البنك التجاري الأردني
Jordan Commercial Bank

الرقم : م م م /343/106
التاريخ : 2019/11/4

للإفصاح

بورصة عمان

معالي رئيس هيئة الاوراق المالية الاكرم السيد عمر

عمان – الاردن السيد عبدالله

تحية طيبة وبعد،،،،

تنفيذاً لتعليمات الافصاح الصادرة عن هيئة الاوراق المالية، نرفق لكم طيه البيانات المالية للبنك التجاري الاردني باللغة الانجليزية عن الفترة المنتهية بتاريخ 2019/9/30.

وتفضلوا بقبول فائق الاحترام،،،

ملاحظة: مرفق قرص مدمج (CD)

البنك التجاري الأردني

البنك التجاري الاردني

عبدالله محفوظ كشك
Abdallah Mahfouz Kishek
P. 53

هيئة الأوراق المالية
الدائرة الإدارية / الديوان
٤ تشرين الثاني ٢٠١٩
الرقم المتسلسل ٣٦٧٥٨
الجهة المختصة

نموذج رقم ١/١

JORDAN COMMERCIAL BANK

PUBLIC SHAREHOLDING LIMITED COMPANY

INTERIM CONDENSED

FINANCIAL STATEMENTS (REVIEWED NOT AUDITED)

30 SEPTEMBER 2019

EY
Building a better working world

Deloitte.

REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL STATEMENTS
TO THE BOARD OF DIRECTORS OF
JORDAN COMMERCIAL BANK
AMMAN – THE HASHEMITE KINGDOM OF JORDAN

We have reviewed the accompanying interim condensed financial statements of Jordan Commercial Bank (a public shareholding limited company) ("the Bank") as at 30 September 2019, comprising the interim condensed statement of financial position as at 30 September 2019 and the related interim condensed statements of income, comprehensive income for the three and nine months period ended 30 September 2019, changes in equity, and cash flows for the nine months period then ended and explanatory notes. The Board of Directors is responsible for the preparation and presentation of these interim condensed financial statements in accordance with IAS 34 (Interim Financial Reporting). Our responsibility is to express a conclusion on these interim consolidated condensed financial statements based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 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.

Basis of Qualified Conclusion

Based on the furnished information by the Bank's Management, included within the other assets in the interim condensed statement of financial position as at 30 September 2019 properties seized by the Bank against overdue credit facilities in an amount of around JD 80,3 million. These properties have not been reduced to their net realizable value as at the date of the interim condensed financial statements, which constitutes a departure from IFRS. Had management written down these properties to their net realizable value as at 30 September 2019 then the other assets item would have been reduced by around JD 6,8 million. Accordingly, deferred tax assets would have increased by around JD 2,6 million and net income for the period would have increased by around JD 1,1 million and Basic and diluted earnings per share would have increased by JD 0,009 and shareholder's equity would have decreased by around JD 4,2 million, respectively, our report as at 31 December 2018 was qualified related to this matter.

Qualified Conclusion

Based on our review, except for the effects of the matter described in the Basis for Qualified conclusion, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34.

Emphasis of Matter

Without further qualifying our conclusion regarding this matter, and as mentioned in note 26 in the accompanying interim condensed financial statements, the comparative figures in the interim condensed change in Owner's Equity statement have been amended retrospectively, in conformity with International Financial Reporting Standards.

Other Matters

1- The financial statements for the year ended 31 December 2018 were audited by Deloitte & Touche (Middle East) – Jordan as the sole auditor for the Bank for the year 2018. Qualified opinion and qualified conclusion were issued on these financial statements on 28 March 2019 and 31 October 2018, respectively. Ernst & Young - Jordan and Deloitte & Touche (Middle East) – Jordan were appointed as joint auditors for the Bank for the year 2019 in accordance with Central Bank of Jordan regulations for corporate governance.

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

Ernst & Young – Jordan

Deloitte & Touche (Middle East) - Jordan

Deloitte & Touche (M.E.)
ديلويت آند توش (الشرق الأوسط)
010105

Amman – Jordan
30 October 2019

JORDAN COMMERCIAL BANK

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2019

	Notes	30 September 2019 JD (Unaudited)	31 December 2018 JD (Audited)
ASSETS			
Cash and balances with central banks	4	146,990,125	91,872,118
Balances at banks and financial institutions	5	49,009,287	61,995,613
Direct credit facilities, net	6	732,030,845	727,873,818
Financial assets at fair value through profit or loss	7	1,667,422	1,792,801
Financial assets at fair value through other comprehensive income	8	11,566,877	11,915,302
Financial assets at amortized cost, net	9	262,766,778	303,031,611
Property and equipment, net		27,942,271	27,817,839
Intangible assets, net		2,088,667	2,313,919
Deferred tax assets		11,966,012	13,867,924
Right of use assets		5,195,546	-
Other assets	10	128,133,242	111,088,591
Total Assets		1,379,357,072	1,353,569,536
LIABILITIES AND SHAREHOLDERS' EQUITY			
LIABILITIES			
Banks' and financial institutions' deposits		94,254,525	117,304,754
Customers' deposits	11	938,096,261	893,225,288
Margin accounts		69,480,311	84,417,327
Borrowed funds	12	95,091,177	83,481,873
Income tax provision	13	655,529	745,548
Sundry provisions	14	2,229,571	1,924,266
Lease liabilities		4,793,351	-
Other liabilities	15	40,013,634	38,412,442
Deferred tax liabilities		-	14,107
Total Liabilities		1,244,614,359	1,219,525,605
SHAREHOLDERS' EQUITY			
Authorized and paid in capital	1	120,000,000	120,000,000
Statutory reserve	22	14,714,563	14,714,563
General banking risk reserve		328,600	-
Cyclical fluctuations reserve		2,597,047	2,597,047
Fair value reserve - net	16	(2,302,538)	(2,053,183)
Accumulated losses	17	(1,543,096)	(1,214,496)
Profit for the period		948,137	-
Total Shareholders' Equity		134,742,713	134,043,931
Total Liabilities and Shareholders' Equity		1,379,357,072	1,353,569,536

The accompanying notes from 1 to 26 form part of these interim condensed financial statements and should be read with them and with the accompanying review report

JORDAN COMMERCIAL BANK

INTERIM CONDENSED STATEMENT OF INCOME

FOR THE THREE AND NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2019 (UNAUDITED)

	Notes	For the three months ended 30 September		For the nine months ended 30 September	
		2019	2018 (Restated)	2019	2018 (Restated)
		JD	JD	JD	JD
Interest income		19,793,788	20,280,826	59,608,137	59,424,463
Interest expense		(12,061,639)	(11,907,691)	(35,936,126)	(34,981,058)
Net interest income		7,732,149	8,373,135	23,672,011	24,443,405
Net commission income		1,502,731	1,350,332	4,354,789	3,968,736
Net interest and commission income		9,234,880	9,723,467	28,026,800	28,412,141
Gain from foreign currencies		354,904	264,191	1,014,729	837,304
(Loss) gain from financial assets at fair value through profit or loss		(44,776)	7,231	(117,798)	169,546
Dividends from financial assets at fair value through other comprehensive income		-	-	423,555	253,788
Other income		1,162,542	1,029,337	3,365,740	3,698,485
Gross income		10,707,550	11,024,226	32,713,026	33,371,264
Employees' expenses		4,005,836	3,969,459	11,785,220	11,782,517
Depreciation and amortization		744,443	741,914	2,297,594	2,247,942
Other expenses		3,348,795	2,815,507	8,324,194	9,613,755
Provision for expected credit losses, net	18	3,328,564	4,415,505	4,913,333	5,082,576
Impairment on assets seized by the Bank		398,369	32,357	1,834,770	43,063
Sundry provisions	14	75,818	71,477	596,933	204,882
Total expenses		11,901,825	12,046,219	29,752,044	28,974,735
Operating profit					
Profit for the period before tax		(1,194,275)	(1,021,993)	2,960,982	4,396,529
Income tax expense	13/b	(133,884)	(157,122)	(2,012,845)	(2,265,038)
Net profit for the period		(1,328,159)	(1,179,115)	948,137	2,131,491
Profit for the period Attributable to:					
Bank's shareholders		(1,328,159)	(1,179,115)	948,137	2,131,491
		(1,328,159)	(1,179,115)	948,137	2,131,491
				JD / Fils	JD / Fils
Basic and diluted earnings per share attributable to bank's shareholders				0.008%	0.018%

The accompanying notes from 1 to 26 form part of these interim condensed financial statements and should be read with them and with the accompanying review report

JORDAN COMMERCIAL BANK
INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE AND NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2019 (UNAUDITED)

	For the three months ended 30 September		For the Nine months ended 30 September	
	2019	2018 (Restated)	2019	2018 (Restated)
	JD	JD	JD	JD
Profit for the period	(1,328,159)	(1,179,115)	948,137	2,131,491
Other comprehensive income items not to be reclassified to profit or loss in subsequent periods				
Net change in fair value reserve –after tax	(211,985)	(220,770)	(249,355)	(713,252)
Total comprehensive income for the period	(1,540,144)	(1,399,885)	698,782	1,418,239

The accompanying notes from 1 to 26 form part of these interim condensed financial statements and should be read with them and with the accompanying review report

JORDAN COMMERCIAL BANK

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY

FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2019 (UNAUDITED)

		Reserves						
	Authorized and paid in capital	Statutory	Cyclical fluctuations	General banking risk	Fair value reserve, net	Accumulated losses	Profit for the period	Total Shareholders' equity
	JD	JD	JD	JD	JD	JD	JD	JD
For the Nine months ended 30 September 2019								
Balance as at 1 January 2019	120,000,000	14,714,563	2,597,047	-	(2,053,183)	(1,214,496)	-	134,043,931
Profit for the period	-	-	-	-	-	-	948,137	948,137
Change in fair value reserve, net	-	-	-	-	(249,355)	-	-	(249,355)
Total comprehensive income for the period	-	-	-	-	(249,355)	-	948,137	698,782
Transferred to reserves	-	-	-	328,600	-	(328,600)	-	-
Balance as at 30 September 2019	120,000,000	14,714,563	2,597,047	328,600	(2,302,538)	(1,543,096)	948,137	134,742,713
For the Nine months ended 30 September 2018 (Restated)								
Balance as at 1 January 2018	120,000,000	14,082,158	1,833,820	7,002,848	(1,504,051)	8,125,824	-	149,540,599
Transferred from General Bank risk reserve*	-	-	-	(7,002,848)	-	7,002,848	-	-
Deferred tax assets	-	-	-	-	-	10,093,909	-	10,093,909
Effect of IFRS (9) adoption	-	-	-	-	-	(30,065,991)	-	(30,065,991)
Balance as at 1 January 2019 (Restated)	120,000,000	14,082,158	1,833,820	-	(1,504,051)	(4,843,410)	-	129,568,517
Profit for the period	-	-	-	-	-	-	2,131,491	2,131,491
Realized loss from sale of financial assets at fair value through other comprehensive income	-	-	-	-	4,820	(4,820)	-	-
Change in fair value reserve, net	-	-	-	-	(713,252)	-	-	(713,252)
Total comprehensive income	-	-	-	-	(708,432)	(4,820)	2,131,491	1,418,239
Balance as at 30 September 2018	120,000,000	14,082,158	1,833,820	-	(2,212,483)	(4,848,230)	2,131,491	130,986,756

* The central Bank of Jordan issued circular No. 10/1/7702 dated 6 June 2018, requesting to transfer of the general banking risk reserve balance to the retained earnings to offset the effect of IFRS 9 on the opening balance of the retained earnings account as at 1 January 2018.

- As at 30 September 2019, an amount of JD 10,863,311 from accumulated losses is restricted against deferred tax assets according to the Central Bank of Jordan regulations.
- The use of cyclical fluctuations reserve and general banking risk reserve is restricted unless approved by the Central Bank of Jordan and the Palestinian Monetary Authority.
- The use of negative fair value reserve before tax effect is restricted by the instructions of Jordan Securities Commission.

The accompanying notes from 1 to 26 form part of these interim consolidated condensed financial statements and should be read with them and with the accompanying review report

JORDAN COMMERCIAL BANK
INTERIM CONDENSED STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2019 (UNAUDITED)

	Notes	For the Nine months period ended 30 September 2019	2018 (Restated)
		JD	JD
OPERATING ACTIVITIES			
Profit for the period before tax		2,960,982	4,396,529
Adjustments -			
Depreciation and amortisation		2,297,594	2,247,942
Provision on expected credit loss, net	18	4,913,333	5,082,576
Reversal of seized stock provision		(541,345)	-
Losses (gains) from valuation of financial assets at fair value through profit or loss		117,667	(169,546)
Gain from sale of seized assets by the Bank		-	(9,269)
Dividends income of financial assets at fair value through other comprehensive income		(423,555)	(253,788)
Sundry provisions		596,933	204,882
Impairment on assets seized by the Bank		1,834,770	43,063
Right of use amortization		752,454	-
Effect of exchange rate changes on cash and cash equivalents		(206,593)	316,120
Operating profit before changes in assets and liabilities		12,302,240	11,858,509
Changes in assets and liabilities -			
(Decrease) in banks and financial institution deposit due after 3 months		(11,766,361)	(50,000,000)
Decrease in financial assets at fair value through profit or loss		7,712	20,213
Direct credit facilities		(9,509,915)	(26,693,918)
Other assets		(18,392,839)	(6,480,229)
Increase (decrease) customers' deposits		44,870,973	(44,368,618)
(Decrease) margin accounts		(14,937,016)	(1,278,206)
Other liabilities		2,545,038	13,978,597
Net cash flows from (used in) operating activities before income tax		5,119,832	(102,963,652)
Paid sundry provision		(291,628)	(175,499)
Interest on lease commitment		(86,862)	-
Income tax paid	13	(117,942)	(2,917,225)
Net cash flows from operating activities		4,623,400	(106,056,376)
INVESTING ACTIVITIES			
(Increase) decrease in financial assets at fair value through other comprehensive income		(174,225)	1,003,515
Decrease in financial assets at amortized cost		39,815,305	25,578,641
Changes in property and equipment, and intangible assets		(2,398,414)	(2,031,672)
Net cash flows from investing activities		37,242,666	24,550,484
FINANCING ACTIVITIES			
Increase in loans and borrowings		11,609,304	69,599,454
Net cash flows from financing activities		11,609,304	69,599,454
Effect of exchange rate changes on cash and cash equivalents		206,593	(316,120)
Net increase (decrease) in cash and cash equivalents		53,681,963	(12,222,558)
Cash and cash equivalents, beginning of the period		103,062,924	80,256,136
Cash and cash equivalents, end of the period	19	156,744,887	68,033,578

The accompanying notes from 1 to 26 form part of these interim condensed financial statements and should be read with them and with the accompanying review report

(1) GENERAL

Jordan Commercial Bank was established as a Jordanian Public Shareholding Limited Company on 3 May 1977 in accordance with the Jordanian Companies Law No. (12) for the year 1964 with a paid-in 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 governmental 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 7 June 2017.

The Bank is engaged in banking and related financial operations through its branches (32) inside Jordan, and (6) branches in Palestine.

The fiscal year of the Bank ends on December 31 of each year. However, the accompanying interim condensed financial statements have been prepared for the use of Management, and Jordan securities commission only.

(2-1) BASIS OF PREPARATION OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

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

The interim condensed financial statements are prepared on a historical cost basis, except for financial assets and liabilities at fair value as of the date of the interim condensed financial statements.

The interim condensed financial statements have been presented in Jordanian Dinars ("JD"), which is the functional currency of the Bank.

The interim condensed financial statements do not contain all information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards, and should be read in conjunction with the Bank annual report as at 31 December 2018. In addition, results for the nine months period ended 30 September 2019 do not necessarily indicate the expected results for the financial year ending 31 December 2019. Also, no appropriation of the profit has been made for the nine months ended 30 September 2019 which is made at the end of the financial year.

(2-2) CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Bank's annual financial statements for the year ended 31 December 2018, except for the followings adoption of new standards that were effective as at 1 January 2019:

IFRS 16 "Leases"

IFRS 16 supersedes IAS 17 "Leases", "IFRIC 4 "Determining whether an Arrangement contains a Lease", SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. (The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for most leases under a single on-balance sheet model).

Lessor accounting under IFRS 16 was substantially unchanged from IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in IAS 17. Therefore, IFRS 16 did not have an impact for leases where the Bank is the lessor.

The Bank adopted IFRS 16 using the simplified approach with the date of initial application of 1 January 2019 on individual operating leases contracts (for each lease separately) the right to use of the leased assets is generally measured at lease obligation using the interest rate at initial application.

Right of use – assets and lease liabilities balances as of 30 September 2019 amounted to following:

	30 September 2019
	JD
	(Unaudited)
Right–of-use Assets	5,195,546
Lease Liabilities	4,793,351

Amendments to IFRS 9: Prepayment Features with Negative Compensation

Under IFRS 9, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to IFRS 9 clarify that a financial asset passes the SPPI criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract.

These amendments do not have any impact on the Bank's interim condensed financial statements.

Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture

The amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that the gain or loss resulting from the sale or contribution of assets that constitute a business, as defined in IFRS 3, between an investor and its associate or joint venture, is recognised in full. Any gain or loss resulting from the sale or contribution of assets that do not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture.

The International Accounting Standards Board has postponed these amendments for undefined period, and the Bank will implement these amendments when they become effective.

Amendments to IAS 19: Plan Amendment, Curtailment or Settlement

The amendments to IAS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognised in statement of income.

An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in the net interest, is recognised in comprehensive income.

These amendments do not have any impact on the Bank's interim condensed financial statements.

Amendments to IAS 28: Long-term interests in associates and joint ventures

The amendments clarify that an entity applies IFRS 9 to long-term investments in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in IFRS 9 applies to such long-term interests.

The amendments also clarified that, in applying IFRS 9, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognised as adjustments to the net investment in the associate or joint venture that arise from applying IAS 28 Investments in Associates and Joint Ventures.

These amendments do not have any impact on the Bank's interim condensed financial statements.

(3) USE OF ESTIMATES

Preparation of the interim condensed financial statements and application of the accounting polices require management to make judgments, estimates, and assumptions that affect the amounts of financial assets and financial liabilities and to disclose potential liabilities.

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

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

Extension and termination option in leases contracts

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

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

Discounting of lease payment

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

(4) CASH AND BALANCES WITH CENTRAL BANKS

The statutory cash reserve held at central banks amounted to JD 47,346,490 as at 30 September 2019 (31 December 2018: JD 44,459,712).

Expect for the cash reserve with the central banks and the capital deposit with the Palestinian Monetary Authority amounting to JD 10,635,000, there are no restricted cash balances as at 30 September 2019 and 31 December 2018.

There are no balances matured in more than three months as at 30 September 2019 and 31 December 2018.

(5) BALANCES AT BANKS AND FINANCIAL INSTITUTIONS

	Banks and financial institutions					
	Local		Foreign		Total	
Item	30 September 2019	31 December 2018	30 September 2019	31 December 2018	30 September 2019	31 December 2018
	JD (Unaudited)	JD (Audited)	JD (Unaudited)	JD (Audited)	JD (Unaudited)	JD (Audited)
Current and call accounts	7,042,630	29,671	7,085,076	9,848,986	14,127,706	9,878,657
Deposits matures in 3 months or less	34,686,237	23,051,000	253,310	29,236,061	34,939,547	52,287,061
	41,728,867	23,080,671	7,338,386	39,085,047	49,067,253	62,165,718
Less: ECL	(2,416)	(67,881)	(55,550)	(102,224)	(57,966)	(170,105)
	41,726,451	23,012,790	7,282,836	38,982,823	49,009,287	61,995,613

- Non-interest-bearing balances held at banks and financial institutions amounted to JD 14,127,706 as at 30 September 2019 (31 December 2018: JD 13,645,043).

- There are no restricted balances as at 30 September 2019 and 31 December 2018.

The movement on the expected credit losses for balances with banks and financial institutions is as follows:

	30 September 2019 (Unaudited)			
	Stage 1	Stage 2	Stage 3	Total
	JD	JD	JD	JD
Balance at 1 January 2019	170,105	-	-	170,105
Reversed from ECL during the period	(112,139)	-	-	(112,139)
At the end of the period	57,966	-	-	57,966

(6) DIRECT CREDIT FACILITIES – NET

The details of this item are as follows:

	30 September 2019 JD (Unaudited)	31 December 2018 JD (Audited)
Individuals (Retail):		
Overdrafts	702,476	388,050
Loans and bills *	190,399,806	185,521,558
Credit cards	4,385,493	4,008,733
Real Estate Loans	**130,721,384**	**122,849,817**
Corporates:		
A-Corporate Customers		
Overdrafts	81,832,320	91,666,050
Loans and bills *	292,698,694	294,635,547
B-Small and medium enterprises "SMEs":		
Overdrafts	21,602,789	23,908,023
Loans and bills *	44,363,270	47,577,557
Governmental and public sectors	**35,515,452**	**34,146,714**
Total	**802,221,684**	**804,702,049**
Less: Provision for expected credit losses**	(55,538,699)	(59,143,437)
Less: Suspended interest**	(14,652,140)	(17,684,794)
Direct Credit Facilities, net	732,030,845	727,873,818

* Net of interest and commission received in advance amounted to JD 3,191,586 as at 30 September 2019 (31 December 2018: JD 3,613,185).

- During the nine months ended 30 September 2019, direct credit facilities amounted to JD 130,541 were written-off with interest in suspense amounted to JD 93,020 and a provision for JD 37,522.

- Non-performing credit facilities amounted to JD 94.923.382 as at 30 September 2019 (31 December 2018: JD 95,751,625), representing 11.8 % as at 30 September 2019 (31 December 2018: 11.9%) of total direct credit facilities.

- Non-performing credit facilities, net of suspended interests and commissions, amounted to JD 80,833,618 as at 30 September 2019 (31 December 2018: JD 78,387,696), representing 10.3% as at 30 September 2019 (31 December 2018: 9.9%) of total direct credit facilities excluding the suspended interests and commissions as at 31 December 2018.

- Non-performing credit facilities transferred to off interim condensed financial position items, amounted to JD 122,391,644 as at 30 September 2019 (31 December 2018: JD 100,215,460). Knowing that, these credit facilities are fully covered with the suspended interests and provisions

- Direct credit facilities include credit facilities granted to the Palestinian National Authority amounted to JD 13,891,429 as at September 30, 2019 (JD 13,111,673 as at 31 December 2018). In addition, it includes direct credit facilities guaranteed by the Government of Jordan in an amount of JD 2,500,000 as at 30 September 2019 and (JD 7,500,000 as at 31 December 2018).

The movement on the expected credit losses for the nine months ended 30 September 2019 is as follows:

	30 September 2019 (Unaudited)					
Item	Individuals	Real estate	Corporate	SMEs	Governmental and public sector	Total
	JD	JD	JD	JD	JD	JD
Balance as at 1 January 2019	14,177,909	1,754,880	39,451,016	3,552,066	207,566	59,143,437
Provision for expected credit losses on new facilities during the period	522,483	101,849	204,740	60,186	14,361	903,619
Reversal of provision for expected credit losses on setteled facilities during the period	(276,890)	(56,660)	(178,515)	(22,376)	-	(534,441)
Effect on provision-resulting from reclassification among three stages for the period	245,183	444,247	5,323,962	1,805,565	-	7,818,957
Transfer to stage 1	(50,776)	(34,163)	(826,597)	3,574	-	(907,962)
Transfer to stage 2	12,180	(26,385)	324,951	(60,182)	-	250,564
Transfer to stage 3	38,596	60,548	501,646	56,608	-	657,398
Transferred to off statement of financial position	(2,458,868)	(566)	(5,746,750)	(713,922)	-	(8,920,106)
(Reversal) of provision for expected credit losses on the old facilities	(1,172,818)	(227,475)	(2,130,495)	615,253	80,290	(2,835,245)
Written-off facilities	(25,058)	-	-	(12,464)	-	(37,522)
Balance at the end of the period	11,011,941	2,016,275	36,923,958	5,284,308	302,217	55,538,699
Re- allocation:						
Individual provision	11,011,941	2,016,275	36,923,958	5,284,308	302,217	55,538,699
Collective provision	-	-	-	-	-	-

The movement on the expected credit losses for the year ended 31 December 2018 is as follows:

	31 December 2018 (Audited)					
Item	Individual	Real estate	Corporate	SMEs	Governmental and public sector	Total
	JD	JD	JD	JD	JD	JD
Balance as at 1 January 2018	8,349,001	687,546	18,591,384	3,035,239	-	30,663,170
Transition adjustment on adoption of IFRS 9	1,548,468	1,168,465	16,072,124	276,709	317,059	19,382,825
Balance as of 1 January 2018 (Amended)	9,897,469	1,856,011	34,663,508	3,311,948	317,059	50,045,995
Charges during the year	1,016,918	266,540	150,755	64,882	-	1,499,095
Reversal of impairment provision	(145,223)	(87,658)	(96,218)	(53,747)	(23,058)	(405,904)
Transfer to stage 1	(124,278)	(80,644)	(720,326)	(67,967)	-	(993,215)
Transfer to stage 2	(60,208)	44,361	173,819	29,234	-	187,206
Transfer to stage 3	184,486	36,283	546,507	38,733	-	806,009
Effect on provision-resulting from reclassification among three stages	3,011,593	695,996	7,866,523	1,106,215	-	12,680,327
Effect due to adjustments	466,240	(976,009)	(3,133,552)	(792,047)	(86,435)	(4,521,803)
Written-off facilities	(15,112)	-	-	-	-	(15,112)
Expected credit losses provision transferred to off- statement of financial position items	(53,976)	-	-	(85,185)	-	(139,161)
Balance at the end of the year	14,177,909	1,754,880	39,451,016	3,552.066	207,566	59,143,437
Re- allocation:						
Individual	14,177,909	1,754,880	39,451,016	3,552,066	207,566	59,143,437
Collective	-	-	-	-	-	-

Suspended Interest

The movement on suspended interest is as follows:

			Companies			
	Individuals	Real estate loans	Corporates	Small and medium Companies	Government	Total
	JD	JD	JD	JD	JD	JD
For the nine months ended 30 September 2019 (Unaudited)						
Balance at the beginning of the period	1,893,506	1,136,321	12,462,962	2,192,005	-	17,684,794
Add: Interest in suspense for the period	1,327,501	448,719	2,643,043	933,678	-	5,352,941
Less: Interest transferred to revenues	(154,769)	(85,696)	(134,211)	(31,265)	-	(405,941)
Less: interest in suspense written-off	(17,166)	(32,589)	-	(43,265)	-	(93,020)
Less: transferred to off- statement of financial position items	(752,745)	(67,065)	(6,507,150)	(559,674)	-	(7,886,634)
Balance at the end of the period	2,296,327	1,399,690	8,464,644	2,491,479	-	14,652,140

	Individuals	Real estate loans	Corporates	Small and medium Companies	Government	Total
	JD	JD	JD	JD		JD
For the year ended in 31 December 2018 (Audited)						
Balance at the beginning of the year	1,066,058	837,497	9,712,031	1,716,377	-	13,331,963
Add: Interest in suspense for the year	1,060,820	436,698	3,673,486	699,728	-	5,870,732
Less: Interest transferred to revenues	(9,520)	(32,401)	(625,826)	(946)	-	(668,693)
Less: interest in suspense written-off	(195,674)	(105,473)	(296,729)	(142,238)	-	(740,114)
Less: transferred to off- statement of financial position items	(28,178)	-	-	(80,916)	-	(109,094)
Balance at the end of the year	1,893,506	1,136,321	12,462,962	2,192,005	-	17,684,794

(7) FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The details of this item are as follows:

	30 September 2019 (Unaudited) JD	31 December 2018 (Audited) JD
Quoted shares	1,667,422	1,792,801
	1,667,422	1,792,801

(8) FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

The details of this item are as follows:

	30 September 2019	31 December 2018
	JD (Unaudited)	JD (Audited)
Quoted shares	7,872,325	8,215,901
Unquoted shares*	3,694,552	3,699,401
	11,566,877	11,915,302

* Valuated based on the latest available financial information.

- Cash dividends distributions for the above mentioned financial assets amounted to JD 423,555 for the period ended 30 September 2019 (JD 253,788 for the period ended 30 September 2018).

(9) FINANCIAL ASSETS AT AMORTIZED COST, NET

The details of this item are as follows:

	30 September 2019	31 December 2018
	JD (Unaudited)	JD (Audited)
Treasury bonds and bills	254,845,762	295,367,167
Bonds and bills guaranteed by the government	2,000,000	2,000,000
Corporate bonds and debentures	6,454,000	5,747,900
	263,299,762	303,115,067
Provision for expected credit losses	(532,984)	(83,456)
	262,766,778	303,031,611

The movement on the expected credit losses of financial assets at amortized cost is as follows:

	30 September 2019 (Unaudited)			
	Stage 1	Stage 2	Stage 3	Total
	JD	JD	JD	JD
At 1 January 2019	83,456	-	-	83,456
ECL for the period	(3,660)	-	453,188	449,528
At period end	79,796	-	453,188	532,984

(10) OTHER ASSETS

The details of this item are as follows:

	30 September 2019 JD (Unaudited)	31 December 2018 JD (Audited)
Real estate seized by the bank against debt - net*	80,337,964	84,736,553
Accrued interest and commissions	9,773,195	9,879,893
Clearance checks	445,948	1,396,495
Receivables – Sale of seized assets - net	4,788,622	1,625,766
Prepaid expenses	1,776,836	1,958,727
Refundable deposits - net	1,050,647	462,906
Purchase of time withdrawals and letters of credit- net	26,164,896	9,289,702
Others	3,795,134	1,738,549
	128,133,242	111,088,591

* Movement on assets seized by the bank against debt is as follows:

	30 September 2019 JD (Unaudited)	31 December 2018 JD (Audited)
Balance at the beginning of the period / year	84,736,553	84,318,625
Additions for the period / year	165,251	3,092,103
Disposals for the period / year	(111,283)	(2,399,674)
Impairment loss for the period / year	(581,510)	(1,996,434)
Impairment on breached assets seized by the bank **	(249,194)	1,453,982
Transfers for the period / year	(3,621,853)	267,951
Balance at the end of the period / year	80,337,964	84,736,553

According to the Banks Law, buildings and plots of land seized by the bank against debt due from customers should be sold within two years from the ownership date. For exceptional cases, the Central Bank of Jordan may extend this period for maximum two additional years.

** Movement on the impairment on breached assets sized by the bank is as follows:

	30 September 2019 JD (Unaudited)	31 December 2018 JD (Audited)
Balance at the beginning of the period / year	2,996,756	4,450,738
Provided for the period/year	249,194	110,622
Provision for sold property for the period/year	-	(1,564,604)
Balance at the end of the period / year	3,245,950	2,996,756

(11) CUSTOMERS DEPOSITS

The details of this item are as follows:

	30 September 2019 (unaudited)				
		corporate			
	Individuals	Large	SMEs	Government and public sector	Total
	JD	JD	JD	JD	JD
Current and on call accounts	52,426,136	20,687,866	36,031,772	7,494,978	116,640,752
Saving deposits	176,052,758	1,000,547	424,246	264,013	177,741,564
Certificates of deposits	33,259,129	-	22,000	-	33,281,129
Time deposits subject to notice	336,187,838	90,121,247	83,007,303	101,116,428	610,432,816
	597,925,861	111,809,660	119,485,321	108,875,419	938,096,261

	31 December 2018 (Audited)				
		Corporate			
	Individuals	Large	SMEs	Government and public sector	Total
	JD	JD	JD	JD	JD
Current and on call accounts	46,196,233	19,613,434	40,483,360	14,980,392	121,273,419
Saving deposits	152,696,750	1,158,606	466,116	882,200	155,203,672
Certificates of deposits	34,418,009	-	16,000	-	34,434,009
Time deposits subject to notice	309,911,416	98,662,774	83,422,699	90,317,299	582,314,188
	543,222,408	119,434,814	124,388,175	106,179,891	893,225,288

- Total deposits of Jordanian Government and public sector inside the Kingdom amounted to JD 67,148,895 which is equivalent to 7.2%of total deposits as at 30 September 2019 (JD 78,922,919, equivalent to 8.8% of total deposits as at 31 December 2018)

- Non-interest bearing deposits amounted to JD 117,690,627 which is equivalent to 12.5%of total deposits as at 30 September 2019 (JD 120,620,900, equivalent to 13.5% of total deposits as at 31 December 2018).

- Restricted deposits (restricted to withdrawals) amounted to JD 10,047,428, which is equivalent to 1.1% of total deposits as at 30 September 2019 (JD 11,103,462, which is equivalent to 1.2% of total deposits as at 31 December 2018).

- Dormant deposits amounted to JD 8,937,722 as at 30 September 2019 (JD 10,361,366 as at 31 December 2018.

(12) BORROWED FUNDS

These funds have been received from the Central Bank of Jordan, 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:

30 September 2019 (Unaudited)	Gross loans	Utilized	Settlement method	Guarantees	Loan Interest price
Loan from World Bank through Central Bank of Jordan	2,000,000	1,600,000	20 years including 5 years grace period repayment through semi-annual instalments	-	2.5%
Loan from Arab Monetary Funds through Central Bank of Jordan	2,100,000	1,365,000	10 years including 3 grace period repayment on semi-annual instalments	-	2.5%
Advances from Central Bank of Jordan	11,659,647	11,659,647	2 years payable on semi-annual instalments	-	6.0%
Jordanian Mortgage Refinance Company	10,000,000	10,000,000	One payment in 21 September 2021	Transfer of mortgage funds	6/6%
Jordanian Mortgage Refinance Company	10,000,000	10,000,000	One payment in 16 August 2021	Transfer of mortgage funds	6/35%
Jordanian Mortgage Refinance Company	10,000,000	10,000,000	One payment in 5 February 2024	Transfer of mortgage funds	6/8%
International Fund for Agricultural Development through the Central Bank of Jordan	750,000	466,530	18 years include 3 grace period repayment on semi-annual	-	2/35%
Central Bank of Jordan for Mortgage bonds / repurchase agreement	-	50,000,000	One payment in 6 October 2019	Mortgage bonds	4/5%
		95,091,177			

31 December 2018 (Audited)	Gross loans	Utilized	Settlement method	Guarantees	Loan Interest price
Loan from World Bank through Central Bank of Jordan	2,000,000	1,800,000	20 years including 5 years grace period settled in semi-annual instalments	-	2.5%
Loan from Arab Monetary Funds through Central Bank of Jordan	2,100,000	1,659,000	10 years including 3 years grace period settled in semi-annual instalments	-	2,5%
Advances from Central Bank of Jordan	9,565,824	9,565,824	2 years settled in semi-annual instalments	-	2,25%
Jordanian Mortgage Refinance Company	10,000,000	10,000,000	One Payment on 21 September 2021	Transfer of Mortgage Funds	6,6%
Jordanian Mortgage Refinance Company	10,000,000	10,000,000	One payment on 16 august 2021	Transfer of Mortgage Funds	6,35%
International Fund for Agricultural Development through the Central Bank	750,000	457,049	18 years including 3 years grace period settled in semi-annual instalments	-	2,35%
Central Bank of Jordan for Mortgage bonds/ repurchase agreement	-	50,000,000	One Payment 6 February 2019	Mortgage bonds	4,5%
		83,481,873			

- The Re-borrowed loans amounted to JD 15,008,116 as at 30 September 2019 (JD 12,039,664 as of 31 December 2018) with an interest rate ranging 3% up to 10%.

(13) INCOME TAX

A. Income tax provision

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

	30 September 2019 JD (Unaudited)	31 December 2018 JD (Audited)
Beginning balance for the period/ year	745,548	3,145,154
Income tax payable on profit for the period/ year	27,923	670,919
Income tax paid – Palestine branches	(90,019)	(187,755)
Income tax paid – Jordan branches	(27,923)	(2,882,770)
Ending balance for the period/ year	655,529	745,548

B. Income tax expense

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

	30 September 2019	30 September 2018 (Restated)
	JD (Unaudited)	JD (Unaudited)
Income tax payable on profit for the period – Jordan branches	27,923	4,444
Income tax payable on profit for the period – Palestine branches	-	185,000
Deferred tax assets	1,999,029	1,754,603
Deferred Tax Liability	(14,107)	-
Income tax incurred on prior years profit	-	320,991
	2,012,845	2,265,038

C. Tax status

- Jordan Branches
The Bank has reached a final settlement with Income and Sales Tax Department for Jordan branches up to the year 2016, while for the years 2017 and 2018, the Bank has submitted the income tax returns however, they have not been reviewed yet.

- Palestine Branches
The Bank has reached a final settlement with Income and Sales Tax Department for Palestine branches up to the year 2017, while for the year 2018, the Bank has submitted income tax return, however it has not been reviewed yet.

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

	30 September 2019	31 December 2018
	JD (Unaudited)	JD (Audited)
Income tax rate		
Jordan Branches	38%	35%
Palestine Branches	15%	15%

(14) SUNDRY PROVISION

The movement for this item during the period/year is as follows:

For the Nine-month period ended 30 September 2019 (Unaudited)	Beginning balance of the period	Expense for the period	Paid during the period	Ending balance of the period
Provision for lawsuits against the Bank	146,472	399,848	(176,906)	369,414
Provision for end of services indemnity	777,794	197,085	(114,722)	860,157
Others	1,000,000	-	-	1,000,000
	1,924,266	596,933	(291,628)	2,229,571

For the year ended 31 December 2018 (Audited)	Beginning balance of the year	Expense for the year	Paid during the year	Ending balance of the year
Provision for lawsuits against the Bank	110,838	45,364	(9,730)	146,472
Provision for end of services indemnity	780,049	245,709	(247,964)	777,794
Others	-	1,000,000	-	1,000,000
	890,887	1,291,073	(257,694)	1,924,266

(15) OTHER LIABILITIES

The details of this item are as follows:

	30 September 2019 JD (Unaudited)	31 December 2018 JD (Audited)
Accepted checks	7,655,241	6,163,241
Accrued interest not paid	6,795,366	8,739,300
Commissions received in advance	207,843	25,533
Refundable and various deposits	3,255,258	2,998,540
Safe deposit boxes	115,262	101,485
Shareholders' deposits	15,759	15,759
Income tax and social security deposits	415,561	363,643
Accrued expenses not paid	840,618	2,055,592
Transactions in-transit between branches	263,423	491,172
Board of Directors' remuneration	-	55,000
Received amounts on the sale of land and real estate	14,329,070	10,563,174
Incoming transfers	84,545	(125)
Provision for expected credit losses for off items	5,626,915	6,570,763
Others	408,773	269,365
	40,013,634	38,412,442

* The expected credit losses movement on off statement of financial position items is as follows:

	30 September 2019 (Unaudited)			
	Stage 1	Stage 2	Stage 3	Total
	JD	JD	JD	JD
Beginning balance of the period	2,427,037	514,673	3,629,053	6,570,763
New balances	140,898	37,920	-	178,818
Settled balances	(441,427)	(141,162)	-	(582,589)
Effect of provision –resulting from reclassification among three stages	-	(48,809)	275,037	226,228
Adjustments due to changes	179,802	(233,434)	(712,673)	(766,305)
Ending balance for the period	2,306,310	129,188	3,191,417	5,626,915

(16) FAIR VALUE RESERVE, NET

The movement on this item is as follows:

	30 September 2019 (Unaudited)	31 December 2018 (Audited)
	JD	JD
Beginning balance of the period/year	(2,053,183)	(1,504,051)
Net unrealized (losses)	(249,355)	(552,104)
Released from selling financial assets at fair value through other comprehensive income at the end of period/year	-	2,972
Ending Balance of the period/year	(2,302,538)	(2,053,183)

The fair value reserve includes JD 311,112 as at 30 September 2019 and 31 December 2018 as an impact related to the implementation of the International Financial Reporting Standard No. 9.

(17) ACCUMULATED LOSSES

	30 September 2019 (Unaudited)	31 December 2018 (Audited)
	JD	JD
Beginning balance of the period/year	(1,214,496)	8,125,824
Net effect of IFRS 9 Implementation on Impairment	-	(30,065,991)
Effect of IFRS 9 implementation on deferred tax assets	-	10,093,909
Transferred from general banking risk reserve due to implementation of IFRS 9	-	7,002,848
Adjusted balance	(1,214,496)	(4,843,410)
Profit for the Period/Year	-	5,029,366
Transferred to reserves	(328,600)	(1,395,632)
(Losses) from the sale of financial assets at fair value through other comprehensive income	-	(4,820)
Balance end of the Period/Year	(1,543,096)	(1,214,496)

An addition to accumulated losses an amount of JD 11,966,012 as at 30 September 2019 restricted against deferred tax assets according to the Central Bank of Jordan instructions.

A restricted use of earnings in an amount equal to negative cumulative change in fair value of financial assets amounted to JD 2,302,538 as of 30 September 2019 (including JD 311,112 against implementing International Financial Reporting Standard No. 9, according to Jordan Securities Commission and Central Bank of Jordan.

(18) PROVISION FOR EXPECTED CREDIT LOSSES, NET

The details of this item are as follows:

	30 September 2019	30 September 2018 (Restated)
	JD (Unaudited)	JD (Unaudited)
Cash and balances with central bank		
Balances and deposits at financial institutions	(112,139)	(209,419)
Direct credit facilities	5,352,890	6,548,783
Financial assets at amortized cost	449,528	771
Indirect credit facilities and unutilized facilities	(943,848)	(1,514,809)
Purchased credits and withdrawals	166,902	257,250
	4,913,333	5,082,576

(19) CASH AND CASH EQUIVALENTS

The details of this item are as follows:

	For the nine months ended 30 September	
	2019	2018
	JD (Unaudited)	JD (Unaudited)
Cash and balances with central banks maturing within three months	146,990,125	118,965,185
Add: Balances at banks and financial institutions maturing within three months	49,009,287	64,428,332
Less: Banks and financial institutions' deposits maturing within three months	(39,254,525)	(115,359,939)
	156,744,887	68,033,578

(20) SEGMENT INFORMATION

1- Information on the Bank Activities

The Bank is organized for administrative purposes through six main operating segments.

- Individual accounts: This includes monitoring of deposits of individual customers accounts, and granting them credit facilities, credit cards, and other services.
- SME's: Principally "SME's' transactions on loans credit facilities and deposits, which are classified according to the volume of deposits and facilities in accordance with the instructions and policies existing in the Bank and commensurate with the instructions of the regulatory authorities.
- Corporate accounts: Principally corporate transactions on loans credit facilities and deposits, which are classified according to the volume of deposits and facilities in accordance with the instructions and policies existing in the bank and commensurate with the instructions of the regulatory authorities.
- Treasury: principally providing money market trading and treasury services as well as management of the Bank's funding operations and long term investment valued at amortized cost which is retained to receive contractual cash flows
- Investment and foreign currency management: The activity of this sector is related to local and foreign bank investment as well as those restricted at fair value, in addition services for trading in foreign currency.
- Other: This sector includes all non-listed accounts in the above sectors, for example equity and investments in associates, equipment, and general management.

	Individuals	Corporate	Treasury	Others	For the nine months ended 30 September 2019 (Unaudited)	For the nine months ended 30 September 2018 (Unaudited)
	JD	JD	JD	JD	JD	JD
Gross Income	5,021,633	22,161,733	4,285,754	1,243,906	32,713,026	33,371,264
Less: Expected credit losses allowance – Direct credit facilities	1,498,790	(5,996,596)	(415,527)	-	(4,913,333)	(5,082,576)
Segments results	6,520,423	16,165,137	3,870,227	1,243,906	27,799,693	28,288,688
Less: Not distributed segment expenses	(4,248,606)	(15,647,979)	(919,374)	(4,022,752)	(24,838,711)	(23,892,159)
Income before tax	2,271,817	517,158	2,950,853	2,778,846	2,960,982	4,396,529
Less: Income tax	-	-	-	(2,012,845)	(2,012,845)	(2,265,038)
Income for the Period	2,271,817	517,158	2,950,853	(4,791,691)	948,137	2,131,491
Other matters:						
Capital expenditures					1,983,615	2,072,811
Depreciation and amortization					2,297,594	2,247,942

	Individuals	Corporate	Treasury	Others	30 September 2019 (Unaudited)	31 December 2018 (Audited)
	JD	JD	JD	JD	JD	JD
Total segment assets	258,486,328	464,623,950	512,637,558	143,609,236	1,379,357,072	1,353,569,536
Total segment liabilities	604,019,151	303,191,702	264,762,866	72,640,640	1,244,614,359	1,219,525,605

2- Geographical distribution information

This sector represents the geographical distribution of the Banks operation. 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 expenditures according to geographical location:

	Inside the Kingdom		Outside the Kingdom		Total	
	For the period ended 30 September 2019		For the period ended 30 September 2019		For the period ended 30 September 2019	
	2019	2018	2019	2018	2019	2018
	JD	JD	JD	JD	JD	JD
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Gross income	31,047,248	29,424,428	1,665,778	3,946,836	32,713,026	33,371,264
Capital Expenditure	1,441,397	1,340,132	542,218	732,679	1,983,615	2,072,811

	30 September 2019	31 December 2018	30 September 2019	31 December 2018	30 September 2019	31 December 2018
	JD	JD	JD	JD	JD	JD
	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Total assets	1,202,360,591	1,167,255,511	176,996,481	186,314,025	1,379,357,072	1,353,569,536

(21) RELATED PARTIES TRANSACTIONS

The Bank entered into transactions with the members of the Board of Directors and related parties 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 provision has been taken as of the date of the interim condensed financial statement.

Financial statements include transactions and balances with related parties as follows:

					Total	
	BOD members	Companies Representative BOD	Em ployees	Others	30 September 2019	31 December 2018
	JD	JD	JD	JD	JD (Unaudited)	JD (Audited)
Interim Condensed Statement of Financial Position Items:						
Deposits	8,139,991	1,206,678	753,954	148,449	10,249,072	13,845,772
Direct credit facilities	2,867,867	22,581,557	1,464,296	2,465,790	29,379,510	19,502,163
Cash margins	1,000	7,690,478	-	6,030	7,697,508	7,328,678
Items Outside the Statement of Interim Condensed Financial Position:						
Letter of guarantee	10,000	674,104	-	394,850	1,078,954	529,948
Bills of collection	-	24,132	-	-	24,132	-

					Total	
					For the nine months ended 30 September	
					2019	2018
					JD	JD
Interim Condensed income Statement Items:						
Interest and commission income	66,702	701,423	52,790	32,182	853,097	816,063
Interest and commission expense	1,719,938	423,396	12,921	1,569	2,157,824	1,646,699

Credit interest rate ranges between 8% to 8.25%

Debit interest rate ranges between 1% to 4.5%

(22) RESERVES

The Bank did not make any appropriation to the statutory reserve and cyclical fluctuation reserve for the period according to Jordanian corporate laws regulations and Palestinian Monetary Authorization respectively, as these financial statements are interim condensed financial statements.

(23) CAPITAL MANAGEMENT

A. Description of Capital:

Capital is categorized into various categories, such as; paid in capital, economic capital, and regulatory capital. Moreover, regulatory capital is defined, according to the Banks Law, as the total value of the items determined by the Central Bank for control purposes to meet the requirements of the capital adequacy ratio required by the Central Bank of Jordan instructions. Furthermore, regulatory capital consists of two parts: Primary Capital (Tier 1) made up of paid in capital, declared reserves (including statutory reserve, voluntary reserve, share premium, and treasury share premium), and retained earnings after excluding restricted amounts and non-controlling interests net of loss for the period (if any), costs of the acquisition of treasury shares, deferred provisions approved by the Central Bank, restructuring goodwill balances, as for the second part (Tier 2), additional paid in capital, it consists of the foreign currencies translation differences, general banking risks reserve, instruments with debt-equity shared characteristics, support debts and 45% of the financial assets valuation reserve, if positive, and is deducted in full, if negative.

A third part of capital (Tier 3) might be formed in case the capital adequacy ratio goes below 12% due to factoring capital adequacy ratio into market risks.

Investments in the capitals of banks, insurance and other financial institutions are deducted.

B. The requirements of the regulatory parties concerning capital and the manner in which they are met.

Instructions of the Central Bank require that paid-up capital not to be less than JD 100 million and shareholders' equity-to-assets ratio not to be less than 6%. Moreover, the Central Bank instructions require that the ratio of regulatory capital to assets weighted by risks and market risks (capital adequacy ratio) be not less than 12% which the Bank considers to meet. Furthermore, the Bank increased its issued and paid-up capital during the year 2017 to become JD/share 120,000,000 according to the General Assembly decision taken on 30 June 2017, whereby the increasing paid-up capital procedures were completed on 7 June 2017.

The Bank complies with Article (62) of the Banks Law which requires the Bank to deduct (10%) of its annual net profits in the Kingdom and continue to do so until the reserve equals the Bank's paid-up capital. This meets the requirements of the statutory reserve prescribed by the Companies Law.

The Bank complies with Article (41) of the Banks Law which requires adherence to the limits set by the Central Bank of Jordan relating to:

1. The percentage of risks relating to its assets and assets weighted by risks, elements of capital, reserves, and contra accounts.

2. Ratio of total loans to regulatory capital the Bank is allowed to grant to one person, his allies, or to related stakeholders.

3. Ratio of total loans granted to the major ten customers of the Bank to total loans extended by the Bank.

C. The Method of Achieving Capital Management Goals.

The Bank considers the compatibility of the size of its capital with the size, nature, and complexity of the risk the Bank is exposed to in a manner that does not contradict the prevailing regulations and instructions. This is reflected in its strategic plans and annual budgets. In order to further hedge and bind the surrounding cycles with the economic circumstances.

When entering into investments, the impact on capital adequacy ratio is considered. Moreover, capital and its adequacy are monitored periodically as capital adequacy ratio is monitored at the Group level and the individual Bank every quarter. Furthermore, capital adequacy is reviewed by internal audit, and capital ratios are monitored monthly. Such ratios are financial leverage, shareholders' equity to assets, shareholders' equity to customers' deposits, internal growth of capital, provisions, and free capital. This should achieve the appropriate financial leverage, and consequently, the targeted return on shareholders' equity not less than 10% as prescribed by the Bank's strategy.

No dividends are paid to shareholders out of the regulatory capital if such payment leads to noncompliance to the minimum capital requirement. The Bank concentrates on the internal growth of capital and can resort to public offering to meet expansionary needs and future plans, or the requirements of the regulatory bodies according to specified studies.

D. Capital Adequacy

Capital adequacy ratio is calculated according to the Central Bank of Jordan instructions based on Basel Committee resolutions. The following is the capital adequacy ratio compared with the previous year based on Basel III:

	30 September 2019 JD (Unaudited)	31 December 2018 JD (Audited)
Primary Capital Items:		
Subscribed and paid in capital	120,000,000	120,000,000
Accumulated losses	(1,543,096)	(1,214,496)
Profit for the period	948,137	-
Other Comprehensive Income Items:		
Fair value reserve – net	(2,302,538)	(2,053,182)
Statutory reserve	14,714,563	14,714,563
Cyclical fluctuation reserve	2,597,047	2,597,047
Total Primary Capital before regulatory amendments	134,414,113	134,043,930
Less:		
Intangible assets – net	(2,088,667)	(2,313,919)
Deferred tax assets	(11,966,012)	(13,867,924)
Deferred provisions accepted by the Central Bank	(6,743,521)	(7,870,096)
Total Regulatory Amendments	(20,798,200)	(24,051,939)
Net Primary Capital	113,615,913	109,991,991
Supplementary Capital Items:		
General banking Risk Reserve	328,600	-
Provision balance required against financial instrument in stage 1	7,839,054	9,887,533
Total Regulatory Capital	121,783,567	119,879,524
Assets Weighted by Risk:		
Credit risk	988,885,557	943,441,362
Market risk	5,371,803	6,410,146
Operational risk	88,975,817	88,975,817
Net Assets Weighted by Risk	1,083,233,177	1,038,827,325
Regulatory capital adequacy ratio	11,24%	11,54%
Primary Capital Ratio	10,49%	10,59%

(24) COMMITMENTS AND CONTINGENT LIABILITIES

The details of this item are as follows:

	30 September 2019	31 December 2018
	JD	JD
	(Unaudited)	(Audited)
Letter of credit	40,712,659	30,416,261
Letters of Acceptances	16,791,886	17,604,541
Letter of guarantees:		
Payments	21,705,494	22,488,576
Performance guarantee	55,685,081	58,827,263
Other	70,634,315	68,649,015
Unutilized direct credit facilities ceilings	68,365,712	75,767,165
Total	273,895,147	273,752,821

(25) LAW SUITS AGAINST THE BANK

Lawsuits raised against the Bank amounted to JD 20,899,909 as at 30 September 2019 (31 December 2018: JD 10,033,504). In the opinion of the Bank's management and the legal advisor, no further liabilities exceeding the provision of JD 369,414 will be needed as at 30 September 2019 (31 December 2018: JD 146,472).

(26) COMPARATIVE FIGURES

During the nine months ended 30 September 2019, management adjusted the comparative figures for the nine months ended 30 September 2018 to comply with the requirements of IAS (8). The adjustments on the statement of changes in equity for the nine months ended 30 September 2018 stemmed due to errors in the calculation of the initial implementation of expected credit losses model used to determine the amount of provision expected credit losses for needed for various receivables and financial instruments, which are subject to the requirements of International Financial reporting Standard No. 9 and related deferred tax treatment.

	30 September 2018		
	Before adjustment	Effect of adjustment	Adjustment amount
	JD	JD	JD
Interim Condensed Statement of Income			
Provision for expected credit losses	7,733,407	(2,650,831)	5,082,576
Income tax for the period	(994,566)	(1,270,472)	(2,265,038)
Profit for the period	751,132	1,380,359	2,131,491
Earnings per share basic and dilutive	0/006	0/012	0/018
Interim Condensed Changes in equity statement			
Shareholders' equity	127,798,941	3,187,815	130,986,756
Interim Condensed Cash flows statement			
Profit for the period before tax	1,745,698	2,650,831	4,396,529
Provision for expected credit losses	7,733,407	(2,650,831)	5,082,576