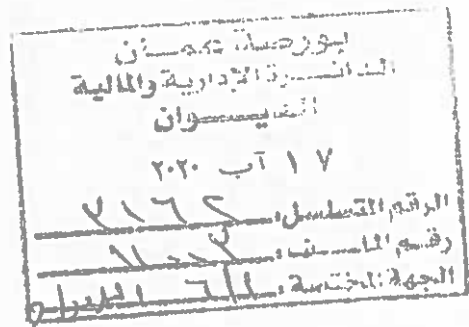




<p>TO: Jordan Securities Commission Amman Stock Exchange Date : ١٧/٨/٢٠٢٠ Subject: Quarterly Report as of 31/3/2020</p>	<p>السادة هيئة الاوراق المالية المحترمين السادة بورصة عمان المحترمين التاريخ: ٢٠٢٠/٨/١٧ الموضوع: التقرير ربع السنوي باللغة الانجليزية كما هي في ٢٠٢٠/٣/٣١</p>
<p>Attached the English Quarterly Report of Jordan Commercial Bank as of 31/3/2020</p>	<p>مرفق طيه نسخة من البيانات المالية ربع السنوية باللغة الانجليزية لشركة (البنك التجاري الاردني) كما هي بتاريخ ٢٠٢٠/٣/٣١ م</p>
<p>Kindly accept our high appreciation and respect Jordan Commercial Bank عبد الله محفوظ كشك Abdallah Mahfouz Kishkek R 53</p>	<p>وتفضلوا بقبول فائق الاحترام،،، البنك التجاري الاردني عبد الله محفوظ كشك Abdallah Mahfouz Kishkek R 53</p>



JORDAN COMMERCIAL BANK

PUBLIC SHAREHOLDING LIMITED COMPANY

INTERIM CONDENSED FINANCIAL STATEMENTS (REVIEWED NOT AUDITED)

31 MARCH 2020

**REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL STATEMENTS
TO THE BOARD OF DIRECTORS OF JORDAN COMMERCIAL BANK
AMMAN - JORDAN**

We have reviewed the accompanying interim condensed financial statements of Jordan Commercial Bank (a public shareholding limited company) (the "Bank") as at 31 March 2020, comprising the interim condensed statement of financial position as at 31 March 2020 and the related interim condensed statements of income, comprehensive income, changes in equity, and cash flows for the three months 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) as adopted by the Central Bank of Jordan (CBJ). Our responsibility is to express a conclusion on these interim 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 31 March 2020 are properties seized against overdue credit facilities in the amount of approximately JD 65.6 million. These properties have not been reduced to their net realizable value as of the date of the interim condensed financial statements, in compliance with IFRS as well as CBJ regulations. The Bank's records indicate that had management written down these properties to their net realizable value as of 31 March 2020, other assets would have been reduced by approximately JD 5.9 million. Also, deferred tax assets would have increased by approximately JD 2.2 million and net income for the period would have increased by approximately JD 0.4 million and shareholder's equity would have decreased by approximately JD 3.7 million, respectively. Our audit report as of 31 December 2019 was qualified with respect 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 as adopted by the Central Bank of Jordan.

Amman – Jordan
6 August 2020



JORDAN COMMERCIAL BANK
INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020

	Notes	31 March 2020 JD (Unaudited)	31 December 2019 JD (Audited)
ASSETS			
Cash and balances with central banks	4	108,636,182	71,264,135
Balances at banks and financial institutions	5	8,014,094	36,642,539
Direct credit facilities, net	6	708,727,232	669,000,375
Financial assets at fair value through profit or loss	7	1,678,898	1,876,382
Financial assets at fair value through other comprehensive income	8	10,096,735	11,105,937
Financial assets at amortized cost, net	9	256,233,484	276,734,126
Property and equipment, net		22,381,895	22,430,397
Intangible assets, net		1,865,630	1,855,317
Deferred tax assets		12,876,294	12,313,532
Right of use assets		5,401,609	5,141,936
Other assets	10	127,286,246	134,455,262
Assets held for sale, net	25	143,538,770	143,773,084
Total Assets		1,406,737,069	1,386,593,022
LIABILITIES AND SHAREHOLDERS' EQUITY			
LIABILITIES			
Banks' and financial institutions' deposits		88,631,244	87,386,747
Customers' deposits	11	859,132,908	836,698,393
Cash Margins		55,695,126	56,572,215
Borrowed Funds	12	102,717,753	96,083,582
Provision for income tax	13	3,061	-
Sundry provisions	14	370,624	1,370,624
Lease liabilities		4,900,133	4,538,267
Other liabilities	15	32,220,545	39,170,608
Deferred tax liabilities		-	50,388
Liabilities associated with assets held for sale	25	125,289,110	125,523,424
Total Liabilities		1,268,960,504	1,247,394,248
SHAREHOLDERS' EQUITY			
Authorized and paid in capital	1	120,000,000	120,000,000
Statutory reserve	16	15,460,318	15,460,318
General banking risk reserve	16	548,693	548,693
Cyclical fluctuations reserve	16	3,538,675	3,538,675
Fair value reserve, net	17	(2,796,992)	(2,211,406)
Retained earnings	18	1,997,272	1,862,494
(Loss for the period)		(971,401)	-
Total Shareholders' Equity		137,776,565	139,198,774
Total Liabilities and Shareholders' Equity		1,406,737,069	1,386,593,022

The accompanying notes from 1 to 27 form part of these interim condensed financial statements and should be read with them and the accompanying review report

JORDAN COMMERCIAL BANK
INTERIM CONDENSED INCOME STATEMENT
FOR THE THREE MONTHS ENDED 31 MARCH 2020 (REVIEWED NOT AUDITED)

	Notes	2020 JD	2019 JD
<u>Continuing operations</u>			
Interest income		17,992,031	18,251,512
Less: Interest expense		(10,244,883)	(10,831,218)
Net interest income		7,747,148	7,420,294
Net commission income		1,238,583	1,393,102
Net interest and commission income		8,985,731	8,813,396
Foreign currency income		329,633	276,425
Loss from financial assets at fair value through profit or loss		(197,484)	(183,393)
Dividends from financial assets at fair value through other comprehensive income	8	-	87,500
Other income		1,711,650	961,651
Gross income		10,829,530	9,955,579
Employees' expenses		3,196,053	3,301,634
Depreciation and amortization		863,751	847,776
Provision for expected credit losses, net	19	4,672,754	1,829,981
Other provisions		13,735	301,023
(Surplus) Provision for assets seized by the Bank against due debts		(108,441)	182,089
Other expenses		3,184,855	2,367,634
Total expenses		11,822,707	8,830,137
(Loss) Profit for the period before income tax		(993,177)	1,125,442
Income tax for the period	13	280,504	(282,729)
(Loss) Profit for the period from continuing operations		(712,673)	842,713
(Loss) for the period from discontinued operations	25	(258,728)	(612,674)
(Loss) Profit for the period		(971,401)	230,039
(Loss) Earnings per share for the period attributable to the Bank's shareholders		Fils/JD	Fils/JD
Basic and diluted		(0.008)	0.002
(Loss) Earnings per share for the period from continuing operations attributable to the Bank's shareholders		Fils/JD	Fils/JD
Basic and diluted		(0.006)	0.007
(Loss) per share for the period from discontinued operations attributable to the Bank's shareholders		Fils/JD	Fils/JD
Basic and diluted		(0.002)	(0.005)

The accompanying notes from 1 to 27 form part of these interim condensed financial statements and should be read with them and the accompanying review report

JORDAN COMMERCIAL BANK
INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED 31 MARCH 2020 (REVIEWED NOT AUDITED)

	<u>2020</u> JD	<u>2019</u> JD
(Loss) Profit for the period from continuing operations	(712,673)	842,713
<u>Other comprehensive income items:</u>		
<u>Items that are not transferable subsequently to statement of income</u>		
Net change in fair value reserve of financial assets through other comprehensive income, net	<u>(402,966)</u>	<u>(137,682)</u>
Total comprehensive income for the period from continuing operations	<u>(1,115,639)</u>	<u>705,031</u>
(Loss) for the period from discontinued operations	(258,728)	(612,674)
<u>Other comprehensive income items:</u>		
<u>Items that are not transferable subsequently to statement of income</u>		
Net change in fair value reserve of financial assets through other comprehensive income, net	<u>(47,842)</u>	<u>(152,966)</u>
Total comprehensive income for the period from discontinued operations	<u>(306,570)</u>	<u>(765,640)</u>
Total comprehensive income for the period	<u>(1,422,209)</u>	<u>(60,609)</u>

The accompanying notes from 1 to 27 form part of these interim condensed financial statements and should be read with them and the accompanying review report

JORDAN COMMERCIAL BANK
INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED 31 MARCH 2020 (REVIEWED NOT AUDITED)

	Reserves					Retained earnings (Accumulated losses)	(Loss) profit for the period	Total shareholders' equity
	Authorized and paid in capital	Statutory	Cyclical fluctuations	General banking risk	Fair value reserve, net			
	JD	JD	JD	JD	JD	JD	JD	JD
For the period ended 31 March 2020								
Balance as at 1 January 2020	120,000,000	15,460,318	3,538,675	548,693	(2,211,406)	1,862,494	-	139,198,774
Loss for the period	-	-	-	-	-	-	(971,401)	(971,401)
Net change in the fair value reserve for financial assets at fair value through the statement of comprehensive income	-	-	-	-	(450,808)	-	-	(450,808)
Gain from sale of financial assets at fair value through other comprehensive income	-	-	-	-	(134,778)	134,778	-	-
Total comprehensive income for the period	-	-	-	-	(585,586)	134,778	(971,401)	(1,422,209)
Balance as at 31 March 2020	120,000,000	15,460,318	3,538,675	548,693	(2,796,992)	1,997,272	(971,401)	137,776,565
For the period ended 31 March 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	-	-	-	-	-	-	230,039	230,039
Net change in the fair value reserve for financial assets at fair value through the statement of comprehensive income	-	-	-	-	(290,648)	-	-	(290,648)
Total comprehensive loss for the period	-	-	-	-	(290,648)	-	230,039	(60,609)
Balance as at 31 March 2019	120,000,000	14,714,563	2,597,047	-	(2,343,831)	(1,214,496)	230,039	133,983,322

- The Central Bank of Jordan had issued a Circular No.10/1/7702 on the 6th of June 2018 requesting the offsetting of the General Banking Risk Reserve against the retained earnings' opening balance as of the 1st of January 2018 in accordance with IFRS 9.
- The retained earnings balance includes JD 12,876,294 restricted against deferred tax assets as of 31 March 2020 according to the Central Bank of Jordan's instructions.
- The use of cyclical fluctuations reserve and general banking risks reserve is restricted unless approved by the Central Bank of Jordan and the Palestinian Monetary Authority.
- Use of retained earnings for an amount equal to the negative cumulative change in the fair value of financial assets and before any tax effect of as of 31 March 2020 is restricted (including JD 311,112 against the implementation of International Financial Reporting Standard No (9)) according to the instructions of the Jordan Securities Commission and Central Bank of Jordan.

The accompanying notes from 1 to 27 form part of these interim condensed financial statements and should be read with them and the accompanying review report

JORDAN COMMERCIAL BANK
INTERIM CONDENSED STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS ENDED 31 MARCH 2020 (REVIEWED NOT AUDITED)

	Notes	For the three months ended 31 March	
		2020 JD	2019 JD
Cash flows from operating activities:			
(Loss) Profit for the period before tax		(993,177)	512,768
(Loss) for the period from discontinued operations before tax		(258,728)	-
Non-cash Adjustments:			
Depreciation and amortization		742,247	773,750
Provision for expected credit losses, net	19,25	4,407,205	2,065,764
Loss from valuation of financial assets at fair value through statement of income		197,484	183,393
Dividends from financial assets at fair value through other comprehensive income	8	-	(87,500)
Other provisions		41,862	340,700
Income from recoveries from other provisions		(1,000,000)	-
Provision for real estate owned for a period of more than four years	10	(108,441)	182,089
Provision for impairment of assets seized by the bank against due debts	10	577,763	-
Amortization of right-of-use assets		255,061	-
Finance costs paid for lease obligations		85,341	-
Effect of exchange rate fluctuations on cash and cash equivalents		(107,169)	(158,892)
Profit for the period before changes in assets and liabilities		3,839,448	3,812,072
(Decrease) Increase in banks' and financial institutions' deposits maturing within a period of more than three months		(1,737,127)	16,202,724
(Increase) in balances in banks and financial institutions maturing within a period of more than three months		(153,065)	-
(Increase) in direct credit facilities		(44,935,770)	(20,805)
Decrease (Increase) in other assets		8,502,409	(2,024,599)
Increase in customers' deposits		22,434,515	10,604,024
(Decrease) in cash margins		(877,089)	(9,777,691)
(Decrease) Increase in other liabilities		(8,113,867)	4,610,578
Net cash flows (used in) from operating activities before income tax, provisions, and paid lease obligations		(21,040,546)	23,406,303
Various provisions paid	14,25	(83,279)	(205,429)
Lease contracts paid		(238,209)	-
Income tax paid	13	-	(90,019)
Net cash flows (used in) from operating activities		(21,362,034)	23,110,855
Cash flows from investing activities:			
Decrease in financial assets at fair value through other comprehensive income		423,616	463,329
Decrease in financial assets at amortized cost		20,510,049	66,990,651
Changes in property and equipment and intangible assets		(704,058)	36,172
Net cash flows from investing activities		20,229,607	67,490,152
Cash flows from financing activities:			
Increase in borrowed funds		6,634,171	10,227,493
Net cash flows from financing activities:		6,634,171	10,227,493
Effect of exchange rate fluctuations on cash and cash equivalents		107,169	158,892
Net increase in cash and cash equivalents		5,608,913	100,987,392
Cash and cash equivalents at the beginning of the period		80,519,927	103,062,924
Cash and cash equivalents at the end of the period	20	86,128,840	204,050,316

The accompanying notes from 1 to 27 form part of these interim condensed financial statements and should be read with them and with the accompanying review report

JORDAN COMMERCIAL BANK
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
AS AT 31 MARCH 2020 (REVIEWED NOT AUDITED)

(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-up capital of JD 5 million divided into 5 million shares at par value of one Jordanian Dinar per share. The Bank's Head Office address is Amman, Tel. +962 (6) 5203000, P.O. Box 9989, Amman The Hashemite Kingdom of Jordan.

During the year 1993, Mashrek Bank (Jordan branches) was merged into Jordan and Gulf Bank. Consequently, Jordan and Gulf Bank replaced Mashrek Bank (Jordan branches) in terms of its rights and obligations.

At the beginning of the year 2004, the Bank was restructured after taking the necessary measures specified by the concerned 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 (34) 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.

The financial statements have been approved by the Bank's Board of Directors in its meeting no. 7/2020 held on 5 August 2020.

(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) as adopted by the Central Bank of Jordan.

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.

JORDAN COMMERCIAL BANK
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
AS AT 31 MARCH 2020 (REVIEWED NOT AUDITED)

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 as adopted by the Central Bank of Jordan and should be read in conjunction with the Bank's annual report as at 31 December 2019. In addition, results for the three-month period ended 31 March 2020 do not necessarily indicate the expected results for the financial year ending 31 December 2020. No appropriation of the profit has been made for the three months ended 31 March 2020 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 2019, except for the followings adoption of new standards effective as at 1 January 2020:

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 IASB has deferred the effective date of these amendments indefinitely, but an entity that early adopts the amendments must apply them prospectively.

The Bank will apply 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.

The amendments apply to plan amendments, curtailments, or settlements occurring on or after the beginning of the first annual reporting period that begins on or after 1 January 2019, with early application permitted.

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

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

The critical judgements and estimates used in the preparation of these condensed interim financial information are consistent with those used in the preparation of the Bank's annual financial statements for the year ended 31 December 2019, except for the changes highlighted below:

Extension and termination options in lease contracts

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

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.

JORDAN COMMERCIAL BANK
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
AS AT 31 MARCH 2020 (REVIEWED NOT AUDITED)

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 27,016,323 as at 31 March 2020 (31 December 2019: JD 38,133,794).
- Except for cash reserves with central banks, there are no restricted cash balances as at 31 March 2020 nor at 31 December 2019.
- There are no balances maturing within a period of more than three months as at 31 March 2020 and 31 December 2019.

(5) BALANCES AT BANKS AND FINANCIAL INSTITUTIONS

Item	Banks and financial institutions				Total	
	Local		Foreign			
	31 March 2020	31 December 2019	31 March 2020	31 December 2019	31 March 2020	31 December 2019
	JD (Unaudited)	JD (Audited)	JD (Unaudited)	JD (Audited)	JD (Unaudited)	JD (Audited)
Current and call accounts	29,671	29,671	7,720,017	7,292,860	7,749,688	7,322,531
Deposits maturing within a period of three months or less	-	29,143,000	115,564	255,680	115,564	29,398,680
Deposits maturing within a period of more than three months	-	-	153,065	-	153,065	-
	29,671	29,172,671	7,988,646	7,548,540	8,018,317	36,721,211
Less: Provision for expected credit losses	-	(77,995)	(4,223)	(677)	(4,223)	(78,672)
	29,671	29,094,676	7,984,423	7,547,863	8,014,094	36,642,539

JORDAN COMMERCIAL BANK
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
AS AT 31 MARCH 2020 (REVIEWED NOT AUDITED)

- The non-interest-bearing balances held at banks and financial institutions amounted to JD 7,749,688 as at 31 March 2020 and (JD 7,243,788 as at 31 December 2019).
- Balances maturing within a period of more than three months are JD 153,065 as at 31 March 2020 (None as at 31 December 2019).
- There are no restricted balances as at 31 March 2020 and 31 December 2019.

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

	31 March 2020 (Unaudited)			
	Stage 1	Stage 2	Stage 3	Total
	JD	JD	JD	JD
Balance at the beginning of the period	78,672	-	-	78,672
Recoveries from ECL related to settled balances	(77,994)	-	-	(77,994)
Changes resulting from adjustments	3,545	-	-	3,545
Balance at the end of the period	4,223	-	-	4,223

(6) DIRECT CREDIT FACILITIES, NET

The details of this item are as follows:

	31 March 2020 JD (Unaudited)	31 December 2019 JD (Audited)
Individuals (Retail)		
Overdrafts	851,430	364,664
Loans and bills *	182,707,945	180,269,792
Credit cards	4,358,109	4,274,929
Real Estate Loans	118,286,195	121,834,039
Corporate Customers		
Overdrafts	81,041,285	76,344,157
Loans and bills *	287,862,051	276,490,443
Small and Medium Enterprises "SMEs"		
Overdrafts	18,408,576	16,162,824
Loans and bills *	35,840,861	34,570,961
Governmental and Public Sector	48,111,274	20,742,691
Total	777,467,726	731,054,500
Less: Provision for expected credit losses**	(53,182,937)	(47,974,854)
Suspended interests**	(15,557,557)	(14,079,271)
Direct credit facilities, net	708,727,232	669,000,375

JORDAN COMMERCIAL BANK
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
AS AT 31 MARCH 2020 (REVIEWED NOT AUDITED)

- * Net after deducting interest and commissions received in advance amounting to JD 2,778,741 as of 31 March 2020 (31 December 2019: JD 2,930,594).
- ** During the first three months of 2020, direct credit facilities amounting to JD 12,509 were written-off with interest in suspense amounting to JD 11,679 and a provision of JD 830.
- Non-performing credit facilities amounted to JD 98,066,678 as at 31 March 2020 (31 December 2019: JD 84,627,492), representing 12.61% of total credit facilities.as at 31 March 2020 (31 December 2019: 11.58%)
- Non-performing credit facilities net of interest and commissions amounted to JD 82,625,368 as at 31 March 2020 (31 December 2019: JD 70,617,431), representing 10.84% of total credit facilities after deducting interest and commissions as at 31 March 2020 (31 December 2019: 9.85%).
- Non-performing credit facilities transferred to off interim condensed financial position items amounted to JD 121,432,671 as at 31 March 2020 (31 December 2019: JD 120,937,156). These credit facilities are fully covered with the suspended interests and provisions.
- Direct credit facilities include facilities granted that are guaranteed by the Government of Jordan amounting to JD 30,000,000 as of 31 March 2020 and (31 December 2019: JD 2,500,000).

JORDAN COMMERCIAL BANK

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

AS AT 31 MARCH 2020 (REVIEWED NOT AUDITED)

The movement on the provision for expected credit losses is as follows:

Item	31 March 2020 (Unaudited)					Total
	Governmental and public sectors					
	Individuals	Real estate	Corporate	SMEs	JD	
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the period	10,763,744	1,777,426	31,252,880	4,086,186	94,618	47,974,854
Provision for expected credit loss on new facilities during the period	190,776	7,737	20,126	143,081	-	361,720
Recoveries from ECL related to settled facilities	(129,076)	(26,147)	(319)	(61,585)	(2)	(217,129)
Transferred to stage 1	(62,275)	(29,257)	(113,116)	(9,220)	-	(213,868)
Transferred to stage 2	37,807	68,732	62,493	3,983	-	173,015
Transferred to stage 3	24,468	(39,475)	50,623	5,237	-	40,853
Effect on provision resulting from reclassification among the three stages	600,209	362,211	2,481,326	531,716	-	3,975,462
Changes resulting from adjustments	121,343	(37,593)	1,002,140	(67,039)	70,009	1,088,860
Written-off credit facilities	(830)	-	-	-	-	(830)
Balance at the end of the period	11,546,166	2,083,634	34,756,153	4,632,359	164,625	53,182,937
Re- allocation:						
Provisions on an individual basis	11,546,166	2,083,634	34,756,153	4,632,359	164,625	53,182,937

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Item	31 December 2019 (Audited)					
	Companies					Total JD
	Individual JD	Real estate JD	Corporate JD	SMEs JD	Governmental and public sectors JD	
Balance at the beginning of the year	14,177,909	1,754,880	39,451,016	3,552,067	207,566	59,143,438
Provision for expected credit loss on new facilities during the year	796,606	115,646	266,316	90,046	80,395	1,349,009
Recoveries from ECL related to settled facilities	(741,000)	(200,742)	(413,813)	(261,876)	-	(1,617,431)
Transferred to stage 1	(17,659)	(64,584)	(2,027,635)	(31,314)	-	(2,141,192)
Transferred to stage 2	(35,780)	56,440	2,584,353	(35,238)	-	2,539,775
Transferred to stage 3	53,438	8,144	(556,718)	66,552	-	(428,584)
Effect on provision resulting from reclassification among the three stages	256,672	213,266	2,506,895	2,684,611	-	5,361,444
Changes resulting from adjustments	344,430	43,649	(3,072,419)	(138,519)	(99,330)	(2,922,189)
Written-off credit facilities	(43,559)	-	-	-	-	(43,559)
Expected credit losses provision transferred to off statement of financial position regulatory accounts	(2,539,265)	(566)	(5,746,750)	(719,966)	-	(9,006,547)
Transferred to assets held for sale	(1,488,048)	(148,707)	(1,738,365)	(1,120,177)	(94,013)	(4,589,310)
Balance at the end of the year	10,763,744	1,777,426	31,252,880	4,086,186	94,618	47,974,854
Re-allocation:						
Provisions on an individual basis	10,763,744	1,777,426	31,252,880	4,086,186	94,618	47,974,854

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Suspended Interests

The movement on suspended interests is as follows:

	Companies					Governmental and public sectors	Total
	Individuals	Real estate loans	Corporate	SMEs			
	JD	JD	JD	JD	JD	JD	JD
For the three months ended in 31 March 2020 (Unaudited)							
Balance at the beginning of the period	1,312,553	1,255,739	9,746,437	1,764,542	-		14,079,271
<u>Add:</u> Interests in suspense for the period	238,261	177,091	892,647	288,495	-		1,596,494
<u>Less:</u> Interests transferred to revenues	(65,255)	(27,710)	(3)	(13,561)	-		(106,529)
Interests in suspense written-off	(7,711)	(3,968)	-	-	-		(11,679)
Balance at the end of the period	1,477,848	1,401,152	10,639,081	2,039,476	-		15,557,557

	Companies					Governmental and public sectors	Total
	Individuals	Real estate loans	Corporate	SMEs			
	JD	JD	JD	JD	JD	JD	JD
For the year ended in 31 December 2019 (Audited)							
Balance at the beginning of the year	1,893,506	1,136,321	12,462,962	2,192,005	-		17,684,794
<u>Add:</u> Interests in suspense for the year	987,411	450,378	3,927,138	1,421,527	-		6,786,454
<u>Less:</u> Interests transferred to revenues	(394,966)	(218,994)	(136,513)	(120,203)	-		(870,676)
Interests in suspense written-off	(18,958)	(44,901)	-	(158,618)	-		(222,477)
Transferred to off- statement of financial position items	(824,996)	(67,065)	(6,507,150)	(597,320)	-		(7,996,531)
Transferred to assets held for sale	(329,444)	-	-	(972,849)	-		(1,302,293)
Balance at the end of the year	1,312,553	1,255,739	9,746,437	1,764,542	-		14,079,271

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

The details of this item are as follows:

	31 March 2020 (Unaudited) JD	31 December 2019 (Audited) JD
Quoted shares in active markets	1,678,898	1,876,382
	1,678,898	1,876,382

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

The details of this item are as follows:

	31 March 2020 JD (Unaudited)	31 December 2019 JD (Audited)
Quoted shares in active markets	5,346,689	6,090,959
Unquoted shares in active markets	4,750,046	5,014,978
	<u>10,096,735</u>	<u>11,105,937</u>

- There were no cash dividend distributions for the above-mentioned financial assets for the three months ended 31 March 2020 (JD 87,500 for the three months ended 31 March 2019).

(9) FINANCIAL ASSETS AT AMORTIZED COST, NET

The details of this item are as follows:

	31 March 2020 JD (Unaudited)	31 December 2019 JD (Audited)
Treasury bonds and bills	252,295,139	272,205,188
Companies' bonds and debentures	4,436,000	5,036,000
	<u>256,731,139</u>	<u>277,241,188</u>
Less: Provision for expected credit losses	(497,655)	(507,062)
	<u>256,233,484</u>	<u>276,734,126</u>

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

	31 March 2020 (Unaudited)			
	Stage 1	Stage 2	Stage 3	Total
	JD	JD	JD	JD
Balance at the beginning of the period	53,874	-	453,188	507,062
Recoveries from ECL related to matured investments	(9,407)	-	-	(9,407)
Balance at the end of the period	<u>44,467</u>	<u>-</u>	<u>453,188</u>	<u>497,655</u>

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(10) OTHER ASSETS

The details of this item are as follows:

	31 March 2020	31 December 2019
	JD (Unaudited)	JD (Audited)
Assets seized by the Bank against debts, net*	60,930,470	83,253,775
Accrued interest and commissions	11,409,147	7,884,644
Receivables from assets sold on installments	10,513,038	-
Checks and transfers under collection	-	30,216
Assets seized by the Bank sold on instalments, net	4,691,509	3,860,517
Prepaid expenses	2,852,778	1,079,518
Refundable deposits	1,204,303	1,120,991
Purchase of time withdrawals, policies and letters of credit, net ***	31,960,056	34,858,358
Others	3,724,945	2,367,243
Total	127,286,246	134,455,262

* Movement on assets seized by the bank against debts for the period/year is as follows:

	31 March 2020	31 December 2019
	JD (Unaudited)	JD (Audited)
Balance at the beginning of the period / year	83,253,775	84,736,553
Additions	644,468	3,571,616
Disposals	(22,498,451)	(524,143)
Impairment loss	(577,763)	(952,820)
Impairment on breached assets seized by the bank **	108,441	(272,038)
Transfers	-	(3,305,393)
Balance at the end of the period / year	60,930,470	83,253,775

According to the Banks Law, buildings and plots of land seized by the bank against debts 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 two additional years.

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

	31 March 2020 JD (Unaudited)	31 December 2019 JD (Audited)
Balance at the beginning of the period/year	3,268,794	2,996,756
Provided for the period/year	-	272,038
Surplus during the period/year	(108,441)	-
Balance at the end of the period/year	3,160,353	3,268,794

***** Movement on the provision for expected credit losses on time withdrawals, policies and letters of credit is as follows:**

	31 March 2020 (Unaudited)			
	First Stage JD	Second Stage JD	Third Stage JD	Total JD
Balance at the beginning of the period	245,569	-	-	245,569
ECL on new exposures during the period	38,030	-	-	38,030
ECL on matured exposures	(169,474)	-	-	(169,474)
Changes resulting from adjustments	(9,583)	-	-	(9,583)
Balance at the end of the period	104,542	-	-	104,542

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(11) CUSTOMERS' DEPOSITS

The details of this item are as follows:

31 March 2020 (Unaudited)				
	Individuals	Corporate	SMEs	Government and public sectors
	JD	JD	JD	JD
Total	JD			
Current and call accounts	38,509,395	26,799,565	28,588,452	5,337,803
Saving deposits	164,491,164	94,645	2,141,193	249,688
Certificates of deposits	33,940,233	-	12,000	-
Time and notice deposits	326,918,863	78,607,298	74,500,596	78,942,013
	<u>563,859,655</u>	<u>105,501,508</u>	<u>105,242,241</u>	<u>84,529,504</u>
				<u>859,132,908</u>
31 December 2019 (Audited)				
	Individuals	Corporate	SMEs	Government and public sectors
	JD	JD	JD	JD
Total	JD			
Current and on call accounts	35,804,556	25,077,496	34,349,564	6,261,469
Saving deposits	163,566,847	90,636	3,093,229	180,138
Certificates of deposits	33,911,016	-	12,000	-
Time and notice deposits	318,358,531	79,943,535	75,322,721	60,726,655
	<u>551,640,950</u>	<u>105,111,667</u>	<u>112,777,514</u>	<u>67,168,262</u>
				<u>836,698,393</u>

- The Government of Jordan's and the public sector's deposits inside the Kingdom amounted to JD 84,529,504 representing 9.84% of total customers' deposits as at 31 March 2020 (JD 67,168,262 representing 8.03% of total customers' deposits as at 31 December 2019).
- Non-interest-bearing deposits amounted to JD 96,648,640 representing 11.25% of total customers' deposits as at 31 March 2020 (JD 98,042,179 representing 11.7% of total customers' deposits as at 31 December 2019).
- Reserved deposits (restricted withdrawals) amounted to JD 5,216,041 representing 0.61% of total customers' deposits as at 31 March 2020 (JD 8,642,400 representing 1.03% of total customers' deposits as at 31 December 2019).
- Dormant deposits amounted to JD 7,448,738 as at 31 March 2020 (JD 6,134,468 as at 31 December 2019).

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(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:

31 March 2020 (Unaudited)	Total loans	Utilized	Settlement method	Guarantees	Loan Interest price
	JD	JD			
Loan from World Bank through Central Bank of Jordan	2,000,000	1,500,000	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	1,382,016	10 years including 3 years grace period settled in semi-annual instalments	-	2.5%
Advances from Central Bank of Jordan	12,214,227	12,214,227	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%
Jordanian Mortgage Refinance Company	10,000,000	10,000,000	One payment on 5 February 2024	Transfer of Mortgage Funds	6.8%
International Fund for Agricultural Development through the Central Bank of Jordan	750,000	755,838	18 years including 3 years grace period settled in semi-annual instalments	-	2.35%
Central Bank of Jordan for Mortgage bonds	-	30,000,000	One Payment on 6 May 2020	Mortgage bonds	2%
Central Bank of Jordan for Mortgage bonds	-	26,865,672	One Payment on 31 March 2021	Mortgage bonds	2%
		<u>102,717,753</u>			

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31 December 2019 (Audited)	Total loans	Utilized	Settlement method	Guarantees	Loan Interest price
	JD	JD			
			20 years including 5 years grace		
Loan from World Bank through Central Bank of Jordan	2,000,000	1,600,000	period settled in semi-annual instalments	-	2.5%
			10 years including 3 years grace		
Loan from Arab Monetary Funds through Central Bank of Jordan	2,100,000	1,365,000	period settled in semi-annual instalments	-	2.5%
			2 years settled in semi-annual instalments		
Advances from Central Bank of Jordan	12,363,959	12,363,959		-	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%
Jordanian Mortgage Refinance Company	10,000,000	10,000,000	One payment on 16 February 2024	-	6.8%
			18 years including 3 years grace		
International Fund for Agricultural Development through the Central Bank of Jordan	750,000	754,623	period settled in semi-annual instalments	-	2.35%
Central Bank of Jordan for Mortgage bonds	-	50,000,000	One payment on 6 February 2020	Mortgage bonds	4.75%
		<u>96,083,582</u>			

Borrowed funds amounted to JD 15,065,064 as at 31 March 2020 (JD 15,402,088 as at 31 December 2019) with an interest rate ranging between 3% and 10%.

(13) INCOME TAX

A. INCOME TAX PROVISION

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

	31 March 2020 JD (Unaudited)	31 December 2019 JD (Audited)
Balance at the beginning of the period/year	-	745,548
Income tax payable on profit for the period/ year	3,061	518,012
Income tax paid – Jordan branches	-	(518,012)
Surplus in provision reversed to income – Palestine branches	-	(745,548)
Balance at the end of the period/year	<u>3,061</u>	<u>-</u>

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B. INCOME TAX EXPENSE

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

	31 March 2020	31 March 2019
	JD	JD
	(Unaudited)	(Audited)
Income tax incurred on current period profit - Jordan branches	3,061	1,475
Deferred tax assets	(233,177)	295,361
Deferred tax liabilities	(50,388)	(14,107)
	<u>(280,504)</u>	<u>282,729</u>

C. TAX STATUS:

The Bank has reached a final settlement with the Income and Sales Tax Department for Jordan branches until the end of the year 2016.

Regarding the year 2017, the income tax return was submitted within the legal period and it was reviewed by the Income and Sales Tax Department. A decision was made that required the Bank to pay a tax difference for the year 2017 by an amount of JD 1.9 million and the Bank has appealed the decision. Regarding the year 2018 and 2019, the income tax return was submitted within the legal period, but it has not been reviewed yet.

In the opinion of the Management and the Bank's Tax Consultant, no liability would exceed the booked provision and the advance payments as of the date of the condensed interim financial statements.

	31 March 2020	31 December 2019
	JD	JD
	(Unaudited)	(Audited)
Income tax rate	38%	38%

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(14) SUNDRY PROVISIONS

The details of this item are as follows:

	For the three months ended 31 March 2020 (Unaudited)			
	Balance at the beginning of the period	Expense for the period	Paid/ recovered during the period	Balance at the end of the period
	JD	JD	JD	JD
Provision for lawsuits against the Bank	368,568	13,735	(13,735)	368,568
Provision for end of services indemnity	2,056	-	-	2,056
Others	1,000,000	-	(1,000,000)	-
Total	1,370,624	13,735	(1,013,735)	370,624

	For the year ended 31 December 2019 (Audited)				
	Balance at the beginning of the year	Expense for the year	Paid during the year	Transferred to liabilities associated with assets held for sale	Balance at the end of the year
	JD	JD	JD	JD	JD
Provision for lawsuits against the Bank	146,472	401,848	(176,906)	(2,846)	368,568
Provision for end of services indemnity	777,794	255,115	(173,193)	(857,660)	2,056
Other	1,000,000	-	-	-	1,000,000
Total	1,924,266	656,963	(350,099)	(860,506)	1,370,624

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(15) OTHER LIABILITIES

The details of this item are as follows:

	31 March 2020 JD (Unaudited)	31 December 2019 JD (Audited)
Accepted checks	5,888,150	7,162,304
Unpaid accrued interests	8,460,222	8,479,402
Commissions received in advance	368,807	314,808
Refundable and various deposits	6,394,965	2,781,827
Safe deposits boxes	91,319	88,429
Shareholders' deposits	14,672	15,759
Income tax and social security deposits	451,101	394,461
Unpaid accrued expenses	803,896	574,678
Transactions in transit between branches	-	1,124,725
Board of Directors' remuneration	55,000	56,250
Received amounts on the of sale seized real estate	2,058,241	13,049,944
Inward transfers	885,518	203,704
Provision for expected credit losses for off-condensed interim statement of financial position items *	4,331,955	4,643,231
Checks and transfers under collection	1,475,079	-
Others	941,620	281,086
	<u>32,220,545</u>	<u>39,170,608</u>

* The movement on the provision for expected credit losses for items off the condensed interim statement of financial position is as follows:

	31 March 2020 (Unaudited)			
	Stage 1	Stage 2	Stage 3	Total
	JD	JD	JD	JD
Balance at the beginning of the period	791,494	1,033,413	2,818,324	4,643,231
ECL on new exposures during the period	28,666	10,366	-	39,032
ECL on matured exposures	(123,647)	(211,449)	-	(335,096)
Transferred to stage 1	78,931	(78,685)	(246)	-
Transferred to stage 2	(206,318)	206,324	(6)	-
Transferred to stage 3	(2,122)	(2,532)	4,654	-
Effect on provision due to reclassification between the three stages	-	(70,873)	349,953	279,080
Changes resulting from adjustments	(13,617)	83,013	(363,688)	(294,292)
Balance at the end of the period	<u>553,387</u>	<u>969,577</u>	<u>2,808,991</u>	<u>4,331,955</u>

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(16) RESERVES

The bank did not deduct the statutory reserves according to the Jordanian Companies Law and the cyclical fluctuations reserve according to the instructions of the Monetary Authority, as these financial statements are interim and condensed, and this is typically done at the end of the fiscal year.

(17) FAIR VALUE RESERVE, NET

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

	31 March 2020 JD (Unaudited)	31 December 2019 JD (Audited)
Balance at the beginning of the period/year	(2,211,406)	(2,053,183)
Unrealized (losses) - net	(450,808)	(158,223)
Released from selling financial assets at fair value through other comprehensive income	(134,778)	-
Balance at the end of the period/ year	(2,796,992)	(2,211,406)

The fair value reserve includes JD 311,112 as at 31 March 2020 and 31 December 2019 as an impact related to the implementation of the International Financial Reporting Standard No. (9).

(18) RETAINED EARNINGS

	31 March 2020 JD (Unaudited)	31 December 2019 JD (Audited)
Balance at the beginning of the period/year	1,862,494	(1,214,496)
Profit for the period/year	-	5,313,066
Transferred to reserves	-	(2,236,076)
Realized profit from selling financial assets at fair value through other comprehensive income	134,778	-
Balance at the end of the period/ year	1,997,272	1,862,494

- Retained earnings balance includes JD 12,876,294 as of 31 March 2020 of restricted amounts against deferred tax assets according to the Central Bank of Jordan's instructions.
- Use of retained earnings balance equal to the negative cumulative change in fair value of financial assets is restricted (including JD 311,112 against the implementation of International Financial Reporting Standard NO. (9)) according to the instructions of the Jordan Securities Commission and the Central Bank of Jordan.

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(19) PROVISION FOR EXPECTED CREDIT LOSSES, NET

The details of this item are as follows:

	For the three months ended 31 March	
	2020	2019
	JD	JD
Balances and deposits at central banks and financial institutions	(74,449)	(70,625)
Direct credit facilities	5,208,913	843,586
Debt instruments within a portfolio of financial assets at amortized cost	(9,407)	276,406
Indirect credit facilities and other commitments	(311,276)	576,229
Purchased credits and withdrawals	(141,027)	204,385
	<u>4,672,754</u>	<u>1,829,981</u>

(20) CASH AND CASH EQUIVALENTS

The details of this item are as follows:

	For the three months ended 31 March	
	2020	2019
	JD	JD
Cash and balances with central banks maturing within three months	108,636,182	146,537,351
<u>Add:</u> Balances at banks and financial institutions maturing within a period of three months	7,861,029	81,522,345
<u>Less:</u> Banks and financial institutions' deposits maturing within a period of three months	(30,368,371)	(24,009,380)
	<u>86,128,840</u>	<u>204,050,316</u>

(21) SEGMENT INFORMATION

1- Information on Bank Activities

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

- 1- Individual accounts: Principally following up on individual customers accounts real estate loans overdrafts credit cards facilities and transfer facilities.
- 2- SME's: Principally "SME's' transactions on loans credit facilities and deposits and whom 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.
- 3- Corporate accounts: Principally corporate transactions on loans credit facilities and deposits, whom 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.
- 4- Treasury: Principally providing money market trading and treasury services as well as management of the Bank's funding operations through treasury bills government securities placements and acceptances with other banks and that is through treasury and banking services.
- 5- 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.
- 6- Other: This sector includes all non-listed accounts in the above sectors, for example equity and investments in associates, receivables, equipment, and general management.

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	Total for the three months ended 3 rd March					
	2020		2019			
	Individuals	Corporations	Treasury	Others	2020	2019
	JD	JD	JD	JD	JD	JD
					(Unaudited)	(Unaudited)
Gross income for the period	2,934,968	6,529,426	222,889	1,142,247	10,829,530	9,955,579
Less: Provision for expected credit losses	(1,342,667)	(3,555,267)	225,180	-	(4,672,754)	(1,829,961)
Segment results	1,592,301	2,974,159	448,069	1,142,247	6,156,776	8,125,598
Less: Distributed segment expenses	(1,963,413)	(4,368,006)	(40,667)	(777,867)	(7,149,953)	(7,000,155)
(Loss) profit before income tax for the period	(371,112)	(1,393,847)	407,402	364,380	(993,177)	1,125,442
Less: Income tax for the period	-	-	-	280,504	280,504	(282,729)
(Loss) profit before income tax for the period from continuing operations	(371,112)	(1,393,847)	407,402	644,884	(712,673)	842,713
(Loss) before income tax for the period from discontinued operations	-	-	-	(258,728)	(258,728)	(612,674)
(Loss) profit for the period	(371,112)	(1,393,847)	407,402	386,156	(971,401)	230,039
Other information:						
Capital expenditures					708,869	738,179
Depreciation and amortization					863,751	847,776
Total segment assets	230,265,823	469,436,572	440,026,448	267,008,226	1,406,737,069	1,386,593,022
Total segment liabilities	576,467,397	258,427,091	279,742,128	154,323,888	1,268,960,504	1,247,394,248

JORDAN COMMERCIAL BANK
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
AS AT 31 MARCH 2020 (REVIEWED NOT AUDITED)

2- Geographical distribution information

This sector represents the geographical distribution of the Banks operation, The Bank operates mainly in the Kingdom, which represents the local business, The Bank also carries out international activities in the Middle East, Europe, Asia, America and the Near East representing international business.

	Inside Jordan		Outside Jordan		Total	
	For the three months ended 31 March		For the three months ended 31 March		For the three months ended 31 March	
	2020	2019	2020	2019	2020	2019
	JD	JD	JD	JD	JD	JD
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Gross income	11,024,811	8,937,936	(195,281)	1,017,643	10,829,530	9,955,579
Capital Expenditures	708,869	400,463	-	337,716	708,869	738,179

Following is the geographical distribution and economic sector of the Bank's profit and loss inside and outside Jordan:

	31 March		31 December		31 March		31 December	
	2020		2019		2020		2019	
	JD	JD	JD	JD	JD	JD	JD	JD
	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Total assets	1,240,369,397	1,213,052,825	166,367,672	173,540,197	1,406,737,069	1,386,593,022		

JORDAN COMMERCIAL BANK
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(22) 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 impairment 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:

	BOD members and their related parties	Companies represented by the BOD	Employees	Others	Total	
	JD	JD	JD	JD	31 March 2020 JD (Unaudited)	31 December 2019 JD (Audited)

Condensed Interim Statement of Financial

Position Items:

Deposits	33,222,978	4,024,469	578,160	321,758	38,147,365	39,873,104
Direct credit facilities	966,522	15,622,333	1,368,318	4,066,970	22,024,143	21,670,176
Cash margins	1,151,000	31,744	-	5,035	1,187,779	1,189,199

Items Off the Statement of Condensed Interim

Financial Position:

Letters of guarantee	10,000	837,963	-	374,850	1,222,813	1,325,318
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For the three months ended 31

March (Unaudited)

2020	2019
JD	JD

Condensed Interim Income Statement Items:

Interest and commission income*	14,453	123,690	34,790	25,381	198,314	229,828
Interest and commission expense**	430,394	17,947	3,515	-	451,856	148,185

* Credit interest rate ranges from 4% to 11.75%

** Debit interest rate ranges from 1% to 4.5%

JORDAN COMMERCIAL BANK
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
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(23) CREDIT COMMITMENTS AND CONTINGENCIES:

	31 March 2020	31 December 2019
	JD	JD
	(Unaudited)	(Audited)
Letters of credit	26,821,437	40,484,523
Acceptances	33,058,472	32,395,959
Letters of guarantee:		
Payment	28,509,252	28,608,707
Performance bonds	60,810,300	64,340,267
Others	53,637,913	55,358,222
Unutilized direct credit facilities ceilings	48,341,445	63,583,115
Total	251,178,819	284,770,793

(24) LITIGATION

Lawsuits raised against the Bank amounted to JD 20,929,619 as at 31 March 2020 (31 December 2019: JD 20,897,947), In the opinion of the Bank's management and the Legal Counsel, there are no further liabilities that exceed the provision booked amounting to JD 368,568 as at 31 March 2020 (31 December 2019: JD 368,568).

(25) ASSETS HELD FOR SALE AND DISCOUNTED OPERATIONS

On 28 November 2019, an agreement was signed between the Jordan Commercial Bank and the National Bank in Palestine whereby the National Bank acquires most of the assets and liabilities of the Jordan Commercial Bank's branches in Palestine at book value in exchange for a 15% of strategic interests in National Bank's capital. The Bank's management expects to complete this agreement during the second half of 2020. In accordance with the requirements of the International Financial Reporting Standard (5). The comparative figures have been reclassified in the statement of income to show the results of the Bank's branches in Palestine in the line item (loss) profit from discontinued operations as well as transferring all sold assets to assets held for sale and the sold liabilities to liabilities directly associated with assets held for sale.

JORDAN COMMERCIAL BANK
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The results of performing discounted operations that are included in income for the period ended 31 March are as follow:

	2020	2019
	JD	JD
Interest Income	1,266,296	1,332,577
Less: Interest expense	(906,390)	(930,431)
Net interest income	359,906	402,146
Net commission income	40,937	35,034
Net interest and commission income	400,843	437,180
Foreign currency income	27,370	82,856
Other income	88,705	92,907
Gross income	516,918	612,943
Employees' expenses	459,693	446,748
Depreciation and amortization	133,557	106,198
Provision for expected credit losses - net	(265,549)	235,783
Other provisions	28,127	39,677
Other expenses	419,818	397,211
Total expenses	775,646	1,225,617
(Loss) for the period/year before tax	(258,728)	(612,674)
Income tax	-	-
(Loss) for the period/year from discontinued operations	(258,728)	(612,674)

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The details of assets held for sale and the liabilities associated with assets held for sale are as follows:

	Balance before loss as of 31 March 2020	Loss from sale	Net balance as of 31 March 2020	Net balance as of 31 December 2019
	JD	JD	JD (Unaudited)	JD (Audited)
Assets				
Cash and balances with central banks	43,926,381	-	43,926,381	45,640,351
Balances at banks and financial institutions	28,646,185	-	28,646,185	23,838,000
Direct credit facilities, net	63,655,722	-	63,655,722	66,624,830
Financial assets at fair value through other comprehensive income	1,961,522	-	1,961,522	2,009,364
Financial assets at amortized cost, net	1,392,078	-	1,392,078	1,392,078
Property and equipment, net	5,532,928	(3,266,470)	2,266,458	2,353,113
Intangible assets, net	446,911	(442,017)	4,894	-
Other assets	1,685,530	-	1,685,530	1,915,348
Total assets held for sale	147,247,257	(3,708,487)	143,538,770	143,773,084
Liabilities				
Banks financial and institutions deposits	21,668,945	-	21,668,945	18,969,978
Customer deposits	95,288,798	-	95,288,798	98,748,808
Cash margins	4,617,599	-	4,617,599	4,610,741
Sundry provisions	819,089	-	819,089	860,506
Other liabilities	2,894,679	-	2,894,679	2,333,391
Total liabilities associated with assets held for sale	125,289,110	-	125,289,110	125,523,424

**(26) NEW INTERNATIONAL FINANCIAL REPORTING STANDARDS AND ITS EXPLANATIONS AND ISSUED
AMENDMENTS AND NOT IMPLEMENTED YET**

The standards and interpretations that are issued but not yet effective, up to the date of issuance of the Bank's financial statements are disclosed below, The Bank intends to adopt these standards, if applicable, when they become effective.

IFRS (17) Insurance Contracts

IFRS (17) provides a comprehensive model for insurance contracts covering the recognition and measurement and presentation and disclosure of insurance contracts and replaces IFRS (4) - Insurance Contracts, The standard applies to all types of insurance contracts (i.e, life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features, The standard general model is supplemented by the variable fee approach and the premium allocation approach.

The new standard will be effective for annual periods beginning on or after 1 January 2023 with comparative figures required, Early application is permitted provided that the entity also applies IFRS (9) and IFRS (15) on or before the date it first applies IFRS (17). The Bank does not expect to be affected by this standard.

Amendments to IFRS (3): Definition of a Business

The IASB issued amendments to the definition of a business in IFRS (3) Business Combinations to help entities determine whether an acquired set of activities and assets is a business or not. They clarify the minimum requirements for a business, remove the assessment of whether market participants are capable of replacing any missing elements, add guidance to help entities assess whether an acquired process is substantive, narrow the definitions of a business and of outputs, and introduce an optional fair value concentration test.

Since the amendments apply prospectively to transactions or other events that occur on or after the date of first application, the Bank will not be affected by these amendments on the date of transition.

Amendments to IAS (1) and IAS (8): Definition of "Material"

The IASB issued amendments to IAS (1) Presentation of Financial Statements and IAS (8) Accounting Policies, Changes in Accounting Estimates and Errors to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity,' The amendments to the definition of material is not expected to have a significant impact on the Bank's financial statements.

Interest Rate Benchmark Reform Amendments to IFRS (9) and IFRS (7)

Interest Rate Benchmark Reform Amendments to IFRS (9) and IFRS (7) includes a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainties about the timing and or amount of benchmark-based cash flows of the hedged item or the hedging instrument. As a result of interest rate benchmark reform, there may be uncertainties about the timing and or amount of benchmark-based cash flows of the hedged item or the hedging instrument during the period before the replacement of an existing interest rate benchmark with an alternative risk-free interest rate (an RFR). This may lead to uncertainty whether a forecast transaction is highly probable and whether prospectively the hedging relationship is expected to be highly effective.

The amendments provide temporary reliefs which enable hedge accounting to continue during the period of uncertainty before the replacement of an existing interest rate benchmark with an alternative risk-free interest rate (an "RFR"). The effective date of the amendments is for annual periods beginning on or after 1 January 2020, with early application permitted. The requirements must be applied retrospectively. However, any hedge relationships that have previously been de-designated cannot be reinstated upon application, nor can any hedge relationships be designated with the benefit of hindsight.

With phase one completed, the IASB is now shifting its focus to consider those issues that could affect financial reporting when an existing interest rate benchmark is replaced with an RFR. This is referred to as phase two of the IASB's project. The bank has not early adopted the amendments and has concluded that the uncertainty arising from IBOR reform is not affecting its hedge relationships to the extent that the hedge relationships need to be discontinued.

(27) COMPARATIVE FIGURES

Some of the comparative figures in the financial statements have been reclassified to be consistent with the year 2020 presentation with no effect on profit and equity for the year 2019.