

**Form No. (1-4)**

**رئيس المجموعة المالية : نضال لطفى**

هيئة الأوراق المالية  
والدائرة الإدارية / الديوان  
٢٠١٩ - ٣٠

شعبة الأوراق المالية  
الدائرة الإدارية / الديوان

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

CONDENSED CONSOLIDATED INTERIM FINANCIAL  
STATEMENTS FOR THE  
SIX MONTHS ENDED JUNE 30, 2019  
TOGETHER WITH THE REVIEW REPORT

THE HOUSING BANK FOR TRADE AND FINANCE  
(PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN - THE HASHEMITE KINGDOM OF JORDAN  
JUNE 30,2019

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## **Review Report on the Condensed Consolidated Interim Financial Statements**

AM/ 010923

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

### **Introduction**

We have reviewed the accompanying condensed consolidated interim statement of financial position of The Housing Bank for Trade and Finance (Public Shareholding Limited Company) as of June 30, 2018 and the related condensed consolidated interim statements of profit or loss and comprehensive income and changes in owners' equity and cash flows for the six-months then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these condensed consolidated interim financial statements in accordance with the international accounting standard No.(34) " Interim Financial Reporting". 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 No.2410, "Review of Interim Financial Information Performed by the Independent Auditor". A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters in the bank, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion**

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

### **Other Matter**

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

Amman – Jordan  
July 29, 2019

Deloitte & Touche (M.E.) – Jordan  
ديلويت آند توش (الشرق الأوسط)  
010103

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

	Note	June 30, 2019 (Reviewed not Audited) JD	December 31, 2018 (Audited) JD
<b>Assets:</b>			
Cash and balances at central Banks	5	975,455,391	1,182,417,706
Balances at Banks and financial institutions- net	6	503,441,917	552,436,392
Deposits at Banks and financial institutions-net	7	29,190,679	37,578,850
Financial assets at fair value through profit or loss	8	3,548,141	3,735,411
Direct credit facilities-net	10	4,360,388,775	4,255,354,746
Financial assets at fair value through other comprehensive income	9	348,917,495	372,003,362
Financial assets at amortized cost - net	11	1,758,325,507	1,486,802,987
Property and equipment - net		187,758,902	186,565,718
Intangible assets - net		23,021,173	23,628,921
Rights of use Assets -net	3/b	31,066,300	-
Deferred tax assets		73,304,697	76,354,109
Other assets	12	134,210,780	123,159,399
<b>TOTAL ASSETS</b>		<b>8,428,629,757</b>	<b>8,300,037,601</b>
<b>LIABILITIES AND OWNERS' EQUITY:</b>			
<b>LIABILITIES:</b>			
Banks and financial institutions deposits		720,472,492	615,208,559
Customers' deposits	13	5,866,625,816	5,873,760,855
Cash margins		295,775,831	286,986,276
Borrowed funds	14	150,338,639	125,858,988
Sundry provisions		39,744,332	53,814,157
Income tax provision	15/a	25,722,804	49,752,994
Deferred tax liabilities		4,700,535	4,141,270
Lease liability	3/b	29,030,078	-
Other liabilities	16	221,809,963	210,420,928
<b>TOTAL LIABILITIES</b>		<b>7,354,220,490</b>	<b>7,219,944,027</b>
<b>OWNERS' EQUITY:</b>			
<b>BANK'S SHAREHOLDERS EQUITY:</b>			
Paid-up capital		315,000,000	315,000,000
Share premium		328,147,537	328,147,537
Statutory reserve		219,214,291	219,222,999
Special reserve		10,798,320	10,798,320
Foreign currencies translation		(113,656,243)	(113,597,748)
Fair value reserve - net	18	1,906,025	(2,219,625)
Retained earnings	19	221,314,360	268,842,701
Income for the period		36,771,416	-
<b>TOTAL BANK'S SHAREHOLDERS EQUITY</b>		<b>1,019,495,706</b>	<b>1,026,194,184</b>
Non-controlling interest		54,913,561	53,899,390
<b>TOTAL OWNERS' EQUITY</b>		<b>1,074,409,267</b>	<b>1,080,093,574</b>
<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b>8,428,629,757</b>	<b>8,300,037,601</b>

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

THE HOUSING BANK FOR TRADE AND FINANCE  
(PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN - THE HASHEMITE KINGDOM OF JORDAN  
CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS  
(Reviewed Not Audited)

	Note	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
		2019	2018	2019	2018
		JD	JD	JD	JD
Interest income	20	109,145,676	106,098,854	218,273,780	205,750,384
Interest expense	21	(35,280,364)	(33,813,662)	(70,998,499)	(65,869,899)
<b>Net Interest Income</b>		<b>73,865,312</b>	<b>72,285,192</b>	<b>147,275,281</b>	<b>139,880,485</b>
Net commission income		6,632,320	6,512,653	14,251,032	12,957,547
<b>Net Interest and commission Income</b>		<b>80,497,632</b>	<b>78,797,845</b>	<b>161,526,313</b>	<b>152,838,032</b>
Gain from foreign currencies		2,678,711	2,606,552	5,309,225	5,285,746
(Loss) from financial assets at fair value through profit or loss	22	(8,690)	(191,145)	30,727	(134,704)
Cash dividends from financial assets at fair value through other comprehensive income		43,194	62,965	218,194	157,965
Other income		6,575,227	8,833,196	12,812,725	17,707,526
<b>Total Income</b>		<b>89,786,074</b>	<b>90,109,413</b>	<b>179,897,184</b>	<b>175,854,565</b>
Expenses					
Employees' expenses		24,082,175	19,238,884	44,651,036	39,137,770
Depreciation and amortization		5,704,063	3,834,449	10,620,056	7,649,433
Other expenses		13,253,511	14,897,410	24,934,482	29,444,770
Allowance for expected credit loss	17	24,603,832	11,405,373	40,618,758	15,670,924
Sundry provisions		16,656	1,196,463	501,122	2,175,317
<b>Total Expenses</b>		<b>67,660,237</b>	<b>50,572,579</b>	<b>121,325,454</b>	<b>94,078,214</b>
Profit for the period before income tax expense		22,125,837	39,536,834	58,571,730	81,776,351
Income tax expense	15/b	(8,356,798)	(12,020,132)	(19,792,042)	(26,509,107)
<b>Profit for the Period</b>		<b>13,769,039</b>	<b>27,516,702</b>	<b>38,779,688</b>	<b>55,267,244</b>
Attributable to:					
Bank's Shareholders		12,919,263	26,597,160	36,771,416	53,299,893
Non-Controlling Interest		849,776	919,542	2,008,272	1,967,351
		<b>13,769,039</b>	<b>27,516,702</b>	<b>38,779,688</b>	<b>55,267,244</b>
Basic and diluted earnings per share for the period attributable to the Bank's Shareholders	23	<b>0.041</b>	<b>0.084</b>	<b>0.117</b>	<b>0.169</b>

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THE HOUSING BANK FOR TRADE AND FINANCE  
(PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN - THE HASHEMITE KINGDOM OF JORDAN  
CONDENSED CONSOLIDATED INTERIM  
STATEMENT OF COMPREHENSIVE INCOME  
(Reviewed Not Audited)

	<b>For the Three Months Ended June 30,</b>		<b>For the Six Months Ended June 30,</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>
Profit for the period	13,769,039	27,516,702	38,779,688	55,267,244
<b><u>Other comprehensive income items which may be reclassified to profit or loss in the subsequent period</u></b>				
Foreign currencies translation	(1,733,570)	(10,052,613)	(79,460)	(5,475,559)
<b><u>Other comprehensive income items that will not be reclassified to profit or loss in the subsequent period</u></b>				
Realized gain from sale of financial assets at fair value through other comprehensive income	-	-	-	5,097
Net Change in valuation reserve of financial assets at fair value through comprehensive income after tax	1,486,149	(999,313)	4,125,650	(1,314,388)
<b>Total other Comprehensive income for the period after tax</b>	<b>(247,421)</b>	<b>(11,051,926)</b>	<b>4,046,190</b>	<b>(6,784,850)</b>
<b>Total Comprehensive Income for the Period</b>	<b><u>13,521,618</u></b>	<b><u>16,464,776</u></b>	<b><u>42,825,878</u></b>	<b><u>48,482,394</u></b>
<b><u>Attributable to:</u></b>				
Bank's shareholders	13,155,234	17,547,563	40,838,571	47,463,653
Non-controlling interest	366,384	(1,082,787)	1,987,307	1,018,741
	<b><u>13,521,618</u></b>	<b><u>16,464,776</u></b>	<b><u>42,825,878</u></b>	<b><u>48,482,394</u></b>

**THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE  
 CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS AND SHOULD BE  
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**THE HOUSING BANK FOR TRADE AND FINANCE  
(PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN - THE HASHEMITE KINGDOM OF JORDAN  
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN OWNERS' EQUITY  
(REVIEWED NOT AUDITED)**

	Bank's Shareholders Equity											Total Owners' Equity
	Reserves											
	Paid-up Capital	Share premium	Statutory	General Banking Risks	Special Reserve	Foreign Currency Translation	Fair value reserve - net	Retained Earnings	profit for the Period	Shareholder's Equity	Non-controlling Interest	
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
<b>For the Six Months Ended June 30, 2019</b>												
<b>Beginning Balance for the Period</b>	315,000,000	328,147,537	219,222,999	-	10,798,320	(113,597,748)	(2,219,625)	268,842,701	-	1,026,194,184	53,899,390	1,080,093,574
Adjusted balance previous years	-	-	-	-	-	-	-	(287,049)	-	(287,049)	(83,337)	(370,386)
Adjusted Beginning Balance	315,000,000	328,147,537	219,222,999	-	10,798,320	(113,597,748)	(2,219,625)	268,555,652	-	1,025,907,135	53,816,053	1,079,723,188
Profit for the period	-	-	-	-	-	-	-	-	36,771,416	36,771,416	2,008,272	38,779,688
Net change in valuation reserve of financial assets at fair value through other comprehensive income	-	-	-	-	-	-	4,125,650	-	-	4,125,650	-	4,125,650
Realized gain from sold financial assets at fair value through other comprehensive income after tax	-	-	-	-	-	-	-	-	-	-	(20,965)	(79,460)
Foreign currencies translation	-	-	-	-	-	(58,495)	-	-	-	(58,495)	-	-
<b>Total comprehensive income for the period</b>	-	-	-	-	-	(58,495)	4,125,650	8,708	36,771,416	40,838,571	1,987,307	42,825,878
Transfers to/from reserves	-	-	(8,708)	-	-	-	-	(47,250,000)	-	(47,250,000)	-	(48,139,799)
Dividends paid	-	-	-	-	-	-	-	-	36,771,416	1,019,495,706	54,913,561	1,074,409,267
<b>Ending Balance for the Period</b>	315,000,000	328,147,537	219,214,291	-	10,798,320	(113,656,243)	1,906,025	221,314,360	-	1,063,160,166	53,070,195	1,116,230,361
<b>For the Six Months Ended June 30, 2018</b>												
<b>Beginning Balance for the Period</b>	315,000,000	328,147,537	206,742,971	37,608,684	8,807,007	(106,641,415)	(109,459)	273,604,841	-	(55,220,989)	(69,975)	(55,290,964)
Effect of Implementation of International Financial Reporting Standard No (9)	-	-	-	(37,608,684)	-	-	-	(55,220,989)	-	53,299,893	-	-
Transferred to/from reserves	-	-	-	-	-	-	-	37,608,684	-	-	-	-
Adjusted Beginning Balance	315,000,000	328,147,537	206,742,971	-	8,807,007	(106,641,415)	(109,459)	255,992,536	-	1,007,939,177	53,000,220	1,060,939,397
Profit for the period	-	-	-	-	-	-	-	-	53,299,893	53,299,893	1,967,351	55,267,244
Net change in valuation reserve of financial assets at fair value through other comprehensive income	-	-	-	-	-	-	(1,314,388)	-	-	(1,314,388)	-	(1,314,388)
Realized gain from sold financial assets at fair value through other comprehensive income after tax	-	-	-	-	-	-	-	5,097	-	5,097	-	5,097
Foreign currencies translation	-	-	-	-	-	(4,526,963)	-	-	-	(4,526,963)	(948,610)	(5,475,573)
<b>Total comprehensive income for the period</b>	-	-	-	-	-	(4,526,963)	(1,314,388)	5,097	53,299,893	47,463,639	1,018,741	48,482,380
Transfers to reserves	-	-	14	-	-	-	-	-	-	14	-	14
Dividends paid	-	-	-	-	-	-	-	(63,000,000)	-	(63,000,000)	(1,560,942)	(64,560,942)
<b>Ending Balance for the Period</b>	315,000,000	328,147,537	206,742,985	-	8,807,007	(111,168,378)	(1,423,847)	192,997,633	53,299,893	992,402,830	52,458,019	1,044,860,849

- Retained earnings Includes a restricted amount of JD 7,043,772, which represents the differences in financial assets revaluation in accordance to Central Bank of Jordan and the Jordanian Securities Commission Instructions.
- Retained earnings Includes an amount of JD 563,978, which represents the effect of early Implementation of the International Financial Reporting Standard No (9). This amount cannot be used except for the amounts actually realized from sale.
- Retained earnings Includes a restricted amount of JD 73,304,697, that presents deferred tax assets Including capitalization or distribution only to the extent if actually recognized in accordance to the Instructions of Central bank of Jordan and the Jordanian Securities Commission.
- Retained earnings Includes a restricted amount of JD 13,818,830, which represents the gain from the valuation of foreign currencies at the International Bank for Trade and Finance /Syria for the current period and the prior periods.

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



THE HOUSING BANK FOR TRADE AND FINANCE  
(PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN - THE HASHEMITE KINGDOM OF JORDAN  
**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS**  
(Reviewed not Audited)

	For the Six Months Ended June 30,	
Note	2019	2018
	JD	JD
<b>OPERATING ACTIVITIES</b>		
Profit before income tax	58,571,730	81,776,351
Adjustments for non-cash items:		
Depreciation and amortization	10,620,056	7,649,433
Provision for expected credit loss	40,618,758	15,670,924
Net unrealized loss from the valuation of financial assets at fair value through profit or loss	138,973	348,541
Net accrued interest and commission income	1,771,818	415,255
Effect of the change in exchange rates on cash and cash equivalents	(1,433,653)	(1,666,583)
Provision for end of service indemnity expense	5,497,776	1,777,463
Premiums and discounts amortization	(39,126)	395,469
Sundry provisions	407,112	4,624,273
Others	1,523,687	(2,104,449)
<b>Cash flows from operating activities before changes in assets and liabilities</b>	<b>117,677,131</b>	<b>108,886,677</b>
<b>Decrease (Increase) in assets</b>		
Deposits at Banks and financial Institutions (maturing within more than 3 months)	7,792,405	1,324,421
Direct credit facilities	(142,944,280)	(187,954,222)
Financial assets at fair value through profit or loss	48,297	(969,835)
Other assets	(10,700,744)	(29,129,827)
<b>Increase (Decrease) in Liabilities</b>		
Banks and financial institutions' deposits (maturing within more than 3 months)	(61,798,688)	(28,812,840)
Customers' deposits	(7,135,039)	20,209,682
Cash margins	8,789,555	44,324,145
Other liabilities	388,625	8,307,322
Sundry provisions	(19,880,817)	(7,053,268)
<b>Net Cash Flows (used in) Operating Activities before income tax</b>	<b>(107,763,555)</b>	<b>(70,867,745)</b>
Income tax paid	(40,974,304)	(43,132,521)
<b>Net Cash Flows (used in) Operating Activities</b>	<b>(148,737,859)</b>	<b>(114,000,266)</b>
<b>INVESTING ACTIVITIES</b>		
(Purchase) of financial assets at fair value through comprehensive income	(41,434,624)	(60,184,719)
Sale of financial assets at fair value through comprehensive income	70,132,318	51,867,710
(Purchase) of financial assets at amortized cost	(428,947,476)	(149,624,614)
Matured financial assets at amortized cost	157,433,372	121,997,534
(Purchase) of property and equipment	(7,044,964)	(10,584,434)
Proceeds from sale of property and equipment	(7,374)	110,726
(Purchase) of Intangible assets	(1,896,429)	(1,876,111)
Lease liability portion	(2,431,491)	-
<b>Net Cash Flows (used in) Investing Activities</b>	<b>(254,196,668)</b>	<b>(48,293,908)</b>
<b>FINANCING ACTIVITIES</b>		
Borrowed Funds	24,479,651	14,347,169
Dividends paid to shareholders	(44,995,167)	(62,872,022)
Non-controlling interest	(889,799)	(1,560,942)
<b>Net Cash Flows (used in) Financing Activities</b>	<b>(21,405,315)</b>	<b>(50,085,795)</b>
<b>Net (decrease) in cash and cash equivalent</b>	<b>(424,339,842)</b>	<b>(212,379,969)</b>
Effect of the change in exchange rates on cash and cash equivalents	1,320,431	(3,461,333)
<b>Cash and cash equivalents - Beginning of the period</b>	<b>1,266,920,934</b>	<b>1,271,205,423</b>
<b>Cash and cash equivalents - Ending of the period</b>	<b>24 843,901,523</b>	<b>1,055,364,121</b>

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

THE HOUSING BANK FOR TRADE AND FINANCE  
(PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN - The Hashemite Kingdom of Jordan  
NOTES TO THE CONDENSED CONSOLIDATED INTERIM  
FINANCIAL STATEMENTS  
(REVIEWED NOT AUDITED)

**1. GENERAL**

- The Housing Bank for Trade and Finance ("the Bank") was established in 1973 and registered as a public shareholding limited company in accordance with the Jordanian Companies Law No. (12) of 1964. The headquarters are located in Amman - The Hashemite Kingdom of Jordan.
- The Bank provides its banking and financing business activities through its headquarters located in Amman - Jordan and through its branches in Jordan (128 branches) and abroad in Palestine and Bahrain (16 branches) and through its subsidiaries in Jordan, Syria, Algeria and the United Kingdom.
- The Bank's shares are traded on Amman Stock Exchange.
- The condensed consolidated interim financial statements were approved by the Bank's Board of Directors in their meeting dated July 25, 2019.

**2. Basis of Preparation of the Condensed Consolidated Interim Financial Statements**

- The accompanying condensed consolidated interim financial statements have been prepared in accordance with the International Accounting Standard No. (34) "Interim Financial Reporting".
- The condensed consolidated interim financial statements are 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 statements.
- The reporting currency of the condensed consolidated interim financial statements is the Jordanian Dinar, which is the functional currency of the Bank.
- The condensed consolidated interim financial statements does not include all notes and information presented in the annual financial statements which is prepared in accordance with the international accounting standards and should be read with the Bank's annual report for the year ended December 31, 2018. The results of the six months ended June 30, 2019 do not indicate the expected results for the year ended December 31, 2019. The appropriation of the profit of the six months ended June 30, 2019 which is usually performed at year end.
- The condensed consolidated interim financial statements includes the condensed interim financial statements of the Bank and its subsidiaries under its control. Control is achieved when the Bank has the ability to control the financial and operational policies of subsidiaries in order to obtain benefits from their activities. Transactions, balances, income and expenses between the bank and its subsidiaries are eliminated.

As of June 30, 2019, the Bank owns the following subsidiaries:

**A. Foreign subsidiaries:**

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

Housing Bank for Trade and Finance – Algeria: (ownership is 85% of the bank's capital of 10 billion Algerian dinars). The main objective of this bank is to conduct commercial banking activities, and ownership of this bank dates back to 2002.

Bank of Jordan International / London: (ownership is 75% of paid-up capital, which amounts to 65 million pounds sterling (65 million shares), with a par value of £ 1 per share. The main objective of this bank is to conduct banking activities.

**B. Local subsidiaries:**

International Financial Center Company- Jordan (paid-in capital JD 5 million, of which the Bank owns 77.5%). The Company's main activity is financial brokerage in local and foreign markets, and it conducts purchase and sale transactions of financial instruments for customers and the company. The Bank's ownership in this company dates back to 1998.

Specialized Lease Finance Company - Jordan, of which the Bank owns 100% of paid-in capital of JD 30 Million. The Company's main activity is to conduct finance leases for various types of equipment and machinery, in addition to real estate, land, vehicles, and other items purchased by the company for finance lease purposes. The Bank's ownership in this company dates back to 2005.

Jordan Real Estate Investments Company - Jordan. The Bank owns 100% of this company's paid-in capital of JD 40,000. The company's main activity is managing non-banking services employees, and the Bank's ownership in this company dates back to 1997.

**3. Significant Accounting Policies:**

The accounting policies used in the preparation of this condensed consolidated interim financial statements are consistent with those used in the preparation of the Bank's annual consolidated financial statements for the year ended December 31, 2018, except for the adoption of certain new and revised standards, that became effective on or after January 1, 2019.

**a. Amendments that didn't have an effect on the condensed consolidated interim financial statements of the Bank:**

**Annual improvements to IFRSs issued between 2015 and 2017:**

Improvements include amendments to IFRS (3) Business Combinations. (11) Joint Arrangements. International Accounting Standards (12) Income Taxes and (23) Borrowing Costs.

**IFRIC (23) Uncertainty on the Treatment of Income Tax:**

The interpretation clarifies the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax benefits and tax rates when there is uncertainty about the treatment of income tax under IAS (12) and specifically addresses:

- Whether the tax treatment should be considered in aggregate.
- Assumptions regarding the procedures for the examination of tax authorities;
- Determination of taxable profit (tax loss), tax basis, unused tax losses, unused tax breaks, and tax rates;
- The impact of changes in facts and circumstances.

**Amendments to IFRS (9) Financial Instruments:**

These amendments relate to the advantages of prepayment with negative compensation, where the current requirements of IFRS (9) regarding termination rights have been amended to allow for the measurement at amortized cost (or on the business model at fair value through other comprehensive income) status of negative compensation payments.

**Amendments to IAS (28) "Investment in Associates and Joint Ventures":**

These amendments relate to long-term shares in allied enterprises and joint ventures. These amendments clarify that an entity applies IFRS (9) "*Financial Instruments*" to long-term interests in an associate or joint venture that forms part of the net investment in an associate or joint venture if the equity method has not been applied to it.

**Amendments to IAS (19) Employee Benefits:**

These amendments relate to adjustments to plans, reductions, or settlements.

**b. Amendments with material effect on the condensed consolidated interim financial statements of the Bank:****Effect of Application of IFRS (16) "Leases":**

The Bank adopted IFRS 16 'Leases' the standard replaces the existing guidance on leases, including IAS 17 "Leases Contracts". IFRIC 4 "Determining whether an Arrangement contains a Lease". SIC 15 "Operating Leases – Incentives" and SIC 27 "Evaluating the Substance of Transactions in the Legal Form of a Lease".

IFRS 16 was issued in January 2016 and is effective for annual periods commencing on or after January 1, 2019. IFRS (16) stipulates that all leases and the associated contractual rights and obligations should generally be recognized in the Bank's financial Position, unless the term is 12 months or less or the lease for low value asset. Thus, the classification required under IAS (17) "Leases" into operating or finance leases is eliminated for Lessees. For each lease, the lessee recognizes a liability for the lease obligations incurred in the future. Correspondingly, a right to use the leased asset is capitalized, which is generally equivalent to the present value of the future lease payments plus directly attributable costs and which is amortized over the useful life.

The Bank has opted for the simplified approach application permitted by IFRS (16) upon adoption of the new standard. During the first time application of IFRS (16) to operating leases, the right to use the leased assets was generally measured at the amount of lease liability, using the interest rate at the time of first time application.

Right-of use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet as at December 31, 2018, there were no adjustments on the returned earnings using the simplified approach, there were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.

The recognised right-of-use assets relate to leased properties as of June 30, 2019 and January 1, 2019.

The movement on the right-of-use assets and lease liabilities during the period is as follow:

	<b>Right-of-Use Assets</b>	<b>Lease Liabilities</b>
	<b>JD</b>	<b>JD</b>
<b>Balance at January, 2019</b>	<b>33,006,764</b>	<b>33,006,764</b>
Ammortization of prepaid rent expense at January 1, 2019	-	(2,787,909)
<b>Adjusted Beginning Balance</b>	<b>33,006,764</b>	<b>30,218,855</b>
Additions during the year	319,861	319,861
Interest during the period	-	922,853
Paid during the period	-	(2,431,491)
Depreciation during the period	(2,260,325)	-
<b>Balance at June 30, 2019</b>	<b>31,066,300</b>	<b>29,030,078</b>

**The Bank's Leasing Activities and How these are Accounted for:**

The Bank leases properties to be used in its activities. Rental contracts are typically made for fixed periods ranged between 1 to 30 years and may have extension options, lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions, the lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Until the 2018 financial year, leases of properties were classified as either finance or operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.

From January 1, 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payment that are based on an index or a rate;
- Amounts expected to be payable by the lessee under residual value guarantees;
- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and;
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease, If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentives received;
- Any initial direct costs, and;
- Restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT-equipment and small items of office furniture.

In applying IFRS (16) for the first time, the Bank has used the following practical expedients permitted by the standard:

- The use of a single discount rate to a portfolio of leases with reasonably similar characteristics
- Reliance on previous assessments on whether leases are onerous

- The accounting for operating leases with a remaining lease term of less than 12 months as at January 1, 2019 as short-term leases
- The exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- The use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Bank has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Bank relied on its assessment made applying IAS (17) and IFRIC 4 Determining whether an Arrangement contains a Lease.

#### **4. Significant Accounting Judgments and key Sources of Uncertainty Estimates:**

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

The critical judgements and estimates used in the preparation of these condensed consolidated interim financial information are consistent with those used in the preparation of the Bank's annual financial statements for the year ended December 31, 2018, except for the changes highlighted below:

##### Extension and termination options in leases contracts:

The extension or termination options are included in a number of the leasing contracts, these options are used to increase the operational flexibility in terms of contracts management, most of the extension and termination options are exercisable by both the bank and the lessor.

##### Determining the lease term:

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The evaluation is reviewed in case of occurrence of an important event or significant change in the circumstances that affect this evaluation and that are under the control of the lessee.

##### Discounting of lease payment:

The lease payments are discounted using the Bank's incremental borrowing rate ("IBR"). Management has applied judgments and estimates to determine the IBR at the commencement of lease.

## **5. Cash and Balances at Central Banks**

- The cash reserve amounted to JD 346,942,592 as of June 30, 2019 (JD 346,424,713 as of December 31, 2018).
- There are no restrictions except for the cash reserve as of June 30, 2019 and December 31, 2018.
- The expected credit losses of the Central Bank / Syria amounted to JD 17,591 as of June 30, 2019.
- Cash in vaults amounted to JD 158,762,596 as of June 30, 2019 (JD 143,277,306 as of December 31, 2018).
- The following represents the movement on cash and balances at Central Banks:

<b><u>For the Six Months Period Ended in June 30, 2019</u></b>	<b><u>Stage (1) Individual</u></b>	<b><u>Stage (2) Individual</u></b>	<b><u>Stage (3)</u></b>	<b><u>Total</u></b>
	<b><u>JD</u></b>	<b><u>JD</u></b>	<b><u>JD</u></b>	<b><u>JD</u></b>
Balance – Beginning of the period	1,039,140,040	-	-	<b>1,039,140,040</b>
New balances during the period	816,710,386	-	-	<b>816,710,386</b>
Paid balances	(1,039,140,040)	-	-	<b>(1,039,140,040)</b>
<b>Balance – End of the Period</b>	<b>816,710,386</b>	<b>-</b>	<b>-</b>	<b>816,710,386</b>

  

<b><u>For the Year Ended in December 31, 2018</u></b>				
Balance – Beginning of the year	1,088,004,244	-	-	<b>1,088,004,244</b>
New balances during the year	1,039,140,040	-	-	<b>1,039,140,040</b>
Paid balances	(1,088,004,244)	-	-	<b>(1,088,004,244)</b>
<b>Balance – End of the Year</b>	<b>1,039,140,040</b>	<b>-</b>	<b>-</b>	<b>1,039,140,040</b>

- There is no transfers between stages (1, 2 and 3) or written off balances during the six months period ended June 30, 2019 and for the year ended December 31, 2018.

## **6. Balances at Banks and Financial Institutions-net**

The details of this item are as follows:

	<b><u>Local Banks and Financial Institutions</u></b>		<b><u>Foreign Banks and Financial Institutions</u></b>		<b><u>Total</u></b>	
	<b><u>June 30, 2019</u></b>	<b><u>December 31, 2018</u></b>	<b><u>June 30, 2019</u></b>	<b><u>December 31, 2018</u></b>	<b><u>June 30, 2019</u></b>	<b><u>December 31, 2018</u></b>
	<b><u>JD</u></b>	<b><u>JD</u></b>	<b><u>JD</u></b>	<b><u>JD</u></b>	<b><u>JD</u></b>	<b><u>JD</u></b>
Current and under demand accounts	23,561,651	29,688,117	149,696,463	176,712,647	<b>173,258,114</b>	<b>206,400,764</b>
Deposits maturing during three months or less	155,535,589	103,018,529	175,336,919	243,225,179	<b>330,872,508</b>	<b>346,243,708</b>
<b>Total</b>	<b>179,097,240</b>	<b>132,706,646</b>	<b>325,033,382</b>	<b>419,937,826</b>	<b>504,130,622</b>	<b>552,644,472</b>
Provision for expected credit loss	(382,177)	(49,104)	(306,528)	(158,976)	<b>(688,705)</b>	<b>(208,080)</b>
<b>Total</b>	<b>178,715,063</b>	<b>132,657,542</b>	<b>324,726,854</b>	<b>419,778,850</b>	<b>503,441,917</b>	<b>552,436,392</b>

- Balances at banks and financial institutions that bears no interest amounted to JD 26,447,858 as of June 30, 2019 (JD 33,353,230 as of December 31, 2018).
- There are no restricted balances as of June 30, 2019 and for the year ended December 31, 2018.

- The following is the movement of balances at banks and financial institutions for the period/year:

	Stage (1) Individual	Stage (2) Individual	Stage (3)	Total
<b>For the Six Months Period Ended June 30, 2019</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>
Balance – Beginning of the period	552,644,472	-	-	552,644,472
New deposits and balances during the period	504,130,622	-	-	504,130,622
Paid deposits and balances during the period	(522,644,472)	-	-	(522,644,472)
<b>Balance – End of the Period</b>	<b>504,130,622</b>	<b>-</b>	<b>-</b>	<b>504,130,622</b>
<b>For the Year Ended December 31, 2018</b>				
Balance – Beginning of the year	494,547,239	-	-	494,547,239
New deposits and balances during the year	552,644,472	-	-	552,644,472
Paid deposits and balances during the year	(494,547,239)	-	-	(494,547,239)
<b>Balance – End of the Year</b>	<b>552,644,472</b>	<b>-</b>	<b>-</b>	<b>552,644,472</b>

- There is no transfers between stages (1,2 and 3) or written off balances during the six months period ended June 30, 2019 and the year ended December 31, 2018.
- The following represents the movement on the provision for expected credit losses for deposits balances at banks and financial institutions for the period/year:

	Stage (1) Individual	Stage (2) Individual	Stage (3)	Total
<b>For the Six Months Period Ended June 30, 2019</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>
Balance – Beginning of the period	208,080	-	-	208,080
Impairment on new balances and deposits during the period	688,705	-	-	688,705
Reversed from impairment on paid balances	(208,080)	-	-	(208,080)
<b>Balance – End of the Period</b>	<b>688,705</b>	<b>-</b>	<b>-</b>	<b>688,705</b>
<b>For the Year Ended December 31, 2018</b>				
Balance – Beginning of the year	-	-	-	-
The impact of implementing IFRS (9)	-	-	-	-
Adjusted balance after implementing IFRS (9)	-	-	-	-
Impairment on new balances and deposits during the year	208,080	-	-	208,080
Reversed from impairment on paid balances	-	-	-	-
Transferred from general provision	-	-	-	-
<b>Balance – End of the Year</b>	<b>208,080</b>	<b>-</b>	<b>-</b>	<b>208,080</b>

## **7. Deposits at Banks and Financial Institutions**

The details of this item are as follows:

	Local Banks and Financial Institutions		Foreign Banks and Financial Institutions		Total	
	June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018
	JD	JD	JD	JD	JD	JD
<b>Deposits mature during the period:</b>						
From 3 months to 6 months	4,444,030	5,000,000	5,868,625	5,664,268	10,312,655	10,664,268
From 6 months to 9 months	5,000,000	25,000,000	5,176,117	-	10,176,117	25,000,000
From 9 months to 12 months	5,000,000	-	4,005,586	2,122,341	9,005,586	2,122,341
Provision for expected credit losses	14,444,030	30,000,000	15,050,328	7,786,609	29,494,358	37,786,609
Provision for expected credit loss	(54,472)	(28,112)	(249,207)	(179,647)	(303,679)	(207,759)
<b>Total</b>	<b>14,389,558</b>	<b>29,971,888</b>	<b>14,801,121</b>	<b>7,606,962</b>	<b>29,190,679</b>	<b>37,578,850</b>

- There are no restrictions on deposits as of June 30, 2019 and December 31, 2018.



- The following represents the movement on deposits and balances at bank and financial institutions:

	Stage (1) Individual	Stage (2) Individual	Stage (3)	Total
	JD	JD	JD	JD
<b>For the Six Months Period Ended June 30, 2019</b>				
Balance – Beginning of the period	37,786,609	-	-	37,786,609
New deposits and balances during the period	29,494,358	-	-	29,494,358
Paid deposits and balances during the period	(37,786,609)	-	-	(37,786,609)
<b>Balance – End of the period</b>	<b>29,494,358</b>	-	-	<b>29,494,358</b>

**For the Year Ended  
December 31, 2018**

Balance – Beginning of the year	38,122,776	-	-	38,122,776
New deposits and balances during the year	37,786,609	-	-	37,786,609
Paid deposits and balances during the year	(38,122,776)	-	-	(38,122,776)
<b>Balance – End of the Year</b>	<b>37,786,609</b>	-	-	<b>37,786,609</b>

- There is no transfers between stages (1,2 and 3) or written off balances during the six months period ended June 30, 2019 and December 31, 2018.
- The following represents the movement on the provision for expected credit lossess for deposits balances at banks and financial institutions for the period/year:

	Stage (1) Individual	Stage (2) Individual	Stage (3)	Total
	JD	JD	JD	JD
<b>For the Six Months Period Ended June 30, 2019</b>				
Balance – Beginning of the period	207,759	-	-	207,759
Impairment on new balances and deposits during the period	305,309	-	-	305,309
Reversed from impairment on paid balances	(207,759)	-	-	(207,759)
Exchange difference	(1,630)	-	-	(1,630)
<b>Balance – End of the Period</b>	<b>303,679</b>	-	-	<b>303,679</b>
<b>For the Year Ended December 31, 2018</b>				
Balance – Beginning of the year	-	-	-	-
The impact of implementing IFRS (9)	380,512	-	-	380,512
Adjusted balance after implementing IFRS (9)	380,512	-	-	380,512
Impairment on new balances and deposits during the year	-	-	-	-
Reversed from impairment on paid balances	(187,389)	-	-	(187,389)
Transferred from general provision	22,987	-	-	22,987
Exchange difference	(8,351)	-	-	(8,351)
<b>Balance – End of the Year</b>	<b>207,759</b>	-	-	<b>207,759</b>

**8. Financial Assets at Fair Value through Profit or Loss**

The details of this item are as follows:

	June 30, 2019	December 31, 2018
	JD	JD
<b>Quoted Financial Assets:</b>		
Quoted shares in active markets	2,900,107	3,036,343
<b>Total</b>	<b>2,900,107</b>	<b>3,036,343</b>
<b>Unquoted Financial Assets:</b>		
Government bonds and guarantees	15,237	66,271
Unquoted shares in active markets	632,797	632,797
<b>Total</b>	<b>648,034</b>	<b>699,068</b>
	<b>3,548,141</b>	<b>3,735,411</b>
<b>Government bonds and guarantees:</b>		
With fixed return	15,237	66,271
<b>Total</b>	<b>15,237</b>	<b>66,271</b>

**9. Financial Assets at Fair Value through other Comprehensive Income**

The details of this item are as follows:

	June 30, 2019	December 31, 2018
	JD	JD
Quoted shares	2,500,000	2,500,000
Unquoted shares	19,476,634	19,476,065
<b>Total Shares</b>	<b>21,976,634</b>	<b>21,976,065</b>
Jordanian Treasury Bonds	136,938,581	151,471,794
Foreign governments bills and bonds	65,086,530	82,953,356
Corporate bonds	125,311,458	115,904,378
<b>Total Bonds</b>	<b>327,336,569</b>	<b>350,329,528</b>
Less: Provision of expected credit loss	(395,708)	(302,231)
<b>Total Bonds - Net</b>	<b>326,940,861</b>	<b>350,027,297</b>
<b>Total</b>	<b>348,917,495</b>	<b>372,003,362</b>

Bonds mature on several payments the last one is in the year 2049 and the interest rates on the bonds varies between 0% and 6.625%.

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

	June 30, 2019	December 31, 2018
	JD	JD
Fair value- Beginning balance	21,976,065	1,983,995
Transferred from financial assets at fair value through profit and loss	-	17,632,667
<b>Adjusted beginning balance</b>	<b>21,976,065</b>	<b>19,616,662</b>
New investments during the period/year	-	2,803,083
Matured investments during the period/year	-	(443,680)
Currency translation	569	-
<b>Balance - End of the Period/Year</b>	<b>21,976,634</b>	<b>21,976,065</b>

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

	Stage (1) Individual JD	Stage (2) Individual JD	Stage (3) JD	Total JD
<b>For the Six Months Period Ended June 30, 2019</b>				
Fair value – Beginning of the period	339,523,905	10,805,623	-	350,329,528
New investments during the period	42,647,785	397,551	-	43,045,336
Matured investments during the period	(70,132,318)	-	-	(70,132,318)
Change in fair value during the period	4,331,839	47,568	-	4,379,407
Adjustments due to change in exchange rates	(287,010)	1,626	-	(285,384)
<b>Balance – End of the Period</b>	<b>316,084,201</b>	<b>11,252,368</b>	<b>-</b>	<b>327,336,569</b>

<b>For the Year Ended December 31, 2018</b>				
Fair value – Beginning of the year	-	-	-	-
Transfers from financial assets at fair value at amortized cost	361,492,491	6,962,678	691,856	369,147,025
Adjusted beginning balance	361,492,491	6,962,678	691,856	369,147,025
New investments during the year	93,418,668	-	-	93,418,668
Matured investments during the year	(108,662,880)	-	(691,856)	(109,354,736)
Change in fair value during the year	(1,225,827)	(312,059)	-	(1,537,886)
Transferred to stage (2)	(4,216,980)	4,216,980	-	-
Adjustments due to change in exchange rates	(1,281,567)	(61,976)	-	(1,343,543)
<b>Balance – End of the Year</b>	<b>339,523,905</b>	<b>10,805,623</b>	<b>-</b>	<b>350,329,528</b>

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

	Stage (1) Individual JD	Stage (2) Individual JD	Stage (3) JD	Total JD
<b>For the Six Months Period Ended June 30, 2019</b>				
<b>Balance – Beginning of the period</b>	214,695	87,536	-	302,231
Expected credit losses for new investment during the period	148,763	6,820	-	155,583
Reversed from impairment losses on matured investments	(55,917)	-	-	(55,917)
Transferred to stage (2)	-	-	-	-
Effect on provision due to change between stages	21,949	(28,884)	-	(6,935)
Adjustments due to change in exchange rates	681	65	-	746
<b>Balance – End of the Period</b>	<b>330,171</b>	<b>65,537</b>	<b>-</b>	<b>395,708</b>
<b>For the Year Ended December 31, 2018</b>				
Balance – Beginning of the year	-	-	-	-
The impact of implementing IFRS (9)	183,131	128,770	-	311,901
Adjusted beginning balance	183,131	128,770	-	311,901
Transferred from provision credit facilities	170,477	-	-	170,477
Expected credit loss for new investments	4,541	-	-	4,541
Reversed from impairment losses on matured investments	(125,123)	(48,208)	-	(173,331)
Transferred to stage (2)	(30,174)	30,174	-	-
Effect on provision due to change between stages	-	-	-	-
Adjustments due to change in exchange rates	11,843	(23,200)	-	(11,357)
<b>Balance – End of the Year</b>	<b>214,695</b>	<b>87,536</b>	<b>-</b>	<b>302,231</b>

**10. Direct Credit Facilities – Net**

The details of this item are as follows:

	<b>June 30, 2019</b>	<b>December 31, 2018</b>
	<b>JD</b>	<b>JD</b>
<b>Individuals (retail):</b>		
Overdraft accounts	4,940,212	12,784,648
Loans and discounted bills *	730,116,370	740,669,106
Credit cards	15,023,046	15,430,232
<b>Real estate loans</b>	<b>1,249,901,314</b>	<b>1,216,608,027</b>
Includes Housing loans	805,271,935	803,108,141
<b>Companies:</b>		
<b>Large</b>		
Overdraft accounts	463,391,026	464,535,898
Loans and discounted bills *	1,181,569,871	997,444,052
<b>Small and Medium</b>		
Overdraft accounts	87,766,963	106,354,098
Loans and discounted bills *	235,069,047	199,572,837
<b>Government and public sector</b>	<b>830,832,260</b>	<b>892,185,795</b>
<b>Total</b>	<b>4,798,610,109</b>	<b>4,645,584,693</b>
<u>Less:</u> Provision of expected credit losses	(329,495,118)	(291,832,350)
Interest in suspense	(108,726,216)	(98,397,597)
<b>Net Direct Credit Facilities</b>	<b>4,360,388,775</b>	<b>4,255,354,746</b>

- \* Net after deducting interest and commission received in advance amounted to JD 29,566,898 as of June 30, 2019 (JD 34,117,345 as of December 31, 2018).
- Non-performing credit facilities amounted to JD 367,708,031 which is equivalent to 7.66% of total direct credit facilities as of June 30, 2019 (JD 290,870,587 which is equivalent to 6.26% of total direct credit facilities as of December 31, 2018).
- Non-performing credit facilities after deducting interest and commissions in suspense amounted to JD 260,244,645 which is equivalent to 5.42% of total direct credit facilities balance after deducting interest and commission in suspense as of June 30, 2019 (JD 193,430,468 which is equivalent to 4.25% of total credit facilities balance after deducting interest and commission in suspense as of December 31, 2018).
- Non-performing credit facilities transferred to off-financial position condensed consolidated interim items amounted to JD 14,898,208 as of June 30, 2019 for JD 20,922,474 knowing that off consolidated balance sheet debt balance amounted JD 316,918,420 as in June 30, 2019 (JD 326,449,577 as of December 31, 2018). These debts are fully covered with provisions and outstanding interests.
- Direct credit facilities granted to and guaranteed by the Government of The Hashemite Kingdom of Jordan amounted to JD 830,832,260 which is equivalent to 17.31% of total direct credit facilities as of June 30, 2019 (JD 698,176,992 which is equivalent to 15.03% as of December 31, 2018).
- Loans rescheduled amounted to JD 18.9 million during the period ended June 30, 2019 against JD 19.4 million during the year 2018.
- Loans restructured amounted to JD 241.6 million during the period ended June 30, 2019 against JD 464.6 million during the year 2018.

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

	Stage (1)		Stage (2)		Total
	Individual JD	Collective JD	Individual JD	Collective JD	
<b>For the Six Months Period Ended June 30, 2019</b>					
Balance - beginning of the period	2,029,239,721	1,834,400,248	364,212,379	114,148,672	4,645,584,693
New credit facilities during the period	274,663,071	167,806,225	12,900,054	8,173,571	473,300,761
Paid credit facilities during the period	(132,744,060)	(102,694,944)	(14,107,033)	419,791	(263,815,670)
Transferred to stage (1)	39,946,500	38,801,792	(38,869,017)	(36,030,160)	-
Transferred to stage (2)	(46,358,566)	(63,675,514)	47,543,558	69,300,174	-
Transferred to stage (3)	(13,273,670)	(13,121,358)	(47,763,843)	(22,341,823)	-
Effect on total exposure due to re-staging	(1,536,603)	(3,361,898)	(3,313,430)	(4,847,865)	(12,911,732)
Effect of adjustments	(9,332,549)	(38,933,117)	5,422,379	(5,510,512)	(41,678,339)
Written off credit facilities	-	-	-	-	(1,550,360)
Adjustments due to change in exchange rates	(30,075)	(237,348)	(12,604)	(29,419)	(319,244)
<b>Balance - End of the Period</b>	<b>2,140,573,769</b>	<b>1,818,984,086</b>	<b>326,012,443</b>	<b>123,282,429</b>	<b>4,798,610,109</b>

<b>For the Year Ended December 31, 2018</b>					
Balance - beginning of the year	2,064,521,110	1,827,616,214	263,543,054	52,277,759	4,489,400,789
New credit facilities during the year	305,341,868	447,702,678	29,566,109	21,746,277	814,182,298
Paid credit facilities during the year	(156,741,087)	(270,638,437)	(8,813,734)	(4,506,039)	(467,350,787)
Transferred to stage (1)	22,881,961	24,339,190	(22,828,421)	(17,912,874)	-
Transferred to stage (2)	(128,383,392)	(83,207,513)	129,479,613	86,425,063	-
Transferred to stage (3)	(9,459,562)	(21,082,327)	(22,867,634)	(13,512,686)	-
Effect on total exposure due to re-staging	2,420,681	2,185,784	(5,941,014)	271,725	(6,993,096)
Effect of adjustments	(71,376,589)	(77,723,182)	2,195,966	(10,599,159)	(145,680,572)
Written off credit facilities	-	-	-	-	(22,389,869)
Adjustments due to change in exchange rates	34,731	(14,792,159)	(121,560)	(41,394)	(15,584,070)
<b>Balance - End of the Year</b>	<b>2,029,239,721</b>	<b>1,834,400,248</b>	<b>364,212,379</b>	<b>114,148,672</b>	<b>4,645,584,693</b>

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

**For the Six Months Ended June 30, 2019**

Balance - beginning of the period  
 Reclassification impact

Prior years adjustments

**Adjusted beginning balance**

Impairment loss on new facilities during the period  
 Reversed from impairment loss on paid facilities  
 Transferred to stage (1)  
 Transferred to stage (2)  
 Transferred to stage (3)  
 Effect on the provision- as of the end of the period  
 due to re-staging  
 Effect of adjustment  
 Written off credit facilities  
 Adjustments due to change in exchange rates

**Balance - End of the Period**

**Redistribution:**

Provisions on an individual level  
 Provisions on a collective level

	Corporate		SME's		Retail		Real Estate		Governmental and Public		Total	
	JD		JD		JD		JD		JD		JD	
168,192,884		32,212,961		32,765,870		58,224,059		436,576		291,832,350		
412,023		(384,789)		(33,346)		6,112		-		-		
-		-		370,390		-		-		370,390		
<b>168,604,907</b>		<b>31,828,172</b>		<b>33,102,914</b>		<b>58,230,171</b>		<b>436,576</b>		<b>292,202,740</b>		
3,461,502		916,943		2,046,391		3,342,039		76		9,766,951		
(4,558,174)		40,399		(2,031,603)		(901,412)		(407,189)		(7,857,979)		
(13,290,176)		241,648		2,875,614		1,365,587		17,028		(8,790,299)		
(3,214,248)		(350,631)		(1,812,124)		(595,121)		(17,028)		(5,989,152)		
16,504,424		108,983		(1,063,490)		(770,466)		-		14,779,451		
26,248,491		3,852,098		4,337,833		12,626,122		(12,940)		47,051,604		
(10,746,178)		(3,086,738)		(849,707)		3,292,290		20,834		(11,369,499)		
(14,405)		(208,677)		(18,560)		(42,562)		-		(284,204)		
(6,116)		(7,899)		(137)		(343)		-		(14,495)		
<b>182,990,027</b>		<b>33,334,298</b>		<b>36,587,131</b>		<b>76,546,305</b>		<b>37,357</b>		<b>329,495,118</b>		
179,006,302		25,242,699		27,134,193		69,654,768		37,357		301,075,319		
3,983,725		8,091,599		9,452,938		6,891,537		-		28,419,799		

**For the Year Ended December 31, 2018**

	Corporate	SME's	Retail	Real Estate	Governmental and Public	Total
	JD	JD	JD	JD	JD	JD
Balance - beginning of the year	119,885,952	28,368,876	20,471,246	15,528,233	-	184,254,307
Effect of re-classification	4,483,472	(4,607,383)	(519,276)	(467,300)	1,110,487	-
The impact of implementing IFRS (9)	36,209,420	5,015,526	10,152,144	16,098,611	641,744	68,117,445
<b>Adjusted beginning balance</b>	<b>160,578,844</b>	<b>28,777,019</b>	<b>30,104,114</b>	<b>31,159,544</b>	<b>1,752,231</b>	<b>252,371,752</b>
Transferred to indirect facilities provision	(794,772)	(2,627,293)	-	(168,101)	-	(3,590,166)
Impairment loss on new facilities during the year	6,875,229	5,700,499	2,905,942	1,882,189	453	17,364,312
Reversed from impairment loss on paid facilities	(4,445,610)	(3,486,364)	(1,959,999)	(2,150,785)	(2,072)	(12,044,830)
Transferred to stage (1)	(1,074,765)	(24,566,943)	1,481,363	1,766,733	(23,985,928)	(46,379,540)
Transferred to stage (2)	(2,842,963)	16,507,475	(1,097,257)	(1,768,666)	23,985,928	34,784,517
Transferred to stage (3)	3,917,728	8,059,468	(384,106)	1,933	-	11,595,023
Effect on the provision- as of the end of the period due to re-staging	11,365,247	5,315,353	8,803,907	8,491,976	(81,127)	33,895,356
Effect of adjustment	5,279,767	(3,586,701)	(5,374,259)	19,184,061	(1,232,462)	14,270,406
Written off credit facilities	(8,598,079)	(525,819)	(640,472)	(344,767)	-	(10,109,137)
Adjustments due to change in exchange rates	(21,917)	(293,616)	(2,893)	(6,917)	-	(325,343)
<b>Balance - End of the Year</b>	<b>170,238,709</b>	<b>29,273,078</b>	<b>33,836,340</b>	<b>58,047,200</b>	<b>437,023</b>	<b>291,832,350</b>
<b>Redistribution:</b>						
Provisions on an individual level	162,815,134	27,011,504	24,905,943	53,715,208	437,023	268,884,812
Provisions on a collective level	7,423,575	2,261,574	8,930,397	4,331,992	-	22,947,538

## Interest in Suspense

The following is the movement on interest in suspense:

	Corporate entities					Real Estate loans	Government and Public Sector	Total
	Corporate JD	SME's JD	Retail JD	JD	JD			
<b>For the Six Months Ended June 30, 2019</b>								
Balance – beginning of the period	46,129,145	21,650,361	16,657,671		13,956,530	3,890		98,397,597
Reclassification impact	1,019,127	(600,821)	(76,424)		(341,882)	-		-
<b>Adjusted beginning balance</b>	<b>47,148,272</b>	<b>21,049,540</b>	<b>16,581,247</b>		<b>13,614,648</b>	<b>3,890</b>		<b>98,397,597</b>
Add: Interest suspended during the period	27,503	241,505	477,168		651,704	-		1,397,880
Less: Interest transferred to income	(382,586)	(596,859)	(443,114)		(600,516)	(3,890)		(2,026,965)
Total effect on the suspended interest due to re-staging	645,588	(13,601)	(122,295)		222,033	-		731,725
Total effect on the suspended interest due to adjustments	5,409,967	2,148,045	2,206,950		1,731,648	-		11,496,610
written-off Interest in suspense	(47,725)	(1,067,356)	(111,481)		(39,595)	-		(1,266,157)
Foreign currency translation	(439)	(3,940)	(92)		(3)	-		(4,474)
<b>Balance – End of the Period</b>	<b>52,800,580</b>	<b>21,757,334</b>	<b>18,588,383</b>		<b>15,579,919</b>	-		<b>108,726,216</b>
<b>For the year ended December 31, 2018</b>								
Balance – beginning of the year	44,737,782	20,081,617	13,667,876		14,021,783	-		92,509,058
Transfers	779,077	(401,985)	413,767		(790,859)	-		-
<b>Adjusted beginning balance</b>	<b>45,516,859</b>	<b>19,679,632</b>	<b>14,081,643</b>		<b>13,230,924</b>	-		<b>92,509,058</b>
Add: Interest suspended during the year	89,887	690,862	323,381		2,206	-		1,106,336
Less: Interest Transferred to revenue	(8,550,742)	(1,248,782)	(278,311)		(1,390,994)	-		(11,468,829)
Total effect on the suspended interest due to re-staging	1,946,061	50,557	671,669		714,332	-		3,382,619
Total effect on the suspended interest due to adjustments	16,515,164	3,765,888	3,024,073		1,986,111	3,890		25,295,126
written-off Interest in suspense	(9,388,370)	(1,210,398)	(1,163,114)		(586,180)	-		(12,348,062)
Foreign currency translation	286	(77,398)	(1,670)		131	-		(78,651)
<b>Balance – End of the Year</b>	<b>46,129,145</b>	<b>21,650,361</b>	<b>16,657,671</b>		<b>13,956,530</b>	<b>3,890</b>		<b>98,397,597</b>



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

<b>Economic Sector</b>	<b>June 30, 2019</b>			<b>December 31, 2018</b>
	<b>Inside Jordan</b>	<b>Outside Jordan</b>	<b>Total</b>	<b>Total</b>
	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>
Financial	122,411,713	32,230,293	154,642,006	128,561,435
Industrial	363,063,600	264,535,372	627,598,972	546,738,250
Trading	325,896,359	313,219,430	639,115,789	600,031,067
Real Estate	1,026,493,538	214,407,004	1,240,900,542	1,284,498,108
Agriculture	18,086,032	2,192,340	20,278,372	18,259,472
Equities	11,023,835	-	11,023,835	12,343,980
Individuals	725,315,661	45,123,331	770,438,992	793,288,426
Government and public sector	760,291,823	70,540,437	830,832,260	892,185,795
Other	448,230,553	55,548,788	503,779,341	369,678,160
	<b>3,800,813,114</b>	<b>997,796,995</b>	<b>4,798,610,109</b>	<b>4,645,584,693</b>

#### **11. Financial Assets at Amortized Cost - net**

The details of this item are as follows:

	<b>June 30, 2019</b>	<b>December 31, 2018</b>
	<b>JD</b>	<b>JD</b>
<b>Quoted Financial Assets:</b>		
Treasury bonds	88,537,682	-
Jordanian treasury bonds	1,064,545,979	914,626,190
Governmental guaranteed bonds	473,454,032	474,041,325
Foreign governments bonds	-	1,494,650
Corporate bonds and debentures	131,941,567	96,763,890
<b>Total Quoted Financial Assets</b>	<b>1,758,479,260</b>	<b>1,486,926,055</b>
<b>Unquoted Financial Assets:</b>		
Corporate bonds and debentures	3,000,001	3,000,001
<b>Total Unquoted Financial Assets</b>	<b>3,000,001</b>	<b>3,000,001</b>
<b>Total</b>	<b>1,761,479,261</b>	<b>1,489,926,056</b>
<u>Less:</u> Provision for excepted credit loss	(3,153,754)	(3,123,069)
<b>Total</b>	<b>1,758,325,507</b>	<b>1,486,802,987</b>
<b>Bonds and Bills Analysis:</b>		
With Fixed rate	1,749,754,507	1,478,231,987
With Floating rate	8,571,000	8,571,000
<b>Total</b>	<b>1,758,325,507</b>	<b>1,486,802,987</b>

- Bonds are repaid on several installments, the last of which matures on the year 2028.
- Interest rate on bonds ranges from 2.94% to 6.74%.

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

**For the Six Months Ended June 30, 2019**

	Stage (1) Individual	Stage (2) Individual	Stage (3) Individual	Total
	JD	JD	JD	JD
Beginning balance	1,486,926,055	-	3,000,001	1,489,926,056
New investments during the period	428,981,993	-	-	428,981,993
Matured investments	(157,433,372)	-	-	(157,433,372)
adjustments due to changes in exchange rates	4,584	-	-	4,584
<b>Balance – End of the Period</b>	<b>1,758,479,260</b>	<b>-</b>	<b>3,000,001</b>	<b>1,761,479,261</b>

**For the Year Ended December 31, 2018**

Beginning balance	1,778,078,637	-	9,297,988	1,787,376,625
Transferred to financial assets at fair value through comprehensive income	(365,357,008)	-	(2,647,988)	(368,004,996)
<b>Adjusted beginning balance</b>	<b>1,412,721,629</b>	<b>-</b>	<b>6,650,000</b>	<b>1,419,371,629</b>
New investments during the year	378,914,903	-	-	378,914,903
Matured investments	(305,269,299)	-	(3,649,999)	(308,919,298)
Changes due to exchange rates	558,822	-	-	558,822
<b>Balance – End of the Year</b>	<b>1,486,926,055</b>	<b>-</b>	<b>3,000,001</b>	<b>1,489,926,056</b>

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

**For the Six Months Ended June 30, 2019**

Beginning balance	123,069	-	3,000,000	3,123,069
Expected credit loss for new investments during the period	51,487	-	-	51,487
Expected credit loss for matured investments during the period	(20,777)	-	-	(20,777)
adjustments due to changes in exchange rates	(25)	-	-	(25)
<b>Balance – End of the Period</b>	<b>153,754</b>	<b>-</b>	<b>3,000,000</b>	<b>3,153,754</b>

**For the Year Ended December 31, 2018**

Beginning balance	-	-	6,234,632	6,234,632
Reclassification	-	-	(1,957,132)	(1,957,132)
The impact of implementing IFRS (9)	176,625	-	-	176,625
<b>Adjusted beginning balance</b>	<b>176,625</b>	<b>-</b>	<b>4,277,500</b>	<b>4,454,125</b>
Expected credit loss for new investments during the year	92,259	-	-	92,259
Expected credit loss for matured investments during the year	(141,874)	-	(1,277,500)	(1,419,374)
Changes due to exchange rates	(3,941)	-	-	(3,941)
<b>Balance – End of the Year</b>	<b>123,069</b>	<b>-</b>	<b>3,000,000</b>	<b>3,123,069</b>

**12. Other Assets**

The details of this item are as follows:

	<b>June 30, 2019</b>	<b>December 31, 2018</b>
	<b>JD</b>	<b>JD</b>
Accrued revenues and interest	30,440,765	25,762,323
Prepaid expenses	8,904,771	3,726,570
Assets seized by the Bank *	58,405,214	57,223,906
Assets seized by the Bank with customer right to recover **	4,878,422	5,035,422
Cheques under collection	17,150,188	14,970,237
Other	14,431,420	16,440,941
<b>Total</b>	<b>134,210,780</b>	<b>123,159,399</b>

\* The regulations of Central Bank of Jordan require disposing of the assets seized by the Bank during a maximum period of two years from the date of the acquisition.

\*\* This item includes real estates and stocks, in which the customer has the right to re-purchase from the bank for three years at cost with an agreed interest.

The following is a summary of the movement on the assets seized by the bank against accrued debts :

	<b>June 30, 2019</b>	<b>December 31, 2018</b>
	<b>JD</b>	<b>JD</b>
Beginning balance	62,259,328	44,627,522
Additions	3,597,733	22,551,692
Disposals	(1,882,181)	(3,721,418)
Impairment loss	(691,244)	(1,198,468)
<b>Balance – Ending of the Period / Year</b>	<b>63,283,636</b>	<b>62,259,328</b>

### 13. CUSTOMERS' DEPOSITS

The details of this item are as follows:

	Retail	Corporate	SME's	Governmental and Public	Total
	JD	JD	JD	JD	JD
<b>June 30, 2019</b>					
Current accounts and demand deposits	653,381,940	160,756,931	300,085,657	39,364,090	<b>1,153,588,618</b>
Saving deposits	2,047,161,056	108,405	14,465,807	511,100	<b>2,062,246,368</b>
Time and notice deposits	1,513,542,253	446,758,036	63,490,107	362,241,764	<b>2,386,032,160</b>
Certificates of deposit	233,658,428	30,578,496	101,509	-	<b>264,338,433</b>
Others	420,237	-	-	-	<b>420,237</b>
<b>Total</b>	<b>4,448,163,914</b>	<b>638,201,868</b>	<b>378,143,080</b>	<b>402,116,954</b>	<b>5,866,625,816</b>
<b>December 31, 2018</b>					
Current accounts and demand deposits	657,723,012	161,513,570	286,569,182	46,231,062	1,152,036,826
Saving deposits	2,074,766,403	379,956	13,647,932	522,527	2,089,316,818
Time and notice deposits	1,451,739,680	463,206,362	56,561,236	416,588,091	2,388,095,369
Certificates of deposit	209,782,637	33,020,257	1,084,658	-	243,887,552
Others	424,290	-	-	-	424,290
<b>Total</b>	<b>4,394,436,022</b>	<b>658,120,145</b>	<b>357,863,008</b>	<b>463,341,680</b>	<b>5,873,760,855</b>

- Deposits of the Jordanian government and public sector inside the kingdom amounted to approximately JD 395.9 million representing 6.8 % of total deposits as of June 30, 2019 (approximately JD 454,2 million, representing 7.73% of total deposits as of December 31, 2018).
- Non-interest bearing deposits amounted to JD 1.56 billion, representing 26.6% of total deposits as of June 30, 2019 (against around JD 1.64 billion, representing 27.9% of total deposits as of December 31, 2018).
- Restricted deposits amounted to JD 255 million, representing 4.4 % of total deposits as of June 30, 2019 (against JD 220 million, representing 3.75% of total deposits as of December 31, 2018).
- Dormant accounts amounted to JD 219.4 million, representing 3.7% of total deposits as of June 30, 2019 (against JD 205.2 million, representing 3.5% of total deposits as of December 31, 2018).

#### 14. Loans and Borrowing:

This item consists of the following:

	Amount	Periodic Repayment	Repayment date	Guarantee	Borrowing Interest Rate	Re- lending Interest Rate
<b>June 30, 2019</b>	<b>JD</b>					
Audi Bank loan	4,688,171	Monthly	31/05/2020	Financial solvency	5%	10.50%
Society General Bank loan	4,519,802	Monthly	31/08/2019	Financial solvency	5.25%	10.50%
Amman Cairo Bank	20,000,000	Monthly	30/07/2019	Financial solvency	4.75%	10.50%
Real Estate Mortgage Re-fund Co.	5,000,000	Semi annual	04/05/2020	Financial solvency	5.75%	10.50%
Real Estate Mortgage Re-fund Co.	5,000,000	Semi annual	09/08/2020	Financial solvency	5.85%	10.50%
Real Estate Mortgage Re-fund Co.	5,000,000	Semi annual	24/09/2019	Financial solvency	5.5%	10.50%
Real Estate Mortgage Re-fund Co.	5,000,000	Semi annual	07/01/2020	Financial solvency	5.75%	10.50%
Central Bank of Jordan	5,950,000	Semi annual	14/07/2028	Financial solvency	4.48%	Guaranteed %7.98 without guarantee %8.48
Central Bank of Jordan	3,974,876	Semi annual	07/02/2031	Financial solvency	4.53%	Guaranteed %7.53 without guarantee %8.53
Central Bank of Jordan	2,520,000	Semi annual	29/11/2024	Financial solvency	2.50%	Guaranteed %6 without guarantee %6.5
Central Bank of Jordan	2,814,013	Semi Annual	21/12/2039	Mortgage	3.00%	Guaranteed %6.5 without guarantee %7.5
Central Bank of Jordan	10,871,777	According to instalment maturity date	5 years with the exception of renewable energy projects 10 years	Promissory note on demand	Inside the capital 1.75% outside the capital 1%	Inside the capital minimum 4.5% outside the capital minimum 3.75%
Real Estate Mortgage Re-fund Co.*	50,000,000	Interests and paid semiannually but the loan is paid cash all in one	29/05/2024	Mortgage	6.35%	7.5% - 10.25%
Real Estate Mortgage Re-fund Co.*	25,000,000	Interests and paid semiannually but the loan is paid cash all in one	31/01/2022	Mortgage	6.10%	7.5% - 10.25%
	<b>150,338,639</b>					

- \* Funds have been reborrowed for the purposes of housing loans at an interest rate ranging from 7.5%-10.25%. Reborrowed funds amounted to JD 75,000,000.
- Reborrowed funds with a fixed interest rate amounted to JD 140,413,764. In addition, borrowed funds with variable interest rate amounted to JD 9,924,875 as of June 30, 2018.
- Reborrowed funds from Central Bank of Jordan maturity date ranges from 1 year to 22 years.
- Borrowed funds during the six months period ended June 30, 2019 amounted to JD 102,035,487 and the paid amounted to JD 79,249,702.
- Reissued loans amounted to JD 50,000,000 first half of the year .

		Instalment	Repayment		Borrowing	
	Amount	Maturity Period	Date	Guarantees	Interest Rate	Re- borrowed Interest rate
<b>December 31, 2018</b>	<b>JD</b>					
Audi Bank loan	4,891,660	Monthly	31/05/2019	Financial solvency	4.75%	%10.50
Society General Bank loan	1,499,626	Monthly	31/08/2019	Financial solvency	6.75%	%10.50
Amman Cairo Bank	25,000,000	Monthly	30/07/2019	Financial solvency	5%	%10.50
Real Estate Mortgage Re-fund Co.	5,000,000	Monthly	04/05/2020	Financial solvency	4.75%	%10.50
Real Estate Mortgage Re-fund Co.	5,000,000	Semi annual	09/08/2020	Financial solvency	5.75%	%10.50
Real Estate Mortgage Re-fund Co.	5,000,000	Semi annual	24/09/2019	Financial solvency	5.85%	%10.50
Real Estate Mortgage Re-fund Co.	5,000,000	Semi annual	07/01/2020	Financial solvency	5.5%	%10.50
Central Bank of Jordan	6,300,000	Semi annual	14/07/2028	Financial solvency	4.37%	Guaranteed %7.87 without gurantee %8.37
Central Bank of Jordan	3,974,875	Semi annual	07/02/2031	Financial solvency	4.42%	Guaranteed %7.42 without gurantee %8.42
Central Bank of Jordan	2,765,000	Semi annual	29/11/2024	Financial solvency	2.50%	Guaranteed %6 without gurantee %6.5
Central Bank of Jordan	1,412,458	Semi annual	21/12/2039	Mortgage	3%	Guaranteed 6.5% without gurantee 7.5%
Central Bank of Jordan	10,015,379	According to maturity period	5 years except of renewable energy 10 years	Promissory note on demand	Inside the capital 1.75% Outside the capital 1%	Inside the capital 4.5% outside the capital 3.75%
Real Estate Mortgage Re-fund Co.*	49,999,990	Semi annual	29/05/2019	Mortgage	5.05%	8%-10.25%
	<b>125,858,988</b>					

- \* The funds were re-borrowed for housing loans at an interest rate ranging from 8% to 10.25% and the total amount of borrowed funds amounted to JD 49,999,990.
- Fixed interest borrowed funds amounted to JD 115,584,113, and variable interest borrowed funds amounted to JD 10,274,875 as at December 31, 2018.
  - Maturity periods for funds borrowed from the Central Bank of Jordan that were re-borrowed ranges from May 2014 to December 21, 2039.
  - Borrowed funds during the year 2018 (JD 16,013,066) and the amounts paid (JD 10,252,185).
  - Renewed loans amounted to JD 44,400,000.

**15. Income Tax****a. Income tax provision**

The movement on the income tax provision is as follows:

	<b>June 30, 2019</b>	<b>December 31, 2018</b>
	<b>JD</b>	<b>JD</b>
<b>Balance – beginning of the period / year</b>	<b>49,752,994</b>	<b>50,509,319</b>
Income tax paid	(40,974,520)	(52,514,979)
Accrued income tax	16,891,485	51,892,329
Currency translation	52,845	(133,675)
<b>Balance – Ending of the Period / Year</b>	<b>25,722,804</b>	<b>49,752,994</b>

- Income Tax for Banks in Jordan is 35% and a 3% for the national contribution account. In addition, the average Income Tax percentage in the countries in which the bank has investments is in between (0- 31%).
- The taxes due on Jordan branches has been cleared until 2014 and accrued taxes were paid for the years 2015, 2016, 2017 and 2018.
- The Bank has reached a final settlement in Palestine with the Income Tax Department up to the year 2017, and has reached to a final settlement with the Income and Sales Tax Department for all year except for the year 2017 and 2018
- Income tax for International Bank for Trade and Finance /Syria was paid up to the year 2017.
- Income tax for the Housing Bank for Trade and Finance /Algeria was paid up to the year 2017.
- Income tax for Jordan International Bank/ London was paid up to the year 2017.
- Income tax for International Financial Centre Company was paid up to the year 2017, and reached a final settlement for all years except for the year 2016, and 2017.
- Income tax for Specialized Leasing Company was paid up to the year 2017, and reached a final settlement with the Income and Sales Tax Department up to the year 2016 and, 2017.

**b. Income tax expense appearing in the condensed consolidated interim income statement represents the following:**

	<b>For the Six Months Ended June 30,</b>	
	<b>2019</b>	<b>2018</b>
	<b>JD</b>	<b>JD</b>
Provision for income tax for the period	16,891,485	25,720,261
Deferred tax assets for the period	(602,364)	(3,214,794)
Deferred tax liabilities for the period	-	1,442,735
Amortization of deferred tax assets	3,216,114	2,560,905
Amortization of deferred tax liabilities	(483,046)	-
Prior years adjustments	769,853	-
<b>Total</b>	<b>19,792,042</b>	<b>26,509,107</b>



**16. Other Liabilities**

The details for this item are as follows:

	<b>June 30, 2019</b>	<b>December 31, 2018</b>
	<b>JD</b>	<b>JD</b>
Accrued interest	26,080,020	19,602,683
Interests and commissions received in advance	769,405	808,135
Accrued expenses	13,165,936	13,790,311
Certified cheques	38,059,645	34,050,008
Transfers deposits	28,974,437	29,525,841
Payment trusts	5,658,161	2,842,459
Prizes trusts	689,660	1,246,840
Correspondent banks trusts	1,356,048	995,814
General management trusts	4,174,287	3,703,593
Shareholders deposits	2,759,221	504,388
Accounts payable	3,234,359	3,716,977
Other deposits	56,555,591	62,461,284
Provision for indirect facilities' expected credit	29,230,773	26,926,112
Other	11,102,420	10,246,483
<b>Total</b>	<b>221,809,963</b>	<b>210,420,928</b>

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

**For the Six Months Period June 30, 2019**

**Balance at the beginning of the period**

New exposures during the period  
Matured exposures  
Transferred to stage (1)  
Transferred to stage (2)  
Transferred to stage (3)  
Effect of the reclassification  
Adjustments due to foreign currency changes

**Balance at the Ending of the Period**

	Stage (1)		Stage (2)		Total
	Individual	Collective	Individual	Collective	
	JD	JD	JD	JD	JD
584,980,226	90,237,974	12,825,263	19,350,849	8,369,203	715,763,515
84,441,453	8,465,606	50,107,300	36,120	10,000	143,060,479
(111,259,894)	(12,091,941)	(3,073,044)	(82,871)	(509,286)	(127,017,036)
3,656,696	137,949	(3,588,696)	(135,449)	(70,500)	-
(1,989,422)	(532,025)	3,253,522	613,492	(1,345,567)	-
(261,500)	(22,174)	(2,382,603)	(73,559)	2,739,836	-
(45,449,743)	(35,228)	151,675	(64,795)	6,487	(45,391,604)
(87,706)	(10,949)	(200)	(3,548)	-	(102,403)
<b>514,030,110</b>	<b>86,149,212</b>	<b>57,293,217</b>	<b>19,640,239</b>	<b>9,200,173</b>	<b>686,312,951</b>

**For the Year Ended December 31, 2018**

**Balance at the beginning of the year**

New exposures during the year  
Matured exposures  
Transferred to stage (1)  
Transferred to stage (2)  
Transferred to stage (3)  
Effect of the reclassification  
Adjustments due to foreign currency changes

**Balance at the Ending of the Year**

512,229,768	193,492,655	10,113,314	238,567	5,470,158	721,544,462
294,876,388	92,790,610	5,632,908	302,823	742,905	394,345,634
(225,226,009)	(123,575,851)	(2,387,807)	(3,657)	(1,348,511)	(352,541,835)
2,063,279	164,693	(1,885,651)	(157,693)	(184,628)	-
(27,560,222)	(583,857)	27,931,222	609,357	(396,500)	-
(1,346,800)	(12,640)	(2,994,490)	(77,000)	4,430,930	-
(30,847,509)	(5,571,888)	(4,842,025)	(301,645)	(332,848)	(41,895,915)
1,156	(5,675,574)	(2,110)	-	(12,302)	(5,688,830)
<b>524,190,051</b>	<b>151,028,148</b>	<b>31,565,361</b>	<b>610,752</b>	<b>8,369,204</b>	<b>715,763,516</b>

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

**For the Six Months Period Ended June 30, 2019**

**Balance at the beginning of the period**

Impairment loss on the new facilities  
Reversed from impairment loss on the matured facilities  
Impairment loss on matured exposure  
Transferred to stage (1)  
Transferred to stage (2)  
Transferred to stage (3)  
Effect on provision - as for year end- due to reclassification  
Written off facilities  
Adjustments due to foreign currency changes

**Balance at the Ending of the Period**

Stage (1)			Stage (2)		
Individual	Collective	Individual	Collective	Stage (3)	Total
JD	JD	JD	JD	JD	JD
3,823,459	2,433,685	4,846,856	84,229	15,737,883	26,926,112
1,964,691	(1,412,777)	859,979	8,069	-	1,419,962
(1,958,818)	1,159,677	(108,660)	(2,678)	(429,921)	(1,340,400)
170,650	10,528	(124,090)	(9,028)	(48,060)	-
(21,321)	(28,668)	706,121	56,675	(712,807)	-
(4,551)	(146)	(118,407)	(4,899)	128,003	-
51,155	(10,238)	(682,345)	67,185	1,844,307	1,270,064
35,150	1,035,923	386,840	7,612	(506,677)	958,848
-	-	-	-	-	-
(184)	(1,399)	(811)	-	(1,419)	(3,813)
<b>4,060,231</b>	<b>3,186,585</b>	<b>5,765,483</b>	<b>207,165</b>	<b>16,011,309</b>	<b>29,230,773</b>

**For the Year Ended December 31, 2018**

**Balance at the beginning of the year**

The effect of implementing IFRS (9)  
Transfers to another provisions  
Adjusted beginning balance  
Impairment loss on the new facilities  
Reversed from impairment loss on the matured facilities  
Impairment loss on matured exposure  
Transferred to stage (1)  
Transferred to stage (2)  
Transferred to stage (3)  
Effect on provision- as for year end- due to reclassification  
Written off facilities  
Adjustments due to foreign currency changes

**Balance at the Ending of the Year**

5,478,806	258,486	217,826	-	4,254,000	4,254,000
-	3,399,031	-	20,872	1,729,828	7,705,818
<b>5,478,806</b>	<b>3,657,517</b>	<b>217,826</b>	<b>20,919</b>	<b>6,874,762</b>	<b>16,249,830</b>
1,281,346	2,152,541	196,017	69,099	3,573,676	7,272,679
(1,997,637)	(3,043,026)	(121,746)	(6,503)	(5,441)	(5,174,353)
77,980	10,484	(26,140)	(10,484)	(51,840)	-
(345,988)	(7,124)	496,242	7,124	(150,254)	-
(7,034)	(182)	(34,907)	(4,815)	46,938	-
(58,104)	(9,520)	4,049,251	8,858	2,985,653	6,976,138
(605,910)	(320,363)	70,313	894	2,464,389	1,609,323
-	-	-	-	-	-
-	(6,642)	-	(863)	-	(7,505)
<b>3,823,459</b>	<b>2,433,685</b>	<b>4,846,856</b>	<b>84,229</b>	<b>15,737,883</b>	<b>26,926,112</b>

**17. Expected Credit Loss Expense – net**

The details of this item is as follows:

	<b>For the Six Months Ended June 30,</b>	
	<b>2019</b>	<b>2018</b>
	<b>JD</b>	<b>JD</b>
Balances and deposits at banks and financial institutions	595,766	146,726
Financial assets at fair value through other comprehensive income	92,731	(120,020)
Financial assets at amortized cost	30,710	(1,183,322)
Direct credit facilities	37,591,077	16,491,894
Commitments and contingent liabilities	2,308,474	335,646
	<b><u>40,618,758</u></b>	<b><u>15,670,924</u></b>

**18. Fair Value Reserve – net**

The fair value reserve appears net after deferred taxes with an amount of JD 1,906,025 as of June 30, 2019, (JD 2,219,625 as of December 31, 2018). The movement on the net fair value reserve is as follows:

	<b>For the Six Months Ended June 30, 2019</b>	<b>For the year Ended December 31, 2018</b>
	<b>JD</b>	<b>JD</b>
<b>Balance – beginning of the period/year</b>	(2,219,625)	(109,459)
Unrealized gain (losses) - Debt instruments	1,627,967	(2,605,375)
Unrealized gain (losses) - Shares	4,379,407	(443,682)
Deferred tax assets	(839,415)	1,140,547
Deferred tax liabilities	(1,042,309)	(201,656)
Net change in valuation reserve of financial assets at fair value through comprehensive income after tax	4,125,650	(2,110,166)
<b>Balance at the End of the Period</b>	<b><u>1,906,025</u></b>	<b><u>(2,219,625)</u></b>

## 19. Retained Earnings

The movement on retained earnings is as follows:

	June 30, 2019	December 31, 2018
	JD	JD
<b>Balance – beginning of the period / year</b>	268,842,701	273,604,841
<b>Effect of the application of IFRS (9) on expected credit loss</b>	-	(76,622,326)
Prior years adjustments	(287,049)	-
<b>Transferred from/to reserves</b>	-	37,608,684
<b>Effect of the application of IFRS9 (9) on deffered tax assets</b>	-	21,401,337
Effect of the application of IFRS (9) net after tax – note (2)	<b>(287,049)</b>	<b>(17,612,305)</b>
<b>Adjusted– beginning balance of the period / year</b>	268,555,652	255,992,536
Income for the period / year	36,771,416	90,316,409
Dividends distribution	(47,250,000)	(63,000,000)
Transferred from/to reserves	8,708	(14,471,341)
Gains from sale of financial assets at fair value through other comprehensive Income	-	5,097
<b>Balance – End of the Period / Year</b>	<b>258,085,776</b>	<b>268,842,701</b>

- Retained earnings includes a restricted amount of JD 7,043,772, which represents the differences in financial assets revaluation in accordance to the Jordanian Securities Commission instructions.
- Retained earnings includes an amount of JD 563,978, which represents the effect of early implementation of the International Financial Reporting Standard No (9). This amount cannot be used except for the amounts actually realized from sale.
- Retained earnings includes a restricted amount of JD 73,304,697 which represents deferred tax assets including capitalization or distribution only to the extent of what is actually recognized in accordance to the instructions of the Central bank of Jordan and the Jordanian Securities Commission.
- Retained earnings includes a restricted amount of JD 13,818,830 that represents the gain from the valuation of foreign currencies at the International Bank for Trade and Finance /Syria for the current period and the prior periods.

## **20. Interest Income**

The details of this item are as follows:

	<b>For the Six Months Ended June 30,</b>	
	<b>2019</b>	<b>2018</b>
	<b>JD</b>	<b>JD</b>
Direct Credit Facilities		
<b>Individual retail customer:</b>		
Overdraft	252,961	400,204
Loans and discounted bills	33,624,406	32,931,475
Credit cards	1,209,854	1,083,745
Other	11,394	123,427
Real estate mortgages	41,166,155	39,320,973
<b>Large corporates</b>		
Overdraft	14,306,967	12,240,274
Loans and discounted bills	31,954,442	30,408,054
<b>SME's</b>		
Overdraft	5,283,201	3,552,551
Loans and discounted bills	8,080,239	7,192,950
Government and Public Sector	23,463,651	25,292,917
Balances at central banks	6,151,683	6,410,297
Balances and deposits at banks and financial institutions	4,999,188	6,484,449
Financial assets at amortized cost	42,485,696	35,683,915
Financial assets at fair value through profit or loss	698	2,217
Financial assets at fair value through other comprehensive income	5,283,245	4,622,936
	<b><u>218,273,780</u></b>	<b><u>205,750,384</u></b>

## **21. Interest Expense**

The details of this item are as follows:

	<b>For the Six Months Ended June 30,</b>	
	<b>2019</b>	<b>2018</b>
	<b>JD</b>	<b>JD</b>
Banks and financial institutions deposits	7,004,715	6,288,603
<b>Customers deposits :</b>		
Current accounts and demand deposits	392,229	369,673
Saving deposits	4,089,581	4,391,008
Time and notice deposits	44,022,513	40,134,154
Certificates of deposit	5,365,859	4,095,432
Cash Margin	1,527,093	2,105,121
Borrowed funds	3,505,060	2,752,416
Deposits insurance fees	4,119,144	5,733,492
Lease liability	972,305	-
	<b><u>70,998,499</u></b>	<b><u>65,869,899</u></b>

**22. (Loss) from Financial Assets at Fair Value Through profit or Loss**

The details of this item are as follows:

	Realized		Unrealized		Dividends	Total
	Gain	(Loss)	Gain	(Loss)	Received	
	JD	JD	JD	JD	JD	
<b><u>For the Six Months</u></b>						
<b><u>Period Ended</u></b>						
<b><u>June 30, 2019</u></b>						
Bonds	-	-	-	-	-	-
Coprorate shares	-	-	78,871	(217,844)	169,700	30,727
Investment funds	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>78,871</b>	<b>(217,844)</b>	<b>169,700</b>	<b>30,727</b>

**For the Six Months****Period Ended****June 30, 2018**

Bonds	-	-	-	(5,650)	-	(5,650)
Coprorate shares	-	(53,531)	20,224	(363,115)	200,671	(195,751)
Investment funds	57,676	-	-	-	9,021	66,697
<b>Total</b>	<b>57,676</b>	<b>(53,531)</b>	<b>20,224</b>	<b>(368,765)</b>	<b>209,692</b>	<b>134,704</b>

**23. Earnings Per Share Attributable to the Shareholders of the Bank basic/ dilluted**

The details of this item are as follows:

	For the Three Months		For the Six Months	
	Ended June 30,		Ended June 30,	
	2019	2018	2019	2018
	JD	JD	JD	JD
Profit for the period attributable to shareholders'	12,919,263	26,597,160	36,771,417	53,299,893
Weighted average number of shares	315,000,000	315,000,000	315,000,000	315,000,000
<b>Basic and diluted earnings per share attributable to shareholders of the Bank</b>	<b>0.041 JD</b>	<b>0.084 JD</b>	<b>0.117 JD</b>	<b>0.169 JD</b>

**24. Cash and Cash Equivalents**

This item consists of the following:

	June 30,	
	2019	2018
	JD	JD
Cash and balances with central banks maturing within 3 months	975,455,391	1,058,391,096
<u>Add:</u> Balances with banks and financial institutions maturing within 3 months	503,441,917	495,248,302
<u>Less:</u> Banks and financial institutions deposits maturing within 3 months	(634,995,785)	(498,275,277)
	<b>843,901,523</b>	<b>1,055,364,121</b>

## 25. Capital Adequacy

The schedule below shows the capital components according to the instructions of the Central Bank, based on the instructions of Basel III Committee, the following is the capital adequacy ratio.

	June 30, 2019	December 31, 2018
	JD	JD
<b>1. Common Equity Tier 1 Capital</b>		
<b>Paid-in capital</b>	315,000,000	315,000,000
<b>Retained earnings</b>	214,183,542	214,088,488
<b>Other comprehensive income items</b>	(111,750,218)	(115,817,373)
Net fair value reserve	1,906,025	(2,219,625)
Foreign currency translation Reserve	(113,656,243)	(113,597,748)
<b>Share premium</b>	328,147,537	328,147,537
<b>Statutory reserve</b>	219,197,652	219,206,360
<b>Other reserve</b>	10,798,320	10,798,320
<b>Non-controlling Interest</b>	24,565,592	23,386,049
<b>Period net income after tax and expected dividends</b>	13,142,614	-
<b>Total capital of common stock</b>	<b>1,013,285,039</b>	<b>994,809,381</b>
<b>Regulatory amendments (Propositions of the capital)</b>	(98,996,975)	(102,658,487)
Goodwill and other intangible assets	(23,021,173)	(23,628,921)
Deffered tax assets	(73,304,697)	(76,354,109)
Investments in capital of non consolidated subsidiaries	(36,613)	(28,477)
Mutual fund investments in the capital of Banking, Financial and Insurance Entities (within CET1)	(2,634,492)	(2,646,980)
<b>Total primary capital</b>	<b>914,288,064</b>	<b>892,150,894</b>
<b>2. Additional Tier 1</b>		
Non-controlling Interest	4,335,105	4,126,950
Total additional capital	4,335,105	4,126,950
Regulatory amendments (Propositions of the capital)	-	-
<b>Net additional capital</b>	<b>4,335,105</b>	<b>4,126,950</b>
<b>Net additional capital Tier 1.</b>	<b>918,623,169</b>	<b>896,277,844</b>
<b>3. Tier 2</b>		
Provision of credit loss for stage (1) not exceeding 1.25% of assets exposed to credit loss	31,378,200	32,887,865
Non-controlling Interest	5,780,139	5,502,600
<b>Total supported capital</b>	<b>37,158,339</b>	<b>38,390,465</b>
<b>Regulatory amendments (Propositions of the capital)</b>	<b>(4,068)</b>	<b>(12,204)</b>
Investments in capital of non consolidated subsidiaries	(4,068)	(12,204)
<b>Net additional capital Tier 2</b>	<b>37,154,271</b>	<b>38,378,261</b>
<b>Regulatory capital</b>	<b>955,777,440</b>	<b>934,656,105</b>
<b>Total weighted assets risk average.</b>	<b>5,885,897,558</b>	<b>5,796,098,827</b>
<b>Capital Adequacy ordinary shareholders (CET1) Ratio %</b>	<b>%15.2</b>	<b>%15.4</b>
<b>Capital Adequacy Tier 1 Ratio %</b>	<b>%15.3</b>	<b>%15.5</b>
<b>Capital Adequacy Ratio %</b>	<b>%15.9</b>	<b>%16.1</b>



## 26. Related Party Transactions

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

- b. Summary of related party balances during the period/year:

	Related Party				Total	
	Major Shareholders	Subsidiaries	Board of Directors *	Executive Management *	June 30, 2019	December 31, 2018
	JD	JD	JD	JD	JD	JD
<b>Financial position items</b>						
Total deposits with related parties	57,110,801	82,385,807	-	-	139,496,608	124,440,812
Total deposits from related parties	755,168,128	34,639,959	1,788,948	1,216,291	792,813,326	639,676,340
Loans and advances granted to related parties	-	1,299,360	4,335	826,268	2,129,963	3,928,268
Loans and advances granted From related parties	-	890,915	-	-	890,915	-
<b>Items off-statement of Financial position</b>						
Letters of guarantees and credits	500,032	1,365,912	-	-	1,865,944	1,844,023

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

	Related Party				Total	
	Major Shareholders	Subsidiaries	Board of Directors	Executive Management	For the Six Months Ended June 30,	
	JD	JD	JD	JD	2019	2018
<b>Income statement items</b>						
Interest and commissions income	790,390	1,341,852	317	17,221	2,149,780	744,343
Interest and commissions expense	16,508,948	2,818,993	27,826	20,543	19,376,310	8,958,005

- Interest income rates ranges from 0% to 8%.
- Interest Expense rates ranges from 0% to 7%.
- \* Number of Members (47) .

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

	For the Six Months Ended June 30,	
	2019	2018
	JD	JD
Salaries, bonuses, and other benefits	1,596,094	1,930,926
Salaries, bonuses, and other benefits/ Subsidiaries	1,243,890	1,342,000

## 27. Segment Analysis

### Information on the Bank Activities:

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

**Retail Banking:** Principally handling individual customers' and small businesses' deposits and providing loans, overdrafts, credit cards and other services.

**Corporate Banking:** Principally handling deposits, credit facilities, and other financial services for corporate and institutional customers.

**Corporate Finance:** Principally arranging structured finance and providing services relating to privatizations, IPO's, mergers and acquisitions.

**Treasury:** Principally providing trading and treasury services and the management of the Bank's funds in money and capital markets.

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

[illegible]

## **28. Risk Management:**

Risk management is carried out on the basis of a comprehensive strategy to reduce risk and ways to address and mitigate them, after determining the risks accepted by the Bank to manage its business to ensure the level and quality of the various risks that the Bank wishes to bear and in a way that does not affect the realization of Strategic objectives, in addition to mitigating the negative effects of internal and external events on both the bank's profitability, capital level, market share and any other intangible factors such as the reputation and reputation of the Bank.

Bank's regulations related to risk management for the six months ended June 30, 2019 are inline with those that have been disclosed with the annual report for the Bank as of December 31, 2018.

**1. Credit Risk According to Economic Sectors:**

**a. Distributions According to Financial Instruments Exposure:**

	Financial	Industrial	Trading	Real Estate	Agriculture	Equities	Individuals	Government and Public	Other	Total
Cash at central Banks	816,692,795	-	-	-	-	-	-	-	-	816,692,795
Balances at banks and financial institutions	503,441,917	-	-	-	-	-	-	-	-	503,441,917
Deposits at banks and financial institutions	29,190,679	-	-	-	-	-	-	-	-	29,190,679
Credit facilities	153,574,946	531,523,121	495,862,873	1,139,491,200	17,053,776	3,429,691	726,698,043	830,794,903	461,960,222	4,360,388,775
Bonds and bills:										
Within: Financial Assets Through profit and loss	-	-	-	-	-	-	-	15,237	-	15,237
Within: Financial assets at fair value through other comprehensive income	252,453,748	-	16,968,209	-	-	-	-	57,518,904	-	326,940,861
Within: Financial assets at amortized cost	7,078,615	-	8,796,660	-	-	-	-	1,742,450,232	-	1,758,325,507
Derivatives	-	-	-	-	-	-	-	-	-	-
Mortgaged financial assets (liabilities)	-	-	-	-	-	-	-	-	-	-
Other Assets	-	-	-	-	-	-	-	-	-	-
<b>Total for the period</b>	<b>1,762,432,700</b>	<b>531,523,121</b>	<b>521,627,742</b>	<b>1,139,491,200</b>	<b>17,053,776</b>	<b>3,429,691</b>	<b>726,698,043</b>	<b>2,630,779,276</b>	<b>461,960,222</b>	<b>7,794,995,771</b>
Letter of guarantees	-	-	166,786,248	-	-	-	-	-	-	166,786,248
Letter of credit	-	-	331,241,867	-	-	-	-	-	-	331,241,867
Other Liabilities	-	-	159,054,063	-	-	-	-	-	-	159,054,063
<b>Total</b>	<b>1,762,432,700</b>	<b>531,523,121</b>	<b>1,178,709,920</b>	<b>1,139,491,200</b>	<b>17,053,776</b>	<b>3,429,691</b>	<b>726,698,043</b>	<b>2,630,779,276</b>	<b>461,960,222</b>	<b>8,452,077,949</b>
<b>Prior Year Total</b>	<b>2,037,951,842</b>	<b>458,327,179</b>	<b>1,300,997,539</b>	<b>1,115,162,491</b>	<b>15,669,673</b>	<b>6,959,336</b>	<b>724,708,057</b>	<b>2,407,101,111</b>	<b>343,367,229</b>	<b>8,410,234,347</b>

**b. Distribution of exposure according to staging (IFRS 9)**

	Stage (1)		Stage (2)		Stage (3)	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD	JD	JD
Financial	1,760,632,787	176,044	1,514,067	67,338	42,464	1,762,432,700
Industrial	282,100,050	162,492,617	43,296,041	21,153,788	22,480,625	531,523,121
Trading	773,154,036	244,222,681	143,973,554	44,765,491	(27,405,842)	1,178,709,920
Real Estates	171,606,629	807,746,260	84,874,286	35,703,039	39,560,986	1,139,491,200
Agriculture	13,885,718	241,197	1,857,058	151,083	918,720	17,053,776
Equity	2,473,399	-	-	-	956,292	3,429,691
Individual	21,039,748	673,711,644	1,616,749	19,976,945	10,352,957	726,698,043
Government and public sector	2,620,733,775	-	10,045,501	-	-	2,630,779,276
Other	414,546,830	4,494,493	34,030,787	1,145,499	7,742,613	461,960,222
<b>Total</b>	<b>6,060,172,972</b>	<b>1,893,084,936</b>	<b>321,208,043</b>	<b>122,963,183</b>	<b>54,648,815</b>	<b>8,452,077,949</b>
<b>Prior Year Total</b>	<b>6,278,219,435</b>	<b>1,686,890,117</b>	<b>336,553,684</b>	<b>86,848,100</b>	<b>21,733,011</b>	<b>8,410,244,347</b>

## 2. Exposure distribution according to geographical distribution

### a. Total exposure distribution according to geographic region:

	Other Middle East									
	East					Other				
	Inside Jordan	Countries	Europe	Asia	Africa	America	Countries	Total		
	JD	JD	JD	JD	JD	JD	JD	JD	JD	
Cash and balances at central banks	816,692,795	-	-	-	-	-	-	-	816,692,795	
Balances at banks and financial institutions	(46,088,533)	276,326,439	157,419,916	5,239,977	1,110,199	105,338,495	4,095,424	503,441,917		
Deposits at banks and financial institutions	(214,697,566)	184,995,727	56,778,349	-	-	-	2,114,169	29,190,679		
Credit facilities	4,057,994,949	158,199,764	144,194,062	-	-	-	-	4,360,388,775		
Bonds and Bills:										
Financial Assets Through profit and loss	15,237	-	-	-	-	-	-	15,237		
Financial assets at fair value through other comprehensive income	138,546,187	31,671,252	20,161,911	19,285,507	14,799,916	84,257,681	18,218,407	326,940,861		
Financial assets at amortized cost	1,707,457,752	35,006,743	2,140,500	4,941,958	-	6,651,797	2,126,757	1,758,325,507		
Derivatives	-	-	-	-	-	-	-	-		
Mortgaged financial assets (liabilities)	-	-	-	-	-	-	-	-		
Other Assets	-	-	-	-	-	-	-	-		
Total for the period	6,459,920,821	686,199,925	380,694,738	29,467,442	15,910,115	196,247,973	26,554,757	7,794,995,771		
Letter of guarantee	149,821,211	16,475,924	489,113	-	-	-	-	166,786,248		
Letter of credit	302,520,695	11,884,097	1,965,604	336,942	13,900,967	633,562	-	331,241,867		
Other Liabilities	118,759,293	-	40,294,770	-	-	-	-	159,054,063		
Total	7,031,022,020	714,559,946	423,444,225	29,804,384	29,811,082	196,881,535	26,554,757	8,452,077,949		
Prior Year Total	7,328,580,443	368,340,707	423,675,567	29,387,811	15,113,039	228,809,014	16,337,766	8,410,244,347		

**b. Exposure distribution according to staging (IFRS 9):**

	Stage (1)		Stage (2)		Stage (3)	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD	JD	JD
Inside Jordan	5,346,514,714	1,544,006,559	230,375,141	98,319,168	33,472,844	7,252,688,426
Other Middle East countries	311,909,616	64,962,022	71,193,601	24,644,015	20,092,328	492,801,582
Europe	222,846,749	193,867,453	5,738,334	-	1,083,643	423,536,179
Asia	12,380,151	17,424,233	-	-	-	29,804,384
Africa	12,264,228	3,645,887	13,900,967	-	-	29,811,082
America	147,971,770	48,909,765	-	-	-	196,881,535
Other Countries	6,285,744	20,269,017	-	-	-	26,554,761
<b>Total</b>	<b>6,060,172,972</b>	<b>1,893,084,936</b>	<b>321,208,043</b>	<b>122,963,183</b>	<b>54,648,815</b>	<b>8,452,077,949</b>
<b>Prior Year Total</b>	<b>6,278,219,435</b>	<b>1,686,890,117</b>	<b>336,553,682</b>	<b>86,848,103</b>	<b>21,733,009</b>	<b>8,410,244,347</b>

### 3. Credit Exposure that have been Reclassified:

#### a. Total Credit Exposure that have been Reclassified

Items	Stage (2)			Stage (3)			Percentage of Exposure that have been Reclassified
	Total Exposure Amount	Exposure that have been Reclassified	Total Exposure Amount	Exposure that have been reclassified	Total Exposure that have been Reclassified		
	JD	JD	JD	JD	JD	%	
Cash and balances at central banks	-	-	-	-	-	-	
Balances at banks and financial institutions	-	-	-	-	-	-	
Deposits at banks and financial institutions	-	-	-	-	-	-	
Credit facilities	449,294,872	116,843,732	389,757,382	96,500,694	213,344,426	%4.45	
Bills and bonds	-	-	-	-	-	%0.00	
Within Financial Assets Through profit and loss	-	-	-	-	-	-	
Within Financial assets at fair value through other comprehensive income	-	-	-	-	-	%0.00	
Within Financial assets at amortized cost	-	-	-	-	-	%0.00	
Financial Assets derivatives	-	-	-	-	-	-	
Mortgaged financial assets (debt instruments)	-	-	-	-	-	-	
Other Assets	-	-	-	-	-	-	
Total	449,294,872	116,843,732	389,757,382	96,500,694	213,344,426	%2.96	
Letter of guarantees	26,412,942	3,719,500	9,077,392	2,653,797	6,373,297	%3.35	
Letter of credit	5,067,282	134,458	122,780	86,039	220,497	%0.07	
Other Liabilities	45,453,233	13,056	-	-	13,056	%0.01	
Total	76,933,457	3,867,014	9,200,172	2,739,836	6,606,850	%0.96	
Net Total	526,228,329	120,710,746	398,957,554	99,240,530	219,951,276	%3.77	
Prior Year Total	521,342,789	248,662,236	314,952,877	71,353,139	320,015,375	%5.58	

**b. Expected Credit loss for Exposure that have been Reclassified.**

	Exposures that have been Reclassified			Expected Credit Loss due to Reclassified Exposures			
	Exposure Reclassified from Stage (2)	Exposure Reclassified from Stage (3)	Total Reclassified Exposures	Stage (2)			Total
				Individual	Collective	Stage (3)	
	JD	JD	JD	JD	JD	JD	JD
Cash and balances at central banks	-	-	-	-	-	-	-
Balances at banks and financial institutions	-	-	-	-	-	-	-
Deposits at banks and financial institutions	-	-	-	-	-	-	-
Credit facilities	116,843,732	96,500,694	213,344,426	1,332,875	4,127,763	14,453,747	19,914,385
Bills and bonds	-	-	-	-	-	-	-
Within Financial Assets Through profit and loss	-	-	-	-	-	-	-
Within Financial assets at fair value through other comprehensive income	-	-	-	-	-	-	-
Within Financial assets at amortized cost	-	-	-	-	-	-	-
Financial Assets derivatives	-	-	-	-	-	-	-
Mortgaged financial assets (debt instruments)	-	-	-	-	-	-	-
Other Assets	-	-	-	-	-	-	-
<b>Total for the period</b>	<b>116,843,732</b>	<b>96,500,694</b>	<b>213,344,426</b>	<b>1,332,875</b>	<b>4,127,763</b>	<b>14,453,747</b>	<b>19,914,385</b>
Letter of guarantees	3,719,500	2,653,797	6,373,297	702,266	56,596	126,740	885,602
Letter of credit	134,458	86,039	220,497	3,855	-	1,263	5,118
Other Liabilities	13,056	-	13,056	-	79	-	79
<b>Total</b>	<b>3,867,014</b>	<b>2,739,836</b>	<b>6,606,850</b>	<b>706,121</b>	<b>56,675</b>	<b>128,003</b>	<b>890,799</b>
<b>Net Total</b>	<b>120,710,746</b>	<b>99,240,530</b>	<b>219,951,276</b>	<b>2,038,996</b>	<b>4,184,438</b>	<b>14,581,750</b>	<b>20,805,184</b>
<b>Prior Year Total</b>	<b>248,662,236</b>	<b>71,353,139</b>	<b>320,015,375</b>	<b>2,114,468</b>	<b>2,139,713</b>	<b>6,458,248</b>	<b>76,655,447</b>



**29. Commitments and Contingent Liabilities:**

This item consists of the following:

	<b>June 30, 2019</b>	<b>December 31, 2018</b>
	<b>JD</b>	<b>JD</b>
Letters of credit	553,043,875	626,195,702
Acceptances	83,044,801	91,341,957
<b>Guarantees:</b>		
- Payment guarantees	128,765,024	148,607,423
- Performance bonds	136,927,089	138,713,291
- Other	236,104,503	248,762,375
Un-utilized direct credit facilities ceilings	417,257,906	386,559,278
<b>Total</b>	<b><u>1,555,143,198</u></b>	<b><u>1,640,180,026</u></b>

**30. Lawsuits Raised Against the Bank and Lawsuits Raised by the Bank Against Others**

- There are lawsuits raised against the Bank amounted to approximately JD 39.5 million as of June 30, 2019 (JD 33.2 million as of December 31, 2018). In the opinion of the Bank's management and the legal advisor, no material liabilities will arise that exceeds the booked provision amounting to JD 2,934,366 as of June 30, 2019 (JD 3,163,535 as of December 31, 2018).
- Other than the lawsuits that were mentioned above, and during the six months period ended June 30, 2019 the inspectors of the Central Bank of Algeria visited the management of The Housing Bank of Trade and Finance – Algeria (subsidiary) and read the minutes of penalties attributed to the bank relating to penalties of certain bank procedures in Algeria, noting that the value of penalties is not specified as of the date of the condensed consolidated financial statements. In the opinion of the management and the legal consultant and the Bank's auditor in Algeria, the Bank has a strong legal position and there's no need to book any provisions against these penalties.
- The value of cases raised by the Bank against others amounted to approximately JD 443 million as of June 30, 2019 (JD 365 million as of December 31, 2018).

### **31. Fair Value Hierarchy**

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

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

	<b>Level (1)</b>	<b>Level (2)</b>	<b>Level (3)</b>	<b>Total</b>
<b><u>June 30, 2019</u></b>	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>
<b>Financial assets:</b>				
Financial assets at fair value through other comprehensive income	326,940,861	2,500,000	19,476,634	<b>348,917,495</b>
Financial assets at fair value through profit or loss	2,915,344	-	632,797	<b>3,548,141</b>
<b>Total</b>	<b>329,856,205</b>	<b>2,500,000</b>	<b>20,109,431</b>	<b>352,465,636</b>

### **December 31, 2018**

#### **Financial assets:**

Financial assets at fair value through other comprehensive income	350,027,298	2,500,000	19,476,065	<b>372,003,363</b>
Financial assets at fair value through profit or loss	3,036,343	-	699,078	<b>3,735,421</b>
<b>Total</b>	<b>353,063,641</b>	<b>2,500,000</b>	<b>20,175,143</b>	<b>375,738,784</b>

### **32. Comparative Figures**

Some comparative figures for the year 2018 were reclassified to conform with the classification of the figures of the period ended June 30, 2019. This reclassification did not have any impact on the income statement and equity for the year 2018.