company for finance lease purposes. The Bank's ownership in this company dates back to 2005.
- Jordan Real Estate Investments Company – Jordan: the Bank owns 100% of this company's paid- in capital of JD 40,000. The company's main activity is managing non- banking services employees, and the Bank's ownership in this company dates back to 1997.

3. Significant Accounting Policies

The accounting policies used in the preparation of the condensed consolidated interim financial information for the period ended on June 30, 2020 are consistent with those used in the preparation of the annual consolidated financial statements for the year ended December 31, 2019. However, the Group has adopted the following amendments and interpretations that apply for the first time in 2020 and do not have an impact on the condensed consolidated interim financial information of the Bank:

Amendments to IAS 1 and IAS 8 Definition of material

The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition.

The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'.

The definition of material in IAS 8 has been replaced by a reference to the definition of material in IAS 1. In addition, the IASB amended other Standards and the *Conceptual Framework* that contain a definition of material or refer to the term 'material' to ensure consistency.

The amendments are applied prospectively for annual periods beginning on or after January 1, 2020, with earlier application permitted.

Amendments to IFRS 3 Definition of a business

The amendments clarify that while businesses usually have outputs, outputs are not required for an integrated set of activities and assets to qualify as a business. To be considered a business an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs.

Additional guidance is provided that helps to determine whether a substantive process has been acquired.

The amendments introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets.

The amendments are applied prospectively to all business combinations and asset acquisitions for which the acquisition date is on or after the first annual reporting period beginning on or after January 1, 2020.

Amendments to References to the Conceptual Framework in IFRS Standards

Together with the revised *Conceptual Framework*, which became effective upon publication on 29 March 2018, the IASB has also issued *Amendments to References to the Conceptual Framework in IFRS Standards*. The document contains amendments to IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32.

Not all amendments, however, update those pronouncements with regard to references to and quotes from the framework so that they refer to the revised *Conceptual Framework*. Some pronouncements are only updated to indicate which version of the Framework they are referencing to (the IASB Framework adopted by the IASB in 2001, the IASB Framework of 2010, or the new revised Framework of 2018) or to indicate that definitions in the Standard have not been updated with the new definitions developed in the revised *Conceptual Framework*.

The amendments, where they actually are updates, are effective for annual periods beginning on or after January 1, 2020, with early application permitted.

4. Significant Accounting Judgments and key Sources of Uncertainty

Estimates:

Preparation of the condensed consolidated interim financial information and application of the accounting policies require management to make judgments, estimates, and assumptions that affect the amounts of financial assets and financial liabilities, and to disclose potential liabilities. Moreover, these estimates and judgments affect revenues, expenses, provisions, in general, expected credit losses, as well as changes in fair value that appear in the condensed consolidated interim statement of comprehensive income and within shareholders' equity. In particular, the Bank's management requires judgments to be made to estimate the amounts and timing of future cash flows. These estimates are necessarily based on multiple assumptions and factors with varying degrees of estimation and uncertainty. Meanwhile, the actual results may differ from estimates due to the changes arising from the conditions and circumstances of those estimates in the future.

The critical judgements and estimates used in the preparation of these condensed consolidated interim financial information are consistent with those used in the preparation of the Bank's annual financial statements for the year ended December 31, 2019, except for the following:

The Coronavirus (Covid-19) outbreak in early 2020 in many geographical regions around the world has caused widespread disruptions to business, with a consequential negative impact on economic activity. Also, this event is witnessing continuous and rapid developments, which required the Group's management to conduct an evaluation of the expected effects on the Group's business inside and outside the kingdom, perform a study to review and evaluate potential risks, in addition to providing additional disclosures in the interim consolidated financial statements as of June 30, 2020. Accordingly, the Bank has taken the following measures to contain the crisis:

A. The Bank's plan to address the new Corona virus (COVID-19) pandemic

Before announcing any cases of infection in Jordan, the Supreme Committee for Emergency has taken all necessary measures to ensure business continuity and customer service in the event of any emergency, through the formation of a specialized team to manage the crisis of the Corona virus spread in coordination with various sector heads and executives to ensure the implementation of a set of procedures, the most important of which are the following:

- Providing alternative locations for staff distribution to ensure business continuity and to maintain social distancing among employees.
- Activating the remote work feature for sensitive jobs in order to ensure sustained service delivery to customers via electronic channels and ATMs.
- Maintaining the safety of both employees and clients by taking sterilization measures in branches and workplaces.

B. The impact of the new coronavirus (COVID-19) outbreak on the results of the Bank's operations

- In order to assess the crisis expected impact on the the expected credit losses calculation results, a set of assumptions was used, based on the interplay of two main pillars that enable the Bank to monitor the impact of the crisis on its business. These two pillars are the following:
- Global practices for calculating credit losses based on International Financial Reporting Standard No. (9), and amendment of the calculation models developed for this purpose in a manner that leads to taking into account the impact of (COVID-19) event , and reaching reasonable expectations for the expected outputs of the impact.
- Management's overlay in assessing the impact on specific sectors or specific clients based on individual separate studies for each sector or customer.

The affected sectors have been divided into three main levels:

- Unaffected (low-risk) sectors
- Moderately affected sectors (medium risk)
- Highly affected sectors (high risk)

Reference has been made to the historical global economic indicators according to data maintained by Moody's Co., relating to economic crises, including: The crisis related to the economic downturn that occurred in 2001, as a result of the events of September 11th, whose impact was of medium intensity. As such, this was relatively relied upon for the sectors moderately affected. In addition, the crisis related to the economic downturn that occurred in 2008, which had a significant impact and was relatively relied upon for the sectors that were highly affected. Accordingly the following proposals have been made:

Impacting scenario ratios

According to the instructions of the Central Bank of Jordan regarding the application of International Financial Reporting Standard No. (9), banks are obliged to conduct several scenarios when calculating the expected credit losses, so that the final outcome of the results would represent the "expected weighted credit losses for the scenarios". In this respect, the Bank adopts three scenarios: Base Scenario, Upturn Scenario, and Downturn Scenario. The weights of these scenarios are determined based on the results of the Normal Distribution Curve.

Probability of Default (PD) Ratios Scenarios

The Bank's sectors have been divided into the above-mentioned three levels, according to the Bank's estimates by the Business Sectors Division for the most affected sectors by the crisis and the severity of the impact according to the current conditions.

In coordination with the Business Sectors Department, most affected sectors by the current crisis have been determined in order to reflect the impact of the crisis on the calculation models.

In coordination with the Bank's external consultants, the Bank's proposed methodology is to be discussed, and the best practices adopted by various banks in this regard are to be reviewed. The recommendation was that the effects of the crisis at the level of many countries have included all sectors due to its overlapping impact within several sectors. Therefore, all economic sectors have necessarily been greatly affected by the crisis. Accordingly, based on this recommendation, the following scenario has been adopted at the level of all economic sectors of the components of the portfolio, and the following weights have been applied:

	Weight %
Upturn Scenario	0%
Base Scenario	60%
Downturn Scenario	40%

Loss Given Default (LGD)

The calculated Loss Given Default (LGD) for all scenarios and stages has been raised by 5.35% for all accounts, according to historical data on default conditions and the amount of recovery for the previous 15 years obtained by Moody's. Moreover, the expected cash flows from the collaterals against the granted credit facilities have been reconsidered.

Management Overlay

The Bank's management has reached logical expectations regarding outcomes from this event, in addition to reflecting the Bank's management overlay in assessing the impact on some sectors or some clients based on the study of each sector or customer separately.

Deferred Installments and Customer Credit Rating

According to the Central Bank of Jordan circular No. 10/3/4375 issued on March 15, 2020 to the banks operating in Jordan, the bank postponed some of its customers due installments or installments that will become due without considering this as restructuring, and without affecting their credit ratings.

C. The effect of the coronavirus (COVID-19) outbreak on the Bank's liquidity levels

The Bank has prepared all scenarios related to stressful situations, and it enjoys comfortable levels that enable it to respond to market conditions. In addition, the measures adopted by the Central Bank of Jordan have significantly enhanced the liquidity of the Jordanian banking system.

5. Cash and Balances at Central Banks - Net

The details of this item are as follows:

	June 30, 2020 (Reviewed)	December 31, 2019 (Audited)
	JD	JD
Cash on hand and treasury	112,269,753	146,664,149
Balance at central banks :		
Current accounts and demand deposits	350,331,797	494,632,182
Term and notice deposits	37,962,871	46,442,778
Statutory cash reserve	225,747,583	341,875,608
Certificates of deposit *	-	85,004,400
Total Balances at Central Banks	614,042,251	967,954,968
Sub Total	726,312,004	1,114,619,117
Provision for expected credit losses **	(104,627)	(23,353)
Total	726,207,377	1,114,595,764

* There are no certificate of deposits purchased from the Central Bank of Jordan as of June 30, 2020. The outstanding balance as of December 31, 2019 maturing within a period less than three months.

** This item represents the provision for expected credit loss for the balances of the Central Bank / Syria with an amount of JD 104,627 as of June 30, 2020 (JD 23,353 as of December 31, 2019).

- The cash reserve amounted to JD 225,747,583 as of June 30, 2020 (JD 341,875,608 as of December 31, 2019).

- Except for the statutory cash reserve, there are no restrictions balances as of June 30, 2020 and December 31, 2019.

- There is no transfers between stages (1, 2 and 3) balance and expected loss provision or written off balances during the six months period ended June 30, 2020 and for the year ended December 31, 2019.

6. Balances at Banks and Financial Institutions - Net

The details of this item are as follows:

	Local Banks and Financial Institutions		Foreign Banks and Financial Institutions		Total	
	June 30, 2020 (Reviewed)	December 31, 2019 (Audited)	June 30, 2020 (Reviewed)	December 31, 2019 (Audited)	June 30, 2020 (Reviewed)	December 31, 2019 (Audited)
	JD	JD	JD	JD	JD	JD
Current and demand accounts	498,621	34,104,009	97,819,719	155,112,950	98,318,340	189,216,959
Deposits maturing during three months or less	73,054,497	99,804,101	167,510,608	163,712,055	240,565,105	263,516,156
Total	73,553,118	133,908,110	265,330,327	318,825,005	338,883,445	452,733,115
Provision for expected credit losses	(280,962)	(206,701)	(385,473)	(10,733)	(666,435)	(217,434)
Net	73,272,156	133,701,409	264,944,854	318,814,272	338,217,010	452,515,681

- The Non-interest bearing balances at banks and financial institutions are amounted to JD 34,962,345 as of June 30, 2020 (JD 28,830,901 as of December 31, 2019).
- There are no restricted balances as of June 30, 2020 and December 31, 2019.
- There is no transfers between stages (1, 2 and 3) for balances and expected credit loss provision or written off balances during the six months period ended June 30, 2020 and for the year ended December 31, 2019.

7. Deposits at Banks and Financial Institutions - Net

The details of this item are as follows:

	Local Banks and Financial Institutions		Foreign Banks and Financial Institutions		Total	
	June 30, 2020 (Reviewed)	December 31, 2019 (Audited)	June 30, 2020 (Reviewed)	December 31, 2019 (Audited)	June 30, 2020 (Reviewed)	December 31, 2019 (Audited)
	JD	JD	JD	JD	JD	JD
Deposits mature during the period:						
From 3 months to 6 months	-	-	26,349,828	7,653,875	26,349,828	7,653,875
From 6 months to 9 months	-	30,000,000	6,414,270	6,832,950	6,414,270	36,832,950
From 9 months to 12 months	30,000,000	-	2,411,953	12,004,964	32,411,953	12,004,964
Total	30,000,000	30,000,000	35,176,051	26,491,789	65,176,051	56,491,789
Provision for expected credit losses	(27,358)	(20,978)	(229,697)	(173,962)	(257,055)	(194,940)
Net	29,972,642	29,979,022	34,946,354	26,317,827	64,918,996	56,296,849

- There are no restrictions on deposits as of June 30, 2020 and December 31, 2019.
- There is no transfers between stages (1,2 and 3) for balances and expected loss provision or written off balances during the six months period ended June 30, 2020 and for the year ended December 31, 2019.

8. Direct Credit Facilities at Fair Value through Profit or Loss

The details of this item are as follows:

	June 30, 2020 (Reviewed)	December 31, 2019 (Audited)
	JD	JD
Facilities for corporate companies at fair value *	130,263,446	-
Total	130,263,446	-

* During the year 2020, the Bank concluded an interest swap agreement to hedge the interest rate risk on direct credit facilities, with a nominal value of JD 127,620,000, as of June 30, 2020. These facilities were measured at fair value as of June 30, 2020.

- The movement on direct credit facilities at fair value through profit or loss during the period / year were as follow:

	June 30, 2020 (Reviewed)	December 31, 2019 (Audited)
	JD	JD
Balance – beginning of the period/year	-	-
Transferred from direct credit facilities at amortized cost	129,077,796	-
Change in fair value during the period / year	1,185,650	-
Balance – End of the Period/Year	130,263,446	-

9. Financial Assets at Fair Value through Profit or Loss

The details of this item are as follows:

	June 30, 2020 (Reviewed)	December 31, 2019 (Audited)
	JD	JD
Quoted Financial Assets:		
Companies shares listed in financial markets	2,843,623	3,040,727
Total	2,843,623	3,040,727
Unquoted Financial Assets:		
Companies shares not listed in financial markets	632,797	632,797
Total	632,797	632,797
Grand Total	3,476,420	3,673,524

10. Financial Assets at Fair Value through other Comprehensive Income

The details of this item are as follows:

	June 30, 2020 (Reviewed)	December 31, 2019 (Audited)
	JD	JD
Unquoted shares	25,557,110	25,628,516
Total Shares	25,557,110	25,628,516
Jordanian Treasury bonds	169,679,248	157,903,675
Foreign governments bills and bonds	77,495,295	82,325,965
Corporate bonds	107,922,717	122,969,903
Total Bonds	355,097,260	363,199,543
Less: Provision of expected credit losses	(435,543)	(374,008)
Total Bonds – Net	354,661,717	362,825,535
Total	380,218,827	388,454,051

Bonds are repaid on several installments, the last of which matures in the year 2049 and the interest rates on the bonds ranges from 1.11% to 6.63%.

The movement on financial assets at fair value through other comprehensive income for shares during the period/year was as follow:

	June 30, 2020 (Reviewed)	December 31, 2019 (Audited)
	JD	JD
Fair value - beginning balance / year	25,628,516	21,976,065
New investments during the period / year	-	4,045,387
Sold investments during the period / year	(73,848)	(28,699)
Change in fair value during the period / year	2,442	(364,237)
Balance – End of the Period/Year	25,557,110	25,628,516

The movement on financial assets at fair value through other comprehensive income for bonds during the period / year was as follow:

	Stage (1) Individual	Stage (2) Individual	Stage (3)	Total
	JD	JD	JD	JD
For the Six Months Period				
<u>Ended June 30, 2020 (Reviewed)</u>				
Fair value – beginning of the period (Audited)	352,431,258	10,768,285	-	363,199,543
New investments during the period	68,577,817	-	-	68,577,817
Matured investments during the period	(64,482,175)	(10,720,328)	-	(75,202,503)
Change in fair value during the period	4,278,022	4,344	-	4,282,366
Amortize premium/ discount	(164,659)	(50,196)	-	(214,855)
Adjustments resulted from change in exchange rates	(5,543,003)	(2,105)	-	(5,545,108)
Balance – End of the Period (Reviewed)	355,097,260	-	-	355,097,260
For the Year Ended				
<u>December 31, 2019 (Audited)</u>				
Fair value – beginning of the year	339,523,905	10,805,623	-	350,329,528
New investments during the year	112,722,973	-	-	112,722,973
Matured investments during the year	(113,637,358)	-	-	(113,637,358)
Change in fair value during the year	11,486,097	188,591	-	11,674,688
Amortize premium/ discount	(820,025)	(154,672)	-	(974,697)
Changes resulting from adjustments	-	(101,024)	-	(101,024)
Adjustments resulted from change in exchange rates	3,155,666	29,767	-	3,185,433
Balance – End of the Year	352,431,258	10,768,285	-	363,199,543

The movement on expected credit losses during the period / year were as follow:

	Stage (1) Individual	Stage (2) Individual	Stage (3)	Total
	JD	JD	JD	JD
For the Six Months Period				
<u>Ended June 30, 2020 (Reviewed)</u>				
Balance – beginning of the period (Audited)	352,878	21,130	-	374,008
Expected credit losses for new investment during the period	188,507	-	-	188,507
Reversed from impairment losses on matured Investments	(82,368)	(21,130)	-	(103,498)
Effect on provision resulting from reclassification between three stages	(8,664)	-	-	(8,664)
Effect resulting from change in exchange currencies	(14,810)	-	-	(14,810)
Balance – End of the Period (Reviewed)	435,543	-	-	435,543
For the Year Ended				
<u>December 31, 2019 (Audited)</u>				
Balance – beginning of the year	214,695	87,536	-	302,231
Expected credit loss for new investments	165,063	-	-	165,063
Reversed from impairment losses on matured investments	(95,913)	-	-	(95,913)
Effect on provision resulting from reclassification between three stages	66,387	(70,073)	-	(3,686)
Adjustments resulting from change in exchange rates	2,646	3,667	-	6,313
Balance – End of the Year	352,878	21,130	-	374,008

11. Direct Credit Facilities at Amortized Cost – Net

The details of this item are as follows:

	June 30, 2020 (Reviewed)	December 31, 2019 (Audited)
	JD	JD
Individuals (retail):		
Overdraft accounts	5,099,357	5,123,088
Loans and discounted bills *	809,947,729	777,744,401
Credit cards	16,153,268	16,935,311
Real estate loans	1,218,871,965	1,217,404,841
Includes Housing loans	782,056,734	786,303,762
Companies:		
Large		
Overdraft accounts	265,781,253	266,181,191
Loans and discounted bills *	1,258,279,754	1,277,486,850
Small and Medium		
Overdraft accounts	73,202,603	72,876,785
Loans and discounted bills *	234,749,860	234,032,547
Government and public sector	696,589,531	730,959,320
Total	4,578,675,320	4,598,744,334
<u>Less:</u> Provision of expected credit losses	(376,272,525)	(333,607,743)
Interest in suspense	(113,893,064)	(106,315,586)
Net Direct Credit Facilities	4,088,509,731	4,158,821,005

- * Net after deducting interest and commission received in advance of JD 22,674,667 as of June 30, 2020 (JD 27,285,533 as of December 31, 2019).
- Non-performing credit facilities amounted to JD 349,930,492 which is equivalent to 7.43% of total direct credit facilities as of June 30, 2020 (JD 344,498,537 which is equivalent to 7.49% of total direct credit facilities as of December 31, 2019).
- Non-performing credit facilities after deducting interest and commissions in suspense amounted to JD 238,875,051 which is equivalent to 5.20% of total direct credit facilities balance after deducting interest and commission in suspense as of June 30, 2020 (JD 240,420,406 which is equivalent to 5.35% of total credit facilities balance after deducting interest and commission in suspense as of December 31, 2019).
- Non-performing credit facilities transferred to off-the consolidated statement of financial position amounted to JD 205,122 during the six months period ended June 30, 2020 (JD 24,073,213 during the year 2019), the off-balance sheet item balance is amounted to JD 379,088,090 as of June 30, 2020 (JD 369,337,944 as of December 31, 2019). These debts are fully covered with provisions and outstanding interests.
- Direct credit facilities granted to and guaranteed by the Government of Jordan amounted to JD 696,589,531 which is equivalent to 14.8% of total direct credit facilities as of June 30, 2020 (JD 730,959,320 which is equivalent to 15.9% as of December 31, 2019).
- Loans rescheduled are amounted to JD 19.5 million during the period ended June 30, 2020 against JD 57.3 million during the year 2019.
- Loans restructured are amounted to JD 177 million during the period ended June 30, 2020 against JD 464.6 million during the year 2019.

The movement on direct credit facilities during the period / year were as follow:

	Stage (1)		Stage (2)		Stage (3) JD	Total JD
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD		
For the Six Months Period						
<u>Ended June 30, 2020 (Reviewed)</u>						
Balance - beginning of the period (Audited)	1,999,944,671	1,764,918,943	321,609,001	124,546,946	387,724,773	4,598,744,334
New credit facilities during the period	261,697,968	208,460,208	3,154,603	9,757,452	3,481,902	486,552,133
Paid credit facilities during the period	(156,083,119)	(163,211,111)	(14,835,344)	(5,014,561)	(9,118,433)	(348,262,568)
Transferred (from) to stage (1)	21,773,318	44,684,527	(21,689,528)	(44,600,667)	(167,650)	-
Transferred (from) to stage (2)	(15,900,413)	(76,412,525)	26,243,777	82,327,839	(16,258,678)	-
Transferred (from) to stage (3)	(3,568,540)	(3,883,284)	(29,709,328)	(12,730,691)	49,891,843	-
Changes resulted from adjustments	43,741,332	(11,080,328)	6,967,313	(9,557,613)	13,277,507	43,348,211
Written off credit facilities	-	-	-	-	(756,719)	(756,719)
Transferred to direct credit facilities at fair value facilities through profit or loss	(129,077,796)	-	-	-	-	(129,077,796)
Adjustments resulting from change in exchange	(27,555)	(39,681,828)	(380,161)	(15,614,271)	(16,168,460)	(71,872,275)
Balance - End of the Period (Reviewed)	<u>2,022,499,866</u>	<u>1,723,794,602</u>	<u>291,360,333</u>	<u>129,114,434</u>	<u>411,906,085</u>	<u>4,578,675,320</u>
For the Year Ended						
<u>December 31, 2019 (Audited)</u>						
Balance - beginning of the year	2,029,239,721	1,834,400,248	364,212,379	114,148,672	303,583,673	4,645,584,693
Reclassification impact	(2,168,092)	2,168,092	-	-	-	-
Adjusted balance – beginning of the year	2,027,071,629	1,836,568,340	364,212,379	114,148,672	303,583,673	4,645,584,693
New credit facilities during the year	580,130,710	478,308,722	30,001,206	28,537,384	12,624,254	1,129,602,276
Paid credit facilities during the year	(259,999,172)	(346,113,810)	(33,284,425)	(27,059,377)	(18,506,706)	(684,963,490)
Transferred (from) to stage (1)	55,263,078	38,507,533	(53,089,468)	(32,005,140)	(8,676,003)	-
Transferred (from) to stage (2)	(79,422,136)	(71,020,380)	81,246,852	76,160,950	(6,965,286)	-
Transferred (from) to stage (3)	(15,516,378)	(29,660,575)	(53,843,291)	(24,203,331)	123,223,575	-
Changes resulting from adjustments	(307,535,552)	(144,535,936)	(13,802,369)	(10,852,957)	8,445,535	(468,281,279)
Written off credit facilities	-	-	-	-	(26,004,901)	(26,004,901)
Adjustments resulting from change in exchange	(47,508)	2,865,049	168,117	(179,255)	632	2,807,035
Balance - End of the Year	<u>1,999,944,671</u>	<u>1,764,918,943</u>	<u>321,609,001</u>	<u>124,546,946</u>	<u>387,724,773</u>	<u>4,598,744,334</u>

The movement on the provision of expected credit loss during the period / year were as follows:

	<u>Corporate</u>	<u>SME's</u>	<u>Retail</u>	<u>Real Estate</u>	<u>Governmental and Public</u>	<u>Total</u>
	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>
<u>For the Six Months Ended June 30, 2020</u>						
<u>(Reviewed)</u>						
Balance - beginning of the period (Audited)	178,484,965	39,280,368	40,543,847	74,880,894	417,669	333,607,743
Effect of re-classification	<u>1,294,031</u>	<u>(726,336)</u>	<u>13,758</u>	<u>(181,452)</u>	<u>(400,001)</u>	-
Adjusted Beginning Balance (Reviewed)	<u>179,778,996</u>	<u>38,554,032</u>	<u>40,557,605</u>	<u>74,699,442</u>	<u>17,668</u>	<u>333,607,743</u>
Impairment loss on new facilities during the period	2,444,058	2,668,569	2,011,628	446,497	108	7,570,860
Reversed from impairment loss on paid facilities	(5,917,259)	(2,092,453)	(1,605,131)	(641,114)	-	(10,255,957)
Transferred to stage (1)	1,394,722	981,016	1,557,004	1,151,871	-	5,084,613
Transferred (from) to stage (2)	(8,779,220)	(4,498,171)	(253,319)	4,476,760	-	(9,053,950)
Transferred (from) to stage (3)	7,384,499	3,517,156	(1,303,686)	(5,628,632)	-	3,969,337
Effect on the provision as of the end of the period resulting from reclassification between stages during the period	10,757,924	4,506,945	2,755,728	(1,807,748)	-	16,212,849
Changes resulting from adjustment	23,720,992	3,500,303	1,911,826	8,884,861	12,640	38,030,622
Written off credit facilities	(271,600)	(154,237)	-	(3,360)	-	(429,197)
Adjustments resulting from change in exchange rates	<u>(7,315,139)</u>	<u>(952,788)</u>	<u>(37,703)</u>	<u>(158,765)</u>	-	<u>(8,464,395)</u>
Balance - End of the Period (Reviewed)	<u>203,197,973</u>	<u>46,030,372</u>	<u>45,593,952</u>	<u>81,419,812</u>	<u>30,416</u>	<u>376,272,525</u>
Redistribution based on portfolio:						
Provisions on an individual level	197,295,274	36,153,084	31,111,154	73,165,213	30,416	337,755,141
Provisions on a collective level	<u>5,902,699</u>	<u>9,877,288</u>	<u>14,482,798</u>	<u>8,254,599</u>	-	<u>38,517,384</u>
	<u>203,197,973</u>	<u>46,030,372</u>	<u>45,593,952</u>	<u>81,419,812</u>	<u>30,416</u>	<u>376,272,525</u>
Redistribution based on stages:						
Stage (1)	13,720,677	5,807,952	6,856,222	4,197,624	30,416	30,612,891
Stage (2)	42,243,526	2,198,846	7,744,478	49,070,152	-	101,257,002
Stage (3)	147,233,770	38,023,574	30,993,252	28,152,036	-	244,402,632
	<u>203,197,973</u>	<u>46,030,372</u>	<u>45,593,952</u>	<u>81,419,812</u>	<u>30,416</u>	<u>376,272,525</u>

	Corporate JD	SME's JD	Retail JD	Real Estate JD	Governmental and Public JD	Total JD
<u>For the Year Ended December 31, 2019</u>						
<u>(Audited)</u>						
Balance - beginning of the year	170,238,709	29,273,078	33,836,340	58,047,200	437,023	291,832,350
Reclassification impact	(1,920,927)	1,366,855	(1,123,754)	1,677,826	-	-
Previous years adjustments	-	-	370,386	-	-	370,386
Adjusted Beginning Balance	168,317,782	30,639,933	33,082,972	59,725,026	437,023	292,202,736
Impairment loss on new facilities during the year	10,952,952	4,329,529	4,829,618	1,340,348	403,004	21,855,451
Reversed from impairment loss on paid facilities	(6,003,236)	(1,681,751)	(3,825,031)	(2,050,453)	(407,635)	(13,968,106)
Transferred to stage (1)	360,089	224,485	3,298,663	2,074,984	24,469	5,982,690
Transferred (from) to stage (2)	(10,748,485)	(1,085,242)	(1,801,670)	8,589	(24,469)	(13,651,277)
Transferred (from) to stage (3)	10,388,396	860,756	(1,496,993)	(2,083,573)	-	7,668,586
Effect on the provision as of the end of the period resulting from reclassification between stages during the year	18,828,216	8,524,702	7,833,773	15,015,072	(16,272)	50,185,491
Changes resulting from adjustment	(6,604,413)	(1,180,815)	(1,341,453)	923,319	1,549	(8,201,813)
Written off credit facilities	(6,926,790)	(1,290,584)	(35,215)	(72,040)	-	(8,324,629)
Adjustments resulting from change in exchange rates	(79,546)	(60,645)	(817)	(378)	-	(141,386)
Balance - End of the Year	178,484,965	39,280,368	40,543,847	74,880,894	417,669	333,607,743
Redistribution based on portfolio:						
Provisions on an individual level	168,745,190	32,857,041	2,869,212	52,400,999	417,669	257,290,111
Provisions on a collective level	9,739,775	6,423,327	37,674,635	22,479,895	-	76,317,632
	178,484,965	39,280,368	40,543,847	74,880,894	417,669	333,607,743
Redistribution based on stages:						
Stage (1)	10,515,929	4,378,140	4,900,913	4,005,982	417,669	24,218,633
Stage (2)	42,341,456	6,186,026	5,173,978	39,662,728	-	93,364,188
Stage (3)	125,627,580	28,716,202	30,468,956	31,212,184	-	216,024,922
	178,484,965	39,280,368	40,543,847	74,880,894	417,669	333,607,743

Interest in Suspense

The following is the movement on interest in suspense:

	<u>Corporate Entities</u>			<u>Real Estate loans</u>	<u>Government and Public Sector</u>	<u>Total</u>
	<u>Corporate JD</u>	<u>SME's JD</u>	<u>Retail JD</u>			
<u>For the Six Months Ended June 30, 2020 (Reviewed)</u>						
Balance – beginning of the period (Audited)	45,614,086	23,114,028	20,778,391	16,809,081	-	106,315,586
Effect of re-classification	328,259	(324,395)	10,237	(14,101)	-	-
Adjusted Beginning Balance (Reviewed)	45,942,345	22,789,633	20,788,628	16,794,980	-	106,315,586
Suspended interest on new exposures during the period	3,589	96,837	52,674	76,941	-	230,041
Suspended interest on settled exposures transferred to revenue during the period	(1,513,429)	(375,231)	(145,345)	(579,985)	-	(2,613,990)
Total effect on the suspended interest resulting from reclassification between stages	287,191	235,240	(100,626)	(471,063)	-	(49,258)
Total effect on the suspended interest resulting from adjustments	4,852,707	3,243,404	2,744,738	2,650,046	-	13,490,895
Written-off interest in suspense	(142,353)	(51,825)	(93,387)	(39,957)	-	(327,522)
Foreign currency translation	(2,845,013)	(289,673)	(7,754)	(10,248)	-	(3,152,688)
Balance – End of the Period (Reviewed)	46,585,037	25,648,385	23,238,928	18,420,714	-	113,893,064
<u>For the year ended December 31, 2019 (Audited)</u>						
Balance – beginning of the year	46,129,145	21,650,361	16,657,671	13,956,530	3,890	98,397,597
Reclassification impact	1,176,208	(840,215)	(76,351)	(259,642)	-	-
Adjusted Beginning Balance	47,305,353	20,810,146	16,581,320	13,696,888	3,890	98,397,597
Suspended interest on new exposures during the year	253,607	483,363	674,173	695,210	-	2,106,353
Suspended interest on settled exposures transferred to revenue during the year	(371,019)	(739,486)	(781,768)	(918,895)	(3,890)	(2,815,058)
Total effect on the suspended interest resulting from reclassification between stages	2,082,475	816,034	376,812	1,200,530	-	4,475,851
Total effect on the suspended interest resulting from adjustments	11,275,250	3,979,342	4,219,266	2,873,579	-	22,347,437
Written-off interest in suspense	(14,930,855)	(2,211,943)	(290,865)	(738,194)	-	(18,171,857)
Adjustments resulting from change in exchange rates	(725)	(23,428)	(547)	(37)	-	(24,737)
Balance – End of the Year	45,614,086	23,114,028	20,778,391	16,809,081	-	106,315,586

- The following table shows the total credit facilities classified by economic sector and geographic distribution:

Economic Sector	June 30, 2020 (Reviewed)			December 31, 2019 (Audited)
	Inside Jordan	Outside Jordan	Total	Total
	JD	JD	JD	JD
Financial	132,160,990	36,082,951	168,243,941	131,029,104
Industrial	300,605,843	192,590,943	493,196,786	625,502,218
Trading	286,528,067	253,981,176	540,509,243	504,019,820
Real estate	1,054,696,701	209,295,015	1,263,991,716	1,235,557,585
Agriculture	23,283,837	1,513,430	24,797,267	19,640,148
Shares	5,489,325	-	5,489,325	11,239,371
Individuals	816,033,298	38,409,181	854,442,479	840,773,275
Government and public sector	625,353,958	71,235,573	696,589,531	730,959,320
Other	432,710,240	98,704,792	531,415,032	500,023,493
	<u>3,676,862,259</u>	<u>901,813,061</u>	<u>4,578,675,320</u>	<u>4,598,744,334</u>

12. Financial Assets at Amortized Cost - Net

The details of this item are as follows:

	June 30, 2020 (Reviewed)	December 31, 2019 (Audited)
	JD	JD
Quoted Financial Assets:		
Jordanian treasury bills	-	24,501,537
Jordanian government bills	14,735,395	-
Jordanian treasury bonds *	1,175,404,540	1,116,525,231
Governmental guaranteed bonds	531,374,350	531,351,277
Foreign governments bonds	24,343,515	22,565,281
Corporate bonds and debentures	128,381,748	131,858,249
Total Quoted Financial Assets	<u>1,874,239,548</u>	<u>1,826,801,575</u>
Unquoted Financial Assets:		
Corporate bonds and debentures	3,000,001	3,000,001
Total Unquoted Financial Assets	<u>3,000,001</u>	<u>3,000,001</u>
Total	<u>1,877,239,549</u>	<u>1,829,801,576</u>
<u>Less: Provision for excepted credit losses</u>	<u>(3,552,028)</u>	<u>(3,177,625)</u>
Total	<u>1,873,687,521</u>	<u>1,826,623,951</u>
Bonds and Bills Analysis:		
at fixed rate	1,865,116,521	1,818,052,951
at floating rate	8,571,000	8,571,000
Total	<u>1,873,687,521</u>	<u>1,826,623,951</u>

- Bonds are repaid on several installments, the last of which matures in the year 2030.
- Interest rate on bonds ranges from 1.11% to 6.74%.
- * The Bank has entered into repurchase agreements with the Central Bank of Jordan as stated in Note (15) against mortgaging treasury bonds with a nominal value of JD 117,114,000 and a book value of JD 116,746,704.

- The following is the movement on financial assets at amortized cost during the period / year:

	Stage (1) Individual	Stage (2) Individual	Stage (3) Individual	Total
	JD	JD	JD	JD
<u>For the Six Months Ended June 30, 2020 (Reviewed)</u>				
Beginning balance (Audited)	1,826,801,575	-	3,000,001	1,829,801,576
New investments during the period	166,615,545	-	-	166,615,545
Matured investments during the period	(118,700,000)	-	-	(118,700,000)
Amortization of premium/ discount	723,841	-	-	723,841
Adjustments resulting from changes in exchange rates	(1,201,413)	-	-	(1,201,413)
Balance – End of the Period (Reviewed)	1,874,239,548	-	3,000,001	1,877,239,549
<u>For the Year Ended December 31, 2019 (Audited)</u>				
Beginning balance	1,486,926,055	-	3,000,001	1,489,926,056
New investments during the year	655,218,583	-	-	655,218,583
Matured investments during the year	(318,672,790)	-	-	(318,672,790)
Amortization of premium/ discount	3,069,748	-	-	3,069,748
Adjustments resulting from changes in exchange rates	259,979	-	-	259,979
Balance – End of the Year	1,826,801,575	-	3,000,001	1,829,801,576

The following is the movement on provision for expected credit losses during the period / year:

	Stage (1) Individual	Stage (2) Individual	Stage (3)	Total
	JD	JD	JD	JD
<u>For the Six Months Ended June 30, 2020 (Reviewed)</u>				
Beginning balance (Audited)	177,625	-	3,000,000	3,177,625
Expected credit loss for new investments during the period	109,216	-	-	109,216
Expected credit loss for matured investments during the period	(9,007)	-	-	(9,007)
The effect on the provision resulting from the adjustments	280,375	-	-	280,375
Adjustments resulting from changes in exchange rates	(6,181)	-	-	(6,181)
Balance – End of the Period (Reviewed)	552,028	-	3,000,000	3,552,028
<u>For the Year Ended December 31, 2019 (Audited)</u>				
Beginning balance	123,069	-	3,000,000	3,123,069
Expected credit loss for new investments during the year	85,125	-	-	85,125
Expected credit loss for matured investments during the year	(23,136)	-	-	(23,136)
The effect on the provision resulting from the adjustments	(10,046)	-	-	(10,046)
Adjustments resulting from changes in exchange rates	2,613	-	-	2,613
Balance – End of the Year	177,625	-	3,000,000	3,177,625

13. Other Assets

The details of this item are as follows:

	June 30, 2020 (Reviewed)	December 31, 2019 (Audited)
	JD	JD
Accrued revenues and interest	29,988,956	29,789,846
Prepaid expenses	6,765,303	3,868,543
Assets seized by the Bank *	73,460,344	64,412,759
Cheques under collection	9,579,740	13,130,829
Other	20,745,636	18,085,838
Expected Credit Loss Provision **	(6,943,920)	(352,000)
Total	133,596,059	128,935,815

- * The regulations of Central Bank of Jordan require to dispose off the assets it seizes during a maximum period of two years from the date of the acquisition.

The following is a summary of the movement on assets seized by the Bank:

	For the Six Months Period Ended June 30, 2020 (Reviewed)	For the Year Ended December 31, 2019 (Audited)
	JD	JD
Beginning balance	64,412,759	62,259,328
Additions during the period / year	11,832,285	7,328,763
Disposals during the period / year	(1,934,813)	(2,761,640)
Impairment loss during the period / year	(741,529)	(2,413,692)
Foreign currencies translation difference during the period / year	(108,358)	-
Balance – Ending of the Period / Year	73,460,344	64,412,759

- ** The following is the movement on expected credit losses for other assets during the period / year:

	For the Six Months Period Ended June 30, 2020 (Reviewed)	For the Year Ended December 31, 2019 (Audited)
	JD	JD
Beginning balance for the period / year	352,000	-
Transferred from other sundry provisions	6,511,790	-
Impairment loss during the period / year	200,247	352,000
Foreign currencies translation difference	(120,117)	-
Balance – Ending of the Period / Year	6,943,920	352,000

14. CUSTOMERS' DEPOSITS

The details of this item are as follows:

	Retail	Corporate	SME's	Governmental and Public	Total
	JD	JD	JD	JD	JD
<u>June 30, 2020</u>					
<u>(Reviewed)</u>					
Current accounts and demand deposits	628,640,877	185,047,045	303,022,318	59,747,107	1,176,457,347
Saving deposits	1,988,372,101	96,013	16,654,553	464,526	2,005,587,193
Time and notice deposits	1,307,585,621	344,182,890	87,964,699	214,796,048	1,954,529,258
Certificates of deposit	249,756,665	27,621,742	389,712	-	277,768,119
Others	415,031	-	-	-	415,031
Total	<u>4,174,770,295</u>	<u>556,947,690</u>	<u>408,031,282</u>	<u>275,007,681</u>	<u>5,414,756,948</u>
<u>December 31, 2019</u>					
<u>(Audited)</u>					
Current accounts and demand deposits	642,993,738	145,017,839	326,621,662	45,305,384	1,159,938,623
Saving deposits	2,045,168,781	436,784	15,630,082	460,339	2,061,695,986
Time and notice deposits	1,479,637,391	361,481,275	110,768,971	340,862,820	2,292,750,457
Certificates of deposit	268,521,193	27,178,614	11,866	-	295,711,673
Others	416,229	-	-	-	416,229
Total	<u>4,436,737,332</u>	<u>534,114,512</u>	<u>453,032,581</u>	<u>386,628,543</u>	<u>5,810,512,968</u>

- The deposits of the public sector and the Government of Jordan inside the Kingdom amounted to approximately JD 268.5 million representing 5 % of total deposits as of June 30, 2020 (approximately JD 381.6 million, representing 6.6% of total deposits as of December 31, 2019).
- Non-interest bearing deposits are amounted to JD 1.69 billion, representing 31.3% of total deposits as of June 30, 2020 (around JD 1.59 billion, representing 27.3% of total deposits as of December 31, 2019).
- Restricted deposits (Restricted withdrawal) amounted to JD 181.8 million, representing 3.4% of total deposits as of June 30, 2020 (JD 208.7 million, representing 3.6% of total deposits as of December 31, 2019).
- Dormant accounts amounted to JD 221.8 million, representing 4.1% of total deposits as of June 30, 2020 (JD 203 million, representing 3.5% of total deposits as of December 31, 2019).

15. Borrowed funds:

This item consists of the following:

June 30, 2020 (Reviewed)	Amount	Instalment Maturity Period	Repayment Date	Guarantee	Borrowing Interest Rate	Re-borrowed Interest rate
	JD					
Amman Cairo Bank	21,500,000	Monthly	30/7/2020	Financial solvency	3.50%	10.50%
Real Estate Mortgage Re-fund Co.	5,000,000	Semi annual	6/5/2023	Financial solvency	4.50%	10.50%
Real Estate Mortgage Re-fund Co.	5,000,000	Semi annual	9/8/2020	Financial solvency	5.85%	10.50%
Real Estate Mortgage Re-fund Co.	5,000,000	Semi annual	7/1/2021	Financial solvency	5%	10.50%
Real Estate Mortgage Re-fund Co.	5,000,000	Semi annual	12/11/2020	Financial solvency	5%	10.50%
Central Bank of Jordan	5,250,000	Semi annual	14/7/2028	Financial solvency	2.54%	Guaranteed %6.04 without guarantee %6.54
Central Bank of Jordan	3,974,875	Semi annual	7/2/2031	Financial solvency	2.59%	Guaranteed %5.59 without guarantee %6.59
Central Bank of Jordan	2,030,000	Semi annual	29/11/2024	Financial solvency	2.50%	Guaranteed %6 without guarantee %6.5
Central Bank of Jordan	3,880,680	Semi annual	21/12/2039	Financial solvency	3%	Guaranteed %6.5 without guarantee %7.5
Central Bank of Jordan	14,667,509	According to maturity period	5 years advances, (excluding renewable energy 10 years)	Promissory note on demand	Inside the capital 1% Outside the capital 0.5%	Inside the capital 3.75% outside the capital 3.25%
Central Bank of Jordan – The national program to for the effect of Corona Virus	12,231,973	According to maturity period	42 months, with a grace period of up to 12 months	Promissory note on demand	0%	2%
Central Bank of Jordan (Repurchase agreement)	119,998,869	According to maturity period	From 13 days to 9 months	Mortgage bond pledge	2%	-
Sumitomo Mitsubishi Bank – Japan	6,058,230	One instalment	21/10/2020	Financial solvency	0.85%	Laibour 6 months + 2.15% without guarantee %2.15
Real Estate Mortgage Re-fund Co.*	50,000,000	Interest is paid semi-annually and the loan is paid in one instalment	29/5/2024	Mortgage	6.35%	5.75%-8.50%
Real Estate Mortgage Re-fund Co.*	25,000,000	Interest is paid semi-annually and the loan is paid in one instalment	31/1/2022	Mortgage	6.10%	5.75%-8.50%
	<u>284,592,136</u>					

- * Funds have been reborrowed by customers for housing loans with an interest rate ranged from 5.75% to 8.50%, and reborrowed funds amounted to JD 75,000,000.
- Borrowed funds with a fixed interest rate amounted to JD 275,367,261, and borrowed funds with variable interest rate amounted to JD 9,224,875 as of June 30, 2020.
- Re-borrowed funds from Central Bank of Jordan maturity date ranges from 6 months to 22 years.
- Borrowed funds amounted to JD 31,506,659 and settled borrowed funds amounted to JD 25,223,858 except for repurchased agreement performed with Central Bank of Jordan during the six months period ended June 30, 2020.
- The renewed loans amounted to JD 10,000,000 during the first half of the year 2020.

	Amount	Instalment Maturity Period	Repayment Date	Guarantee	Borrowing Interest Rate	Re- borrowed Interest rate
December 31, 2019 (Audited)	JD					
Amman Cairo Bank	1,000,000	Monthly	30/07/2019	Financial solvency	4.50%	10.50%
Amman Cairo Bank	24,000,000	Monthly	30/07/2019	Financial solvency	4.75%	10.50%
Real Estate Mortgage Re-fund Co.	5,000,000	Semi annual	04/05/2020	Financial solvency	5.75%	10.50%
Real Estate Mortgage Re-fund Co.	5,000,000	Semi annual	09/08/2020	Financial solvency	5.85%	10.50%
Real Estate Mortgage Re-fund Co.	5,000,000	Semi annual	12/11/2020	Financial solvency	5.75%	10.50%
Real Estate Mortgage Re-fund Co.	5,000,000	Semi annual	07/01/2020	Financial solvency	5.75%	10.50%
Sumitomo Mitsubishi Bank – Japan	11,395,887	One Installment	15/6/2020	Financial solvency	0.85%	-
Central Bank of Jordan	5,600,000	Semi annual	14/07/2028	Financial solvency	3.85%	Guaranteed %7.98 without guarantee %8.48
Central Bank of Jordan	3,974,875	Semi annual	07/02/2031	Financial solvency	3.90%	Guaranteed %7.53 without guarantee %8.53
Central Bank of Jordan	2,275,000	Semi annual	29/11/2024	Financial solvency	2.50%	Guaranteed %6 without guarantee %6.5
Central Bank of Jordan	2,814,013	Semi annual	21/12/2039	Financial solvency	3.00%	Guaranteed %6.5 without guarantee %7.5
Central Bank of Jordan	12,250,691	According to maturity period	5 years except of renewable energy 10 years	Promissory note on demand	Inside the capital 1.75% Outside the capital 1%	Inside the capital 4.5% outside the capital 3.75%
Real Estate Mortgage Re-fund Co.*	50,000,000	Interest is paid semi-annually and the loan is paid in one instalment	29/05/2024	Mortgage	6.35%	6.99%- 9.25%
Real Estate Mortgage Re-fund Co.*	25,000,000	Interest is paid semi-annually and the loan is paid in one instalment	31/01/2022	Mortgage	6.10%	6.99%-9.25%
	<u>158,310,466</u>					

- * Funds have been reborrowed for housing loans at an interest rate ranging from 6.99% to 9.25%, and reborrowed funds amounted to JD 75,000,000.
- Borrowed funds with a fixed interest rate amounted to JD 137,339,704, and borrowed funds with variable interest rate amounted to JD 9,574,875 as of December 31, 2019.
- The maturity dates of funds reborrowed from the Central Bank of Jordan range from March, 15 2020 to December 31, 2040.
- Borrowed funds during 2019 amounted to JD 76,963,491 and the settled borrowed funds amounted to JD 55,908,283.
- The renewed loans amounted to JD 80,000,000.

16. Income Tax

a. Income tax provision

The movement on the income tax provision is as follows:

	June 30, 2020 (Reviewed)	December 31, 2019(Audited)
	JD	JD
Balance – beginning of the period / year	46,550,293	49,752,994
Income tax paid	(45,013,500)	(53,352,248)
Accrued income tax	36,177,984	44,917,751
Income tax due from the distribution of profits of a subsidiary	-	5,219,005
Currency translation	(118,623)	12,791
Balance – Ending of the Period / Year	<u>37,596,154</u>	<u>46,550,293</u>

- Income tax rate for Banks in Jordan is 35% and a 3% for the national contribution account. In addition, the average income tax percentage in the countries in which the Bank has investments is in between (0- 31%).
- Jordan branches have reached a final settlement until year 2015.
- Tax returns for the years 2017, 2018, and 2019 for Jordan branches were submitted on time and the Bank paid the taxes for these years on time. However, the Income and Sales Tax Department did not audit them until the date of issuance of the financial statements.
- The Income and Sales Tax Department (“ISTD”) has issued the tax audit decision for the year 2016. The tax decision resulted in additional tax due in an amount of JD 9,866,928. The Bank has submitted a tax objection on the tax audit decision, however, the final decision of the objection has not been issued up to date. In the opinion of the bank’s legal advisor, the Bank has a sound legal position and there are no due tax amounts as of the date of the issuance of these condensed consolidated interim financial statements.
- The income tax for Palestine branches was paid up to the year 2019, and reached a final settlement with the Income and Sales Tax Department for all years except 2019.
- The income tax for International Bank for Trade and Finance /Syria was paid up to the year 2019.
- The income tax for the Housing Bank for Trade and Finance /Algeria was paid up to the year 2019.
- The income tax for Jordan International Bank/ London was paid up to the year 2019.
- The income tax for International Financial Centre Company was paid up to the year 2019, and reached a final settlement with the Income and Sales Tax Department up to the year 2017.
- The income tax for Specialized Leasing Company was paid up to the year 2019, and reached a final settlement with the Income and Sales Tax Department up to the year 2017.

b. Income tax expense appearing in the condensed consolidated interim statement of profit or loss represents the following:

	For the Six Months Ended June 30,	
	2020 (Reviewed)	2019 (Reviewed)
	JD	JD
Provision for income tax for the period	36,177,984	16,891,485
Deferred tax assets for the period	(29,044,040)	(18,666,355)
Amortization of deferred tax assets	9,439,385	21,280,105
Amortization of deferred tax liabilities	(4,127)	(483,046)
Prior years adjustments	-	769,853
Total	<u>16,569,202</u>	<u>19,792,042</u>

17. Other Liabilities

The details for this item are as follows:

	June 30, 2020 (Reviewed)	December 31, 2019 (Audited)
	JD	JD
Accrued interest	18,920,875	22,401,169
Interests and commissions received in advance	708,126	949,144
Accrued expenses	16,059,170	17,646,599
Certified cheques	27,987,907	35,068,675
Transfers deposits	41,497,644	31,439,928
Payment in process	8,529,453	6,203,976
Prizes	586,153	1,315,822
Corresponding banks	1,588,163	1,435,089
General management deposits	4,824,520	5,439,250
Shareholders deposits	2,661,157	2,706,593
Accounts payable	2,103,783	3,018,488
Other deposits	54,364,981	58,745,944
Provision for indirect facilities' expected credit losses	36,615,757	32,057,352
Unrealized losses / derivatives	1,185,650	-
Other	9,364,959	11,238,050
Total	<u>226,998,298</u>	<u>229,666,079</u>

Below is the movement on indirect facilities during the period / year:

	<u>Stage (1)</u>		<u>Stage (2)</u>		<u>Stage (3)</u>	<u>Total</u>
	<u>Individual</u>	<u>Collective</u>	<u>Individual</u>	<u>Collective</u>		
	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>		
<u>For the Six Months Period June 30, 2020</u>						
<u>(Reviewed)</u>						
Balance at the beginning of the period (Audited)	686,750,033	139,683,669	32,131,097	4,381,623	19,746,052	882,692,474
New exposures during the period	149,725,707	38,104,431	2,642,055	701,954	25,001	191,199,148
Matured exposures during the period	(152,614,004)	(53,978,008)	(4,197,588)	(1,171,597)	(1,116,923)	(213,078,120)
Transferred (from) to stage (1)	3,749,326	1,186,491	(3,648,826)	(1,133,491)	(153,500)	-
Transferred (from) to stage (2)	(2,928,671)	(3,614,057)	2,928,671	3,624,057	(10,000)	-
Transferred (from) to stage (3)	(286,415)	(12,000)	(2,710,598)	(59,029)	3,068,042	-
Changes resulting from adjustment	(68,822,983)	3,748,384	92,974	455,252	366	(64,526,007)
Adjustments resulting from foreign currency changes	(4,082)	(14,273,770)	(3,225)	(2,485,291)	(14,441)	(16,780,809)
Balance at the Ending of the Period (Reviewed)	<u>615,568,911</u>	<u>110,845,140</u>	<u>27,234,560</u>	<u>4,313,478</u>	<u>21,544,597</u>	<u>779,506,686</u>
<u>For the Year Ended December 31, 2019</u>						
<u>(Audited)</u>						
Balance at the beginning of the year	519,936,051	151,028,148	31,565,361	610,752	18,881,469	722,021,781
New exposures during the year	295,140,096	64,899,990	21,838,545	3,248,015	83,382	385,210,028
Matured exposures during the year	(213,726,896)	(78,032,692)	(24,115,501)	(226,826)	(1,677,388)	(317,779,303)
Transferred (from) to stage (1)	4,699,896	145,834	(3,369,296)	(143,334)	(1,333,100)	-
Transferred (from) to stage (2)	(2,042,292)	(825,210)	2,383,192	906,678	(422,368)	-
Transferred (from) to stage (3)	(403,870)	(146,574)	(1,924,564)	(142,365)	2,617,373	-
Changes resulting from adjustment	83,153,382	2,116,960	5,758,836	130,416	1,596,684	92,756,278
Adjustments resulting from foreign currency changes	(6,334)	497,213	(5,476)	(1,713)	-	483,690
Balance at the Ending of the Year	<u>686,750,033</u>	<u>139,683,669</u>	<u>32,131,097</u>	<u>4,381,623</u>	<u>19,746,052</u>	<u>882,692,474</u>

Below is the movement on the expected credit loss for indirect facilities during the period / year:

	Stage (1)		Stage (2)		Stage (3)	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD		
<u>For the Six Months Period June 30, 2020 (Reviewed)</u>						
Balance at the beginning of the period (Audited)	3,279,931	4,129,689	6,728,093	938,565	16,981,074	32,057,352
Impairment loss on the new facilities	2,142,995	2,253,040	296,944	207,066	12,214	4,912,259
Reversed from impairment loss on the matured facilities	(1,230,442)	(1,829,542)	(71,545)	(273,013)	(846,883)	(4,251,425)
Transferred (from) to stage (1)	95,765	270,823	(23,765)	(241,423)	(101,400)	-
Transferred (from) to stage (2)	(13,282)	(431,703)	13,282	438,903	(7,200)	-
Transferred (from) to stage (3)	(1,363)	(33)	(1,710,202)	(2,916)	1,714,514	-
Effect on provision as end of the period resulting from reclassification between the three stages during the period	(38,908)	(207,020)	14,298	193,744	740,113	702,227
Changes resulting from adjustment	708,822	1,213,848	576,726	(50,392)	1,306,956	3,755,960
Adjustments resulting from foreign currency changes	(78)	(542,933)	(14,462)	(5,391)	2,248	(560,616)
Balance at the Ending of the Period (Reviewed)	<u>4,943,440</u>	<u>4,856,169</u>	<u>5,809,369</u>	<u>1,205,143</u>	<u>19,801,636</u>	<u>36,615,757</u>
<u>For the Year Ended December 31, 2019 (Audited)</u>						
Balance at the beginning of the year	3,823,459	2,433,685	4,846,856	84,229	15,737,883	26,926,112
Transfers to another provisions	(571)	-	2	-	569	-
Adjusted Beginning Balance	<u>3,822,888</u>	<u>2,433,685</u>	<u>4,846,858</u>	<u>84,229</u>	<u>15,738,452</u>	<u>26,926,112</u>
Impairment loss on the new facilities	1,554,499	2,737,553	4,852,085	755,041	2,492	9,901,670
Reversed from impairment loss on the matured facilities	(2,596,590)	(1,708,191)	(4,629,739)	(58,620)	(1,252,535)	(10,245,675)
Transferred (from) to stage (1)	794,011	10,647	(63,931)	(9,147)	(731,580)	-
Transferred (from) to stage (2)	(55,181)	(49,366)	369,898	77,372	(342,723)	-
Transferred (from) to stage (3)	(5,257)	(5,032)	(62,498)	(4,939)	77,726	-
Effect on provision as of the end of year resulting from reclassification between the three stages during the year	(763,788)	(10,297)	165,638	86,099	1,734,993	1,212,645
Changes resulting from adjustment	529,349	715,105	1,249,782	8,530	1,763,064	4,265,830
Adjustments resulting from foreign currency changes	-	5,585	-	-	(8,815)	(3,230)
Balance at the Ending of the Year	<u>3,279,931</u>	<u>4,129,689</u>	<u>6,728,093</u>	<u>938,565</u>	<u>16,981,074</u>	<u>32,057,352</u>

18. Expected Credit Losses Expense

The details of this item is as follows:

	For the Six Months	
	Ended June 30,	
	2020	2019
	(Reviewed)	(Reviewed)
	JD	JD
Balances and deposits at banks and financial institutions	1,153,706	595,766
Financial assets at fair value through other comprehensive income	76,345	92,731
Financial assets at amortized cost	380,584	30,710
Direct credit facilities	51,558,374	37,591,077
Commitments and contingent liabilities	5,119,021	2,308,474
Other Assets	200,247	-
	58,488,277	40,618,758

19. Fair Value Reserve – Net

The balance of the fair value reserve (net of a deferred tax) is JD 8,110,457 as of June 30, 2020 (JD 5,400,864 as of December 31, 2019), the movement in the fair value reserve is as follows:

	For the Six	For the
	Months Ended	Year Ended
	June 30, 2020	December 31,
	(Reviewed)	2019 (Audited)
	JD	JD
Balance – beginning of the period/year	5,400,864	(2,219,625)
Unrealized gain (loss) - equity instrument	2,444	(364,237)
Unrealized gain – debt instrument	4,277,608	11,674,687
Deffered tax assets	419,597	(851,186)
Deffered tax liabilities	(1,990,056)	(2,838,775)
Net change in valuation reserve of financial assets at fair value through comprehensive income after tax	2,709,593	7,620,489
Balance at the End of the Period/Year	8,110,457	5,400,864

20. Retained Earnings

The movement on retained earnings is as follows:

	June 30, 2020 (Reviewed)	December 31, 2019 (Audited)
	JD	JD
Balance – beginning of the period / year	285,267,050	268,842,701
Prior year adjustments *	(116,298)	(287,049)
Adjusted– Beginning Balance of the Period / Year	285,150,752	268,555,652
Income for the period / year	-	80,866,565
Dividends distribution	-	(47,250,000)
Transferred to reserves	-	(16,918,805)
(Loss) gains from sale of financial assets at fair value through other comprehensive Income	(1,350)	13,638
Balance – End of the Period / Year	285,149,402	285,267,050

- * Prior year adjustments item represents reserves for subsidiaries that were recorded after the issuance of the group consolidated financial statements for the year 2019.
- The Bank cannot use a restricted amount of JD 6,275,955 from retained earnings which represents the financial assets revaluation differences in accordance with the instructions of the Central Bank of Jordan and the Jordan Securities Commission.
- Retained earnings includes an amount of JD 563,978 which represents the effect of early implementation of the International Financial Reporting Standard No (9). This amount may not be used except for the amounts actually realized from sale.
- The Bank cannot use a restricted amount of JD 96,795,663 from retained earnings which represents deferred tax assets which are restricted against capitalization or distribution only to the extent if actually recognized in accordance with the instructions of the Central Bank of Jordan and the Jordan Securities Commission.
- Retained earnings includes a restricted amount of JD 4,772,673 which represents the gain from the valuation of foreign currencies at the International Bank for Trade and Finance /Syria for the current period and the prior years.

21. Interest Income

The details of this item are as follows:

	For the Six Months Ended June 30,	
	2020 (Reviewed)	2019 (Reviewed)
	JD	JD
Direct Credit Facilities:		
Individual retail customer:		
Overdraft	252,148	252,961
Loans and discounted bills	34,574,716	33,635,800
Credit cards	1,347,161	1,209,854
Real estate loans	36,090,693	41,166,155
Large corporates		
Overdraft	10,587,275	14,306,967
Loans and discounted bills	40,877,941	31,954,442
SME's		
Overdraft	4,201,469	5,283,201
Loans and discounted bills	6,323,018	8,080,239
Government and Public Sector	18,130,815	23,463,651
Balances at central banks	2,725,354	6,151,683
Balances and deposits at banks and financial institutions	3,769,367	4,999,188
Financial assets at amortized cost	47,499,835	42,485,696
Financial assets at fair value through profit or loss	-	698
Financial assets at fair value through other comprehensive income	5,425,710	5,283,245
	211,805,502	218,273,780

22. Interest Expense

The details of this item are as follows:

	For the Six Months Ended June 30,	
	2020 (Reviewed)	2019 (Audited)
	JD	JD
Banks and financial institutions deposits	6,409,491	7,004,715
Customers deposits :		
Current accounts and demand deposits	403,905	392,229
Saving deposits	2,136,593	4,089,581
Time and notice deposits	33,208,203	44,022,513
Certificates of deposits	6,408,883	5,365,859
Cash margins	1,095,099	1,527,093
Borrowed funds	4,315,828	3,505,060
Deposits insurance fees	3,836,783	4,119,144
Lease liability	825,241	972,305
	58,640,026	70,998,499

23. Gain (Loss) from Financial Assets at Fair Value Through Profit or Loss

The details of this item are as follows:

	Realized		Unrealized		Dividends	Total
	Gain	(Loss)	Gain	(Loss)	Received	
	JD	JD	JD	JD	JD	
For the Six Months						
Period Ended						
June 30, 2020						
(Reviewed)						
Coprorate shares	-	-	-	(184,722)	18,410	(166,312)
Direct credit facilities	-	-	1,185,650	-	-	1,185,650
Total	-	-	1,185,650	(184,722)	18,410	1,019,338

For the Six Months**Period Ended****June 30, 2019****(Reviewed)**

Coprorate shares	-	-	78,871	(217,844)	169,700	30,727
Total	-	-	78,871	(217,844)	169,700	30,727

24. Earnings Per Share Attributable to the Shareholders of the Bank (Basic / Dilluted)

The details of this item are as follows:

	For the Three Months		For the Six Months	
	Ended June 30,		Ended June 30,	
	2020	2019	2020	2019
	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)
	JD	JD	JD	JD
Profit for the period				
attributable to shareholders'	10,250,609	12,919,263	25,898,348	36,771,416
Weighted average number of				
shares	315,000,000	315,000,000	315,000,000	315,000,000
Basic and diluted earnings				
per share attributable to				
shareholders of the Bank	JD 0,033	JD 0,041	JD 0,082	JD 0,117

25. Cash and Cash Equivalent

This item consists of the following:

	As of June 30,	
	2020	2019
	(Reviewed)	(Reviewed)
	JD	JD
Cash and balances with central banks maturing		
within 3 months	726,312,004	975,455,391
<u>Add</u> : Balances with banks and financial institutions		
maturing within 3 months	338,883,445	503,441,917
<u>Less</u> : Banks and financial institutions deposits		
maturing within 3 months	(586,271,153)	(634,995,785)
	478,924,296	843,901,523

26. Capital Adequacy

The capital adequacy calculated according to the instructions of the Central Bank of Jordan, based on the instructions of Basel Committee, and the following the capital adequacy ratio:

	June 30, 2020 (Reviewed) JD	December 31, 2019 (Audited) JD
1. Common Equity Tier 1 Capital		
Paid-in capital	315,000,000	315,000,000
Retained earnings	278,215,472	278,889,848
Other comprehensive income items	(115,837,280)	(107,054,577)
Net fair value reserve	8,110,457	5,400,864
Foreign currency translation reserve	(123,947,737)	(112,455,441)
Share premium	328,147,537	328,147,537
Statutory reserve	235,736,394	235,737,655
Other reserve	11,302,452	11,184,797
Non-controlling Interest	19,656,178	23,196,877
Condensed gains after tax and expected distribution Value	(5,598,674)	-
Total capital for ordinary shares	1,066,622,079	1,085,102,137
Regulatory amendments (Propositions of the capital)	(125,418,225)	(106,496,129)
Goodwill and intangible assets	(22,977,646)	(23,582,588)
Deffered tax assets	(96,795,663)	(77,273,667)
Investments in the capital of non-consolidated subsidiaries with the bank	(40,681)	(36,613)
Mutual investments in banks' capital, financial companies, and insurance companies Within the CET1	(5,604,235)	(5,603,261)
Net ordinary shareholder's equity	941,203,854	978,606,008
2-Additional Capital		
Non-controlling Interest	3,468,737	4,093,567
Total Additional Capital	3,468,737	4,093,567
Net Additional Capital	3,468,737	4,093,567
Net additional capital Tier 1.	944,672,591	982,699,575
3- Tier 2 Capital		
Expected credit losses provision for the first stage – does not exceed 1.25% of the assets weighted credit risks	42,428,194	32,594,487
Non-controlling interest	4,624,983	5,458,089
Total Capital	47,053,177	38,052,576
Regulatory amendments (Propositions of the capital)	-	(4,068)
Investments in the capital of non-consolidated subsidiaries with the bank	-	(4,068)
Net additional capital Tier 2	47,053,177	38,048,508
Regulatory capital	991,725,768	1,020,748,083
Total weighted assets risk average.	5,736,064,532	5,664,064,302
Capital Adequacy ordinary shareholders (CETI) Ratio %	16.41%	17.28%
Capital Adequacy Tier 1 Ratio %	16.47%	17.35%
Capital Adequacy Ratio %	17.29%	18.02%

27. Related Party Transactions

- a. The Bank entered into transactions with major shareholders, Board of Directors, and executive management in the course of its ordinary activities at commercial rates of interest and commissions. All facilities granted to related parties are performing and no provisions have been taken.
- b. Summary of related party balances during the period/year:

	Related Party				Total	
	Major Shareholders	Subsidiaries	Board of Directors and their related	Executive Management and their related	June 30, 2020 (Reviewed)	December 31, 2019 (Audited)
			JD	JD	JD	JD
Financial position items						
Total deposits with related parties	44,322,926	74,242,923	-	-	118,565,849	157,449,077
Total deposits from related parties	565,008,904	74,484,821	2,677,276	2,985,826	645,156,827	758,017,339
Loans and advances granted to related parties	-	1,191,710	222,228	3,045,030	4,458,968	811,997
Loans and advances granted From related parties	-	717,825	-	-	717,825	975,538
Items off-statement of Financial position						
Letters of guarantees and credits	-	1,335,512	-	-	1,335,512	1,319,912
Sell/ buy foreign currencies contract	42,540,000	-	-	-	42,540,000	51,587,903
Interest swap contracts	127,620,000	-	-	-	127,620,000	-

- c. Summary of related party transactions during the period:

	Related Party				Total	
	Major Shareholders	Subsidiaries	Board of Directors and their related	Executive Management and their related	For the Six Months Ended June 30,	
			JD	JD	2020 (Reviewed)	2019 (Reviewed)
Statement of Profit or Loss items						
Interest and commissions income	399,691	395,533	8,241	55,556	859,021	828,340
Interest and commissions expense	6,805,381	640,923	28,570	33,052	7,507,926	13,211,896

- Interest income rates ranges from 0% to 7.45%.
- Interest expense rates ranges from 0% to 7%.

- d. The Bank's executive management remuneration were as follows:

	For the Six Months Ended June 30,	
	2020 (Reviewed)	2019 (Reviewed)
	JD	JD
Salaries, bonuses, and other benefits	<u>1,948,825</u>	<u>1,596,094</u>
Salaries, bonuses, and other benefits/ Subsidiaries	<u>1,498,486</u>	<u>1,243,890</u>

28. Segment Analysis

Information on the Bank Activities:

For management purposes, the Bank is divided into four major business segments according to reports sent to the chief operating officer:

- **Retail Banking:** Principally handling individual customers' and small businesses' deposits and providing loans, overdrafts, credit cards and other services.
- **Corporate Banking:** Principally handling deposits, credit facilities, and other financial services for corporate and institutional customers.
- **Corporate Finance:** Principally arranging structured finance and providing services relating to privatizations, IPO's, mergers and acquisitions.
- **Treasury:** Principally providing trading and treasury services and the management of the Bank's funds in money and capital markets.

Information of the Bank's business segment, distributed according to operations is as follows:

	Retail JD	Corporate JD	Corporate Finance JD	Treasury JD	Others JD	Elimination JD	Total	
							For the Six Months Period Ended June 30,	
							2020 (Reviewed) JD	2019 (Reviewed) JD
Gross Income	106,088,236	95,042,479	3,029,873	71,255,912	7,068,596	(41,608,315)	240,876,781	250,895,683
Recovery from impairment provision of direct/indirect facilities	(7,508,450)	(44,567,842)	(4,601,103)	-	-	-	(56,677,395)	(37,591,077)
Recovery from impairment provision of financial assets	-	-	-	(1,810,881)	-	-	(1,810,881)	(719,207)
Segment results	35,714,705	(1,058,710)	(2,663,442)	13,225,059	3,098,520	-	48,316,132	62,550,099
Unallocated expenses							(5,149,587)	(3,978,369)
Income before Tax							43,166,545	58,571,730
Income Tax							(16,569,202)	(19,792,042)
Profit for the Period							26,597,343	38,779,688
							June 30, 2020 (Reviewed)	December 31, 2019 (Audited)
Segment Assets	4,672,417,876	2,693,041,381	83,454,702	3,459,818,822	1,499,809,302	-	12,408,542,083	12,741,968,523
Elimination of assets between segments	(3,032,655,052)	-	-	(618,337,349)	(791,023,524)	-	(4,442,015,925)	(4,374,630,792)
Unallocated assets on segments							96,795,663	77,273,667
Total Assets							8,063,321,821	8,444,611,398
Segment Liabilities	4,630,659,100	2,768,448,040	86,207,567	3,376,552,718	482,538,155	-	11,344,405,580	11,615,342,006
Elimination of liabilities between segments							(4,427,125,033)	(4,301,113,773)
Unallocated liabilities	-	(1,646,432,146)	(55,007,698)	(2,725,685,189)	-	-	8,555,253	6,569,323
Total Liabilities							6,925,835,800	7,320,797,556
							For the Six Months Ended June 30,	For the Six Months Ended June 30,
							2020 (Reviewed)	2019 (Reviewed)
Capital expenditures							5,194,428	8,941,393
Depreciation and amortization							12,152,453	10,620,056

29. Risk Management

Banking risks are managed based on a comprehensive mitigation strategy where acceptable risks are defined along with ways to limit and confront such risks. Such a strategy allows the Bank to better manage its business while maintaining a certain level and type of risk the Bank is willing to bear and handle without affecting strategic goals and objectives. Meanwhile, the Bank minimizes the negative effects of internal and external incidents on the Bank's profitability, capitalization, market share and any other intangible factors such as reputation and goodwill.

The Bank's risk management policies for the six-month period ended June 30, 2020 are identical to the policies followed for the year ended December 31, 2019, which are disclosed in the Bank's annual report as of December 31, 2019.

1- Distributed according to economic sector is as follows:

A- Distributions According to Financial Instruments Exposure:

	Financial	Industrial	Trading	Real Estate	Agriculture	Shares	Individuals	Government and Public	Other	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Cash at central banks	613,937,624	-	-	-	-	-	-	-	-	613,937,624
Balances at banks and financial institutions	338,217,010	-	-	-	-	-	-	-	-	338,217,010
Deposits at banks and financial institutions	64,918,996	-	-	-	-	-	-	-	-	64,918,996
Credit facilities at amortized cost	157,015,805	376,555,450	439,058,860	1,124,128,495	20,019,101	3,668,741	778,782,683	696,562,539	492,718,057	4,088,509,731
Credit facilities at fair value through profit or loss	-	130,263,446	-	-	-	-	-	-	-	130,263,446
Bonds and bills:										
Within Financial assets at fair value through other comprehensive income	99,327,931	-	-	-	-	-	-	245,824,294	9,509,492	354,661,717
Within Financial assets at amortized cost	117,432,586	-	-	-	-	-	-	1,745,857,801	10,397,134	1,873,687,521
Total for the Period	1,390,849,952	506,818,896	439,058,860	1,124,128,495	20,019,101	3,668,741	778,782,683	2,688,244,634	512,624,683	7,464,196,045
Letter of guarantees	-	-	343,210,647	-	-	-	-	-	-	343,210,647
Letter of credit	-	-	341,292,713	-	-	-	-	-	-	341,292,713
Other liabilities	-	-	58,387,569	-	-	-	-	-	-	58,387,569
Total	1,390,849,952	506,818,896	1,181,949,789	1,124,128,495	20,019,101	3,668,741	778,782,683	2,688,244,634	512,624,683	8,207,086,974
Prior Year Total	1,718,866,402	526,338,498	1,329,683,917	1,113,895,128	15,342,153	3,309,671	773,084,748	2,789,408,446	405,720,795	8,675,649,758

b. Distribution of exposures as staging according to International Financial Reporting Standard (9):

Item	Stage (1)		Stage (2)		Stage (3)	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD	JD	JD
Financial	1,381,197,939	708,141	8,188,907	240,426	514,539	1,390,849,952
Industrial	357,783,920	97,186,594	32,344,368	12,051,749	7,452,265	506,818,896
Trading	892,174,801	203,261,864	53,781,103	20,594,397	12,137,624	1,181,949,789
Real estate	336,616,227	652,043,170	58,003,093	57,751,838	19,714,167	1,124,128,495
Agriculture	14,884,170	523,051	3,982,087	60,976	568,817	20,019,101
Shares	-	3,265,546	-	-	403,195	3,668,741
Individual	61,573,654	683,931,700	4,367,542	21,927,006	6,982,781	778,782,683
Government and public sector	2,688,234,582	-	10,052	-	-	2,688,244,634
Other	412,635,802	22,749,478	67,949,627	2,300,738	6,989,038	512,624,683
Total	6,145,101,095	1,663,669,544	228,626,779	114,927,130	54,762,426	8,207,086,974
Previous year total	6,326,886,159	1,888,118,103	280,486,470	111,590,619	68,568,407	8,675,649,758

**2- Total Exposure Distribution According to Geographic Region:
A. Total distribution of exposures by geographical regions:**

	Inside Jordan	Other Middle East Countries	Europe	Asia	Africa	America	Other Countries	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Cash and balances at central banks	292,870,309	120,598,171	-	-	200,469,144	-	-	613,937,624
Balances at banks and financial institutions	73,272,156	61,382,962	84,594,457	5,474,087	55,292,292	58,201,056	-	338,217,010
Deposits at banks and financial institutions	29,972,642	13,032,319	20,500,567	-	-	1,413,468	-	64,918,996
Credit facilities at amortized cost	3,495,167,338	254,945,426	144,257,854	-	194,139,113	-	-	4,088,509,731
Credit Facilities at fair value through profit or loss	130,263,446	-	-	-	-	-	-	130,263,446
Bonds and Bills:								
Winthin Financial assets at fair value through other comprehensive income	169,431,470	29,569,506	47,220,615	17,837,050	12,006,670	78,596,406	-	354,661,717
Within Financial assets at amortized cost	1,831,836,807	23,525,055	6,949,234	3,930,385	-	3,546,955	3,899,085	1,873,687,521
Total for the Period	6,022,814,168	503,053,439	303,522,727	27,241,522	461,907,219	141,757,885	3,899,085	7,464,196,045
Letter of guarantee	293,079,408	24,353,998	8,651,000	181,276	16,944,965	-	-	343,210,647
Letter of credit	295,595,613	7,956,318	5,809,224	2,942,031	28,201,491	788,036	-	341,292,713
Other liabilities	33,039,554	-	25,348,015	-	-	-	-	58,387,569
Total	6,644,528,743	535,363,755	343,330,966	30,364,829	507,053,675	142,545,921	3,899,085	8,207,086,974
Previous Year Total	6,888,459,104	689,759,137	328,191,227	30,299,160	513,611,858	212,878,704	12,450,568	8,675,649,758

b. Exposure distribution as staging according to International Financial Reporting Standard (9):

	Stage (1)		Stage (2)		Stage (3)	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD		
Inside Jordan	4,898,368,917	1,382,414,894	202,905,926	83,101,088	77,737,918	6,644,528,743
Other Middle Eastern countries	479,375,439	41,668,628	25,407,890	16,710,885	(27,799,087)	535,363,755
Europe	323,419,850	19,481,815	-	429,301	-	343,330,966
Asia	30,287,786	38,678	-	38,365	-	30,364,829
Africa	267,840,481	219,912,738	-	14,495,938	4,804,518	507,053,675
America	141,929,413	142,813	312,963	141,655	19,077	142,545,921
Other countries	3,879,209	9,978	-	9,898	-	3,899,085
Total	6,145,101,095	1,663,669,544	228,626,779	114,927,130	54,762,426	8,207,086,974
Previous year total	6,326,886,159	1,888,118,103	280,486,470	111,590,619	68,568,407	8,675,649,758

3. Credit exposures that have been reclassified:

a. Total credit exposures that have been reclassified:

	Stage (2)		Stage (3)		Total Exposures that have been Reclassified	Percentage of Exposures that have been Reclassified
	Total Exposures Amount	Exposures that have been Reclassified	Total Exposures Amount	Exposures that have been Reclassified		
	JD	JD	JD	JD		
Credit facilities at amortized cost	420,474,767	108,571,616	411,906,085	49,891,843	158,463,459	3.4%
Bonds and bills	-	-	3,000,001	-	-	-
Within: Financial assets at amortized cost	-	-	3,000,001	-	-	-
Total	420,474,767	108,571,616	414,906,086	49,891,843	158,463,459	1.9%
Letter of guarantees	29,842,633	6,517,022	21,508,133	3,068,042	9,585,064	2.6%
Letter of credit	1,610,038	-	36,464	-	-	-
Other liabilities	95,367	35,706	-	-	35,706	0.1%
Total	31,548,038	6,552,728	21,544,597	3,068,042	9,620,770	1.2%
Grand Total	452,022,805	115,124,344	436,450,683	52,959,885	168,084,229	1.9%
Previous year total	493,436,951	160,697,672	410,470,826	125,840,948	286,538,620	3.1%

b. Expected credit loss for exposures that have been reclassified:

Description	Exposures that have been Reclassified			Expected Credit Loss due to Reclassified Exposures			
	Exposures Reclassified from Stage (2)	Exposures Reclassified from Stage (3)	Total	Stage (2)		Stage (3)	
	JD	JD	JD	Individual JD	Collective JD	Individual JD	Total JD
Credit facilities at amortized cost	108,571,616	49,891,843	158,463,459	5,127,686	4,819,403	12,348,761	22,295,850
Total	108,571,616	49,891,843	158,463,459	5,127,686	4,819,403	12,348,761	22,295,850
Letter of financial guarantees	6,517,022	3,068,042	9,585,064	13,282	423,054	1,714,514	2,150,850
Letter of credit	-	-	-	-	15,235	-	15,235
Other liabilities	35,706	-	35,706	-	614	-	614
Total	6,552,728	3,068,042	9,620,770	13,282	438,903	1,714,514	2,166,699
Grand Total	115,124,344	52,959,885	168,084,229	5,140,968	5,258,306	14,063,275	24,462,549
Previous year total	160,697,672	125,840,948	286,538,620	2,073,065	3,724,883	15,495,601	21,293,549

31. Commitments and Contingent Liabilities:

This item consists of the following:

	June 30, 2020 (Reviewed) JD	December 31, 2019 (Audited) JD
Letters of credit	523,586,242	632,165,144
Acceptances	53,590,408	36,413,318
Guarantees:		
- Payment	117,608,357	125,499,913
- Performance bonds	126,692,343	138,561,673
- Other	228,764,421	238,538,681
Un-utilized direct credit facilities ceilings	398,918,377	453,429,646
Total	<u>1,449,160,148</u>	<u>1,624,608,375</u>

32. Lawsuits Raised Against the Bank and Lawsuits Raised by the Bank Against Others

Lawsuits raised against the Bank amounted to approximately JD 46.8 million as of June 30, 2020 (approximately JD 45.4 million as of December 31, 2019). In the opinion of the Bank's management and legal advisor, no liabilities will arise therefrom that exceed the booked provision of JD 4,322,184 as of June 30, 2020 (JD 4,228,077 as of December 31, 2019).

Other than the above-mentioned lawsuits, during the year 2019, the inspectors of the Central Bank of Algeria visited the management of the Housing Bank for Trade and Finance Algeria (a subsidiary company) and cited reports of violations attributed to the Bank related to violating some banking procedures in the Republic of Algeria. In this connection, an appealable preliminary decision by the Court of First Instance in Algeria was issued. The said decision imposed a fine of JD 34.8 million on the Housing Bank for Trade and Finance / Algeria (a subsidiary company) for one of the violations. Meanwhile, the Bank's lawyers in Algeria have confirmed the sound legal status of the Bank in relation to this violation. Moreover, the value of the remaining violations has not been determined as of the date of the financial statements. In the opinion of the Bank's management, legal advisor, and auditor in Algeria, the Bank has a strong legal position, and the provisions made for those violations are sufficient as at the end of the first half of the year 2020. In addition, these provisions will be reconsidered in light of the upcoming developments during the year.

On the other hand, the lawsuits raised by the Bank against others amounted to approximately JD 497.8 million as of June 30, 2020 (approximately JD 487.4 million as of December 31, 2019).

33. Fair Value Hierarchy

The following table analyzes the financial instruments recorded at fair value based on the valuation method, which is defined at different levels as follows:

- **Level (1):** List prices (unadjusted) for identical assets or liabilities in active markets.
- **Level (2):** Information other than the stated price included in level 1, which is monitored for the asset or liability, either directly (such as prices) or indirectly (i.e., derived from the prices).
- **Level (3):** Information on the asset or liability not based on those observed in the market (unobservable information).

	Level (1)	Level (2)	Level (3)	Total
	JD	JD	JD	JD
<u>June 30, 2020 (Reviewed)</u>				
Financial assets:				
Financial assets at fair value through other comprehensive income	354,661,717	-	25,557,110	380,218,827
Direct credit facilities at fair value through profit or loss	130,263,446	-	-	130,263,446
Financial assets at fair value through profit or loss	2,843,623	-	632,797	3,476,420
Total	487,768,786	-	26,189,907	513,958,693
<u>December 31, 2019 (Audited)</u>				
Financial assets:				
Financial assets at fair value through other comprehensive income	362,825,535	2,500,000	23,128,516	388,454,051
Financial assets at fair value through profit or loss	3,040,727	-	632,797	3,673,524
Total	365,866,262	2,500,000	23,761,313	392,127,575

34. Comparative Figures

Comparative figures for the year 2019 for certain figures were reclassified to confirm with the classification of the figures of the period ended June 30, 2020. This reclassification have no any impact on the condensed consolidated interim statement of profit or loss for the six months period ended as of June 30, 2019.

	<u>December 31, 2019 (Audited)</u>	
	<u>After</u>	<u>Before</u>
	<u>Reclassification</u>	<u>Reclassification</u>
	<u>JD</u>	<u>JD</u>
Regulatory Capital *	1,020,748,083	976,859,844
Capital Adequacy ordinary shareholders (CETI) Ratio %	17.28%	16.50%
Capital Adequacy Tier 1 Ratio %	17.35%	16.57%
Capital Adequacy Ratio %	18.02%	17,25%

- * In accordance with Central Bank of Jordan Circular No. 1/1/4693 issued on April 9, 2020 and in order to hedge the negative effects of the Corona Virus (Covid 19) event, it was decided to suspense the distribution of dividend by the licensed Jordanian banks to shareholders for the year 2019, and accordingly the amount that was recorded during the year 2019 was released.