بنك الأردن
Bank of Jordan

Chief Executive Officer

BOJX

Date: 31/10/2018

Ref: GM/332/2018

The Honorable,

Amman Stock Exchange

Amman, Jordan.

Dear Sirs,

Subject: "Consolidated Condensed Interim Financial Statements for the Nine-Month Period Ended September 30th, 2018"

Kindly find attached the translated Consolidated Condensed Interim Financial Statements for the nine- month period ended September 30th 2018 together with the review report.

With all due respect,

General Manager

Salah Hammad

بورصة عمـــان
الدائـــرة الإدارية والمالية
الديـــوان
٣١ تشرين أول ٢٠١٨
5070
الرقم المتسلسل: 11022
رقم الملـــف:
الجهة المختصة: [illegible]

بنك الأردن، هاتف 6277 569 6 962+، فاكس 6122 569 6 962+، ص ب 2140، عمان 11181 الأردن
Bank of Jordan, Tel. +962 6 569 6277, Fax +962 6 569 6122, P.O. Box 2140, Amman 11181 Jordan

bankofjordan.com

BANK OF JORDAN
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN

CONSOLIDATED CONDENSED
INTERIM FINANCIAL STATEMENTS
FOR THE NINE-MONTH
PERIOD ENDED SEPTEMBER 30, 2018
TOGETHER WITH THE REVIEW REPORT

BANK OF JORDAN
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2018

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Kawasmy & Partners CO.
Amman - Jordan
Shmeisani, Al-Shareef Abdul Hameed Sharaf Str. BLD # 28
Tel : +962 6 5650700, Fax : +962 6 5688598

Review Report

To the Chairman and the Members of the Board of Directors
Bank of Jordan
(Public Shareholding Company)
Amman – Hashemite Kingdom of Jordan

We have reviewed the accompanying consolidated condensed interim statement of financial position of **Bank of Jordan – Public Shareholding Company** as of September 30, 2018 and the related consolidated condensed interim statements of profit or loss and comprehensive income, changes in owners' equity and cash flows for the nine-month period then ended, and notes to the consolidated condensed interim financial information. Management is responsible for the preparation and presentation of this consolidated condensed interim financial information in accordance with IAS (34) "Interim Financial Reporting". Our responsibility is to express a conclusion on this consolidated condensed interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (2410) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, 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 consolidated condensed interim financial information for **Bank of Jordan - Public Shareholding Company** is not presented fairly, in all material respects, in accordance with IAS (34) "Interim Financial Reporting".

Kawasmy and Partners
KPMG

Hatem Kawasmy
License no. (656)

Amman - Jordan
October 29, 2018

KPMG
Kawasmy & Partners Co.

BANK OF JORDAN **STATEMENT (A)**
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN
CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
(REVIEWED NOT AUDITED)

	Note	September 30, 2018 (REVIEWED NOT AUDITED)	DECEMBER 31, 2017 (AUDITED)
		JD	JD
Assets			
Cash and balances with central banks	4	256,926,130	268,583,151
Balances with banks and financial institutions	5	250,255,957	265,682,212
Deposits with banks and financial institutions	6	109,985,396	125,000,000
Financial assets at fair value through profit or loss		178,178	196,987
Financial assets at fair value through comprehensive income		94,935,242	114,791,862
Financial derivatives		56,389	-
Direct credit facilities – Net	7	1,519,956,639	1,447,227,771
Financial assets at amortized cost	8	194,708,492	219,576,390
Property and equipment – Net		33,595,627	31,930,233
Intangible assets		4,845,257	4,839,231
Deferred tax assets	11	16,892,528	14,683,719
Other assets	9	89,873,510	72,620,383
Total Assets		**2,572,209,345**	**2,565,131,939**
Liabilities and Owners' equity			
Liabilities:			
Banks and financial institutions' deposits		97,264,967	64,896,195
Customers' deposits		1,875,368,490	1,845,800,756
Cash margins		128,836,261	149,356,693
Financial derivatives		-	178,833
Other provisions	10	5,011,229	5,006,765
Income tax provision	11	12,570,868	19,602,158
Deffered tax liabilities	11	6,420,005	-
Borrowed funds		4,368,535	2,437,716
Other liabilities	12	35,131,663	38,696,473
Total Liabilities		**2,164,972,018**	**2,125,975,589**
Owners' Equity:			
Equity attributable to the Bank's Shareholders			
Paid-up capital		200,000,000	200,000,000
Statutory reserve		80,820,869	80,820,952
Voluntary reserve		134,247	134,330
General banking risks reserve		2,258,434	15,128,290
Special reserve		4,103,632	4,103,632
Foreign currency translation differences		(12,262,187)	(12,256,254)
Fair value reserve	13	62,275,385	81,288,341
Retained earnings	14	33,064,315	64,446,126
Profit for the period after income tax		31,151,818	-
Total equity attributable to the Bank's shareholders		**401,546,513**	**433,665,417**
Non-Controlling Interests		5,690,814	5,490,933
Total Owners' Equity		**407,237,327**	**439,156,350**
Total Liabilities and Owners' Equity		**2,572,209,345**	**2,565,131,939**

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

Board of Director's Chairman

Chief Executive Officer

BANK OF JORDAN

(PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

STATEMENT (B)

CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS

(REVIEWED NOT AUDITED)

	NOTE	For the Three-Month Period Ended September 30, 2018	2017	For the Nine-Month Period Ended September 30, 2018	2017
		JD	JD	JD	JD
Interest income		37,396,710	33,628,300	109,177,151	94,428,158
Less : Interest expense		9,452,060	7,576,020	27,065,259	18,314,581
Net Interest Income		**27,944,650**	**26,052,280**	**82,111,892**	**76,113,577**
Commissions Income – Net		5,754,171	5,955,312	17,663,269	17,813,908
Net Interest and Commissions Income		33,698,821	32,007,592	99,775,161	93,927,485
Foreign currencies income		549,450	766,992	1,900,337	2,113,206
Income from financial assets at fair value through profit or loss		5,464	8,450	3,830	6,318
Cash dividends from financial assets at fair value through comprehensive income		664	12,454	524,261	4,627,098
Gains on sale of financial assets at amortized cost	8	-	-	-	87,724
Other income	16	352,181	1,470,369	1,996,187	17,848,021
Total Income		**34,606,580**	**34,265,857**	**104,199,776**	**118,609,852**
Employees expenses		8,264,650	7,837,391	27,564,698	25,661,760
Depreciation and amortization		1,225,191	1,173,002	3,672,211	3,530,335
Other expenses		7,490,638	6,334,357	22,189,372	17,827,744
Expense of expected credit loss provision on financial assets	15	3,426,966	82,749	940,496	11,788,865
Provision for assets foreclosed by the Bank expense	12	305,482	694,685	281,946	2,195,308
Other provisions	10	173,356	46,856	593,352	355,687
Total Expenses		**20,886,283**	**16,169,040**	**55,242,075**	**61,359,699**
Profit for the period before income tax		**13,720,297**	**18,096,817**	**48,957,701**	**57,250,153**
Less: Income tax	11	4,761,854	5,906,808	17,936,249	18,524,175
Profit for the Period- Statement (C) and (D)		**8,958,443**	**12,190,009**	**31,021,452**	**38,725,978**
Attributable to:					
Bank's Shareholders		9,138,536	12,203,965	31,151,818	39,546,349
Non–Controlling Interest		(180,093)	(13,956)	(130,366)	(820,371)
		8,958,443	**12,190,009**	**31,021,452**	**38,725,978**
				Fils/Dinar	Fils/Dinar
Basic and dilluted Earnings per share for the period attributable to the Banks' shareholders	17			0.156	0.198

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

Board of Director's Chairman

Chief Executive Officer

BANK OF JORDAN
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN
CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
(REVIEWED NOT AUDITED)

STATEMENT (C)

	For the Three-Month Period Ended September 30,		For the Nine-Month Period Ended September 30,	
	2018	**2017**	**2018**	**2017**
	JD	**JD**	**JD**	**JD**
Profit for the period - Statement (B)	8,958,443	12,190,009	31,021,452	38,725,978
Other comprehensive income items that may be reclassified subsequently to the consolidated condensed interim statement of profit or loss:				
Foreign currencies translation differences	(209)	(53,407)	(55,848)	(38,201)
	(209)	**(53,407)**	**(55,848)**	**(38,201)**
Items that will not be reclassified subsequently to the consolidated condensed interim statement of profit or loss:				
(Loss) from sales of financial assets at fair value through comprehensive income	-	-	(52,574)	-
Net Change in fair value for equity instruments included in the financial assets at fair value through comprehensive income- Net after tax	(9,439,362)	(368,996)	(19,431,616)	(713,135)
	(9,439,362)	**(368,996)**	**(19,484,190)**	**(713,135)**
Total Consolidated Condensed Interim Comprehensive Income - Statement (D)	**(481,128)**	**11,767,606**	**11,481,414**	**37,974,642**
Total Comprehensive Income Attributable to:				
The Bank's Shareholders	(301,034)	11,808,800	11,640,157	38,814,320
Non-Controllers' Interest	(180,094)	(41,194)	(158,743)	(839,678)
	(481,128)	**11,767,606**	**11,481,414**	**37,974,642**

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

BANK OF JORDAN
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN OWNERS' EQUITY
(REVIEWED NOT AUDITED)

STATEMENT (D)

		Reserves										
	Authorized and Paid-up Capital	Statutory	Voluntary	General Banking Risks	Special	Foreign Currency Translation Differences	Fair Value Reserve	Retained Earnings	Profit for the Period	Total Banks' Shareholders Equity	Non-Controlling Interest	Total Owner's Equity
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
For the Nine-Month Period Ended September 30, 2018												
Balance - beginning of the period	200,000,000	80,820,952	134,330	15,128,290	4,103,632	(12,256,254)	81,288,341	64,446,126	-	433,665,417	5,490,933	439,156,350
Effect of IFRS (9) Implantation	-	-	-	-	-	-	-	(7,342,151)	-	(7,342,151)	(58,286)	(7,400,437)
Adjusted Balance- Beginning of the period	200,000,000	80,820,952	134,330	15,128,290	4,103,632	(12,256,254)	81,288,341	57,103,975	-	426,323,266	5,432,647	431,755,913
Foreign currencies translation differences	-	(83)	(83)	(16)	-	(5,933)	-	(21,356)	-	(27,471)	(28,377)	(55,848)
Profit for the period- Statement (B)	-	-	-	-	-	-	-	-	31,151,818	31,151,818	(130,366)	31,021,452
(Loss) from sale of financial assets at fair value through comprehensive income	-	-	-	-	-	-	418,660	(471,234)	-	(52,574)	-	(52,574)
Net Change in fair value reserve after tax	-	-	-	-	-	-	(19,431,616)	-	-	(19,431,616)	-	(19,431,616)
Total Consildated Condensed Interim Comprehensive Income- Statement (C)	-	**(83)**	**(83)**	**(16)**	-	**(5,933)**	**(19,012,956)**	**(492,590)**	**31,151,818**	**11,640,157**	**(158,743)**	**11,481,414**
Transfer to reserves **	-	-	-	(12,869,840)	-	-	-	12,452,930	-	(416,910)	416,910	-
Dividends distributed *	-	-	-	-	-	-	-	(36,000,000)	-	(36,000,000)	-	(36,000,000)
Balance – End of the Period	**200,000,000**	**80,820,869**	**134,247**	**2,258,434**	**4,103,632**	**(12,262,187)**	**62,275,385**	**33,064,315**	**31,151,818**	**401,546,513**	**5,690,814**	**407,237,327**
For the Nine-Month Period Ended September 30, 2017												
Balance - beginning of the period	200,000,000	73,917,046	113,124	12,996,161	3,330,908	(12,401,835)	63,565,588	63,926,237	-	405,447,229	6,989,005	412,436,234
Foreign currencies translation differences	-	(165)	(165)	(31)	-	(13,879)	-	(4,654)	-	(18,894)	(19,307)	(38,201)
Profit for the Period - Statement (B)	-	-	-	-	-	-	-	-	39,546,349	39,546,349	(820,371)	38,725,978
Net Change in fair value reserve	-	-	-	-	-	-	(713,135)	-	-	(713,135)	-	(713,135)
Total Consildated Condensed Interim Comprehensive Income- Statement (C)	-	**(165)**	**(165)**	**(31)**	-	**(13,879)**	**(713,135)**	**(4,654)**	**39,546,349**	**38,814,320**	**(839,678)**	**37,974,642**
Transfer to reserves	-	-	-	1,948,772	-	-	-	(1,948,772)	-	-	-	-
Dividends distributed *	-	-	-	-	-	-	-	(36,000,000)	-	(36,000,000)	-	(36,000,000)
Balance - End of the Period	**200,000,000**	**73,916,881**	**112,959**	**14,944,902**	**3,330,908**	**(12,415,714)**	**62,852,453**	**25,972,811**	**39,546,349**	**408,261,549**	**6,149,327**	**414,410,876**

*According to the resolution of the Bank's General Assembly in its ordinary meeting held on April 26, 2018, it was approved to distribute 18% of the Bank's capital in cash to shareholders which is equivalent to JD 36,000,000 (against 18% of the Bank's capital in cash to shareholders which is equivalent to JD 36,000,000 according to the resolution of the bank's general assembly in its ordinary meeting held on April 17,2017).

**According to Central Bank of Jordan Circular No. 10/1/1359 dated January 25, 2018, General banking risks reserve accumulated balance as of January 1, 2018 related to the Jordan branches and its subsidiaries were transferred to the retained earnings.

*** According to the instructions of the regulatory bodies:

- The general banking risks reserve and special reserve cannot be utilized without prior approval from the Central Bank of Jordan and the Palestine Monetary Authority.
- Retained earnings include a restricted amount of JD 16,892,528 against deferred tax benefits as of September 30, 2018. This restricted amount cannot be utilized through capitalization or distribution unless actually realized based on the Central Bank of Jordan's instructions.
- Retained earnings include an amount of JD 3,305,173 as of September 30, 2018 which is restricted and represents the effect of early adoption of IFRS (9). This restricted amount cannot be utilized unless realized through actual sale. Moreover, retained earning balance include JD 813,437 as of September,30 2018 that cannot be utilized through distribution or any other purposes unless there are a former approval from the Central Bank of Jordan resulting from application of Central Bank of Jordan Circular no. 10/1/1359 dated January 25, 2018.
- The fair value reserve cannot be utilized including the capitalization, distribution, write-off losses or any other commercial acts unless realized through actual sale as instructed by the Central Bank of Jordan and Jordan Securities Commission.

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

BANK OF JORDAN
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS
(REVIEWED NOT AUDITED)

STATEMENT (E)

	Note	For the Nine-Month Period Ended September 30, 2018	2017
Cash Flows From Operating Activities:		JD	JD
Profit for the period before tax - Statement (B)		48,957,701	57,250,153
Adjustments for non cash transaction:			
Depreciation and amortization		3,672,211	3,530,335
Provision of expected credit loss expense	15	940,496	11,788,865
(Gains) from sale of property and equipment	16	(7,937)	(201,197)
Loss from financial assets at fair value through profit or loss - unrealized		8,609	6,632
Financial assets forclosed by the Bank valuation loss	16	1,282,967	-
Effect of exchange rate fluctuations	16	(1,646,889)	(1,862,616)
Other provisions		593,352	355,687
Provision for assets foreclosed by the Bank		281,946	2,195,308
Other – Foreign currency exchange differences		2,238	3,143
Profit before Changes in Assets and Liabilities		**54,084,694**	**73,066,310**
Changes in Assets and Liabilities:			
(Increase) in restricted balances		(1,353,693)	(1,130,895)
Decrease (Increase) in deposits with banks and other financial institutions (maturing over three months)		15,000,000	(98,360,000)
Decrease in financial assets at fair value through profit or loss		10,200	-
(Increase) in direct credit facilities		(78,399,543)	(206,595,360)
(Increase) in other assets		(19,963,311)	(21,534,053)
Increase in deposits with banks and other financial institutions (maturing over three months)		59,405,874	20,000,000
Increase in customers deposits		29,567,734	226,942,797
(Decrease) Increase in cash margins		(20,520,432)	5,368,085
Increase in borrowed funds		1,930,819	1,162,776
(Decrease) Increase in other liabilities		(9,748,757)	7,185,706
Net Change in Assets and Liabilities		**(24,071,109)**	**(66,960,944)**
Net Cash Flows from Operating Activities before Paid Taxes, End-of-Service Indemnity Provision		30,013,585	6,105,366
Paid income tax	11	(21,777,875)	(21,707,309)
Paid from end-of-service indemnity, lawsuits provisions and others	10	(589,441)	(423,805)
Net Cash flows from (used in) Operating Activities		**7,646,269**	**(16,025,748)**
Cash Flows From Investing Activities:			
(Purchase) of financial assets at amortized cost		(22,737,167)	(79,422,351)
Maturity of financial assets at amortized cost		46,996,840	38,826,786
(Purchase) of financial assets at fair value through comprehensive income		(344,376)	(3,767,057)
Sale of financial assets at fair value through comprehensive income		7,136,811	75,000
(Purchase) maturity of financial derivatives		(235,222)	(290,376)
(Purchase) of property and equipment		(4,837,502)	(4,143,468)
Sale of property and equipment		156,245	304,561
(Purchase) of intangible assets		(655,661)	(1,291,205)
Net Cash Flows from (used in) Investing Activities		**25,479,968**	**(49,708,110)**
Cash Flows From Financing Activities:			
Foreign currencies translation differences		(55,848)	(38,201)
Dividends distributed to shareholders		(35,813,752)	(35,461,577)
Net Cash Flows (used in) Financing Activities		**(35,869,600)**	**(35,499,778)**
Effect of exchange rate fluctuations on cash and cash equivalents		1,646,889	1,862,616
Net (Decrease) in Cash and Cash Equivalents		(1,096,474)	(99,371,020)
Cash and cash equivalents – beginning of the period		476,846,860	564,145,672
Cash and Cash Equivalents – End of the Period	18	**475,750,386**	**464,774,652**

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

BANK OF JORDAN
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN

NOTES TO THE CONSOLIDATED CONDENSED ITERIM FINANCIAL STATEMENTS (REVIEWED NOT AUDITED)

1. GENERAL

- Bank of Jordan was established as a public shareholding limited company with headquarters in Amman – Jordan on March 3, 1960, and registered under number (1983) according to the Companies Law No. 33 for the year 1962 with an authorized capital of JD 350,000, represented by 70,000 shares at a par value of JD 5 per share. The capital of the Bank was increased in several stages last of which took place in accordance to the resolution of the general assembly in their extraordinary meeting held on April 9, 2016, thus, the Bank's capital was increase from JD 155/1 million to JD 200 million, all of the legal procedures related to the capital increase were completed on April 19, 2016.

- The Bank provides all financial and banking services within its scope of activities through the headquarter and its (75) branches in Jordan, (14) branches in Palestine and its subsidiaries in Jordan and Syria (Excel for Financial Investments Company, Jordan Leasing Company and Bank of Jordan-Syria).

- The Bank has established a branch in Kingdom of Bahrain, which commenced its operations during the first quarter of 2018 after obtaining all necessary approvals from Central Bank of Jordan and regulatory bodies in Kingdom of Bahrain.

- The accompanying consolidated condensed interim financial statements were approved by the Board of Directors on October 28, 2018.

2. SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION

- The accompanying consolidated condensed interim financial statements for The Bank and its subsidiaries were prepared in accordance with the International Accounting Standard (IAS) 34 "interim financial reporting", and in accordance with the effective local regulations and the Central Bank of Jordan instructions.

- The accompanying consolidated condensed interim financial statements were prepared on the historical cost basis except for financial assets measured at fair value through profit or loss, financial assets at fair value through comprehensive income and financial derivatives that measured at fair value at the date of preparation of the consolidated condensed interim financial statements. Moreover, hedged assets and liabilities that are stated at their fair value.

- The consolidated condensed interim financial statements are presented in Jordanian Dinar "JD", being the functional currency of the Bank.

- The accompanying consolidated condensed interim financial statements do not include all the information and disclosures to the financial statements required in the annual financial statements, which are prepared in accordance with International Financial Reporting Standards. Moreover, the results of The Bank's operations for the nine-month period ended on September 30, 2018 do not necessarily represent indications of the expected results for the year ending December 31, 2018. Therefore, these consolidated condensed interim financial statements should be read with the Bank's annual report for the year ended December 31, 2017 and it does not contain the appropriation of profit for the nine-month period ended September 30, 2018, which is perforemed at the end of the fisical year.

- The accounting policies adopted in the consolidated condensed interim financial statement are consistent with those adopted for the year ended December 31, 2017 except for the following new adopted and modified standards , which became effective starting from January 1st,2018 :

- International Financial Reporting Standard (9): Financial instruments.
- International Financial Reporting Standard (15): Revenue from Contracts with Customers.
- International Financial Reporting Standard (2): Classification and Measurements of Share- Based Payments.
- IAS (40): Clarify Transfers of Investment in Property.
- Annual Improvements to IFRSs (2014 –2016) Cycle- Amendments on IFRS (1) and IAS (28).
- IFRIC (22): Foreign currency transactions and Advance Consideration.

The adoption of the above standards has not affected the amounts or disclosures in the interim condensed consolidated financial statements, except for the effect of applying International Financial Reporting Standard (9), below the expected financial impact of applying IFRS (9) and IFRS (15) as follows:

IFRS (9): Financial Instruments

The Bank has adopted IFRS (9) starting from January 1, 2018. IFRS (9) defines requirements for the recognition and measurement of both financial assets and liabilities and certain contracts for the purchase or sale of non-financial items. This standards replaces IAS No.(39) "Financial instruments" (Recognition and Measurement).

The following table summarizes the impact of the adoption of IFRS (9) net of tax on opening balances on provisions, deferred tax assets, retained earnings and non-controlling interest:

In Jordanian Dinar	**Impact of IFRS (9) Implementation on Opening Balances**
Provisions	
Recognition of expected credit losses under IFRS (9)	11,654,128
Impact as of January 1, 2018	**11,654,128**
Deferred tax assets	
Recognition of deferred tax assets on expected credit losses calculated in accordance with IFRS (9)	4,253,691
	4,253,691
Retained earnings	
Recognition of expected credit losses in accordance with the requirements of IFRS (9)	11,595,842
Related taxes	(4,253,691)
Effect of application as of January 1, 2018	**7,342,151**
Non- controlling interest	
Recognition of expected credit losses in accordance with the requirements of IFRS (9)	58,286
Effect of application as of January 1, 2018	**58,286**

The details of the new significant accounting policies and the nature of the impact of changes in previous accounting policies are set out below:

A- Classification and measurement of financial assets and financial liabilities

IFRS (9) largely retains the existing requirements in IAS (39) for the classification and measurement of financial liabilities. However, but eliminates the classification of held-to-maturity financial assets, loans and receivables and available-for-sale assets that fall under the criteria of International Accounting standards No. (39).

Financial Assets:

The Bank has early adopted the first phase of IFRS (9) as of January 1st, 2011 based on the request of Central Bank of Jordan and the Jordan Securities Commission. There were no material differences between the first phase of the Standard and the final version of the Standard issued on July 24, 2014.

Under IFRS (9), on initial recognition, a financial asset is classified as measured at: amortized cost; fair value through other comprehensive income – debt investment or equity investment; or fair value through profit or loss. The classification of financial assets under IFRS (9) is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at fair value through statement of comprehnsive income:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows.
- Its contractual terms give rise on specified dates to cash flows (that are solely payments of principal and interest on the principal amount outstanding).

A debt investment is measured at fair value through comprehensive income if it meets both of the following conditions and is not designated as at fair value through profit or loss:

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- Its contractual terms give rise on specified dates to cash flows (that are solely payments of principal and interest on the principal amount outstanding).

On initial recognition of an equity investment that is not held for trading, the Bank may irrevocably elect to present subsequent changes in the investment's fair value in the consolidated condensed interim statement of comprehensive income. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or fair value through other comprehensive income as described above are measured at fair value through the consolidated condensed interim statement of profit or loss. This includes all derivative financial assets. On initial recognition, the Bank may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at fair value through other comprehensive income as at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

The accounting policies applied are similar to the accounting policies adopted by the Bank (considering that the Bank has early adopted to the first phase of IFRS (9)) with the exception of the following accounting policies that became effective from January 1, 2018:

Debt instruments at fair value through other comprehensive income.	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in the consolidated condensed interim statement of profit or loss. Other net gains and losses are recognized in the consolidated condensed interim statement of comprehensive income. On derecognition, accumulated gains and losses transferred from the consolidated condensed interim statement of compressive income to consolidated condensed interim statement of profit or loss.

The adoption of IFRS (9) did not have any impact on the Bank's consolidated condensed interim financial statements with respect to financial assets.

- **Financial liabilities:**

The adoption of IFRS (9) has no material impact on the Bank's accounting policies relating to financial liabilities. IFRS (9) has maintained the requirements of IAS (39) regarding the classification of financial liabilities. IAS (39) requires recognition of the differences in the assessment of financial liabilities classified as financial liabilities at fair value through profit or loss in the consolidated condensed interim statement of profit or loss, whereas IFRS (9) requires:

• Recognition of differences in valuation of financial liabilities classified as financial liabilities at fair value through statement of profit and loss as a result of changes in credit risk in the consolidated condensed interim statement of comprehensive income.
• The remaining amount of fair value valuation differences is recognized in the consolidated condensed interim statement of profit or loss.

The Bank has not classified any financial liabilities as financial liabilities at fair value through profit or loss. Accordingly, there is no impact of applying IFRS (9) to the consolidated condensed interim financial statements:

B- Impairment on financial assets:

IFRS (9) replaces the "loss recognition" model adopted in IAS (39) to calculate the impairment of financial assets over "expected credit loss" model, which requires the use of estimates and judgments to estimate economic factors. The model will be applied to financial assets - debt instruments classified at amortized cost or at fair value through other comprehensive income but not to investments in equity instruments. Where credit losses are recognized in accordance with IFRS (9), which is earlier than IAS (39).

Under IFRS (9), expected credit losses are measured according to the following bases:

- 12-month ECLs: these ECLs result from possible default events within the 12 months from the date of consolidated condensed interim financial statements.
- Lifetime ECLs: These ECLs result from all possible default events over the expected life of a financial instrument.

The Bank measures impairment allowances equal to expected credit losses within 12 months if these assets are classified as Tier 1 and have the following characteristics:

- Debt securities that are determined to have low credit risk at the reporting date.
- Other debt securities and balances at central Banks and financial institutions and for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

The expected impairment of the life of the financial instrument to maturity is calculated in the event of a significant increase in credit risk, which requires the conversion of the financial instrument from level 1 to level 2, or if the financial instrument is applied to specific situations within the Standard, Within the second level directly.

If the financial instrument is impaired or there is objective evidence of impairment as a result of a loss or default after initial recognition with a negative impact on the future cash flow, the financial instrument is transferred to the third level. The expected credit loss model requires recognition of the expected loss over the life of the asset debt instruments are very similar to the requirements of IAS (39).

When determining whether the credit risk of financial assets has increased significantly since initial recognition and in estimating the expected credit loss, the Bank relies on reasonable and supportive information available and relevant, including quantitative and qualitative information and analysis of this information based on the Bank's past experience and credit study, The Bank assumes that the credit risk of the financial asset has increased substantially if it is more than 30 days past due or the credit rating of the customer has decreased by two levels.

The Bank considers financial assets to be impaired when:

- The borrower likely be unable to pay its credit obligations to the Bank without recourse to the procedures for using the collateral held against such obligations (if any).
- If more than, 90 days have elapsed on maturity of financial assets.

The expected credit loss calculation mechanism depends on the (probability of default), which is calculated according to the credit risk and future economic factors, (loss given default), which depends on the value of the existing collateral, the (exposure at default), The expected credit loss is discounted at the effective interest rate of the financial asset.

In each financial period, the Bank evaluates the credit rating of financial assets at amortized cost and debt securities at fair value through comprehensive income. The credit rating of financial assets is considered to be impaired when one or more events that have a negative impact on the estimated future cash flows of the financial asset occur.

Provisions loss for financial assets measured at amortized cost are deducted from the total carrying amount of the financial asset. For debt securities at fair value through comprehensive income, the provision for impairment is recognized in other consolidated statement of comprehensive income and is not deducted from the carrying amount of the financial asset. The losses of other financial assets are presented under 'Financing expenses' in the same manner of disclosure used in accordance with IAS (39). Such disclosure is not included in the consolidated condensed interim statement of profit or loss and other consolidated condensed interim statement of comprehensive income based on material considerations.

In general, it is expected that the impairment losses will increase and become more fluctuate for the financial assets according to IFRS (9), ECL results at the implementation date on January 1, 2018 was as follows:

Account (in Jordaninan Dinar)	Balance as of December 31, 2017	Reclassified balances	ECL*	Balance as of January 1, 2018 after adopting IFRS (9)	Effect of reclassification	Statement of financial position items affected by the adoption of IFRS (9)
Cash and balances with central banks	268,583,151	-	200,884	268,382,267	-	268,382,267
Balances with banks and financial institutions	265,682,212	-	17,291	265,664,921	-	265,664,921
Deposits with banks and financial institutions	125,000,000	-	7,150	124,992,850	-	124,992,850
Financial assets at fair value through profit or loss				-		-
Include: equity instruments	196,987	-	-	196,987	-	196,987
Financial assets at fair value through comprehensive income				-		-
Include: equity instruments	114,791,862	-	-	114,791,862	-	114,791,862
Direct credit facilities				-		-
Include: Debt instruments	1,447,227,771	-	5,938,890	1,441,288,881	-	1,441,288,881
Debt instruments within financial assets at amortized cost portfolio				-		-
Include: Debt instruments	219,576,390	-	74,293	219,502,097	-	219,502,097
Letters of guarantees	133,848,164	-	5,338,797	128,509,367	-	128,509,367
Un-utilized balances**	108,819,747	-	-	108,819,747	-	108,819,747
Letters of credit	174,176,350	-	76,823	174,099,527	-	174,099,527
	2,857,902,634	**-**	**11,654,128**	**2,846,248,506**	**-**	**2,846,248,506**

*** The expected credit loss is calculated after the classification process.**

**** The expected credit loss for un-utilized balances was calculated within direct credit facilities portfolio.**

The effect of IFRS (9) implementation was as follows:

In Jordanian Dinar Financial Instrument	Provisions Balance before IFRS (9) Implementation	Difference Due to Recalculation	Provisions Balance According to IFRS 9
Balances with central banks	-	200,884	200,884
Balances with banks and financial institutions	-	17,291	17,291
Deposits with banks and financial institutions	-	7,150	7,150
Direct credit facilities	86,485,514	5,938,890	92,424,404
Debt instruments within financial assets at amortized cost portfolio	-	74,293	74,293
Letters of guarantees	-	5,338,797	5,338,797
Un-utilized balances*	-	-	-
Letters of credit	-	76,823	76,823
	86,485,514	**11,654,128**	**98,139,642**

The expected credit loss was distributed according to IFRS (9) on the opening balances as follows:

In Jordanian Dinar	First Stage		Second Stage			
	Individual	Collective	Individual	Collective	Third Stage	Total
Balances with central banks	200,884	-	-	-	-	200,884
Balances with banks and financial institutions	17,291	-	-	-	-	17,291
Deposits with banks and financial institutions	7,150	-	-	-	-	7,150
Direct credit facilities	1,799,509	3,804,342	1,136,029	271,928	85,412,596	92,424,404
Debt instruments within financial assets at amortized cost portfolio	74,293	-	-	-	-	74,293
Letters of guarantees	88,069	-	2,889	-	5,247,839	5,338,797
Un-utilized balances*	-	-	-	-	-	-
Letters of credit	62,420	-	11,084	-	3,319	76,823
	2,249,616	**3,804,342**	**1,150,002**	**271,928**	**90,663,754**	**98,139,642**

*The expected credit loss over un-utilized balances is calculated within the direct credit facilities portfolio.

Transmission to IFRS (9):
The Bank has utlized the exception provided by the standard on the implementation as of January 1, 2018, by recording the impact from adopting IFRS (9) to the opening balances of retained earnings and non-controlling interests rather than restating the consolidated financial statements for the year ended December 31, 2017 and earliest.

IFRS (15) Revenue from Contracts with Customers
IFRS (15) revenue from contracts with customers, which sets out a comprehensive framework for determining the value and timing of revenue recognition, applies to all entities entering into contracts for the supply of services and goods with customers except for contracts subject to other accounting standards such as the International Financial Reporting Standard NO. (9), International Accounting Standards No.(17), which superseded IAS (1), Construction Contracts, IAS (18) Revenue and the Report Standards Committee's Interpretation (13): Customer Loyalty Program, Interpretations Committee Report Criteria (15): Agreements creation of real estate, and the interpretation of the Standards Committee reports (18): operations of assets from customers transfer, interpretation (31) - barter transactions involving advertising services, there were no material impact from the application of the standard on the Bank's consolidated condensed interim financial statements.

Basis of Consolidation Financial Statements

- The consolidated condensed interim financial statements include the financial statements of the Bank and the subsidiary companies controlled by the Bank. Control is achieved whereby the Bank has the power to govern the financial and operating policies of the subsidiaries to obtain benefits from their activities. All intra-group transactions, balances, income, and expenses are eliminated in full.

- The financial statements of the subsidiary Companies are prepared for the same period of the Bank using the same accounting policies adopted by the Bank. If the accounting policies adopted by the subsidiary companies are different from those used by the Bank, the necessary adjustments to the financial statements of the subsidiary Companies are made to comply with the accounting policies used by the Bank.

The Bank has the following subsidiary Companies as of September 30, 2018:

Name of Subsidiary	Paid-up Capital	Bank's Ownership Percentage	Subsidiary's Nature of Business	Place of Operation	Acquisition Date
		%			
Excel for Financial Investments Company	JD 3.5 Million	100	Financial Brokerage	Amman	March 23, 2006
Bank of Jordan – Syria *	3,000 Million (Syrian – Lira) value of investment JD 21/9 Million	49	Banking Activities	Syria	May 17, 2008
Jordan Leasing Company	JD 20 Million	100	Finance Lease	Amman	October 24, 2011

- The results of the subsidiaries are incorporated into the consolidated condensed interim statement of profit or loss from the effective date of acquisition, which is the date on which actual control over the subsidiary is assumed by the Bank. Moreover, the operating results of the disposed subsidiaries are incorporated into the consolidated condensed interim statement of profit or loss up to the effective date of disposal, which is the date on which the Bank losses control over the subsidiary Companies.

* The results of Bank of Jordan – Syria has been incorporated in the consolidated condensed interim financial statements due to the Bank's power to govern the financial and operating policies of the subsidiary.

- Non - Controllers' interest represents the portion of equity not held by the Bank in the subsidiary.

3. ACCOUNTING ESTIMATES

Preparation of the consolidated condensed interim financial statements and the application of the accounting policies require the Bank's management to perform assessments and assumptions that affect the amounts of assets, liabilities, fair value reserve and to disclose contingent liabilities. Moreover, these assessments and assumptions affect revenues, expenses, provisions, and changes in the fair value shown in the consolidated condensed interim statement of comprehensive income and within owners' equity. In particular, this requires the Bank's management to issue significant judgments and assumptions to assess future cash flow amounts and their timings. Moreover, the before mentioned assessments are necessarily based on assumptions and factors with varying degrees of consideration and uncertainty. In addition, actual results may differ from assessments due to the changes resulting from the conditions and circumstances of those assessments in the future.

We believe that the assessments adopted in the consolidated condensed interim financial statements are reasonable and detailed as follows:

- A provision for expected credit loss on financial assets is taken on the basis and assumption approved by Bank's management in conformity with the International Financial Reporting Standards (IFRS). As mentioned in note (2 - impact of implementation of IFRS 9) the outcomes of these basis and assumptions are compared against the provisions calculated as per the instructions of the Central Banks where the Bank's branches and subsidiaries operate; the more conservative outcomes are used for the purpose of determining the provision and in compliance with IFRS.

- Impairment of assets foreclosed are recorded based on recent and approved evaluations of these assets performed by certified evaluators for the purpose of calculating the impairment. The impairment is reviewed periodically. Moreover, at the beginning of 2015 and in accordance with the dissemination of the Central Bank of Jordan No. 15/1/4076 dated on March 27, 2014 and No. 10/1/2510 dated on February 14, 2017 the bank has started to calculate gradual provision against the assets foreclosed against debts with a period exceeding 4 years, noting that the Central Bank of Jordan has issued circular No. 10/1/16607 dated December 17, 2017 to postpone the provision calculation until the beginning of the year 2019.

- Income tax expense is charged for the current period according to the accounting regulations, laws and standards. Deferred tax assets, liabilities and tax provision are calculated and recognized. The bank has changed the accounting estimates related to calculating deferred tax liabilities on unrealized gains of financial assets at fair value through Comprehensive Income during the first quarter of the year 2018 based on the Court of Cassation decision issued at February 6, 2018.

- A provision for lawsuits raised against the Bank is taken. This provision is based on a legal study prepared by the Bank's legal advisors. Moreover, the study highlights potential risks that the Bank may encounter in the future. Such legal assessments are reviewed periodically.

- Management periodically review financial assets that presented at amortized cost to estimate if there are any indication of impairment in its fair value, impairment loss is recorded in the consolidated condensed interim statement of profit or loss.

- Fair value hierarchy: the Bank is required to determine and disclose the level in the fair value hierarchy into which the fair value measurements are categorized in their entirety, segregating fair value measurements in accordance with the levels defined in the IFRS. Differentiating between Level 2 and Level 3 fair value measurements, i.e., assessing whether inputs are observable and whether the unobservable inputs are significant, may require judgement and a careful analysis of the inputs used to measure fair value, including consideration of factors specific to the asset or liability. When assessing the financial assets and liabilities' fair value, the Bank uses market information when available. In case level 1 inputs are not present, the Bank will deal with independent, qualified parties to prepare evaluation studies. Proper evaluation methods and inputs used in preparing the evaluation are reviewed by the management.

4. CASH AND BALANCES WITH CENTRAL BANKS

- Statutory bank reserve amounted to JD 101,594,683 as of September 30, 2018 (JD 104,063,859 as of December 31, 2017.

- Except for the statutory cash reserve, restricted balances amounted to JD 2,441,599 as of September 30, 2018 (JD 2,443,099 except for the statutory cash reserve as of December 31, 2017).

- Time and notice deposit include JD 10,635,000 maturing within a period exceeding three months as of September 30, 2018 (JD 9,358,000 As of December 31, 2017).

- The provision for expected credit loss which calculated in accordance with the requirements of IFRS (9) amounted to JD 299,623 as of September 30, 2018 (JD 200,884 As of January 1, 2018.

5. BALANCES WITH BANKS AND FINANCIAL INSTITUTIONS

- Non-interest bearing balances at banks and financial institutions amounted to JD 29,929,327 as of September 30, 2018 (JD 15,073,372 as of December 31, 2017).

- Restricted balances at banks and financial institutions amounted to JD 2,331,395 as of September 30, 2018 (JD 2,253,202 as of December 31, 2017).

- The provision for expected credit loss, which was calculated in accordance with the requirements of IFRS (9), amounted to JD 3,770 as of September 30, 2018 (JD 17,291 as of January 1, 2018).

6. DEPOSITS WITH BANKS AND FINANCIAL INSTITUTIONS

This item consists of the following:

	September 30, 2018	December 31, 2017
	JD	JD
Deposits maturing within 3-6 months	30,000,000	10,000,000
Deposits maturing within 9-12 months	80,000,000	-
Deposits maturing within after more than one year	-	115,000,000
	110,000,000	**125,000,000**
Less: expected credit loss provision	(14,604)	-
	109,985,396	**125,000,000**

- Provision for expected credit loss which was calculated in accordance with the requirement of IFRS (9) amounted to JD 14,604 as of September 30, 2018 (JD 7,150 as of January 1, 2018).

- There are no restricted deposits as of September 30, 2018 and December 31, 2017.

7. DIRECT CREDIT FACILITIES - NET

This item consists of the following:

	September 30, 2018	December 31, 2017
	JD	JD
Individuals (Retail Customers):	**433,281,560**	**377,216,321**
Overdraft accounts	9,797,244	9,255,980
Loans and discounted bills*	402,316,359	350,692,614
Credit cards	21,167,957	17,267,727
Real estate loans	**246,669,918**	**234,024,646**
Corporate:	**752,144,285**	**700,988,262**
Large corporate customers	493,182,657	459,850,066
Overdraft accounts	75,136,178	75,961,510
Loans and discounted bills*	418,046,479	383,888,556
SMEs	258,961,628	241,138,196
Overdraft accounts	61,149,146	56,231,895
Loans and discounted bills*	197,812,482	184,906,301
Government and public sector	**188,444,261**	**229,352,737**
Total	**1,620,540,025**	**1,541,581,966**
Less: Provision for expected credit loss on direct credit facilities	(91,946,831)	(86,485,514)
Less: Interest in suspense	(8,636,555)	(7,868,681)
Net Direct Credit Facilities	**1,519,956,639**	**1,447,227,771**

* Net of interest and commission received in advance amounting to JD 16,545,999 as of September 30, 2018 (JD 13,765,564 as of December 31, 2017).

- Non-performing credit facilities amounted to JD 88,708,684 representing %5/47 of direct credit facilities balance as of September 30, 2018 (JD 76,806,921 representing %4/98 as of December 31, 2017).

- Non-performing credit facilities after deducting the interest in suspense amounted to JD 80,106,795 representing %4/97 of direct credit facilities after deducting the interest in suspense as of September 30, 2018 (JD 68,938,240 , representing %4/5 as of December 31, 2017).

- Credit facilities granted to and guaranteed by the Jordanian Government amounted to JD 72,080,010 representing %4/45 of total direct credit facilities as of September 30, 2018 (JD 78,267,657 representing %5/08 as of December 31, 2017). Moreover, credit facilities granted to the public sector in Palestine amounted to JD 50,284,744 as of September 30, 2018 (JD 65,823,307 as of December 31, 2017).

Provision for impairment on direct credit facilities

The following is the movement on the expected credit loss provision for impairment in direct credit facilities :

	September 30, 2018					
			Corporate Entities			
	Individual (Retail Customers)	Real Estate Loans	Large Corporate Customers	SMEs	Public Sector	Total
September 30, 2018	JD	JD	JD	JD	JD	JD
Balance – Beginning of the period	21,961,829	5,394,424	47,560,829	11,568,432	-	86,485,514
Effect of adopting IFRS (9)	2,915,059	676,607	1,337,141	777,805	232,278	5,938,890
Adjusted balance – Beginning of the period	24,876,888	6,071,031	48,897,970	12,346,237	232,278	92,424,404
Foreign currency differences	128,683	(32)	(12,521)	(325,488)	-	(209,358)
Provision for the year deducted from revenues	951,756	1,050,475	(12,262,929)	9,944,951	47,532	(268,215)
Balance – End of the period	**25,957,327**	**7,121,474**	**36,622,520**	**21,965,700**	**279,810**	**91,946,831**

	December 31, 2017					
			Corporate Entities			
	Individual (Retail Customers)	Real Estate Loans	Large Corporate Customers	SMEs	Public Sector	Total
December 31, 2017	JD	JD	JD	JD	JD	JD
Balance – Beginning of the period	18,953,345	2,785,243	35,966,394	7,135,540	-	64,840,522
Foreign currency differences	103,241	6,855	855,790	41,598	-	1,007,484
Provision for the year deducted from revenues	2,905,243	2,602,326	10,738,645	4,391,294	-	20,637,508
Balance – End of the Year	**21,961,829**	**5,394,424**	**47,560,829**	**11,568,432**	**-**	**86,485,514**

The expected credit provisions are based on levels as per the requirements of IFRS (9) and CBJ Circular No. 10/1/1359 dated January 25, 2018 are as follows:

			Corporate Entities			
September 30, 2018	Individual (Retail Customers)	Real Estate Loans	Large Corporate Customers	SMEs	Public Sector	Total
Stage one	511,124	205,616	2,437,058	808,298	279,810	4,241,906
Stage two	1,791,417	1,541,562	584,538	55,313	-	3,972,830
Stage three	23,654,786	5,374,296	33,600,924	21,102,089	-	83,732,095
	25,957,327	**7,121,474**	**36,622,520**	**21,965,700**	**279,810**	**91,946,831**

Provisions calculated on a single client basis and on a portfolio basis based on Central Bank of Jordan instructions are as follows:

			Corporate Entities			
December 31, 2017	Individual Retail) (Customers	Real Estate Loans	Large Corporate Customers	SMEs	Public Sector	Total
On a single client basis	21,529,943	5,298,261	45,389,037	11,531,525	-	83,748,766
On a portfolio basis	431,886	96,163	2,171,792	36,907	-	2,736,748
Balance – End of the Year	**21,961,829**	**5,394,424**	**47,560,829**	**11,568,432**	**-**	**86,485,514**

Interest in Suspense:

The following is the movement on the interest in suspense :

	September 30, 2018				
			Corporate Entities		
	Individual (Retail Customers)	Real Estate Loans	Large Corporate Customers	SMEs	Total
	JD	JD	JD	JD	JD
Balance – Beginning of the year	2,444,746	747,953	2,577,038	2,098,944	7,868,681
Add: Interest suspended during the year	(307,783)	307,373	(381,919)	1,826,118	1,443,789
Less: Interest in suspense reversed to revenues	(257,231)	(126,843)	(36,139)	(255,702)	(675,915)
Balance – End of the period	**1,879,732**	**928,483**	**2,158,980**	**3,669,360**	**8,636,555**

	December 31, 2017				
			Corporate Entities		
	Individual (Retail Customers)	Real Estate Loans	Large Corporate Customers	SMEs	Total
	JD	JD	JD	JD	JD
Balance – Beginning of the year	2,526,228	524,594	2,304,247	1,623,509	6,978,578
Add: Interest suspended during the year	499,700	372,198	429,842	639,862	1,941,602
Less: Interest in suspense reversed to revenues	(433,662)	(148,839)	(157,051)	(164,427)	(903,979)
Less: interest in suspense written off due to settlements	(147,520)	-	-	-	(147,520)
Balance – End of the Year	**2,444,746**	**747,953**	**2,577,038**	**2,098,944**	**7,868,681**

8. FINANCIAL ASSETS AT AMORTIZED COST

This item consists of the following:

	September 30, 2018	December 31, 2017
	JD	JD
Financial assets quoted in the market:		
Governmental bonds guaranteed by the government	114,367,869	147,095,719
Corporate bonds and debentures	52,448,224	35,151,182
Foreign governmental bonds	2,135,083	2,137,169
Total financial assets with market prices	**168,951,176**	**184,384,070**
Financial assets unquoted in the market:		
Corporate bonds	23,598,000	35,192,320
Foreign bonds	2,767,541	-
Total financial assets unquoted in the market	**26,365,541**	**35,192,320**
Total financial assets at amortized cost	**195,316,717**	**219,576,390**
Less: Provision for expected credit loss	(608,225)	-
Net financial assets at amortized cost	**194,708,492**	**219,576,390**

Analysis of bonds and bills:

	September 30, 2018	December 31, 2017
	JD	JD
Financial assets with fixed interest rate	186,749,312	216,002,472
Financial assets with floating interest rate	8,567,405	3,573,918
	195,316,717	**219,576,390**

- During the first half of the year 2017, financial assets at amortized cost were sold with a book value of JD 21,979,000 due to the decrease in the credit rating of the majority of these assets. This transaction resulted in a gain amounted to JD 87,724 for the year ended December 31, 2017.

9. OTHER ASSETS

This item consists of the following:

	September 30, 2018	December 31, 2017
	JD	JD
Accrued interest income	10,015,213	8,132,535
Prepaid expenses	6,178,641	3,282,556
Assets foreclosed by the Bank in repayment of debts*	48,587,564	45,050,608
Financial Assets foreclosed by the Bank	7,022,061	-
Clearance cheques	4,382,000	3,589,269
Advance payments on acquisition of lands and real estates	1,594,154	699,123
Prepaid tax expenses	1,810,163	1,101,552
Accounts receivables and other debit balances	10,283,714	10,764,740
	89,873,510	**72,620,383**

* The following is the movement on the assets foreclosed by the Bank in repayment of debts:

	Foreclosed Assets	
	For the Nine-Month Period Ended on September 30, 2018	For the Year Ended on December 31, 2017
	JD	JD
Beginning Balance of the period/year	54,781,771	41,511,299
Additions**	3,955,486	14,968,144
Disposals	(136,584)	(1,697,672)
Ending Balance of the Period	58,600,673	54,781,771
Provision for assets foreclosed by the bank	(10,013,109)	(9,731,163)
Ending Balance of the Period	**48,587,564**	**45,050,608**

- According to the Jordanian Banks' Law, buildings and plots of land foreclosed by the Bank against debts due from customers should be sold within two years from the foreclosure date. However, the Central Bank of Jordan may extend this period for a maximum of two more years in exceptional cases. In accordance with the dissemination of the Central Bank No. 10/1/4076 dated on March 27, 2014 the Bank same as policy. At the beginning of the year 2015, the Bank has started to calculate a gradual provision of assets foreclosed acquired in repayments of debts, which have been acquired for more than 4 years based on Central Bank of Jordan Circular No. 10/1/2510 dated February 14, 2017. The Central Bank has postpone the provision calculation of assets foreclosed until the beginning of the year 2019 according to Central Bank circular No. 10/1/16607 dated December 17, 2017.

** Additions during the period include assets foreclosed in repayment of debt obligations as settled with a client, amounting to JD 3.1 million, which were registered based on an irrevocable power of attorney affirmed by the Land and Survey Department. Moreover, the Bank possesses declarations and documents confirming that the land ownership and its proceeds are in favour of the Bank and that is according to the settlement agreement between both parties, which gives the debtor the right to repossess these foreclosed assets within a specified period of time and without additional costs.

10. OTHER PROVISIONS

This item consists of the following:

For the Nine-Month Period Ended September 30, 2018	**Beginning balance for the Period/Year**	**provision created during the Period/Year**	**Provision used during the Period/Year**	**Foreign currencies differences**	**Ending balance for the Period / Year**
	JD	JD	JD	JD	JD
Provision for end-of-service indemnity	4,073,409	421,295	(524,460)	-	3,970,244
Provision for lawsuits raised against the bank	676,564	175,023	(64,981)	-	786,606
Other provisions	256,792	(2,966)	-	553	254,379
	5,006,765	**593,352**	**(589,441)**	**553**	**5,011,229**

For the Year Ended December 31, 2017	Beginning balance for the Period/Year	provision created during the Period/Year	Provision used during the Period/Year	Foreign currencies differences	Ending balance for the Period / Year
Provision for end-of-service indemnity	4,186,235	411,600	(524,426)	-	4,073,409
Provision for lawsuits raised against the bank	626,714	53,877	(4,027)	-	676,564
Other provisions	203,043	20,561	(5,483)	38,671	256,792
	5,015,992	**486,038**	**(533,936)**	**38,671**	**5,006,765**

11. INCOME TAX

a. Income tax provision

The movement on the profit or loss tax provision is as follows:

	September 30, 2018	December 31, 2017
	JD	JD
Balance- Beginning of the Period/ Year	19,602,158	16,872,706
Income tax paid	(21,777,875)	(21,876,847)
Accrued income tax	14,746,585	24,606,299
Balance- End of the Period/ Year	**12,570,868**	**19,602,158**

Income tax expense presented in the consolidated condensed interim statement of Profit or Loss represents the following:

	For the Nine-Month Period Ended September 30,	
	2018	2017
	JD	JD
Income tax on current period profit	14,746,585	20,130,147
Prior years income tax	1,145,271	-
Deferred tax assets for the period – addition	(963,062)	(1,755,623)
Amortization of deferred tax assets	3,007,455	150,623
Foreign currencies differences	-	(972)
	17,936,249	**18,524,175**

- Legal income tax rate in Jordan amounts to 35%, whereas the legal income tax rate in Palestine at which the Bank had investments and branches amounts to 15%, in Syria (a subsidiary company) amounts to 25% and 24% for the subsidiary Companies in Jordan.
- A final settlement was reached with the Income and Sales Tax Department in Jordan up to the end of the year 2013 and 2015. Moreover, the Bank has submitted its tax returns for the years 2011, 2014, 2016 and 2017 and paid the required amounts according to Law, however, no final settlements have been reached with the Income and Sales Tax Department for these years yet, noting that the Income and Sales Tax Department claims the Bank with tax differences against the year 2011 amounting to JD 1,8. The Bank has objected this assessment and raised a lawsuit against the Income and Sales Tax Department in this regards at which a decision has been issued by the Court of Cassation during the first quarter of the year 2018 to pay an amount of JD 140,000 after the netting of the disputed amounts, the Bank recorded the required provisions in the condensed consolidated interim financial statements. Furthermore, the Income and Sales Tax Department also has claimed the Bank with tax differences against the year 2014 in the amount of JD 2,9 Million, the Bank has objected this assessment and raised a lawsuit against the Income and Sales Tax Department in this regards which is still at the initial stages. In the opinion of the management and its legal and tax consultants that the Bank will not entail any obligations in excess of the provision booked in the consolidated condensed interim financial statements.
- A final settlement was reached with the income tax and VAT department on the Bank's operating results in Palestine until the end of the year 2017, The Bank also allocate JD 1,8 Million to meet the tax liabilities for the first half of 2018 (JD 907,000 for income tax and JD 920,000 for VAT), and in the opinion of the management and the tax consultant that they are sufficient to meet the tax obligations.
- A final settlement was reached with the Income and Sales Tax Department up to the year 2015 regarding Excel for Financial Investments Company (subsidiary company). Furthermore, the Company has submitted its tax returns for the years 2016 and 2017 and paid related taxes declared, however, it has not been reviewed by Income and sales Tax Department. In the opinion of the management and its tax consultant, the allocated provisions in the consolidated condensed interim financial statements are sufficient to meet the tax obligations.
- Jordan Leasing Company (subsidiary) has reached a final settlement with the Income and Sales Tax Department up to the year 2015. Moreover, the Company has submitted its tax returns for 2016 & 2017 and paid the declared taxes, however, it has not been reviewed by the Income and Sales Tax Department yet. In the opinion of the Company's management and its tax consultant, the allocated provisions in the consolidated condensed interim financial statement are sufficient to meet any tax obligations.
- The Bank calculated the accrued income tax for the nine-month period ended September 30, 2018 for the Bank and its subsidiaries and foreign branches. In the opinion of the management and its tax consultant, the balance is sufficient to meet the tax obligations of reporting date.

B. Deferred Tax Assets

The details of this item are as follows:

Accounts Included	For the Nine-Month ended September 30, 2018					For the year ended December 31, 2017
	Balance at the beginning of the period	Amounts released	Amounts added	Balance at the of the period	Deferred tax	Deferred tax
Deferred Tax Assets	JD	JD	JD	JD	JD	JD
Provisions for non-performing debts	22,533,348	8,050,000	-	14,483,348	5,069,172	7,886,672
Provision for non-performing debts – Prior years	3,706,037	-	-	3,706,037	1,068,355	1,068,355
Provision for end-of-service indemnity	4,073,409	524,460	421,295	3,970,244	1,147,280	1,187,361
Interest in suspense	998,113	-	-	998,113	254,360	254,360
Provision for lawsuits raised against the Bank	676,564	64,981	175,023	786,606	263,095	225,624
Provision for in assets foreclosed by the Bank	9,731,163	-	281,946	10,013,109	3,342,135	3,243,455
Impairment in assets available for sale	62,831	-	-	62,831	21,991	21,991
Valuation of financial assets foreclosed by the Bank	-	-	1,282,967	1,282,967	449,038	-
Provision for expected credit loss	12,379,866	-	681,790	13,061,656	4,483,768	-
Other provisions	3,183,603	10,266	-	3,173,337	793,334	795,901
	57,344,934	8,649,707	2,843,021	51,538,248	16,892,528	14,683,719
C. Defferred Tax Liabilities:						
Fair value reserve	-	-	73,334,203	73,334,203	6,420,005	-

The movement of Deferred tax assets and liabilities as follows:

	Deferred tax assets		Deferred tax liabilities	
	For the Nine Month ended September 30, 2018	For the year ended December 31, 2017	For the Nine Month ended September 30, 2018	For the year ended December 31, 2017
	JD	JD	JD	JD
Balance- beginning of the period year	14,683,719	11,926,470	-	-
Effect of adopting IFRS (9)	4,253,691	-	-	-
Adjusted balance- beginning of the period/ year	18,937,410	11,926,470	-	-
Additions during the period / year	963,062	2,840,086	6,420,005	-
Amrtized during the period / year	(3,007,455)	(207,689)	-	-
Foreign currency difference	(489)	124,852	-	-
Balance- Ending of the period	16,892,528	14,683,719	6,420,005	-

*The percentage of tax used in the calculation of deferred taxes is the rate in force in the countries where the bank is operated

- The Bank has changed its accounting estimates related to the calculation of deferred tax liabilities on the realized gains on financial assets at fair value through comprehensive income during the first quarter of the year 2018 based on the decision of the Court of Cassation issued on February 6, 2018

12. OTHER LIABILITIES

The details of this item as follows:

	September 30, 2018	December 31, 2017
	JD	JD
Accrued interest payable	6,032,492	5,079,792
Accepted cheques	9,754,652	6,315,946
Temporary deposits	3,524,346	17,814,290
Dividends payable	2,547,333	2,361,085
Deposits on safe boxes	174,018	173,945
Margins against sold real estate	134,250	289,250
Provision for expected credit loss against indirect credit facilities*	5,997,699	-
Other liabilities	6.966,873	6,662,165
	35,131,663	**38,696,473**

*The movement on the provision for expected credit loss on the indirect credit facilities is as follows:

	September 30, 2018	December 31, 2017
	JD	JD
Balance- Beginning of the Period/ Year	-	-
Effect of IFRS (9) implementation	5,415,620	-
Adjusted balance- Beginning of the period/year	**5,415,620**	-
Additions	582,081	-
Adjustment based on foreign currencies differences	(2)	-
Balance – End of the period/Year	**5,997,699**	-

13. FAIR VALUE RESERVE

The movement of the fair value reserve as follows:

	September 30, 2018	December 31, 2017
	JD	JD
Balance - Beginning of the period/Year	81,288,341	63,565,588
Unrealized (losses) gains	(13,011,611)	17,722,753
Loss of financial assets at fair value through comprehensive income – Transferred to income	418,660	-
Deferred tax liabilities	(6,420,005)	-
Balance – End of the period/Year*	**62,275,385**	**81,288,341**

* The fair value reserve disclosed net of deferred tax amount of JD 6,420,005 as of September 30, 2018.

14. RETAINED EARNINGS

The details of this item are as follows:

	September 30, 2018	December 31, 2017
	JD	JD
Beginning Balance for the period/year	64,446,126	63,926,237
Provision for expected credit losses over the assets as a result of the IFRS (9) implementation	(7,342,151)	-
Adjusted beginning balance of the period/year	**57,103,975**	**63,926,237**
Dividends distributed to shareholders	(36,000,000)	(36,000,000)
Profit for the year	-	46,795,537
Transferred to/ (from) reserves	12,452,930	(9,783,481)
(Losses) transferred as a result for sale of financial assets through comprehensive income	(471,234)	-
Foreign currencies differences	(21,356)	(492,167)
Ending balance of the Period/Year	**33,064,315**	**64,446,126**

- Retained earnings include an amount of JD 16,892,528 restricted against deferred tax benefits as of September 30, 2018 (JD 14,683,719 as of December 31, 2017).

- Retained earnings include an amount of JD 3,305,173 as of September 30, 2018 which represents the effect of early adoption of IFRS (9). These restricted amounts cannot be utilized unless realized as instructed by Jordan Securities Exchange Commission.

- Retained earnings include an amount of JD 813,437 as of September 30, 2018 that cannot be utilized through distribution or any other purposes unless there are a former approval from the Central Bank of Jordan resulting from application of Central Bank of Jordan Circular no. 10/1/1359 dated January 25, 2018.

15. FINANCIAL ASSETS EXPECTED CREDIT LOSSES PROVISION

The Bank has adopted IFRS(9) effective from January 1, 2018 which requires the Bank to calculate the expected credit losses on financial assets and as stated in note (2), the details on this item are as follows:

	For the Nine-Month Period Ended September 30,	
	2018	2017
	JD	JD
Expected credit losses over central banks balances	98,765	-
Expected credit losses over balances with banks and financial institutions	(13,521)	-
Expected credit losses over deposits banks and financial institutions	7,454	-
Expected credit losses over direct credit facilities	(268,215)	-
Expected credit losses over financial assets at amortized cost	533,932	-
Expected credit losses over indirect facilities	582,081	-
Impairment provision over direct credit facilities	-	11,788,865
	940,496	**11,788,865**

16. OTHER INCOME

The details of this item are as follows:

	For the Nine-Month Period Ended September 30,	
	2018	2017
	JD	JD
Revenues returned from written-off debts	830,259	13,792,114
Gain from the sale of assets foreclosed by the bank	513,043	1,151,657
Income from Telephone, post and swift	453,695	409,125
Rents received from the bank's real estate	93,405	47,592
Gains from the sale of property and equipment	7,937	201,197
Interest in suspense reversed to income	675,915	624,214
Financial assets foreclosed by the bank valuation loss	(1,282,967)	-
Other income	704,900	1,622,122
	1,996,187	**17,848,021**

17. EARNINGS PER SHARE FROM PROFIT FOR THE PERIOD

The details of this item are as follows:

	For the Nine-Month Period Ended on September 30,	
	2018	**2017**
	JD	**JD**
Profit for the period (Bank's shareholders)	31,151,818	39,546,349
Weighted average number of shares	200,000,000	200,000,000
Earnings per share (Bank's shareholders):		
Basic/ Dilluted	**0,156**	**0,198**

18. CASH AND CASH EQUIVALENTS

This item represents the following:

	September 30,	
	2018	**2017**
	JD	**JD**
Cash and balances with central banks maturing within 3 months	246,590,753	256,215,220
Add: Balances with banks and other financial Institutions maturing within 3 months	250,259,727	244,941,421
Less: Banks and financial institutions' deposits maturing within 3 months	(16,327,100)	(31,729,785)
Restricted balances	(4,772,994)	(4,652,204)
	475,750,386	**464,774,652**

19. CAPITAL MANAGEMENT

Capital Components:

- Paid-up Capital:
  The paid-up capital of Bank of Jordan consists of 200 million ordinary shares at a nominal value of JD 1 per share. The Bank maintains capital, statutory reserves, and retained earnings to meet the growth in its operations and the requirements of branching locally and regionally.

- Regulatory Capital:
  Regulatory capital is considered a control tool according to the requirements of regulatory authorities and Basel (III) for the purposes of achieving control over the adequacy of capital and the ratio of regulatory capital to risky and weighted assets and market risk. Regulatory capital consists of:

- (Paid-up capital, legal reserve, voluntary reserve, and retained earnings).
- (Undisclosed reserves, general banking risks reserve, subordinated debts, and the positive fair value reserve at 100% and deducted from the regulatory adjustment based on Basel III).
- Foreign currency translation differences.

- Regulatory Authorities' Requirements:
  The regulatory authorities' instructions entail that the minimum capital shall be JD 100 million. Moreover, banks have been requested to increase their capital adequacy ratio to no less than 14.125% according to the Central Bank of Jordan instructions. The ratio of owner's equity to total assets must not be less than 4%.

- Achieving the Objectives of Capital Management:
  Management of the Bank aims at achieving the capital management objectives through developing (enhancing) the Bank's activities, achieving a surplus in operating profits and revenues, and optimally investing available funds. All of this is geared towards reaching the targeted growth in owner's equity through the increase in the compulsory reserve at 10% of the profits earned, voluntary reserve at 20%, and retained earnings.

- Regulatory capital and the capital adequacy ratio according to the requirements of Basel (III) are as follows:

	In Thousands	
	September 30, 2018	December 31, 2017
Primary Capital Items for common shareholders (CETI)	**JD**	**JD**
Authorized and paid-up capital	200,000	200,000
Statutory reserve	80,821	80,821
Voluntary reserve	134	134
Other reserves	4,104	4,104
Fair value reserves	68,705	81,288
Retained earnings	33,064	28,446
Interim profit after deducting tax and expected dividends	4,021	-
Minority interest in the capital of subsidiaries	2,475	3,198
Less: Intangible assets	(4,845)	(4,839)
Foreign Currency translation differences	(12,262)	(12,256)
Deferred tax assets	(16,893)	(14,684)
Total Primary Capital for common shareholders (CETI)	**359,325**	**366,212**
Additional Capital Items		
Stage one provision balance not exceeding 1,25% of the total risk weighted assets	3,344	-
General banking risk reserve	2,258	15,129
Total Additional Capital	**5,602**	**15,129**
Total Regulatory Capital	**364,930**	**381,341**
Total risk weighted assets	**2,046,413**	**1,998,965**
Regulatory capital adequacy ratio (%)	**17.83%**	**19.08%**
Capital adequacy ratio for common shareholders (%)	**17.56%**	**18.32%**
Common Equity Tier 1 (%)	**17.56%**	**18.32%**

20. INFORMATION ON THE BANK'S BUSINESS SEGMENTS

1. Information about the bank's business segments:

   The bank is organized for management purposes in a manner that allows measurement of its segments according to reports used by its Chief Executive Officer and main decision-maker through the following main segments:

- Retail banking: includes following up on individual customers' accounts, granting them loans, credit, credit cards, and other services.
- Corporate banking: includes following up on deposits, credit facilities, and other banking services pertinent to corporate customers.
- Treasury: includes providing dealing services and management of the bank's funds.
- Financial brokerage services: include providing purchase and sale of customers' portfolios on their behalf, custody of investments, financial consultations, custody service, and management of initial public offerings.

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Below is information about the Bank's business segments distributed according to activities:

	Retail	Corporate	Treasury	Financial Brokerage Services	Other	Total For the Nine-Month Period Ended on September 30, 2018	Total For the Nine-Month Period Ended on September 30, 2017
	JD	JD	JD	JD	JD	JD	JD
Gross income	38,614,552	49,916,429	16,542,594	501,844	(1,375,643)	104,199,776	118,609,852
(Expected credit loss provision) on the financial assets	(5,175,899)	4,848,395	(612,702)	(290)	-	(940,496)	(11,788,865)
Segment result	33,428,653	54,764,824	15,929,892	501,554	(1,375,643)	103,259,280	106,820,987
Undistributed expenses	(31,360,709)	(16,640,951)	(2,593,488)	(167,720)	(3,538,711)	(54,301,579)	(49,570,834)
Profit before tax	**2,077,944**	**38,123,873**	**13,336,404**	**333,834**	**(4,914,354)**	**48,957,701**	**57,250,153**
Income tax	(791,248)	(12,458,312)	(4,031,703)	(79,161)	(575,825)	(17,936,249)	(18,524,175)
Net Profit for the period	**1,286,696**	**25,665,561**	**9,304,701**	**254,673**	**(5,490,179)**	**31,021,452**	**38,725,978**
Other information:							
Capital expenditures	1,360,159	219,369	50,041	1,607	3,206,326	4,837,502	4,143,468
Depreciation and amortization	1,493,890	189,144	39,931	2,916	1,946,330	3,672,211	3,530,335
						September 30, 2018	**December 31, 2017**
						JD	**JD**
Total Assets	**573,741,882**	**962,181,761**	**917,790,091**	**566,983**	**117,928,628**	**2,572,209,345**	**2,565,131,939**
Total Liabilities	**1,497,343,638**	**417,818,858**	**183,662,985**	**259,905**	**65,886,632**	**2,164,972,018**	**2,125,975,589**

2. Information about Geographical Distribution:

This item represents the geographical distribution of the Bank's activities. The Bank conducts its activities mainly in Jordan, representing local activities. Additionally, the Bank performs international activities in the Middle East, Europe, Asia, America and the Far East.

The following is the geographical distribution of the Bank's revenues, assets, and capital expenses according to geographical location:

	Inside the Kingdom		Outside the Kingdom		Total	
	September 30,		September 30,		September 30,	
	2018	2017	2018	2017	2018	2017
	JD	JD	JD	JD	JD	JD
Total Revenues	112,622,844	120,914,963	18,991,721	16,238,323	131,614,565	137,153,286
Capital Expenditures	4,023,877	3,350,615	813,625	792,853	4,837,502	4,143,468

	Inside the Kingdom		Outside the Kingdom		Total	
	September 30, 2018	December 31, 2017	September 30, 2018	December 31, 2017	September 30, 2018	December 31, 2017
	JD	JD	JD	JD	JD	JD
Total Assets	1,838,108,547	1,977,069,000	734,100,798	588,062,939	2,572,209,345	2,565,131,939

21. Transactions with related parties

The Bank entered into transactions with its major shareholders, members of the Board of Directors, executive management and the associate company at the commercial rates of interest and commission. Moreover, all loans and advances with related parties are performing, and no provision for probable credit losses has been taken thereon.

The following is a summary of balances and transactions with related parties for the period:

	Related Parties						Total	
	Subsidiary Companies*	Major Shareholders	Board of Directors Members	Executives Management	Staff Provident Fund	Other Parties	September 30, 2018	December 31, 2017
Consolidated Condensed Interim Statement of Financial Position Items	JD	JD	JD	JD	JD	JD	JD	JD
Assets:								
Investments	45,415,294	-	-	-	-	-	45,415,294	45,415,294
Credit facilities	-	-	449,887	1,097,665	-	56,291,725	57,839,277	47,647,304
Deposits, balances and current accounts	1,254,768	-	-	-	-	-	1,254,768	4,208,460
Cash margins	3,982,000	-	-	-	-	-	3,982,000	3,982,000
Liabilities:								
Customer deposits	15,833,680	44,477,837	1,140,771	2,612,264	2,127,223	17,554,506	83,746,281	111,352,758
Bank deposits	9,791,628	-	-	-	-	-	9,791,628	7,973,957
Borrowed Money	3,455,529	-	-	-	-	-	3,455,529	3,523,235
Off-Consolidated Condensed Interim Statement of Financial Position Items:								
Letters of guarantee	1,075,000	766,560	300	-	-	2,032,130	3,873,990	4,365,843

							Total For the Nine-Month Period Ended September 30,	
Consolidated Condensed Interim Statement of profit or loss Items:							2018	2017
							JD	JD
Credit interest and commission	16,333	-	17,638	51,342	-	1,147,904	1,232,217	1,731,562
Debit interest and commission	571,472	1,914,295	6,213	60,355	32,311	632,395	3,217,041	2,866,543

Interest rates:

Credit Interest income prices in JD ranged between (3.375%) (The minimum price represents the interest margin against 100% cash margins) to (15%).

Credit Interest price in foreign currency (5.19%) to (5.59%).

Debit Interest prices in JD ranged between (0.0025%) to (5.75%).

Debit Interest prices in foreign currency ranged between (0. 5%) to (2.25%).

*Balances and transactions with subsidiary companies are excluded from the consolidated condensed interim financial statements, but presented for clarification purposes only.

- Investment in subsidiary- Syria shown at cost, noting that the bank has accounted for this investment impairment in its records.

- The foreclosed assets in repayment of debts include assets foreclosed in repayment of debt obligations as settled with a client, amounting to JD 3.1 million, which were registered based on an irrevocable power of attorney affirmed by the Land and Survey Department. Moreover, the Bank possesses declarations and documents confirming that the land ownership and its proceeds are in favor of the Bank and that is according to the settlement agreement between both parties, which gives the debtor the right to repossess these foreclosed assets within a specified period of time

Salaries and Remunerations of Executive Management summary is as follows:

	For the Nine-Month Period Ended on September 30,	
	2018	2017
	JD	JD
Salaries and benefits	1,938,952	1,182,940
Transportation and board secretary	13,500	36,000
Total	**1,952,452**	**1,218,940**

22. Commitments and Contingent Liabilities

a. Commitments and Contingent Liabilities:

	September 30, 2018	December 31, 2017
	JD	JD
Letters of credit	79,383,883	117,983,214
Acceptances	42,223,455	56,193,136
Letters of guarantee:		
- Payment	36,173,399	38,782,029
- Performance	62,914,332	61,137,598
- Other	32,692,871	33,928,537
Un-utilized direct credit facilities	92,513,609	108,819,747
Total	**345,901,549**	**416,844,261**

- The provision for expected credit loss, which was calculated in accordance with the requirements of IFRS (9) on the off- financial position items, amounted to JD 5,657,776 as of September 30, 2018 (JD 5,415,620 as of January 1, 2018).

23. LAWSUITS AGAINST THE BANK

The Bank is a defendant in lawsuits demanding cancellation of the Bank's claims against others, lifting of real estate mortgages, compensation for damages, and non-cashing of checks. These lawsuits amounted to JD 18,055,639 as of September 30, 2018 (JD 17,056,280 as of December 31, 2017). In the opinion of the Bank's management and legal counsel, no material financial liability is likely to be incurred as a result of these lawsuits in excess of the provision recorded which amounted to JD 786,606 as of September 30, 2018 (JD 676,564 as of December 31, 2017). However, amounts that will probably be paid by the Bank as a result of dismissal or amicable settlement of these lawsuits will be taken to the consolidated condensed interim statement of profit or loss or against the recorded provision when paid.

24. Fair Value Hierarchy

A. The fair value of financial assets and financial liabilities of The Bank specified at fair value on an ongoing basis:

Some financial assets and Liabilities of the bank are evaluated at fair value at the end of each fiscal period, the following table shows the information about how to determine the fair value of these financial assets and liabilities (evaluation methods and inputs used).

Financial Assets/Financial Liabilities	Fair Value September 30, 2018	Fair Value December 31, 2017	The Level of Fair Value	Evaluation Method and Inputs Used	Important Intangible Inputs	Relation Between the Fair Value and the Important Intangible Inputs
	JD	JD				
Financial Assets at Fair Value						
Financial Assets at Fair Value Through Profit or Loss						
Shares that have an available market price	69,700	112,200	Level One	Stated Rates in financial markets	Doesn't Apply	Doesn't Apply
Shares that doesn't have an available market price	108,478	84,787	Level Two	Financial Statements issued by companies		
Total	**178,178**	**196,987**				
Financial Assets at Fair Value through Comprehensive Income						
Shares that have available market price	90,300,460	110,237,146	Level One	Stated Rates in financial markets	Doesn't Apply	Doesn't Apply
Shares that do not have available market price	4,634,782	4,554,716	Level Two	Financial Statements issued by companies	Doesn't Apply	Doesn't Apply
Total	**94,935,242**	**114,791,862**				
Forward Contracts (Foreign Currency)	56,389	-	Level One	Stated Rates in financial markets	Doesn't Apply	Doesn't Apply
Financial assets foreclosed by the Bank	7,022,061	-	Level One	Stated Rates in financial markets	Doesn't Apply	Doesn't Apply
Total Financial Assets at Fair Value	**102,191,870**	**114,988,849**				
Financial Liabilities at Fair Value						
Forward Contracts (Foreign Currency)	-	178,833	Level One	Stated Rates in financial markets	Doesn't Apply	Doesn't Apply
Total Financial Liabilities at Fair Value	**-**	**178,833**				

There were no transfers between level 1 and level 2 during the first half of the year 2018.

B. The fair value of financial assets and financial liabilities of The Bank (non-specific fair value on an ongoing basis):

Except as detailed in the table below, we believe that the carrying amount of financial assets and liabilities shown in the financial statements of The Bank approximate their fair value, because The Bank management believes that the carrying value of the items is equilivant to the fair value, and this is due to either maturity or short-term interest rates that have been repriced during the year.

	September 30, 2018 Book value	September 30, 2018 Fair Value	December 31, 2017 Book value	December 31, 2017 Fair Value	The Level of Fair Value
	JD	JD	JD	JD	JD
Financial Assets of non-specified Fair Value					
Balances with central banks	182,432,165	182,444,810	196,829,576	196,842,990	Level Two
Balances with banks and financial institutions	250,259,727	250,485,009	265,682,212	266,402,186	Level Two
Deposits with banks and financial institutions	110,000,000	113,845,849	125,000,000	127,536,945	Level Two
Laons, bills and other	1,453,289,499	1,456,482,336	1,382,864,854	1,385,372,118	Level Two
Financial assets at amortized cost	195,316,717	197,631,926	219,576,390	221,758,509	Level Two
Other assets	48,587,564	102,877,201	45,050,608	102,837,646	Level Two
Total Financial Assets of Non-specified Fair Value	**2,239,885,672**	**2,303,767,131**	**2,235,003,640**	**2,300,750,394**	
Financial Liabilities of Non-specified Fair Value					
Deposits at banks and financial institutions	97,264,967	97,779,864	64,896,195	64,986,870	Level Two
Customer's deposits	1,875,368,490	1,880,891,855	1,845,800,756	1,850,775,176	Level Two
Cash margins	128,836,261	128,858,405	149,356,693	149,367,014	Level Two
Total Financial Liabilities of Non-specified Fair Value	**2,101,469,718**	**2,107,530,124**	**2,060,053,644**	**2,065,129,060**	

The fair value for the financial assets and liabilities for the level 2 and level 3 were determined in accordance to an agreed pricing models, which reflects the credit risk of the parties that are dealing with it.