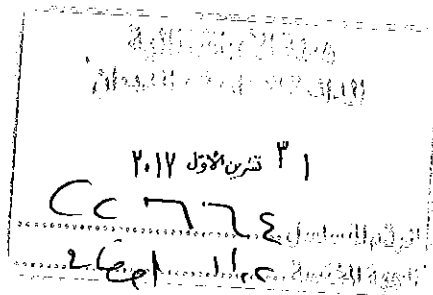




للمرسل
* ميرصة عمان
ط البدها

<p>To: Jordan Securities Commission Amman Stock Exchange</p> <p>Ref: FM/106/328 Date: 30/10/2017</p> <p><u>Subject: Quarterly Report as of 30/09/2017</u></p>	<p>السادة هيئة الأوراق المالية السادة بورصة عمان</p> <p>الرقم: إم/١٠٦/٣٢٨ التاريخ: ٢٠١٧/١٠/٣٠</p> <p>الموضوع: التقرير ربع السنوي كما في 30/09/2017</p>
<p>Attached the Quarterly Report of (Jordan Commercial Bank) as of 30/09/2017.</p>	<p>مرفق طيه نسخة من البيانات المالية ربع السنوية لشركة (البنك التجاري الأردني) كما هي بتاريخ ٢٠١٧/٠٩/٣٠.</p>
<p>Kindly accept our highly appreciation and respect Jordan Commercial Bank</p> <p>Caesar Qulajen General Manager</p>	<p>وتفضلوا بقبول فائق الاحترام،،، شركة البنك التجاري الأردني</p> <p>سيزر قولاجن المدير العام</p>



JORDAN COMMERCIAL BANK
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN

CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED
SEPTEMBER 30, 2017
TOGETHER WITH THE REVIEW REPORT

JORDAN COMMERCIAL BANK
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN
SEPTEMBER 30, 2017

TABLE OF CONTENTS

Review Report on the Condensed Interim Financial Statements	1
Condensed Interim Statement of Financial Position	2
Condensed Interim Statement of Income	3
Condensed Interim Statement of Comprehensive Income	4
Condensed Interim Statement of Changes in Shareholders' Equity	5
Condensed Interim Statement of Cash Flows	6
Notes on the Condensed Interim Financial Statements	7 - 19

Review Report on the Condensed Interim Financial Statements

AM/ 8511

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

Introduction

We have reviewed the accompanying condensed interim financial position of Jordan Commercial Bank (A Public Shareholding Limited Company) as of September 30, 2017, and the related condensed interim statements of income, comprehensive income, changes in shareholders' equity and cash flows for the nine-month then ended and a summary of significant accounting policies and other explanatory information. Management is responsible for the preparation and fair presentation of these condensed interim financial statements in accordance with International Accounting Standards (34) related to interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagement 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information 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 condensed interim financial information for Jordan Commercial Bank is not prepared, in all material respects, in accordance with International Accounting Standard (34) related to interim financial reporting.

Explanatory Paragraphs

The fiscal year of the Bank ends on December 31 of each year, the accompanying condensed interim financial statements are prepared only for the purposes of management and Jordan Securities Commission and do not require Central Bank of Jordan approval.

Other Matter Paragraph

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

Amman – The Hashemite Kingdom of Jordan
October 30, 2017



JORDAN COMMERCIAL BANK
(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

		September 30, 2017 (Reviewed not Audited)	December 31, 2016 (Audited)
	Note	JD	JD
ASSETS			
Cash and balances at central banks	4	114,010,445	109,103,135
Balances at banks and financial Institutions	5	55,917,412	52,611,438
Direct credit facilities - net	6	733,082,262	634,005,814
Financial assets at fair value through profit or loss		1,457,988	1,928,452
Financial assets at fair value through comprehensive income		11,086,884	8,185,950
Financial assets at amortized cost		331,327,071	330,870,200
Property and equipment - net	7	27,398,685	28,087,262
Intangible assets - net	7	1,854,442	1,474,632
Deferred tax assets	15/D	3,757,736	3,325,672
Other assets	8	111,241,094	95,707,805
TOTAL ASSETS		1,391,134,019	1,265,300,360
LIABILITIES AND SHAREHOLDERS' EQUITY			
LIABILITIES:			
Banks and financial institutions deposits		129,414,258	51,804,094
Customers deposits		967,399,539	957,337,624
Cash margins		93,269,522	69,931,443
Borrowed funds	9	13,449,500	12,787,691
Provision for Income tax	15/A	3,679,107	3,792,448
Various provisions		860,619	777,307
Other liabilities	10	34,678,027	23,054,962
TOTAL LIABILITIES		1,242,750,572	1,119,485,569
SHAREHOLDERS' EQUITY:			
Bank Shareholders' Equity:			
Authorized and paid-up capital	11	120,000,000	112,875,000
Statutory reserve	20	13,448,365	13,448,365
General banking risks reserve		7,080,052	6,229,516
Cyclicality reserve	20	1,705,716	1,705,716
Fair value reserve - net	16	(2,010,678)	(1,852,705)
Retained earnings		5,066,132	13,408,899
Profit for the period		3,093,860	-
TOTAL BANK SHAREHOLDERS' EQUITY		148,383,447	145,814,791
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,391,134,019	1,265,300,360

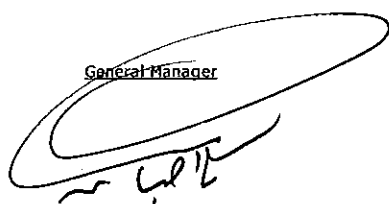
General Manager

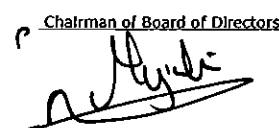
Chairman of Board of Directors

THE ACCOMPANYING NOTES FROM (1) TO (20) CONSTITUTE AN INTEGRAL PART
OF THESE CONDENSED INTERIM FINANCIAL STATEMENTS AND SHOULD
BE READ WITH THEM AND WITH THE REVIEW REPORT.

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

		For the Three-Month Period		For the Nine-Month Period	
		Ended September 30,		Ended September 30,	
	Note	2017	2016	2017	2016
		JD	JD	JD	JD
Interest Income		19,129,618	17,346,449	55,498,722	53,720,912
Less: Interest expense		(10,729,206)	(8,275,461)	(27,827,994)	(25,131,787)
Net Interest Income		8,400,412	9,070,988	27,670,728	28,589,125
Net commissions Income		1,456,162	946,595	3,572,427	3,307,622
Net Interest and Commissions Income		9,856,574	10,017,583	31,243,155	31,896,747
Foreign exchange Income		218,738	311,522	845,639	1,464,370
Gains from financial assets at fair value through profit or loss		40,074	1,770	50,364	498,263
Cash dividends from financial assets at fair value through comprehensive Income		-	-	256,501	53,754
Other Income		1,075,441	758,147	4,314,147	2,185,932
Gross Income		11,190,827	11,089,022	36,709,806	36,099,066
Employees expenses		3,943,216	3,555,769	11,461,700	10,950,562
Depreciation and amortization		736,387	730,002	2,346,989	2,158,177
Provision for Impairment of direct credit facilities	6	(349,563)	4,786,482	7,110,917	9,713,985
Impairment provision on seized assets		574,818	259,290	1,304,798	777,871
Various provisions		47,851	31,330	199,410	366,798
Other expenses		3,022,989	2,524,912	8,858,315	7,787,331
Total Expenses		7,975,698	11,887,785	31,282,129	31,754,724
Income for the Period before Income Tax		3,215,129	(798,763)	5,427,677	4,344,342
Less: Income tax expense for the period	15/B	(1,358,943)	792,660	(2,333,817)	(586,220)
Income for the Period		1,856,186	(6,103)	3,093,860	3,758,122
Earnings per share for the period attributable to the Bank's shareholders					
basic and diluted	14	0/015	(0/00005)	0/026	0/031

General Manager


Chairman of Board of Directors


THE ACCOMPANYING NOTES FROM (1) TO (20) CONSTITUTE AN INTEGRAL PART OF THESE
CONDENSED INTERIM FINANCIAL STATEMENTS AND SHOULD BE READ WITH
THEM AND WITH THE REVIEW REPORT.

JORDAN COMMERCIAL BANK
(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
(REVIEWED NOT AUDITED)

	For the Three-Month Period		For the Nine-Month Period	
	Ended September 30,		Ended September 30,	
	2017	2016	2017	2016
	JD	JD	JD	JD
Income for the period				
Other Comprehensive Income Items:				
Items that are not transferable to condensed interim statement of income:				
Net change in fair value of financial assets at fair value reserve through comprehensive income	(68,012)	(163,935)	(616,890)	(1,320,341)
Realized gains (losses) from sale of financial assets at fair value through comprehensive income	(59)	149,352	91,686	170,513
Total Comprehensive Income for the Period	<u>1,788,115</u>	<u>(20,686)</u>	<u>2,568,656</u>	<u>2,608,294</u>

THE ACCOMPANYING NOTES FROM (1) TO (20) CONSTITUTE AN INTEGRAL PART OF THESE CONDENSED INTERIM FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE REVIEW REPORT.

JORDAN COMMERCIAL BANK
(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

CONDENSED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
(Revised, Not Audited)

1234567890123456									
--	--	--	--	--	--	--	--	--	--

• Retained earnings balance includes JD 3,757,736 as of September 30, 2017 restricted against deferred tax assets according to Central Bank of Jordan instructions.

• Use of retained earnings in an amount of JD 2,010,678 as of September 30, 2017 which equals to negative cumulative change in fair value of financial assets is restricted (including JD 311,112 against the implementation of International Financial Reporting Standard No. (9)) according to Jordan Securities Commission and Central Bank of Jordan instructions.

• Use of the General Banking Risks Reserve is restricted and requires the pre-approval of the Central Bank of Jordan.

• Use of the Cyclical Reserve is restricted, and cannot be released without the pre-approval of the Palestinian Monetary Authority.

THE ACCOMPANYING NOTES FROM (1) TO (23) CONSTITUTE AN INTEGRAL PART OF THESE CONDENSED INTERIM FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE REVIEW REPORT.

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

	Note	For the Nine-Month Period Ended September 30,	
		2017	2016
		JD	JD
Cash Flows From Operating Activities:			
Income for the period before Income tax		5,427,677	4,344,343
Adjustments:			
Depreciation and amortization		2,346,989	2,158,177
Provision for impairment in direct credit facilities	6	7,110,917	9,713,985
(Recovered) Provision for impairment in seized assets		(80,743)	41,009
(Gain) loss from impairment of seized assets against debt		(748,208)	165,157
Provision in seized properties by the bank		1,304,798	777,871
Loss from valuation of financial assets at fair value through profit or loss		52,895	189,446
Other provisions		199,410	366,798
Effect of exchange rate fluctuations on cash and cash equivalents		(309,177)	(399,980)
Total		15,304,558	17,356,806
Changes in Assets and Liabilities:			
(Increase) in direct credit facilities		(106,187,365)	(58,729,238)
Decrease in financial assets at fair value through profit or loss		417,569	972,195
(Increase) decrease in other assets		(16,009,136)	929,048
Increase in restricted from withdrawal balances		-	109,064
Increase in deposits at banks and financial institutions exceeding three months		58,000,000	3,080,365
Increase (decrease) in customer's deposits		10,061,915	(2,805,755)
Increase (decrease) in cash margins		23,338,079	(3,820,634)
Increase (decrease) in other liabilities		11,623,065	(4,578,682)
Net Change in Assets and Liabilities		(18,755,873)	(64,843,637)
Net Cash Flows (used in) Operating Activities before Provisions and Income Taxes Paid		(3,451,315)	(47,486,831)
Various provisions paid		(116,098)	(111,160)
Income tax paid	15/a	(2,931,261)	(7,226,333)
Net Cash Flows (used in) Operating Activities		(6,498,674)	(54,824,324)
Cash Flows From Investing Activities:			
(Increase) decrease in financial assets at amortized cost		(456,871)	25,072,640
(Increase) decrease in financial assets at fair value through other comprehensive income		(3,374,099)	1,151,246
Change of property and equipment and intangible assets		(2,038,222)	(2,446,896)
Net Cash Flows (used in) from Investing Activities		(5,869,192)	23,776,990
Cash Flows From Financing Activities:			
Borrowed funds		661,809	5,683,093
Net Cash Flows from Financing Activities		661,809	5,683,093
Net (Decrease) in Cash and Cash Equivalents		(11,706,057)	(25,364,241)
Effect of exchange rate fluctuations on cash and cash equivalents		309,177	399,980
Cash and cash equivalents beginning period		114,910,479	166,638,722
Cash and Cash Equivalents Ending Period	12	103,513,599	141,674,461

THE ACCOMPANYING NOTES FROM (1) TO (20) CONSTITUTE AN INTEGRAL PART OF THESE
CONDENSED INTERIM FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM
AND WITH THE REVIEW REPORT.

JORDAN COMMERCIAL BANK
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN
NOTES TO THE CONDENSED
INTERIM FINANCIAL STATEMENTS
(REVIEWED NOT AUDITED)

1. General

- Jordan Commercial Bank was established as a Jordanian Public Shareholding Limited Company on May 3, 1977 in accordance with the Jordanian Companies Law No. (12) for the year 1964 with a paid-up capital of JD 5 million divided into 5 million shares at par value of one Jordanian Dinar per share. The Bank's Head Office address is Amman, Tel. +962 (6) 5203000, P.O. Box 9989, Amman, The Hashemite Kingdom of Jordan.
- During the year 1993, Mashrek Bank (Jordan branches) was merged into Jordan and Gulf Bank. Consequently, Jordan and Gulf Bank replaced Mashrek Bank (Jordan branches) in terms of its rights and obligations.
- At the beginning of the year 2004, the Bank was restructured after taking the necessary measures specified by the concerned regulatory parties and on June 28, 2004, procedures relating to changing the Bank's name from Jordan and Gulf Bank to Jordan Commercial Bank were completed.
- The Bank's capital was increased gradually; the last increase was during the year 2017 whereby the capital became 120 million JD/Share paid in full on June 7, 2017.
- Jordan Commercial Bank is a Public Shareholding Limited Company listed on the Amman Stock Exchange.
- The Bank is engaged in banking and related financial operations through its branches (29) inside Jordan, and (4) branches in Palestine.
- The financial statements have been approved by the Bank's Board of Directors in its meeting No. (9/2017) dated on October 29, 2017.

2. Basis of Preparation of Condensed Interim Financial Statements

- The accompanying condensed interim financial statements of the Bank was prepared as of September 30, 2017 in accordance with International Financial Reporting Standard Number (34) (Condensed Interim Financial Statements).
- The condensed interim financial statements are prepared in accordance with the historical cost principle, except for financial assets / financial liabilities which are stated at fair value through profit or loss, financial assets at fair value through other comprehensive income and financial derivatives which stated at fair value at the date of the condensed interim financial statements. Moreover, hedged financial assets / liabilities are also stated at fair value.
- The condensed interim financial statements are presented in Jordanian Dinar, which is The Bank's functional currency.
- The accompanying condensed interim financial statements do not include all the information and disclosures to the financial statements which were presented for the year ended December 31, 2017 and should be read with the Bank's annual report as of December 31, 2016. Moreover, the results of the Bank's operations for the Nine-month period ended on September 30, 2017 do not necessarily represent indications of the expected results for the year ending December 31, 2017 and it does not include the appropriation of the profit for the nine-month period ended September 30, 2017, which is usually performed at the year end. Furthermore, these condensed interim financial statement do not require the Central Bank of Jordan approval on them.
- The accounting policies adopted in the condensed interim financial statement are consistent with those applied in the year ended December 31, 2016.

3. Accounting Estimates

Preparation of the 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 and to disclose contingent liabilities. Moreover, these assessments and assumptions affect revenues, expenses, provisions, and changes in the financial assets fair value reserve and specially requires the Bank's management to issue significant judgments and assumptions to assess future cash flow amounts and their timing. Moreover, the said 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.

The management believes that the estimates presented in the condensed interim financial statements are reasonable and that the estimates adopted in the preparation of condensed interim financial statements are reasonable and are consistent with the accounting estimates used in the preparation of the Bank's financial statements for the year 2016.

4. Cash and Balances at Central Banks

- Statutory cash reserve amounted to JD 48,334,978 as of September 30, 2017 (JD 48,967,567 as of December 31, 2016).
- Except for the statutory cash reserve and capital deposit at the Palestinian Monetary Authority amounted to JD 8,224,400, there are no restricted balances as of September 30, 2017 and December 31, 2016.
- There are no Certificates of deposits as of September 30, 2017 and December 31, 2016.

5. Balances at Banks and Financial Institutions

- Non-interest bearing balances at banks and financial institutions amounted to JD 20,796,147 as of September 30, 2017 (JD 18,541,643 as of December 31, 2016).
- There are no restricted balances at banks and financial institutions as of September 30, 2017 and December 31, 2016.

6. Direct Credit Facilities - Net

This item consists of the following:

	September 30, 2017 JD	December 31, 2016 JD
Individuals (retail):		
Overdraft accounts	661,321	527,631
Loans and promissory notes *	173,895,418	155,220,754
Credit cards	3,460,979	3,046,084
Real estate loans	103,596,336	66,399,490
Companies:		
Large:		
Overdraft accounts	79,738,287	57,404,264
Loans and promissory notes *	278,094,347	234,959,577
Syndicated loans	2,494,950	3,707,000
Small and Medium		
Overdraft accounts	21,991,771	23,887,677
Loans and promissory notes *	54,013,810	65,942,173
Government and public sector	58,339,560	57,125,701
Total	776,286,779	668,220,351
<u>Less:</u> Provision for impairment in direct credit facilities	(29,203,917)	(22,114,945)
Interest in suspense	(14,000,600)	(12,099,592)
Direct Credit Facilities – Net	733,082,262	634,005,814

- * Net after deducting interest and commission received in advance of JD 4,159,121 as of September 30, 2017 (JD 2,059,349 as of December 31, 2016).
- Non-performing credit facilities amounted to JD 54,894,651 representing 7/1 % of the total direct credit facilities balance as of September 30, 2017 (JD 52,469,614 representing 7/8 % of the total direct credit facilities as of December 31, 2016).
- Non-performing credit facilities after deducting suspended interest amounted to JD 41,536,931 representing 5/4 % of direct credit facilities after deducting the suspended interest and commission as of September 30, 2017 (JD 40,869,177 representing 6/2 % of direct credit facilities after deducting suspended interest and commission as of December 31, 2016).
- Direct credit facilities include a credit facilities granted to the Palestinian National Authority amounted to JD 15,348,979 as of September 30, 2017 (JD 15,168,585 as of December 31, 2016). In addition, it includes direct credit facilities guaranteed by the Government of Jordan in an amount of JD 15,080,754 as of September 30, 2017 (JD 15,000,000 as of December 31, 2016).

Provision for Impairment in Direct Credit Facilities:

The following is the movement on the provision for impairment in direct credit facilities during the period / year:

For the Nine-Month Period Ended on September 30, 2017	Companies				Government and Public Sector	Total
	Individual	Real Estate	Large	SMEs		
	JD	JD	JD	JD	JD	
Balance – beginning of the period	4,506,428	674,206	14,049,485	2,884,826	-	22,114,945
Provision for the period taken from revenues	2,936,670	139,500	350,070	3,684,677	-	7,110,917
Used from provision during the period (written-off) *	(4,078)	-	(17,867)	-	-	(21,945)
Balance – End of the Period	<u>7,439,020</u>	<u>813,706</u>	<u>14,381,688</u>	<u>6,569,503</u>	<u>-</u>	<u>29,203,917</u>
Attributable to:						
Provision for non-performing credit facilities	6,857,582	775,245	13,620,977	6,546,056	-	27,799,860
Provision for watch list credit facilities	581,438	38,461	760,711	23,447	-	1,404,057
Balance – End of the Period	<u>7,439,020</u>	<u>813,706</u>	<u>14,381,688</u>	<u>6,569,503</u>	<u>-</u>	<u>29,203,917</u>

For the Year Ended on December 31, 2016	Companies				Government and Public Sector	Total
	Individual	Real Estate	Large	SMEs		
	JD	JD	JD	JD	JD	
Balance – beginning of the year	5,985,803	775,169	17,702,917	3,284,737	-	27,748,626
Provision for the year taken from revenues (surplus)	4,129,263	(39,117)	1,257,477	850,784	-	6,198,407
Used from provision during the period (written-off) *	(5,857)	-	-	(1,062)	-	(6,919)
Provision transferred to regular accounts outside the statement of financial position	(5,602,781)	(61,846)	(4,910,909)	(1,249,633)	-	(11,825,169)
Balance – End of the Year	<u>4,506,428</u>	<u>674,206</u>	<u>14,049,485</u>	<u>2,884,826</u>	<u>-</u>	<u>22,114,945</u>

Attributable to:

Provision for non-performing credit facilities	4,174,079	637,710	13,498,021	2,836,450	-	21,146,260
Provision for watch list credit facilities	332,349	36,496	551,464	48,376	-	968,685
Balance – End of the Year	<u>4,506,428</u>	<u>674,206</u>	<u>14,049,485</u>	<u>2,884,826</u>	<u>-</u>	<u>22,114,945</u>

- * During the first nine months of the year 2017 an amount of JD 21,945 of direct credit facilities were written-off (JD 6,919 for the year ended December 31, 2016).

- Provisions no longer needed due to settlements or repayments of debts transferred against other debts amounted to JD 5,863,564 as of September 30, 2017 (JD 2,154,089 as of December 31, 2016).

Interest and Commission in Suspense:

The following is the movement on the interest in suspense during the period / year:

For the Nine-Month Period Ended on September 30, 2017 (Reviewed Not Audited)	Companies				Government and Public	Total
	Individuals	Real Estate	Large	SMEs	Sector	
JD	JD	JD	JD	JD	JD	
Balance -- beginning of the period	454,805	615,161	9,434,257	1,595,369	-	12,099,592
Add: Suspended interest during the period	622,813	190,380	2,312,874	424,359	-	3,550,426
Less: Interest in suspense transferred to income during the period	(67,271)	(19,538)	(1,155,275)	(140,568)	-	(1,382,652)
Suspended Interest written-off	(3,135)	(4,618)	(7,020)	(251,993)	-	(266,766)
Balance - End of the Period	1,007,212	781,385	10,584,836	1,627,167	-	14,000,600

For the Year Ended on December 31, 2016	Companies				Government and Public Sector	Total
	Individuals	Real Estate	Large	SMEs		
	JD	JD	JD	JD		
Balance – beginning of the year	637,345	546,519	7,856,822	1,829,600	-	10,870,286
Add: Suspended Interest during the year	1,043,598	187,653	4,619,391	666,006	-	6,516,648
Less: Interest in suspense transferred to income during the year	(150,142)	(20,988)	(1,346,392)	(154,841)	-	(1,672,363)
Suspended Interest written-off	(4,485)	(22,545)	(146,023)	(23,456)	-	(196,509)
Suspended interest transferred to off- statement of financial position accounts	(1,071,511)	(75,478)	(1,549,541)	(721,940)	-	(3,418,470)
Balance - End of the Year	454,805	615,161	9,434,257	1,595,369	-	12,099,592

- There are non-performing credit facilities amounting to JD 15,243,639 together with their suspended interest of JD 3,418,470 and their related provision amounting to JD 11,825,169 as of September 30, 2017 that have been transferred to off-statement of financial position accounts as per the Board of Directors decisions during the year 2016 noting that there were direct credit facilities of JD 90,691,909 together with their suspended interest of JD 45,550,185 and their related provision of JD 45,141,724 as of December 31, 2016 have been transferred within off-statement of financial position accounts as per the Board of Directors decisions, as these credit facilities are fully provided for as of the date of the financial position statement.

7. Property and Equipment and Intangible Assets

- a - Additions of property and equipment for the nine-month period ended September 30, 2017 amounted to JD 1,263,540 (JD 1,825,120 for the nine-month period ended September 30, 2016) mostly representing additions to office equipment, devices and computers. While the disposals for the nine-month period ended September 30, 2017 were JD 645,825 (JD 359,921 for the nine-month period ended September 30, 2016).
- b - Additions of intangible assets for the nine-month period ended September 30, 2017 amounted to JD 969,106 (JD 647,416 for the nine-month period ended September 30, 2016) mostly representing additions to softwares and programs. While the disposals for the nine-month period ended September 30, 2017 were JD 398,216 (JD zero for the nine-month period ended September 30, 2016).

8. Other Assets

This item consists of the following:

	September 30, 2017	December 31, 2016
	JD	JD
Accrued interest and revenue	7,649,979	6,764,764
Prepaid expenses	1,988,428	834,598
Assets seized by the Bank against due debts - net *	85,633,699	78,873,375
Assets seized by the Bank sold on instalments - net **	2,222,047	1,478,632
Refundable deposits	678,312	2,462,811
Transactions under process between branches	-	780,184
Purchase of time withdrawals, policies, credits	10,402,761	306,380
Clearance checks	1,063,877	2,406,649
Other	1,601,991	1,800,412
Total	<u>111,241,094</u>	<u>95,707,805</u>

- The following is the movement on the assets seized by the Bank in against debts of debts for the period / year:

	For the Nine-Month Period Ended September 30, 2017			For the Year Ended December 31, 2016
	Seized Properties	Other Seized Assets	Total	Total
	JD	JD	JD	JD
Balance - beginning of the period/year (Net after impairment provision)	77,863,808	1,009,567	78,873,375	70,663,375
Additions for the period/year	11,223,725	14,315	11,238,040	12,137,449
Disposals for the period/year	(3,284,602)	-	(3,284,602)	(2,169,815)
Effect of impairment (loss) for the period/year	(1,273,857)	80,743	(1,193,114)	(1,757,634)
Balance - End of the Period/Year	<u>84,529,074</u>	<u>1,104,625</u>	<u>85,633,699</u>	<u>78,873,375</u>

The movement on impairment loss on assets seized by the Bank against debts during the period / year is as follows:

	For the Nine-Month Period ended September 30, 2017			For the Year Ended December 31, 2016
	Seized Properties JD	Other Seized Assets JD	Total JD	Total JD
Balance - beginning of the period/ year	2,202,242	-	2,202,242	1,254,678
Provision for the period/ year***	1,665,318	-	1,665,318	1,757,634
Used from the provision for the period/year***	(391,461)	(80,743)	(472,204)	(133,725)
Balance - End of the Period/Year	3,476,099	(80,743)	3,395,356	2,878,587

* According to Central Bank of Jordan instructions, properties and shares seized by the Bank against customers' due debt should be disposed of within a period of two years from the date of acquisition. The Central Bank of Jordan can extend this period for a maximum period of two more years for exceptional cases.

** This item includes JD 130,027 against provision for seized assets by the Bank for the period ended September 30, 2017 (JD 377,399 for the year ended December 31, 2016), according to Central Bank of Jordan circular No. 10/1/4076 dated March 27, 2014 and circular No. 10/1/6841 dated on June 3, 2015 whereby the Bank started to calculate a provision gradually for the seized properties against debts which were held for more the 4 year. According to Letter No.10/1/2510 from Central Bank of Jordan dated February 14, 2017. The rates used for calculating the Provision had been revised, resulting in a surplus of JD 87,331 which was subsequently reversed.

*** This item includes JD 1,665,318 against provision for assets seized by the Bank for the period ended September 30, 2017 (JD 1,040,281 for the year ended December 31, 2016) according to circular No. 10/1/4076 from Central Bank of Jordan dated March 27, 2014 and Circular No. 10/1/6841 dated June 3, 2015. Accordingly, The Bank started to calculate a graduate provision against seized property resulting from debts which had been seized for more than four years. According to letter No. 10/1/2510 from Central Bank Of Jordan dated February 14, 2017, The rated used for calculating the provision had been revised, resulting in a surplus of JD 391,461, which was subsequently reversed.

9. Borrowed Funds

These funds have been granted under the signed agreements with the Central Bank of Jordan. These funds will be used for the purpose of financing micro, small and medium companies, within a program of medium financing terms and will be reimbursed through semi-annual instalments inclusive of interest.

This item includes the following:

September 30, 2017	Total Loan JD	Utilized JD	Settlement method JD	Guarantees JD	Loan Interest Price
Loan from World Bank through Central Bank of Jordan	2,000,000	2,000,000	20 years including 5 years Grace period settled through semi- annual payments	-	2/5%
Loan from the Arab Monetary Fund through Central Bank of Jordan	2,126,178	2,126,178	10 years Including 5 Grace period settled through semi-annual payments	-	2/5%
Advances from Central Bank of Jordan	9,323,322	9,323,322	2 years settled through semi-annual payments	-	2/25%
Total		13,449,500			

December 31, 2016	Total Loan	Utilized	Settlement Method	Guarantees	Loan Interest Price
	JD	JD	JD	JD	
Loan from World Bank through Central Bank of Jordan	2,000,000	2,000,000	20 years including 5 years Grace period settled through semi-annual payments	-	2/5%
Loan from the Arab Monetary Fund through Central Bank of Jordan	2,100,000	2,100,000	10 years including 5 Grace period settled through semi-annual payments	-	2/5%
Advances from Central Bank of Jordan	8,687,691	8,687,691	2 years settled through semi-annual payments	-	2/25%
Total		<u>12,787,691</u>			

10. Other Liabilities

This details of this item are as follows:

	September 30, 2017	December 31, 2016
	JD	JD
Accepted checks	7,139,740	6,583,153
Accrued interest	6,489,019	5,160,954
Refundable and various deposits	7,610,076	3,386,757
Safe deposits boxes	96,753	89,878
Shareholders deposits	14,773	14,773
Income tax and social security withholdings	305,275	298,145
Accrued expenses	1,914,981	2,018,391
Board of Directors' remuneration	-	55,000
Received amounts on the sale of land and real estate*	8,889,346	5,123,526
Incoming remittance	405,295	265,313
Transactions under process between branches	1,235,826	-
Others	576,943	59,072
Total	<u>34,678,027</u>	<u>23,054,962</u>

* The movement on received amounts on the sale of land and real estate during the period / year was as follows:

	September 30, 2017	December 31, 2016
	JD	JD
Balance beginning of the period/year	5,123,526	2,638,977
Amounts Received	6,737,520	4,308,549
Disposed	(2,971,700)	(1,824,000)
Balance - End of the Period/Year	<u>8,889,346</u>	<u>5,123,526</u>

11. Authorized and Paid-up Capital

The General Assembly of the Bank approved in their extraordinary meeting held on April 30, 2017 to increase the Bank's capital by JD/share 7,125,000 so that the Bank's authorized and paid up capital would become JD/share 120,000,000 through capitalizing part of the retained earnings and distributing it to the shareholders for free. The procedures of increasing the paid up capital have been completed on June 7, 2017. The authorized and paid up capital became JD/share 120,000,000 as of September 30, 2017.

The General Assembly of the Bank approved in their extraordinary meeting held on April 10, 2016 to increase the capital by JD/share 7,875,000 so that the Bank's authorized and paid up capital would become JD/share 112,875,000 through capitalizing part of the retained earnings and distributing it to the shareholders for free. The procedures of increasing the paid up capital have been completed on May 22, 2016. The authorized and paid up capital was JD/share 112,875,000 as of December 31, 2016.

12. Cash and Cash Equivalents:

This item consists of the following:

	September 30,	
	2017	2016
	JD	JD
Cash and balances with Central Banks maturing within three months	114,010,445	121,725,261
<u>Add: Balances at banks and financial institutions maturing within three months</u>	55,917,412	44,014,408
<u>Less: Banks and financial institutions' deposits maturing within three months</u>	(66,414,258)	(24,065,208)
Total	<u>103,513,599</u>	<u>141,674,461</u>

13. Segmental Information:

- The Bank is organized, for managerial purposes, into four major sectors, which are measured according to reports used by the general manager and key decision makers at the Bank, through the following major sectors:
- Individual Accounts: Includes following up on individual customer's deposits, and granting them credit, credit cards and other services.
- Corporate Accounts: Includes following up on deposits, credit facilities, and other banking services related to corporate customers.
- Treasury: includes providing dealing services and managing the Bank's funds.
- Others: Includes the activities which do not meet the definition of the Bank's business segments mentioned above.

These segments are the basis on which the bank reports its primary segment information.

	Individuals JD	Corporations JD	Treasury JD	Others JD	For the Nine-Month Period Ended September 30,	
					2017	2016
					JD	JD
Gross Income for the period	9,742,491	18,375,345	7,236,928	1,355,042	36,709,806	36,099,066
Provision for Impairment loss in direct credit facilities	(2,964,527)	(4,146,390)	-	-	(7,110,917)	(9,713,985)
Segment result	6,777,964	14,228,955	7,236,928	1,355,042	29,598,889	26,385,081
Less: Expenditures not distributed over sectors	(6,169,283)	(11,420,182)	(4,365,848)	(2,215,899)	(24,171,212)	(22,040,739)
Profit before tax for the Period	608,681	2,808,773	2,871,080	(860,857)	5,427,677	4,344,342
Less: Income tax for the period	-	-	-	(2,333,817)	(2,333,817)	(586,220)
Profit for the Period	<u>608,681</u>	<u>2,808,773</u>	<u>2,871,080</u>	<u>(3,194,674)</u>	<u>3,093,860</u>	<u>3,758,122</u>
Capital Expenditures	-	-	-	2,232,646	2,232,646	2,472,536
Depreciation and Amortization	-	-	-	2,346,989	2,346,989	2,158,177
Total						
					September 30, 2017 JD	December 31, 2016 JD
Total Assets	208,868,413	536,768,534	519,297,855	126,199,217	1,391,134,019	1,265,300,360
Total Liabilities	549,867,633	364,185,085	303,431,772	25,266,082	1,242,750,572	1,119,485,569

2- Information on Geographical Allocation:

- This item represents the geographical distribution of the Bank's operations. The Bank performs its operations mainly in the Hashemite Kingdom of Jordan representing local operations. Moreover, the Bank conducts international operations through its branches in Palestine.

The following is the Bank's revenue, assets, and capital expenditure according to geographical allocation:

	Inside Jordan		Outside Jordan		Total	
	For the Nine-Month Period Ended September 30,		For the Nine-Month Period Ended September 30,		For the Nine-Month Period Ended September 30,	
	2017	2016	2017	2016	2017	2016
	JD	JD	JD	JD	JD	JD
Gross income for the period	31,875,009	32,881,511	4,834,797	3,217,555	36,709,806	36,099,066
Capital expenditure	2,134,628	2,125,412	98,018	347,124	2,232,646	2,472,536

	Inside Jordan		Outside Jordan		Total	
	September 30, 2017	December 31, 2016	September 30, 2017	December 31, 2016	September 30, 2017	December 31, 2016
	JD	JD	JD	JD	JD	JD
	2017	2016	2017	2016	2017	2016
Total Assets	1,262,683,762	1,108,952,704	128,450,257	156,347,656	1,391,134,019	1,265,300,360

14. Earnings Per Share for the Period Attributable to Bank's Shareholders

The details of this item are as follows:

	For the Nine-Month Period Ended September 30,		For the Three-Month Period Ended September 30,	
	2017	2016	2017	2016
	JD	JD	JD	JD
Profit for the period attributable to the Bank's shareholders	3,093,860	3,758,122	1,856,186	(6,103)
Weighted average number of shares *	Share 120,000,000 JD/Share	Share 120,000,000 JD/Share	Share 120,000,000 JD/Share	Share 120,000,000 JD/Share
Earnings per share for the period attributable to the Bank's shareholders (Basic and Diluted)	0/026	0/031	0/015	(0/00005)

- * The weighted average number of shares for the nine-month period ended September 30, 2017 has been adjusted to be JD 120,000,000 instead of JD 112,875,000 as the increase in capital was a result of free shares distributed.

15. Income Tax

a. Income Tax Provision

The movement on the provision for income tax during the period / year was as follows:

	For the Nine-Month Period Ended September 30, 2017	For the Year Ended December 31, 2016
	JD	JD
Beginning balance for the period/year	3,792,448	8,368,127
Income tax incurred against profit for the period (prior years' income)/year	2,817,920	2,769,752
Income tax paid-Palestine Branches	(722,924)	(519,538)
Income tax paid-Jordan Branches	(2,208,337)	(6,825,893)
Ending Balance for the Period/Year	3,679,107	3,792,448

b. Income Tax Expense

Income tax expense in the condensed interim statement of income represents the following:

	For the Nine-Month Period Ended on September 30,	
	2017	2016
	JD	JD
Income tax incurred on current period profit - Jordan branches	1,898,152	508,485
Income tax incurred on current period profit - Palestine branches	450,000	450,000
Income tax incurred on prior period profit - Jordan branches	469,768	-
Effect on deferred tax assets	(484,103)	98,834
Effect on deferred tax liability	-	(471,099)
Total	2,333,817	586,220

c. Tax Status

The Hashemite Kingdom of Jordan Branches

The Bank's income tax returns for the Bank's branches in The Hashemite Kingdom of Jordan have been submitted up to the year 2014. As for the year 2015 and 2016, the Bank submitted its tax return within the legal period, however, no final settlement has been reached yet.

Palestine Branches

The Bank has settled income tax for Palestine branches up to the year 2012, while for the years 2013, 2014, 2015 and 2016, the Bank has submitted income tax return and is currently in the process of settling the tax status with the Income Tax Department in Palestine, however, final settlement has not been reached yet.

In the opinion of the Bank's management and tax advisors in Jordan and Palestine, no liability would exceed the booked provision by the Bank and its related branches as of the date of the condensed interim financial statements. In addition, the booked income tax provision within the condensed interim financial statements is sufficient to settle the potential tax obligations as of the date of the condensed interim financial statements.

d. Deferred Tax Assets

a - This item includes the following:

	For the Nine-Month Period Ended September 30, 2017				September 30, 2017	December 31, 2016
	Amount		Balance - End of the Period/Year		Deferred Tax	Deferred Tax
	Balance - Beginning of the Period/Year	Additions	Released	JD	JD	JD
a. <u>Deferred Tax Assets</u>	JD	JD	JD	JD	JD	JD
Provision for doubtful debts before the year 2000	338,221	-	87,618	250,603	87,711	118,377
Provision for impairment in seized property	516,939	-	84,560	432,379	151,333	180,929
Provision of seized property held for more than four years	2,062,704	1,795,346	490,548	3,367,502	1,178,626	721,946
Impairment of seized shares against debts	1,013,101	(80,746)	-	932,355	326,324	354,585
Impairment loss on financial assets at amortized cost	283,600	-	283,600	-	-	99,260
Provision for lawsuits against the Bank	43,492	59,050	-	102,542	35,890	15,222
Provision for end of service indemnity	57,926	18,947	67,241	9,632	3,371	20,274
Provision for suspended legal fees and expense	1,514,015	112,174	45,994	1,580,195	553,068	529,905
Valuation losses on financial assets at fair value through profit or loss	446,539	52,895	189,954	309,480	108,318	56,289
Fair value reserve *	2,850,316	310,235	458,917	2,701,634	945,572	997,611
Provision for employee remuneration	-	675,000	-	675,000	236,250	-
Other provisions	375,066	-	-	375,066	131,273	131,274
Total	9,501,919	2,942,901	1,708,432	10,736,388	3,757,736	3,225,672

- Deferred tax benefits mentioned above represent deferred tax benefits for Jordan branches only since there are no deferred tax benefits to the Bank's branches in Palestine.
- * Deferred tax assets resulting from valuation loss of financial assets at fair value through comprehensive income appear within valuation reserve of financial assets at fair value in the shareholders' equity statement.

b. The movement on deferred tax assets during the period was as follows:

	September 30, 2017
	JD
Balance beginning of the period	3,325,672
Added during the period	1,030,015
Disposed during the period	(597,951)
Balance - End of the Period	<u>3,757,736</u>

- Deferred tax assets for Jordan branches have been calculated using 35% as of January 1, 2015 according to the Income Tax Law No. (34) for the year 2015.

16. Fair Value Reserve - Net

The movement on the fair value reserve for the period / year is as follows:

	For the Nine- Month Period Ended September 30, 2017	For the Year Ended December 31, 2016
	JD	JD
Balance - beginning of the period/year	(1,852,705)	(3,524,034)
Unrealized (losses) – net	(616,890)	(1,653,310)
Released from selling / write-off of financial assets at fair value through comprehensive income	458,917	3,324,639
Balance – End of the Period/Year	<u>(2,010,678)</u>	<u>(1,852,705)</u>

The Bank entered into transactions with the members of the Board of Directors and companies represented by the members of the Board of Directors and executive management within the normal banking practice and according to the normal interest rates and trading commissions. All of the credit facilities granted to related parties are considered as performing facilities and no impairment provision has been taken as of the date of the condensed interim financial statement.

	Total				
	September 30,		December 31,		
	2017		2016		
	Others		Employees		
BOD Members and their related parties	Companies Represented BOD		Employees		
JD	JD	JD	JD	JD	
14,021,124	3,908,028	155,408	511,879	41,972,563	
520,766	16,485,959	-	847,033	18,253,342	
709	18,749	19,055	-	38,513	41,262

Letter of guarantee	-	607,802	-	659,943
Collection policies	-	71,467	-	684,352
				74,550
				20,986

Interests and commission income**	160,639	509,069	48,488	8,456	726,652	873,611
Interests and commission expense***	1,412,133	161,106	4,745	-	1,577,984	1,332,020

*** Debit interest rate ranges between 1% to 4/5%.

- Executive managers salaries and remunerations for the Bank amounted to JD 2,238,040 for the nine month period ended September 30, 2017 (JD 2,447,344 for the same period of the year 2016).

18. Possible Obligations and Commitments

At the date of the condensed interim financial statements, the Bank had the following possible obligations and commitments to arise:

	September 30, 2017	December 31, 2016
	JD	JD
Letters of Credit	44,495,166	32,824,094
Letters of Acceptance	9,968,320	14,669,689
Letters of Guarantee:		
Payments	27,956,965	27,840,449
Performance	45,461,424	45,151,925
Other	62,588,942	47,680,764
Unutilized Credit Facilities Ceiling	80,702,557	86,272,631
Total	<u>271,173,374</u>	<u>254,439,552</u>

19. Lawsuits against the Bank:

The Bank appears as a defendant in lawsuits amounting to JD 8,074,898 as of September 30, 2017 (JD 7,204,006 as of December 31, 2016). In the opinion of the Bank's management and the Bank's legal advisor, no liabilities shall arise against the Bank exceeding the booked provision of JD 107,836 as of September 30, 2017 (JD 48,787 as of December 31, 2016).

20. Statutory Reserves:

The Bank has not deducted any statutory reserves according to Jordanian Companies' Law since this is done at the end of each year and these are interim financial statements.