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نموذج رقم (4-1) Form No. (1-4)	
To: Jordan Securities Commission Amman Stock Exchange Date: 06/08/2019 Subject: Semi- Annual Report (English Language) as of 30/06/2019	السادة هيئة الاوراق المالية السادة بورصة عمان التاريخ:-06/08/2019 الموضوع : التقرير نصف السنوي (باللغة الانجليزية) كما هو في 2019/06/30
Attached the company's Semi- Annual Report of (Societe Generale De Banque – Jordanie) English Language As of 30/06/2019	مرفق طيه نسخة من التقرير نصف السنوي(لبنك سوسيته جنرال الأردن) باللغة الانجليزية كما هو بتاريخ 2019/06/30م
Kindly accept our highly appreciation and respect Societe Generale De Banque – Jordanie General Manager's Signature	وتفضلوا بقبول فائق الاحترام،،، بنك سوسيتة جنرال الأردن توقيع المدير العام

هيئة الأوراق المالية
الدائرة الإدارية / الديوان
٨ آب ٢٠١٩
الرقم المتسلسل ٣٧٥٤٢٣
الجهة المختصة ...

SOCIETE GENERALE
DE BANQUE-JORDANIE
بنك سوسيتة جنرال
الأردن

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الإدارة العامة - العبدلي . هاتف : ٥٦٠٠٣٠٠ (٦ ٩٦٢) . فاكس : ٥٦٩٣٤١٠ (٦ ٩٦٢) . ص.ب. ٥٦٠ - عمان ١١١١٨ الأردن . سويفت: SGMEJOAM . e-mail: sgbjwebmaster@socgen.com

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

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

SOCIETE GENERALE DE BANQUE - JORDANIE
(PUBLIC SHAREHOLDING COMPANY)
AMMAN – HASHEMITE KINGDOM OF JORDAN
JUNE 30, 2019

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Report on the Review of the Condensed Consolidated Interim Financial Statements

AM/ 011840

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

Introduction
We have reviewed the accompanying condensed consolidated interim statement of financial position of Societe Generale De Banque - Jordanie (a Public Limited Shareholding Company) as of June 30, 2019 and the related condensed consolidated interim statements of income and comprehensive income, changes in owners' equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for preparation and fair presentation of this condensed interim financial information in accordance with International Accounting Standards No. 34. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of Review
We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed consolidated interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters in the bank, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information is not prepared, in all material respects, in accordance with amended International Accounting Standard (34) relating to interim financial reporting.

Emphasis of a matter
Without qualifying our opinion, we draw the attention for the matter mentioned in note (32) to the accompanying condensed interim financial statements, the Bank has adjusted the its comparative figures of statement of changes in shareholders' equity retrospectively for the period ended June 30, 2018 to comply with the requirements of International Financial Reporting Standards.

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

Amman – Jordan
July 30, 2019

Deloitte & Touche (M.E.) - Jordan

Deloitte & Touche (M.E.)
ديلويت آند توش (الشرق الأوسط)
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SOCIETE GENERALE DE BANQUE - JORDANIE
(A PUBLIC LIMITED SHAREHOLDING COMPANY)
AMMAN - HASHEMITE KINGDOM OF JORDAN
CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

	Note	June 30, 2019 (Reviewed Not Audited)	December 31, 2018
		JD	JD
Assets:			
Cash and balances at Central Bank	5	157,405,564	224,500,525
Balances at banks and financial institutions - net	6	78,068,337	63,076,862
Deposits at banks and financial institutions – net	7	51,401,194	56,414,081
Direct credit facilities - net	8	817,631,478	808,873,745
Financial assets at fair value through other comprehensive income	9	1,612,131	1,593,687
Financial assets at amortized cost – net	10	255,457,544	271,699,711
Pledged financial assets	10	218,090,000	218,090,000
Property and equipment – net		29,143,292	29,352,607
Intangible assets – net		4,375,537	4,683,689
Right-of-Use Assets - net	3-b	1,240,696	-
Deferred tax assets		3,214,530	3,013,403
Other assets	11	18,961,557	21,999,269
TOTAL ASSETS		1,636,601,860	1,703,297,579
LIABILITIES AND OWNERS' EQUITY:			
LIABILITIES:			
Banks and financial institutions deposits		20,902,734	36,639,322
Customers' deposits	12	1,305,146,868	1,378,958,384
Cash margins		112,123,960	109,036,292
Borrowed funds	13	35,169,658	29,061,321
Other provisions		63,193	61,841
Income tax provision	14	3,037,684	213,215
Deferred tax liabilities		534,943	570,725
Leased Liabilities	3-b	1,285,129	-
Other liabilities	15	30,542,009	20,927,722
TOTAL LIABILITIES		1,508,806,178	1,575,468,822
OWNERS' EQUITY:			
Authorized and paid-up capital		100,000,000	100,000,000
Statutory reserve		12,880,233	12,880,233
Voluntary reserve		100,000	100,000
Fair value reserve - net	16	(271,111)	(220,155)
Retained earnings	17	10,068,679	15,068,679
Profit for the period		5,017,881	-
TOTAL OWNERS' EQUITY		127,795,682	127,828,757
TOTAL LIABILITIES AND OWNERS' EQUITY		1,636,601,860	1,703,297,579

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

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

	Note	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
		2019	2018	2019	2018
		JD	JD	JD	JD
Interest income	18	24,772,710	20,173,805	48,242,556	39,617,583
Interest expense	19	(18,711,586)	(15,826,652)	(36,087,710)	(30,249,374)
Net Interest Income		6,061,124	4,347,153	12,154,846	9,368,209
Net commission Income		469,792	414,197	1,124,412	889,070
Net Interest and Commission Income		6,530,916	4,761,350	13,279,258	10,257,279
Gain from Foreign currency		390,970	337,701	674,781	573,533
Cash dividends from financial assets at fair value through other comprehensive income		35,000	19,000	35,000	19,000
Other income	23	576,726	599,603	4,198,563	1,123,416
Gross Income		7,533,612	5,717,654	18,187,602	11,973,228
Expenses:					
Employees expenses		1,963,447	1,585,744	4,077,918	3,164,802
Depreciation and amortization		446,984	366,770	1,063,355	733,144
Other expenses		1,657,614	1,365,385	2,825,206	2,747,799
Right-of-use assets depreciation		104,937	-	177,170	-
Provision/(release) of expected credit losses	20	77,641	233,030	1,896,020	(447,549)
Other provisions		1,188	24,649	123,545	68,659
Total Expenses		4,251,811	3,575,578	10,163,214	6,266,855
Profit for the Period before Income Tax Expense		3,281,801	2,142,076	8,024,388	5,706,373
Income tax expense	14	(1,265,203)	(746,800)	(3,006,507)	(1,997,441)
Profit for the Period		2,016,598	1,395,276	5,017,881	3,708,932
Basic and diluted Earnings per Share for the Period	21	0.020	0.014	0.050	0.037

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

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

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2019	2018	2019	2018
	JD	JD	JD	JD
Profit for the period	2,016,598	1,395,276	5,017,881	3,708,932
Items not subsequently transferable to condensed interim consolidated statement of income:				
Change in fair value reserve – Net	(29,118)	(12,231)	(50,956)	(4,077)
Total Comprehensive Income for the Period	1,987,480	1,383,045	4,966,925	3,704,855

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

SOCIETE GENERALE DE BANQUE - JORDANIE
(A PUBLIC LIMITED SHAREHOLDING COMPANY)
AMMAN – HASHEMITE KINGDOM OF JORDAN
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN OWNERS' EQUITY
(Reviewed Not Audited)

		Reserves						
	Authorized and Paid-up Capital	Statutory	Voluntary	General Banking Risks Reserve	Fair Value	Retained Earnings	Income for the Period	Total
	JD	JD	JD	JD	JD	JD	JD	JD
For the Six Months Ended June 30, 2019								
Balance - beginning of the period	100,000,000	12,880,233	100,000	-	(220,155)	15,068,679	-	127,828,757
Total comprehensive income for the period	-	-	-	-	(50,956)	-	5,017,881	4,966,925
Cash dividends *	-	-	-	-	-	(5,000,000)	-	(5,000,000)
Ending Balance for the Period	100,000,000	12,880,233	100,000	-	(271,111)	10,068,679	5,017,881	127,795,682
For the Six Months Ended June 30, 2018 (Adjusted)								
Balance - beginning of the period	100,000,000	11,627,577	100,000	4,965,272	(212,001)	17,611,173	-	134,092,021
Effect of adoption International Financial Reporting Standard No. (9) – (Adjusted)	-	-	-	-	-	(7,040,055)	-	(7,040,055)
Transferred from reserve	-	-	-	(4,965,272)	-	4,965,272	-	-
Adjusted Balance – Beginning of the Period	100,000,000	11,627,577	100,000	-	(212,001)	15,536,390	-	127,051,966
Total comprehensive income for the period	-	-	-	-	(4,077)	-	3,708,932	3,704,855
Cash dividends *	-	-	-	-	-	(7,500,000)	-	(7,500,000)
Ending Balance for the Period	100,000,000	11,627,577	100,000	-	(216,078)	8,036,390	3,708,932	123,256,821

- Retained earnings include an amount of JD 48,831 which represents the effect of the early adoption of IFRS 9 which cannot be used except for the amounts realized through the actual selling including capitalization and distribution of the respective assets.
- An amout of JD 3,214,530 from retained earnings is restricted which represents deferred tax assets according to the Central Bank of Jordan and Jordan Securities Commission regulations.
- An amount includes JD 271,111 as of June 30, 2019 which represent the negative change of financial assets at fair value through other comprehinsve income restricted from use according to of the Jordan Securities Commission.
- In June 6, 2018, the Central Bank of Jordan issued a new regulation No. 13/2018, in which it requested the transfer of the general banking risk reserve balance to the retained earnings to offset the effect of IFRS 9 on the openning balance of the retained earnings account as of 1 January 2018. The regulation also instructs that the balance of the general banking risk reserve shoud be restricted and may not be distributed as dividends to the shareholders or used for any of purposes without prior approval from the Centrel Bank of Jordan .

* The General Assembly of Shareholders decided at their annual meeting on April 30, 2019 to approve the distribution of cash dividends for the year 2018 by 5% of its capital (7.5% for 2017).

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

SOCIETE GENERALE DE BANQUE - JORDANIE

(A PUBLIC LIMITED SHAREHOLDING COMPANY)

AMMAN - HASHEMITE KINGDOM OF JORDAN

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

(Reviewed Not Audited)

	Note	For the Six Months Ended June 30, 2019	2018
CASH FLOW FROM OPERATING ACTIVITIES		JD	JD
Profit before income tax		8,024,388	5,706,373
Adjustments for:			
Depreciation and amortization		1,063,355	733,144
Right-of-use assets depreciation		177,170	-
Provision (release) of expected credit losses	20	1,896,020	(447,549)
(Loss) from disposal of property and equipment		(14,090)	-
Other provisions		123,545	68,659
Effect of exchange rate differences on cash and cash equivalent		(518,307)	(420,006)
Profit before Changes in Assets and Liabilities		10,752,081	5,640,621
Changes in Assets and Liabilities:			
Decrease (Increase) in Assets:			
Deposits with banks and other financial institutions (maturing after more than 3 months)		5,054,442	(10,861,204)
Direct credit facilities - Net		(10,865,267)	(50,523,545)
Other assets		2,730,126	(2,167,535)
Increase (Decrease) in Liabilities:			
Customers' deposits		(73,811,516)	105,084,211
Banks and financial institutions' deposits (maturing after more than 3 months)		4,995,780	4,962,796
Cash margins		3,087,668	3,869,328
Other liabilities		9,869,393	5,933,333
Net Cash Flows (used in) from Operating Activities before Income Tax paid		(48,187,293)	61,938,005
Paid from other provisions		-	(6,485)
Income tax paid	14	(418,948)	(2,879,627)
Net Cash Flows (used in) from Operating Activities		(48,606,241)	59,051,893
CASH FLOW FROM INVESTING ACTIVITIES			
(Purchase) of financial assets at amortized cost		(1,258,911)	-
(Purchase) of financial assets at fair value through other comprehensive income		(69,400)	(43,440)
Proceeds from maturing financial assets at amortized cost		17,415,931	8,012,212
(Purchase) of property and equipment		(162,162)	(96,253)
(Payments) of the purchase of property and equipment		(236,843)	(923,318)
(Purchase) of intangible assets		(132,793)	(8,556)
Net Cash Flows from Investing Activities		15,555,822	6,940,645
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from loans and borrowings		8,584,433	11,644,192
Repayment of loans and borrowings		(2,476,096)	(1,951,349)
Cash dividends		(5,000,000)	(7,500,000)
Net Cash flows from Financing Activities		1,108,337	2,192,843
Net (Decrease) Increase in Cash and Cash Equivalent		(31,942,082)	68,185,381
Effect of exchange rate differences on cash and cash equivalents		518,307	420,006
Cash and cash equivalents, beginning of the period		251,801,077	151,143,104
Cash and Cash Equivalents, End of the Period	22	220,377,302	219,748,491

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

1. General

- Societe Generale De Banque - Jordanie ("the Bank") was established as a financial real estate investment company on 22 April 1965 in accordance with Jordanian Companies Law No (55), and it was transferred to investment bank during 1993 in accordance with companies' law No. (1) for the year of 1989. The Bank provides its banking services through its 19 branches located in the Kingdom of Jordan. The bank has no branches outside the Kingdom.

- The paid up capital amounted to JD 100,000,000 divided into 100,000,000 shares each having a par value of JD 1 as of 30 June 2019 and 31 December 2018.

- The Bank's shares are traded on Amman Stock Exchange.

- The condensed interim consolidated financial statements were approved by the Bank's Board of Directors in their meeting No.5/2019 dated July 25, 2019.

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

- The accompanying condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard (34) Interim Financial Reporting.

- The condensed consolidated interim financial statements are prepared in accordance with the historical cost principle, except for financial assets and financial liabilities stated at fair value at the date of the condensed consolidated interim financial statements.

- The reporting currency of the condensed consolidated interim financial statements is the Jordanian Dinar, which is the functional currency of the Bank.

- The condensed consolidated interim financial statements does not include all notes and information presented in the annual financial statements which are prepaired in accordance with International Financial statndards and should be read with the Bank annual report for the year ended December 31, 2018. The results of the six months ended June 30, 2019 do not indicate the expcted results for the year ending December 31, 2019, and do not contain the appropriation of profit of the six months ended June 30, 2019 which is usually performed at year end.

- The condensed consolidated interim financial statements include the interim financial statements of the Bank and controlled subsidiaries. Control exists when the Bank has the power to control the financial and operating policies of the subsidiaries in order to obtain benefits from their activities. All transactions, balances, revenue and expenses between the Bank and its subsidiaries are eliminated.

  The Bank owns the following subsidiaries as of June 30, 2019:

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

3. Significant Accounting Policies

The accounting policies adopted in preparing the condensed consolidated interim financial statements are consistent with those applied in the year ended December 31, 2018 except for the effect of the adoption of certian new and revised standards that became effective on or after the first of January of 2019 as follow:

a. Amendments that did not have a material impact on the Bank's consolidated interim financial statements:

Annual improvements to IFRSs issued between 2015 and 2017.

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

The interpretations issued by the International Financial Reporting Interpretation Committee of the IASB, number (23) uncertainty on the treatment of income tax.

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

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

Amendments to IFRS 9 Financial Instruments.

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

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

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

Amendments to IAS 19 Employee Benefits.

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

b. Amendments to the Condensed Consolidated Interim Financial Statements of the Bank:

Effect of Application of IFRS (16) "Leases"

The Bank has adopted IFRS (16), "Leases", which replace the existing guidelines on leases, including IAS (17) "Leases" , IFRIC (4) "Determining whether an arrangement contains a lease "and the interpretation of the previous Interpretations Committee (15)" Operational leases - incentives " and SIC 27 "Evaluating the Substance of Transactions in the Legal Form of a Lease".

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

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

The assets right of use have been measured in an amount equal to the lease obligations, and adjusted by any pre-paid or lease payment that is recognized in the financial position list as of December 31, 2018. No adjustments to the retained earnings, as at January 1st, 2019, were produced under this method. There were no low leases that required an adjustment to the right of use assets at the date of the initial application.

The right of use assets contain real estate as of June 30, 2019 and January 1, 2019.

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

	Right of Use	Liabilities
	JD	JD
Balance as January 1, 2019	1,417,866	1,278,824
Interest during the period	-	6,305
Paid during the period	-	-
Amortization for the period	177,170	-
Balance as June 30, 2019	1,240,696	1,285,129

~~The Bank's leasing activities and its accounting treatment mechanism:~~

The banks rents real estates for use in its activities and usually leases for fixed periods ranging from one to five years, some of which may include extension options and the lease terms are negotiated on an individual basis and contain a set of different terms and conditions, not including contracts Leases do not contain any obligations and may not be used as collateral for the purposes of borrowing.

Up to the end of the financial year 2018, real estate leases were classified as either an operating lease or a financial lease, and the amounts paid for operating lease contracts are credited to the income statement according to the straight-line method during the lease period.

Starting from the first of January 2019, leases were recognized as assets for use and related obligations on the date when the asset is ready for use by the bank, the value of each rental payment is distributed between the leasing obligations and the financing costs, and the financing costs are credited to the income statement during the lease period to achieve a fixed periodic interest rate on the remaining balance of the obligation for each period and the right of use assets are amortized during the productive life of the asset or the lease term, whichever is shorter according to the straight-line method.

The assets and liabilities arising from the leases are initially measured on the basis of the present value, and the lease obligations include the net present value of the following rental payments:

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

Rental payments are deducted using the implied lease interest rate or the tenant's additional borrowing price, if they are not available, which is the rate at which the lessee must pay to borrow the funds needed to obtain an asset of comparable value in a similar economic environment with similar terms and conditions.

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

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

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

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

- The use of a single discount rate to a portfolio of leases with reasonably similar characteristics
- Reliance on previous assessments on whether leases are onerous
- The accounting for operating leases with a remaining lease term of less than 12 months as at January 1, 2019 as short-term leases
- The exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- The use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

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

4. Significant Accounting Estimates and key sources of Uncertainty Estimates

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

We believes that the estimates used in the condensed consolidated interim financial statements are reasonable and consistent with the estimates used in preparing the consolidated financial statements for the year 2018 except for the following:

Extension and termination options of lease contracts

Extension and termination options are included in a number of leases. These terms are used to increase the operational flexibility in terms of contract management, most of the retained extension and termination options are exercisable by both the bank and the lessor.

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

Discounting of lease payments

Lease payments are discounted using the Bank's incremental borrowing rate ("IBR"). The management has applied the judgements and estimates to determine the incremental borrowing rate on the starting date of the lease contract.

5. Cash and Balances at Central Bank of Jordan

Statutory cash reserve amounted to JD 89,874,703 as of June 30, 2019 (JD 54,021,904 as of December 31, 2018).

- There are no restricted balances except for statutory cash reserve as of June 30, 2019 and December 31, 2018.

- All balances at central banks are classified within stage 1 based on the requirements of IFRS (9), also there are no transfers between the stages (1,2,3) or written-off balances during the six months period ended June 30, 2019 and December 31, 2018.

- Disclosure on the movements of the central bank of Jordan balances:

	June 30, 2019	December 31, 2018
	Stage (1) Individual	Stage (1) Individual
	JD	JD
Balance at beginning of the period / year	216,962,762	99,000,958
New balances during the period / year	19,385,638	137,499,284
Paid balances	(86,661,676)	(19,537,480)
Balance at End of the Period / Year	149,686,724	216,962,762

6. Balances at Banks and Financial Institutions

The details of this item are as follows:

	June 30, 2019	December 31, 2018
	JD	JD
Local banks and financial institutions		
Deposits maturing within or less than 3 months	20,800,000	7,494,249
Total local banks	20,800,000	7,494,249
Foreign banks and financial institutions		
Current accounts and demand deposits	7,784,976	6,736,207
Deposits maturing within or less than 3 months	49,494,711	48,899,063
Total foreign banks	57,279,687	55,635,270
	78,079,687	63,129,519
Less: Provision of expected credit losses	(11,350)	(52,657)
	78,068,337	63,076,862

- Non-interest bearing balances at banks and financial institutions amounted to JD 18,357,687 as of June 30, 2019 (JD 6,736,207 as of December 31, 2018).
- There were no restricted balances at banks and financial institutions as of June 30, 2019 and December 31, 2018.

- Disclosure on the movements of the balances at banks and financial institutions during period/year:

	Stage (1)	Stage (2)	Stage (3)	Total
For the Six Months Ended June 30, 2019	JD	JD	JD	JD
Balance at beginning of the period	43,640,098	19,489,421	-	63,129,519
New balances during the period	16,413,394	14,807,171	-	31,220,565
Paid balances	(12,111,504)	(4,158,893)	-	(16,270,397)
Balance at End of the Period	47,941,988	30,137,699	-	78,079,687
for the Year Ending December 31, 2018				
Balance at beginning of the year	34,608,579	29,251,814	-	63,860,393
New balances during the year	30,551,856	1,587,283	-	32,139,139
Paid balances	(21,520,337)	(11,349,676)	-	(32,870,013)
Balance at End of the Year	43,640,098	19,489,421	-	63,129,519

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

	Stage (1)	Stage (2)	Stage (3)	Total
For the Six Months Ended June 30, 2019	JD	JD	JD	JD
Balance at beginning of the period	118	52,539	-	52,657
New balances during the period	35	2,208	-	2,243
Paid balances	(98)	(43,452)	-	(43,550)
Balance at End of the Period	55	11,295	-	11,350
For the year Ending December 31, 2018				
Balance at beginning of the year	-	-	-	-
Effect of adoption of International Financial Reporting Standard No. (9)	9	106,043	-	106,052
Adjusted Balance – Beginning of the Year	9	106,043	-	106,052
New balances during the year	118	52,539	-	52,657
Paid balances	(9)	(106,043)	-	(106,052)
Balance at End of the Year	118	52,539	-	52,657

7. Deposits at Banks and Financial Institutions

The details of this item are as follows:

	June 30, 2019	December 31, 2018
Deposits mature during the period/year:	JD	JD
More than 3 months to 6 months	24,815,000	29,828,135
More than 6 months to 9 months	8,862,500	-
More 12 months	17,725,000	26,587,500
Total	51,402,500	56,415,635
Provision for expected credit losses	(1,306)	(1,554)
Net Deposits at Banks and Financial Institutions	51,401,194	56,414,081

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

	Stage (1)	Stage (2)	Stage (3)	Total
For the Six Months Ended June 30, 2019	JD	JD	JD	JD
Balance at beginning of the period	56,415,635	-	-	56,415,635
New balances during the Period	21,270,000	-	-	21,270,000
Settled balances	26,283,13) (5	-	-	(26,283,135)
Balance at the End of the Period	51,402,500	-	-	51,402,500
For the Year Ending December 31, 2018				
Balance at beginning of the year	-	33,252,116	-	33,252,116
New balances during the year	56,415,635	-	-	56,415,635
Settled balances	-	(33,252,116)	-	(33,252,116)
Balance at the End of the Year	56,415,635	-	-	56,415,635

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

	Stage (1)	Stage (2)	Stage (3)	Total
For the Six Months Ended June 30, 2019	JD	JD	JD	JD
Balance at beginning of the period	1,554	-	-	1,554
New balances during the period	342	-	-	342
Settled balances	(590)	-	-	(590)
Balance at the End of the Period	1,306	-	-	1,306

	Stage (1)	Stage (2)	Stage (3)	Total
For the Year Ending December 31, 2018	JD	JD	JD	JD
Balance - beginning of the year	-	-	-	-
Effect of adoption of International (9).Financial Reporting Standard No	-	1,330,996	-	1,330,996
Adjusted Balance – Beginning of the Year	-	1,330,996	-	1,330,996
New balances during the year	1,554	-	-	1,554
Settled balances	-	(1,330,996)	-	(1,330,996)
Balance at the End of the Year	1,554	-	-	1,554

8. Direct Credit Facilities – Net

The details of this item are as follows:

	June 30, 2019	December 31, 2018
	JD	JD
Individuals (retail):		
Loans and bills *	84,902,056	81,856,976
Credit cards	1,242,226	1,785,857
Real estate loans	192,364,042	177,189,592
Corporate:		
Overdrafts	95,654,323	100,494,695
Loans and bills *	309,584,255	284,901,353
Small and Medium Enterprises ("SMEs"):		
Overdrafts	18,422,322	21,972,392
Loans and bills *	62,299,391	52,872,820
Government and public sector	111,514,601	141,304,467
Total	875,983,216	862,378,152
Less: Interest in suspense	(23,113,869)	(20,374,072)
Less: Expected credit losses	(35,237,869)	(33,130,335)
Net Direct Credit Facilities	817,631,478	808,873,745

* Net after deducting interest and commission received in advance amounted to JD 2,054,280 as of June 30, 2019 (JD 2,267,734 as of December 31, 2018).

- Non-performing credit facilities amounted to JD 67,628,445 which is equivalent to 7.72% of total direct credit facilities as of June 30, 2019 (JD 64,689,215 which is equivalent to 7.50% of total direct credit facilities as of December 31, 2018).

- Non- performing credit facilities after deducting interest and commissions in suspense amounted to JD 44,514,576 which is equivalent to 5.22% of total direct credit facilities balance after deducting interest and commission in suspense as of June 30, 2019 (JD 44,315,143 which is equivalent to 5.26% of total credit facilities balance after deducting interest and commission in suspense as of December 31, 2018).

- Direct credit facilities granted to and guaranteed by the Government of The Hashemite Kingdom of Jordan amounted to JD 111,514,601 which is equivalent to 12.73% of total direct credit facilities as of June 30, 2019 (JD 141,304,467 which is equivalent to 16.39% of total direct credit facilities as of December 31, 2018).

- There is no suspenses interest against perfoming loans as of June 30, 2019 and December 31, 2018 respectively.

- Rescheduled loans amounted to JD 11,267,815 as of June 30, 2019 (JD 8,282,777 as of December 31, 2018).

- Restructured loans credit facilities amounted to JD 21,030,800 as of June 30, 2019 (JD 16,103,300 as of December 31, 2018).

The movement on direct credit facilities were as follow:

For the Six Months Ended June 30, 2019	Stage (1)		Stage (2)			
	Individual	Collective	Individual	Collective	Stage (3)	Total
	JD	JD	JD	JD	JD	JD
Balance at beginning of the period	756,647,899	-	41,041,037	-	64,689,216	862,378,152
New credit facilities during the period	99,222,017	-	24,275,688	-	1,359,654	124,857,359
Paid credit facilities	(102,748,300)	-	(8,503,995)	-	-	(111,252,295)
Transferred to stage (1)	4,747,474	-	(4,526,068)	-	(221,406)	-
Transferred to stage (2)	(33,260,671)	-	46,643,688	-	(13,383,017)	-
Transferred to stage (3)	(2,342,524)	-	(12,841,474)	-	15,183,998	-
Written-off credit facilities	-	-	-	-	-	-
Balance at End of the Period	722,265,895	-	86,088,876	-	67,628,445	875,983,216

For the Year Ended December 31, 2018	Stage (1)		Stage (2)			
	Individual	Collective	Individual	Collective	Stage (3)	Total
	JD	JD	JD	JD	JD	JD
Balance at beginning of the year	602,287,350	-	44,085,278	-	28,248,103	674,620,731
Bank Abu Dhabi facilities	66,910,199	-	5,408,648	-	20,148,274	92,467,121
New facilities during the year	254,690,134	-	10,348,431	-	19,207,488	284,246,053
Paid facilities	(162,164,627)	-	(20,137,051)	-	(6,654,075)	(188,955,753)
Transferred to stage (1)	11,613,865	-	(11,596,774)	-	(17,091)	-
Transferred to stage (2)	(16,030,522)	-	16,052,869	-	(22,347)	-
Transferred to stage (3)	(658,500)	-	(3,120,364)	-	3,778,864	-
Written-off credit facilities	-	-	-	-	-	-
Balance at End of the Year	756,647,899	-	41,041,037	-	64,689,216	862,378,152

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

	Stage (1)		Stage (2)			
	Individual	Collective	Individual	Collective	Stage (3)	Total
For the Six Months Ended June 30, 2019	JD	JD	JD	JD	JD	JD
Balance at beginning of the period	1,966,136	-	2,349,334	-	28,814,865	33,130,335
New credit facilities during the period	1,351,136	-	3,943,758	-	893,333	6,188,227
Paid credit facilities	(1,969,737)	-	(2,110,956)	-	-	(4,080,693)
Transferred to stage (1)	272,348	-	(149,686)	-	(122,662)	-
Transferred to stage (2)	(104,063)	-	7,500,381	-	(7,396,318)	-
Transferred to stage (3)	(4,451)	-	(7,864,501)	-	7,868,952	-
Written-off credit facilities	-	-	-	-		-
Balance at End of the Period	1,511,369	-	3,668,330	-	30,058,170	35,237,869
For the Year Ended December 31, 2018						
Balance at beginning of the year	542,215	-	8,908,507	-	9,890,614	19,341,336
Bank Abu Dhabi provisions	256,662	-	241,447	-	13,753,119	14,251,228
New facilities during the year	4,035,326	-	3,064,841	-	5,497,394	12,597,561
Paid facilities	(1,725,517)	-	(8,419,768)	-	(2,914,505)	(13,059,790)
Transferred to stage (1)	31,193	-	(30,984)	-	(209)	-
Transferred to stage (2)	(767,804)	-	769,784	-	(1,980)	-
Transferred to stage (3)	(405,939)	-	(2,184,493)	-	2,590,432	-
Written-off credit facilities	-	-	-	-	-	-
Balance at End of the Year	1,966,136	-	2,349,334	-	28,814,865	33,130,335

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

	Corporates	SMEs	Individuals	Real-Estate Loans	Governmental and Public Sector	Total
	JD	JD	JD	JD	JD	JD
For the Six Months Ended June 30, 2019						
Balance at beginning of the period	17,078,412	5,640,420	7,200,408	2,895,300	315,795	33,130,335
New credit facilities during the period	1,900,311	545,969	2,612,682	1,128,960	305	6,188,227
Paid credit facilities	-	(151,339)	(1,740,546)	(1,907,723)	(281,085)	(4,080,693)
Transferred to stage (1)	-	-	-	-	-	-
Transferred to stage (2)	-	-	-	-	-	-
Transferred to stage (3)	-	-	-	-	-	-
Effect of adjustment	-	-	-	-	-	-
Written-off debts	-	-	-	-	-	-
Balance at the End of the Period	18,978,723	6,035,050	8,072,544	2,116,537	35,015	35,237,869
Redistribution:						
Provisions on an Individual basis	18,978,723	6,035,050	8,072,544	2,116,537	35,015	35,237,869
Provisions on a collective basis	-	-	-	-	-	-
	18,978,723	6,035,050	8,072,544	2,116,537	35,015	35,237,869

	Corporates	SMEs	Individuals	Real-Estate Loans	Governmental and Public Sector	Total
	JD	JD	JD	JD	JD	JD
For the Year Ended December 31, 2018						
Balance - beginning of the year	6,503,259	4,119,126	6,814,554	1,904,397	-	19,341,336
Bank Abu Dhabi provisions	12,991,669	100	1,119,813	122,371	17,275	14,251,228
New credit facilities during the year	4,202,268	2,400,109	3,058,815	2,637,849	298,520	12,597,561
Paid credit facilities	(6,618,784)	(878,915)	(3,792,774)	(1,769,317)	-	(13,059,790)
Transferred to stage (1)	-	-	-	-	-	-
Transferred to stage (2)	-	-	-	-	-	-
Transferred to stage (3)	-	-	-	-	-	-
Written-off credit facilities	-	-	-	-	-	-
Balance at the End of the Year	17,078,412	5,640,420	7,200,408	2,895,300	315,795	33,130,335
Redistribution:						
Provision on an individual basis	17,078,412	5,640,420	7,200,408	2,895,300	315,795	33,130,335
Provision on a collective basis	-	-	-	-	-	-
	17,078,412	5,640,420	7,200,408	2,895,300	315,795	33,130,335

The value of provisions that were canceled due to settlement or repayment of debts with respect to other debts amounted to JD 4,080,693 as of June 30, 2019 (JD 13,059,790 as of December 31, 2018)

Provision for Impairment of direct credit facilities

The movement on the provision for impairment of direct credit facilities during the period / year were as follows::

			Companies			
	Individuals	Real-Estate Loans	Corporates	Public Sector	SMEs	Total
	JD	JD	JD	JD	JD	JD
For the Six Months Period Ended June 30, 2019						
Balance beginning of the period	7,200,408	2,895,300	17,078,412	315,795	5,640,420	33,130,335
Deducted (recovered) during the period from revenues	872,136	(778,763)	1,900,311	(280,780)	394,630	2,107,534
Balance at the End of the Period	8,072,544	2,116,537	18,978,723	35,015	6,035,050	35,237,869
For the Year Ended December 31, 2018						
Balance at beginning of the year	5,463,456	1,053,984	24,791	-	3,740,699	10,282,930
Effect of adoption of International Financial Reporting Standard No. (9)	1,351,098	850,413	6,478,468	-	378,427	9,058,406
Adjusted Balance – Beginning of the Year	6,814,554	1,904,397	6,503,259	-	4,119,126	19,341,336
Resulted from the acquisition NBAD	1,119,813	122,371	12,991,669	17,275	100	14,251,228
Deducted (recovered) during the year from revenues	(733,959)	868,532	(2,416,516)	298,520	1,521,194	(462,229)
Balance at the End of the Year	7,200,408	2,895,300	17,078,412	315,795	5,640,420	33,130,335

Suspended Interest

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

			Companies		
	Individuals	Real-Estate Loans	Corporates	SMEs	Total
	JD	JD	JD	JD	JD
For the Six Months Period Ended June 30, 2019					
Balance at beginning of the period	9,083,322	2,070,809	2,914,330	6,305,611	20,374,072
Add: Interest suspended during the period	1,045,622	398,693	1,295,473	1,093,934	3,833,722
Less: Interest transferred to revenues	(200,071)	(163,245)	(137,718)	(38,521)	(539,555)
Written-off suspended interest	(182,771)	(143,025)	(167,835)	(60,739)	(554,370)
Balance at the End of the Period	9,746,102	2,163,232	3,904,250	7,300,285	23,113,869
For the Year Ended December 31, 2018					
Balance at beginning of the year	7,654,078	1,545,902	-	4,488,373	13,688,353
Resulted from the acquisition NBAD	286,272	21,185	2,634,010	-	2,941,467
Add: Interest suspended during the year	1,678,356	621,964	801,864	1,990,716	5,092,900
Less: Interest transferred to revenue	(283,841)	(95,585)	(350,000)	(29,129)	(758,555)
Written-off suspended interest	(251,543)	(22,657)	(171,544)	(144,349)	(590,093)
Balance at the End of the Year	9,083,322	2,070,809	2,914,330	6,305,611	20,374,072

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

Economic Sector	June 30, 2019	December 31, 2018
	JD	JD
Industry	78,183,296	86,239,041
Trade	234,659,959	233,237,945
Real-Estate	222,837,954	191,406,761
Mining	4,093,503	4,480,309
Financing purchase of shares	7,740,585	8,660,906
Transportation	15,677,622	12,032,022
Financial services	35,172,484	34,754,378
Services and public facilities	59,197,795	51,446,335
Tourism and hotels	22,852,130	20,804,423
Agriculture	2,358,074	1,721,694
Government and public sector	111,514,601	141,304,467
Individuals and others (individuals and others (financing goods, personal loans, cars and financial brokerage)	81,695,213	76,289,871
	875,983,216	862,378,152

9. Finanical Assets at Fair Value Through other Comprehensive Income

The details of this item are as follows:

	June 30, 2019	December 31, 2018
	JD	JD
Quoted shares in active markets	283,898	334,853
Unquoted shares in active markets	1,328,233	1,258,834
Total	1,612,131	1,593,687

- Total cash dvidends on the above investmentments was amounted JD 35,000 for the six months ended in June 30, 2019 (JD 19,000 for the six months ended June 30, 2018.)

10. Financial Assets at Amortized Cost - Net

The details of this item are as follows:

	June 30, 2019	December 31, 2018
Fianancial assets with no Available Market Prices	JD	JD
Treasury governmental bonds at cost	242,719,311	250,653,401
Corporate bonds	13,278,573	21,501,503
Total	255,997,884	272,154,904
Less: Provision for expected credit loss	(540,340)	(455,193)
	255,457,544	271,699,711

Analysis of bills and bonds		
Bills and bonds with fixed interest	255,457,544	271,699,711
	255,457,544	271,699,711

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

	Stage (1) Individual	Stage (2) Individual	Stage (3) Individual	Total
For the Six Months Period Ended June 30, 2019	JD	JD	JD	JD
Balance at beginning of the period	271,754,904	-	400,000	272,154,904
New balances during the period	1,258,911	-	-	1,258,911
Paid balances	(17,415,931)	-	-	(17,415,931)
Transferred to Stage (1)	-	-	-	-
Transferred to Stage (2)	-	-	-	-
Transferred to Stage (3)	(2,500,000)	-	2,500,000	-
Balance at End of the Period	253,097,884	-	2,900,000	255,997,884

	Stage (1) Individual	Stage (2) Individual	Stage (3) Individual	Total
For the Year Ended December 31, 2018	JD	JD	JD	JD
Balance at beginning of the year	273,310,111	-	509,500	273,819,611
New balances during the year	26,450,262	-	-	26,450,262
Paid balances	(28,005,469)	-	(109,500)	(28,114,969)
Transferred to Stage (1)	-	-	-	-
Transferred to Stage (2)	-	-	-	-
Transferred to Stage (3)	-	-	-	-
Balance at End of the Year	271,754,904	-	400,000	272,154,904

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

	Stage (1)	Stage (2)	Stage (3)	Total
	JD	JD	JD	JD
For the Six Months Period Ended June 30, 2019				
Balance at beginning of the period	55,193	-	400,000	455,193
Impairment loss on New Balance during the period	-	-	118,362	118,362
Recovered from impairment losses	(33,215)	-	-	(33,215)
Transferred to stage (1)	-	-	-	-
Transferred to stage (2)	-	-	-	-
Transferred to stage (3)	(6,638)	-	6,638	-
Balance at the End of the Period	15,340	-	525,000	540,340
For the Year Ended December 31, 2018				
Balance at beginning of the year	-	-	509,500	509,500
Effect of adoption of International Financial (9).Reporting Standard No	14,095	-	-	14,095
Adjusted Balance at Beginning of the Year	14,095	-	509,500	523,595
Impairment loss Bank Abu Dhabi	1,584	-	-	1,584
Impairment loss on new balances during the year	39,514	-	-	39,514
Recovered from impairment losses	-	-	(109,500)	(109,500)
Transferred to stage (1)	-	-	-	-
Transferred to stage (2)	-	-	-	-
Transferred to stage (3)	-	-	-	-
Balance at the End of the Year	55,193	-	400,000	455,193

Pledged Financial Assets

The details are as follows:

	June 30, 2019		December 31, 2018	
	Pledged Financial Assets	Related Liabilities	Pledged Financial Assets	Related Liabilities
	JD	JD	JD	JD
Financial assets at amortized cost	218,090,000	173,650,000	218,090,000	175,473,158
Total	218,090,000	173,650,000	218,090,000	175,473,158

- All the pledged financial assets are classified within stage (1) according to IFRS (9) and there is no expected credit losses and transfer between the stages or written-off balances during the period ended June 30, 2019 and ended December 31, 2018.

- Bonds have been pledged against the following:

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

11. Other Assets

The details of this item are as follows:

	June 30, 2019	December 31, 2018
	JD	JD
Accrued interests and revenues	11,036,582	9,864,237
Prepaid expenses	2,143,962	826,970
Assets seized by the Bank *	4,186,984	3,676,261
Clearing checks	578,838	5,802,213
Others	1,015,191	1,829,588
Total	18,961,557	21,999,269

* As per the Central Bank of Jordan instructions, all seizedassets should be sold during a maximum period of two years from the acquisition date.

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

	June 30, 2019	December 31, 2018
	JD	JD
Balance at beginning of the period/ year	3,676,261	2,887,823
Additions	684,475	788,438
Disposals	(51,559)	-
Seized assets impairment provision	(122,193)	-
Balance at the End of the Period / Year	4,186,984	3,676,261

12. Customer Deposits

The details of this item are as follows:

	Retail	Corporate	SMEs	Government and public sectors	Total
For the Six Months Period Ended June 30, 2019	JD	JD	JD	JD	JD
Current accounts and demand deposits	37,562,240	49,497,351	36,918,597	27,296,189	151,274,377
Saving deposits	69,505,157	189,865	535,761	7,756	70,238,539
Time and notice deposits	339,226,740	210,731,174	31,491,265	466,462,880	1,047,912,059
Certificates of deposit	35,521,893	100,000	100,000	-	35,721,893
Total	481,816,030	260,518,390	69,045,623	493,766,825	1,305,146,868
For the Year Ended December 31, 2018					
Current accounts and demand deposits	48,339,290	69,926,650	32,447,582	68,948,598	219,662,120
Saving deposits	71,672,984	58,271	749,379	12,901	72,493,535
Time and notice deposits	327,068,854	222,315,080	35,408,639	475,781,039	1,060,573,612
Certificates of deposit	26,068,887	60,230	100,000	-	26,229,117
Total	473,150,015	292,360,231	68,705,600	544,742,538	1,378,958,384

- Deposits of the Jordanian government and the public sector inside the Kingdom amounted to JD 493,766,825 representing 37.83% of total deposits as of June 30, 2019 (39.50% as of December 31, 2018).
- The value of non-interest bearing deposits amounted to JD 138,122,095 representing 10.58% of total deposits as of June 30, 2019 (JD 144,483,366 or 10.48% as of December 31, 2018).
- The amount of restricted deposits (restricted from withdrawals) amounted to JD 377 as of June 30, 2019 (JD 393 as of December 31, 2018).
- The value of dormant deposits amounted to JD 4,098,240 as of June 30, 2019 (JD 3,546,477 of total deposits as of December 31, 2018) .

13. Borrowed Funds

The details of this item are as follows:

		Number of Installments		Installments		Interest	Re-lending
	Amount	Total	Remaining	Maturity Frequency	Guarantees	Rate	Interest Rate
June 30, 2019	JD					%	%
French Development Agency	1,007,668	16	2	Semi-annual installments	-	Variable 0.25	7.5% - 8.5%
Central Bank of Jordan	677,895	54	50	Monthly installments	Bonds	Fixed 1.75	4%
Central Bank of Jordan	1,700,000	20	17	semi-annual installments	Bank notes	Variable 4.47	7.98% - 6.61%
Central Bank of Jordan	2,448,000	15	11	semi-annual installments	Bank notes	Fixed 2.5	6%
Central Bank of Jordan	12,336,095	19 - 109	95 - 6	Monthly installments	Bank notes	Fixed 1 - 2.25	3.6% - 5.5%
Jordan Mortgage Refinance Company	7,000,000	6 - 4	6 - 4	semi-annual installments	Mortgage Bonds	Fixed 6.1	9.30%
Jordan Mortgage Refinance Company	10,000,000	6	4	semi-annual installments	Mortgage Bonds	Fixed 6.2	9.30%
	35,169,658						

- The maturity dates of funds reborrowed from the Central Bank of Jordan range during the years from 2019 to 2028.

- Loans with a fixed interest rate amounted to JD 15,461,990 and JD 1,700,000 as of June 30, 2019.

- The Central Bank's advances included an amount of JD 4,148,000 for supporting and financing micro, small and medium-sized companies, and JD 3,840,267 representing medium-term advances to support the industrial sector, JD 3,070,429 which represents a medium-term advances to support the tourism sector and JD 6,103,294 to support re-newable energy sector. All amounts borrowed from the Jordanian Mortgage Refinancing Company are due during the year 2022.

		Number of Installments		Installments		Interest	Re-lending
	Amount	Total	Remaining	Maturity Frequency	Guarantees	Rate	Interest Rate
December 31, 2018							
French Development Agency	1,519,416	16	3	Semi-annual installments	-	Variable 0.25	7.5% - 8%
Central Bank of Jordan	774,737	54	51	Monthly installments	Bonds	Fixed 1.75	4%
Central Bank of Jordan	1,800,000	20	18	Semi-annual installments	Bank notes	Variable 4.37	8.01% - 6.5%
Central Bank of Jordan	2,686,000	15	12	Semi-annual installments	Bank notes	Fixed 2.5	6%
Central Bank of Jordan	10,281,168	12 - 109	5 - 101	Monthly installments	Bank notes	Variable 1.75 - 2.25	6% - 3.6%
Jordan Mortgage Refinance Company	2,000,000	2	1	Semi-annual installments	Mortgage Bonds	Fixed 5.2	8.22%
Jordan Mortgage Refinance Company	10,000,000	6	5	Semi-annual installments	Mortgage Bonds	Fixed 6.2	8.22%
	29,061,321						

- The maturity dates of funds reborrowed from the Central Bank of Jordan range during the years from 2019 to 2028.

- Fixed interest loans amounted to JD 13,741,905 and variable interest loans were JD 1,800,000 as at 31 December 2018

- The Central Bank's advances included an amount of JD 4,486,000 for supporting and financing micro, small and medium-sized companies, JD 3,799,395 representing medium-term advances to support the industrial sector, JD 2,714,760 which represents a medium-term predecessor to support the tourism sector and JD 4,541,750 to support the re-newable energy sector. All amounts borrowed from the Jordanian Mortgage Refinancing Company are due during the year 2021.

14. Provision for Income Tax

a. Income tax provision:

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

	June 30, 2019	December 31, 2018
	JD	JD
Balance at beginning of the period / year	213,215	2,808,923
Income tax paid	(418,948)	(3,654,730)
Income tax for the period / year	3,243,417	1,059,022
Balance at End of the Period / Year	3,037,684	213,215

b. Income tax expense for the period, which appears in the condense consolidated interim statement of income, consists of the following:

	For the Six Month Period Ended June 30,	
	2019	2018
	JD	JD
Accrued income tax on the period's income	3,243,417	1,939,879
Deferred tax assets for the period	(201,127)	(21,761)
Deferred tax liabilities for the period	(35,783)	79,323
Balance aat End of the Period	3,006,507	1,997,441

- A final settlement was reached with the Income Tax Department up to the end of the year 2015.

- The Bank has filed its income tax return for the years 2016 ,2017, and 2018 and paid declared income taxes, however, the Income Tax Department has not reviewed them yet.

- Societe Generale leasing company submitted the statements of 2017 and 2018. However the income tax department has not reviewed them yet.

- Societe Generale Brokerage Company reached a final settlement with Income Tax Department until the end of 2017, and the tax statements for 2018 were submitted and the estimated tax was paid. However, the Income Tax Department has not reviewed them yet.

- Statutory tax rate for the bank is %38. Whereas statutory tax rate for the subsidiaries of the bank is %28.

15. Other Liabilities

The details of this item are as follows:

	June 30, 2019	December 31, 2018
	JD	JD
Accrued interest expense	12,671,683	10,790,681
E-Fawaterkom	3,463,540	6,309
Restricted balances	2,226,701	2,461,850
Checks and payment orders	1,417,344	1,798,469
Interest and commissions received in advance	348,829	380,979
Accrued expenses	1,227,710	1,546,947
Inter- branches settlement	3,688,756	877,372
Social Security and Income tax deposits	298,841	291,971
Board of Directors remunerations *	160,644	92,335
Provision for expected credit loss for off interim condensed statement of financial position **	763,630	1,019,386
Other	4,274,331	1,661,423
Total	30,542,009	20,927,722

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

	Stage (1)	Stage (2)	Stage (3)	Total
For the Six Months Ended June 30, 2019	JD	JD	JD	JD
Balance at the beginning of the period	225,325,348	3,950,907	1,162,477	230,438,732
New exposure during the period	64,409,844	6,700,972	392,391	71,503,207
Settled balances	(103,522,159)	(2,530,506)	(691,064)	(106,743,729)
Transferred to stage (1)	1,029,090	(558,290)	(470,800)	-
Transferred to stage (2)	(3,316,465)	3,316,465	-	-
Transferred to stage (3)	(4,581,500)	-	4,581,500	-
Written-off facilities	-	-	-	-
Balance End of the Period	179,344,158	10,879,548	4,974,504	195,198,210
For the Year Ended December 31, 2018				
Balance at the beginning of the year	172,322,484	5,119,349	-	177,441,833
New exposure during the year	114,922,849	575,401	208	115,498,458
New exposure during the year (NBAD)	22,887,382	782,019	481,287	24,150,688
Settled balances	(83,629,696)	(3,009,359)	(13,192)	(86,652,247)
Transferred to stage (1)	1,735,241	(1,735,241)	-	-
Transferred to stage (2)	(2,480,745)	2,480,745	-	-
Transferred to stage (3)	(432,167)	(262,007)	694,174	-
Written-off facilities	-	-	-	-
Balance End of the Year	225,325,348	3,950,907	1,162,477	230,438,732

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

	Stage (1)	Stage (2)	Stage (3)	Total
For the Six Months Ended June 30, 2019	JD	JD	JD	JD
Balance at the beginning of the period	536,698	25,325	456,713	1,018,736
Impairment loss on new exposures during the period	38,226	25,648	560,671	624,545
The impairment loss of the settled balances	(604,741)	(8,098)	(266,812)	(879,651)
Transferred to stage (1)	203,396	(13,496)	(189,900)	-
Transferred to stage (2)	(11,824)	11,824	-	-
Transferred to stage (3)	(3,006)	-	3,006	-
Written-off facilities	-	-	-	-
Balance End of the Period	158,749	41,203	563,678	763,630
For the Year Ended December 31, 2018				
Balance at the beginning of the year	-	-	-	-
Effect of adoption of International Financial Reporting Standard No. (9)	295,956	25,350	-	321,306
Adjusted Balance – Beginning of the Year	295,956	25,350	-	321,306
Impairment loss on new exposures during the year	342,767	15,881	453,553	812,201
Impairment loss on new exposure during the year (NBAD)	1,629	634,841	126,389	762,859
Recovered from the impairment loss of the accrued exposures	(114,534)	(634,842)	(127,604)	(876,980)
Transferred to stage (1)	12,285	(12,285)	-	-
Transferred to stage (2)	(23)	23	-	-
Transferred to stage (3)	(735)	(3,640)	4,375	-
Written-off facilities	-	-	-	-
Balance End of the Year	537,345	25,328	456,713	1,019,386

16. Fair Value Reserve - Net

The details of this item are as follows:

	June 30, 2019	December 31, 2018
	JD	JD
Balance at beginning of the period/ year	(220,155)	(212,001)
Change in fair value reserve	(50,956)	(8,154)
Balance at End of the Period/ Year	(271,111)	(220,155)

17. Retained Earnings

The details of this item are as follows:

	June 30, 2019	December 31, 2018
	JD	JD
Balance at the beginning of the period / year	15,068,679	17,611,173
Effect of adoption of International Financial Reporting Standard No. (9)	-	(7,040,055)
Transfers from reserve	-	4,965,272
Adjusted Balance – Beginning of the Year	15,068,679	15,536,390
Profit for the period / year	-	8,284,945
Transferred to reserves	-	(1,252,656)
Dividends distributed	(5,000,000)	(7,500,000)
Balance at the End of the Period / Year	10,068,679	15,068,679

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

- Fair value reserve includes JD 271,111 as of June 30, 2019 which represent the negative change of financial assets at fair va through other comprehinsve income by the Jordan Securities Commission.

- The Central Bank of Jordan issued a new regulation No. 13/2018 dated June 6, 2018, in which account as of 1 January 2018 it requested the transfer of the general banking risk reserve balance to the retained earnings to offset the of IFRS 9 on the openning balance of the retained earnings regulation also instructs that the balance of the general banking risk reserve shouc be restricted and may not be distributed as dividends to the shareholders or used for any of purposes without prior approval.

- An amount of 3,214 530 is restricted from retained earnings which represents deffered tax assets according to the Central Ba Jordan and Jordan Securities Commission regulations.

18. Interest Income

The details of this item are as follows:

	For the Six Months Period Ended June 30,	
	2019	2018
Direct Credit Facilities:	JD	JD
Retail:		
Loans and Bills	3,422,249	2,752,514
Credit Cards	56,341	49,873
Real Estate Loans	4,108,042	3,573,942
Corporate:		
Overdrafts	4,385,720	3,444,145
Loans and Bills	12,854,946	9,167,254
SMEs		
Overdrafts	837,133	671,692
Loans and Bills	2,133,708	1,945,622
Government and public sector	3,257,188	2,169,855
Balances at Central Bank of Jordan	1,247,551	1,346,699
Balances and deposits at banks and financial institutions	2,630,157	1,654,560
Financial assets held to maturity date	13,309,521	12,841,427
	48,242,556	39,617,583

19. Interest Expense

The details of this item are as follows:

	For the Six Months Period Ended June 30,	
	2019	2018
	JD	JD
Banks and financial institutions' deposits	609,327	312,692
Customers' deposits:		
Current accounts and demand deposits	728,676	297,726
Saving deposits	185,252	183,520
Time deposits	30,072,541	25,765,556
Certificates of deposits	743,401	468,333
Margin accounts	2,509,917	1,958,989
Loans and borrowings	403,456	181,988
Deposit guarantee fees	835,140	1,080,570
	36,087,710	30,249,374

20. Provision of Expected Credit Losses

The details of this item are as follows:

	For the Six Month Period Ended June 30,	
	2019	2018
	JD	JD
Provision (recoverd from) of expected credit loss of direct fcilities	2,107,534	(739,135)
(Recoverd from) provision of expected credit loss of indirect facilities	(255,106)	(97,440)
Provision of expected credit loss of Assets at amortized cost	85,147	-
(Recoverd from) Provision of expected credit loss for balances and deposits at bank and financial institutions	(41,555)	389,026
Total	1,896,020	(447,549)

21. Earnings Per share for the Period

The details of this item are as follows:

	For the Three Months Period Ended June 30,		For the Six Months Period Ended June 30,	
	2019	2018	2019	2018
	JD	JD	JD	JD
Profit for the period	2,016,598	1,395,276	5,017,881	3,708,932
Wheighted average number of shares	100,000,000	100,000,000	100,000,000	100,000,000
Basic and diluted earnings per share attributable to the bank's shareholders	0.020	0.014	0.050	0.037

22. Cash and Cash Equivalents

The details of this item are as follows:

	For the Six Months Period Ended June 30,	
	2019	2018
	JD	JD
Cash and balances with central bank maturing within 3 months	157,405,564	173,678,013
Add: Balances at banks and financial institutions maturing within 3 months	78,068,337	58,829,875
Less: Banks and financial institutions' deposits maturing within 3 months	(15,096,599)	(9,214,397)
Restricted balances	-	(3,545,000)
	220,377,302	219,748,491

23. Other Revenues

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

24. Fair Value of Financial Assets and Liabilities not Stated at fair Value in the Financial Statements

The details of this item are as follows:

	June 30, 2019		December 31, 2018	
	Book Value	Fair Value	Book Value	Fair Value
	JD	JD	JD	JD
Balances at central bank and banks and financial institutions	279,156,255	280,593,453	336,453,705	336,966,440
Financial assets at amortized cost	473,547,544	483,705,472	489,789,711	488,627,663
Direct credit facilities - net	817,631,478	820,007,783	808,873,745	811,241,182
Banks and financial institutions deposits	20,902,734	20,983,884	36,639,322	36,814,827
Customer deposits	1,305,146,868	1,316,733,784	1,378,958,384	1,388,707,174
Cash margins	112,123,960	112,889,621	109,036,292	109,666,625
Borrowed funds	35,169,658	35,407,614	29,061,321	29,266,373

25. Business Segment Information

1. Information about the Bank's activities:

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

- Consumer Accounts: This includes monitoring the deposits of individual customers and granting them credit facilities, credit cards and other services.

- Small and medium enterprises (SMEs): Includes follow-up of deposits and credit facilities granted to customers of this sector and classified according to the volume of deposits and facilities under the instructions and policies existing in the bank and commensurate with the instructions of regulatory bodies.

- The accounts of corporations: Includes follow-up of deposits and credit facilities granted to customers of this sector and classified according to the volume of deposits and facilities under the instructions and policies existing in the bank and commensurate with the instructions of the regulatory bodies.

- Treasury: This segment includes the provision of trading and treasury services, management of the Bank's funds and long-term investments at amortized cost and held to collect contractual cash flows.

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

	Retail	SMEs	Corporate	Treasury	Others	Total June 30, 2019	Total June 30, 2018
	JD	JD	JD	JD	JD	JD	JD
Total revenues	9,634,704	2,970,841	17,240,666	16,878,651	7,550,450	54,275,312	42,222,602
(Provision)\Recovered from of expected credit losses	(95,371)	(394,630)	(1,900,311)	212,504	281,788	(1,896,020)	447,549
Segmental results	(2,421,409)	881,164	8,195,370	16,461,114	(6,824,657)	16,291,582	12,420,777
Unallocated expenses						(8,267,194)	(6,714,404)
Profit before tax						8,024,388	5,706,373
Income tax						(3,006,507)	(1,997,441)
Net Profit for the Period						5,017,881	3,708,932
Other Information							
Capital Expenditures						531,798	1,028,127
Depreciation and Amortization						1,063,355	733,144

	Retail	SMEs	Corporate	Treasury	Others	Total June 30, 2019	Total December 31, 2018
						JD	JD
Total Assets	256,409,909	67,386,378	382,355,605	762,034,770	168,415,198	1,636,601,860	1,703,297,579
						1,636,601,860	1,703,297,579
Total Liabilities	481,816,032	69,045,623	260,518,390	20,902,734	676,523,399	1,508,806,178	1,575,468,822
						1,508,806,178	1,575,468,822

2. Geographic distribution information:

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

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

	Inside Jordan		Outside Jordan		Total	
	June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018
	JD	JD	JD	JD	JD	JD
Bank's Assets	1,521,126,639	1,576,287,337	115,475,221	127,010,242	1,636,601,860	1,703,297,579

	Inside Jordan		Outside Jordan		Total	
	For the Six - Months Period Ended		For the Six - Months Period Ended		For the Six - Months Period Ended	
	2019	2018	2019	2018	2019	2018
	JD	JD	JD	JD	JD	JD
Total Revenue	15,866,022	10,767,177	2,321,580	1,206,051	18,187,602	11,973,228
Capital Expenditure	531,798	1,028,127	-	-	531,798	1,028,127

26. Balances and Transactions with Related Parties

a. The Bank has entered into transactions with major shareholders, directors and senior management within the normal activities of the Bank and using trading interest rates and commissions. All facilities granted to related parties are considered to be performing and no provision has been made against those facilities. except for the amount JD 2,524,575 which represent non-performing credit facilities guaranteed by the board of directors and a provision for impairment has been made with an amount of JD 250,370.

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

	The Owner Company (Societe Generale de Lebanon)	Board Members	Subsidiaries	Executive Management Members	Other (Employees, Relatives of Employees and Relatives of Members of the Top Executive Management)	Total June 30, 2019	Total December 31, 2018
Items within the Condensed Consolidated Interim Statement of Financial Position:	JD	JD	JD	JD	JD	JD	JD
Credit facilities	-	4,176,637	859,799	1,790,544	14,419,350	21,246,330	21,811,382
Deposits	17,899	177,238	659,401	39,298	1,678,174	2,572,010	2,572,126
Cash margins	-	3,700	50,000	2,259	3,235,125	3,291,084	3,186,845
Bank's deposits with related parties	377,049	-	-	-	-	377,049	4,165,738
Items off the Condensed Consolidated Interim Statement of Financial Position:							
Indirect facilities	3,938,592	40,600	452,000	4,000	4,435,192	8,870,384	1,646,311

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

						For the Six - Month Period Ended June 30, 2019	For the Six - Month Period Ended June 30, 2018
Elements of the Interim Condensed Consolidated Statement of Income:						JD	JD
Interest and commission revenue	161,226	242,173	21,257	51,903	353,034	829,593	1,511,493
Interest and commission expense	-	165,123	19,632	97	82,672	267,524	96,549

d. The salaries and bonuses of the Top Executive Management of the Bank and the fees, transfers and bonuses of the Board Members amounted to JD 600,414 for the six - months period ended June 30, 2019 (604,528 JD for the six - months ended June 30, 2018).

27. Capital adequacy

In addition to subscribed capital, Capital accounts include Statutory reserve, Voluntary reserve, Issuance premium, Retained Earnings, Fair value reserve, General banking risk reserve, and Treasury stock.

The Bank complies with the requirements of the regulatory authorities regarding capital as follows:

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

	June 30, 2019	December 31, 2018
	JD	JD
Primary capital items (Tier 1)		
Authorized and paid up capital	100,000,000	100,000,000
Change in fair value reserve - Net	(271,111)	(220,155)
Statutory reserve	12,880,233	12,880,233
Voluntary reserve	100,000	100,000
Retained earnings	10,068,679	15,068,679
Add: Distributable dividends	-	(5,000,000)
Add: Profit for the period	5,017,881	-
Total statutory capital for common shareholders	**127,795,682**	**122,828,757**
Regulatory adjustments (deductions from capital)		
Intangible assets	4,375,537	4,683,689
Deferred tax assets due to investments within the first limit (10%)	3,214,530	3,013,403
Net primary capital (Tier 1)	**120,205,615**	**115,131,665**
Net Statutory capital (capital Tier 1)	**120,205,615**	**115,131,665**
Supplementary Capital (Tier 2)		
Provision against debt instruments classified under stage 1	1,686,819	2,564,436
Net supplementary Capital (Tier 2)	**1,686,819**	**2,564,436**
Regulatory Capital	**121,892,434**	**117,696,101**
Total Risk-Weighted Assets	**765,089,758**	**759,924,038**
Capital Adequacy Ratio (CET 1)	**15.93%**	**15.49%**
Statutory Capital adequacy ratio	**15.71%**	**15.15%**
Supportinative Capital adequacy ratio	**6.64%**	**6.03%**

Capital Adequacy ratio calculated as of June 30, 2019 and 2018 according to Basel III.

28. Risk Mananagement:

The risk management for Banks is based on a comprehensive strategy that works to prevent, address and reduce risks after identifying acceptable risks on Bank to manage its business, which ensures to maintain the level and type of the various risks that the Bank has the ability to bear and accept, however, not affecting the achievement of the strategic objectives. In addition, reducing the negative effects of internal and external events on the profitability of the bank, the level of capital, market share and any other intangible factors such as reputation and reputation of the Bank.

The Bank's risk management policies for the six months period ended June 30, 2019 are consistent with the policies for the year ended December 31, 2018. These policies are disclosed in conjunction with the Bank's annual report as at December 31, 2018.

1. Exposure allocation according to economic sectors:

a. Total credit exposure by financial instrument:

Economic sector	Financial	Manufacturing	Trade	Individuals and others (Individuals and others (financing goods, personal loans, cars and financial brokerage)	Real Estate	Agriculture	Stock	Transportation	Tourism, Hotels and Restaurants	Public facilities	Mining	Government and Public sector	Other	gross	Suspended Interest	Expected Credit Losses	NET
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Balances at central banks	149,686,724	-	-	-	-	-	-	-	-	-	-	-	-	149,686,724	-	-	149,686,724
Balances at banks and financial institutions- Net	78,079,687	-	-	-	-	-	-	-	-	-	-	-	-	78,079,687	-	(11,350)	78,068,337
Deposits at banks and financial institutions- Net	51,402,500	-	-	-	-	-	-	-	-	-	-	-	-	51,402,500	-	(1,306)	51,401,194
Credit facilities	35,172,484	78,183,296	234,659,959	81,695,213	222,837,954	2,358,074	7,740,585	15,677,622	22,852,130	59,197,795	4,093,503	111,514,601	-	875,983,216	(23,113,869)	(35,237,869)	817,631,478
Bonds and bills:																	
Financial assets at amortized cost	3,283,697	7,094,877	2,900,000	-	-	-	-	-	-	3,509,337	-	239,209,974	-	255,997,885	-	(540,340)	255,457,545
Mortgaged financial assets (Liabilities)	-	-	-	-	-	-	-	-	-	-	-	218,090,000	-	218,090,000	-	-	218,090,000
Other Assets - net	-	-	-	-	-	-	-	-	-	-	-	-	10,904,621	10,904,621	-	-	10,904,621
Total /Current period	317,640,092	85,278,173	237,559,959	81,695,213	222,837,954	2,358,074	7,740,585	15,677,622	22,852,130	62,707,132	4,093,503	568,814,575	10,904,621	1,640,144,633	(23,113,869)	(35,790,865)	1,581,239,899
Letter of guarantees	31,212,091	345,418	19,248,340	459,033	5,462,349	26,700	-	472,380	614,360	5,841,894	1,346,378	-	-	65,028,943	-	(261,203)	64,767,740
Letter of credit	-	-	13,345,423	-	689,432	-	-	-	-	577,755	40,031	-	-	14,652,641	-	(454,704)	14,197,937
Credit and disbursement	-	166,757	11,123,294	-	368,323	989,952	-	-	-	-	85,945		-	12,734,271	-	(47,723)	12,686,548
Unutilized limits	4,002,261	5,432,749	70,998,574	12,676,179	5,558,605	-	636,408	524,664	2,071,592	-	881,323	-	-	102,782,355	-	-	102,782,355
Total /Current period	352,854,444	91,223,097	352,275,590	94,830,425	234,916,663	3,374,726	8,376,993	16,674,666	25,538,082	69,126,781	6,447,180	568,814,575	10,904,621	1,835,342,843	(23,113,869)	(36,554,495)	1,775,674,479
Total /Prior Period	215,303,409	98,296,330	353,003,744	94,350,024	202,710,468	1,793,927	9,269,747	16,085,067	37,116,056	61,639,693	6,499,946	823,501,294	9,864,237	1,929,433,942	(20,374,072)	(34,659,125)	1,874,400,745

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

	Stage (1)	Stage (2)	Stage (3)	Total
	JD	JD	JD	JD
Financial	333,945,228	18,894,216	-	352,839,444
Manufacturing	57,634,788	22,646,516	10,941,793	91,223,097
Trade	284,028,588	34,240,846	34,006,156	352,275,590
Real estate	204,256,627	20,791,706	9,868,330	234,916,663
Mining	3,363,043	3,077,230	6,907	6,447,180
Agriculture	956,663	2,406,787	11,276	3,374,726
Stocks	8,376,993	-	-	8,376,993
Tourism and hotels	20,264,512	4,281,187	992,383	25,538,082
Public facilities	66,139,986	833,028	2,153,767	69,126,781
Transportation	16,323,003	6	351,657	16,674,666
Retail	73,794,211	4,259,337	16,776,877	94,830,425
Government and public sector	568,814,575	-	-	568,814,575
Others	10,904,621	-	-	10,904,621
Suspended interest	-	-	(23,113,869)	(23,113,869)
Expected credit losses	(1,686,819)	(3,720,828)	(31,146,848)	(36,554,495)
Total /Current Period	1,647,116,019	107,710,031	20,848,429	1,775,674,479
Total /Prior Period	1,796,536,538	62,058,165	15,806,042	1,874,400,745

2. Credit exposure allocation according to geographical distribution:

a. Total credit exposure allocation according to geographical distribution:

Geographical Area	Inside Jordan	Other Middle East countries	Europe	Asia	America	Other Countries	Gross	Suspended Interest	Expected Credit Losses	Net
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Balances at central banks	149,686,724	-	-	-	-	-	149,686,724	-	-	149,686,724
Balances at banks and financial institutions	20,800,000	37,944,029	16,675,503	527,866	1,754,506	377,783	78,079,687	-	(11,350)	78,068,337
Deposits at banks and financial institutions- Net	-	47,857,500	3,545,000	-	-	-	51,402,500	-	(1,306)	51,401,194
Credit facilities	875,983,216	-	-	-	-	-	875,983,216	(23,113,869)	(35,237,869)	817,631,478
Bonds and bills										
Financial assets at amortized cost	249,204,852	3,283,696	-	3,509,337	-	-	255,997,885	-	(540,340)	255,457,545
Mortgaged financial assets (Liabilities)	218,090,000	-	-	-	-	-	218,090,000	-	-	218,090,000
Other assets - net	10,904,621	-	-	-	-	-	10,904,621	-	-	10,904,621
Total for the period	1,524,669,413	89,085,225	20,220,503	4,037,203	1,754,506	377,783	1,640,144,633	(23,113,869)	(35,790,865)	1,581,239,899
Letter of guarantees	45,611,670	7,842,376	11,574,897	-	-	-	65,028,943	-	(261,203)	64,767,740
Letter of credit	14,652,641	-	-	-	-	-	14,652,641	-	(454,704)	14,197,937
Acceptances	12,734,271	-	-	-	-	-	12,734,271	-	(47,723)	12,686,548
Unutilized Limits	102,782,355	-	-	-	-	-	102,782,355	-	-	102,782,355
Total /Current Period	1,700,450,350	96,927,601	31,795,400	4,037,203	1,754,506	377,783	1,835,342,843	(23,113,869)	(36,554,495)	1,775,674,479
Total /Prior Period	1,769,547,441	123,102,151	32,473,608	3,542,131	85,671	682,938	1,929,433,940	(20,374,072)	(34,659,125)	1,874,400,743

* Except for Middle East Countries .

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

	Stage (1)	Stage (2)	Stage (3)	Gross	Suspended Interest	Expected Credit Losses	Net
	JD	JD	JD	JD	JD	JD	JD
Inside Jordan	1,523,248,044	102,093,160	75,109,146	1,700,450,350	(23,113,869)	(36,543,058)	1,640,793,423
Other Middle East Countries	87,589,902	9,337,699	-	96,927,601	-	(11,368)	96,916,233
Europe	31,795,400	-	-	31,795,400	-	-	31,795,400
Africa	4,037,203	-	-	4,037,203	-	(69)	4,037,134
America	1,754,506	-	-	1,754,506	-	-	1,754,506
Other	377,783	-	-	377,783	-	-	377,783
Total /Current Period	1,648,802,838	111,430,859	75,109,146	1,835,342,843	(23,113,869)	(36,554,495)	1,775,674,479
Total /Prior Period	1,799,100,886	64,481,362	65,851,692	1,929,433,940	(20,374,072)	(34,659,125)	1,874,400,743

3. Credit Exposure that have been Reclassified

a. Total credit exposure that have been reclassified

	Stage (2)		Stage (3)			
	Total Exposure Amount	Exposure that have been Reclassified	Total Exposure Amount	Exposure that have been Reclassified	Total Exposure that have been Reclassified	Percentage of Exposure that have been Classified
	JD	JD	JD	JD	JD	%
Cash and balances at central Banks	-	-	-	-	-	-
Balances at banks and financial Institutions	-	-	-	-	-	-
Deposits at banks and financial institutions	-	-	-	-	-	-
Direct credit facilities	86,088,876	46,643,688	67,628,445	15,183,998	61,827,686	40%
Treasury, bills and Bonds:	-	-	2,900,000	2,500,000	2,500,000	86%
Within: Financial assets at fair value through profit and loss	-	-	-	-	-	-
Within: Financial assets at fair value through other comprehensive income	-	-	-	-	-	-
Within: Financial assets at amortized cost	-	-	2,900,000	2,500,000	2,500,000	86%
Derivatives	-	-	-	-	-	-
Mortgaged financial assets (debt instruments)	-	-	-	-	-	-
Other Assets	-	-	-	-	-	-
Total	86,088,876	46,643,688	70,528,445	17,683,998	64,327,686	28%
Financial guarantees	4,807,763	1,768,611	393,804	800	1,769,411	34%
Letter of credit	496,300	496,300	4,580,700	4,580,700	5,077,800	100%
Other Liabilities	5,575,485	1,051,554	-	-	1,051,554	19%
Grand Total for Current Period	96,968,424	49,960,153	75,502,949	22,265,498	72,225,651	
Grand Total / Prior Period	44,991,945	18,533,614	65,851,692	4,473,036	23,006,650	

b. Expected Credit Loss for Exposure that have been Reclassified

	Exposures that have been Reclassified			Expected Credit Loss due to Reclassified Exposures		
	Exposure Reclassified from Stage (2)	Exposure Reclassified from Stage (3)	Total Exposures That Have Been Reclassified	Stage (2) - Individual	Stage (3) - Individual	Total
	JD	JD	JD	JD	JD	JD
Cash and balances at central Banks	-	-	-	-	-	-
Balances at banks and financial institutions	-	-	-	-	-	-
Deposits at banks and financial institutions	-	-	-	-	-	-
Direct credit facilities	46,643,688	15,183,998	61,827,686	7,500,381	7,868,952	15,369,333
Treasury, bills and Bonds and as follows:	-	2,500,000	2,500,000	-	6,638	6,638
Within: Financial assets at fair value through profit and loss	-	-	-	-	-	-
Within: Financial assets at fair value through other comprehensive income	-	-	-	-	-	-
Within: Financial assets at amortized cost	-	2,500,000	2,500,000	-	6,638	6,638
Derivatives	-	-	-	-	-	-
Mortgaged financial assets (debt instruments)	-	-	-	-	-	-
Other Assets	-	-	-	-	-	-
Total	46,643,688	17,683,998	64,327,686	7,500,381	7,875,590	15,375,971
Financial guarantees	1,768,611	800	1,769,411	11,824	3,006	14,830
Letter of credit	496,300	4,581,500	5,077,000	-	-	-
Other liabilities	1,051,554	-	1,051,554	-	-	-
Total/ Current Period	49,960,153	22,265,498	72,225,651	7,512,205	7,878,596	15,390,801
Total/ Prior Period / Year	18,533,614	4,473,038	23,006,650	769,807	2,594,807	3,364,614

29. Contingent Liabilities and Commitments:

The details of this item are as follows:

	June 30, 2019	December 31, 2018
	JD	JD
	14,652,641	16,367,627
Letters of credit	12,734,271	23,107,959
Acceptances		
Letters of guarantee:	65,028,943	76,912,185
- Payment	16,881,777	16,514,191
- Performance	26,892,012	25,144,621
- Other	21,255,154	35,253,373
Unutilized facilities	102,782,355	114,050,961
Total	195,198,210	230,438,732

30. Lawsuits

Total claims on the Group amounted to JD 187,892 as of June 30, 2019 (JD 207,179 as of December 31, 2018) and the provisions provided were JD 63,193 as of June 30, 2019 (JD 61,841 as of December 31, 2018). As per the opinion of the Bank's management and legal counsel, Provisions taken against these claims are sufficient.

31. Fair Value Levels

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

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

Financial Assets	Fair Value June 30, 2019	Fair Value December 31, 2018	Fair Value Hierarchy	Valuation Method and Inputs Used	Important Intangible Inputs	Relationship Between Important Intangible Inputs and Fair Value
	JD	JD				
Financial Assets at Fair Value						
Financial Assets at Fair Value through Comprehensive Income:						
Quoted stocks	283,898	334,853	Level 1	Prices quoted at Financial Markets	Not Applicable	Not Applicable
Unquoted stocks	1,328,233	1,258,834	Level 2	Using the equity method and the latest available financial information	Not Applicable	Not Applicable
Total Financial Assets at Fair Value	1,612,131	1,593,687				

There were no transfers between Level I and Level II during the period ended 30 June 2019 and December 31, 2018.

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

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

	June 30, 2019		December 31, 2018		
	Book Value	Fair Value	Book Value	Fair Value	Fair Value Hierarchy
	JD	JD	JD	JD	
Financial Assets not Measured at Fair Value					
Term deposits subject to notice and certificates of deposit with central banks	149,686,724	149,719,898	216,962,762	217,021,783	Level 2
Current accounts and deposits with banks and financial institutions	129,469,531	130,873,555	119,490,943	119,944,657	Level 2
Direct credit facilities at amortized cost	817,631,478	820,007,783	808,873,745	811,241,182	Level 2
Other financial assets at amortized cost	473,547,544	483,705,472	489,789,711	488,627,663	Level 1 & 2
Assets Seized against debt	4,186,984	4,186,984	3,676,261	3,676,261	Level 2
Total Financial Assets not Measured at Fair Value	1,574,522,261	1,588,493,692	1,638,793,422	1,640,511,546	
Financial Liabilities not Measured at Fair Value					
Banks and financial institutions deposits	20,902,734	20,983,884	36,639,322	36,814,827	Level 2
Customer deposits	1,305,146,868	1,316,733,784	1,378,958,384	1,388,707,174	Level 2
Cash margins	112,123,960	112,889,621	109,036,292	109,666,625	Level 2
Borrowed funds	35,169,658	35,407,614	29,061,321	29,266,373	Level 2
Total Financial Liabilities not Measured at Fair Value	1,473,343,220	1,486,014,903	1,553,695,319	1,564,454,999	

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

32. Comparative Figures

During the six months period ended June 30, 2019 the comparative figures for the six months period ended June 30, 2018 were adjusted to comply with the requirements of IAS (8). The effect of these amendments to the statement of equity for the six months period ended June 30, 2019 is the result of deferred tax assets from the calculation and initial application of expected credit losses in accordance with the requirements of IFRS (9). The above adjustments did not affect the Bank's results for the second quarter of 2018.

	June 30, 2018		
	Balance before Adjustment	Effect of Adjustment	Balance after Adjustment
	JD	JD	JD
Shareholders' Equity			
Retained earnings	14,156,280	1,380,110	15,536,390