

نموذج رقم (4-1)

Form No. (1-4)



بنك الإسكان للتجارة والتمويل
The Housing Bank for Trade & Finance

Ref: 2020/9/263

Date : 6/8/2020

الرقم : 2020/9/263

التاريخ : 2020/8/6

To: Jordan Securities Commission
Amman Stock Market

Subject: Semi-Annual Report as of 30/06/2020

السادة : هيئة الأوراق المالية

السادة : بورصة عمان

الموضوع : التقرير نصف السنوي كما في 2020/06/30

Attached a copy of the English version of the Housing Bank for Trade and Finance semi-annual financial statements as of June 30th 2020, after being reviewed by the external auditor.

مرفق طيه نسخة من البيانات المالية نصف السنوية لشركة (بنك الإسكان للتجارة والتمويل) باللغة الإنجليزية كما في 2020/06/30 بعد مراجعتها من قبل مدققي الحسابات .

Kindly accept high appreciation and respect

وتفضلوا بقبول فائق الاحترام ،،

The Housing Bank for Trade and Finance

بنك الاسكان للتجارة والتمويل

Chief Financial Officer : Mr. Nidal Lufi

رئيس المجموعة المالية : نضال لطفي

بورصة عمان
الدائرة الإدارية والمالية
الديوان

٦ آب ٢٠٢٠

الرقم التسلسلي: ٥٩١١
رقم الملف: ٤٠٠٠
الجهة المختصة: المدير العام

THE HOUSING BANK FOR TRADE AND FINANCE
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - THE HASHEMITE KINGDOM OF JORDAN

CONDENSED CONSOLIDATED INTERIM FINANCIAL
INFORMATION FOR THE
SIX MONTHS ENDED JUNE 30, 2020
TOGETHER WITH THE REVIEW REPORT

THE HOUSING BANK FOR TRADE AND FINANCE
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - THE HASHEMITE KINGDOM OF JORDAN
JUNE 30, 2020

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Review Report on the Condensed Consolidated Interim Financial Information

AM/ 010923

H.E. The Chairman and Board of Directors Members
The Housing Bank for Trade and Finance
(Public Shareholding Limited Company)
Amman – The Hashemite Kingdom of Jordan

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of The Housing Bank for Trade and Finance (Public Shareholding Limited Company) as of June 30, 2020 and the related condensed consolidated interim statements of profit or loss and comprehensive income for the six months ended on June 30, 2020, and changes in owners' equity and cash flows for the six-months then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these condensed consolidated interim financial information in accordance with the international accounting standard No.(34) "Interim Financial Reporting" as adopted by the Central Bank of Jordan. Our responsibility is to express a conclusion on these condensed consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements No.2410, "Review of Condensed Interim Financial Information Performed by the Independent Auditor". A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters in the bank, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information are not prepared, in all material respects in accordance with the International Accounting Standard No. (34)" interim financial reporting" as adopted by the Central Bank of Jordan.

Other Matter

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

Amman – Jordan
July 26, 2020

Deloitte & Touche (M.E.) – Jordan

Deloitte & Touche (M.E.)

ديلويت آند توش (الشرق الأوسط)

010103

THE HOUSING BANK FOR TRADE AND FINANCE
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - THE HASHEMITE KINGDOM OF JORDAN
CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

| | Note | June 30, 2020 (Reviewed) JD | December 31, 2019 (Audited) JD |
|---|-------------|--|---|
| Assets: | | | |
| Cash and balances at central banks - net | 5 | 726,207,377 | 1,114,595,764 |
| Balances at banks and financial institutions - net | 6 | 338,217,010 | 452,515,681 |
| Deposits at banks and financial institutions - net | 7 | 64,918,996 | 56,296,849 |
| Direct credit facilities at fair value through profit or loss | 8 | 130,263,446 | - |
| Financial assets at fair value through profit or loss | 9 | 3,476,420 | 3,673,524 |
| Financial assets at fair value through other comprehensive income | 10 | 380,218,827 | 388,454,051 |
| Direct credit facilities at amortized cost - net | 11 | 4,088,509,731 | 4,158,821,005 |
| Financial assets at amortized cost - net | 12 | 1,873,687,521 | 1,826,623,951 |
| Property and equipment - net | | 177,483,336 | 185,136,052 |
| Intangible assets - net | | 22,977,646 | 23,582,588 |
| Rights of use assets -net | | 26,969,789 | 28,702,451 |
| Deferred tax assets | | 96,795,663 | 77,273,667 |
| Other assets | 13 | 133,596,059 | 128,935,815 |
| TOTAL ASSETS | | 8,063,321,821 | 8,444,611,398 |
| LIABILITIES AND OWNERS' EQUITY: | | | |
| LIABILITIES: | | | |
| Banks and financial institutions deposits | | 664,885,165 | 725,249,222 |
| Customers' deposits | 14 | 5,414,756,948 | 5,810,512,968 |
| Cash margins | | 217,772,961 | 267,507,285 |
| Borrowed funds | 15 | 284,592,136 | 158,310,466 |
| Sundry provisions | | 45,243,008 | 49,697,700 |
| Income tax provision | 16/a | 37,596,154 | 46,550,293 |
| Deferred tax liabilities | | 8,555,253 | 6,569,323 |
| Lease liability | | 25,435,877 | 26,734,220 |
| Other liabilities | 17 | 226,998,298 | 229,666,079 |
| TOTAL LIABILITIES | | 6,925,835,800 | 7,320,797,556 |
| OWNERS' EQUITY: | | | |
| BANK'S SHAREHOLDERS EQUITY: | | | |
| Paid-up capital | | 315,000,000 | 315,000,000 |
| Share premium | | 328,147,537 | 328,147,537 |
| Statutory reserve | | 235,753,970 | 235,755,327 |
| Special reserve | | 11,302,452 | 11,184,797 |
| Foreign currencies translation | | (123,947,737) | (112,455,441) |
| Fair value reserve - net | 19 | 8,110,457 | 5,400,864 |
| Retained earnings | 20 | 285,149,402 | 285,267,050 |
| Profit for the period | | 25,898,348 | - |
| TOTAL BANK'S SHAREHOLDERS EQUITY | | 1,085,414,429 | 1,068,300,134 |
| Non-controlling interest | | 52,071,592 | 55,513,708 |
| TOTAL OWNERS' EQUITY | | 1,137,486,021 | 1,123,813,842 |
| TOTAL LIABILITIES AND OWNERS' EQUITY | | 8,063,321,821 | 8,444,611,398 |

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

THE HOUSING BANK FOR TRADE AND FINANCE
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - THE HASHEMITE KINGDOM OF JORDAN
CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS

| | Note | For the Three Months Ended June 30, | | For the Six Months Ended June 30, | |
|--|------|--|-------------------|--------------------------------------|--------------------|
| | | 2020 | 2019 | 2020 | 2019 |
| | | (Reviewed) | (Reviewed) | (Reviewed) | (Reviewed) |
| | | JD | JD | JD | JD |
| Interest income | 21 | 101,249,194 | 109,145,676 | 211,805,502 | 218,273,780 |
| Interest expense | 22 | (26,549,413) | (35,280,364) | (58,640,026) | (70,998,499) |
| Net Interest Income | | 74,699,781 | 73,865,312 | 153,165,476 | 147,275,281 |
| Net commission income | | 4,601,550 | 6,632,320 | 11,216,850 | 14,251,032 |
| Net Interest and Commission Income | | 79,301,331 | 80,497,632 | 164,382,326 | 161,526,313 |
| Gain from foreign currencies | | 2,622,475 | 2,678,711 | 5,709,394 | 5,309,225 |
| Gain (loss) from financial assets at fair value through profit or loss | 23 | 1,253,023 | (8,690) | 1,019,338 | 30,727 |
| Cash dividends from financial assets at fair value through other comprehensive income | | 175,000 | 43,194 | 175,000 | 218,194 |
| Other revenue | | 3,678,276 | 6,575,227 | 10,950,698 | 12,812,725 |
| Total Income | | 87,030,105 | 89,786,074 | 182,236,756 | 179,897,184 |
| Expenses | | | | | |
| Employees' expenses | | 19,851,791 | 24,082,175 | 40,941,168 | 44,651,036 |
| Depreciation and amortization | | 5,850,796 | 5,704,063 | 12,152,453 | 10,620,056 |
| Other expenses | | 13,364,945 | 13,253,511 | 27,027,640 | 24,934,482 |
| Allowance for expected credit losses | 18 | 32,557,318 | 24,603,832 | 58,488,277 | 40,618,758 |
| Sundry provisions | | 135,116 | 16,656 | 460,673 | 501,122 |
| Total Expenses | | 71,759,966 | 67,660,237 | 139,070,211 | 121,325,454 |
| Profit for the period before income tax expense | | 15,270,139 | 22,125,837 | 43,166,545 | 58,571,730 |
| Income tax expense | 16/b | (5,244,749) | (8,356,798) | (16,569,202) | (19,792,042) |
| Profit for the Period | | 10,025,390 | 13,769,039 | 26,597,343 | 38,779,688 |
| <u>Attributable to:</u> | | | | | |
| Bank's Shareholders | | 10,250,609 | 12,919,263 | 25,898,348 | 36,771,416 |
| Non-Controlling Interest | | (225,219) | 849,776 | 698,995 | 2,008,272 |
| | | 10,025,390 | 13,769,039 | 26,597,343 | 38,779,688 |
| Basic and diluted earnings per share for the period attributable to the Bank's Shareholders | 24 | 0,033 | 0,041 | 0,082 | 0,117 |

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

THE HOUSING BANK FOR TRADE AND FINANCE
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - THE HASHEMITE KINGDOM OF JORDAN
CONDENSED CONSOLIDATED INTERIM
STATEMENT OF COMPREHENSIVE INCOME

| | For the Three Months Ended June 30, | | For the Six Months Ended June 30, | |
|---|--|-----------------------------------|--|-----------------------------------|
| | 2020 (Reviewed) JD | 2019 (Reviewed) JD | 2020 (Reviewed) JD | 2019 (Reviewed) JD |
| Profit for the period | 10,025,390 | 13,769,039 | 26,597,343 | 38,779,688 |
| <u>Other comprehensive income items which may be reclassified to profit or loss in the subsequent period</u> | | | | |
| Foreign currencies translation | (5,002,350) | (1,733,570) | (15,633,407) | (79,460) |
| Net change in valuation reserve of financial assets at fair value through other comprehensive income after tax - debt instruments | 5,826,276 | 443,670 | 2,708,028 | 3,083,171 |
| <u>Other comprehensive income items that will not be reclassified to profit or loss in the subsequent period</u> | | | | |
| Net change in valuation reserve of financial assets at fair value through other comprehensive income after tax - equity instruments | 213,820 | 1,042,479 | 1,565 | 1,042,479 |
| Total other comprehensive income items for the period after tax | 1,037,746 | (247,421) | (12,923,814) | 4,046,190 |
| Total Comprehensive Income for the Period | <u>11,063,136</u> | <u>13,521,618</u> | <u>13,673,529</u> | <u>42,825,878</u> |
| <u>Attributable to:</u> | | | | |
| Bank's shareholders | 12,421,432 | 13,155,234 | 17,115,645 | 40,838,571 |
| Non-controlling interest | (1,358,296) | 366,384 | (3,442,116) | 1,987,307 |
| | <u>11,063,136</u> | <u>13,521,618</u> | <u>13,673,529</u> | <u>42,825,878</u> |

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THE HOUSING BANK FOR TRADE AND FINANCE
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - THE HASHEMITE KINGDOM OF JORDAN
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN OWNERS' EQUITY

| | Bank's Shareholders Equity | | | | | | | | | | |
|---|----------------------------|--------------------|--------------------|--------------------|---------------------------------|--------------------------------|----------------------|--------------------------|----------------------------------|-----------------------------|-------------------------|
| | | | Reserves | | | | | | | | |
| | Paid-up Capital | Share premium | Statutory | Special Reserve | Foreign Currency Translation | Fair value reserve - net | Retained Earnings | Profit for the Period | Total Shareholder's Equity | Non-controlling Interest | Total Owners' Equity |
| | JD | JD | JD | JD | JD | JD | JD | JD | JD | JD | JD |
| For the Six Months Ended June 30, 2020 | | | | | | | | | | | |
| (Reviewed) | | | | | | | | | | | |
| Beginning Balance for the Period (Audited) | 315,000,000 | 328,147,537 | 235,755,327 | 11,184,797 | (112,455,441) | 5,400,864 | 285,267,050 | - | 1,068,300,134 | 55,513,708 | 1,123,813,842 |
| Prior years adjustments | - | - | (1,357) | 117,655 | - | - | (116,298) | - | - | - | - |
| Adjusted Beginning Balance for the Period | | | | | | | | | | | |
| (Reviewed) | 315,000,000 | 328,147,537 | 235,753,970 | 11,302,452 | (112,455,441) | 5,400,864 | 285,150,752 | - | 1,068,300,134 | 55,513,708 | 1,123,813,842 |
| Profit for the period | - | - | - | - | - | - | - | 25,898,348 | 25,898,348 | 698,995 | 26,597,343 |
| Net change in valuation reserve of financial assets at fair value through other comprehensive income – debit instruments | - | - | - | - | - | 2,708,028 | - | - | 2,708,028 | - | 2,708,028 |
| Net change in valuation reserve of financial assets at fair value through other comprehensive income – equity instruments | - | - | - | - | - | 1,565 | - | - | 1,565 | - | 1,565 |
| Foreign currencies translation | - | - | - | - | (11,492,296) | - | - | - | (11,492,296) | (4,141,111) | (15,633,407) |
| Total comprehensive income for the period | - | - | - | - | (11,492,296) | 2,709,593 | - | 25,898,348 | 17,115,645 | (3,442,116) | 13,673,529 |
| Realized gain from sold financial assets at fair value through other comprehensive income – equity instruments | - | - | - | - | - | - | (1,350) | - | (1,350) | - | (1,350) |
| Ending Balance for the Period (Reviewed) | 315,000,000 | 328,147,537 | 235,753,970 | 11,302,452 | (123,947,737) | 8,110,457 | 285,149,402 | 25,898,348 | 1,085,414,429 | 52,071,592 | 1,137,486,021 |
| For the Six Months Ended June 30, 2019 | | | | | | | | | | | |
| (Reviewed) | | | | | | | | | | | |
| Beginning Balance for the Period (Audited) | 315,000,000 | 328,147,537 | 219,222,999 | 10,798,320 | (113,597,748) | (2,219,625) | 268,842,701 | - | 1,026,194,184 | 53,899,390 | 1,080,093,574 |
| Prior years adjustments | - | - | - | - | - | - | (287,049) | - | (287,049) | (83,337) | (370,386) |
| Adjusted Beginning Balance for the Period | | | | | | | | | | | |
| (Reviewed) | 315,000,000 | 328,147,537 | 219,222,999 | 10,798,320 | (113,597,748) | (2,219,625) | 268,555,652 | - | 1,025,907,135 | 53,816,053 | 1,079,723,188 |
| Profit for the period | - | - | - | - | - | - | - | 36,771,416 | 36,771,416 | 2,008,272 | 38,779,688 |
| Net change in valuation reserve of financial assets at fair value through other comprehensive income – debt instruments | - | - | - | - | - | 3,083,171 | - | - | 3,083,171 | - | 3,083,171 |
| Net change in valuation reserve of financial assets at fair value through other comprehensive income – equity instruments | - | - | - | - | - | 1,042,479 | - | - | 1,042,479 | - | 1,042,479 |
| Profit from sell of financial assets at fair value through other comprehensive income – equity instruments | - | - | - | - | - | - | - | - | - | - | - |
| Foreign currencies translation | - | - | - | - | (58,495) | - | - | - | (58,495) | (20,965) | (79,460) |
| Total comprehensive income for the period | - | - | - | - | (58,495) | 4,125,650 | - | 36,771,416 | 40,838,571 | 1,987,307 | 42,825,878 |
| Transferred to statutory reserve | - | - | (8,708) | - | - | - | 8,708 | - | - | - | - |
| Retained earning | - | - | - | - | - | - | (47,250,000) | - | (47,250,000) | (889,799) | (48,139,799) |
| Ending Balance for the Period (Reviewed) | 315,000,000 | 328,147,537 | 219,214,291 | 10,798,320 | (113,656,243) | 1,906,025 | 221,314,360 | 36,771,416 | 1,019,495,706 | 54,913,561 | 1,074,409,267 |

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

THE HOUSING BANK FOR TRADE AND FINANCE
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - THE HASHEMITE KINGDOM OF JORDAN
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

| | For the Six Months Ended June 30, | | |
|---|-----------------------------------|----------------------|----------------------|
| | Note | 2020 (Reviewed) | 2019 (Reviewed) |
| OPERATING ACTIVITIES | | JD | JD |
| Profit for the period before income tax | | 43,166,545 | 58,571,730 |
| Adjustments for non-cash items: | | | |
| Depreciation and amortization | | 12,152,453 | 10,620,056 |
| Provision for expected credit losses | | 58,488,277 | 40,618,758 |
| Net unrealized gain from valuation of credit facilities at fair value through profit and loss | | (1,185,650) | - |
| Unrealized loss from valuation of dereivaitive | | 1,185,650 | - |
| Net unrealized loss from the valuation of financial assets at fair value through profit or loss | | 184,722 | 138,973 |
| Net accrued interest and commission income | | (3,920,422) | 1,771,818 |
| Effect of the change in exchange rates on cash and cash equivalents | | (2,702,706) | (1,433,653) |
| Provision for end of service indemnity expense | | 5,483,627 | 5,497,776 |
| Premiums and discounts amortization | | (508,986) | (39,126) |
| Sundry provisions | | 460,673 | 407,112 |
| Others | | 1,470,651 | 1,523,687 |
| Cash flows from operating activities before changes in assets and liabilities | | 114,274,834 | 117,677,131 |
| Decrease (Increase) in Assets: | | | |
| Deposits at banks and financial institutions (maturing within more than 3 months) | | (8,684,263) | 7,792,405 |
| Direct credit facilities | | (121,941,959) | (142,944,280) |
| Financial assets at fair value through profit or loss | | 12,382 | 48,297 |
| Other assets | | (12,338,346) | (10,700,744) |
| Increase (Decrease) in Liabilities: | | | |
| Banks and financial institutions' deposits (maturing within more than 3 months) | | 11,427,587 | (61,798,688) |
| Customers' deposits | | (395,756,020) | (7,135,039) |
| Cash margins | | (49,734,324) | 8,789,555 |
| Other liabilities | | (5,205,704) | 388,625 |
| Sundry provisions | | (1,295,991) | (19,880,817) |
| Net Cash Flow (Used in) Operating Activities Before Income Tax | | (469,241,804) | (107,763,555) |
| Income tax paid | | (45,013,500) | (40,974,304) |
| Net Cash Flow (Used in) Operating Activities | | (514,255,304) | (148,737,859) |
| INVESTING ACTIVITIES | | | |
| (Purchase) of financial assets at fair value through other comprehensive income | | (63,043,940) | (41,434,624) |
| Matured of financial assets at fair value through other comprehensive income | | 75,281,478 | 70,132,318 |
| (Purchase) of financial assets at amortized cost | | (165,414,130) | (428,947,476) |
| Matured financial assets at amortized cost | | 118,700,000 | 157,433,372 |
| (Purchase) of property and equipment | | (2,931,061) | (7,044,964) |
| Proceeds from sale of property and equipment | | 15,723 | (7,374) |
| (Purchase) of intangible assets | | (2,263,367) | (1,896,429) |
| Lease liability paid | | (2,365,357) | (2,431,491) |
| Net Cash Flow (Used in) Investing Activities | | (42,020,654) | (254,196,668) |
| FINANCING ACTIVITIES | | | |
| Borrowed funds | | 126,281,670 | 24,479,651 |
| Dividends paid to shareholders | | (45,436) | (44,995,167) |
| Non-controlling interest | | - | (889,799) |
| Net Cash Flows from (Used in) Financing Activities | | 126,236,234 | (21,405,315) |
| Net (Decrease) in Cash and Cash Equivalent | | (430,039,724) | (424,339,842) |
| Effect of the change in exchange rates on cash and cash equivalents | | (325,415) | 1,320,431 |
| Cash and cash equivalents - beginning of the period | | 909,289,435 | 1,266,920,934 |
| Cash and Cash Equivalents - End of the Period | 25 | 478,924,296 | 843,901,523 |

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

THE HOUSING BANK FOR TRADE AND FINANCE
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - THE HASHEMITE KINGDOM OF JORDAN
NOTES TO THE CONDENSED CONSOLIDATED INTERIM
FINANCIAL INFORMATION

1. Incorporation and Activitives

- The Housing Bank for Trade and Finance ("the Bank") was established in 1973 and registered as a public shareholding limited company in accordance with the Jordanian Companies Law No. (12) of 1964.
- The Bank provides its banking and financing business activities through its headquarter in Amman – Jordan and through its branches in Jordan (122 branches) and abroad in Palestine and Bahrain (16 branches) and through its subsidiaries in Jordan, Syria, Algeria and the United Kingdom.
- The Bank's shares are traded on Amman Stock Exchange.
- The condensed consolidated interim financial information were approved by the Bank's Board of Directors on July 23, 2020.

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

- The accompanying condensed consolidated interim financial information have been prepared in accordance with the International Accounting Standard No. (34) "Interim Financial Reporting", as adopted by the Central Bank of Jordan.
- The condensed consolidated interim financial information are prepared in accordance with the historical cost principle, except for financial assets and financial liabilities which are stated at fair value at the date of the condensed consolidated interim financial information.
- The reporting currency of the condensed consolidated interim financial information is the Jordanian Dinar, which is the functional currency of the Bank.
- The condensed consolidated interim financial information do not include all notes and information presented in the annual financial statements which is prepared in accordance with the international financial reporting standards as adopted by the Centernal Bank of Jordan and should be read with the Bank's annual report for the year ended December 31, 2019. The results of the six months ended June 30, 2020 do not indicate the expected results for the year ended December 31, 2020. There was no appropriation of the profit of the six months ended June 30, 2020 which is usually performed at year end.
- The condensed consolidated interim financial information includes the condensed interim financial information of the Bank and its subsidiaries under its control. Control is achieved when the Bank has the ability to control the financial and operational policies of subsidiaries in order to obtain benefits from their activities. Transactions, balances, revenue and expenses between the Bank and its subsidiaries are eliminated.

As of June 30, 2020, the Bank owns the following subsidiaries:

a. Foreign subsidiaries:

- International Bank for Trade and Finance / Syria : paid-in capital is Syrian Lira 5.25 billion, of which the Bank owns 49.063%. The Bank has the power to control the administrative and financial policies of this bank. Therefore, its financial statements have been consolidated with the financial statements of the Bank. In this regard, the Bank's main objective is to conduct commercial banking activities, and ownership of this bank dates back to 2003. In addition, the International Bank for Trade and Finance has a subsidiary – The International Financial Center/ Syria with an ownership percentage of 85% of the company's capital amounting to 100 million SYL, whereas The Housing Bank for Trade and Finance owns a percentage of 5% of the company's capital.
- Housing Bank for Trade and Finance – Algeria : the ownership is 85% of the bank's capital of 10 billion Algerian dinars. The main objective of this bank is to conduct commercial banking activities, and ownership of this bank dates bank to 2002.
- Jordan International Bank / London: the Bank ownership is 75% of paid-up capital, which amounts to 65 million pounds sterling (65 million shares). The main objective of this bank is to conduct banking activities.

b. Local subsidiaries:

- International Financial Center Company- Jordan : the Bank ownership is 77.5% of paid-up capital, which amounted to JD 5 million. The Company's main activity is financial brokerage in local and foreign markets, and it conducts purchase and sale transactions of financial instruments for customers and the company. The Bank's ownership in this company dates back to 1998.
- Specialized Lease Finance Company – Jordan : the Bank owns 100% of paid- in capital of JD 30 millions (30 million shares). The Company's main activity is to conduct finance leases for various types of equipment and machinery, in addition to real estate, land, vehicles, and other items purchased by the company for finance lease purposes. The Bank's ownership in this company dates back to 2005.
- Jordan Real Estate Investments Company – Jordan: the Bank owns 100% of this company's paid- in capital of JD 40,000. The company's main activity is managing non- banking services employees, and the Bank's ownership in this company dates back to 1997.

3. Significant Accounting Policies

The accounting policies used in the preparation of the condensed consolidated interim financial information for the period ended on June 30, 2020 are consistent with those used in the preparation of the annual consolidated financial statements for the year ended December 31, 2019. However, the Group has adopted the following amendments and interpretations that apply for the first time in 2020 and do not have an impact on the condensed consolidated interim financial information of the Bank:

Amendments to IAS 1 and IAS 8 Definition of material

The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition.

The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'.

The definition of material in IAS 8 has been replaced by a reference to the definition of material in IAS 1. In addition, the IASB amended other Standards and the *Conceptual Framework* that contain a definition of material or refer to the term 'material' to ensure consistency.

The amendments are applied prospectively for annual periods beginning on or after January 1, 2020, with earlier application permitted.

Amendments to IFRS 3 Definition of a business

The amendments clarify that while businesses usually have outputs, outputs are not required for an integrated set of activities and assets to qualify as a business. To be considered a business an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs.

Additional guidance is provided that helps to determine whether a substantive process has been acquired.

The amendments introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets.

The amendments are applied prospectively to all business combinations and asset acquisitions for which the acquisition date is on or after the first annual reporting period beginning on or after January 1, 2020.

Amendments to References to the Conceptual Framework in IFRS Standards

Together with the revised *Conceptual Framework*, which became effective upon publication on 29 March 2018, the IASB has also issued *Amendments to References to the Conceptual Framework in IFRS Standards*. The document contains amendments to IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32.

Not all amendments, however, update those pronouncements with regard to references to and quotes from the framework so that they refer to the revised *Conceptual Framework*. Some pronouncements are only updated to indicate which version of the Framework they are referencing to (the IASB Framework adopted by the IASB in 2001, the IASB Framework of 2010, or the new revised Framework of 2018) or to indicate that definitions in the Standard have not been updated with the new definitions developed in the revised *Conceptual Framework*.

The amendments, where they actually are updates, are effective for annual periods beginning on or after January 1, 2020, with early application permitted.

4. Significant Accounting Judgments and key Sources of Uncertainty

Estimates:

Preparation of the condensed consolidated interim financial information 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 consolidated 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 assumptions and factors with varying degrees of estimation and uncertainty. Meanwhile, the actual results may differ from estimates due to the changes arising from the conditions and circumstances of those estimates in the future.

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

The Coronavirus (Covid-19) outbreak in early 2020 in many geographical regions around the world has caused widespread disruptions to business, with a consequential negative impact on economic activity. Also, this event is witnessing continuous and rapid developments, which required the Group's management to conduct an evaluation of the expected effects on the Group's business inside and outside the kingdom, perform a study to review and evaluate potential risks, in addition to providing additional disclosures in the interim consolidated financial statements as of June 30, 2020. Accordingly, the Bank has taken the following measures to contain the crisis:

A. The Bank's plan to address the new Corona virus (COVID-19) pandemic

Before announcing any cases of infection in Jordan, the Supreme Committee for Emergency has taken all necessary measures to ensure business continuity and customer service in the event of any emergency, through the formation of a specialized team to manage the crisis of the Corona virus spread in coordination with various sector heads and executives to ensure the implementation of a set of procedures, the most important of which are the following:

- Providing alternative locations for staff distribution to ensure business continuity and to maintain social distancing among employees.
- Activating the remote work feature for sensitive jobs in order to ensure sustained service delivery to customers via electronic channels and ATMs.
- Maintaining the safety of both employees and clients by taking sterilization measures in branches and workplaces.

B. The impact of the new coronavirus (COVID-19) outbreak on the results of the Bank's operations

- In order to assess the crisis expected impact on the the expected credit losses calculation results, a set of assumptions was used, based on the interplay of two main pillars that enable the Bank to monitor the impact of the crisis on its business. These two pillars are the following:
- Global practices for calculating credit losses based on International Financial Reporting Standard No. (9), and amendment of the calculation models developed for this purpose in a manner that leads to taking into account the impact of (COVID-19) event , and reaching reasonable expectations for the expected outputs of the impact.
- Management's overlay in assessing the impact on specific sectors or specific clients based on individual separate studies for each sector or customer.

The affected sectors have been divided into three main levels:

- Unaffected (low-risk) sectors
- Moderately affected sectors (medium risk)
- Highly affected sectors (high risk)

Reference has been made to the historical global economic indicators according to data maintained by Moody's Co., relating to economic crises, including: The crisis related to the economic downturn that occurred in 2001, as a result of the events of September 11th, whose impact was of medium intensity. As such, this was relatively relied upon for the sectors moderately affected. In addition, the crisis related to the economic downturn that occurred in 2008, which had a significant impact and was relatively relied upon for the sectors that were highly affected. Accordingly the following proposals have been made:

Impacting scenario ratios

According to the instructions of the Central Bank of Jordan regarding the application of International Financial Reporting Standard No. (9), banks are obliged to conduct several scenarios when calculating the expected credit losses, so that the final outcome of the results would represent the "expected weighted credit losses for the scenarios". In this respect, the Bank adopts three scenarios: Base Scenario, Upturn Scenario, and Downturn Scenario. The weights of these scenarios are determined based on the results of the Normal Distribution Curve.

Probability of Default (PD) Ratios Scenarios

The Bank's sectors have been divided into the above-mentioned three levels, according to the Bank's estimates by the Business Sectors Division for the most affected sectors by the crisis and the severity of the impact according to the current conditions.

In coordination with the Business Sectors Department, most affected sectors by the current crisis have been determined in order to reflect the impact of the crisis on the calculation models.

In coordination with the Bank's external consultants, the Bank's proposed methodology is to be discussed, and the best practices adopted by various banks in this regard are to be reviewed. The recommendation was that the effects of the crisis at the level of many countries have included all sectors due to its overlapping impact within several sectors. Therefore, all economic sectors have necessarily been greatly affected by the crisis. Accordingly, based on this recommendation, the following scenario has been adopted at the level of all economic sectors of the components of the portfolio, and the following weights have been applied:

| | Weight % |
|-------------------|-----------------|
| Upturn Scenario | 0% |
| Base Scenario | 60% |
| Downturn Scenario | 40% |

Loss Given Default (LGD)

The calculated Loss Given Default (LGD) for all scenarios and stages has been raised by 5.35% for all accounts, according to historical data on default conditions and the amount of recovery for the previous 15 years obtained by Moody's. Moreover, the expected cash flows from the collaterals against the granted credit facilities have been reconsidered.

Management Overlay

The Bank's management has reached logical expectations regarding outcomes from this event, in addition to reflecting the Bank's management overlay in assessing the impact on some sectors or some clients based on the study of each sector or customer separately.

Deferred Installments and Customer Credit Rating

According to the Central Bank of Jordan circular No. 10/3/4375 issued on March 15, 2020 to the banks operating in Jordan, the bank postponed some of its customers due installments or installments that will become due without considering this as restructuring, and without affecting their credit ratings.

C. The effect of the coronavirus (COVID-19) outbreak on the Bank's liquidity levels

The Bank has prepared all scenarios related to stressful situations, and it enjoys comfortable levels that enable it to respond to market conditions. In addition, the measures adopted by the Central Bank of Jordan have significantly enhanced the liquidity of the Jordanian banking system.

5. Cash and Balances at Central Banks - Net

The details of this item are as follows:

| | June 30, 2020 (Reviewed) | December 31, 2019 (Audited) |
|---|-------------------------------------|--|
| | JD | JD |
| Cash on hand and treasury | 112,269,753 | 146,664,149 |
| Balance at central banks : | | |
| Current accounts and demand deposits | 350,331,797 | 494,632,182 |
| Term and notice deposits | 37,962,871 | 46,442,778 |
| Statutory cash reserve | 225,747,583 | 341,875,608 |
| Certificates of deposit * | - | 85,004,400 |
| Total Balances at Central Banks | 614,042,251 | 967,954,968 |
| Sub Total | 726,312,004 | 1,114,619,117 |
| Provision for expected credit losses ** | (104,627) | (23,353) |
| Total | 726,207,377 | 1,114,595,764 |

* There are no certificate of deposits purchased from the Central Bank of Jordan as of June 30, 2020. The outstanding balance as of December 31, 2019 maturing within a period less than three months.

** This item represents the provision for expected credit loss for the balances of the Central Bank / Syria with an amount of JD 104,627 as of June 30, 2020 (JD 23,353 as of December 31, 2019).

- The cash reserve amounted to JD 225,747,583 as of June 30, 2020 (JD 341,875,608 as of December 31, 2019).
- Except for the statutory cash reserve, there are no restrictions balances as of June 30, 2020 and December 31, 2019.
- There is no transfers between stages (1, 2 and 3) balance and expected loss provision or written off balances during the six months period ended June 30, 2020 and for the year ended December 31, 2019.

6. Balances at Banks and Financial Institutions - Net

The details of this item are as follows:

| | Local Banks and Financial Institutions | | Foreign Banks and Financial Institutions | | Total | |
|--|---|--------------------------------|---|--------------------------------|-----------------------------|--------------------------------|
| | June 30, 2020 (Reviewed) | December 31, 2019 (Audited) | June 30, 2020 (Reviewed) | December 31, 2019 (Audited) | June 30, 2020 (Reviewed) | December 31, 2019 (Audited) |
| | JD | JD | JD | JD | JD | JD |
| Current and demand accounts | 498,621 | 34,104,009 | 97,819,719 | 155,112,950 | 98,318,340 | 189,216,959 |
| Deposits maturing during three months or less | 73,054,497 | 99,804,101 | 167,510,608 | 163,712,055 | 240,565,105 | 263,516,156 |
| Total | 73,553,118 | 133,908,110 | 265,330,327 | 318,825,005 | 338,883,445 | 452,733,115 |
| Provision for expected credit losses | (280,962) | (206,701) | (385,473) | (10,733) | (666,435) | (217,434) |
| Net | 73,272,156 | 133,701,409 | 264,944,854 | 318,814,272 | 338,217,010 | 452,515,681 |

- The Non-interest bearing balances at banks and financial institutions are amounted to JD 34,962,345 as of June 30, 2020 (JD 28,830,901 as of December 31, 2019).
- There are no restricted balances as of June 30, 2020 and December 31, 2019.
- There is no transfers between stages (1, 2 and 3) for balances and expected credit loss provision or written off balances during the six months period ended June 30, 2020 and for the year ended December 31, 2019.

7. Deposits at Banks and Financial Institutions - Net

The details of this item are as follows:

| | Local Banks and Financial Institutions | | Foreign Banks and Financial Institutions | | Total | |
|---|---|--------------------------------|---|--------------------------------|-----------------------------|--------------------------------|
| | June 30, 2020 (Reviewed) | December 31, 2019 (Audited) | June 30, 2020 (Reviewed) | December 31, 2019 (Audited) | June 30, 2020 (Reviewed) | December 31, 2019 (Audited) |
| | JD | JD | JD | JD | JD | JD |
| Deposits mature during the period: | | | | | | |
| From 3 months to 6 months | - | - | 26,349,828 | 7,653,875 | 26,349,828 | 7,653,875 |
| From 6 months to 9 months | - | 30,000,000 | 6,414,270 | 6,832,950 | 6,414,270 | 36,832,950 |
| From 9 months to 12 months | 30,000,000 | - | 2,411,953 | 12,004,964 | 32,411,953 | 12,004,964 |
| Total | 30,000,000 | 30,000,000 | 35,176,051 | 26,491,789 | 65,176,051 | 56,491,789 |
| Provision for expected credit losses | (27,358) | (20,978) | (229,697) | (173,962) | (257,055) | (194,940) |
| Net | 29,972,642 | 29,979,022 | 34,946,354 | 26,317,827 | 64,918,996 | 56,296,849 |

- There are no restrictions on deposits as of June 30, 2020 and December 31, 2019.
- There is no transfers between stages (1,2 and 3) for balances and expected loss provision or written off balances during the six months period ended June 30, 2020 and for the year ended December 31, 2019.

8. Direct Credit Facilities at Fair Value through Profit or Loss

The details of this item are as follows:

| | June 30, 2020 (Reviewed) | December 31, 2019 (Audited) |
|--|-------------------------------------|--|
| | JD | JD |
| Facilities for corporate companies at fair value * | 130,263,446 | - |
| Total | 130,263,446 | - |

- * During the year 2020, the Bank concluded an interest swap agreement to hedge the interest rate risk on direct credit facilities, with a nominal value of JD 127,620,000, as of June 30, 2020. These facilities were measured at fair value as of June 30, 2020.
- The movement on direct credit facilities at fair value through profit or loss during the period / year were as follow:

| | June 30, 2020 (Reviewed) | December 31, 2019 (Audited) |
|---|-------------------------------------|--|
| | JD | JD |
| Balance – beginning of the period/year | - | - |
| Transferred from direct credit facilities at amortized cost | 129,077,796 | - |
| Change in fair value during the period / year | 1,185,650 | - |
| Balance – End of the Period/Year | 130,263,446 | - |

9. Financial Assets at Fair Value through Profit or Loss

The details of this item are as follows:

| | June 30, 2020 (Reviewed) | December 31, 2019 (Audited) |
|--|---|--|
| | JD | JD |
| Quoted Financial Assets: | | |
| Companies shares listed in financial markets | 2,843,623 | 3,040,727 |
| Total | 2,843,623 | 3,040,727 |
| Unquoted Financial Assets: | | |
| Companies shares not listed in financial markets | 632,797 | 632,797 |
| Total | 632,797 | 632,797 |
| Grand Total | 3,476,420 | 3,673,524 |

10. Financial Assets at Fair Value through other Comprehensive Income

The details of this item are as follows:

| | June 30, 2020 (Reviewed) | December 31, 2019 (Audited) |
|---|---|--|
| | JD | JD |
| Unquoted shares | 25,557,110 | 25,628,516 |
| Total Shares | 25,557,110 | 25,628,516 |
| Jordanian Treasury bonds | 169,679,248 | 157,903,675 |
| Foreign governments bills and bonds | 77,495,295 | 82,325,965 |
| Corporate bonds | 107,922,717 | 122,969,903 |
| Total Bonds | 355,097,260 | 363,199,543 |
| Less: Provision of expected credit losses | (435,543) | (374,008) |
| Total Bonds – Net | 354,661,717 | 362,825,535 |
| Total | 380,218,827 | 388,454,051 |

Bonds are repaid on several installments, the last of which matures in the year 2049 and the interest rates on the bonds ranges from 1.11% to 6.63%.

The movement on financial assets at fair value through other comprehensive income for shares during the period/year was as follow:

| | June 30, 2020 (Reviewed) | December 31, 2019 (Audited) |
|---|-------------------------------------|--|
| | JD | JD |
| Fair value - beginning balance / year | 25,628,516 | 21,976,065 |
| New investments during the period / year | - | 4,045,387 |
| Sold investments during the period / year | (73,848) | (28,699) |
| Change in fair value during the period / year | 2,442 | (364,237) |
| Balance – End of the Period/Year | 25,557,110 | 25,628,516 |

The movement on financial assets at fair value through other comprehensive income for bonds during the period / year was as follow:

| | Stage (1) Individual JD | Stage (2) Individual JD | Stage (3) JD | Total JD |
|--|--|--|-------------------------|----------------------|
| For the Six Months Period | | | | |
| <u>Ended June 30, 2020 (Reviewed)</u> | | | | |
| Fair value – beginning of the period (Audited) | 352,431,258 | 10,768,285 | - | 363,199,543 |
| New investments during the period | 68,577,817 | - | - | 68,577,817 |
| Matured investments during the period | (64,482,175) | (10,720,328) | - | (75,202,503) |
| Change in fair value during the period | 4,278,022 | 4,344 | - | 4,282,366 |
| Amortize premium/ discount | (164,659) | (50,196) | - | (214,855) |
| Adjustments resulted from change in exchange rates | (5,543,003) | (2,105) | - | (5,545,108) |
| Balance – End of the Period (Reviewed) | 355,097,260 | - | - | 355,097,260 |
| For the Year Ended | | | | |
| <u>December 31, 2019 (Audited)</u> | | | | |
| Fair value – beginning of the year | 339,523,905 | 10,805,623 | - | 350,329,528 |
| New investments during the year | 112,722,973 | - | - | 112,722,973 |
| Matured investments during the year | (113,637,358) | - | - | (113,637,358) |
| Change in fair value during the year | 11,486,097 | 188,591 | - | 11,674,688 |
| Amortize premium/ discount | (820,025) | (154,672) | - | (974,697) |
| Changes resulting from adjustments | - | (101,024) | - | (101,024) |
| Adjustments resulted from change in exchange rates | 3,155,666 | 29,767 | - | 3,185,433 |
| Balance – End of the Year | 352,431,258 | 10,768,285 | - | 363,199,543 |

The movement on expected credit losses during the period / year were as follow:

| | Stage (1) Individual JD | Stage (2) Individual JD | Stage (3) JD | Total JD |
|--|--|--|-------------------------|---------------------|
| For the Six Months Period | | | | |
| <u>Ended June 30, 2020 (Reviewed)</u> | | | | |
| Balance – beginning of the period (Audited) | 352,878 | 21,130 | - | 374,008 |
| Expected credit losses for new investment during the period | 188,507 | - | - | 188,507 |
| Reversed from impairment losses on matured Investments | (82,368) | (21,130) | - | (103,498) |
| Effect on provision resulting from reclassification between three stages | (8,664) | - | - | (8,664) |
| Effect resulting from change in exchange currencies | (14,810) | - | - | (14,810) |
| Balance – End of the Period (Reviewed) | 435,543 | - | - | 435,543 |
| For the Year Ended | | | | |
| <u>December 31, 2019 (Audited)</u> | | | | |
| Balance – beginning of the year | 214,695 | 87,536 | - | 302,231 |
| Expected credit loss for new investments | 165,063 | - | - | 165,063 |
| Reversed from impairment losses on matured investments | (95,913) | - | - | (95,913) |
| Effect on provision resulting from reclassification between three stages | 66,387 | (70,073) | - | (3,686) |
| Adjustments resulting from change in exchange rates | 2,646 | 3,667 | - | 6,313 |
| Balance – End of the Year | 352,878 | 21,130 | - | 374,008 |

11. Direct Credit Facilities at Amortized Cost – Net

The details of this item are as follows:

| | June 30, 2020 (Reviewed) | December 31, 2019 (Audited) |
|--|-------------------------------------|--|
| | JD | JD |
| Individuals (retail): | | |
| Overdraft accounts | 5,099,357 | 5,123,088 |
| Loans and discounted bills * | 809,947,729 | 777,744,401 |
| Credit cards | 16,153,268 | 16,935,311 |
| Real estate loans | 1,218,871,965 | 1,217,404,841 |
| Includes Housing loans | 782,056,734 | 786,303,762 |
| Companies: | | |
| Large | | |
| Overdraft accounts | 265,781,253 | 266,181,191 |
| Loans and discounted bills * | 1,258,279,754 | 1,277,486,850 |
| Small and Medium | | |
| Overdraft accounts | 73,202,603 | 72,876,785 |
| Loans and discounted bills * | 234,749,860 | 234,032,547 |
| Government and public sector | 696,589,531 | 730,959,320 |
| Total | 4,578,675,320 | 4,598,744,334 |
| <u>Less:</u> Provision of expected credit losses | (376,272,525) | (333,607,743) |
| Interest in suspense | (113,893,064) | (106,315,586) |
| Net Direct Credit Facilities | 4,088,509,731 | 4,158,821,005 |

- * Net after deducting interest and commission received in advance of JD 22,674,667 as of June 30, 2020 (JD 27,285,533 as of December 31, 2019).
- Non-performing credit facilities amounted to JD 349,930,492 which is equivalent to 7.43% of total direct credit facilities as of June 30, 2020 (JD 344,498,537 which is equivalent to 7.49% of total direct credit facilities as of December 31, 2019).
 - Non-performing credit facilities after deducting interest and commissions in suspense amounted to JD 238,875,051 which is equivalent to 5.20% of total direct credit facilities balance after deducting interest and commission in suspense as of June 30, 2020 (JD 240,420,406 which is equivalent to 5.35% of total credit facilities balance after deducting interest and commission in suspense as of December 31, 2019).
 - Non-performing credit facilities transferred to off-the consolidated statement of financial position amounted to JD 205,122 during the six months period ended June 30, 2020 (JD 24,073,213 during the year 2019), the off-balance sheet item balance is amounted to JD 379,088,090 as of June 30, 2020 (JD 369,337,944 as of December 31, 2019). These debts are fully covered with provisions and outstanding interests.
 - Direct credit facilities granted to and guaranteed by the Government of Jordan amounted to JD 696,589,531 which is equivalent to 14.8% of total direct credit facilities as of June 30, 2020 (JD 730,959,320 which is equivalent to 15.9% as of December 31, 2019).
 - Loans rescheduled are amounted to JD 19.5 million during the period ended June 30, 2020 against JD 57.3 million during the year 2019.
 - Loans restructured are amounted to JD 177 million during the period ended June 30, 2020 against JD 464.6 million during the year 2019.

The movement on direct credit facilities during the period / year were as follow:

| | Stage (1) | | Stage (2) | | | |
|---|-----------------------------|-----------------------------|---------------------------|---------------------------|---------------------------|-----------------------------|
| | Individual | Collective | Individual | Collective | Stage (3) | Total |
| | JD | JD | JD | JD | JD | JD |
| For the Six Months Period | | | | | | |
| <u>Ended June 30, 2020 (Reviewed)</u> | | | | | | |
| Balance - beginning of the period (Audited) | 1,999,944,671 | 1,764,918,943 | 321,609,001 | 124,546,946 | 387,724,773 | 4,598,744,334 |
| New credit facilities during the period | 261,697,968 | 208,460,208 | 3,154,603 | 9,757,452 | 3,481,902 | 486,552,133 |
| Paid credit facilities during the period | (156,083,119) | (163,211,111) | (14,835,344) | (5,014,561) | (9,118,433) | (348,262,568) |
| Transferred (from) to stage (1) | 21,773,318 | 44,684,527 | (21,689,528) | (44,600,667) | (167,650) | - |
| Transferred (from) to stage (2) | (15,900,413) | (76,412,525) | 26,243,777 | 82,327,839 | (16,258,678) | - |
| Transferred (from) to stage (3) | (3,568,540) | (3,883,284) | (29,709,328) | (12,730,691) | 49,891,843 | - |
| Changes resulted from adjustments | 43,741,332 | (11,080,328) | 6,967,313 | (9,557,613) | 13,277,507 | 43,348,211 |
| Written off credit facilities | - | - | - | - | (756,719) | (756,719) |
| Transferred to direct credit facilities at fair value facilities through profit or loss | (129,077,796) | - | - | - | - | (129,077,796) |
| Adjustments resulting from change in exchange | (27,555) | (39,681,828) | (380,161) | (15,614,271) | (16,168,460) | (71,872,275) |
| Balance - End of the Period (Reviewed) | <u>2,022,499,866</u> | <u>1,723,794,602</u> | <u>291,360,333</u> | <u>129,114,434</u> | <u>411,906,085</u> | <u>4,578,675,320</u> |
| For the Year Ended | | | | | | |
| <u>December 31, 2019 (Audited)</u> | | | | | | |
| Balance - beginning of the year | 2,029,239,721 | 1,834,400,248 | 364,212,379 | 114,148,672 | 303,583,673 | 4,645,584,693 |
| Reclassification impact | (2,168,092) | 2,168,092 | - | - | - | - |
| Adjusted balance – beginning of the year | 2,027,071,629 | 1,836,568,340 | 364,212,379 | 114,148,672 | 303,583,673 | 4,645,584,693 |
| New credit facilities during the year | 580,130,710 | 478,308,722 | 30,001,206 | 28,537,384 | 12,624,254 | 1,129,602,276 |
| Paid credit facilities during the year | (259,999,172) | (346,113,810) | (33,284,425) | (27,059,377) | (18,506,706) | (684,963,490) |
| Transferred (from) to stage (1) | 55,263,078 | 38,507,533 | (53,089,468) | (32,005,140) | (8,676,003) | - |
| Transferred (from) to stage (2) | (79,422,136) | (71,020,380) | 81,246,852 | 76,160,950 | (6,965,286) | - |
| Transferred (from) to stage (3) | (15,516,378) | (29,660,575) | (53,843,291) | (24,203,331) | 123,223,575 | - |
| Changes resulting from adjustments | (307,535,552) | (144,535,936) | (13,802,369) | (10,852,957) | 8,445,535 | (468,281,279) |
| Written off credit facilities | - | - | - | - | (26,004,901) | (26,004,901) |
| Adjustments resulting from change in exchange | (47,508) | 2,865,049 | 168,117 | (179,255) | 632 | 2,807,035 |
| Balance - End of the Year | <u>1,999,944,671</u> | <u>1,764,918,943</u> | <u>321,609,001</u> | <u>124,546,946</u> | <u>387,724,773</u> | <u>4,598,744,334</u> |

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

| | Corporate JD | SME's JD | Retail JD | Real Estate JD | Governmental and Public JD | Total JD |
|--|-------------------------|---------------------|----------------------|---------------------------|---|---------------------|
| <u>For the Six Months Ended June 30, 2020</u> | | | | | | |
| <u>(Reviewed)</u> | | | | | | |
| Balance - beginning of the period (Audited) | 178,484,965 | 39,280,368 | 40,543,847 | 74,880,894 | 417,669 | 333,607,743 |
| Effect of re-classification | 1,294,031 | (726,336) | 13,758 | (181,452) | (400,001) | - |
| Adjusted Beginning Balance (Reviewed) | 179,778,996 | 38,554,032 | 40,557,605 | 74,699,442 | 17,668 | 333,607,743 |
| Impairment loss on new facilities during the period | 2,444,058 | 2,668,569 | 2,011,628 | 446,497 | 108 | 7,570,860 |
| Reversed from impairment loss on paid facilities | (5,917,259) | (2,092,453) | (1,605,131) | (641,114) | - | (10,255,957) |
| Transferred to stage (1) | 1,394,722 | 981,016 | 1,557,004 | 1,151,871 | - | 5,084,613 |
| Transferred (from) to stage (2) | (8,779,220) | (4,498,171) | (253,319) | 4,476,760 | - | (9,053,950) |
| Transferred (from) to stage (3) | 7,384,499 | 3,517,156 | (1,303,686) | (5,628,632) | - | 3,969,337 |
| Effect on the provision as of the end of the period resulting from reclassification between stages during the period | 10,757,924 | 4,506,945 | 2,755,728 | (1,807,748) | - | 16,212,849 |
| Changes resulting from adjustment | 23,720,992 | 3,500,303 | 1,911,826 | 8,884,861 | 12,640 | 38,030,622 |
| Written off credit facilities | (271,600) | (154,237) | - | (3,360) | - | (429,197) |
| Adjustments resulting from change in exchange rates | (7,315,139) | (952,788) | (37,703) | (158,765) | - | (8,464,395) |
| Balance - End of the Period (Reviewed) | 203,197,973 | 46,030,372 | 45,593,952 | 81,419,812 | 30,416 | 376,272,525 |
| Redistribution based on portfolio: | | | | | | |
| Provisions on an individual level | 197,295,274 | 36,153,084 | 31,111,154 | 73,165,213 | 30,416 | 337,755,141 |
| Provisions on a collective level | 5,902,699 | 9,877,288 | 14,482,798 | 8,254,599 | - | 38,517,384 |
| | 203,197,973 | 46,030,372 | 45,593,952 | 81,419,812 | 30,416 | 376,272,525 |
| Redistribution based on stages: | | | | | | |
| Stage (1) | 13,720,677 | 5,807,952 | 6,856,222 | 4,197,624 | 30,416 | 30,612,891 |
| Stage (2) | 42,243,526 | 2,198,846 | 7,744,478 | 49,070,152 | - | 101,257,002 |
| Stage (3) | 147,233,770 | 38,023,574 | 30,993,252 | 28,152,036 | - | 244,402,632 |
| | 203,197,973 | 46,030,372 | 45,593,952 | 81,419,812 | 30,416 | 376,272,525 |

| | Corporate JD | SME's JD | Retail JD | Real Estate JD | Governmental and Public JD | Total JD |
|--|-------------------------|---------------------|----------------------|---------------------------|---|---------------------|
| <u>For the Year Ended December 31, 2019</u> | | | | | | |
| <u>(Audited)</u> | | | | | | |
| Balance - beginning of the year | 170,238,709 | 29,273,078 | 33,836,340 | 58,047,200 | 437,023 | 291,832,350 |
| Reclassification impact | (1,920,927) | 1,366,855 | (1,123,754) | 1,677,826 | - | - |
| Previous years adjustments | - | - | 370,386 | - | - | 370,386 |
| Adjusted Beginning Balance | 168,317,782 | 30,639,933 | 33,082,972 | 59,725,026 | 437,023 | 292,202,736 |
| Impairment loss on new facilities during the year | 10,952,952 | 4,329,529 | 4,829,618 | 1,340,348 | 403,004 | 21,855,451 |
| Reversed from impairment loss on paid facilities | (6,003,236) | (1,681,751) | (3,825,031) | (2,050,453) | (407,635) | (13,968,106) |
| Transferred to stage (1) | 360,089 | 224,485 | 3,298,663 | 2,074,984 | 24,469 | 5,982,690 |
| Transferred (from) to stage (2) | (10,748,485) | (1,085,242) | (1,801,670) | 8,589 | (24,469) | (13,651,277) |
| Transferred (from) to stage (3) | 10,388,396 | 860,756 | (1,496,993) | (2,083,573) | - | 7,668,586 |
| Effect on the provision as of the end of the period resulting from reclassification between stages during the year | 18,828,216 | 8,524,702 | 7,833,773 | 15,015,072 | (16,272) | 50,185,491 |
| Changes resulting from adjustment | (6,604,413) | (1,180,815) | (1,341,453) | 923,319 | 1,549 | (8,201,813) |
| Written off credit facilities | (6,926,790) | (1,290,584) | (35,215) | (72,040) | - | (8,324,629) |
| Adjustments resulting from change in exchange rates | (79,546) | (60,645) | (817) | (378) | - | (141,386) |
| Balance - End of the Year | 178,484,965 | 39,280,368 | 40,543,847 | 74,880,894 | 417,669 | 333,607,743 |
| Redistribution based on portfolio: | | | | | | |
| Provisions on an individual level | 168,745,190 | 32,857,041 | 2,869,212 | 52,400,999 | 417,669 | 257,290,111 |
| Provisions on a collective level | 9,739,775 | 6,423,327 | 37,674,635 | 22,479,895 | - | 76,317,632 |
| | 178,484,965 | 39,280,368 | 40,543,847 | 74,880,894 | 417,669 | 333,607,743 |
| Redistribution based on stages: | | | | | | |
| Stage (1) | 10,515,929 | 4,378,140 | 4,900,913 | 4,005,982 | 417,669 | 24,218,633 |
| Stage (2) | 42,341,456 | 6,186,026 | 5,173,978 | 39,662,728 | - | 93,364,188 |
| Stage (3) | 125,627,580 | 28,716,202 | 30,468,956 | 31,212,184 | - | 216,024,922 |
| | 178,484,965 | 39,280,368 | 40,543,847 | 74,880,894 | 417,669 | 333,607,743 |

Interest in Suspense

The following is the movement on interest in suspense:

| | Corporate Entities | | | | Real Estate loans | Government and Public Sector | Total |
|---|---------------------------|---------------------|----------------------|-------------------|------------------------------|---|---------------------|
| | Corporate JD | SME's JD | Retail JD | JD | JD | JD | JD |
| <u>For the Six Months Ended June 30, 2020 (Reviewed)</u> | | | | | | | |
| Balance – beginning of the period (Audited) | 45,614,086 | 23,114,028 | 20,778,391 | 16,809,081 | - | - | 106,315,586 |
| Effect of re-classification | 328,259 | (324,395) | 10,237 | (14,101) | - | - | - |
| Adjusted Beginning Balance (Reviewed) | 45,942,345 | 22,789,633 | 20,788,628 | 16,794,980 | - | - | 106,315,586 |
| Suspended interest on new exposures during the period | 3,589 | 96,837 | 52,674 | 76,941 | - | - | 230,041 |
| Suspended interest on settled exposures transferred to reveune during the period | (1,513,429) | (375,231) | (145,345) | (579,985) | - | - | (2,613,990) |
| Total effect on the suspended interest resulting from reclassification between stages | 287,191 | 235,240 | (100,626) | (471,063) | - | - | (49,258) |
| Total effect on the suspended interest resulting from adjustments | 4,852,707 | 3,243,404 | 2,744,738 | 2,650,046 | - | - | 13,490,895 |
| Written-off interest in suspense | (142,353) | (51,825) | (93,387) | (39,957) | - | - | (327,522) |
| Foreign currency translation | (2,845,013) | (289,673) | (7,754) | (10,248) | - | - | (3,152,688) |
| Balance – End of the Period (Reviewed) | 46,585,037 | 25,648,385 | 23,238,928 | 18,420,714 | - | - | 113,893,064 |
| <u>For the year ended December 31, 2019 (Audited)</u> | | | | | | | |
| Balance – beginning of the year | 46,129,145 | 21,650,361 | 16,657,671 | 13,956,530 | 3,890 | - | 98,397,597 |
| Reclassification impact | 1,176,208 | (840,215) | (76,351) | (259,642) | - | - | - |
| Adjusted Beginning Balance | 47,305,353 | 20,810,146 | 16,581,320 | 13,696,888 | 3,890 | - | 98,397,597 |
| Suspended interest on new exposures during the year | 253,607 | 483,363 | 674,173 | 695,210 | - | - | 2,106,353 |
| Suspended interest on settled exposures transferred to reveune during the year | (371,019) | (739,486) | (781,768) | (918,895) | (3,890) | - | (2,815,058) |
| Total effect on the suspended interest resulting from reclassification between stages | 2,082,475 | 816,034 | 376,812 | 1,200,530 | - | - | 4,475,851 |
| Total effect on the suspended interest resulting from adjustments | 11,275,250 | 3,979,342 | 4,219,266 | 2,873,579 | - | - | 22,347,437 |
| Written-off interest in suspense | (14,930,855) | (2,211,943) | (290,865) | (738,194) | - | - | (18,171,857) |
| Adjustments resulting from change in exchange rates | (725) | (23,428) | (547) | (37) | - | - | (24,737) |
| Balance – End of the Year | 45,614,086 | 23,114,028 | 20,778,391 | 16,809,081 | - | - | 106,315,586 |

- The following table shows the total credit facilities classified by economic sector and geographic distribution:

| Economic Sector | June 30, 2020 (Reviewed) | | | December 31, 2019 (Audited) |
|------------------------------|---------------------------------|-----------------------|----------------------|------------------------------------|
| | Inside Jordan | Outside Jordan | Total | Total |
| | JD | JD | JD | JD |
| Financial | 132,160,990 | 36,082,951 | 168,243,941 | 131,029,104 |
| Industrial | 300,605,843 | 192,590,943 | 493,196,786 | 625,502,218 |
| Trading | 286,528,067 | 253,981,176 | 540,509,243 | 504,019,820 |
| Real estate | 1,054,696,701 | 209,295,015 | 1,263,991,716 | 1,235,557,585 |
| Agriculture | 23,283,837 | 1,513,430 | 24,797,267 | 19,640,148 |
| Shares | 5,489,325 | - | 5,489,325 | 11,239,371 |
| Individuals | 816,033,298 | 38,409,181 | 854,442,479 | 840,773,275 |
| Government and public sector | 625,353,958 | 71,235,573 | 696,589,531 | 730,959,320 |
| Other | 432,710,240 | 98,704,792 | 531,415,032 | 500,023,493 |
| | 3,676,862,259 | 901,813,061 | 4,578,675,320 | 4,598,744,334 |

12. Financial Assets at Amortized Cost - Net

The details of this item are as follows:

| | June 30, 2020 (Reviewed) | December 31, 2019 (Audited) |
|---|---------------------------------|------------------------------------|
| | JD | JD |
| Quoted Financial Assets: | | |
| Jordanian treasury bills | - | 24,501,537 |
| Jordanian government bills | 14,735,395 | - |
| Jordanian treasury bonds * | 1,175,404,540 | 1,116,525,231 |
| Governmental guaranteed bonds | 531,374,350 | 531,351,277 |
| Foreign governments bonds | 24,343,515 | 22,565,281 |
| Corporate bonds and debentures | 128,381,748 | 131,858,249 |
| Total Quoted Financial Assets | 1,874,239,548 | 1,826,801,575 |
| Unquoted Financial Assets: | | |
| Corporate bonds and debentures | 3,000,001 | 3,000,001 |
| Total Unquoted Financial Assets | 3,000,001 | 3,000,001 |
| Total | 1,877,239,549 | 1,829,801,576 |
| <u>Less:</u> Provision for excepted credit losses | (3,552,028) | (3,177,625) |
| Total | 1,873,687,521 | 1,826,623,951 |
| Bonds and Bills Analysis: | | |
| at fixed rate | 1,865,116,521 | 1,818,052,951 |
| at floating rate | 8,571,000 | 8,571,000 |
| Total | 1,873,687,521 | 1,826,623,951 |

- Bonds are repaid on several installments, the last of which matures in the year 2030.
- Interest rate on bonds ranges from 1.11% to 6.74%.
- * The Bank has entered into repurchase agreements with the Central Bank of Jordan as stated in Note (15) against mortgaging treasury bonds with a nominal value of JD 117,114,000 and a book value of JD 116,746,704.

- The following is the movement on financial assets at amortized cost during the period / year:

| | Stage (1) Individual | Stage (2) Individual | Stage (3) Individual | Total |
|---|-------------------------|-------------------------|-------------------------|----------------------|
| | JD | JD | JD | JD |
| <u>For the Six Months Ended June 30, 2020 (Reviewed)</u> | | | | |
| Beginning balance (Audited) | 1,826,801,575 | - | 3,000,001 | 1,829,801,576 |
| New investments during the period | 166,615,545 | - | - | 166,615,545 |
| Matured investments during the period | (118,700,000) | - | - | (118,700,000) |
| Amortization of premium/ discount | 723,841 | - | - | 723,841 |
| Adjustments resulting from changes in exchange rates | (1,201,413) | - | - | (1,201,413) |
| Balance – End of the Period (Reviewed) | 1,874,239,548 | - | 3,000,001 | 1,877,239,549 |
| <u>For the Year Ended December 31, 2019 (Audited)</u> | | | | |
| Beginning balance | 1,486,926,055 | - | 3,000,001 | 1,489,926,056 |
| New investments during the year | 655,218,583 | - | - | 655,218,583 |
| Matured investments during the year | (318,672,790) | - | - | (318,672,790) |
| Amortization of premium/ discount | 3,069,748 | - | - | 3,069,748 |
| Adjustments resulting from changes in exchange rates | 259,979 | - | - | 259,979 |
| Balance – End of the Year | 1,826,801,575 | - | 3,000,001 | 1,829,801,576 |

The following is the movement on provision for expected credit losses during the period / year:

| | Stage (1) Individual | Stage (2) Individual | Stage (3) | Total |
|---|-------------------------|-------------------------|------------------|------------------|
| | JD | JD | JD | JD |
| <u>For the Six Months Ended June 30, 2020 (Reviewed)</u> | | | | |
| Beginning balance (Audited) | 177,625 | - | 3,000,000 | 3,177,625 |
| Expected credit loss for new investments during the period | 109,216 | - | - | 109,216 |
| Expected credit loss for matured investments during the period | (9,007) | - | - | (9,007) |
| The effect on the provision resulting from the adjustments | 280,375 | - | - | 280,375 |
| Adjustments resulting from changes in exchange rates | (6,181) | - | - | (6,181) |
| Balance – End of the Period (Reviewed) | 552,028 | - | 3,000,000 | 3,552,028 |
| <u>For the Year Ended December 31, 2019 (Audited)</u> | | | | |
| Beginning balance | 123,069 | - | 3,000,000 | 3,123,069 |
| Expected credit loss for new investments during the year | 85,125 | - | - | 85,125 |
| Expected credit loss for matured investments during the year | (23,136) | - | - | (23,136) |
| The effect on the provision resulting from the adjustments | (10,046) | - | - | (10,046) |
| Adjustments resulting from changes in exchange rates | 2,613 | - | - | 2,613 |
| Balance – End of the Year | 177,625 | - | 3,000,000 | 3,177,625 |

13. Other Assets

The details of this item are as follows:

| | June 30, 2020 (Reviewed) | December 31, 2019 (Audited) |
|-----------------------------------|-------------------------------------|--|
| | JD | JD |
| Accrued revenues and interest | 29,988,956 | 29,789,846 |
| Prepaid expenses | 6,765,303 | 3,868,543 |
| Assets seized by the Bank * | 73,460,344 | 64,412,759 |
| Cheques under collection | 9,579,740 | 13,130,829 |
| Other | 20,745,636 | 18,085,838 |
| Expected Credit Loss Provision ** | (6,943,920) | (352,000) |
| Total | 133,596,059 | 128,935,815 |

- * The regulations of Central Bank of Jordan require to dispose off the assets it seizes during a maximum period of two years from the date of the acquisition.

The following is a summary of the movement on assets seized by the Bank:

| | For the Six Months Period Ended June 30, 2020 (Reviewed) | For the Year Ended December 31, 2019 (Audited) |
|---|---|---|
| | JD | JD |
| Beginning balance | 64,412,759 | 62,259,328 |
| Additions during the period / year | 11,832,285 | 7,328,763 |
| Disposals during the period / year | (1,934,813) | (2,761,640) |
| Impairment loss during the period / year | (741,529) | (2,413,692) |
| Foreign currencies translation difference during the period / year | (108,358) | - |
| Balance – Ending of the Period / Year | 73,460,344 | 64,412,759 |

- ** The following is the movement on expected credit losses for other assets during the period / year:

| | For the Six Months Period Ended June 30, 2020 (Reviewed) | For the Year Ended December 31, 2019 (Audited) |
|--|---|---|
| | JD | JD |
| Beginning balance for the period / year | 352,000 | - |
| Transferred from other sundry provisions | 6,511,790 | - |
| Impairment loss during the period / year | 200,247 | 352,000 |
| Foreign currencies translation difference | (120,117) | - |
| Balance – Ending of the Period / Year | 6,943,920 | 352,000 |

14. CUSTOMERS' DEPOSITS

The details of this item are as follows:

| | Retail | Corporate | SME's | Governmental and Public | Total |
|--------------------------------------|-----------------------------|---------------------------|---------------------------|------------------------------------|-----------------------------|
| | JD | JD | JD | JD | JD |
| <u>June 30, 2020</u> | | | | | |
| <u>(Reviewed)</u> | | | | | |
| Current accounts and demand deposits | 628,640,877 | 185,047,045 | 303,022,318 | 59,747,107 | 1,176,457,347 |
| Saving deposits | 1,988,372,101 | 96,013 | 16,654,553 | 464,526 | 2,005,587,193 |
| Time and notice deposits | 1,307,585,621 | 344,182,890 | 87,964,699 | 214,796,048 | 1,954,529,258 |
| Certificates of deposit | 249,756,665 | 27,621,742 | 389,712 | - | 277,768,119 |
| Others | 415,031 | - | - | - | 415,031 |
| Total | <u>4,174,770,295</u> | <u>556,947,690</u> | <u>408,031,282</u> | <u>275,007,681</u> | <u>5,414,756,948</u> |

December 31, 2019

(Audited)

| | | | | | |
|--------------------------------------|-----------------------------|---------------------------|---------------------------|---------------------------|-----------------------------|
| Current accounts and demand deposits | 642,993,738 | 145,017,839 | 326,621,662 | 45,305,384 | 1,159,938,623 |
| Saving deposits | 2,045,168,781 | 436,784 | 15,630,082 | 460,339 | 2,061,695,986 |
| Time and notice deposits | 1,479,637,391 | 361,481,275 | 110,768,971 | 340,862,820 | 2,292,750,457 |
| Certificates of deposit | 268,521,193 | 27,178,614 | 11,866 | - | 295,711,673 |
| Others | 416,229 | - | - | - | 416,229 |
| Total | <u>4,436,737,332</u> | <u>534,114,512</u> | <u>453,032,581</u> | <u>386,628,543</u> | <u>5,810,512,968</u> |

- The deposits of the public sector and the Government of Jordan inside the Kingdom amounted to approximately JD 268.5 million representing 5 % of total deposits as of June 30, 2020 (approximately JD 381.6 million, representing 6.6% of total deposits as of December 31, 2019).
- Non-interest bearing deposits are amounted to JD 1.69 billion, representing 31.3% of total deposits as of June 30, 2020 (around JD 1.59 billion, representing 27.3% of total deposits as of December 31, 2019).
- Restricted deposits (Restricted withdrawal) amounted to JD 181.8 million, representing 3.4% of total deposits as of June 30, 2020 (JD 208.7 million, representing 3.6% of total deposits as of December 31, 2019).
- Dormant accounts amounted to JD 221.8 million, representing 4.1% of total deposits as of June 30, 2020 (JD 203 million, representing 3.5% of total deposits as of December 31, 2019).

15. Borrowed funds:

This item consists of the following:

| June 30, 2020 (Reviewed) | Amount JD | Instalment Maturity Period | Repayment Date | Guarantee | Borrowing Interest Rate | Re- borrowed Interest rate |
|---|----------------------|---|---|---------------------------|--|--|
| Amman Cairo Bank | 21,500,000 | Monthly | 30/7/2020 | Financial solvency | 3.50% | 10.50% |
| Real Estate Mortgage Re-fund Co. | 5,000,000 | Semi annual | 6/5/2023 | Financial solvency | 4.50% | 10.50% |
| Real Estate Mortgage Re-fund Co. | 5,000,000 | Semi annual | 9/8/2020 | Financial solvency | 5.85% | 10.50% |
| Real Estate Mortgage Re-fund Co. | 5,000,000 | Semi annual | 7/1/2021 | Financial solvency | 5% | 10.50% |
| Real Estate Mortgage Re-fund Co. | 5,000,000 | Semi annual | 12/11/2020 | Financial solvency | 5% | 10.50% |
| Central Bank of Jordan | 5,250,000 | Semi annual | 14/7/2028 | Financial solvency | 2.54% | Guaranteed %6.04 without guarantee %6.54 |
| Central Bank of Jordan | 3,974,875 | Semi annual | 7/2/2031 | Financial solvency | 2.59% | Guaranteed %5.59 without guarantee %6.59 |
| Central Bank of Jordan | 2,030,000 | Semi annual | 29/11/2024 | Financial solvency | 2.50% | Guaranteed %6 without guarantee %6.5 |
| Central Bank of Jordan | 3,880,680 | Semi annual | 21/12/2039 | Financial solvency | 3% | Guaranteed %6.5 without guarantee %7.5 |
| Central Bank of Jordan | 14,667,509 | According to maturity period | 5 years advances, (excluding renewable energy 10 years) | Promissory note on demand | Inside the capital 1% Outside the capital 0.5% | Inside the capital 3.75% outside the capital 3.25% |
| Central Bank of Jordan – The national program to for the effect of Corona Virus | 12,231,973 | According to maturity period | 42 months, with a grace period of up to 12 months | Promissory note on demand | 0% | 2% |
| Central Bank of Jordan (Repurchase agreement) | 119,998,869 | According to maturity period | From 13 days to 9 months | Mortgage bond pledge | 2% | - |
| Sumitomo Mitsubishi Bank – Japan | 6,058,230 | One instalment | 21/10/2020 | Financial solvency | 0.85% | Laibour 6 months + 2.15% without guarantee %2.15 |
| Real Estate Mortgage Re-fund Co.* | 50,000,000 | Interest is paid semi-annually and the loan is paid in one instalment | 29/5/2024 | Mortgage | 6.35% | 5.75%-8.50% |
| Real Estate Mortgage Re-fund Co.* | 25,000,000 | Interest is paid semi-annually and the loan is paid in one instalment | 31/1/2022 | Mortgage | 6.10% | 5.75%-8.50% |
| | <u>284,592,136</u> | | | | | |

* Funds have been reborrowed by customers for housing loans with an interest rate ranged from 5.75% to 8.50%, and reborrowed funds amounted to JD 75,000,000.

- Borrowed funds with a fixed interest rate amounted to JD 275,367,261, and borrowed funds with variable interest rate amounted to JD 9,224,875 as of June 30, 2020.

- Re-borrowed funds from Central Bank of Jordan maturity date ranges from 6 months to 22 years.

- Borrowed funds amounted to JD 31,506,659 and settled borrowed funds amounted to JD 25,223,858 except for repurchased agreement performed with Central Bank of Jordan during the six months period ended June 30, 2020.

- The renewed loans amounted to JD 10,000,000 during the first half of the year 2020.

| | Amount | Instalment Maturity Period | Repayment Date | Guarantee | Borrowing Interest Rate | Re- borrowed Interest rate |
|---|---------------------------|---|---|---------------------------|--|---|
| <u>December 31, 2019 (Audited)</u> | JD | | | | | |
| Amman Cairo Bank | 1,000,000 | Monthly | 30/07/2019 | Financial solvency | 4.50% | 10.50% |
| Amman Cairo Bank | 24,000,000 | Monthly | 30/07/2019 | Financial solvency | 4.75% | 10.50% |
| Real Estate Mortgage Re-fund Co. | 5,000,000 | Semi annual | 04/05/2020 | Financial solvency | 5.75% | 10.50% |
| Real Estate Mortgage Re-fund Co. | 5,000,000 | Semi annual | 09/08/2020 | Financial solvency | 5.85% | 10.50% |
| Real Estate Mortgage Re-fund Co. | 5,000,000 | Semi annual | 12/11/2020 | Financial solvency | 5.75% | 10.50% |
| Real Estate Mortgage Re-fund Co. | 5,000,000 | Semi annual | 07/01/2020 | Financial solvency | 5.75% | 10.50% |
| Sumitomo Mitsubishi Bank – Japan | 11,395,887 | One Installment | 15/6/2020 | Financial solvency | 0.85% | - |
| Central Bank of Jordan | 5,600,000 | Semi annual | 14/07/2028 | Financial solvency | 3.85% | Guaranteed %7.98 without guarantee %8.48 |
| Central Bank of Jordan | 3,974,875 | Semi annual | 07/02/2031 | Financial solvency | 3.90% | Guaranteed %7.53 without guarantee %8.53 |
| Central Bank of Jordan | 2,275,000 | Semi annual | 29/11/2024 | Financial solvency | 2.50% | Guaranteed %6 without guarantee %6.5 |
| Central Bank of Jordan | 2,814,013 | Semi annual | 21/12/2039 | Financial solvency | 3.00% | Guaranteed %6.5 without guarantee %7.5 |
| Central Bank of Jordan | 12,250,691 | According to maturity period | 5 years except of renewable energy 10 years | Promissory note on demand | Inside the capital 1.75% Outside the capital 1% | Inside the capital 4.5% outside the capital 3.75% |
| Real Estate Mortgage Re-fund Co.* | 50,000,000 | Interest is paid semi-annually and the loan is paid in one instalment | 29/05/2024 | Mortgage | 6.35% | 6.99%- 9.25% |
| Real Estate Mortgage Re-fund Co.* | 25,000,000 | Interest is paid semi-annually and the loan is paid in one instalment | 31/01/2022 | Mortgage | 6.10% | 6.99%-9.25% |
| | <u>158,310,466</u> | | | | | |

- * Funds have been reborrowed for housing loans at an interest rate ranging from 6.99% to 9.25%, and reborrowed funds amounted to JD 75,000,000.
- Borrowed funds with a fixed interest rate amounted to JD 137,339,704, and borrowed funds with variable interest rate amounted to JD 9,574,875 as of December 31, 2019.
- The maturity dates of funds reborrowed from the Central Bank of Jordan range from March, 15 2020 to December 31, 2040.
- Borrowed funds during 2019 amounted to JD 76,963,491 and the settled borrowed funds amounted to JD 55,908,283.
- The renewed loans amounted to JD 80,000,000.

16. Income Tax

a. Income tax provision

The movement on the income tax provision is as follows:

| | June 30, 2020 (Reviewed) | December 31, 2019(Audited) |
|--|-----------------------------|-------------------------------|
| | JD | JD |
| Balance – beginning of the period / year | 46,550,293 | 49,752,994 |
| Income tax paid | (45,013,500) | (53,352,248) |
| Accrued income tax | 36,177,984 | 44,917,751 |
| Income tax due from the distribution of profits of a subsidiary | - | 5,219,005 |
| Currency translation | (118,623) | 12,791 |
| Balance – Ending of the Period / Year | 37,596,154 | 46,550,293 |

- Income tax rate for Banks in Jordan is 35% and a 3% for the national contribution account. In addition, the average income tax percentage in the countries in which the Bank has investments is in between (0- 31%).
- Jordan branches have reached a final settlement until year 2015.
- Tax returns for the years 2017, 2018, and 2019 for Jordan branches were submitted on time and the Bank paid the taxes for these years on time. However, the Income and Sales Tax Department did not audit them until the date of issuance of the financial statements.
- The Income and Sales Tax Department ("ISTD") has issued the tax audit decision for the year 2016. The tax decision resulted in additional tax due in an amount of JD 9,866,928. The Bank has submitted a tax objection on the tax audit decision, however, the final decision of the objection has not be issued up to date. In the opinion of the bank's legal advisor, the Bank has a sound legal position and there are no due tax amounts as of the date of the issuance of these condensed consolidated interim financial statements.
- The income tax for Palestine branches was paid up to the year 2019, and reached a final settlement with the Income and Sales Tax Department for all years except 2019.
- The income tax for International Bank for Trade and Finance /Syria was paid up to the year 2019.
- The income tax for the Housing Bank for Trade and Finance /Algeria was paid up to the year 2019.
- The income tax for Jordan International Bank/ London was paid up to the year 2019.
- The income tax for International Financial Centre Company was paid up to the year 2019, and reached a final settlement with the Income and Sales Tax Department up to the year 2017.
- The income tax for Specialized Leasing Company was paid up to the year 2019, and reached a final settlement with the Income and Sales Tax Department up to the year 2017.

b. Income tax expense appearing in the condensed consolidated interim statement of profit or loss represents the following:

| | For the Six Months Ended June 30, | |
|--|--------------------------------------|--------------------|
| | 2020 (Reviewed) | 2019 (Reviewed) |
| | JD | JD |
| Provision for income tax for the period | 36,177,984 | 16,891,485 |
| Deferred tax assets for the period | (29,044,040) | (18,666,355) |
| Amortization of deferred tax assets | 9,439,385 | 21,280,105 |
| Amortization of deferred tax liabilities | (4,127) | (483,046) |
| Prior years adjustments | - | 769,853 |
| Total | 16,569,202 | 19,792,042 |

17. Other Liabilities

The details for this item are as follows:

| | June 30, 2020 (Reviewed) | December 31, 2019 (Audited) |
|---|-------------------------------------|--|
| | JD | JD |
| Accrued interest | 18,920,875 | 22,401,169 |
| Interests and commissions received in advance | 708,126 | 949,144 |
| Accrued expenses | 16,059,170 | 17,646,599 |
| Certified cheques | 27,987,907 | 35,068,675 |
| Transfers deposits | 41,497,644 | 31,439,928 |
| Payment in process | 8,529,453 | 6,203,976 |
| Prizes | 586,153 | 1,315,822 |
| Corresponding banks | 1,588,163 | 1,435,089 |
| General management deposits | 4,824,520 | 5,439,250 |
| Shareholders deposits | 2,661,157 | 2,706,593 |
| Accounts payable | 2,103,783 | 3,018,488 |
| Other deposits | 54,364,981 | 58,745,944 |
| Provision for indirect facilities' expected credit losses | 36,615,757 | 32,057,352 |
| Unrealized losses / derivatives | 1,185,650 | - |
| Other | 9,364,959 | 11,238,050 |
| Total | <u>226,998,298</u> | <u>229,666,079</u> |

Below is the movement on indirect facilities during the period / year:

| | Stage (1) | | Stage (2) | | Stage (3) | Total |
|---|---------------------------|---------------------------|--------------------------|-------------------------|--------------------------|---------------------------|
| | Individual | Collective | Individual | Collective | | |
| | JD | JD | JD | JD | JD | JD |
| <u>For the Six Months Period June 30, 2020</u> | | | | | | |
| <u>(Reviewed)</u> | | | | | | |
| Balance at the beginning of the period (Audited) | 686,750,033 | 139,683,669 | 32,131,097 | 4,381,623 | 19,746,052 | 882,692,474 |
| New exposures during the period | 149,725,707 | 38,104,431 | 2,642,055 | 701,954 | 25,001 | 191,199,148 |
| Matured exposures during the period | (152,614,004) | (53,978,008) | (4,197,588) | (1,171,597) | (1,116,923) | (213,078,120) |
| Transferred (from) to stage (1) | 3,749,326 | 1,186,491 | (3,648,826) | (1,133,491) | (153,500) | - |
| Transferred (from) to stage (2) | (2,928,671) | (3,614,057) | 2,928,671 | 3,624,057 | (10,000) | - |
| Transferred (from) to stage (3) | (286,415) | (12,000) | (2,710,598) | (59,029) | 3,068,042 | - |
| Changes resulting from adjustment | (68,822,983) | 3,748,384 | 92,974 | 455,252 | 366 | (64,526,007) |
| Adjustments resulting from foreign currency changes | (4,082) | (14,273,770) | (3,225) | (2,485,291) | (14,441) | (16,780,809) |
| Balance at the Ending of the Period (Reviewed) | <u>615,568,911</u> | <u>110,845,140</u> | <u>27,234,560</u> | <u>4,313,478</u> | <u>21,544,597</u> | <u>779,506,686</u> |
| <u>For the Year Ended December 31, 2019</u> | | | | | | |
| <u>(Audited)</u> | | | | | | |
| Balance at the beginning of the year | 519,936,051 | 151,028,148 | 31,565,361 | 610,752 | 18,881,469 | 722,021,781 |
| New exposures during the year | 295,140,096 | 64,899,990 | 21,838,545 | 3,248,015 | 83,382 | 385,210,028 |
| Matured exposures during the year | (213,726,896) | (78,032,692) | (24,115,501) | (226,826) | (1,677,388) | (317,779,303) |
| Transferred (from) to stage (1) | 4,699,896 | 145,834 | (3,369,296) | (143,334) | (1,333,100) | - |
| Transferred (from) to stage (2) | (2,042,292) | (825,210) | 2,383,192 | 906,678 | (422,368) | - |
| Transferred (from) to stage (3) | (403,870) | (146,574) | (1,924,564) | (142,365) | 2,617,373 | - |
| Changes resulting from adjustment | 83,153,382 | 2,116,960 | 5,758,836 | 130,416 | 1,596,684 | 92,756,278 |
| Adjustments resulting from foreign currency changes | (6,334) | 497,213 | (5,476) | (1,713) | - | 483,690 |
| Balance at the Ending of the Year | <u>686,750,033</u> | <u>139,683,669</u> | <u>32,131,097</u> | <u>4,381,623</u> | <u>19,746,052</u> | <u>882,692,474</u> |

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

| | Stage (1) | | Stage (2) | | Stage (3) | Total |
|---|-------------------------|-------------------------|-------------------------|-------------------------|--------------------------|--------------------------|
| | Individual | Collective | Individual | Collective | | |
| | JD | JD | JD | JD | JD | JD |
| <u>For the Six Months Period June 30, 2020 (Reviewed)</u> | | | | | | |
| Balance at the beginning of the period (Audited) | 3,279,931 | 4,129,689 | 6,728,093 | 938,565 | 16,981,074 | 32,057,352 |
| Impairment loss on the new facilities | 2,142,995 | 2,253,040 | 296,944 | 207,066 | 12,214 | 4,912,259 |
| Reversed from impairment loss on the matured facilities | (1,230,442) | (1,829,542) | (71,545) | (273,013) | (846,883) | (4,251,425) |
| Transferred (from) to stage (1) | 95,765 | 270,823 | (23,765) | (241,423) | (101,400) | - |
| Transferred (from) to stage (2) | (13,282) | (431,703) | 13,282 | 438,903 | (7,200) | - |
| Transferred (from) to stage (3) | (1,363) | (33) | (1,710,202) | (2,916) | 1,714,514 | - |
| Effect on provision as end of the period resulting from reclassification between the three stages during the period | (38,908) | (207,020) | 14,298 | 193,744 | 740,113 | 702,227 |
| Changes resulting from adjustment | 708,822 | 1,213,848 | 576,726 | (50,392) | 1,306,956 | 3,755,960 |
| Adjustments resulting from foreign currency changes | (78) | (542,933) | (14,462) | (5,391) | 2,248 | (560,616) |
| Balance at the Ending of the Period (Reviewed) | <u>4,943,440</u> | <u>4,856,169</u> | <u>5,809,369</u> | <u>1,205,143</u> | <u>19,801,636</u> | <u>36,615,757</u> |
| <u>For the Year Ended December 31, 2019 (Audited)</u> | | | | | | |
| Balance at the beginning of the year | 3,823,459 | 2,433,685 | 4,846,856 | 84,229 | 15,737,883 | 26,926,112 |
| Transfers to another provisions | (571) | - | 2 | - | 569 | - |
| Adjusted Beginning Balance | <u>3,822,888</u> | <u>2,433,685</u> | <u>4,846,858</u> | <u>84,229</u> | <u>15,738,452</u> | <u>26,926,112</u> |
| Impairment loss on the new facilities | 1,554,499 | 2,737,553 | 4,852,085 | 755,041 | 2,492 | 9,901,670 |
| Reversed from impairment loss on the matured facilities | (2,596,590) | (1,708,191) | (4,629,739) | (58,620) | (1,252,535) | (10,245,675) |
| Transferred (from) to stage (1) | 794,011 | 10,647 | (63,931) | (9,147) | (731,580) | - |
| Transferred (from) to stage (2) | (55,181) | (49,366) | 369,898 | 77,372 | (342,723) | - |
| Transferred (from) to stage (3) | (5,257) | (5,032) | (62,498) | (4,939) | 77,726 | - |
| Effect on provision as of the end of year resulting from reclassification between the three stages during the year | (763,788) | (10,297) | 165,638 | 86,099 | 1,734,993 | 1,212,645 |
| Changes resulting from adjustment | 529,349 | 715,105 | 1,249,782 | 8,530 | 1,763,064 | 4,265,830 |
| Adjustments resulting from foreign currency changes | - | 5,585 | - | - | (8,815) | (3,230) |
| Balance at the Ending of the Year | <u>3,279,931</u> | <u>4,129,689</u> | <u>6,728,093</u> | <u>938,565</u> | <u>16,981,074</u> | <u>32,057,352</u> |

18. Expected Credit Losses Expense

The details of this item is as follows:

| | For the Six Months Ended June 30, | |
|---|--|----------------------------|
| | 2020 (Reviewed) | 2019 (Reviewed) |
| | JD | JD |
| Balances and deposits at banks and financial institutions | 1,153,706 | 595,766 |
| Financial assets at fair value through other comprehensive income | 76,345 | 92,731 |
| Financial assets at amortized cost | 380,584 | 30,710 |
| Direct credit facilities | 51,558,374 | 37,591,077 |
| Commitments and contingent liabilities | 5,119,021 | 2,308,474 |
| Other Assets | 200,247 | - |
| | 58,488,277 | 40,618,758 |

19. Fair Value Reserve – Net

The balance of the fair value reserve (net of a deferred tax) is JD 8,110,457 as of June 30, 2020 (JD 5,400,864 as of December 31, 2019), the movement in the fair value reserve is as follows:

| | For the Six Months Ended June 30, 2020 (Reviewed) | For the Year Ended December 31, 2019 (Audited) |
|--|--|---|
| | JD | JD |
| Balance – beginning of the period/year | 5,400,864 | (2,219,625) |
| Unrealized gain (loss) - equity instrument | 2,444 | (364,237) |
| Unrealized gain – debt instrument | 4,277,608 | 11,674,687 |
| Deffered tax assets | 419,597 | (851,186) |
| Deffered tax liabilities | (1,990,056) | (2,838,775) |
| Net change in valuation reserve of financial assets at fair value through comprehensive income after tax | 2,709,593 | 7,620,489 |
| Balance at the End of the Period/Year | 8,110,457 | 5,400,864 |

20. Retained Earnings

The movement on retained earnings is as follows:

| | June 30, 2020 (Reviewed) | December 31, 2019 (Audited) |
|--|-------------------------------------|--|
| | JD | JD |
| Balance – beginning of the period / year | 285,267,050 | 268,842,701 |
| Prior year adjustments * | (116,298) | (287,049) |
| Adjusted– Beginning Balance of the Period / Year | 285,150,752 | 268,555,652 |
| Income for the period / year | - | 80,866,565 |
| Dividends distribution | - | (47,250,000) |
| Transferred to reserves | - | (16,918,805) |
| (Loss) gains from sale of financial assets at fair value through other comprehensive Income | (1,350) | 13,638 |
| Balance – End of the Period / Year | 285,149,402 | 285,267,050 |

- * Prior year adjustments item represents reserves for subsidiaries that were recorded after the issuance of the group consolidated financial statements for the year 2019.
- The Bank cannot use a restricted amount of JD 6,275,955 from retained earnings which represents the financial assets revaluation differences in accordance with the instructions of the Central Bank of Jordan and the Jordan Securities Commission.
- Retained earnings includes an amount of JD 563,978 which represents the effect of early implementation of the International Financial Reporting Standard No (9). This amount may not be used except for the amounts actually realized from sale.
- The Bank cannot use a restricted amount of JD 96,795,663 from retained earnings which represents deferred tax assets which are restricted against capitalization or distribution only to the extent if actually recognized in accordance with the instructions of the Central Bank of Jordan and the Jordan Securities Commission.
- Retained earnings includes a restricted amount of JD 4,772,673 which represents the gain from the valuation of foreign currencies at the International Bank for Trade and Finance /Syria for the current period and the prior years.

21. Interest Income

The details of this item are as follows:

| For the Six Months Ended June 30, | | |
|---|------------------------|------------------------|
| | 2020 (Reviewed) | 2019 (Reviewed) |
| | JD | JD |
| Direct Credit Facilities: | | |
| Individual retail customer: | | |
| Overdraft | 252,148 | 252,961 |
| Loans and discounted bills | 34,574,716 | 33,635,800 |
| Credit cards | 1,347,161 | 1,209,854 |
| Real estate loans | 36,090,693 | 41,166,155 |
| Large corporates | | |
| Overdraft | 10,587,275 | 14,306,967 |
| Loans and discounted bills | 40,877,941 | 31,954,442 |
| SME's | | |
| Overdraft | 4,201,469 | 5,283,201 |
| Loans and discounted bills | 6,323,018 | 8,080,239 |
| Government and Public Sector | 18,130,815 | 23,463,651 |
| Balances at central banks | 2,725,354 | 6,151,683 |
| Balances and deposits at banks and financial institutions | 3,769,367 | 4,999,188 |
| Financial assets at amortized cost | 47,499,835 | 42,485,696 |
| Financial assets at fair value through profit or loss | - | 698 |
| Financial assets at fair value through other comprehensive income | 5,425,710 | 5,283,245 |
| | 211,805,502 | 218,273,780 |

22. Interest Expense

The details of this item are as follows:

| For the Six Months Ended June 30, | | |
|--|------------------------|-----------------------|
| | 2020 (Reviewed) | 2019 (Audited) |
| | JD | JD |
| Banks and financial institutions deposits | 6,409,491 | 7,004,715 |
| Customers deposits : | | |
| Current accounts and demand deposits | 403,905 | 392,229 |
| Saving deposits | 2,136,593 | 4,089,581 |
| Time and notice deposits | 33,208,203 | 44,022,513 |
| Certificates of deposits | 6,408,883 | 5,365,859 |
| Cash margins | 1,095,099 | 1,527,093 |
| Borrowed funds | 4,315,828 | 3,505,060 |
| Deposits insurance fees | 3,836,783 | 4,119,144 |
| Lease liability | 825,241 | 972,305 |
| | 58,640,026 | 70,998,499 |

23. Gain (Loss) from Financial Assets at Fair Value Through Profit or Loss

The details of this item are as follows:

| | Realized | | Unrealized | | Dividends | |
|---------------------------|----------|----------|------------------|------------------|---------------|------------------|
| | Gain | (Loss) | Gain | (Loss) | Received | Total |
| | JD | JD | JD | JD | JD | JD |
| For the Six Months | | | | | | |
| Period Ended | | | | | | |
| June 30, 2020 | | | | | | |
| (Reviewed) | | | | | | |
| Coprorate shares | - | - | - | (184,722) | 18,410 | (166,312) |
| Direct credit facilities | - | - | 1,185,650 | - | - | 1,185,650 |
| Total | - | - | 1,185,650 | (184,722) | 18,410 | 1,019,338 |

For the Six Months**Period Ended****June 30, 2019****(Reviewed)**

| | | | | | | |
|------------------|----------|----------|---------------|------------------|----------------|---------------|
| Coprorate shares | - | - | 78,871 | (217,844) | 169,700 | 30,727 |
| Total | - | - | 78,871 | (217,844) | 169,700 | 30,727 |

24. Earnings Per Share Attributable to the Shareholders of the Bank (Basic / Dilluted)

The details of this item are as follows:

| | For the Three Months Ended June 30, | | For the Six Months Ended June 30, | |
|--|--|--------------------|--------------------------------------|--------------------|
| | 2020 (Reviewed) | 2019 (Reviewed) | 2020 (Reviewed) | 2019 (Reviewed) |
| | JD | JD | JD | JD |
| Profit for the period attibutable to shareholders' | 10,250,609 | 12,919,263 | 25,898,348 | 36,771,416 |
| Weighted average number of shares | 315,000,000 | 315,000,000 | 315,000,000 | 315,000,000 |
| Basic and diluted earnings per share attributable to shareholders of the Bank | JD 0,033 | JD 0,041 | JD 0,082 | JD 0,117 |

25. Cash and Cash Equivalents

This item consists of the following:

| | As of June 30, | |
|---|--------------------|--------------------|
| | 2020 (Reviewed) | 2019 (Reviewed) |
| | JD | JD |
| Cash and balances with central banks maturing within 3 months | 726,312,004 | 975,455,391 |
| Add: Balances with banks and financial institutions maturing within 3 months | 338,883,445 | 503,441,917 |
| Less: Banks and financial institutions deposits maturing within 3 months | (586,271,153) | (634,995,785) |
| | 478,924,296 | 843,901,523 |

26. Capital Adequacy

The capital adequacy calculated according to the instructions of the Central Bank of Jordan, based on the instructions of Basel Committee, and the following the capital adequacy ratio:

| | June 30, 2020 (Reviewed) JD | December 31, 2019 (Audited) JD |
|--|--------------------------------------|---|
| 1. Common Equity Tier 1 Capital | | |
| Paid-in capital | 315,000,000 | 315,000,000 |
| Retained earnings | 278,215,472 | 278,889,848 |
| Other comprehensive income items | (115,837,280) | (107,054,577) |
| Net fair value reserve | 8,110,457 | 5,400,864 |
| Foreign currency translation reserve | (123,947,737) | (112,455,441) |
| Share premium | 328,147,537 | 328,147,537 |
| Statutory reserve | 235,736,394 | 235,737,655 |
| Other reserve | 11,302,452 | 11,184,797 |
| Non-controlling Interest | 19,656,178 | 23,196,877 |
| Condensed gains after tax and expected distribution Value | (5,598,674) | - |
| Total capital for ordinary shares | 1,066,622,079 | 1,085,102,137 |
| Regulatory amendments (Propositions of the capital) | (125,418,225) | (106,496,129) |
| Goodwill and intangible assets | (22,977,646) | (23,582,588) |
| Deffered tax assets | (96,795,663) | (77,273,667) |
| Investments in the capital of non-consolidated subsidiaries with the bank | (40,681) | (36,613) |
| Mutual investments in banks' capital, financial companies, and insurance companies Within the CET1 | (5,604,235) | (5,603,261) |
| Net ordinary shareholder's equity | 941,203,854 | 978,606,008 |
| 2-Additional Capital | | |
| Non-controlling Interest | 3,468,737 | 4,093,567 |
| Total Additional Capital | 3,468,737 | 4,093,567 |
| Net Additional Capital | 3,468,737 | 4,093,567 |
| Net additional capital Tier 1. | 944,672,591 | 982,699,575 |
| 3- Tier 2 Capital | | |
| Expected credit losses provision for the first stage – does not exceed 1.25% of the assets weighted credit risks | 42,428,194 | 32,594,487 |
| Non-controlling interest | 4,624,983 | 5,458,089 |
| Total Capital | 47,053,177 | 38,052,576 |
| Regulatory amendments (Propositions of the capital) | - | (4,068) |
| Investments in the capital of non-consolidated subsidiaries with the bank | - | (4,068) |
| Net additional capital Tier 2 | 47,053,177 | 38,048,508 |
| Regulatory capital | 991,725,768 | 1,020,748,083 |
| Total weighted assets risk average. | 5,736,064,532 | 5,664,064,302 |
| Capital Adequacy ordinary shareholders (CETI) Ratio % | 16.41% | 17.28% |
| Capital Adequacy Tier 1 Ratio % | 16.47% | 17.35% |
| Capital Adequacy Ratio % | 17.29% | 18.02% |

27. Related Party Transactions

- a. The Bank entered into transactions with major shareholders, Board of Directors, and executive management in the course of its ordinary activities at commercial rates of interest and commissions. All facilities granted to related parties are performing and no provisions have been taken.
- b. Summary of related party balances during the period/year:

| | Related Party | | | | Total | |
|--|--------------------|--------------|--------------------------------------|--|---------------|-------------------|
| | Major Shareholders | Subsidiaries | Board of Directors and their related | Executive Management and their related | June 30, 2020 | December 31, 2019 |
| | | | | | (Reviewed) | (Audited) |
| | JD | JD | JD | JD | JD | JD |
| Financial position items | | | | | | |
| Total deposits with related parties | 44,322,926 | 74,242,923 | - | - | 118,565,849 | 157,449,077 |
| Total deposits from related parties | 565,008,904 | 74,484,821 | 2,677,276 | 2,985,826 | 645,156,827 | 758,017,339 |
| Loans and advances granted to related parties | - | 1,191,710 | 222,228 | 3,045,030 | 4,458,968 | 811,997 |
| Loans and advances granted From related parties | - | 717,825 | - | - | 717,825 | 975,538 |
| Items off-statement of Financial position | | | | | | |
| Letters of guarantees and credits | - | 1,335,512 | - | - | 1,335,512 | 1,319,912 |
| Sell/ buy foreign currencies contract | 42,540,000 | - | - | - | 42,540,000 | 51,587,903 |
| Interest swap contracts | 127,620,000 | - | - | - | 127,620,000 | - |

- c. Summary of related party transactions during the period:

| | Related Party | | | | Total | |
|--|--------------------|--------------|--------------------------------------|--|-----------------------------------|-----------------|
| | Major Shareholders | Subsidiaries | Board of Directors and their related | Executive Management and their related | For the Six Months Ended June 30, | |
| | | | | | 2020 (Reviewed) | 2019 (Reviewed) |
| | JD | JD | JD | JD | JD | JD |
| Statement of Profit or Loss items | | | | | | |
| Interest and commissions income | 399,691 | 395,533 | 8,241 | 55,556 | 859,021 | 828,340 |
| Interest and commissions expense | 6,805,381 | 640,923 | 28,570 | 33,052 | 7,507,926 | 13,211,896 |

- Interest income rates ranges from 0% to 7.45%.
- Interest expense rates ranges from 0% to 7%.

- d. The Bank's executive management remuneration were as follows:

| | For the Six Months Ended June 30, | |
|---|-----------------------------------|-----------------|
| | 2020 (Reviewed) | 2019 (Reviewed) |
| | JD | JD |
| Salaries, bonuses, and other benefits | 1,948,825 | 1,596,094 |
| Salaries, bonuses, and other benefits/ Subsidiaries | 1,498,486 | 1,243,890 |

28. Segment Analysis

Information on the Bank Activities:

For management purposes, the Bank is divided into four major business segments according to reports sent to the chief operating officer:

- **Retail Banking:** Principally handling individual customers' and small businesses' deposits and providing loans, overdrafts, credit cards and other services.
- **Corporate Banking:** Principally handling deposits, credit facilities, and other financial services for corporate and institutional customers.
- **Corporate Finance:** Principally arranging structured finance and providing services relating to privatizations, IPO's, mergers and acquisitions.
- **Treasury:** Principally providing trading and treasury services and the management of the Bank's funds in money and capital markets.

Information of the Bank's business segment, distributed according to operations is as follows:

| | | | | | | | Total | |
|--|----------------------|----------------------|-------------------|----------------------|--------------------|---------------------|--|--|
| | | | | | | | For the Six Months Period Ended June 30, | |
| | Retail | Corporate | Corporate | Treasury | Others | Elimination | 2020 (Reviewed) | 2019 (Reviewed) |
| | JD | JD | Finance JD | JD | JD | JD | JD | JD |
| Gross Income | 106,088,236 | 95,042,479 | 3,029,873 | 71,255,912 | 7,068,596 | (41,608,315) | 240,876,781 | 250,895,683 |
| Recovery from impairment provision of direct/indirect facilities | (7,508,450) | (44,567,842) | (4,601,103) | - | - | - | (56,677,395) | (37,591,077) |
| Recovery from impairment provision of financial assets | - | - | - | (1,810,881) | - | - | (1,810,881) | (719,207) |
| Segment results | 35,714,705 | (1,058,710) | (2,663,442) | 13,225,059 | 3,098,520 | - | 48,316,132 | 62,550,099 |
| Unallocated expenses | | | | | | | (5,149,587) | (3,978,369) |
| Income before Tax | | | | | | | 43,166,545 | 58,571,730 |
| Income Tax | | | | | | | (16,569,202) | (19,792,042) |
| Profit for the Period | | | | | | | 26,597,343 | 38,779,688 |
| | | | | | | | June 30, 2020 (Reviewed) | December 31, 2019 (Audited) |
| Segment Assets | 4,672,417,876 | 2,693,041,381 | 83,454,702 | 3,459,818,822 | 1,499,809,302 | - | 12,408,542,083 | 12,741,968,523 |
| Elimination of assets between segments | (3,032,655,052) | - | - | (618,337,349) | (791,023,524) | - | (4,442,015,925) | (4,374,630,792) |
| Unallocated assets on segments | | | | | | | 96,795,663 | 77,273,667 |
| Total Assets | | | | | | | 8,063,321,821 | 8,444,611,398 |
| Segment Liabilities | 4,630,659,100 | 2,768,448,040 | 86,207,567 | 3,376,552,718 | 482,538,155 | - | 11,344,405,580 | 11,615,342,006 |
| Elimination of liabilities between segments | | | | | | | (4,427,125,033) | (4,301,113,773) |
| Unallocated liabilities | - | (1,646,432,146) | (55,007,698) | (2,725,685,189) | - | - | 8,555,253 | 6,569,323 |
| Total Liabilities | | | | | | | 6,925,835,800 | 7,320,797,556 |
| | | | | | | | For the Six Months Ended June 30, | |
| | | | | | | | 2020 (Reviewed) | 2019 (Reviewed) |
| Capital expenditures | | | | | | | 5,194,428 | 8,941,393 |
| Depreciation and amortization | | | | | | | 12,152,453 | 10,620,056 |

29. Risk Management

Banking risks are managed based on a comprehensive mitigation strategy where acceptable risks are defined along with ways to limit and confront such risks. Such a strategy allows the Bank to better manage its business while maintaining a certain level and type of risk the Bank is willing to bear and handle without affecting strategic goals and objectives. Meanwhile, the Bank minimizes the negative effects of internal and external incidents on the Bank's profitability, capitalization, market share and any other intangible factors such as reputation and goodwill.

The Bank's risk management policies for the six-month period ended June 30, 2020 are identical to the policies followed for the year ended December 31, 2019, which are disclosed in the Bank's annual report as of December 31, 2019.

1- Distributed according to economic sector is as follows:

A- Distributions According to Financial Instruments Exposure:

| | Financial | Industrial | Trading | Real Estate | Agriculture | Shares | Individuals | Government and Public | Other | Total |
|--|----------------------|--------------------|----------------------|----------------------|-------------------|------------------|--------------------|--------------------------|--------------------|----------------------|
| | JD | JD | JD | JD | JD | JD | JD | JD | JD | JD |
| Cash at central banks | 613,937,624 | - | - | - | - | - | - | - | - | 613,937,624 |
| Balances at banks and financial institutions | 338,217,010 | - | - | - | - | - | - | - | - | 338,217,010 |
| Deposits at banks and financial institutions | 64,918,996 | - | - | - | - | - | - | - | - | 64,918,996 |
| Credit facilities at amortized cost | 157,015,805 | 376,555,450 | 439,058,860 | 1,124,128,495 | 20,019,101 | 3,668,741 | 778,782,683 | 696,562,539 | 492,718,057 | 4,088,509,731 |
| Credit facilities at fair value through profit or loss | - | 130,263,446 | - | - | - | - | - | - | - | 130,263,446 |
| Bonds and bills: | | | | | | | | | | |
| Within Financial assets at fair value through other comprehensive income | 99,327,931 | - | - | - | - | - | - | 245,824,294 | 9,509,492 | 354,661,717 |
| Within Financial assets at amortized cost | 117,432,586 | - | - | - | - | - | - | 1,745,857,801 | 10,397,134 | 1,873,687,521 |
| Total for the Period | 1,390,849,952 | 506,818,896 | 439,058,860 | 1,124,128,495 | 20,019,101 | 3,668,741 | 778,782,683 | 2,688,244,634 | 512,624,683 | 7,464,196,045 |
| Letter of guarantees | - | - | 343,210,647 | - | - | - | - | - | - | 343,210,647 |
| Letter of credit | - | - | 341,292,713 | - | - | - | - | - | - | 341,292,713 |
| Other liabilities | - | - | 58,387,569 | - | - | - | - | - | - | 58,387,569 |
| Total | 1,390,849,952 | 506,818,896 | 1,181,949,789 | 1,124,128,495 | 20,019,101 | 3,668,741 | 778,782,683 | 2,688,244,634 | 512,624,683 | 8,207,086,974 |
| Prior Year Total | 1,718,866,402 | 526,338,498 | 1,329,683,917 | 1,113,895,128 | 15,342,153 | 3,309,671 | 773,084,748 | 2,789,408,446 | 405,720,795 | 8,675,649,758 |

b. Distribution of exposures as staging according to International Financial Reporting Standard (9):

| Item | Stage (1) | | Stage (2) | | Stage (3) | Total |
|------------------------------|----------------------|----------------------|--------------------|--------------------|-------------------|----------------------|
| | Individual | Collective | Individual | Collective | | |
| | JD | JD | JD | JD | JD | JD |
| Financial | 1,381,197,939 | 708,141 | 8,188,907 | 240,426 | 514,539 | 1,390,849,952 |
| Industrial | 357,783,920 | 97,186,594 | 32,344,368 | 12,051,749 | 7,452,265 | 506,818,896 |
| Trading | 892,174,801 | 203,261,864 | 53,781,103 | 20,594,397 | 12,137,624 | 1,181,949,789 |
| Real estate | 336,616,227 | 652,043,170 | 58,003,093 | 57,751,838 | 19,714,167 | 1,124,128,495 |
| Agriculture | 14,884,170 | 523,051 | 3,982,087 | 60,976 | 568,817 | 20,019,101 |
| Shares | - | 3,265,546 | - | - | 403,195 | 3,668,741 |
| Individual | 61,573,654 | 683,931,700 | 4,367,542 | 21,927,006 | 6,982,781 | 778,782,683 |
| Government and public sector | 2,688,234,582 | - | 10,052 | - | - | 2,688,244,634 |
| Other | 412,635,802 | 22,749,478 | 67,949,627 | 2,300,738 | 6,989,038 | 512,624,683 |
| Total | 6,145,101,095 | 1,663,669,544 | 228,626,779 | 114,927,130 | 54,762,426 | 8,207,086,974 |
| Previous year total | 6,326,886,159 | 1,888,118,103 | 280,486,470 | 111,590,619 | 68,568,407 | 8,675,649,758 |

2- Total Exposure Distribution According to Geographic Region:
A. Total distribution of exposures by geographical regions:

| | Inside Jordan | Other Middle East Countries | Europe | Asia | Africa | America | Other Countries | Total |
|--|----------------------|--------------------------------|--------------------|-------------------|--------------------|--------------------|--------------------|----------------------|
| | JD | JD | JD | JD | JD | JD | JD | JD |
| Cash and balances at central banks | 292,870,309 | 120,598,171 | - | - | 200,469,144 | - | - | 613,937,624 |
| Balances at banks and financial institutions | 73,272,156 | 61,382,962 | 84,594,457 | 5,474,087 | 55,292,292 | 58,201,056 | - | 338,217,010 |
| Deposits at banks and financial institutions | 29,972,642 | 13,032,319 | 20,500,567 | - | - | 1,413,468 | - | 64,918,996 |
| Credit facilities at amortized cost | 3,495,167,338 | 254,945,426 | 144,257,854 | - | 194,139,113 | - | - | 4,088,509,731 |
| Credit Facilities at fair value through profit or loss | 130,263,446 | - | - | - | - | - | - | 130,263,446 |
| Bonds and Bills: | | | | | | | | |
| Winthin Financial assets at fair value through other comprehensive income | 169,431,470 | 29,569,506 | 47,220,615 | 17,837,050 | 12,006,670 | 78,596,406 | - | 354,661,717 |
| Within Financial assets at amortized cost | 1,831,836,807 | 23,525,055 | 6,949,234 | 3,930,385 | - | 3,546,955 | 3,899,085 | 1,873,687,521 |
| Total for the Period | 6,022,814,168 | 503,053,439 | 303,522,727 | 27,241,522 | 461,907,219 | 141,757,885 | 3,899,085 | 7,464,196,045 |
| Letter of guarantee | 293,079,408 | 24,353,998 | 8,651,000 | 181,276 | 16,944,965 | - | - | 343,210,647 |
| Letter of credit | 295,595,613 | 7,956,318 | 5,809,224 | 2,942,031 | 28,201,491 | 788,036 | - | 341,292,713 |
| Other liabilities | 33,039,554 | - | 25,348,015 | - | - | - | - | 58,387,569 |
| Total | 6,644,528,743 | 535,363,755 | 343,330,966 | 30,364,829 | 507,053,675 | 142,545,921 | 3,899,085 | 8,207,086,974 |
| Previous Year Total | 6,888,459,104 | 689,759,137 | 328,191,227 | 30,299,160 | 513,611,858 | 212,878,704 | 12,450,568 | 8,675,649,758 |

b. Exposure distribution as staging according to International Financial Reporting Standard (9):

| | Stage (1) | | Stage (2) | | Stage (3) | Total |
|--------------------------------|----------------------|----------------------|--------------------|--------------------|-------------------|----------------------|
| | Individual | Collective | Individual | Collective | | |
| | JD | JD | JD | JD | JD | JD |
| Inside Jordan | 4,898,368,917 | 1,382,414,894 | 202,905,926 | 83,101,088 | 77,737,918 | 6,644,528,743 |
| Other Middle Eastern countries | 479,375,439 | 41,668,628 | 25,407,890 | 16,710,885 | (27,799,087) | 535,363,755 |
| Europe | 323,419,850 | 19,481,815 | - | 429,301 | - | 343,330,966 |
| Asia | 30,287,786 | 38,678 | - | 38,365 | - | 30,364,829 |
| Africa | 267,840,481 | 219,912,738 | - | 14,495,938 | 4,804,518 | 507,053,675 |
| America | 141,929,413 | 142,813 | 312,963 | 141,655 | 19,077 | 142,545,921 |
| Other countries | 3,879,209 | 9,978 | - | 9,898 | - | 3,899,085 |
| Total | 6,145,101,095 | 1,663,669,544 | 228,626,779 | 114,927,130 | 54,762,426 | 8,207,086,974 |
| Previous year total | 6,326,886,159 | 1,888,118,103 | 280,486,470 | 111,590,619 | 68,568,407 | 8,675,649,758 |

3. Credit exposures that have been reclassified:

a. Total credit exposures that have been reclassified:

| | Stage (2) | | Stage (3) | | Total Exposures that have been Reclassified | Percentage of Exposures that have been Reclassified |
|---|------------------------|---------------------------------------|------------------------|---------------------------------------|---|---|
| | Total Exposures Amount | Exposures that have been Reclassified | Total Exposures Amount | Exposures that have been Reclassified | | |
| | JD | JD | JD | JD | | |
| Credit facilities at amortized cost | 420,474,767 | 108,571,616 | 411,906,085 | 49,891,843 | 158,463,459 | 3.4% |
| Bonds and bills | - | - | 3,000,001 | - | - | - |
| <u>Within:</u> Financial assets at amortized cost | - | - | 3,000,001 | - | - | - |
| Total | 420,474,767 | 108,571,616 | 414,906,086 | 49,891,843 | 158,463,459 | 1.9% |
| Letter of guarantees | 29,842,633 | 6,517,022 | 21,508,133 | 3,068,042 | 9,585,064 | 2.6% |
| Letter of credit | 1,610,038 | - | 36,464 | - | - | - |
| Other liabilities | 95,367 | 35,706 | - | - | 35,706 | 0.1% |
| Total | 31,548,038 | 6,552,728 | 21,544,597 | 3,068,042 | 9,620,770 | 1.2% |
| Grand Total | 452,022,805 | 115,124,344 | 436,450,683 | 52,959,885 | 168,084,229 | 1.9% |
| Previous year total | 493,436,951 | 160,697,672 | 410,470,826 | 125,840,948 | 286,538,620 | 3.1% |

b. Expected credit loss for exposures that have been reclassified:

| Description | Exposures that have been Reclassified | | | Expected Credit Loss due to Reclassified Exposures | | | |
|-------------------------------------|---|---|------------------------|--|----------------------|-----------------------|-----------------------|
| | Exposures Reclassified from Stage (2) | Exposures Reclassified from Stage (3) | Total | Stage (2) | | Stage (3) | |
| | JD | JD | JD | Individual JD | Collective JD | Individual JD | Total JD |
| Credit facilities at amortized cost | 108,571,616 | 49,891,843 | 158,463,459 | 5,127,686 | 4,819,403 | 12,348,761 | 22,295,850 |
| Total | 108,571,616 | 49,891,843 | 158,463,459 | 5,127,686 | 4,819,403 | 12,348,761 | 22,295,850 |
| Letter of financial guarantees | 6,517,022 | 3,068,042 | 9,585,064 | 13,282 | 423,054 | 1,714,514 | 2,150,850 |
| Letter of credit | - | - | - | - | 15,235 | - | 15,235 |
| Other liabilities | 35,706 | - | 35,706 | - | 614 | - | 614 |
| Total | 6,552,728 | 3,068,042 | 9,620,770 | 13,282 | 438,903 | 1,714,514 | 2,166,699 |
| Grand Total | 115,124,344 | 52,959,885 | 168,084,229 | 5,140,968 | 5,258,306 | 14,063,275 | 24,462,549 |
| Previous year total | 160,697,672 | 125,840,948 | 286,538,620 | 2,073,065 | 3,724,883 | 15,495,601 | 21,293,549 |

31. Commitments and Contingent Liabilities:

This item consists of the following:

| | June 30, 2020 (Reviewed) JD | December 31, 2019 (Audited) JD |
|---|--|---|
| Letters of credit | 523,586,242 | 632,165,144 |
| Acceptances | 53,590,408 | 36,413,318 |
| Guarantees: | | |
| - Payment | 117,608,357 | 125,499,913 |
| - Performance bonds | 126,692,343 | 138,561,673 |
| - Other | 228,764,421 | 238,538,681 |
| Un-utilized direct credit facilities ceilings | 398,918,377 | 453,429,646 |
| Total | <u>1,449,160,148</u> | <u>1,624,608,375</u> |

32. Lawsuits Raised Against the Bank and Lawsuits Raised by the Bank Against Others

Lawsuits raised against the Bank amounted to approximately JD 46.8 million as of June 30, 2020 (approximately JD 45.4 million as of December 31, 2019). In the opinion of the Bank's management and legal advisor, no liabilities will arise therefrom that exceed the booked provision of JD 4,322,184 as of June 30, 2020 (JD 4,228,077 as of December 31, 2019).

Other than the above-mentioned lawsuits, during the year 2019, the inspectors of the Central Bank of Algeria visited the management of the Housing Bank for Trade and Finance Algeria (a subsidiary company) and cited reports of violations attributed to the Bank related to violating some banking procedures in the Republic of Algeria. In this connection, an appealable preliminary decision by the Court of First Instance in Algeria was issued. The said decision imposed a fine of JD 34.8 million on the Housing Bank for Trade and Finance / Algeria (a subsidiary company) for one of the violations. Meanwhile, the Bank's lawyers in Algeria have confirmed the sound legal status of the Bank in relation to this violation. Moreover, the value of the remaining violations has not been determined as of the date of the financial statements. In the opinion of the Bank's management, legal advisor, and auditor in Algeria, the Bank has a strong legal position, and the provisions made for those violations are sufficient as at the end of the first half of the year 2020. In addition, these provisions will be reconsidered in light of the upcoming developments during the year.

On the other hand, the lawsuits raised by the Bank against others amounted to approximately JD 497.8 million as of June 30, 2020 (approximately JD 487.4 million as of December 31, 2019).

33. Fair Value Hierarchy

The following table analyzes the financial instruments recorded at fair value based on the valuation method, which is defined at different levels as follows:

- **Level (1):** List prices (unadjusted) for identical assets or liabilities in active markets.
- **Level (2):** Information other than the stated price included in level 1, which is monitored for the asset or liability, either directly (such as prices) or indirectly (i.e., derived from the prices).
- **Level (3):** Information on the asset or liability not based on those observed in the market (unobservable information).

| | Level (1) | Level (2) | Level (3) | Total |
|---|--------------------|-----------|-------------------|--------------------|
| | JD | JD | JD | JD |
| June 30, 2020 (Reviewed) | | | | |
| Financial assets: | | | | |
| Financial assets at fair value through other comprehensive income | 354,661,717 | - | 25,557,110 | 380,218,827 |
| Direct credit facilities at fair value through profit or loss | 130,263,446 | - | - | 130,263,446 |
| Financial assets at fair value through profit or loss | 2,843,623 | - | 632,797 | 3,476,420 |
| Total | 487,768,786 | - | 26,189,907 | 513,958,693 |

December 31, 2019 (Audited)

Financial assets:

| | | | | |
|---|--------------------|------------------|-------------------|--------------------|
| Financial assets at fair value through other comprehensive income | 362,825,535 | 2,500,000 | 23,128,516 | 388,454,051 |
| Financial assets at fair value through profit or loss | 3,040,727 | - | 632,797 | 3,673,524 |
| Total | 365,866,262 | 2,500,000 | 23,761,313 | 392,127,575 |

34. Comparative Figures

Comparative figures for the year 2019 for certain figures were reclassified to confirm with the classification of the figures of the period ended June 30, 2020. This reclassification have no any impact on the condensed consolidated interim statement of profit or loss for the six months period ended as of June 30, 2019.

| | December 31, 2019 (Audited) | |
|---|-----------------------------|----------------------------|
| | After Reclassification | Before Reclassification |
| | JD | JD |
| Regulatory Capital * | 1,020,748,083 | 976,859,844 |
| Capital Adequacy ordinary shareholders (CETI) | | |
| Ratio % | 17.28% | 16.50% |
| Capital Adequacy Tier 1 Ratio % | 17.35% | 16.57% |
| Capital Adequacy Ratio % | 18.02% | 17.25% |

- * In accordance with Central Bank of Jordan Circular No. 1/1/4693 issued on April 9, 2020 and in order to hedge the negative effects of the Corona Virus (Covid 19) event, it was decided to suspense the distribution of dividend by the licensed Jordanian banks to shareholders for the year 2019, and accordingly the amount that was recorded during the year 2019 was released.