CAIRO AMMAN BANK
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – THE HASHEMITE KINGDOM OF JORDAN

CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE PERIOD ENDED MARCH 31, 2020

CAIRO AMMAN BANK
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – THE HASHEMITE KINGDOM OF JORDAN
CONDENSED CONSOLIDATED INTEREM FINANCAIL INFORMATION
FOR THE THREE MONTHS ENDED MARCH 31, 2020
TOGETHER WITH THE REVIEW REPORT

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Review Report

AM/009489

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

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of Cairo Amman Bank (A Public Shareholding Limited Company) as of March 31, 2020 and the related condensed consolidated interim statements of profit or loss and comprehensive income for the three months ended March 31, 2020, condensed consolidated interim statement of changes in owners' equity and cash flows for the three-month period then ended, and a summary of significant accounting policies and other explanatory information. Management is responsible for the preparation and fair presentation of this condensed consolidated interim financial information in accordance with International Accounting Standard No. (34) relating to interim financial reporting. 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 Engagement 2410 "Review of Condensed Interim Financial Information performed by an Independent Auditor of the Entity". A review of condensed consolidated interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

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

Other Matters

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

Amman – The Hashemite Kingdom of Jordan
June 25, 2020

Deloitte & Touche (M.E) – Jordan

Deloitte & Touche (M.E.)
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CAIRO AMMAN BANK

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - THE HASHEMITE KINGDOM OF JORDAN

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

	Note	March 31, 2020 (Reviewed)	December 31, 2019 (Audited)
Assets		JD	JD
Cash and balances at Central Banks	5	399,833,817	332,657,295
Balances at banks and financial institutions	6	139,490,298	158,785,257
Deposits at banks and financial institutions	7	70,824,580	88,040,014
Financial assets at fair value through profit or loss	8	7,821,736	9,405,269
Financial assets at fair value through other comprehensive income	9	51,017,061	55,412,453
Financial assets at amortized cost - net	10	542,687,126	675,853,262
Financial assets pledged as collateral	11	185,103,000	73,714,000
Direct credit facilities - net	12	1,699,870,338	1,599,075,578
Property and equipment - net		42,339,356	42,521,471
Intangible assets - net		5,578,127	6,085,563
Right of use assets - net		27,053,196	27,979,663
Deferred tax assets	16	10,656,484	9,325,649
Other assets	13	75,011,688	54,945,161
Total Assets		**3,257,286,807**	**3,133,800,635**
Liabilities And Owners' Equity			
Liabilities:			
Banks' and financial institutions' deposits		266,080,840	296,058,936
Customers' deposits	14	2,079,041,236	2,050,955,995
Margin accounts		56,470,022	58,704,352
Borrowed funds	15	362,457,684	226,319,099
Subordinated Loans		18,540,350	18,540,350
Sundry provisions		15,408,895	15,069,457
Income tax provision	16	11,864,271	16,954,411
Lease contracts liabilities		25,229,203	25,927,574
Deferred tax liabilities		795,745	804,942
Other liabilities	17	62,633,326	65,236,153
Total Liabilities		**2,898,521,572**	**2,774,571,269**
Owners' Equity			
Shareholders' Equity			
Authorized and paid-up capital		190,000,000	190,000,000
Statutory reserve		79,007,427	79,007,427
General banking risk reserve		3,854,197	3,854,197
Cyclical fluctuations reserve		10,894,653	10,894,653
Fair value reserve - net	18	(11,115,037)	(7,848,900)
Retained earnings	19	73,967,732	73,967,732
Profit for the period - after tax		3,043,480	-
Total Shareholders' Equity		**349,652,452**	**349,875,109**
Non-controlling interest		9,112,783	9,354,257
Total Owners' Equity		**358,765,235**	**359,229,366**
Total Liabilities and Owners' Equity		**3,257,286,807**	**3,133,800,635**

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.

CAIRO AMMAN BANK

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - THE HASHEMITE KINGDOM OF JORDAN

CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS

FOR THE THREE MONTHS ENDED MARCH 31, 2020

	Note	For the Three Months Ended March 31, 2020 (Reviewed)	2019 (Reviewed)
		JD	JD
Interest income	20	43,916,271	44,453,997
Interest expense	21	(18,864,994)	(20,014,915)
Net interest income		**25,051,277**	**24,439,082**
Net commission income		4,954,773	4,721,274
Net interest and commission income		**30,006,050**	**29,160,356**
Gain from foreign currencies		1,496,190	1,046,582
(Loss) from financial assets at fair value through profit or loss	22	(1,314,033)	338,385
Dividends from financial assets at fair value through other comprehensive income	9	-	2,136,860
Other income		1,380,946	1,439,979
Total income		**31,569,153**	**34,122,162**
Employees' expenses		10,504,529	10,821,947
Depreciation and amortization		2,310,339	2,293,077
Other expenses		8,513,454	7,911,380
Expected credit losses provision	23	4,431,582	4,378,644
Sundry provisions		482,194	442,536
Total expenses		**26,242,098**	**25,847,584**
Profit for the period before tax		5,327,055	8,274,578
Income tax expense	16	(2,525,049)	(3,065,517)
Profit for the period		**2,802,006**	**5,209,061**
Attributable to:			
Bank's shareholders		3,043,480	5,467,574
Non-controlling interest		(241,474)	(258,513)
Profit for the period		**2,802,006**	**5,209,061**
		JD/ Fils	JD/ Fils
Basic and diluted earnings per share (Bank's shareholders)	24	0/016	0.029

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CAIRO AMMAN BANK

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - THE HASHEMITE KINGDOM OF JORDAN

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

FOR THE THREE MONTHS ENDED MARCH 31, 2020

	For the Three Months Ended March 31,	
	2020 (Reviewed)	2019 (Reviewed)
	JD	JD
Profit for the period	2,802,006	5,209,061
Other comprehensive income items:		
Items that will not be reclassified subsequently to the condensed consolidated interim statement of profit or loss:		
Net change in fair value reserve after tax	(3,266,137)	(2,381,091)
Total Comprehensive (Loss) Income for the Period	**(464,131)**	**2,827,970**
Total Comprehensive (Loss) income for the period attributable to:		
Bank's shareholders	(222,657)	3,086,483
Non-controlling interests	(241,474)	(258,513)
Total Comprehensive (Loss) Income for the Period	**(464,131)**	**2,827,970**

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

CAIRO AMMAN BANK

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - THE HASHEMITE KINGDOM OF JORDAN

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN OWNERS' EQUITY

FOR THE THREE MONTHS ENDED MARCH 31, 2020

	Authorized and Paid-up Capital	Statutory Reserve	General Banking Risk Reserve *	Cyclical Fluctuations Reserve	Fair Value Reserve - Net	Retained Earnings	Profits for the period	Total Owners' Equity - Bank's Shareholders	Non-controlling Interests	Total Owners' Equity
For the Period Ended March 31, 2020	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Balance at January 1, 2019	190,000,000	79,007,427	3,854,197	10,894,653	(7,848,900)	73,967,732	-	349,875,109	9,354,257	359,229,366
Total comprehensive (loss) income for the period	-	-	-	-	(3,266,137)	-	3,043,480	(222,657)	(241,474)	(464,131)
Balance at March 31, 2020	**190,000,000**	**79,007,427**	**3,854,197**	**10,894,653**	**(11,115,037)**	**73,967,732**	**3,043,480**	**349,652,452**	**9,112,783**	**358,765,235**
For the Period Ended March 31, 2019										
Balance at January 1, 2019	180,000,000	74,578,456	3,230,765	10,891,362	(9,789,482)	77,486,036	-	336,397,137	9,942,932	346,340,069
Total comprehensive income for the period	-	-	-	-	(2,381,091)	-	5,467,574	3,086,483	(258,513)	2,827,970
Gain from sale of financial assets at fair value through other comprehensive income	-	-	-	-	178,418	(178,418)		-	-	-
Balance at March 31, 2019	**180,000,000**	**74,578,456**	**3,230,765**	**10,891,362**	**(11,992,155)**	**77,307,618**	**5,467,574**	**339,483,620**	**9,684,419**	**349,168,039**

* The general banking risk reserve and the credit balance of the fair value reserve are restricted from use without a prior approval from the Central Bank of Jordan.

- As of March 31,2020 the restricted retained earnings balances resulting from the early implementation of IFRS 9 amounted to JD 13,965,508
- According to the instructions of the supervisory regulators , the balance of deferred tax asset and the negative balance of the fair value reserve are restricted for utilization within the retained earnings.
- The Bank cannot use a restricted amount of JD (11,115,037) which represents the negative change in the value of financial assets at fair value through other comprehensive invoice as per the instructions of the Central Bank of Jordan.
- The Bank cannot use a restricted amount of JD (1,155,916) which represents the remaining balance of the general banking risk reserve included in retained earnings in accordance with the instructions of the Central Bank of Jordan.

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AMMAN - THE HASHEMITE KINGDOM OF JORDAN

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

FOR THE THREE AND NINE MONTHS ENDED MARCH 31, 2020

	Note	For the Nine Months Ended March 31, 2020 (Reviewed)	2019 (Reviewed)
		JD	JD
Cash Flows from Operating Activities			
Profit before tax for the period		5,327,055	8,274,578
Adjustments for:			
Depreciation and amortization		2,310,339	2,293,077
Provision for expected credit losses	23	4,431,582	4,378,644
Sundry provisions		482,194	442,536
Unrealized loss (gain) from financial assets at fair value through profit or loss	22	1,184,447	284,141
Loss from sale of property and equipment		(8,628)	169,771
Effect of exchange rate changes on cash and cash equivalents		(1,445,138)	(1,003,107)
Cash flow from operating activities before changes in assets		**12,281,851**	**14,839,640**
(Increase) Decrease in deposits at banks and financial institutions		17,036,006	(5,075,686)
Decrease (Increase) in financial assets at fair value through profit or loss		399,086	1,101,384
(Increase) in direct credit facilities		(105,287,299)	(10,272,761)
(Increase) Decrease in other assets		(19,113,546)	(4,892,317)
Increase in banks and financial institution deposits (maturing after more than three months)		(25,000,000)	79,599
Increase in customers deposits		28,085,241	66,316,741
Increase in margin accounts		(2,234,330)	7,138,751
Increase (Decrease) in other liabilities		(3,387,212)	3,927,197
Net cash flows from operating activities before income tax and sundry provisions		**(97,220,203)**	**73,162,548**
Income tax paid	16	(142,756)	(4,177,366)
Sundry provisions paid		(7,827,340)	(264,263)
Net cash flows from operating activities		**(105,190,299)**	**68,720,919**
Cash Flows from Investing Activities			
(Purchase) of financial assets at fair value through other comprehensive income		(2,078,845)	-
Sale of financial assets at fair value through other comprehensive income		2,080,219	96,554
(Purchase) of other financial assets at amortized cost		(15,294,449)	(185,207,105)
Maturity and sale of other financial assets at amortized cost		37,362,188	97,436,517
(Purchase) of property and equipment		(1,452,892)	(95,109)
Sale of property and equipment		8,628	1,244,940
(Purchase) of intangible assets		(167,896)	(2,924,384)
Net cash flows (used in) investing activities		**20,456,953**	**(89,448,587)**
Cash Flows from Financing Activities			
Increase in borrowed funds		216,477,732	11,373,049
Borrowed funds settled		(80,339,147)	(22,355,147)
Net cash flows (used in) from financing activities		**136,138,585**	**(10,982,098)**
Effect of exchange rate changes on cash and cash equivalents		1,445,138	1,003,107
Net (Decrease) in cash and cash equivalents		51,405,239	(31,709,766)
Cash and cash equivalents, beginning of the period	25	287,777,448	159,785,124
Cash and cash equivalents, end of the period		**340,627,825**	**129,078,465**
Non-cash Transactions			
Right of use assets		27,053,196	25,836,354
Lease liability		25,229,203	24,628,515

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.

1. INCORPORATION AND ACTIVITIES

- Cairo Amman Bank was established as a public shareholding company, registered and incorporated in Jordan in 1960, in accordance with the Jordanian Companies Laws and Regulations No. (12) for the year 1964.

- The Bank provides its banking and financial services through its head office located in Amman and its 95 branches located in Jordan, 21 branches in Palestine, one in Bahrain and through its subsidiaries.

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

2. Basis of Preparation

- 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 interim condensed consolidated financial information has been prepared in accordance with the historical cost principle, with the exception of financial assets and financial liabilities that appear 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 does not include all notes and information presented in the annual financial statements and should be read with the bank's annual report for the year ended December 31, 2019. The results of the nine months ended March 31, 2020 do not indicate the expected results for the fiscal year ending December 31, 2020, Also, Allocations of profits have not been made as of March 31, 2020 as conducted at the end of the fiscal year.

Judgments, estimates and risk management

The preparation of the condensed interim financial information requires management to make judgments, estimates and assumptions that affects the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Company's annual financial statements for the year ended December 31, 2019, except as mentioned in Note 3.

The consolidated financial information include the financial information of the Bank and its subsidiaries under its control. Moreover, control is achieved when the Bank has the power to govern the financial and operating policies of its subsidiaries in order to obtain benefits from their activities. Transactions, balances, income and expenses between the Bank and its subsidiaries are eliminated.

- The Bank owns the following subsidiaries as of March 31, 2020:

Company's Name	Paid-up Capital	Ownership Percentage	Nature of Operation	Country of Operation	Ownership Date
	JD	%			
Al-Watanieh for Financial Services Company	5,500,000	100	Investment Brokerage and Portfolio Management	Jordan	1992
Al-Watanieh Securities Company	1,600,000	100	Investment Brokerage	Palestine	1995
Tamallak For Financial Leasing Company	5,000,000	100	Finance Leasing	Jordan	2013
Safa Bank	53,175,000	79	Islamic Banking	Palestine	2016

- The most important financial information for the subsidiaries as of March 31, 2020 is as follows:

	Al-Watanieh for Financial Services Company (Awraq Investment)		Al-Watanieh Securities Company	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
	JD	JD	JD	JD
Total Assets	19,839,023	17,814,522	2,415,983	2,025,376
Total Liabilities	10,833,070	8,883,052	1,192,337	763,945
Net Assets	9,005,953	8,931,470	1,223,646	1,261,431

	For the Three Months Ended March 31,		For the Three Months Ended March 31,	
	2020	2019	2020	2019
	JD	JD	JD	JD
Total Revenues	275,115	277,236	42,297	47,942
Total Expenses	169,246	157,184	80,082	67,555

	Tamallak For Financial Leasing Company		Safa Bank	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
	JD	JD	JD	JD
Total Assets	37,329,054	38,340,142	169,507,312	168,214,244
Total Liabilities	31,038,677	31,731,852	126,087,241	123,643,611
Net Assets	6,290,377	6,608,290	43,420,071	44,570,633

	For the Three Months Ended March 31,		For the Three Months Ended March 31,	
	2020	2019	2020	2019
	JD	JD	JD	JD
Total Revenues	373,372	387,610	704,470	761,445
Total Expenses	814,917	251,242	1,855,032	1,993,192

3. Significant accounting policies:

The accounting policies used in the preparation of this consolidated condensed interim financial information are consistent with those used in the preparation of the Bank's annual consolidated financial information for the year ended 31 December 2019, except for the adoption of certain new and revised standards, that became effective on or after January 1st, 2020 and did not have an impact on the bank's condensed consolidated interim financial statement..

Amendments to international accounting standards (1) and (8) relating to the definition of importance

The amendments are intended to facilitate an understanding of the importance of IAS 1 and is not intended to change the basic concept of importance in the International Financial Reporting Standards. The concept of "blocking" of important information with non-critical information as part of the new definition.

The physical importance limit affecting users has been changed from can affect" to "can reasonably be expected to affect".

The definition of importance in IFRS (8) has been replaced by a reference to the definition of importance in IFRS (1). In addition, the IASC has modified other standards and a conceptual framework that contains a definition of importance or refers to the term "importance" to ensure consistency.

The amendments were implemented with a future effect for annual periods starting on or after January 1, 2020.

Amendments to IAS No. 3 on business definition

The amendments show that while businesses usually have outputs, outputs are not required for an integrated set of activities and assets to be eligible for work. In order to be considered a business, the set of activities and assets acquired must, at a minimum, include substantial input and process that contribute significantly together in the ability to create outputs.

Additional instructions have been provided to help determine whether a substantive process has been obtained.

The modifications are optionally provide a focus test that allows for a simplified assessment to see if a range of acquired activities and assets is not a business. Under the optional concentration test, the group of activities and assets acquired is not a business if all fair values of total assets purchased are substantially concentrated in one specific asset or set of similar assets.

The amendments apply with a future effect on all mergers and asset acquisitions for which the date of acquisition is in or after the first annual reporting period that begins on or after January 1, 2020.

Amendments to conceptual framework references in the International Financial Reporting Standards

Along with the revised conceptual framework, which came into effect on March 29, 2018, the IASC also issued amendments to the references to the conceptual framework in the International Financial Reporting Standards. The document contains amendments to IFRSs (2), (3), (6) and (14) and International Accounting Standards (IAS) (1), (8), (34) and (38), interpretation of the International Accounting Standards Interpretation Committee (IASIC) (12), (19), (20) and (22) and interpretation of the (IASIC) No. (32).

However, not all modifications update those statements with regard to references and quotations from the framework so that they refer to the amended conceptual framework. Some statements have been updated only to refer to the version of the framework they refer to (IASC framework adopted by the IASC in 2001, the IASC framework for 2010, or the revised new framework for 2018) or to indicate that the definitions in the standard have not been updated with the new definitions developed in the revised conceptual framework.

The modifications, where they are already updated, apply for annual periods that start on or after January 1, 2020.

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 consolidated statement of comprehensive income and within shareholders' equity. In particular, the Bank's management requires judgments to be made to estimate the amounts and timing of future cash flows. These estimates are necessarily based on multiple hypotheses and factors with varying degrees of estimation and uncertainty. Meanwhile, the actual results may differ from estimates due to the changes arising from the conditions and circumstances of those estimates in the future.

We believe that the estimates used in the preparation of these condensed interim financial information are consistent with those used in the annual consolidated financial information for the year ended December 31, 2019 except for the changes highlighted below:

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 March 31, 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 case 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 work continuity and to maintain social distancing among employees.

- Activating the remote work feature for sensitive jobs in order to ensure the continuity of the provision of customer service through electronic channels and ATMs.

- Maintaining the safety of both employees and clients by taking all measures related to the sterilization of branches and workplaces.

- The bank has developed a monitoring plan to respond to disruption data and available alternatives periodically.

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 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 the study of each sector or customer separately.

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 must conduct several scenarios when calculating the expected credit losses, so that the final outcome of the results represents 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 sectors most affected by the crisis and the severity of the impact according to the current conditions.

In coordination with the Business Sectors Department, the sectors most affected 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	20%
Base Scenario	30%
Downturn Scenario	50%

Loss Given Default (LGD)

During the period, the bank has not adjusted the loss given default percentage calculated for all scenarios and stages related to all accounts based on the historical data approved by the bank regarding default conditions and the volume of recovery that were obtained by Moody's, noting that the cash flow Expected from the guarantees in exchange for the facilities granted have been reassessed.

Management Overlay

The Bank's management has reached logical expectations regarding the outputs of 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.

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

This item consists of the following:

	March 31, 2020 (Reviewed)	December 31, 2019 (Audited)
	JD	JD
Cash on hand	114,713,624	140,843,945
Balances at Central Banks:		
Current and demand accounts	99,880,891	31,117,768
Time and notice deposits	70,635,000	49,465,000
Statutory cash reserve	114,606,317	111,234,561
	399,835,832	332,661,274
Provision for expected credit loss (central banks)	(2,015)	(3,979)
Total	**399,833,817**	**332,657,295**

- Restricted balances amounted to JD10,635,000 as of March 31, 2020 (JD 10,635,000 as of December 31, 2019). In addition to the statutory cash reserve as stated above.

- There are no balances that mature in a period more than three months as of March 31, 2020 and December 31, 2019.

- All balances at the Central Bank of Jordan are classified within stage (1) in accordance with the requirements of IFRS (9) and there are no transfers between stages(1), (2) and (3) or any written off balances during the period ended March 31, 2020.

The movement on the provision for expected credit loss for cash and balances with central banks is as follows:

	March 31, 2020 (Reviewed)	December 31, 2019 (Audited)
	JD	JD
Balance - beginning of the period/year	3,979	1,582
Provision for expected credit loss during the period/year	(1,964)	2,397
Total	**2,015**	**3,979**

6. Balances at Banks and Financial Institutions

This item consists of the following:

	March 31, 2020 (Reviewed)	December 31, 2019 (Audited)
	JD	JD
Local Banks and Financial Institutions:		
Current and demand accounts	5,597,708	93,368
Deposits maturing within 3 months or less	41,450,571	76,035,381
Total	47,048,279	76,128,749
Foreign Banks and Financial Institutions:		
Current and demand accounts	48,071,363	36,856,493
Deposits maturing within 3 months or less	44,388,191	45,851,382
Total	92,459,554	82,707,875
	139,507,833	158,836,624
Less: Provision for expected credit loss (balances at banks and financial institution)	(17,535)	(51,367)
Total	**139,490,298**	**158,785,257**

- Non-interest bearing balances at banks and financial institutions amounted to JD 53,669,071 as of March 31, 2020 (JD 35,204,542 as of December 31, 2019).

- All balances at banks and financial institutions - JD are classified within stage (1) in accordance with the requirements of IFRS (9) and there are no transfers between stages(1), (2) and (3) or any written off balances during the period ended March 31, 2020.

- There are no restricted balances as of March 31, 2020 and December 31, 2019.

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

	March 31, 2020 (Reviewed)	December 31, 2019 (Audited)
	JD	JD
Balance - beginning of the period/year	51,367	27,250
Provision for expected credit loss during the period/year	(33,832)	24,117
Total	**17,535**	**51,367**

7. Deposits at Banks and Financial Institutions

The details for this item are as follows:

	March 31, 2020 (Reviewed)	December 31, 2019 (Audited)
	JD	JD
Deposit maturing within:		
More than 3 to 6 months	30,595,304	1,860,986
More than 6 to 9 months	-	29,231,645
More than 9 to 12 months	20,000	1,289,259
More than 12 months	40,627,780	55,897,200
Total	**71,243,084**	**88,279,090**
Less: provision for expected credit losses (deposits at banks)	(418,504)	(239,076)
Total	**70,824,580**	**88,040,014**

- There are no restricted deposits as of March 31, 2020 and December 31, 2019.

- All deposits at banks and financial institutions - (JD) are classified within stage (1) in accordance with the requirements of IFRS (9) and there are no transfers between stages(1),(2) and (3) or any written off balances during the period ended March 31, 2020.

- Balances with banks are assessed to have low credit risk of default since these banks are highly regulated by the Central Bank of Jordan and the central banks of the respective countries. Accordingly, the Bank's management estimates the provision of loss on balances with banks at the end of the reporting period at an amount equal to 12 month expected credit loss. Taking into account the historical default experience and the current credit ratings of the banks.

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

	March 31, 2020 (Reviewed)	December 31, 2019 (Audited)
	JD	JD
Balance - beginning of the period/year	239,076	240,263
Provision for expected credit loss during the period/year	179,428	1,187-
Total	**418,504**	**239,076**

8. Financial Assets at Fair Value through Profit or Loss

This item consists of the following:

	March 31, 2020 (Reviewed)	December 31, 2019 (Audited)
	JD	JD
Corporate shares	7,821,736	9,405,269
	7,821,736	**9,405,269**

9. Financial Assets at Fair Value through Other Comprehensive Income

This item consists of the following:

	March 31, 2020 (Reviewed)	December 31, 2019 (Audited)
	JD	JD
Quoted shares	45,507,651	49,901,170
Unquoted shares *	5,509,410	5,511,283
	51,017,061	55,412,453

- None of investee have distributed dividends in three months ended March 31, 2020 (JD 2,902,829 for the year ended December 31, 2019).

* Fair value calculation for unquoted investments is based on the most recent financial data available.

10. Financial Assets at Amortized Cost - Net

This item consists of the following:

	March 31, 2020 (Reviewed)	December 31, 2019 (Audited)
	JD	JD
Quoted Investments		
Foreign government treasury bonds	7,976,076	7,720,039
Corporate debt securities	17,998,914	18,001,206
Total quoted investments	25,974,990	25,721,245
Unquoted Investments		
Government treasury bonds	462,931,819	595,528,997
Governmental debt securities	-	1,113,306
Corporate debt securities	54,250,000	54,250,000
Total unquoted investments	517,181,819	650,892,303
Total	543,156,809	676,613,548
Less: Provision for expected credit loss (Financial Assets at Amortized Cost)	(469,683)	(760,286)
	542,687,126	**675,853,262**
Analysis of bonds and treasury bills:		
Fixed rate	543,156,809	676,613,548
Variable rate	-	-
Total	**543,156,809**	**676,613,548**

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

	March 31, 2020 (Reviewed)	December 31, 2019 (Audited)
	JD	JD
Balance - beginning of the period/year	760,286	240,263
Provision for expected credit loss during the period/year	(290,603)	520,023
Total	**469,683**	**760,286**

11. Financial Assets Pledged as Collateral

This item consists of the following:

	March 31, 2020 (Reviewed)		December 31, 2019 (Audited)	
	Financial Assets Pledged as Collateral	Related Financial Liabilities	Financial Assets Pledged as Collateral	Related Financial Liabilities
	JD	JD	JD	JD
Financial assets at amortized cost	185,103,000	185,103,000	73,714,000	73,714,000

These bonds were collateralized against the funds borrowed from the Central Bank of Jordan for SMEs and industrial financing loans.

12. Direct Credit Facilities - Net

This item consists of the following:

	March 31, 2020 (Reviewed)	December 31, 2019 (Audited)
	JD	JD
Consumer lending		
Overdrafts	13,898,371	11,131,454
Loans and bills *	647,495,886	629,284,371
Credit cards	12,889,837	14,031,062
Others	6,531,696	6,157,559
Residential mortgages	226,556,067	220,455,636
Corporate lending		
Overdrafts	115,262,154	73,345,451
Loans and bills *	381,941,404	381,126,208
Small and medium enterprises lending "SMES"		
Overdrafts	24,375,350	22,552,466
Loans and bills *	127,399,249	121,935,186
Lending to public and governmental sectors	226,421,149	197,379,839
Total	**1,782,771,163**	**1,677,399,232**
Less: Suspended interest	(11,330,249)	(11,088,805)
Less: Provision for expected credit loss	(71,570,576)	(67,234,849)
Net Direct Credit Facilities	**1,699,870,338**	**1,599,075,578**

* Net of interest and commissions received in advance amounting to JD 4,975,040 as of March 31, 2020 (JD 5,629,872 as of December 31, 2019).

- Non-performing credit facilities, in accordance with the instructions of the Central Bank of Jordan, amounted to JD 109,045,610 as of March 31, 2020 (JD 91,543,362 as of December 31, 2019), representing 6.12 % (December 31, 2019: 5.46%%) of gross direct credit facilities granted.

- Non-performing credit facilities, in accordance with the instruction of the Central Bank of Jordan amounted to JD 97,920,203 as of March 31, 2019 (JD 80,631,26 as of December 31, 2019) representing 5.53% (December 31, 2019: 4.84%) of gross direct credit facilities granted after excluding the suspended interest.

- Credit facilities granted to the Jordanian Government and of which it gurrantees amounted to JD 79,139,972 as of March 31, 2020 (JD 84,591,574 as of December 31, 2019), representing 4.56% (December 31, 2019: 5.04 %) of gross direct credit facilities granted.

- Credit facilities granted to the public sector in Palestine amounted to JD 66,604,504 as of March 31, 2020 (JD 69,697,758 as of December 31, 2019) representing 3.74% (December 31, 2019: 4.16%) of gross direct credit facilities granted.

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

For the Period Ended March 31, 2020 (Reviewed)	Consumer	Residential Loans	Corporate Large	Corporate SMEs	Government and Public Sector	Total
	JD	JD	JD	JD	JD	JD
Balance - as of January 1, 2020	39,225,885	6,648,056	9,139,787	9,209,613	3,011,508	67,234,849
Credit loss on newly granted facilities during the period	1,828,132	592,929	801,465	903,425	445,171	4,571,122
Reversed from credit losses on settled facilities	(1,386,087)	(186,472)	(1,482,852)	(644,731)	(57,627)	(3,757,769)
Transferred to stage (1)	814,358	129,900	957,840	151,495	(95,278)	1,958,315
Transferred to stage (2)	1,616,486	68,901	(515,487)	369,684	95,278	1,634,862
Transferred to stage (3)	(2,430,844)	(198,801)	(442,353)	(521,179)	-	(3,593,177)
Effect on the provision at the end of the period - resulting from the reclassification between the three stages during the period	827,555	757,852	2,229,989	1,228,093	195,928	5,239,417
	(1,635,993)	(162,337)	316,505	465,438	(543,844)	(1,560,231)
Written off facilities	-	-	-	-		-
Changes resulting from adjustments	(156,812)	-	-	-		(156,812)
Balance - end of the period	**38,702,680**	**7,650,028**	**11,004,894**	**11,161,838**	**3,051,136**	**71,570,576**

For the Year Ended December 31, 2019 (Audited)	Consumer	Residential Loans	Corporate Large	Corporate SMEs	Government and Public Sector	Total
	JD	JD	JD	JD	JD	JD
Balance as of January 1, 2019	40,799,652	5,120,597	7,072,595	6,843,433	1,679,470	61,515,747
Credit loss on new facilities during the year	4,668,975	957,196	1,205,426	1,108,636	575,557	8,515,790
Reversed from credit losses on settled facilities	(1,651,466)	(1,009,412)	(1,287,848)	(880,419)	(109,067)	(4,938,212)
Transferred to stage 1	3,408,626	334,341	124,466	32,882	150,229	4,050,544
Transferred to stage 2	559,283	268,353	(62,002)	810,523	(150,229)	1,425,928
Transferred to stage 3	(3,967,909)	(602,694)	(62,464)	(843,405)	-	(5,476,472)
Effect on the provision at the end of the year - resulting from the reclassification between the three stages at the end of the year	2,521,774	1,634,964	3,061,977	2,711,365	(144,622)	9,785,458
Changes resulting from adjustments	(4,864,119)	(82,404)	(1,111,595)	(608,399)	1,010,170	(5,656,347)
Written off facilities	(2,348,355)	-	-	(43,163)	-	(2,391,518)
Valuation differences	99,424	27,115	199,232	78,160	-	403,931
Balance at the End of the Year	**39,225,885**	**6,648,056**	**9,139,787**	**9,209,613**	**3,011,508**	**67,234,849**

Suspended Interest

For the Period Ended March 31, 2020 (Reviewed)	Consumer	Residential Loans	Corporate Large	Corporate SMEs	Government and Public Sector	Total
	JD	JD	JD	JD	JD	JD
Balance as of January 1, 2020	2,205,107	411,444	6,584,343	1,688,756	199,155	11,088,805
Suspended interest on new exposures during the period	147,253	88,510	188,231	154,577	-	578,571
Suspended interest on settled exposures transferred to revenue during the period	(154,487)	(23,488)	(102,419)	(33,290)	-	(313,684)
Transferred to stage (1)	848	-	3	368	-	1,219
Transferred to stage (2)	23,251	5,785	-	3,804	-	32,840
Transferred to stage (3)	(24,099)	(5,785)	(3)	(4,172)	-	(34,059)
Effect of exchange rate changes	(23,443)	-	-	-	-	(23,443)
Balance at the end of the period	**2,174,430**	**476,466**	**6,670,155**	**1,810,043**	**199,155**	**11,330,249**

For the Year Ended December 31, 2019 (Audited)	Consumer	Residential Loans	Corporate Large	Corporate SMEs	Government and Public Sector	Total
	JD	JD	JD	JD	JD	JD
Gross balance at the beginning of the year	1,996,485	278,066	6,411,115	1,314,025	288,857	10,288,548
Suspended interest on new exposures during the year	587,193	187,196	558,266	655,717	-	1,988,372
Suspended interest on settled exposures transferred to	(346,678)	(53,818)	(385,038)	(280,986)	-	(1,066,520)
revenue during the year	67,420	8,191	(24,190)	1,581	-	53,002
Transferred to stage 1	13,554	11,691	24,187	53,296	-	102,728
Transferred to stage 2	(80,975)	(19,882)	3	(54,877)	-	(155,731)
Transferred to stage 3	(25,943)	-	-	-	(89,702)	(115,645)
Adjustments resulting from changes in exchange rates	(5,949)	-	-	-	-	(5,949)
Balance at the End of the Year	**2,205,107**	**411,444**	**6,584,343**	**1,688,756**	**199,155**	**11,088,805**

13. Other Assets

This item consists of the following:

	March 31, 2020 (Reviewed)	December 31, 2019 (Audited)
	JD	JD
Accrued income	15,919,225	19,741,336
Prepaid expenses	9,908,940	5,757,071
Repossessed Assets - net *	12,062,251	11,938,836
Accounts receivable - net	5,906,783	5,995,981
Clearing checks	26,899,732	7,318,391
Settlement guarantee fund	25,000	31,000
Refundable deposits	587,259	891,713
Deposits at Visa International	1,999,401	1,999,401
Others	1,703,097	1,271,432
Total	**75,011,688**	**54,945,161**

* As per the Central Bank of Jordan instructions the repossessed assets should be sold within two years of repossession, and can be extended under exceptional circumstances by the Central Bank of Jordan for a maximum of four years.

The movement on repossessed assets is as follows:

	March 31, 2020 (Reviewed)	December 31, 2019 (Audited)
	JD	JD
Balance - beginning of the Period / Year	13,624,736	10,361,210
Additions	123,415	3,364,608
Disposals	-	(101,082)
Total	**13,748,151**	**13,624,736**
Impairment of repossessed assets as per the Central Bank of Jordan instructions	(495,909)	(495,909)
	(1,189,991)	(1,189,991)
Balance - end of the Period / Year	**12,062,251**	**11,938,836**

As follows, the summary of the impairment movement on repossessed assets:

Balance - beginning of the year	1,685,900	1,685,900
Utilized during the period / year	-	-
Balance - end of the Period / Year	1,685,900	1,685,900

14. Customers Deposits

This item details are as follows:

	March 31, 2020 (Reviewed)	December 31, 2019 (Audited)
	JD	JD
Current and demand accounts	522,564,243	479,847,529
Saving deposits	506,532,721	516,093,388
Time and notice deposits	1,049,944,272	1,055,015,078
Total	**2,079,041,236**	**2,050,955,995**

- The Government of Jordan and the public sector deposits inside the Kingdom amounted to JD 320,076,429 , equivalent 15.4% of total deposits as of March 31, 2020 (JD 273,518,953 , equivalent to 13.4% of total deposits as of December 31, 2019).

- Non-interest bearing deposits amounted to JD 464.782.874 as of March 31, 2020 (JD 417.426.268 as of December 31, 2019) representing 22.35% (December 31, 2019: 20.35 %) of total deposits.

15. Borrowed Funds

This item details are as follows:

	Amount	No. of Installments		Payment	Maturity		
		Total	Outstanding	Basis	Date	Collaterals	Interest Rate
March 31, 2020 (Reviewed)	JD						
Amounts borrowed from Overseas Private Investments Corporation (OPIC)	15,598,000	1	1	At maturity	2034	None	4.845%-4.895%
Amounts borrowed from French Development Agency	1,949,750	20	11	Semi-annually	2025	None	3.358%
Amounts borrowed from Central Bank of Jordan*	7,125,000	10	6	Annually	2028	None	2.700%
Amounts borrowed from Central Bank of Jordan**	31,936,203	185	185	At maturity per loan	2026 - 2018	Treasury Bonds	1% - 2%
Amounts borrowed from Central Bank of Jordan*	1,559,984	14	9	Semi-annually	2028	None	2.500%
Amounts borrowed from European Bank for Reconstruction and Development	2,022,857	7	2	Semi-annually	2021	None	5.750%
Amounts borrowed from European Bank for Reconstruction and Development	14,180,000	7	7	Semi-annually	2025	None	5.500%
Amounts borrowed from Central Bank of Jordan*	4,100,000	20	20	Semi-annually	2031	None	2.8%
Jordan Mortgage Refinance Company ***	30,000,000	1	1	At maturity	2024	None	5.750%
Jordan Mortgage Refinance Company ***	5,000,000	1	1	At maturity	2020	None	5.750%
Amounts borrowed from Central Bank of Jordan	2,857,982	34	34	Semi-annually	2039	None	3.000%
Jordan Mortgage Refinance Company ***	10,000,000	1	1	At maturity	2020	None	5.900%
Amounts borrowed from Central Bank of Jordan	33,582,092	1	1	At maturity	2021	Treasury Bonds	2.000%
Jordan Mortgage Refinance Company ***	10,000,000	1	1	At maturity	2020	None	5.900%
Amounts borrowed from French Development Agency	4,185,797	20	19	Semi-annually	2031	None	1.433%
Amounts borrowed from French Development Agency	2,340,900	20	19	Semi-annually	2031	None	1.433%
Amounts borrowed from French Development Agency	641,843	1	1	-	-	None	-
Amounts borrowed from European Bank for Reconstruction and Development	3,038,571	7	6	Semi-annually	2023	None	4.047%
Etihad Bank	2,200,000	32	28	Quarterly	2023	None	6.000%
Societe Generale Banque de Jordanie	377,779	45	17	Monthly	2021	None	7.000%
Amounts borrowed from International Financial Markets (FMI)	1,074,224	1	1	-	-	None	-
Amounts borrowed from Central Bank of Jordan	80,000,000	1	1	At maturity	2020	Treasury Bonds	2.500%
Amounts borrowed from Central Bank of Jordan	20,000,000	1	1	At maturity	2020	Treasury Bonds	2.000%
Amounts borrowed from Central Bank of Jordan	24,271,845	1	1	At maturity	2020	Treasury Bonds	2.000%
Amounts borrowed from Central Bank of Jordan	32,142,857	1	1	At maturity	2020	Treasury Bonds	2.000%
Amounts borrowed from Central Bank of Jordan	22,272,000	1	1	At maturity	2020	None	0.000%
Total	**362,457,684**						
December 31, 2019 (Audited)							
Amounts borrowed from Overseas Private Investments Corporation (OPIC)	15,598,000	1	1	At maturity	2034	None	4.895%-4.845%
Amounts borrowed from French Development Agency	1,949,750	20	11	Semi- annually	2025	None	3.358%
Amounts borrowed from Central Bank of Jordan*	7,600,000	10	7	Annually	2028	None	2.700%
Amounts borrowed from Central Bank of Jordan**	34,163,765	184	184	At maturity / per Loan	2018 - 2026	Treasury Bills	2.5% - 1%
Amounts borrowed from Central Bank of Jordan*	1,559,984	14	9	Semi- annually	2028	None	2.500%
Amounts borrowed from European Bank for Reconstruction and Development	3,034,286	7	3	Semi- annually	2021	None	5.750%
Amounts borrowed from European Bank for Reconstruction and Development	1,012,857	7	1	Semi- annually	2020	None	3.25%
Amounts borrowed from European Bank for Reconstruction and Development	14,180,000	7	7	Semi- annually	2025	None	5.500%
Amounts borrowed from Central Bank of Jordan*	4,100,000	20	20	Semi- annually	2031	None	2.8%
Jordan Mortgage Refinance Company ***	30,000,000	1	1	At maturity	2024	None	5.750%
Jordan Mortgage Refinance Company ***	5,000,000	1	1	At maturity	2020	None	5.750%
Amounts borrowed from Central Bank of Jordan	2,857,982	34	34	Semi- annually	2039	None	3.000%
Jordan Mortgage Refinance Company ***	10,000,000	1	1	At maturity	2020	None	5.900%
Amounts borrowed from Central Bank of Jordan	70,000,000	1	1	At maturity	2019	Treasury Bills	4.000%
Amounts borrowed from European Bank for Reconstruction and Development	10,000,000	1	1	At maturity	2020	None	5.900%
Amounts borrowed from French Development Agency	4,262,506	20	20	Semi- annually	2031	None	1.433%
[illegible]	2,383,800	20	20	Semi- annually	2031	None	1.433%
Amounts borrowed from French Development Agency	852,501	1	1	-	-	None	-
Amounts borrowed from European Bank for Reconstruction and Development	3,545,000	7	7	Semi- annually	2023	None	4.047%
Union Bank	2,700,000	32	32	Quarterly	2023	None	6.000%
Societe Generale Banque de Jordanie	444,444	45	20	Monthly	2021	None	7.000%
Amounts borrowed from International Financial Markets	1,074,224	1	1	-	-	None	-
Total	**226,319,099**						

* The borrowed funds from Central Bank of Jordan for SMEs loans were re-lent on an average interest rate of 8.5%.

** The borrowed funds from Central Bank of Jordan for industrial, energy, agriculture and tourism financing loans were re-lent on an average interest rate of 4.5%.

*** Residential loans acquired from Jordan Mortgage Refinance Company amounted to JD 45,825,727 as of March 31, 2020 at a fixed rate of 7%.

16. Income Tax

a. Income Tax Provision

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

	March 31. 2020 (Reviewed)	December 31, 2019 (Audited)
	JD	JD
Balance - beginning of the period / year	16,954,411	15,202,732
Income tax paid	(7,827,340)	(15,198,995)
Income tax expense	2,737,200	16,950,674
Balance - end of the period / year	**11,864,271**	**16,954,411**

b. Income tax appearing in the statement of profit or loss represents the following:

	For the Three Months Ended March 31,	
	2020 (Reviewed)	2019 (Reviewed)
	JD	JD
Income tax for the period	2,737,200	3,277,143
Deferred tax assets	(212,151)	(152,286)
Deferred tax liabilities	-	(59,340)
Accrued income tax on the current period's profit	**2,525,049**	**3,065,517**

- The income tax rate on banks in Jordan is 38% , and the income tax rate in countries where the Bank has Companies and branches, where tax rate ranges between 0%and 31% for banks in Palestine and are subject to an income tax rate of 15% and VAT of 16%.

- The Bank has reached a final settlement with the Income and Sales Tax Department up to the end of the year 2018 for the Bank's branches in Jordan.

- A final settlement was reached for the Bank's branches in Palestine up to the end of the year 2017, returns for the years 2018 and 2019 were not were not reviewed by the income and sales tax department till the date of preparations of the condensed consolidated interim financial information.

- A final settlement has been reached with the Income and Sales Tax Department up to the end of the year 2014 for Al-Watanieh Financial Services Company. In addition, the Sales and Income Tax Department reviewed the Company's records for the years 2015, 2016 and 2017, and estimated the accrued tax amount for these years at JD 1,361,990 for the amounts paid. The decision was appealed whereas the income and sales tax department has accepted the self assessment tax return for the year 2018.

- A final settlement was reached for Al-Watanieh Securities Company - Palestine up to the year 2018.

- Tamallak for Financial Leasing Company has reached a final settlement with the Income and sales tax Department until the year 2017. Furthermore, the Income Tax Department did not review the 2018 and 20119 records, up to the date of these condensed consolidated interim financial information.

- In the opinion of the Bank's management and the tax consultant, income tax provisions as of March 31, 2020 are sufficient to meet any future tax obligations.

c. The movement on deferred tax assets is as follows:

	March 31, 2020 (Reviewed)	December 31, 2019 (Audited)
	JD	JD
Balance - beginning of the period / year	9,325,649	8,699,628
Additions during the period / year	1,330,835	1,105,993
Disposal during the period / year	-	(479,972)
Balance - End of the Period / Year	**10,656,484**	**9,325,649**

- Deferred tax is calculated using the tax rates that are expected to be applied when the deferred tax assets will be realized or the deferred tax liabilities will be settled.

17. Other Liabilities

This item consists of the following:

	March 31, 2020 (Reviewed)	December 31, 2019 (Audited)
	JD	JD
Accrued interest	17,774,391	20,169,502
Accrued income	347,106	343,600
Accounts payable	9,597,424	7,105,983
Accrued expenses	8,978,312	8,014,790
Temporary deposits	17,671,808	20,067,495
Checks and withdrawals	5,019,167	4,607,949
Others	784,376	2,552,106
	60,172,584	62,861,425
Provision for expected credit losses (other liabilities)	2,460,742	2,374,728
	62,633,326	**65,236,153**

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

	March 31, 2020 (Reviewed)	December 31, 2019 (Audited)
	JD	JD
Balance - beginning of the period / year	2,374,728	2,129,980
Provision for expected credit loss during the period /year	86,014	244,748
Total	**2,460,742**	**2,374,728**

18. Fair Value Reserve - Net

The details of this item are as follows:

	March 31, 2020 (Reviewed)	December 31, 2019 (Audited)
	JD	JD
Balance - beginning of the period / year	(7,848,900)	(9,789,482)
Unrealized gains	(4,394,018)	1,207,435
Loss (gain) from sale financial assets at fair value through other comprehensive income transferred to retained earnings	-	278,095
Deferred tax assets	1,118,684	437,204
Deferred tax liabilities	9,197	17,848
Balance - end of the period / year	**(11,115,037)**	**(7,848,900)**

19. Retained Earnings

This item consists of the following:

	March 31, 2020 (Reviewed)	December 31, 2019 (Audited)
	JD	JD
Balance - beginning of the period / year	73,967,732	77,486,036
Profit for the year	-	28,095,485
Transferred to legal reserve	-	(4,428,971)
Transferred from general banking risk reserve	-	(623,432)
Transferred to cyclical fluctuations reserve	-	(3,291)
Cash dividends distributed to shareholders	-	(16,200,000)
Transferred to increase capital	-	(10,000,000)
Capital increase related expenses	-	(80,000)
Transfers resulting from the sale of financial assets at fair value through other comprehensive income	-	(278,095)
Balance - end of the period / year	**73,967,732**	**73,967,732**

- Retained earnings balance as of March 31, 2020 includes unrealized gains amounting to JD 13,965,508 resulting from the early implementation of IFRS 9. This amount is not available for distribution in accordance with the Securities Commission instructions, except for the amounts realized through sales transactions.

- Retained earnings include deferred tax assets amounting to JD 10,656,484 as of March 31, 2020 against (JD9,325,649 as of December 31, 2019) which is not available for distribution in accordance with the Central Bank of Jordan instructions.

- The Bank cannot use a restricted amount of JD 11,115,037 which represents the negative change in fair value for financial assets through other comprehensive income in accordance with the instructions of the Central Bank of Jordan and the Jordanian Securities Commission.

- The Bank cannot use a restricted amount of JD 1,155,916 which represents the remaining balance of the general banking risk reserve included in retained earnings in accordance with the instructions of the Central Bank of Jordan.

20. Interest Income

The details of this item are as follows:

	For the Three Months Ended March 31,	
	2020 (Reviewed)	2019 (Reviewed)
Direct Credit Facilities:	JD	JD
Overdrafts	4,932,595	4,857,573
Loans and bills	27,603,655	29,288,925
Credit cards	644,301	698,872
Balances at Central Banks	71,925	951,673
Balances and deposits at banks and financial institutions	1,236,129	1,603,198
Financial assets at amortized cost	9,349,954	6,987,673
Other	77,712	66,083
	43,916,271	**44,453,997**

21. Interest Expense

The details of this item are as follows:

	For the Three Months Ended March 31,	
	2020 (Reviewed)	2019 (Reviewed)
	JD	JD
Banks and financial institutions' deposits	2,801,224	3,095,256
Customers' deposits:		
Current and demand accounts	546,613	572,088
Saving deposits	673,632	984,988
Time and notice deposits	11,684,179	12,470,510
Certificates of deposit	-	73
Cash margins	209,150	169,548
Loans and borrowings	2,135,889	1,838,707
Deposit guarantee fees	814,307	883,745
Total	**18,864,994**	**20,014,915**

22. Gains from Financial Assets at Fair Value through Profit or Loss

This item consists of the following:

	Realized Gains	Unrealized (Losses)	Stock Dividends	Total
	JD	JD	JD	JD
For the Three Months Ended March 31, 2020 (Reviewed)				
Equity instruments	(130,751)	(1,184,447)	1,165	(1,314,033)
Total	**(130,751)**	**(1,184,447)**	**1,165**	**(1,314,033)**
For the Three Months Ended March 31, 2019 (Reviewed)				
Equity instruments	93,462	(284,141)	529,064	338,385
Total	**93,462**	**(284,141)**	**529,064**	**338,385**

23. Provision for expected credit losses

This item consists of the following:

	For the Three Months Ended March 31,	
	2020 (Reviewed)	2019 (Reviewed)
	JD	JD
Balances at central banks	(1,964)	(31)
Balances at banks and financial institutions	(33,832)	(4,549)
Deposits at banks and financial institutions	179,428	(8,746)
Financial assets at amortized cost	(290,603)	(200,620)
Direct credit facilities	4,492,539	4,441,022
Indirect credit facilities	86,014	151,568
Total	**4,431,582**	**4,378,644**

24. Earnings per share for the Period - (Bank's Shareholders)

This item consists of the following:

	For the Three Months Ended March 31,	
	2020 (Reviewed)	2019 (Reviewed)
	JD	JD
Profit for the period attributable to shareholders (JD)	3,043,480	5,467,574
Weighted average number of shares (share)	190,000,000	190,000,000
	(JD / Fils)	(JD / Fils)
Basic and diluted earnings per share for the period - (Bank's Shareholders)	0/016	0/029

- The weighted average number of shares was calculated on the basic and diluted profit attributable to the shareholders of the Bank based on the authorized number of shares for the three months ended March 31, 2020 and 2019 whereas the numbers for the three months ended March 31, 2019 were recalculated according to the average capital after the increase, through stock dividends distribution in accordance with the International Financial Reporting Standard No. (33).

25. Cash and Cash Equivalents

This item consists of the following:

	March 31,	
	2020 (Reviewed)	2019 (Reviewed)
	JD	JD
Cash and balances at the Central Bank of Jordan maturing within three months	399,835,832	311,271,635
Add: Balances at banks and financial institutions maturing within three months	139,507,833	95,070,360
Less: Banks and financial institutions' deposits maturing within three months	188,080,840	266,628,530
Restricted balances	10,635,000	10,635,000
Total	340,627,825	129,078,465

26. Balances and Transactions with Related Parties

The condensed consolidated interim financial information includes the financial information of the Bank the following subsidiaries:

		Paid in Capital	
Company Name	Ownership	March 31, 2020	December 31, 2019
	%	JD	JD
Al-Watanieh Financial Services Company Limited Liability	100	5,500,000	5,500,000
Al-Watanieh Securities Company private shareholding	100	1,600,000	1,600,000
Tamallak for Financial Leasing Company	100	5,000,000	5,000,000
Safa Bank	79	53,175,000	53,175,000

The Bank executed transactions with subsidiaries, major shareholders, directors and senior management in the ordinary course of business at commercial interest and commission rates. All the credit facilities to related parties are performing facilities and are free of any provision.

Related parties as defined in International Accounting Standard 24: Related Party Disclosures, include associate companies, major shareholders, directors and other key management personnel of the Company, and entities controlled, jointly controlled or significantly influenced by such parties. The balances and movements resulting from transactions with related parties are as follows:

	Related Parties				Total	
	Board of Directors and Relatives	Main Shareholder	Executive Management	Other *	March 31, 2020 (Reviewed)	December 31, 2019 (Audited)
	JD	JD	JD	JD	JD	JD
Statement of Financial Position Items:						
Direct credit facilities	26,438,302		3,057,808	25,132,025	54,628,135	51,126,108
Deposits at the Bank	42,303,996		2,009,326	13,853,698	58,167,020	61,565,392
Cash Margins	53,176		12,076	96,854	162,106	176,186
Off Statement of Financial Position Items:						
Indirect credit facilities	1,230,864		10,300	228,020	1,469,184	2,026,181

				For the Three Months Ended March 31,	
				2020 (Reviewed)	2019 (Reviewed)
Statement of Profit or Loss Items:				JD	JD
Interest and commission income	528,766	61,156	995,200	1,585,122	1,251,407
Interest and commission expense	423,040	20,093	138,537	581,670	528,601

* Other parties include the rest of the bank employees and relatives up to the third degree.

- Credit interest rates on credit facilities in Jordanian Dinar range between 3.75% - 13.54%
- Credit interest rates on credit facilities in foreign currency range between 4% - 4.75%
- Debit interest rates on deposits in Jordanian Dinar range between Zero - 5.75%
- Debit interest rates on deposits in foreign currency range between Zero - 2.1%

Salaries, wages and bonuses of executive management amounted to JD 1.011.361 as of March 31, 2020 (JD 1.256.012 as of March 31, 2019).

27. Segment Analysis

a. Information on the Bank's Activities:

The Bank is regulated for management purposes where measurements are made according to reports used by the general manager and key decision makers at the Bank, through the following major sectors:

- Retail banking : Includes individual customers' deposits, and providing consumer type loans, credit cards facilities and fund transfer facilities.
- Corporate banking: Includes handling loans and other credit facilities and deposit and current accounts for corporate and institutional customers.
- Treasury: Includes providing money market, trading and treasury services, as well as the management of the Bank's funding operations.

The Bank's segment information is as follows:

	Retail Banking	Corporate Banking	Treasury	Other	Total For the Three Months Ended March 31, 2020 (Reviewed)	Total For the Three Months Ended March 31, 2019 (Reviewed)
	JD	JD	JD	JD	JD	JD
Gross income						
Expected credit losses	24,670,400	14,367,286	10,859,841	536,620.00	50,434,147	54,137,077
Sundry provisions	635,578	3,856,960.0	(60,957)	-	4,431,582	4,378,644
Segment results	17,595,185	4,081,779	4,923,988	536,620	27,137,572	29,743,518
Unallocated expenses					21,810,516	21,468,940
Profit before tax					**5,327,056**	**8,274,578**
Income tax					(2,525,049)	(3,065,517)
Profit for the Period					**2,802,007**	**5,209,061**
Other information						
Capital expenditures					1,620,788	3,019,493
Depreciation and amortization					2,310,339	2,293,077

					March 31, 2020 (Reviewed)	December 31, 2019 (Audited)
					JD	JD
Total segment assets	858,368,253	841,502,085	1,407,434,102	149,982,367	3,257,286,807	3,133,800,635
Total segment liabilities	922,322,676	947,805,605	913,257,596	115,135,695	2,898,521,572	2,774,571,269

b. Geographical Information:

This disclosure represents the geographical distribution of the Bank's activities. The Bank operates mainly in Jordan, which represents local activities, and in Palestine.

	Inside Jordan		Outside Jordan		Total	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	JD	JD	JD	JD	JD	JD
Total revenue	42,021,949	42,853,129	8,412,198	11,283,948	50,434,147	54,137,077
Capital expenditures	838,533	588,143	782,255	2,431,350	1,620,788	3,019,493

	Inside Jordan		Outside Jordan		Total	
	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
	JD	JD	JD	JD	JD	JD
Total assets	2,475,818,882	2,350,514,591	781,467,925	783,286,044	3,257,286,807	3,133,800,635

28. Contingent Liabilities and Commitments

This item consists of the following:

	March 31, 2020 (Reviewed)	December 31, 2019 (Audited)
	JD	JD
Letters of credit:		
Received	33,665,048	35,507,245
Acceptances	4,209,734	1,529,834
Letters of guarantee:		
- Payments	23,990,790	22,512,325
- Performance	18,363,139	19,014,375
- Other	9,649,715	11,003,640
Utilized direct credit facility limits	142,931,217	143,410,544
Total	232,809,643	232,977,963

29. Lawsuits raised against the bank

In the normal course of business, the Bank appears as a defendant in a number of lawsuits amounting to JD 39,057,542 as of March 31, 2020 (JD 40,687,643 as of December 31, 2019). In the opinion of the Bank's management and legal counsel, the Bank maintains adequate provisions against the lawsuits.

Provisions against the lawsuits amounted to JD 1,324,577 and JD 1,354,397 as of March 31, 2020 and December 31, 2019, respectively.

On January 1, 2019 multiple civil lawsuits have been filed at US courts against multiple banks and financial institutions claiming financial compensation using the US antiterrorism law for damages allegedly resulting from attacks by groups listed under the US sanctions list in 2001. These lawsuits have been filed at courts hours before their filing deadline, and have been filed by an attorney office which has filed several similar complaints against other banking institutions on behalf of the same plaintiffs claiming the damages. Cairo Amman Bank is one of the banks the aforementioned lawsuit has been filed against. The lawsuit is still in the initial preliminary phase.

In the opinion of management and legal counsel, no provisions should be recorded for the lawsuits filed at US courts against the Bank as of March 31, 2020 as the Bank has consulted with legal consultants specialized in US courts and concluded that the legal status of the lawsuits is in favor of the Bank and that there are no legal or judicial grounds for the lawsuits. Also, there were no updates during the three months ended March 31, 2020.

30. Statutory Reserve

The Bank did not deduct the statutory reserves during the period due to the fact that these information are condensed consolidated financial information, as it is done in the year end.

31. Distributed dividends

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.

32. Approval of condensed consolidated interim financial information

These condensed consolidated interim financial information was approved by the Board of Directors and authorized for issue on June 9, 2020.