

السادة بورصة عمان
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هيئة الأوراق المالية
الدائرة الإدارية / الديوان
٢٠٢٠ ب ١١
الرقم المتسلسل
الجهة المختصة ٢٠٢٠

نموذج رقم (١-٤) Form No. (1-4)	
To: Jordan Securities Commission Amman Stock Exchange Date: 10/08/2020 Subject: Semi- Annual Report as of 30/06/2020	السادة هيئة الأوراق المالية السادة بورصة عمان التاريخ: 10/08/2020 الموضوع: التقرير نصف السنوي كما هو في 2020/06/30
Attached the company's Semi- Annual Report of Societe Generale De Banque – Jordanie (English versions) As of 30/06/2020	مرفق طيه نسخة من التقرير نصف السنوي لبنك سوسيتيه جنرال الأردن باللغة (الإنجليزية) كما هو بتاريخ 2020/06/30م
Kindly accept our highly appreciation and respect Societe Generale De Banque – Jordanie	وتفضلوا بقبول فائق الاحترام... بنك سوسيتيه جنرال الأردن

Aghadeer Abughosh

SOCIETE GENERALE
DE BANQUE-JORDANIE
بنك سوسيتيه جنرال
الأردن

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SOCIETE GENERALE DE BANQUE - JORDANIE
(PUBLIC SHAREHOLDING COMPANY)
AMMAN – HASHEMITE KINGDOM OF JORDAN

CONDENSED CONSOLIDATED INTERIM FINANCIAL
STATEMENTS FOR THE
PERIOD ENDED JUNE 30, 2020
TOGETHER WITH THE REVIEW REPORT

SOCIETE GENERALE DE BANQUE - JORDANIE
(PUBLIC SHAREHOLDING COMPANY)
AMMAN – HASHEMITE KINGDOM OF JORDAN
JUNE 30, 2020

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Review Report

AM/ 011840

To the Chairman and the Members of the Board of Directors
Societe Generale De Banque - Jordanie
(A Public Limited Shareholding Company)
Amman – Hashemite Kingdom of Jordan

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of Societe Generale De Banque - Jordanie (a Public Limited Shareholding Company) as of June 30, 2020 and the related condensed consolidated interim statements of profit or loss and comprehensive income, changes in owners' equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for preparation and fair presentation of this condensed interim financial information in accordance with International Accounting Standards (34). Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed consolidated 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 is not prepared, in all material respects, in accordance with amended International Accounting Standard (34) relating to interim financial reporting.

Other Matter

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

Amman – Jordan
July 29, 2020

Deloitte & Touche (M.E.) – Jordan

Deloitte & Touche (M.E.)

دیلویت آند توش (الشرق الأوسط)

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SOCIETE GENERALE DE BANQUE - JORDANIE
(A PUBLIC LIMITED SHAREHOLDING COMPANY)
AMMAN – HASHEMITE KINGDOM OF JORDAN
CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

		June 30, 2020	December 31, 2019
	Note	(Reviewed)	(Audited)
Assets:		JD	JD
Cash and balances at Central Bank	5	121,201,171	193,467,172
Balances at banks and financial institutions – net	6	25,112,681	79,012,706
Deposits at banks and financial institutions – net	7	1,063,500	5,538,106
Direct credit facilities - net	8	800,365,904	849,100,023
Financial assets at fair value through other comprehensive income	9	93,271,534	79,182,715
Financial assets at amortized cost – net	10	204,444,855	225,155,531
Pledged financial assets	10	218,090,000	218,090,000
Property and equipment – net		27,606,040	28,161,940
Intangible assets – net		4,478,056	4,964,615
Right-of-use assets - net		887,117	1,042,168
Deferred tax assets		4,131,609	3,811,501
Other assets	11	16,215,501	25,755,958
TOTAL ASSETS		1,516,867,968	1,713,282,435
LIABILITIES AND OWNERS' EQUITY:			
LIABILITIES:			
Banks and financial institutions deposits		12,212,125	46,250,283
Customers' deposits	12	1,142,711,721	1,351,108,412
Cash margins		88,584,536	113,082,294
Borrowed funds	13	100,554,616	34,438,912
Other provisions		40,622	64,545
Income tax provision	14	1,077,060	5,346,308
Deferred tax liabilities		3,038,394	1,299,449
Leased liabilities		863,250	903,445
Other liabilities	15	28,478,587	26,756,493
TOTAL LIABILITIES		1,377,560,911	1,579,250,141
OWNERS' EQUITY:			
Authorized and paid-up capital		100,000,000	100,000,000
Statutory reserve		14,501,460	14,501,460
Voluntary reserve		100,000	100,000
Fair value reserve - net	16	3,460,197	923,185
Retained earnings	17	18,507,649	18,507,649
Profit for the period		2,737,751	-
TOTAL OWNERS' EQUITY		139,307,057	134,032,294
TOTAL LIABILITIES AND OWNERS' EQUITY		1,516,867,968	1,713,282,435

THE ACCOMPANYING NOTES FROM (1) TO (32) CONSTITUTE AN INTEGRAL PART OF THESE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE ACCOMPANYING REVIEW REPORT.

SOCIETE GENERALE DE BANQUE - JORDANIE
(A PUBLIC LIMITED SHAREHOLDING COMPANY)
AMMAN – 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) JD	(Reviewed) JD	(Reviewed) JD	(Reviewed) JD
Interest income	18	21,796,858	24,772,710	45,096,582	48,242,556
Interest expense	19	(14,765,678)	(18,711,586)	(32,091,542)	(36,087,710)
Net Interest Income		7,031,180	6,061,124	13,005,040	12,154,846
Net commission Income		343,068	469,792	749,535	1,124,412
Net Interest and Commission Income		7,374,248	6,530,916	13,754,575	13,279,258
Foreign currency income		218,166	390,970	531,407	674,781
Cash dividends from financial assets at fair value through other comprehensive income		-	35,000	-	35,000
Other income	23	382,210	576,726	843,387	4,198,563
Gross Income		7,974,624	7,533,612	15,129,369	18,187,602
Expenses:					
Employees expenses		1,854,347	1,963,447	3,766,754	4,077,918
Depreciation and amortization		773,482	551,921	1,396,336	1,240,525
Other expenses		1,791,446	1,657,614	3,227,972	2,825,206
Provision (release) of expected credit losses	20	1,891,402	77,641	2,604,046	1,896,020
Provision (release) of other provisions		401	1,188	(23,923)	123,545
Total Expenses		6,311,078	4,251,811	10,971,185	10,163,214
Profit for the Period before Income Tax Expense		1,663,546	3,281,801	4,185,184	8,024,388
Income tax expense	14	(487,546)	(1,265,203)	(1,420,433)	(3,006,507)
Profit for the Period		1,177,000	2,016,598	2,737,751	5,017,881
Earnings per Share for the Period Basic and diluted	21	0.012	0.020	0.27	0.050

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SOCIETE GENERALE DE BANQUE - JORDANIE
(A PUBLIC SHAREHOLDING COMPANY)
AMMAN – 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 (Reviewed)	2019 (Reviewed)	2020 (Reviewed)	2019 (Reviewed)
	JD	JD	JD	JD
Profit for the period	1,177,000	2,016,598	2,737,751	5,017,881
Items subsequently transferable to statement of profit or loss:				
Change in fair value reserve – net	546,527	-	2,544,291	-
Items not subsequently transferable to statement of profit or loss:				
Change in fair value reserve – net	43,677	(29,118)	(7,279)	(50,956)
Total Comprehensive Income for the Period	<u>1,767,204</u>	<u>1,987,480</u>	<u>5,274,763</u>	<u>4,966,925</u>

THE ACCOMPANYING NOTES FROM (1) TO (32) CONSTITUTE AN INTEGRAL PART OF THESE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE ACCOMPANYING REVIEW REPORT.

SOCIÉTÉ GÉNÉRALE DE BANQUE - JORDANIE
(A PUBLIC LIMITED SHAREHOLDING COMPANY)
AMMAN - HASHEMITE KINGDOM OF JORDAN
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN OWNERS' EQUITY

	Authorized and Paid-up Capital	Reserves				Retained Earnings	Profit for the Period	Total
	JD	Statutory	Voluntary	General Banking Risks Reserve	Fair Value	JD	JD	JD
For the Six Months Ended June 30, 2020								
Balance - beginning of the period (Audited)	100,000,000	14,501,460	100,000	-	923,185	18,507,649	-	134,032,294
Total comprehensive income for the period	-	-	-	-	2,537,012	-	2,737,751	5,274,763
Cash dividends *	-	-	-	-	-	-	-	-
Ending Balance for the Period (Reviewed)	100,000,000	14,501,460	100,000	-	3,460,197	18,507,649	2,737,751	139,307,057
For the Six Months Ended June 30, 2019								
Balance - beginning of the period (Audited)	100,000,000	12,880,233	100,000	-	(220,155)	15,068,679	-	127,828,757
Total comprehensive income for the period	-	-	-	-	(50,956)	-	5,017,881	4,966,925
Cash dividends *	-	-	-	-	-	(5,000,000)	-	(5,000,000)
Ending Balance for the Period (Reviewed)	100,000,000	12,880,233	100,000	-	(271,111)	10,068,679	5,017,881	127,795,682

- Retained earnings include an amount of JD 48,831 which represents the effect of the early adoption of IFRS 9 which cannot be used except for the amounts realized through the actual selling including capitalization and distribution of the respective assets.

- An amount of JD 4,131,609 from retained earnings and profit for the period as of June 30, 2020 is restricted which represents deferred tax assets according to the Central Bank of Jordan and Jordan Securities Commission regulations.

- An amount includes JD 234,713 as of June 30, 2020 which represent the negative change of financial assets at fair value through other comprehensive income restricted from use according to of the Jordan Securities Commission.

* The year 2019 proposed dividends to shareholders were postponed as per Central Bank of Jordan circular number (1/1/4693) dated April 9, 2020 (Dividends paid represents 5% of capital for the year 2018).

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FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE ACCOMPANYING REVIEW REPORT.

SOCIETE GENERALE DE BANQUE - JORDANIE
(A PUBLIC LIMITED SHAREHOLDING COMPANY)
AMMAN - HASHEMITE KINGDOM OF JORDAN
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
(Reviewed Not Audited)

		For the Six Months Ended June 30,	
	Note	2020 (Reviewed)	2019 (Reviewed)
		JD	JD
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before income tax		4,158,184	8,024,388
Adjustments for:			
Depreciation and amortization		1,396,336	1,240,525
Provision of expected credit losses	20	2,604,046	1,896,020
(Loss) from disposal of property and equipment		-	(14,090)
(Release) from other provisions		(23,923)	123,545
Effect of exchange rate differences on cash and cash equivalent		(388,347)	(518,307)
Profit before Changes in Assets and Liabilities		7,746,296	10,752,081
Changes in Assets and Liabilities:			
Decrease (Increase) in Assets:			
Restricted balances		1,971,020	-
Deposits with banks and other financial institutions (maturing after more than 3 months)		4,475,047	5,054,442
Direct credit facilities – net		46,592,526	(10,865,267)
Other assets		9,540,457	2,730,126
(Decrease) Increase in Liabilities:			
Customers' deposits		(208,396,691)	(73,811,516)
Banks and financial institutions' deposits (maturing after more than 3 months)		400,000	4,995,780
Cash margins		(24,497,758)	3,087,668
Other liabilities		2,859,073	9,869,393
Net Cash Flows (used in) Operating Activities before Income Tax Paid		(159,310,030)	(48,187,293)
Income tax paid	14	(5,830,248)	(418,948)
Net Cash Flows (used in) Operating Activities		(165,140,278)	(48,606,241)
CASH FLOW FROM INVESTING ACTIVITIES			
(Purchase) of financial assets at amortized cost		-	(1,258,911)
(Purchase) of financial assets at fair value through other comprehensive income		(11,551,807)	(69,400)
Proceeds from maturing financial assets at amortized cost		20,616,549	17,415,931
(Purchase) of property and equipment		(25,406)	(162,162)
(Payments) of the purchase of property and equipment		(121,244)	(236,843)
(Purchase) of intangible assets		(52,176)	(132,793)
Net Cash Flows from Investing Activities		8,865,916	15,555,822
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from loans and borrowings		166,665,923	8,584,433
Repayment of loans and borrowings		(100,550,219)	(2,476,096)
Cash dividends		-	(5,000,000)
Net Cash flows from Financing Activities		66,115,704	1,108,337
Net (Decrease) in Cash and Cash Equivalent		(90,158,658)	(31,942,082)
Effect of exchange rate differences on cash and cash equivalents		388,347	518,307
Cash and cash equivalents, beginning of the period		226,243,058	251,801,077
Cash and Cash Equivalents, End of the Period	22	136,472,747	220,377,302

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WITH THEM AND WITH THE ACCOMPANYING REVIEW REPORT.

SOCIETE GENERALE DE BANQUE - JORDANIE
(A PUBLIC SHAREHOLDING COMPANY)
AMMAN – HASHEMITE KINGDOM OF JORDAN
NOTES TO THE CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS
(REVIEWED NOT AUDITED)

1. General

- Societe Generale De Banque - Jordanie ("the Bank") was established as a financial real estate investment company on 22 April 1965 in accordance with Jordanian Companies Law No (55), and it was transferred to investment bank during 1993 in accordance with companies' law No. (1) For the year of 1989. The Bank provides its banking services through its 19 branches located in the Kingdom of Jordan. The bank has no branches outside the Kingdom.
- The paid up capital amounted to JD 100,000,000 divided into 100,000,000 shares each having a par value of JD 1 as of 30 June 2020 and 31 December 2019.
- The Bank's shares are traded on Amman Stock Exchange.
- The condensed interim consolidated financial statements were approved by the Bank's Board of Directors in their meeting No.5/2020 dated July 27, 2020.

2. Basis of Preparation

- The accompanying condensed consolidated interim financial information has been prepared in accordance with International Accounting Standard (34) Interim Financial Reporting as adopted by the Central Bank of Jordan.

The main differences between the IFRSs as they should be applied and what has been approved by the Central Bank of Jordan, is as follows:

- a. Provisions for expected credit losses are calculated in accordance with IFRS 9 the Central Bank of Jordan , and according to the instruction of the supervisory authorities in the countries in which the Bank operates, whichever is higher, the material differences is as follows:
 - Elimination of debt instrument issued or granted by the Jordanian government so that credit exposures is resolved on the Jordanian Government and by its guarantee without credit losses.
 - When calculating the credit losses against credit exposures, the calculation results according to IFRS 9 are compared with those according to the Central Bank of Jordan's Instructions No. (2009/47) dated December 10, 2009 for each stage separately and the most severe results are taken.
 - In some special cases the the Central Bank of Jordan agrees on special arrangements related to the calculation of the expected credit losses' provision of direct credit facilities customers.
- b. Interest and commissions on non performing credit facilities granted to clients is suspended, in accordance with the instructions of the Central Bank of Jordan.
- Assets seized by the Bank are shown in the consolidated condensed interim statement of financial position, among other assets, at their current value when seized by the Bank or at their fair value, whichever is lower. Furthermore, they are reassessed on the date of the consolidated condensed interim financial statements separately, and any decrease in value is recorded as a loss in the consolidated condensed interim statement of profit or loss and comprehensive income and the increase in value is not recorded as revenue. In addition, any subsequent increase is taken to the consolidated condensed interim statement of profit or loss and comprehensive income to the extent that it does not exceed the previously recorded impairment value. A progressive provision is to be booked for the assets seized by the bank based on Central Bank of Jordan circulations No. 10/1/16239 dated to November 21, 2019 by (5%) of the total book values of these assets as of the year 2021 to reach the required percentage of (50%) of these assets by the end of the year 2029.
- The condensed consolidated interim financial information is prepared in accordance with the historical cost principle, except for financial assets and financial liabilities 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 does not include all notes and information presented in the annual financial statements which are prepared in accordance with International Financial Standards, and should be read with the Bank 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 ending December 31, 2020.
- The condensed consolidated interim financial information includes the interim financial information of the Bank and controlled subsidiaries. Control exists when the Bank has the power to control the financial and operating policies of the subsidiaries in order to obtain benefits from their activities. All transactions, balances, revenue and expenses between the Bank and its subsidiaries are eliminated.

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

Company Name	Paid-up Capital JD	Bank Ownership %	Nature of Operations	Date of Establishment	Location
Societe Generale Brokerage Company	3,000,000	100	Brokerage Services	2006	Jordan
Societe Generale Leasing Company	5,000,000	100	Leasing Services	2017	Jordan

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 37, 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 Estimates and Key Sources of Uncertainty Estimates

The preparation of the accompanying condensed consolidated interim financial information and the application of accounting policies require the Bank's management to estimate and assess some items affecting financial assets and liabilities and to disclose contingent liabilities. These estimates and assumptions also affect revenue, expenses, provisions in general, expected credit losses, in addition to the change in the fair value of the financial assets reported in the condensed consolidated interim statement of comprehensive income within owners' equity. In specific, it requires the Bank's management to estimate and assess the amounts and timing of future cash flows. The aforementioned estimates are based on several assumptions and factors with varying degrees of consideration and uncertainty. Furthermore, the actual results may differ from the estimates due to the changes arising from the conditions and circumstances of those estimates in the future.

The Bank's management believes that the estimates used in the condensed consolidated interim financial information are reasonable and consistent with the estimates used in preparing the consolidated financial statements for the year 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 March 31, 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

Since the beginning of the global spread of the Corona virus and its official announcement by the World Health Organization as a global pandemic, the bank's board of directors and executive management have assured that its most important priorities are to preserve the safety and health of its employees and customers and to ensure that the bank has taken the necessary measures to do so. The most important measure taken was to split the bank staff into three teams. Team A working from the Head Office, Team B working from the business continuity site and Team C working remotely (working from home). Also the bank had enforced a new policy relating to social distancing measures. Accordingly, physical meetings were stopped and replaced with virtual meetings using new technologies for communication.

As for the main operations, the bank continues to provide all services and products to its customers through its' branches located in the capital Amman and most of the governorates, electronic services and through the call centre service, in line with the instructions issued by the Central Bank of Jordan.

b. The impact of the outbreak of the new coronavirus (COVID-19) pandemic on the results of the bank's business.

- In order to assess the expected impact of the COVID19 crisis on the results of calculating the expected credit losses, a set of assumptions were used based on two main pillars, both combined allow the bank to assess and monitor the impact of the crisis on its business activities as follow:
- Global practices for calculating credit losses based on the International Financial Reporting Standard No. (9) and amending the calculation models developed for this purpose in a manner that leads to taking into account the impact of (COVID-19) pandemic, to reach reasonable expectations for the expected outputs of the impact.
- In addition to applying the directions of the bank's management (Management Overlay) with respect to the expected impact on specific sectors or clients based on the study performed for each sector or client separately.

The affected sector were distributed into 3 main levels as follow:

- Unaffected sectors (low risk).
- Medium affected sectors (medium risk).
- Highly affected sectors (high risk).

The impact on the ratios used in scenarios

According to the instructions of the Central Bank of Jordan related to the application of the International Accounting Standard for Financial Reports No. (9), banks must conduct several scenarios when calculating the expected credit losses so that the final outcome of the results represents the "expected weighted credit losses for the scenarios". In this respect, the Bank adopts three scenarios as follow: Base scenario, improvements scenario (Upturn scenario) and Downturn scenario. The scenarios respective weights are determined depending on the results of the normal distribution curve.

Probability of Default (PD) Ratios scenarios

The sectors of the bank were categorized into the three above mentioned levels, and according to the assumptions and expectations of the Wholesales Banking Group and Credit Management for the most affected sectors, in addition to the severity of the impact based on the current conditions.

Wholesale Banking Group and Credit Management identified the most affected sectors in order to reflect their impact on the calculation models.

Coordination was done with external bank consultants for the purpose of discussing the methodology proposed by the bank and exploring best practices that were implemented by various banks. The recommendation was that the crisis have an impact on many countries including all sectors due to the overlap and connection between sectors activities. Therefore, it is necessary to consider that all the economic sectors have been highly affected by the crisis, and accordingly, based on this recommendation, the below three scenarios were adopted for all the economic sectors:

	<u>Weight</u>
Upturn Scenario	0%
Base Scenario	30-70%
Worst Scenario	30-70%

Management Overlay

The bank's management has reached logical expectations for the outputs of this event, in addition to reflecting the bank's direction in assessing the impact on specific sectors or specific clients based on the study of each sector or client separately.

c. The effect of coronavirus (COVID-19) pandemic on the bank's liquidity levels

The bank has prepared all scenarios related to stress testing, knowing that the bank maintains comfortable levels that enable it to respond effectively to the market conditions. Noting that the Central Bank of Jordan directions relating to the COVID19 pandemic had a huge impact on supporting the liquidity in the Banking sector.

5. Cash and Balances at Central Bank of Jordan

- Statutory cash reserve amounted to JD 58,123,545 as of June 30, 2020 (JD 88,722,184 as of December 31, 2019).
- There are no restricted balances except for statutory cash reserve as of June 30, 2020 and December 31, 2019.
- All balances at central banks are classified within stage 1 based on the requirements of IFRS (9), also there are no transfers between the stages (1,2,3) or written-off balances during the six months period ended June 30, 2020 and December 31, 2019.
- The details of this item are as follows:

	June 30, 2020 (Reviewed)	December 31, 2019 (Audited)
	JD	JD
Cash in treasury	7,607,224	8,003,535
Balances at Central Bank of Jordan:		
Current accounts and demand deposits	9,470,402	33,741,453
Term deposits	46,000,000	63,000,000
Statutory cash reserve	58,123,545	88,722,184
Total	<u>121,201,171</u>	<u>193,467,172</u>

- Disclosure on the movements of the Central Bank of Jordan balances:

	June 30, 2020 (Reviewed)	December 31, 2019 (Audited)
	Stage (1) Individual	Stage (1) Individual
	JD	JD
Balance at beginning of the period / year	185,463,637	216,962,762
New balances during the period / year	46,000,000	49,060,012
Paid balances	(117,869,690)	(80,559,137)
Balance at End of the Period / Year	<u>113,593,947</u>	<u>185,463,637</u>

6. Balances at Banks and Financial Institutions

The details of this item are as follows:

	June 30, 2020 (Reviewed)	December 31, 2019 (Audited)
	JD	JD
<u>Local Banks and Financial Institutions</u>		
Deposits maturing within or less than 3 months	19,216,994	49,863,955
Less: Expected credit loss	(19,917)	(13,463)
Total local banks	19,197,077	49,850,492
<u>Foreign Banks and Financial Institutions</u>		
Current accounts and demand deposits	3,944,584	29,162,214
Deposits maturing within or less than 3 months	1,971,020	-
Total foreign banks	5,915,604	29,162,214
Net Balances at Banks and financial institutions	25,112,681	79,012,706

- Non-interest bearing balances at banks and financial institutions amounted to JD 3,944,584 as of June 30, 2020 (JD 29,162,214 as of December 31, 2019).
- Restricted balances amounted to JD 1,971,020 as of June 30, 2020 (no restricted balances were taken as of December 31, 2019)
- Disclosure on the movements of the balances at banks and financial institutions during period/year:

	Stage (1)	Stage (2)	Stage (3)	Total
	JD	JD	JD	JD
<u>For the Six Months Ended June 30, 2020 (Reviewed)</u>				
Balance at beginning of the period (Audited)	29,155,973	49,870,197	-	79,026,170
New balances during the period	1,972,040	10,095,931	-	12,067,971
Paid balances	(25,345,975)	(40,615,568)	-	(65,961,543)
Balance at End of the Period (Reviewed)	5,782,038	19,350,560	-	25,132,598

	Stage (1)	Stage (2)	Stage (3)	Total
	JD	JD	JD	JD
<u>for the Year Ending December 31, 2019 (Audited)</u>				
Balance at beginning of the year	43,640,098	19,489,421	-	63,129,519
New balances during the year	27,380,530	45,064,991	-	72,445,521
Paid balances	(41,864,655)	(14,684,215)	-	(56,548,870)
Balance at End of the Year	29,155,973	49,870,197	-	79,026,170

- The following represents the movement on the provision for expected credit loss for balances at banks and financial institutions during period/year:

For the Six Months Ended June 30, 2020 (Reviewed)

Balance at beginning of the period (Audited)

New balances during the period

Paid balances

Balance at End of the Period (Reviewed)

Stage (1)	Stage (2)	Stage (3)	Total
JD	JD	JD	JD
-	13,463	-	13,463
-	18,152	-	18,152
-	(11,698)	-	(11,698)
-	19,917	-	19,917

For the year Ended December 31, 2019 (Audited)

Balance – beginning of the year

New balances during the year

Paid balances

Balance - End of the Year

Stage (1)	Stage (2)	Stage (3)	Total
JD	JD	JD	JD
118	52,539	-	52,657
-	12,800	-	12,800
(118)	(51,876)	-	(51,994)
-	13,463	-	13,463

7. Deposits at Banks and Financial Institutions

The details of this item are as follows:

	June 30, 2020 (Reviewed) JD	December 31, 2019 (Audited) JD
<u>Local banks and financial institutions:</u>		
Deposits mature during the period/year:		
More than 3 months to 6 months	-	2,000,000
Less: Expected credit losses	-	(6,894)
Total	-	1,993,106
<u>Foreign banks and financial institutions:</u>		
Deposits mature during the period/year:		
More than 3 months to 6 months	-	3,545,000
More than 9 months to 12 months	1,063,500	-
Less: Expected credit losses	-	-
Total	1,063,500	3,545,000
Net Deposits at Bank and Financial Institutions	1,063,500	5,538,106

The movement on the deposits at banks and financial institutions during period/year is as follows:

	Stage (1) JD	Stage (2) JD	Stage (3) JD	Total JD
<u>For the Six Months Ended June 30, 2020 (Reviewed)</u>				
Balance at beginning of the period (Audited)	3,545,000	2,000,000	-	5,545,000
New balances during the period	-	-	-	-
Settled balances	(2,481,500)	(2,000,000)	-	(4,481,500)
Balance at the End of the Period (Reviewed)	1,063,500	-	-	1,063,500
<u>For the Year Ended December 31, 2019 (Audited)</u>				
Balance at beginning of the year	56,415,635	-	-	56,415,635
New balances during the year	-	2,000,000	-	2,000,000
Settled balances	(52,870,635)	-	-	(52,870,635)
Balance at the End of the Year	3,545,000	2,000,000	-	5,545,000

- The restricted balances at banks and financial institutions amounted to JD 1,063,500 as of June 30, 2020 (JD 3,545,000 as of December 31, 2019)

The movement on the expected credit losses for the deposits at banks and financial institutions during period / year is as follows:

	Stage (1) JD	Stage (2) JD	Stage (3) JD	Total JD
For the Six Months Ended June 30, 2020 (Reviewed)				
Balance at beginning of the period (Audited)	-	6,894	-	6,894
New balances during the period	-	-	-	-
Settled balances	-	(6,894)	-	(6,894)
Balance at the End of the Period (Reviewed)	-	-	-	-
	Stage (1) JD	Stage (2) JD	Stage (3) JD	Total JD
For the Year Ended December 31, 2019 (Audited)				
Balance - beginning of the year	1,554	-	-	1,554
New balances during the year	-	6,894	-	6,894
Settled balances	(1,554)	-	-	(1,554)
Balance at the End of the Year	-	6,894	-	6,894

8. Direct Credit Facilities – Net

The details of this item are as follows:

	June 30, 2020 (Reviewed) JD	December 31, 2019 (Audited) JD
Individuals (Retail):		
Loans and bills *	102,543,115	103,260,783
Credit cards	1,018,489	1,065,286
Real estate loans	164,872,134	190,315,443
Corporate:		
Overdrafts	92,791,291	111,524,474
Loans and bills *	325,512,991	294,628,276
Small and Medium Enterprises ("SMEs"):		
Overdrafts	14,662,171	15,209,488
Loans and bills *	64,244,927	62,081,247
Government and public sector	86,461,206	117,755,662
Total	852,106,324	895,840,659
Less: Interest in suspense	(19,164,893)	(16,306,702)
Less: Expected credit losses	(32,575,527)	(30,433,934)
Net Direct Credit Facilities	800,365,904	849,100,023

- * Net after deducting interest and commission received in advance amounted to JD1,628,000 as of June 30, 2020 (JD 1,1941,050 as of December 31, 2019).
- Non-performing credit facilities amounted to JD 63,260,799 which is equivalent to 7.42% of total direct credit facilities as of June 30, 2020 (JD 53,613,359 which is equivalent to 5.98% of total direct credit facilities as of December 31, 2019).
- Non-performing credit facilities after deducting interest and commissions in suspense amounted to JD 44,095,906 which is equivalent to 5.29% of total direct credit facilities balance after deducting interest and commission in suspense as of June 30, 2020 (JD 37,306,657 which is equivalent to 4.24% of total credit facilities balance after deducting interest and commission in suspense as of December 31, 2019).
- There is no suspended interest against performing loans as of June 30, 2020 and December 31, 2019 respectively.
- Rescheduled loans amounted to JD 3,596,142 as of June 30, 2020 (JD 15,941,319 as of December 31, 2019).
- Restructured loans credit facilities amounted to JD 19,566,000 as of June 30, 2020 (JD 80,916,400 as of December 31, 2019).
- Direct credit facilities granted to and guaranteed by the Government of The Hashemite Kingdom of Jordan amounted to JD 86,461,206 which is equivalent to 10.15% of total direct credit facilities as of June 30, 2020 (JD 117,755,662 which is equivalent to 13.14% of total direct credit facilities as of December 31, 2019).

The movement on direct credit facilities were as follow :

For the Six Months Ended June 30, 2020 (Reviewed)

Balance at beginning of the period (Audited)

New credit facilities during the period

Paid credit facilities

Transferred to stage (1)

Transferred to stage (2)

Transferred to stage (3)

Balance at End of the Period (Reviewed)

	Stage (1)			Stage (2)			Total
	Individual	Collective	JD	Individual	Collective	JD	
	JD			JD		JD	JD
	759,655,275	-		82,572,025	-	53,613,359	895,840,659
	158,448,125	-		12,295,436	-	5,597,711	176,341,272
	(208,569,903)	-		(7,991,833)	-	(3,513,871)	(220,075,607)
	1,784,912	-		(1,242,945)	-	(541,967)	-
	(19,307,402)	-		19,439,685	-	(132,283)	-
	(956,846)	-		(7,281,004)	-	8,237,850	-
	691,054,161	-		97,791,364	-	63,260,799	852,106,324

For the Year Ended December 31, 2019 (Audited)

Balance - beginning of the year

New facilities during the year

Paid facilities

Transferred to stage (1)

Transferred to stage (2)

Transferred to stage (3)

Facilities transferred off-balance sheet

Written off facilities

Balance - End of the Year

	Stage (1)			Stage (2)			Total
	Individual	Collective	JD	Individual	Collective	JD	
	JD			JD		JD	JD
	756,647,899	-		41,041,037	-	64,689,216	862,378,152
	314,205,638	-		43,764,163	-	5,698,467	363,668,268
	(296,363,181)	-		(16,304,058)	-	(5,945,947)	(318,613,186)
	4,768,692	-		(3,353,186)	-	(1,415,506)	-
	(11,029,255)	-		22,257,422	-	(11,228,167)	-
	(8,574,518)	-		(4,833,353)	-	13,407,871	-
	-	-		-	-	(11,518,608)	(11,518,608)
	-	-		-	-	(73,967)	(73,967)
	759,655,275	-		82,572,025	-	53,613,359	895,840,659

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

	Stage (1)		Stage (2)		Stage (3)		Total
	Individual	Collective	Individual	Collective	Individual	Collective	
	JD	JD	JD	JD	JD	JD	JD
For the Six Months Ended June 30, 2020 (Reviewed)							
Balance at beginning of the period (Audited)	1,331,384	-	4,091,828	-	25,010,722	-	30,433,934
New credit facilities during the period	495,503	-	1,457,401	-	2,948,963	-	4,901,867
Paid credit facilities	(420,081)	-	(798,999)	-	(1,541,194)	-	(2,760,274)
Transferred to stage (1)	3,603	-	(1,916)	-	(1,687)	-	-
Transferred to stage (2)	(89,546)	-	93,851	-	(4,305)	-	-
Transferred to stage (3)	(5,759)	-	(171,268)	-	177,027	-	-
Written-off credit facilities	-	-	-	-	-	-	-
Balance at End of the Period (Reviewed)	1,315,104	-	4,670,897	-	26,589,526	-	32,575,527

	Stage (1)		Stage (2)		Stage (3)		Total
	Individual	Collective	Individual	Collective	Individual	Collective	
	JD	JD	JD	JD	JD	JD	JD
For the Year Ended December 31, 2019 (Audited)							
Balance at beginning of the year	1,966,136	-	2,349,334	-	28,814,865	-	33,130,335
New credit facilities during the year	807,641	-	2,363,528	-	6,734,538	-	9,905,707
Paid credit facilities	(1,275,140)	-	(1,275,140)	-	(6,636,451)	-	(8,894,276)
Transferred to stage (1)	13,687	-	(9,397)	-	(4,290)	-	-
Transferred to stage (2)	(51,729)	-	1,116,986	-	(1,065,257)	-	-
Transferred to stage (3)	(129,211)	-	(745,938)	-	875,149	-	-
changes due to transfer between stages	(167,253)	-	361,651	-	(194,398)	-	-
Written-off credit facilities	-	-	-	-	(45,614)	-	(45,614)
Transferred off consolidated balance sheet	-	-	-	-	(3,662,218)	-	(3,662,218)
Balance at End of the Year	1,331,384	-	4,091,828	-	25,010,722	-	30,433,934

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

For the Six Months Ended June 30, 2020 (Reviewed)

Balance at beginning of the period (Audited)

New credit facilities during the period

Paid credit facilities

Transferred (from) / to stage (1)

Transferred (from) / to stage (2)

Transferred (from) / to stage (3)

Effect of adjustment

Written-off debts

Balance at the End of the Period (Reviewed)

Redistribution:

provisions on an individual basis

provisions on a collective basis

	Corporates		SMEs		Individuals		Real-Estate Loans		Governmental and Public Sector		Total
	JD		JD		JD		JD		JD		JD
Balance at beginning of the period (Audited)	15,109,858		4,928,932		6,979,494		3,414,609		1,041		30,433,934
New credit facilities during the period	1,732,490		582,648		1,517,605		1,060,514		8,610		4,901,867
Paid credit facilities	(615,906)		(318,470)		(910,980)		(914,916)		(2)		(2,760,274)
Transferred (from) / to stage (1)	(10,699)		(7,839)		(36,775)		(36,389)		-		(91,702)
Transferred (from) / to stage (2)	(72,493)		(47,428)		21,209		19,379		-		(79,333)
Transferred (from) / to stage (3)	83,192		55,267		15,566		17,010		-		171,035
Effect of adjustment	-		-		-		-		-		-
Written-off debts	-		-		-		-		-		-
Balance at the End of the Period (Reviewed)	16,226,442		5,193,110		7,586,119		3,560,207		9,649		32,575,527
Redistribution:											
provisions on an individual basis	16,226,442		5,279,164		7,546,118		3,514,154		9,649		32,575,527
provisions on a collective basis	-		-		-		-		-		-
	16,226,442		5,279,164		7,546,118		3,514,154		9,649		32,575,527

For the Year Ended December 31, 2019 (Audited)

	Corporates		SMEs		Individuals		Real-Estate Loans		Governmental and Public Sector		Total	
	JD		JD		JD		JD		JD		JD	
Balance – beginning of the year	17,078,412		5,640,420		7,200,408		2,895,300		315,795		33,130,335	
New credit facilities during the year	4,512,897		1,296,681		2,221,962		1,873,945		223		9,905,708	
Paid credit facilities	(4,580,201)		(1,051,643)		(1,680,369)		(1,267,087)		(314,977)		(8,894,277)	
Transferred (from) / to stage (1)	(7,124)		(9,881)		(97,942)		(52,306)		-		(167,253)	
Transferred (from) / to stage (2)	483,424		58,974		16,197		(196,944)		-		361,651	
Transferred (from)/ to stage (3)	(476,300)		(49,093)		81,745		249,250		-		(194,398)	
Written off facilities	-		-		(45,614)		-		-		(45,614)	
Transferred off consolidated balance sheet	(1,901,250)		(956,526)		(716,893)		(87,549)		-		(3,662,218)	
Adjustments due to change in exchange rates	-		-		-		-		-		-	
Balance - End of the Year	15,109,858		4,928,932		6,979,494		3,414,609		1,041		30,433,934	

Redistribution:

Provision on an individual basis	15,109,858		4,928,932		6,979,494		3,414,609		1,041		30,433,934	
Provision on a collective basis	-		-		-		-		-		-	
	15,109,858		4,928,932		6,979,494		3,414,609		1,041		30,433,934	

The value of provisions that were canceled due to settlement or repayment of debts with respect to other debts amounted to JD 2,760,274 as of June 30, 2020
(JD 8,894,277 as of December 31, 2019)

Suspended Interest

The movement of the suspended interest during the period / year were as follows::

	Companies				
	Individuals	Real-Estate Loans	Corporates	SMEs	Total
	JD	JD	JD	JD	JD
Balance at beginning of the period (Audited)	6,248,009	2,320,647	2,746,064	4,991,982	16,306,702
Add: Interest suspended during the period	1,233,224	807,926	1,199,361	641,396	3,881,907
Less: Interest transferred to revenues	(191,548)	(49,921)	(85,785)	(18,744)	(345,998)
Written-off suspended interest	(372,959)	(213,217)	(91,542)	-	(677,718)
Balance at the End of the Period (Reviewed)	6,916,726	2,865,435	3,768,098	5,614,634	19,164,893

For the Six Months Period Ended June 30, 2020 (Reviewed)

For the Year Ended December 31, 2019 (Audited)

Balance - beginning of the year	9,083,322	2,070,809	2,914,330	6,305,611	20,374,072
Add: Interest in suspense during the year	2,189,824	1,146,573	2,531,581	2,173,562	8,041,540
Less: Interests transferred to revenue	(435,081)	(163,380)	(660,802)	(110,924)	(1,370,187)
Interest in suspense written off	(1,623,161)	(203,518)	(167,955)	(887,699)	(2,882,333)
Interest in suspense transferred off-balance sheet	(2,966,895)	(529,837)	(1,871,090)	(2,488,568)	(7,856,390)
Balance - End of the Year	6,248,009	2,320,647	2,746,064	4,991,982	16,306,702

Direct credit facilities are distributed to geographic location and economic sector before provisions and interest in suspense as follows:

<u>ECONOMIC SECTOR</u>	<u>June 30, 2020 (Reviewed)</u>	<u>December 31, 2019 (Audited)</u>
	JD	JD
Manufacturing	87,081,341	93,466,684
Trade	238,065,558	220,762,821
Real-estate	188,563,843	209,034,802
Mining	3,504,769	3,663,557
Financing purchase of shares	14,543,366	13,787,140
Transportation	13,836,494	14,905,282
Financial services	30,741,156	32,626,770
Services and public facilities	74,030,821	65,979,932
Tourism and hotels	15,366,284	19,872,576
Agriculture	4,932,291	4,810,769
Government and public sector	86,461,206	117,755,662
Retail and others (financing goods, personal loans, cars and financial brokerage)	94,979,195	99,174,664
	<u>852,106,324</u>	<u>895,840,659</u>

9. Financial Assets at Fair Value Through Other Comprehensive Income

The details of this item are as follows:

	<u>June 30, 2020 (Reviewed)</u>	<u>December 31, 2019 (Audited)</u>
	JD	JD
Quoted shares in active markets	320,296	327,576
Unquoted shares in active markets	2,654,551	2,654,384
Government bonds through other comprehensive income *	90,296,687	76,200,755
Total	<u>93,271,534</u>	<u>79,182,715</u>

- All of the government bonds at cost are classified within stage (1) according to the requirements of IFRS (9) and there are no expected credit losses. There were no transfers between the stages (1,2,3) or any written-off accounts during the period ended June 30, 2020.
- There was no cash dividends on the above investment for the six months ended in June 30, 2020 (JD 35,000 for the six months ended June 30, 2019).
- The movement on the financial assets at fair value through other comprehensive income is as follows:

	<u>June 30, 2020 (Reviewed)</u>	<u>December 31, 2019 (Audited)</u>
	JD	JD
Balance at the beginning of period / year	79,182,715	1,593,687
New investments during the period / year	11,551,807	76,445,688
Sold investments during the period / year	-	-
Change in fair value during the period - Net	2,537,012	1,143,340
balance at the End of the Period / Year	<u>93,271,534</u>	<u>79,182,715</u>

10. Financial Assets at Amortized Cost - Net

The details of this item are as follows:

	<u>June 30, 2020 (Reviewed)</u>	<u>December 31, 2019 (Audited)</u>
	JD	JD
<u>Financial Assets with no Available Market Prices</u>		
Government and Government guaranteed bonds	203,294,855	215,937,984
Corporate bonds	2,400,000	10,373,420
Total	<u>205,694,855</u>	<u>226,311,404</u>
<u>Less: Provision for expected credit loss (stage 1)</u>	-	(5,873)
<u>Less: Provision for expected credit loss (stage 3)</u>	<u>(1,250,000)</u>	<u>(1,150,000)</u>
	<u>204,444,855</u>	<u>225,155,531</u>
 <u>Analysis of Bills and Bonds</u>		
Bills and bonds with fixed interest	204,444,855	225,155,531
	<u>204,444,855</u>	<u>225,155,531</u>
 <u>Analysis of Bills and Bonds as per IFRS (9)</u>		
Stage (1)	203,294,855	223,911,404
Stage (3)	2,400,000	2,400,000
Total	<u>205,694,855</u>	<u>226,311,404</u>

- The movement on financial assets at amortized cost during the period / year were as follows:

For the Six Months Period Ended June 30, 2020 (Reviewed)

Balance at beginning of the period (Audited)

New balances during the period

Paid balances

Transferred to Stage (1)

Transferred to Stage (2)

Transferred to Stage (3)

Balance at End of the Period (Reviewed)

	Stage (1)	Stage (2)	Stage (3)	Total
	JD	JD	JD	JD
Balance at beginning of the period (Audited)	223,911,404	-	2,400,000	226,311,404
New balances during the period	-	-	-	-
Paid balances	(20,616,549)	-	-	(20,616,549)
Transferred to Stage (1)	-	-	-	-
Transferred to Stage (2)	-	-	-	-
Transferred to Stage (3)	-	-	-	-
Balance at End of the Period (Reviewed)	203,294,855	-	2,400,000	205,694,855

For the Year Ended December 31, 2019 (Audited)

Investments as of beginning of the year

New balances during the year

Paid balances

Transferred to stage (1)

Transferred to stage (2)

Transferred to stage (3)

Balance - End of the Year

	Stage (1)	Stage (2)	Stage (3)	Total
	JD	JD	JD	JD
Investments as of beginning of the year	271,754,904	-	400,000	272,154,904
New balances during the year	14,180,000	-	-	14,180,000
Paid balances	(59,523,500)	-	(500,000)	(60,023,500)
Transferred to stage (1)	-	-	-	-
Transferred to stage (2)	-	-	-	-
Transferred to stage (3)	(2,500,000)	-	2,500,000	-
Balance - End of the Year	223,911,404	-	2,400,000	226,311,404

The movement in the expected credit losses of financial assets at amortized cost during the period / year were as follows:

For the Six Months Period Ended June 30, 2020 (Reviewed)

	Stage (1)	Stage (2)	Stage (3)	Total
	JD	JD	JD	JD
Balance at beginning of the period (Audited)	5,873	-	1,150,000	1,155,873
Impairment loss on new balances during the period	-	-	100,000	100,000
Recovered from impairment losses	(5,873)	-	-	(5,873)
Transferred to stage (1)	-	-	-	-
Transferred to stage (2)	-	-	-	-
Transferred to stage (3)	-	-	-	-
Balance at the End of the Period (Reviewed)	-	-	1,250,000	1,250,000

For the Year Ended December 31, 2019 (Audited)

	Stage (1)	Stage (2)	Stage (3)	Total
	JD	JD	JD	JD
Balance at beginning of the year	55,193	-	400,000	455,193
Impairment loss on new balances during the year	-	-	743,362	743,362
Recovered from impairment losses	(42,682)	-	-	(42,682)
Transferred to stage (1)	-	-	-	-
Transferred to stage (2)	-	-	-	-
Transferred to stage (3)	(6,638)	-	6,638	-
Balance at the End of the Year	5,873	-	1,150,000	1,155,873

Pledged Financial Assets

The details are as follows:

	December 31, 2020 (Reviewed)			December 31, 2019 (Audited)		
	Pledged Financial Assets	Related Liabilities		Pledged Financial Assets	Related Liabilities	
	JD	JD		JD	JD	
Financial assets at amortized cost	218,090,000	174,672,795		218,090,000	173,650,000	
Total	218,090,000	174,672,795		218,090,000	173,650,000	

- All the pledged financial assets are classified within stage (1) according to IFRS (9), there is no expected credit losses, and there was no transfers between the stages or written-offs during the period ended June 30, 2020 and the year ended December 31, 2019.

- Bonds have been pledged against the following:

	Issuance Number	Bond Balance	Maturity Date	Pledged Against
Treasury bonds	44/2016	1,090,000	05/10/2026	Borrowing from Central Bank of Jordan
Treasury bonds	40/2016	13,000,000	22/09/2026	Deposit for the Social Security Corporation
Treasury bonds	8/2016	15,000,000	01/03/2026	Deposit for the Social Security Corporation
Treasury bonds	38/2016	22,000,000	19/09/2026	Deposit for the Social Security Corporation
Treasury bonds	11/2016	25,000,000	15/03/2023	Deposit for the Social Security Corporation
Treasury bonds	23/2016	33,000,000	20/08/2022	Deposit for the Social Security Corporation
Treasury bonds	35/2015	28,000,000	26/10/2022	Deposit for the Social Security Corporation
Treasury bonds	44/2015	50,000,000	23/11/2022	Deposit for the Social Security Corporation
Treasury bonds	20/2017	31,000,000	07/08/2032	Deposit for the Social Security Corporation
Total		218,090,000		

11. Other Assets

The details of this item are as follows:

	June 30, 2020 (Reviewed)	December 31, 2019 (Audited)
	JD	JD
Accrued interests and revenues	9,063,438	10,769,243
Prepaid expenses	1,509,182	741,929
Assets seized by the Bank *	4,902,812	4,864,973
Clearing checks	-	8,744,406
Others	740,069	635,407
Total	16,215,501	25,755,958

- * As per the Central Bank of Jordan instructions, all seized assets should be sold within a maximum period of two years from the acquisition date.

The following is a summary of asset seized movement transferred to the Bank in return for outstanding debts during the period / year:

	June 30, 2020 (Reviewed)	December 31, 2019 (Audited)
	JD	JD
Balance at beginning of the period/ year	4,864,973	3,676,261
Additions	58,237	1,432,066
Disposals	(24,641)	(108,923)
Seized assets impairment (provision)	-	(134,431)
Resersal of Seized assets impairment	4,243	-
Balance at the End of the Period / Year	4,902,812	4,864,973

12. Customer Deposits

The details of this item are as follows:

For the Six Months Period Ended June 30, 2020 (Reviewed)

	Retail	Corporate	SMEs	Government and public sectors	Total
	JD	JD	JD	JD	JD
Current accounts and demand deposits	34,794,951	52,533,646	16,099,043	18,385,902	121,813,542
Saving deposits	68,820,401	125,249	954,279	6,932	69,906,861
Time and notice deposits	291,492,912	152,750,189	35,124,739	452,726,359	932,094,199
Certificates of deposit	18,697,119	100,000	100,000	-	18,897,119
Total	413,805,383	205,509,084	52,278,061	471,119,193	1,142,711,721

For the Year Ended December 31, 2019 (Audited)

Current accounts and demand deposits	34,210,372	69,566,069	17,768,226	62,457,741	184,002,408
Saving deposits	73,966,081	146,783	1,101,387	6,298	75,220,549
Time and notice deposits	340,344,018	215,754,621	36,993,037	469,747,070	1,062,838,746
Certificates of deposit	28,846,709	100,000	100,000	-	29,046,709
Total	477,367,180	285,567,473	55,962,650	532,211,109	1,351,108,412

- Deposits of the Jordanian Government and the public sector inside the Kingdom amounted to JD 471,119,193 representing 41.23% of total deposits as of June 30, 2020 (JD 532,211,109 representing 39.39% as of December 31, 2019).
- The value of non-Interest bearing deposits amounted to JD 104,997,218 representing 9.19% of total deposits as of June 30, 2020 (JD 161,530,075 or 11.96% as of December 31, 2019).
- The amount of restricted deposits (restricted from withdrawals) amounted to JD 344 as of June 30, 2020 (JD 360 as of December 31, 2019).
- The value of dormant deposits amounted to JD 4,336,033 as of June 30, 2020 (JD 3,282,696 of total deposits as of December 31, 2019) .

13. Borrowed Funds

The details of this item are as follows:

	Number of Installments		Installments		Guarantees	Interest Rate	Re-lending Interest Rate
	Amount	Total	Remaining	Maturity Frequency			
June 30, 2020 (Reviewed)	JD						
Central Bank of Jordan	532,632	54	16	Monthly installments	Bonds	Fixed 1	3.25
Central Bank of Jordan	1,500,000	20	15	Semi-annual installments	-	Variable 2.54	6
Central Bank of Jordan	1,972,000	15	9	Semi-annual installments	-	Fixed 2.5	6
Central Bank of Jordan	12,204,077	109-19	86-2	Monthly installments	Bank notes	Fixed 0.05-1	3 - 5.5
Central Bank of Jordan - Himmat Watan Program	3,790,812	36-24	36-24	Monthly installments	Bank notes	-	2
Jordan Mortgage Refinance Company	2,000,000	4	2	Semi-annual installments	Real - estate	Fixed 6.1	6.74
Jordan Mortgage Refinance Company	10,000,000	6	2	Semi-annual installments	Real - estate	Fixed 6.2	6.74
Jordan Mortgage Refinance Company	5,000,000	6	4	Semi-annual installments	Real - estate	Fixed 6.1	6.74
Jordan Mortgage Refinance Company	5,000,000	6	6	Semi-annual installments	Real - estate	Fixed 5.25	6.74
Repurchase agreements from the Central Bank of Jordan	2,142,858	-	-	The full amount is due on 9/29/2020	-	Fixed 2	-
Repurchase agreements from the Central Bank of Jordan	23,244,275	-	-	The full amount is due on 7/13/2020	-	Fixed 2	-
Repurchase agreements from the Central Bank of Jordan	9,128,289	-	-	The full amount is due on 8/6/2020	-	Fixed 2	-
Repurchase agreements from the Central Bank of Jordan	11,764,706	-	-	The full amount is due on 7/21/2020	-	Fixed 2	-
Repurchase agreements from the Central Bank of Jordan	11,363,636	-	-	The full amount is due on 9/29/2020	-	Fixed 2	-
Housing Bank for Trade and Finance - Overdraft by SGBJ Finance Leasing Company	12,452	-	-	-	-	Variable 5.25	9-11
Housing Bank for Trade and Finance - Revolving financing by SGBJ Finance Leasing Company	898,879	88	77	Monthly installments	-	Variable 5.25	9-11
	<u>100,554,616</u>						

- The maturity dates of funds borrowed from the Central Bank of Jordan range during the years from 2020 to 2028.

- Loans with a fixed interest rate amounted to JD 18,499,521 and loans with variable interest rate amounted to JD 1,500,000 as of June 30, 2020.

- The Central Bank's advances included an amount of JD 3,472,000 for supporting and financing micro, small and medium-sized companies, and JD 3,729,433 representing medium-term advances to support the industrial sector, JD 3,562,355 which represents a medium-term advances to support the tourism sector and JD 5,444,921 to support re-newable energy sector and JD 3,790,812 for Himmat Watan Program.

- The maturity dates of funds borrowed from Jordan Mortgage Refinance Company of Jordan range during the years from 2020 to 2023.

	Number of Installments		Installments		Guarantees	Interest	
	Amount	Total	Remaining	Maturity Frequency		Rate	Re-lending Interest Rate
December 31, 2019 (Audited)							
French Development Agency	496,788	16	1	Semi-annual Installments	-	Variable 0.25	7.5 - 8.5
Central Bank of Jordan	581,053	54	47	Monthly Installments	Bonds	Fixed 1.75	4
Central Bank of Jordan	1,600,000	20	16	Semi-annual Installments	-	Variable 3.85	6 - 7.37
Central Bank of Jordan	2,210,000	15	10	Semi-annual Installments	-	Fixed 2.5	6
Central Bank of Jordan	11,161,677	109-19	89-1	Monthly Installments	Bank notes	Fixed 1-2	3.6 - 5.5
Jordan Mortgage Refinance Company	2,000,000	4	3	Semi-annual Installments	Mortgage Bonds	Fixed 6.1	7.5
Jordan Mortgage Refinance Company	10,000,000	6	3	Semi-annual Installments	Mortgage Bonds	Fixed 6.2	7.5
Jordan Mortgage Refinance Company	5,000,000	6	6	Semi-annual Installments	Mortgage Bonds	Fixed 6.1	7.5
Housing Bank for Trade and Finance - Overdraft by SGBJ Finance Leasing Company	637,958	-	-	-	-	Variable 5.25	9 - 11
Housing Bank for Trade and Finance - Revolving financing by SGBJ Finance Leasing Company	751,436	36	35	Monthly	-	Variable 5.25	9 - 11
	34,438,912						

- The maturity dates of funds reborrowed from the Central Bank of Jordan range during the years from 2020 to 2028.

- Fixed interest loans amounted to JD 13,952,730 and variable interest loans were JD 1,600,000 as at December 31, 2019.

- The Central Bank's advances included an amount of JD 3,810,000 for supporting and financing micro, small and medium-sized companies, JD 3,145,778 representing medium-term advances to support the industrial sector, JD 3,018,698 which represents a medium-term predecessor to support the tourism sector and JD 5,578,254 to support the re-newable energy sector.

- The maturity dates of all funds reborrowed from Jordan Mortgage Refinance Company of Jordan range during the year 2022.

14. Provision for Income Tax

a. Income tax provision:

The movement on the provision for income tax is as follows:

	June 30, 2020 (Reviewed)	December 31, 2019 (Audited)
	JD	JD
Balance at beginning of the period / year	5,346,308	213,215
Income tax paid	(5,830,248)	(1,708,432)
Income tax for the period / year	1,561,000	6,841,525
Balance at End of the Period / Year	1,077,060	5,346,308

b. Income tax expense for the period, which appears in the condensed consolidated interim statement of profit or loss, consists of the following:

	For the Six Month Period Ended June 30,	
	2020 (Reviewed)	2019 (Reviewed)
	JD	JD
Accrued income tax on the period's income	1,561,002	3,243,417
Deferred tax assets for the period	(320,107)	(201,127)
Deferred tax liabilities for the period	179,538	(35,783)
Balance at End of the Period	1,420,433	3,006,507

- A final settlement was reached with the income tax in relation to the Bank's income tax until the end of 2015, the tax return was accepted on a sample basis for the year 2018 by the Income Tax Department but it was returned and requested the file to be opened.
- The Bank has filed its income tax return for the years 2018 and 2019 and paid declared income taxes, however, the Income Tax Department has not reviewed them yet.
- Societe Generale Brokerage Company has obtained a final clearance from the Income and Sales Tax Department until the end of 2018.
- Societe Generale Leasing Company has obtained a final clearance from the Income and Sales Tax Department until the end of 2018.
- Statutory tax rate for the bank is %35 and national contribution of 3%. Whereas statutory tax rate for the subsidiaries of the Bank is 24% and national contribution of 4%.

15. Other Liabilities

The details of this item are as follows:

	June 30, 2020 (Reviewed)	December 31, 2019 (Audited)
	JD	JD
Accrued interest expense	7,049,858	14,859,250
E-Fawateer kom	9,209,273	-
Restricted balances	3,085,509	3,111,201
Checks and payment orders	1,353,935	1,059,985
Interest and commissions received in advance	302,163	344,021
Accrued expenses	1,534,720	1,305,468
Inter- branches settlement	313,428	69,111
Social Security and Income tax deposits	360,141	324,376
Board of Directors remunerations	85,131	85,131
Provision for expected credit loss for items outside the statement of financial position	1,411,054	1,042,287
Payments against collection of outstanding debts	2,491,566	2,833,642
Other	1,281,809	1,722,021
Total	28,478,587	26,756,493

The movement of the indirect facilities during the period/ year:

For the Six Months Ended June 30, 2020 (Reviewed)

Balance at the beginning of the period (Audited)

New exposures during the period

Settled balances

Transferred to stage (1)

Transferred to stage (2)

Transferred to stage (3)

Balance End of the Period (Reviewed)

	Stage (1)	Stage (2)	Stage (3)	Total
	JD	JD	JD	JD
Balance at the beginning of the period (Audited)	151,817,841	24,853,873	477,724	177,149,438
New exposures during the period	30,719,321	4,364,741	-	35,084,062
Settled balances	(42,735,568)	(4,323,773)	(57,825)	(47,117,166)
Transferred to stage (1)	430,000	(400,000)	(30,000)	-
Transferred to stage (2)	(262,300)	262,300	-	-
Transferred to stage (3)	(1,500)	(149,709)	151,209	-
Balance End of the Period (Reviewed)	139,967,794	24,607,432	541,108	165,116,334

For the Year Ended December 31, 2019 (Audited)

Balance - beginning of the year

New exposures during the year

Settled balances

Transferred to stage (1)

Transferred to stage (2)

Transferred to stage (3)

Balance - End of the Year

	225,325,348	3,950,907	1,162,477	230,438,732
Balance - beginning of the year	50,387,556	7,595,580	100,000	58,083,136
New exposures during the year	(107,620,197)	(3,333,618)	(418,615)	(111,372,430)
Settled balances	558,667	(558,667)	-	-
Transferred to stage (1)	(16,789,671)	17,199,671	(410,000)	-
Transferred to stage (2)	(43,862)	-	43,862	-
Transferred to stage (3)	151,817,841	24,853,873	477,724	177,149,438
Balance - End of the Year				

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

For the Six Months Ended June 30, 2020 (Reviewed)

	Stage (1)	Stage (2)	Stage (3)	Total
	JD	JD	JD	JD
Balance at the beginning of the period (Audited)	101,599	759,157	181,531	1,042,287
Impairment loss on new exposures during the period	52,112	441,348	74,967	568,427
Recovered from the impairment loss of the paid exposures	(48,688)	(81,573)	(69,399)	(199,660)
Transferred to stage (1)	113	-	(113)	-
Transferred to stage (2)	-	-	-	-
Transferred to stage (3)	(9)	(541)	550	-
Balance End of the Period (Reviewed)	105,127	1,118,391	187,536	1,411,054

For the Year Ended December 31, 2019 (Audited)

Balance at the beginning of the year	537,345	25,328	456,713	1,019,386
Impairment loss on new exposures during the year	49,101	645,073	62,884	757,058
Recovered from the impairment loss of the Paid exposures	(381,167)	(179,091)	(173,899)	(734,157)
Transferred to stage (1)	-	-	-	-
Transferred to stage (2)	(103,597)	267,847	(164,250)	-
Transferred to stage (3)	(83)	-	83	-
Effect on the provision due to changes in the classifications between the three stages during the year	(103,680)	267,847	(164,167)	-
Balance End of the Year	101,599	759,157	181,531	1,042,287

16. Fair Value Reserve - Net

The details of this item are as follows:

	June 30, 2020 (Reviewed)	December 31, 2019 (Audited)
	JD	JD
Balance at beginning of the period/ year	923,185	(220,155)
Change in fair value reserve	2,537,012	1,143,340
Balance at End of the Period/ Year	3,460,197	923,185

17. Retained Earnings

The details of this item are as follows:

	June 30, 2020 (Reviewed)	December 31, 2019 (Audited)
	JD	JD
Balance at the beginning of the period / year	18,507,649	15,068,679
Profit for the period./ year	-	10,060,197
Transferred to reserves	-	(1,621,227)
Cash dividends*	-	(5,000,000)
Balance at the End of the Period / Year	18,507,649	18,507,649

- Retained earnings include an amount of JD 48,831 which represents the effect of the early adoption of IFRS 9 which cannot be used except for the amounts realized through the actual selling including capitalization and distribution of the respective assets.
- An amount of 4,131,609 is restricted from retained earnings which represents deferred tax assets according to the Central Bank of Jordan and Jordan Securities Commission regulations.
- An amount of JD 234,713 as of June 30, 2020 which represent the negative change of financial assets at fair value through other comprehensive income by the Jordan Securities Commission.
- The Central Bank of Jordan issued a new regulation No. 13/2018 dated September 6, 2019, in which it requested the transfer of the general banking risk reserve balance to the retained earnings to offset the effect of IFRS (9) on the opening balance of retained earnings as of December 31, 2018. Also, the regulation stipulates that the balance of the general banking risk reserve should be restricted and may not be distributed as dividends to the shareholders or used for any of purposes without prior approval by the Central Bank of Jordan.
- * The year 2019 proposed dividends to shareholders were postponed as per Central Bank of Jordan circular number (1/1/4693) dated April 9, 2020 (Dividends paid represents 5% of capital for the year 2018) .

18. Interest Income

The details of this item are as follows:

	For the Six Months Period Ended June 30,	
	2020 (Reviewed)	2019 (Reviewed)
	JD	JD
Direct Credit Facilities:		
Retail:		
Loans and Bills	2,805,350	3,422,249
Credit Cards	25,424	56,341
Real Estate Loans	3,401,245	4,108,042
Corporate:		
Overdrafts	4,228,639	4,385,720
Loans and Bills	13,413,327	12,854,946
SMEs		
Overdrafts	699,875	837,133
Loans and Bills	2,154,708	2,133,708
Government and public sector	2,964,066	3,257,188
Balances at Central Bank of Jordan	465,653	1,247,551
Balances and deposits at banks and financial institutions	392,746	2,630,157
Financial assets held to maturity date	14,545,549	13,309,521
	<u>45,096,582</u>	<u>48,242,556</u>

19. Interest Expense

The details of this item are as follows:

	For the Six Months Period Ended June 30,	
	2020 (Reviewed)	2019 (Reviewed)
	JD	JD
Banks and financial institutions' deposits	535,074	609,327
Customers' deposits:	27,599,766	31,729,870
Current accounts and demand deposits	795,822	728,676
Saving deposits	207,865	185,252
Time deposits	25,765,399	30,072,541
Certificates of deposits	830,680	743,401
Margin accounts	2,522,828	2,509,917
Loans and borrowings	608,859	403,456
Deposit guarantee fees	825,015	835,140
	<u>32,091,542</u>	<u>36,087,710</u>

20. Provision of Expected Credit Losses

The details of this item are as follows:

	For the Six Month Period Ended June 30,	
	2020 (Reviewed)	2019 (Reviewed)
	JD	JD
Provision for expected credit loss of direct facilities	2,141,593	2,107,534
provision (recovered from) for expected credit loss of indirect facilities	368,767	(255,106)
Provision of expected credit loss of financial Assets at amortized cost	94,127	85,147
(Recovered from) provision of expected credit loss for balances and deposits at banks and financial institutions	(441)	(41,555)
Total	<u>2,604,046</u>	<u>1,896,020</u>

21. Earnings Per share for the Period

The details of this item are as follows:

	For the Three Months Period Ended June 30,		For the Six Months Period Ended June 30,	
	2020 (Reviewed)	2019 (Reviewed)	2020 (Reviewed)	2019 (Reviewed)
	JD	JD	JD	JD
Profit for the period	1,177,000	2,016,598	2,737,751	5,017,881
Weighted average number of shares	100,000,000	100,000,000	100,000,000	100,000,000
Basic and diluted earnings per share attributable to the bank's shareholders	0.012	0.020	0.027	0.050

22. Cash and Cash Equivalents

The details of this item are as follows:

	For the Six Months Period Ended June 30,	
	2020 (Reviewed)	2019 (Reviewed)
	JD	JD
Cash and balances with central bank maturing within 3 months	121,201,171	157,405,564
Add: Balances at banks and financial institutions maturing within 3 months	25,112,681	78,068,337
Less: Banks and financial institutions' deposits maturing within 3 months	(11,812,125)	(15,096,599)
Restricted balances	1,971,020	-
	136,472,747	220,377,302

23. Other Revenues

This item includes an amount of JD 2.7 million collected during the first quarter of 2019 to settle the Bank claim in relation to the acquisition of the assets and liabilities of National Bank of Abu Dhabi which was signed on March 28, 2019.

26. Business Segment Information

1. Information about the Bank's activities:

The Bank is organized for administrative purposes so that the segments are measured according to reports used by the Bank's General Manager and Chief Decision Maker through the following main business segments:

- Consumer Accounts: This includes monitoring the deposits of individual customers and granting them credit facilities, credit cards and other services,
- Small and medium enterprises (SMEs): includes follow-up of deposits and credit facilities granted to customers of this sector and classified according to the volume of deposits and facilities under the instructions and policies existing in the bank and commensurate with the instructions of regulatory bodies,
- Corporate account: Includes follow-up of deposits and credit facilities granted to customers of this sector and classified according to the volume of deposits and facilities under the instructions and policies existing in the bank and commensurate with the instructions of the regulatory bodies,
- Treasury: This segment includes the provision of trading and treasury services, management of the Bank's funds and long-term investments at amortized cost and held to collect contractual cash flows,

The following is information on the Bank's business segments, broken down by activities:

	Total		June 30,		June 30,		June 30,		December 31,	
	2020 (Reviewed)		2019 (Reviewed)		2020 (Reviewed)		2019 (Reviewed)		2019 (Reviewed)	
	Retail	SMEs	Corporate	Treasury	Others					
	JD	JD	JD	JD	JD					
Total revenues	6,232,019	2,854,582	17,733,310	15,378,360	5,022,640	47,220,911	54,275,312	47,220,911	54,275,312	
(Provision of) recovered from expected credit losses	(752,223)	(264,178)	(1,116,584)	(462,453)	(8,608)	(2,604,046)	(1,896,020)	(2,604,046)	(1,896,020)	
Segmental results	(4,509,605)	1,056,021	10,825,688	13,811,464	(8,658,245)	12,525,323	16,291,582	12,525,323	16,291,582	
Unallocated expenses						8,367,139	(8,267,194)	8,367,139	(8,267,194)	
Profit before Tax						4,158,184	8,024,388	4,158,184	8,024,388	
Income tax						(1,420,433)	(3,006,507)	(1,420,433)	(3,006,507)	
Net Profit for the Period						2,737,751	5,017,881	2,737,751	5,017,881	
Other information						198,826	531,798	198,826	531,798	
Capital Expenditures						1,396,336	1,063,355	1,396,336	1,063,355	
Depreciation and Amortization										
Total Segment Assets	247,766,517	68,014,473	398,133,357	663,183,741	139,769,880	1,516,867,968	1,713,282,435	1,516,867,968	1,713,282,435	
Total Segment Liabilities	442,282,803	69,379,066	241,772,321	112,766,741	511,359,980	1,377,560,911	1,579,250,141	1,377,560,911	1,579,250,141	

2. Geographic distribution information:

This sector represents the geographical distribution of the Bank's operations, The Bank operates mainly in Jordan, which represents the local business, The Bank also carries out international activities in the Middle East, Europe, Asia, United States and the Near East representing international business,

The distribution of the Bank's assets by geographical segment is as follows:

	Inside Jordan			Outside Jordan			Total
	June 30,	December 31,		June 30,	December 31,		
	2020 (Reviewed)	2019 (Audited)		2020 (Reviewed)	2019 (Audited)		2019 (Audited)
	JD	JD		JD	JD	JD	JD
Bank's Assets	1,509,888,864	1,671,645,338		6,979,104	41,637,097	1,516,867,968	1,713,282,435
	Inside Jordan			Outside Jordan			Total
	For the Six Months Ended			For the Six Months Ended			
	2020 (Reviewed)	2019 (Reviewed)		2020 (Reviewed)	2019 (Reviewed)		2019 (Reviewed)
	JD	JD		JD	JD	JD	JD
Total Revenue	15,008,182	15,866,022		121,187	2,321,580	15,129,369	18,187,602
Capital Expenditure	198,826	531,798		-	-	198,826	531,798

25. Balances and Transactions with Related Parties

a. The Bank has entered into transactions with major shareholders, directors and senior management within the normal activities of the Bank and using trading interest rates and commissions. All facilities granted to related parties are considered to be performing and no provision has been made against those facilities, except for the amount JD 101,192 which represent non-performing credit facilities guaranteed by the board of directors and a provision for impairment has been made with an amount of JD 85,707.

b. Details of balances and transactions with related parties during the period / year are presented below:

	The Owner Company (Societe Generale de Lebanon)*		Board Members		Subsidiaries		Executive Management Members		of the Top Executive Management)		June 30, 2020 (Reviewed)		December 31, 2019 (Audited)	
	JD		JD		JD		JD		JD		JD		JD	
Items within the Condensed Consolidated Interim Statement of Financial Position:														
Credit facilities	-		1,648,751		815,631		2,326,913		10,988,802		15,780,097		16,048,442	
Deposits	6,585		132,893		571,263		194,678		972,667		1,878,066		3,465,358	
Cash margins	-		3,700		50,000		27,282		170,215		251,197		450,206	
Bank's deposits with related parties	133,566		-		-		-		-		133,566		6,242	
Items off the Condensed Consolidated Interim Statement of Financial Position:														
Indirect facilities	3,039,449		40,600		450,000		6,000		3,300		3,539,349		4,179,359	

c. The following table summarizes transactions with related parties during the period:

	For the Six - Month Period Ended June 30,		For the Six - Month Period Ended June 30,	
	2020	2019	2020	2019
Elements of the Interim Condensed Consolidated Statement of Profit or Loss:				
Interest and commission revenue	276	65,532	7,725	49,197
Interest and commission expense	-	7,816	9,429	328

d. The salaries and bonuses of the top executive management of the Bank and the fees, transfers and bonuses of the Board Members amounted to JD 553,083 for the six - months period ended June 30, 2020 (600,414 JD for the six - months ended June 30, 2019).

- The interest income rates on the facilities in Jordanian dinars range from 1% to 17%.
- The interest income rates on facilities in foreign currency range from 3.5% to 7.5%.
- The interest expense rates on deposits in Jordanian dinars range from 0.05% to 6%.
- The interest expense rates on deposits in foreign currency range from 0.03% to 1%.

* Societe Generale De Banque - Jordanian is a separate legal entity registered as Jordanian public shareholding company which follows Central Bank of Jordan rules and regulations, The Bank shares are listed in Amman stock Exchange in Jordan.

26 Capital Adequacy

In addition to subscribed capital, Capital accounts include Statutory reserve, Voluntary reserve, Issuance premium, Retained Earnings, Fair value reserve, General banking risk reserve, and Treasury stock. The Bank complies with the requirements of the regulatory authorities regarding capital as follows:

1. The directives of the Central Bank of Jordan regarding the capital adequacy ratio, which shall not be less than 12%.
2. Commitment to the minimum paid-up capital of Jordanian banks of not less than 100 million Jordanian Dinars.
3. The Bank's investments in stocks and shares, which shall not exceed 50% of its subscribed capital.
4. Ratios of Credit limit "credit concentrations" to regulatory capital.
5. The law of banks and companies relating to the deduction of statutory reserve at an amount equal to 10% of the bank's profits before taxes.

	June 30, 2020 (Reviewed)	December 31, 2019 (Audited)
Primary capital items	JD	JD
Authorized and paid up capital	100,000,000	100,000,000
Change in fair value reserve - Net	3,460,197	923,185
Statutory reserve	14,501,460	14,501,460
Voluntary reserve	100,000	100,000
Retained earnings	18,507,649	18,507,649
Add: Profit for the period	2,737,751	-
Total statutory capital for common shareholders	139,307,057	134,032,294
Regulatory adjustments (deductions from capital)		
Deferred provisions subject to Central Bank of Jordan approval	1,132,751	-
Intangible assets	4,478,056	4,964,615
Deferred tax assets due to investments within the first limit (10%)	4,131,609	3,811,501
Net primary capital (Tier 1)	129,564,641	125,256,178
Net Statutory capital (capital Tier 1)	129,564,641	125,256,178
Supplementary Capital (Tier 2)		
Provision against debt Instruments classified under stage 1	1,420,231	1,438,856
Net supplementary Capital (Tier 2)	1,420,231	1,438,856
Regulatory Capital	130,984,872	126,695,034
Total Risk-Weighted Assets	798,985,398	848,769,457
Capital Adequacy Ratio (CET 1)	16.39%	14.93%
Statutory Capital adequacy ratio	16.22%	14.76%
Supportinative Capital adequacy ratio	7.77%	6.67%

Capital Adequacy ratio calculated as of June 30, 2020 and 2019 according to Basel III.

27. Risk Management
The Bank's risk is managed on the basis of a comprehensive strategy to mitigate and address risks, after determining the risks accepted by the Bank to manage its business in a manner that ensures maintaining the level and quality of the various risks that the Bank wishes to take and accept, in a manner that does not affect its strategic goals, in addition to mitigating the effect of internal and external events on the Bank's profitability, capital level, market share and any other intangible factors such as the Bank's reputation and goodwill.

The Bank's risk management policies for the six months ended June 30, 2020 are consistent with those for the year ended December 31, 2019, which were disclosed and read in conjunction with the annual report of the Bank as of December 31, 2019.

1. Exposure allocation according to economic sectors:

a. Total credit exposure by financial instrument:

a. Total credit exposure by financial instrument:																																				
Economic sector	Financial		Manufacturing		Trade		Transportation		Individuals and others (Individuals and others (financing goods, personal loans, cars and others)		Real Estate		Agriculture		Stock		Tourism, Hotels and Restaurants		Public facilities		Mining		Government and Public sector		Other		Gross		Suspended Interest		Expected Credit Losses		NET			
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	
Balances at central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	113,593,947
Balances at banks and financial institutions- Net	25,132,598	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	25,132,598	
Deposits at banks and financial institutions- Net	1,063,500	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,063,500	
Credit facilities	30,741,156	87,081,241	238,085,558	13,856,494	94,979,125	188,553,843	4,932,291	14,543,365	15,366,284	74,030,821	3,504,789	86,461,206	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	852,106,324	
Bonds and bills:	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	90,296,687	
Financial assets at fair value through comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	205,694,855	
Financial assets at amortized cost	-	-	2,400,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	218,090,000	
Mortgaged financial assets (Bank Securities)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,990,395	
Other Assets - net	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,990,395	
Total / Current period	56,937,254	87,081,241	240,485,558	13,856,494	94,979,125	188,553,843	4,932,291	14,543,365	15,366,284	74,030,821	3,504,789	86,461,206	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,514,568,306	
Letter of guarantees	13,732,186	1,934,220	11,759,084	437,280	5,685,787	6,604,738	17,000	-	1,473,280	10,996,325	2,835	3,119,595	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	55,762,530	
Letter of credit	-	2,047,309	8,981,931	-	-	90,000	-	-	-	378,367	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	11,497,607	
Acceptances	-	-	1,503,883	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,156,004	
Unutilized limits	2,358,703	21,255,372	30,205,216	2,595,472	6,456,821	6,175,880	-	-	64,363	4,048,619	15,861,817	286,890	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	89,200,133	
Total / Current period (Reviewed)	73,026,143	112,331,242	296,114,772	16,780,246	107,101,893	201,456,441	10,601,372	14,607,712	20,885,183	101,267,430	3,784,484	714,856,290	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,650,884,640	
Total / Prior Year (Audited)	148,843,485	135,704,973	295,126,199	14,905,282	81,720,643	224,298,483	4,852,520	64,311,352	19,872,576	65,579,841	3,653,357	737,247,284	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,758,891,102	
																																				(32,652,451)
																																				1,726,238,649

b. Exposure allocation according to classification stages as per IFRS (9):

	Stage (1)	Stage (2)	Stage (3)	Total
	JD	JD	JD	JD
Financial	25,913,324	47,112,819	-	73,026,143
Manufacturing	82,294,214	19,009,990	11,017,038	112,321,242
Trade	218,847,460	53,462,427	22,104,885	294,414,772
Real estate	181,017,882	8,146,203	12,270,356	201,434,441
Mining	873,434	2,913,023	8,037	3,794,494
Agriculture	8,485,631	2,103,219	12,522	10,601,372
Stocks	14,607,729	-	-	14,607,729
Tourism and hotels	17,621,680	1,954,145	1,312,358	20,888,183
Public facilities	98,137,294	356,260	2,773,976	101,267,530
Transportation	15,524,306	865,961	389,979	16,780,246
Retail	84,963,738	5,825,309	16,312,756	107,101,803
Government and public sector	714,856,290	-	-	714,856,290
Others	8,990,395	-	-	8,990,395
Suspended interest	-	-	(19,164,893)	(19,164,893)
Expected credit losses	(1,420,231)	(5,809,205)	(28,027,062)	(35,256,498)
Total /Current Period (Reviewed)	1,471,713,146	135,940,151	19,009,952	1,625,663,249
Total /Prior Period (Audited)	1,577,576,466	157,713,354	13,842,129	1,749,131,949

2. Credit exposure allocation according to geographical distribution:

a. Total credit exposure allocation according to geographical distribution:

Geographical Area	Inside Jordan	Other Middle East countries	Europe	Asia	America	Other Countries	Gross	Suspended Interest	Expected Credit Losses	Net
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Balances at central banks	113,593,947	-	-	-	-	-	113,593,947	-	-	113,593,947
Balances at banks and financial institutions	19,216,994	257,168	5,600,813	57,623	-	-	25,432,598	-	(19,917)	25,412,681
Deposits at banks and financial institutions- Net	-	-	1,063,500	-	-	-	1,063,500	-	-	1,063,500
Credit facilities	852,106,324	-	-	-	-	-	852,106,324	(19,164,893)	(32,575,527)	800,365,904
Bonds and bills	-	-	-	-	-	-	-	-	-	-
Financial assets at amortized cost	205,694,855	-	-	-	-	-	205,694,855	-	(1,250,000)	204,444,855
Mortgaged financial assets (Liabilities)	218,090,000	-	-	-	-	-	218,090,000	-	-	218,090,000
Financial assets at fair value through comprehensive income	90,296,687	-	-	-	-	-	90,296,687	-	-	90,296,687
Other assets - net	8,990,395	-	-	-	-	-	8,990,395	-	-	8,990,395
Total for the period	1,507,989,202	257,168	6,664,313	57,623	-	-	1,514,968,305	(19,164,893)	(33,845,444)	1,451,957,969
Letter of guarantees	46,787,329	6,864,990	2,110,211	-	-	-	55,762,530	-	(865,422)	54,897,108
Letter of credit	11,497,607	-	-	-	-	-	11,497,607	-	(526,126)	10,971,481
Acceptances	8,156,064	-	-	-	-	-	8,156,064	-	(19,506)	8,136,558
Unutilized Limits	89,700,133	-	-	-	-	-	89,700,133	-	-	89,700,133
Total /Current Period (Reviewed)	1,664,130,335	7,422,158	8,774,524	57,623	-	-	1,680,084,640	(19,164,893)	(35,256,498)	1,625,663,249
Total /Prior Year (Audited)	1,751,128,461	8,765,825	16,045,502	1,860,887	19,961,846	328,581	1,798,091,102	(15,306,702)	(32,652,451)	1,749,131,949

* Except for Middle East Countries .

b. Exposure allocation according to classification stages as per IFRS (9):

	Stage (1)	Stage (2)	Stage (3)	Gross	Suspended Interest	Expected Credit Losses	Net
	JD	JD	JD	JD	JD	JD	JD
Inside Jordan	1,456,312,636	141,615,790	66,201,909	1,664,130,335	(19,164,893)	(35,256,498)	1,609,708,944
Other Middle East Countries	6,988,592	133,566	-	7,122,158	-	-	7,122,158
Europe	8,774,524	-	-	8,774,524	-	-	8,774,524
Asia	57,623	-	-	57,623	-	-	57,623
America	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total /Current Period (Reviewed)	1,472,133,375	141,749,356	66,201,909	1,680,084,640	(19,164,893)	(35,256,498)	1,625,663,249
Total /Prior Year (Audited)	1,579,015,323	162,584,696	56,491,083	1,798,091,102	(16,306,702)	(32,652,451)	1,749,131,949

3. Credit Exposure that have been Reclassified

The disclosures below are prepared in two phases: the first for the total credit exposures and the second for the expected credit loss exposure:

a. Total credit exposure that have been reclassified

	Stage (2)		Stage (3)				Percentage of Exposure that have been Classified
	Exposure that have been		Exposure that have been		Total Exposure that have been		
	Amount	Reclassified	Amount	Reclassified	Amount	Reclassified	
Direct credit facilities	JD	JD	JD	JD	JD	JD	%
	97,791,364	19,439,685	63,260,799	8,237,850	27,677,535	27,677,535	17%
	97,791,364	19,439,685	63,260,799	8,237,850	27,677,535	27,677,535	17%
Financial guarantees	15,049,099	262,300	541,108	151,209	413,509	413,509	3%
	112,840,463	19,701,985	63,801,907	8,389,059	28,091,044	28,091,044	16%
	107,425,898	39,457,093	56,491,083	15,451,733	54,908,826	54,908,826	33%

b. Expected Credit Loss for Exposure that have been Reclassified

	Exposures that have been Reclassified			Expected Credit Loss due to Reclassified Exposures		
	Exposure	Exposure	Total Exposures			
	Reclassified from Stage (2)	Reclassified from Stage (3)	That Have Been Reclassified	Stage (2) - Individual	Stage (3) - Individual	Total
	JD	JD	JD	JD	JD	JD
Direct credit facilities	19,439,685	8,237,850	27,677,535	93,851	177,027	270,878
Total	19,439,685	8,237,850	27,677,535	93,851	177,027	270,878
Financial guarantees	262,300	151,209	413,509	-	550	550
	19,701,985	8,389,059	28,091,044	93,851	177,577	271,428
Grand Total / Current Period (Reviewed)	39,457,093	15,456,733	54,908,826	826,442	337,716	1,164,158
Grand Total / Prior Year (Audited)						

28. Contingent Liabilities and Commitments:

The details of this item are as follows:

	June 30, 2020(Reviewed)	December 31, 2019(Audited)
	JD	JD
Letters of credit	11,497,607	10,250,748
Acceptances	8,156,064	14,887,402
Letters of guarantee:	55,762,530	59,283,451
- Payment	17,235,022	16,637,726
- Performance	22,501,830	22,873,820
- Other	16,025,768	19,771,905
Unutilized credit facilities	89,700,133	92,727,837
Total	<u>165,116,334</u>	<u>177,149,438</u>

29. Legal Cases

Total legal cases against the Group amounted to JD 129,967 as of June 30, 2020 (JD 184,752 as of December 31, 2019) and the related provision were JD 40,622 as of June 30, 2020 (JD 64,545 as of December 31, 2019). In the opinion of the Bank's management and legal counsel, provisions taken against these claims are sufficient.

30. Fair Value Levels

a. Financial Assets and Financial Liabilities of the Bank that are Measured at Fair Value on an Ongoing Basis:

Some of the financial assets and financial liabilities of the Bank are measured at fair value at the end of each financial period. The table below provides information on how to measure the fair value of these financial assets and financial liabilities (valuation methods and inputs used)

	Fair Value		Fair Value Hierarchy	Valuation Method and Inputs Used	Important Intangible Inputs	Relationship Between Important Intangible Inputs and Fair Value
	June 30, 2020 (Reviewed)	December 31, 2019 (Audited)				
Financial Assets	JD	JD				
Financial Assets at Fair Value						
Financial Assets at Fair Value Through other Comprehensive Income:						
Quoted stocks	320,296	327,576	Level 1	Prices quoted at Financial Markets Using the equity method and the latest available financial information	Not Applicable	Not Applicable
Unquoted stocks	2,654,551	2,654,384	Level 2	Prices quoted at Financial Markets	Not Applicable	Not Applicable
Governmental bonds and its guarantees through other comprehensive income	90,296,687	76,200,755	Level 1		Not Applicable	Not Applicable
Total Financial Assets at Fair Value	93,271,534	79,182,715				

There were no transfers between Level I and Level II during the period ended June 30, 2020 and December 31, 2019.

b. Financial Assets and Financial Liabilities of the Bank that are not Measured at Fair Value on an Ongoing Basis:

Except as described in the table below, we believe that the carrying amounts of financial assets and financial liabilities denominated in the Bank's condensed consolidated financial statements approximate their fair values:

	June 30, 2020 (Reviewed)		December 31, 2019 (Audited)		Fair Value Hierarchy
	Book Value	Fair Value	Book Value	Fair Value	
	JD	JD	JD	JD	
Financial Assets not Measured at Fair Value					
Term deposits subject to notice and certificates of deposit with central banks	113,593,947	113,596,468	185,463,637	185,469,247	Level 2
Current accounts and deposits with banks and financial institutions	26,176,181	26,217,763	84,550,812	84,619,044	Level 2
Direct credit facilities at amortized cost	800,365,904	801,499,318	849,100,023	852,000,012	Level 2
Other financial assets at amortized cost	422,534,855	462,935,633	443,245,531	467,045,981	Level 1 & 2
Assets Seized against debt	4,902,812	4,902,812	4,864,973	4,864,973	Level 2
Total Financial Assets not Measured at Fair Value	1,367,573,699	1,409,151,994	1,567,224,976	1,593,999,257	
Financial Liabilities not Measured at Fair Value					
Banks and financial institutions deposits	12,212,125	12,219,371	46,250,283	46,252,993	Level 2
Customer deposits	1,142,711,721	1,149,349,734	1,351,108,412	1,365,009,685	Level 2
Cash margins	88,584,536	88,760,254	113,082,294	113,805,693	Level 2
Borrowed funds	100,554,616	100,783,497	34,438,912	34,670,779	Level 2
Total Financial Liabilities not Measured at Fair Value	1,344,062,998	1,351,112,856	1,544,879,901	1,559,739,150	

For the above items, the fair value of financial assets and liabilities for Level II has been determined in accordance with agreed upon pricing models that reflect the credit risk of the parties to be dealt with.

31. Financial Instruments' Derivatives

The details of the financial derivatives outstanding at the end of the year are as follows:

				Notional Value Terms (Nominal) According to Maturity		
	Positive	Negative	Total	In Three	From 3 – 12	From 1 to 3
	Fair Value	Fair Value	Notional Amounts (Nominal)	Months	Months	Years
	JD	JD	JD	JD	JD	JD
<u>June 30, 2020</u>						
Trading derivatives						
Foreign exchange swaps	-	(27,195)	10,768,423	-	10,768,423	
Total	-	(27,195)	10,768,423	-	10,768,423	
<u>December 31, 2019</u>						
Trading derivatives						
Foreign exchange swaps	-	(52,195)	12,574,290	1,793,550	10,780,740	
Total	-	(52,195)	12,574,290	1,793,550	10,780,740	

The nominal amount indicates the outstanding transactions at the end of the period / year and does not reflect market or credit risk.

32. 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 statement of profit or loss for the six months ending June 30, 2020.

	December 31, 2019 (Audited)	
	After	Before
	Reclassification	Reclassification
	JD	JD
Regulatory Capital *	126,695,034	120,695,034
Capital Adequacy ordinary shareholders (CET1)		
Ratio %	14.93%	14.22%
Capital Adequacy Tier 1 Ratio %	14.76%	14.05%
Capital Adequacy Ratio %	6.67 %	6.35%

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