بنك الإسكان للتجارة والتمويل
The Housing Bank for Trade & Finance

2019
ANNUAL REPORT

بنك الإسكان للتجارة والتمويل
The Housing Bank for Trade & Finance

46th Board of Directors Report
For the Year Ending December 31, 2019

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His Majesty King Abdullah II Ibn Al Hussein

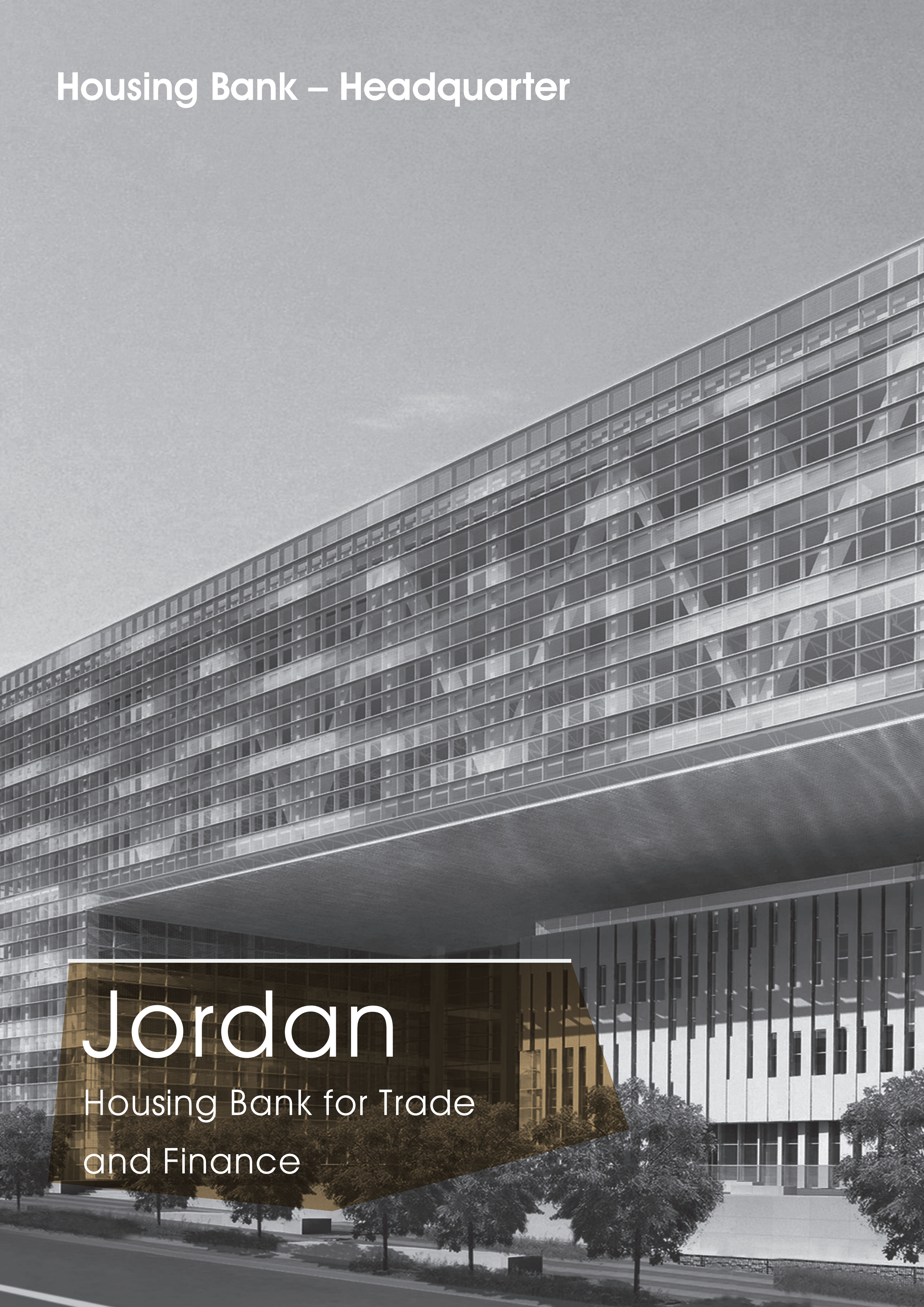
His Royal Highness Crown Prince Al Hussein Bin Abdullah II

Content

Housing Bank – Headquarter

Jordan

Housing Bank for Trade and Finance



01 Board of Directors

Board of Directors

Mr. Abdelelah Moh'd Alkhatib
Chairman - Independent

Mr. Yousef Mahmoud Al-Neama
Vice Chairman / Representative of
Qatar National Bank

Mr. Ramzi Talat Mari
Representative
of Qatar National Bank

Mr. Khalid Majid Al-Nuaimi
Representative
of Qatar National Bank

Mrs. Maryam Mohammed Al-Kuwari
Representative
of Qatar National Bank

Mrs. Munirah As'ad Al Ajeel
Representative of Kuwait Real
Estate Investment Consortium

Mr. Mohamed Najib Eljamal
Representative
of Libyan Foreign Bank

Mr. Elhadi Emgahid Abultife
Representative
of Libyan Foreign Bank

Mr. Nidal Faeq Alqubaj
Representative of Social Security
Corporation / Jordan

Mr. Fadi Khalid Al Alawneh
Representative of Social Security
Corporation / Jordan

Dr. Yaser Manna' Adwan
Independent

Mr. Fawzi Yousif Al-Hanif
Independent

Mrs. Shaikha Yousuf Al-Farsi
Independent

Mr. Ammar Bashir Al-Safadi: CEO
Mrs. Buthaina Yousef Abawi: Board Secretariat

Letter from the Chairman

Respected Shareholders,

On behalf of the Board of Directors, I am pleased to present to you HBTF Group's 46th Annual Report that includes the main achievements during 2019, the financial statements for the year ending December 31, 2019 approved by the Bank's auditors and the business plan for fiscal year 2020. The report also includes all the requirements for disclosure and corporate governance in accordance with relevant laws, and regulations.

Dear Shareholders,

The Jordanian economy has faced major challenges during 2019, including political instability in the region, in addition to the ongoing economic challenges, which had a significant impact in slowing down economic activities of several sectors. As a result, this has necessitated the government to initiate a stimulus package to reinvigorate the national economy, in line with the directives of His Majesty King Abdullah II bin Al-Hussein. Here, we must mention that the impact of this package of economic decisions began to stimulate some of the economic sectors, hoping that these measures will result in better outcomes during 2020.

Dear Shareholders,

In terms of its financial position, the Bank has adopted a conservative approach that contributed to maintaining a sound financial position in the Jordanian banking sector, as its market share of total assets and customer deposits reached 13.9% and 13.7% respectively. Pretax group Profits amounted to JD 132.2 million during 2019 compared to JD 132 million achieved during 2018. Net profit after tax amounted to JD 83.7 million during 2019, compared to JD 94.5 million achieved during 2018, in light of the bank's decision to hedge against the issuance of a preliminary court decision, which is subject to appeal, to impose a fine against the HBTF – Algeria, despite the Bank's legal status solidness throughout the appeal stage.

Based on the Bank's financial performance during 2019, the Board of Directors has recommended to the General Assembly to distribute cash dividends to shareholders at a rate of 15% of the share nominal value for 2019*.

Dear Shareholders,

As we are fully aware of the importance of strengthening the Bank's capacity to deal with stressful circumstances, and with the aim of supporting the Executive Management to realize the future vision of the Bank and achieve sustainability; a strategic plan was adopted to exercise the utmost levels of precaution and vigilance. The basis of such strategic plan is the optimization of businesses and investment opportunities based on best evaluation of all bank activities, as well as cost rationalization. Performance indicators have also been developed to ensure better efficiency in measuring achievement.

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* As per the Central Bank of Jordan's letter 1/1/4693 dated 9 April 2020, it has been decided to postpone the distribution of cash dividends.

We will continue our journey looking forward to augmenting future prospects. We are confident in the Bank's ability to continuously improve its products and services across all operational segments through the implementation of its strategic plan and achieving the Bank objectives.
I would like to take this opportunity to extend my sincere appreciation to the Central Bank of Jordan, and the Jordan Securities Commission, for their continuous efforts to support the national economy. I would also like to thank all shareholders, depositors, and customers for their continuous support. Furthermore, I extend my sincere thanks and appreciation to my fellow board members for their pivotal role and their constant support which had the greatest impact on what has been achieved so far, and to the CEO and all the Executive Management staff at their respective locations for their devoted efforts, perseverance and their continuous pursuit to achieve the Bank's goals and aspirations.

Finally, I wish this pioneering institution more progress and prosperity to further serve our beloved country and contribute to its continued growth and development under the leadership of His Majesty King Abdullah II, praying God to keep him under his care and guidance to lead Jordan and its people towards prosperity.

May God's blessings be upon you

Abdelelah Alkhatib
Chairman of the Board

Letter from the Chief Executive Officer

Distinguished Shareholders,

I am pleased to present to you the key achievements of the HBTF Group during 2019, as the bank was able to manage its assets and liabilities as well as build close relationships with the bank's clients to better understand and respond to their needs, which resulted in a notable increase in the total income by 3.5% to a total of JD 361.0 million for 2019 compared to JD 348.8 million achieved during 2018. This increase was due to the main banking operations of the HBTF Group and the support of all operational sectors that achieved strong growth rates during the year, as a result of diversifying sources of income and enhancing the operational efficiency of its transactions.

Moreover, the HBTF Group also achieved good levels in the main items of the financial position, as the total assets increased by 1.7% to reach JD 8.4 billion as at the end of 2019, and the balance of customers' deposits reached JD 5.8 billion. Furthermore, the balance of the total credit facilities portfolio reached JD 4.6 billion, and the balance of the equity reached JD 1.1 billion.

Additionally, the bank's financial indicators demonstrate the strength of its financial position, with a liquidity ratio of 128% and capital adequacy ratio of 17.3%, both exceeding the required minimum ratios set by the Central Bank of Jordan and Basel Committee.

As for the local expansion, the number of the bank branches operating in Jordan has reached 125 branches with a market share of about 13.3% of the total number of the bank's branches in Jordan, this confirms that the bank continues to maintain its leading position in terms of the number of branches and stands in the first rank in terms of number of the ATMs, which stood at 226, accounting for around 12.2% of the market share; the largest and most widespread ATM network in the banking sector in Jordan. In addition, the bank continued to adopt innovative and integrated electronic banking solutions, launch of banking products and services with high competitive advantages, as well as improving the quality of service and caring for individual and corporate customers.

In the field of the bank's foreign branches and subsidiaries activity, the operational processes of the bank's foreign branches achieved good results. The subsidiary banks in Algeria, Britain and Syria also achieved good levels of growth in their various operational activities despite the continued difficult political and economic conditions in some of the bank locations abroad.

The year 2019 also witnessed the bank's move to the new headquarter building in Shmeisani, Amman, which is characterized by its unique modern design that takes into account the guidelines for sustainable design, and smart interfaces equipped with flexible internal systems that allow the Bank to absorb industrial and technological developments without going through extensive renovations. It should be noted that the transition to the new building has been carried out smoothly and with a high degree of accuracy and professionalism according to a program specially prepared for this purpose. The new headquarter provides a modern and advanced work environment to deliver the best customer service.

During the year, the Corporate Social Responsibility initiatives implemented by the bank have achieved their goals and contributed to strengthening and empowering the local communities in which the bank operates.

In conclusion, I am pleased to extend my sincere thanks to the bank’s Board of Directors for its continuous support to us, as well as to all the bank’s employees for their sincerity and dedication to their work and their contribution to the bank’s journey of success that extends from inception to this day and to the future, Allah willing.

I would also like to express my appreciation and thanks to the official institutions, the Central Bank of Jordan and the Jordan Securities Commission, for their continuous efforts and support.

May we further thrive towards the success and prosperity of our institution and empower it to continue to serve the national economy under the leadership of His Majesty King Abdullah II; May Allah protect him.

May God’s blessings be upon you

Ammar Al-Safadi
Chief Executive Officer


London Bridge
London
Jordan International Bank (JIB)

02

Analysis of the General Performance 2019

Main Financial Indicators

JD million*

Item/Year	2015	2016	2017	2018	2019
Total Assets	7,922.7	7,820.2	8,145.2	8,300.0	8,441.2
Customers' Deposits	5,809.8	5,647.5	5,828.1	5,873.8	5,810.5
Loans and Credit Facilities (net)	3,494.7	4,042.1	4,212.6	4,255.4	4,158.8
Total Equity	1,039.3	1,060.1	1,116.2	1,080.1	1,123.8
Profit before Tax	177.0	190.3	180.0	132.0	132.2
Profit after Tax	124.7	131	125.2	94.5	83.7
Cash Dividends	80.6	75.6	63	47.3	-**
Earnings per Share (JD)	0.483	0.393	0.387	0.287	0.257
Dividends / Per Share (JD)	0.320	0.300	0.200	0.150	-**
Share Price (JD)	9.45	9.30	8.37	8.37	5.48

* JD= US$1.4104

** Although the bank achieved good financial results during the year 2019 with solidified and sound financial position, and in compliance with the instructions of the Central Bank of Jordan issued pursuant to Circular No. 1/1/4693 of April 9, 2020, the Bank will not distribute cash dividends to shareholders for the year 2019. The appropriate decision regarding dividends distribution will be taken in light of the results of the Bank for the year 2020.

In 2019, the Housing Bank continued to achieve strong financial operational results despite persistent challenges and difficult regional and economic conditions and increased competition in the banking sector.

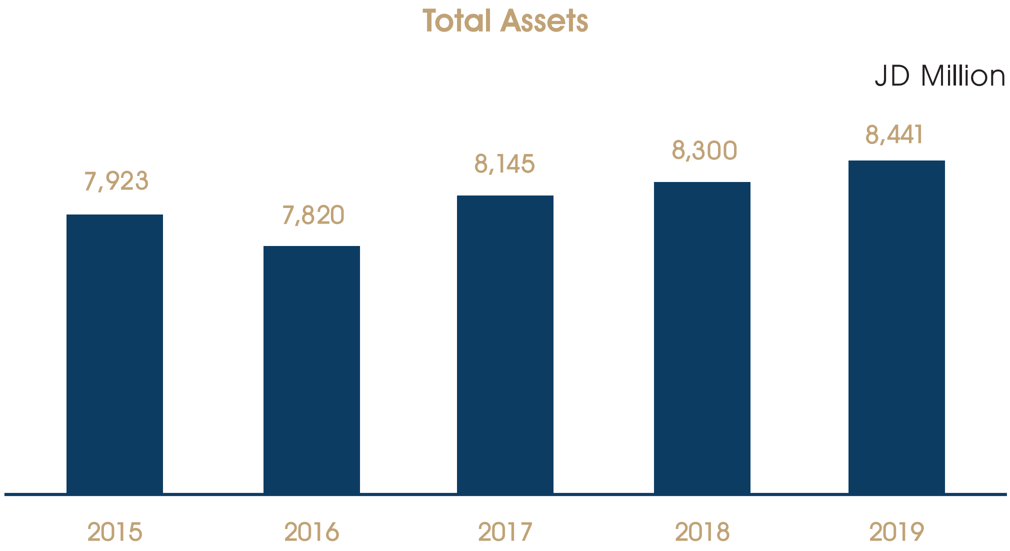
During the year 2019, the Housing Bank Group was able to achieve a pre-tax profit of JD132.2 million compared to JD132.0 million achieved in the previous year. The Bank's management continued to follow an optimal hedging policy that fully complies with the requirements for the implementation of the IFRS9 and the instructions from the Central Bank of Jordan, where credit facilities provision of JD55.1 million were retained. Allocation of such provisions reinforces the sound financial position and enhances the Bank's financial and credit capacity to continue to play its vital role in promoting economic growth in the Kingdom.

The net profit for the year 2019 amounted to JD83.7 million, compared to JD94.5 million achieved during 2018, in light of the bank's commitment to hedge against the issuance of a preliminary court decision, which is subject to appeal, to impose a financial fine against the Housing Bank for Trade and Finance – Algeria, despite the correctness of the banking procedure and the full confidence of the strength and solidness of the legal status throughout the appeal stage.

During 2019, the Bank continued to achieve good growth rates in its various financial indicators. In this regard, total income increased by JD12.2 million, representing 3.5%, to reach JD361.0 million, compared to JD348.8 million achieved during the previous year. this increase is mainly attributable to the increase of net interest income from JD281.0 million to reach JD 296.7 million in 2019, representing an increase of 5.6%, also, commission income increased from JD25.9 million in 2018 to reach JD26.8 million in 2019, representing an increase of JD0.9 million, or 3.4%.

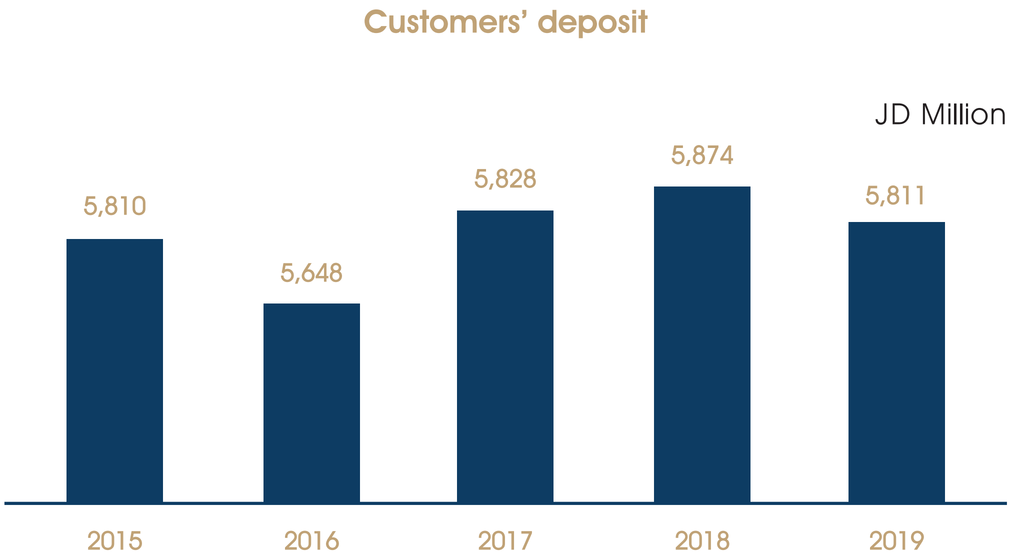
Assets

HBTF Group total assets increased from JD8.3 billion in 2018 to JD8.4 billion in 2019; representing an increase of 1.7%. The chart below shows the evolution of total assets during the years (2015 - 2019):



Customers' deposit

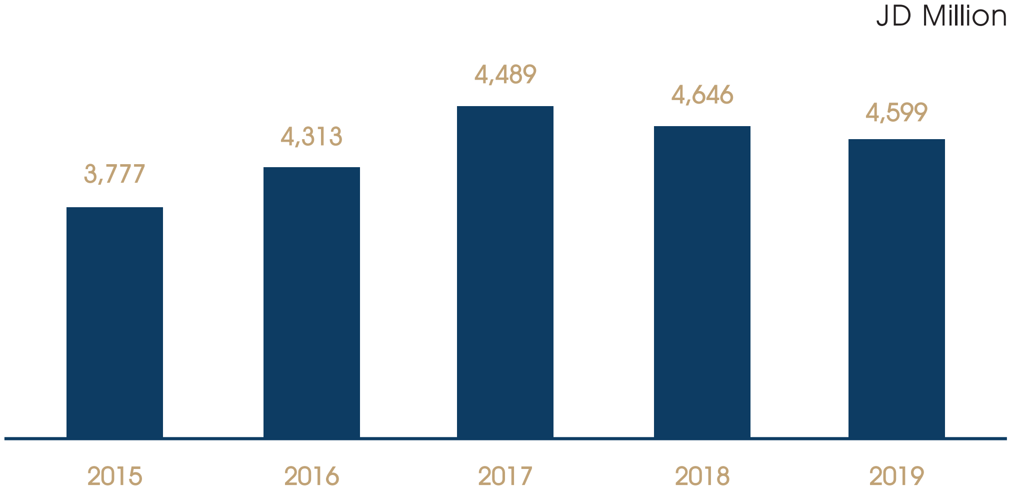
HBTF Group Customers' deposit reached JD5.8 billion in 2019. The chart below shows the evolution of Customers' deposit during the years (2015 - 2019):



Credit Facilities

HBTF Group Credit Facilities reached JD4.6 billion in 2019. The chart below shows the evolution of total Credit Facilities during the years (2015 - 2019):

Total Credit Facilities



Total Equity

The bank has a strong capital base, as Total Equity increased by 4.0% to reach JD1.1 billion as at end of 2019.

Liquidity Ratio and Capital Adequacy Ratio

The Housing Bank Group has high liquidity ratio, reaching 128% at the end of 2019, and a capital adequacy ratio of 17.3%, which is higher than the minimum requirements of the Central Bank of Jordan and the Basel Committee.

Upon Central bank of Jordan recent instruction (circular No. 1/1/4693 of April 2020) to withhold cash dividends to shareholders. Capital Adequacy ratio will therefore reach 18.08%.

Bab Al-Faraj – Damascus

Syria

International Bank for Trade and Finance (IBTF)

03 Bank's Activities

Retail Banking

During 2019, the Housing Bank has strengthened its journey of success that spans for more than 45 years in which it has been and continues to be a landmark of hard work and excellence in providing the best in terms of products and services in retail banking. In this regard, the bank was keen to cater for the expectations and needs of its customers by offering new and comprehensive products and services for all types of deposit accounts in addition to providing personal financing solutions, as well as a wide range of direct payment cards and credit cards that provide their holders with the utmost flexibility and purchasing power, in addition to many products and services that keep pace with digital banking development. Launch of such new products and services confirm the bank's complete readiness to adapt to various market challenges and developments in the banking industry.

In light of the high volume of competition in the retail banking market, in 2019 the bank has adopted an ambitious action plan aimed primarily at enhancing the level of customer satisfaction by raising the efficiency of the bank's traditional and electronic banking channels, in addition to activating sales and marketing efforts by launching several promotional campaigns for a wide range of products and services that were created or developed to suit the needs of customers, so that the Housing Bank remains the preferred banking destination for all members of the Jordanian community, from different classes and age groups at the level of retail banking services.

Network of Branches and ATMs

As a strategic priority, during 2019 the Housing Bank was keen to raise the efficiency of its operational processes, through periodic review of its network of local and foreign branches taking into account its geographical spread, population and urban development and economic activities that generate banking transactions. In light of this, the bank has moved the headquarters of a number of branches, including moving the Shmeisani branch to the new General Administration Building, which was set according to a contemporary banking vision of the concept of advanced service branches with a comprehensive quality of customer service.

In conclusion, the bank has maintained its leadership position in the kingdom in terms of the number of branches, amounting to 125 branches, including the mobile branch, the children's branch, and seven branches located in commercial shopping centers (malls) dedicated to providing evening banking services, bringing its market share to about 13.3%. Meanwhile, the network of local and international Housing Bank group branches reached 180 branches in Syria, Algeria, London, Palestine and Bahrain, in addition to the representation offices in Iraq, the United Arab Emirates and Libya.
As for the ATMs network, the bank was keen to renew 55 ATMs as part of the first phase to renew all the ATMs and to bring up the latest technology in this field. The bank worked to develop the services provided by these ATMs in a manner that contributes to the selling and marketing efforts of its various products and services, in addition to working to increase the ATMs in many strategic locations throughout the Kingdom, bringing the number of ATMs network to 226, including 5 mobile ATMs, providing banking services to areas that don't have banking services. Thus, the Bank maintained its leading position in the Jordanian banking market with a market share of approximately 12.2%.

Adoption of Electronic Banking Solutions

The Housing Bank continues to provide innovative and integrated electronic banking solutions to its customers, believing that providing these solutions is the way to sustainable excellence in the market. Within this framework, 2019 has witnessed the launch of a series of digital initiatives represented by the following:

- During 2019, the HBTF has carried out a widespread process of replacing ATMs network. As the old ATMs were replaced with new, modern and sophisticated ATMs that simulate the electronic banking leap that the bank is keen to keep abreast with. This replacement ensures continuous and periodic development of the ATMs network in order to enhance the availability and high readiness of the network. As a result, the modern ATMs have provided new services for the bank's customers such as customer service to blind or visually impaired persons and direct cheques deposit services.

- The bank seeks to replace the plastic cards by launching Virtual Prepaid Cards. These Cards provide innovative payment solutions through the electronic channels "Iskan Mobile" and "Iskan Online" for use on Points of Sale and ATMs through NFC technology, as well as supporting online purchasing with the highest security standards.

- Developing "Iskan Mobile" application; a process that involved introducing many features and updates, including an increase in speed and efficiency of the application, and the identification based on biological characteristics such as fingerprint. Furthermore, the application provides many services to the bank customers, such as reviewing account transactions, making various transfers and paying invoices anytime and from anywhere.

Launch of New Banking Products and Services

During 2019, the bank's efforts focused on creating and developing a comprehensive set of highly competitive privileged banking products and services designed specifically to meet customer requirements and their lifestyle. Moreover, launching an integrated set of programs for specific groups of customers. The bank is keen to promote these services and products through widespread promotional campaigns, whether through the network of bank branches and ATMs' screens or through various media and social media sites. These promotional messages are sent to existing and potential clients. The aforementioned new banking products and services include the following:

- Expanding the umbrella of EDGE Customer Service Centers that provides unique features and distinguished services to VIP customers by opening new service centers in different locations and managing them by qualified relationship managers. The umbrella of service centers includes several branches, such as Abdoun, Gardens, Madina Munawarah, Rabiyah, Abdullah Ghosheh, Jubeiha, Prince Rashed District, Dabouq, and Head Office of the bank's new headquarter building in Shmeisani area.

The EDGE program, which was launched in 2018, is based on offering a bundle of privileges according to several criteria for classifying the targeted customers and providing them with advanced services in line with the contemporary developments and ensures to take the customer's experience to new heights.

- Launching the savings accounts prize program with a new look. In view of the bank's leadership in the field of savings accounts in terms of total value and the number of saving account prize and value of prizes, in the Jordanian banking market, the bank launched a system of prizes targeting different customer segments and taking into account the increase in the number of winners in terms of providing daily and monthly prizes to more than one winner up to the grand prize at the end of the year amounting to one million and a quarter million dinars distributed among five winners.

- Launching the product of primary bank account; a current account in Jordanian dinar that targets individuals who do not have bank accounts or bank transactions. The launch of this product comes in the interest of the bank to promote the principle of financial inclusion and compliance with the instructions of the Central Bank of Jordan, which would encourage individuals who are not covered financially and have the desire to make banking transactions through the facilities and privileges offered by the product. There is no minimum limit for opening the primary account and the customer can benefit from other basic services.

- Developing the car loan product in cooperation with a number of car dealers to encourage customers to finance the purchase of their cars. This product includes the competitive advantages and financing ratios up to 100%, such as the car loan campaign in cooperation with (KIA and Toyota), taking the standard working procedures and approvals in minimal time that meets the customer and partners' expectations.

Housing Bank Cards Excellence

Housing Bank cards both Debit Cards and Credit Cards (Visa and MasterCard) provide high-level of advantages and services for their holders, which has achieved a significant increase in their utilization rates and attraction of new segments of customers. This would not have been possible without the improvements made by the bank in this field in terms of launching many services, privileges and exclusive offers for cards holders supported by large-scale marketing and promotional campaigns. The new services are as follows:

- Launching the service of transferring credit card balances under the headline of "You are a winner with Housing Bank Card". Those cards enable customers of other banks to replace their credit cards with one of the Housing Bank credit cards free of interest on the transferred balance.

- Launching the installment service with 0% interest rate when using credit cards under the headline "There is a Solution for Each Problem" aimed at encouraging credit card holders to use these cards to purchase their needs from merchants participating in the purchases installment program.

- Launching the service of purchases installment for credit cards through the telephone service center "Iskan (24/7)" titled "With our 24/7 Installment Program, you are one phone call away from installing your Credit Card purchases" aimed at encouraging bank customers, credit card holders, to use the cards to purchase all their purchases.

- Launching the service of payment of the amounts due on credit cards through the eFAWATEER.com system, that would provide various payment options to the bank customers.

- Launching Credit Card Overriding Service up to 10% of the available ceiling value on the card, enabling customers to cover their emergency expenses if the entire ceiling is utilized.

- Extending the umbrella of the Loyalty Program to include debit cards, allowing Debit Cards (Visa and MasterCard) holders to take advantage of points when making transactions on their purchases through Points of Sale (POS) thus enabling customers to exchange points for cash rewards, and other options through the application .

- Launching a group of products that target specific occasions such as Mother's Day, and the holy month of Ramadan, and providing plentiful and varied services targeting specific segments of customers.

Improving the Service Quality and Customer Care

The Housing Bank is giving great attention to the pillars of complete customer care, high quality in providing the service and improving its performance. To ensure these pillars are achieved, the bank is keen to conduct periodic surveys and studies to measure the level of service provided, customers satisfaction in general, elements of service provision in particular, procedures for obtaining the service, the standard time to perform the service, excellence in providing it, and the extent to which services and products meet customer needs.

To ensure that the service is evaluated with a high degree of transparency, the bank is keen to seek the assistance of consulting firms specialized in conducting field surveys and studies, including customer satisfaction study and mystery shopper study.

A specialized team handles inquiries, suggestions and complaints submitted by customers, and responds to them positively and professionally. It follows up and solves them radically within a specific time and in coordination with the various work centers.
On the other hand, the bank is keen to organize activities, events and periodic meetings for specific groups of the bank customers, which will improve customer satisfaction and enhance their loyalty to the bank in the future.

Corporate Banking

Corporate Banking activity is one of the main functions in the bank and is considered one of the main tributaries of revenue and profitability. Despite the slowdown in local, regional and global economic activity and the increasing political and economic tensions that cast a shadow on global and local commercial movement, the bank and during 2019 was able to perform its main role in financing vital sectors in the local economy and succeeded in strengthening its leadership position in this field inside the kingdom and in various sectors. The Bank was able to establish strong and sustainable relationships with all its corporate customers and position itself as a preferred choice for many of these customers capitalizing on the Bank's great potential and long experience in the corporate banking field.

The bank focused on improving the quality of its credit portfolio, probing into further growth in business and working to strengthen and expand its customer base through excellence in the service of its existing customers, intensifying marketing efforts for potential customers, and developing new programs to suit different customer needs.

Throughout the course of the year, a special program was developed in cooperation with the Middle East Investment Initiative (MEII) to qualify the borrowers and create new marketing opportunities. Moreover, new financing programs addressed for SMEs were applied through a collaboration with the European Investment Bank (EIB) . In addition to collaborating with the European Bank for Reconstruction and Development (EBRD) to provide trade financing solutions.

Enhancing and strengthening the position of the Bank in the Small and Medium Sector (SMEs) is one of its top priorities and it is achieved through the commitment to the effective contribution in supporting the SMEs sector which ultimately contributes to providing new employment opportunities in addition to adopting various initiatives to provide access to finance to this sector in specific. In order to support this strategic direction, the Bank has created a special business unit in branches located in Eastern and Southern Amman with the aim of improving the level of service provided to SME customers, providing access to finance and attracting more of their business and transactions. The Bank is also considering adopting this methodology in different regions of the kingdom.

It is within the Bank's mission to enhance the credit process and thus dedicated Commercial Banking Support unit will be established that specializes in all operations related transactions which would secure more time for Relationship Managers to visit clients and market our products and services.
A Transaction Banking Center has been established during 2020 in order to capture client's cash transactions (current accounts and deposits) and to promote cash management and liquidity services. Moreover, the current online platform is being revamped, the latest technological enhancements are being monitored and new services to better serve the clients' needs are being launched.

Client Trade; the bank's electronic indirect facility management platform has been launched, which allows clients to manage their indirect facility portfolios including letters of credit, letters of guarantees and bills of collection automatically. Moreover, clients are able to follow up on their requests, review their transactions and download/upload necessary documents and applications without the need to visit the Bank's branches.

Treasury and Investment

The Bank managed to maintain balanced growth in treasury and investment activities, which contributed to achieving stable returns within acceptable levels of risk by continuing to apply an investment policy that takes into consideration the risks of global markets with focusing on reducing cost of funds, improving interest margins and fully adhering to regulatory requirements and best professional practices.

The Bank has given great attention to treasury and investment services during 2019 as it focused on providing high quality services and products to customers by a professional and specialized team that has deep understanding and extensive knowledge of local, regional and international financial markets.

The treasury and investment services provided by the Bank include: foreign currencies and precious metals services through spot cash account and margin trading, in addition to FX forward contracts services and dealing with them, as well as currency swaps services.

The Bank also provides an integrated set of investment and financial advisory services to meet its customers' needs, individuals and corporates, including brokerage services for shares, options and international, regional & local bonds, marketing of investment funds, custody services, investment trusteeship & issuance management services for bonds issued by companies, as well as IPO service of shares and bonds of public and private companies, asset management service, feasibility studies and business valuation services, and other financial advisory services.

Financial Institutions

Housing Bank has a wide network of regional and international correspondent banks that exceed 500 spread across 70 countries covering its various banking requirements related to trade finance and treasury. The bank also maintains a network of external branches, representative offices and subsidiaries to meet the needs of its customers including retail, corporates, and financial institutions. Such widespread and diversified network boosts the bank's leading position in the local and regional markets.

During 2019, the Housing Bank built, maintained and developed efficient relationships with various correspondent banks. This enabled the bank to enhance joint cooperation with those banks and conduct more international banking operations related to letters of credit, guarantees and transfers. The goal was to effectively meet all the international banking needs of the customers, with a view to boosting their businesses and activities on the one hand, and improving the bank's profitability and customer satisfaction on the other hand.

It is worth mentioning that the Housing Bank signed a number of international agreements and participated in a number of syndicated loans with different banks and financial institutions in order to facilitate its operations, expand its activities and reflect its leading position at the regional and international levels.

International Branches and Subsidiaries

The Housing Bank offers an integrated set of comprehensive banking and financial services to it's customers in the retail and in the corporate sectors, through its network of foreign branches, subsidiaries, and representative offices that are spread across 8 countries, which contributed in the development of excellent relations with customers of both exporters and importers on the one hand and promoted trade exchanges and foreign investments between Jordan and the countries where the bank operates on the other hand.

The bank's presence in the Middle East and North Africa extends to reach out to the United Kingdom, through a network of foreign branches and subsidiaries totaling 55 branches as of end of 2019, these branches are located in Palestine (15 branches), Bahrain (one branch), and the subsidiary banks in Syria, Algeria and the United Kingdom, in addition to its representative offices located in Libya, Iraq and the United Arab Emirates, moreover the local subsidiaries in Jordan are represented by the Specialized Leasing Company and the International Financial Center Company.

The bank's International network contributes to the development and prosperity of its business, where the performance of the Foreign Branches and subsidiaries Group has been outstanding during the year 2019, contributing to a 19.4% of the total profits of the Housing Bank Group before tax.

Organizational development

The Bank is keen to carry out its duties and responsibilities in a manner consistent with its mission, objectives and strategic plans. The Bank works to improve internal work procedures optimize utilization of human capabilities and potentials, and work diligently to make the best use of available technology, which contributed to raising the level and efficiency of procedures and business and making them more effective. This has resulted in improving the operational efficiency of all work centers in the Bank, in addition to improving employee productivity and providing a high level of service to customers.

The Bank has an organizational structure that reflects best banking practices, based on the identification of responsibilities and powers, and effective supervision of performance.

Human Resources

The bank fully believes in the importance of the human element and considers its human cadre is the key pillar of its business success. During 2019, the Bank continued to provide a healthy and appropriate work environment for its employees by improving their standards of living by implementing various methodologies and initiatives that would lead to raise the index of job satisfaction. In addition, the bank took further initiatives to motivate employees and create a positive competition among them in order to raise the efficiency and the productivity in the work. Among the most important initiatives undertaken by the bank in this field are the following:

- The bank continued to establish "the Ideal Employee Program" to promote positive behavior and outstanding performance among all employees.
- Creating an initiative to honor the Housing Bank distinguished branch to urge the branch employees to exert more efforts and strive for excellent performance.
- Introducing the "Spot Bonus Program", for talented and distinguished employees.

- Preparing an investment program for new joiners and creating a career path for them through Executive Training and on Job Training Programs.

- Preparing "Sales Incentives Scheme" for sales employees.

As part of the bank's endeavor to create future leaders from among its employees, the bank continued to implement the "Talent Management and Career Succession Project" by defining the list of talented employees for 2019, within standards and criteria approved for this purpose to enhance and invest the employees capabilities by enrolling them in an intensive training programs.

Recruitment

The bank is keen to improve and enrich the quality of the service provided to its customers, in order to support and achieve the bank's strategic goals, by attracting qualified and talented human competencies. During this year, the bank has increased the number of its highly qualified cadres and attracted the best talents to provide its departments with the actual needs of human cadres and work continuously to maintain these competencies and enhance their ability to thrive in their fields of work. In addition the bank provides opportunities of transfers and promotion for distinguished internal staff, through applying the principles of transparency and professionalism-based competition. Proudly, the bank has been continuously working to establish its image as an Employer of choice for local young fresh and experienced candidates.

The bank is considered one of the most prominent and largest local institutions in the field of providing job opportunities at the kingdom level. The bank is proud to employ young Jordanian women to work in various jobs based on a strong believe that women play a key role in building and advancing societies. Female labor force participation rate has exceeded 42% of the workforce. The bank also sought to obtain employment applications from job seekers through several sources, the most important of which is the Career platform provided on the bank's website, open employment days, and job fairs. In this regard, and during the year 2019, the bank participated in many job fairs that were organized by the University of Princess Sumaya and the University of Jordan. In addition to the career exhibition held by Akhtaboot Company as one of the golden sponsors, as well as the career exhibition Spark. all of which contributed to the identification of a large number of candidates who are willing to work for the Bank and enjoy its benefits, get exposure and experience through its products and services, and fill in vacancies.

The bank was keen to enhance its presence on the distinguished E-employment known in the field of employment as LinkedIn - one of the social networking sites and one of the most important professional networking websites - which led to the definition of the largest possible number of followers. Proudly, the number of followers of the bank's page on LinkedIn has increased significantly.

Training and Development

During 2019, the bank continued to focus on developing the skills and talents of employees and training curricula in various aspects of banking business to cover all aspects of the bank's training needs. The curricula and training programs provided by the bank to its employees focused on four main pillars: (quality of training, training methodology defined upon need, effectiveness, competitive advantage). The training courses provided by the bank to its employees during the year included a variety of comprehensive programs that contributed to increasing their empowerment and boosted their performance in the various jobs they occupy. In 2019 the bank organized a number of training programs that combined the theoretical side and the applied side. On the top of these programs are: New Employees Orientation Program (Tellers), STAR Program, Horizon Program, Lead Program, EDGE Employee Orientation Program, the e-channel staff Orientation program. In addition, the bank offered many different training programs through its e-learning and training platform "Tamkeen". The number of training opportunities provided by the bank during 2019 reached (24,654) training opportunities, including (20,806) training certificates through the Tamkeen and (3,848) training opportunities in the form of classroom training courses.

Risk Management

The bank is committed to apply comprehensive governance regulations and clear and compatible measures with the best global practices and Local and International rules and legislations for risk management, ensuring prudent risk management that matches its strategic goals.

In compliance with the local and international legislations and standards, the Bank is keen on constant communication with the supervisory and legislative authorities while setting the necessary procedures to monitor the areas of arising risks and to immediately report any violations in order to take the necessary measures. Furthermore, and within the framework of development and improvement of the risk management process, in 2019 the bank has:

- Conducted an inclusive review of work procedures and privileges related to banking systems, in conjunction with conducting periodic checks of these systems.

- Expanded the application of the Control Risk Self-Assessment (CRSA) through the development of new indicators.

- Raised the efficiency and effectiveness of the business continuity program by making adjustments and improvements that align with the best international standards.
- Applied advanced measurement methodologies in calculating the internal capital adequacy assessment process (ICAAP).

- Applied modern methodologies in the management of the bank's capital, such as: EVA, RAROC, Economic Capital.

- Setting/ presenting economic research and studies based on studying market factors and their impact on the bank's business on one hand and meeting the requirements of regulatory authorities and international standards on the other hand.

- Applied advanced technology techniques in managing cyber security, taking into account the importance of providing relevant security controls to address any potential electronic risks.

- Formulated stress scenarios for different types of risks (credit risk, market and liquidity, operation, information security and cyber security) and any other fundamental risks, and documenting the results and passing them to the Central Bank of Jordan in a manner that ensures compliance with the issued instructions.

The bank's risk management sector is considered as an independent sector that reports directly to the Board of Directors. Where it specializes in the responsibility of evaluation, follow up and submission of recommendations regarding the strategies necessary to set controls related to all potential risks.

Note no. 46 of the financial statements in this report provides more information and details about the bank's risk management.

Compliance

The bank realizes the various challenges posed by the work environment with constant changes and strict legislative systems, therefore the bank focuses all of its efforts to meet the challenges it faces by complying with all the laws, legislations and regulations issued by the competent legislative bodies.

The bank is keen to integrate its compliance policy into the core of its daily operations as part of its employees' culture, which will protect its reputation and enhance its credibility with all stakeholders.

Within this framework, the bank continued during 2019 to implement preventive and precautionary measures to ensure that it will not be subject to any legal or international sanctions, and to avoid its involvement or indulgence in money laundering and terrorist financing operations. The implementation of the compliance policy in the bank is based on the following main measures:

- Periodically reviewing the bank's compliance policies and procedures, ensuring that they comply with domestic and international legislation to combat unlawful operations, and continually updating international ban lists.

- Submitting the American Customer Report to the U.S. Tax authorities, in compliance with requirements of USA Foreign Account Tax Compliance Act (FATCA).

- Responding to all inquiries received from the regulatory authorities, reporting any activities that may involve suspicious financial transactions, meeting the requirements of correspondent banks and dealing with incoming Customer complaints.

- Promoting a culture of compliance for all bank employees by holding training workshops and seminars for various work centers, especially for front line employees, in addition to preparing awareness and educational flyers, and issuing special circulars with the aim of educating employees to this aspect, especially with regard to spreading a culture of customer identification and performing due diligence to achieve this.

- Updating the bank's internal website to accommodate all regulations, laws and legislations related to the compliance policy.

- Conducting periodic compliance checks through the Regulatory Compliance Management System and implementing inspection visits to the bank's internal and external branches to ensure their compliance with the instructions.

- Receiving and investigating Customer complaints, and taking the necessary measures to address them in a way that ensures they are not repeated.

- Preparing the necessary reports and submitting them to the Compliance Committee of the Board of Directors on a regular basis with the needed recommendations where necessary.

Also, 2019 has witnessed the updating and application of a number of systems that would enhance this aspect, including:

- Upgrading the anti-money laundering system to monitor financial transactions.
- The implementation of CDD (Customer Due diligence) system that will boost Customer due diligence procedures.

Information Technology

During 2019, the bank continued its efforts to pursue new banking technologies to emulate the continuous technological evolution and the emerging widespread of internet services and mobile banking globally.

The bank has managed to cope with these major changes, by enhancing its digital banking channels and services towards its customers, therefore not only successfully meeting customer needs in a way that guarantees improving their digital experience, but also giving them more confidence to complete their banking transactions securely anywhere and at any time.

The bank has successfully maintained its leadership and reputation as a bank racing towards advanced development and modernization by enhancing its operations, as well as being innovative in the banking industry, thus increasing its competitiveness in the Jordanian Banking sector.

The bank was keen to comply with the regulatory authorities instructions, and continued to apply all requirements of Information Security and Governance with enforced associated technology.

To this end, the bank made significant investments in key infrastructure areas to enhance its readiness to comply with the best standards of business continuity and service availability, while in the same context the Cyber security was in the core of bank information technology structure by applying a set of advanced security technology solutions to raise the bank's overall security index.

Marketing and Promotion

In its pursuit to keep pace with various developments in the banking industry, in 2019, the bank carried out a marketing strategy that succeeded in reaching out to all existing customers and targeted segments. Notably, this marketing strategy was able to achieve advertising proliferation and enhance the corporate image of the bank by using a multi-channel advertising mix with a close focus on digital advertising and social media platforms, which has become the most effective promotional channel.

Moreover, 2019 has witnessed the launch of many marketing campaigns for various products and services, that aimed to motivate customers and encourage them to benefit from them. Amongst the most prominent marketing campaigns that were launched in the field of products were the campaigns for the following: savings accounts, salary transfer, personal loans at a competitive interest rate, housing loans, car loans in cooperation with Kia and Toyota, time deposits with prizes (which is a unique product initiated by the bank), Edge Services and investment services.

In the field of cards, several campaigns were launched as well, the most extended campaigns were the credit cards campaigns and those related to specific occasions such as: Mother's Day campaign, Cash Back campaign during the holy month of Ramadan in partnership with Carrefour, credit card installment program campaign, credit card balance transfer service and cards buyout for the ones issued by competing banks, a joint campaign with Qatar Airways, purchase discounts program in cooperation with a number of outlets and restaurants, and Black Friday & Cyber Monday campaign.

As for the bank's e-channels' related campaigns, the most marked were the campaigns related to the mobile banking application "Iskan Mobile", and Western Union remittance services through "Iskan Mobile", and these campaigns further augmented permanent and effective communication with the customers and kept them up to date with the latest services provided by the bank.

Sustainability and Social Responsibility

The Housing Bank has always endeavored, as part of its consistent and continuous approach since its inception in 1973, to augment its role towards the society. Based on this firm belief, the bank has taken upon itself to implement social responsibility programs and principles of sustainability in its social, economic and environmental dimensions in order to serve as guiding approach in setting goals and articulating strategic plans that lead the bank to the best levels of workmanship and effectiveness, This also helps in establishing a positive and distinctive image of the bank being integral part of the fabric of Jordanian society and a central pillar of the sustainable development process. Such strategy promotes our culture of transparency and facilitates the rules of adopting good governance.

In 2019, the Housing Bank continued to activate its social mission and transforming it into reality, showing the highest levels of commitment to community, as the bank was keen to harness its efforts and capabilities to serve the community and contribute to its development. Based on the bank's strong belief that social responsibility represents the most prominent national project that contributes to advancing development progress, the bank has shown a spirit of unequivocal devotion and solidarity to the various groups of society in accordance with a clear, clear strategy to build sustainable and inclusive strategic relationships with The King Hussein Cancer Center, The Jordanian Hashemite Fund for Human Development (JOHUD), Jordan Air Ambulance Center, Tkiyet Um Ali and others.

The Bank has made donations, in-kind and cash to support many institutions in its various sectors, and in line with its strategic plan for social responsibility. In this regard donations were made for Queen Rania Al Abdullah Hospital for Children, Jordan Media Institute, Elia Nuqul Foundation (ENF), Women Debtors Fund, Martyrs' Families Fund and many other institutions, societies and initiatives aimed at society development.

With the bank management belief in the capabilities of its employees and their active role in achieving the goals of the social responsibility strategy, the bank launched a "Ata'a Al-Iskan" team with the aim of giving employees an opportunity to participate in voluntary initiatives that the launches or participates in so that the bank will have a reinforce the principle of good citizenship amongst its employees. The "Ata'a Al-Iskan" team participated in several voluntary activities, the most prominent of which was contributing with a mural in Al-Salt city, in collaboration with King Hussein Cancer Center in October to combat breast cancer, planted 500 fruitful trees in the Middle Jordan Valley in cooperation with the Arab Society for the Protection of Nature. It also has an active contribution with activities of Tkiyet Um Ali, in serving food during the holy month of Ramadan and many other initiatives that enabled employees to exercise a sense of positive impact of voluntary work to set an example for others to emulate.

During 2019, the bank also paid great attention to implementation of several internal events, which contributed to spreading an atmosphere of amity among employees, reinforcing their positive tenor that was represented by the campaign branded "Congratulations on the move" in conjunction with the transition to the new administration building in Shmeisani. As well as "up to the challenge" campaign that the bank implemented in conjunction with the World Day to Fight Cancer, to urge employees to use stairs instead of the elevator, and the Blood campaign to donate blood in cooperation with the Blood Bank of Jordan. In this regard, it should be noted that the Housing Bank for Trade and Finance issues a sustainability report in accordance with the latest standards for global sustainability reporting, which was also adopted by the Global Reporting Initiative (GRI).

The Bank’s 2020 Business Plan

The setting of the objectives of the 2020 business plan has been drawn upon a set of assumptions and projections to cater for the size of growth in the various activities and areas of the bank›s business and the expected growth rates for the banking sector, with a view to achieving sustainable growth in the bank›s profits and enhancing its market share.

These directions came in four key pillars:

Financial Pillar

- Achieving sustainable growth in profits and enhancing the equity of the bank’s shareholders.
- Achieving growth in total income.
- Diversifying income sources and enhancing the contribution of non-interest income.
- Increasing the rate of return on assets and equity.
- Achieving growth in the bank’s financial position while focusing on high-quality assets that contribute to increasing income. In the area of liabilities, efforts are concentrated to attract low-cost sources of funds to enhance profitability while maintaining comfortable liquidity ratios.
- Improving the net interest margin.
- Improving the quality of the credit portfolio by making the utmost effort in dealing with outstanding non-performing loans, preventing the classifications of the new ones, redoubling the efforts in collection, and achieving additional surplus in provisions.
- Controlling capital expenses, efficiently rationalizing general and administrative expenses, improving the efficiency ratio by rationalizing expenditures in all areas of operations, and exerting more effort in controlling different forms of spending.

Market and Customer Pillar

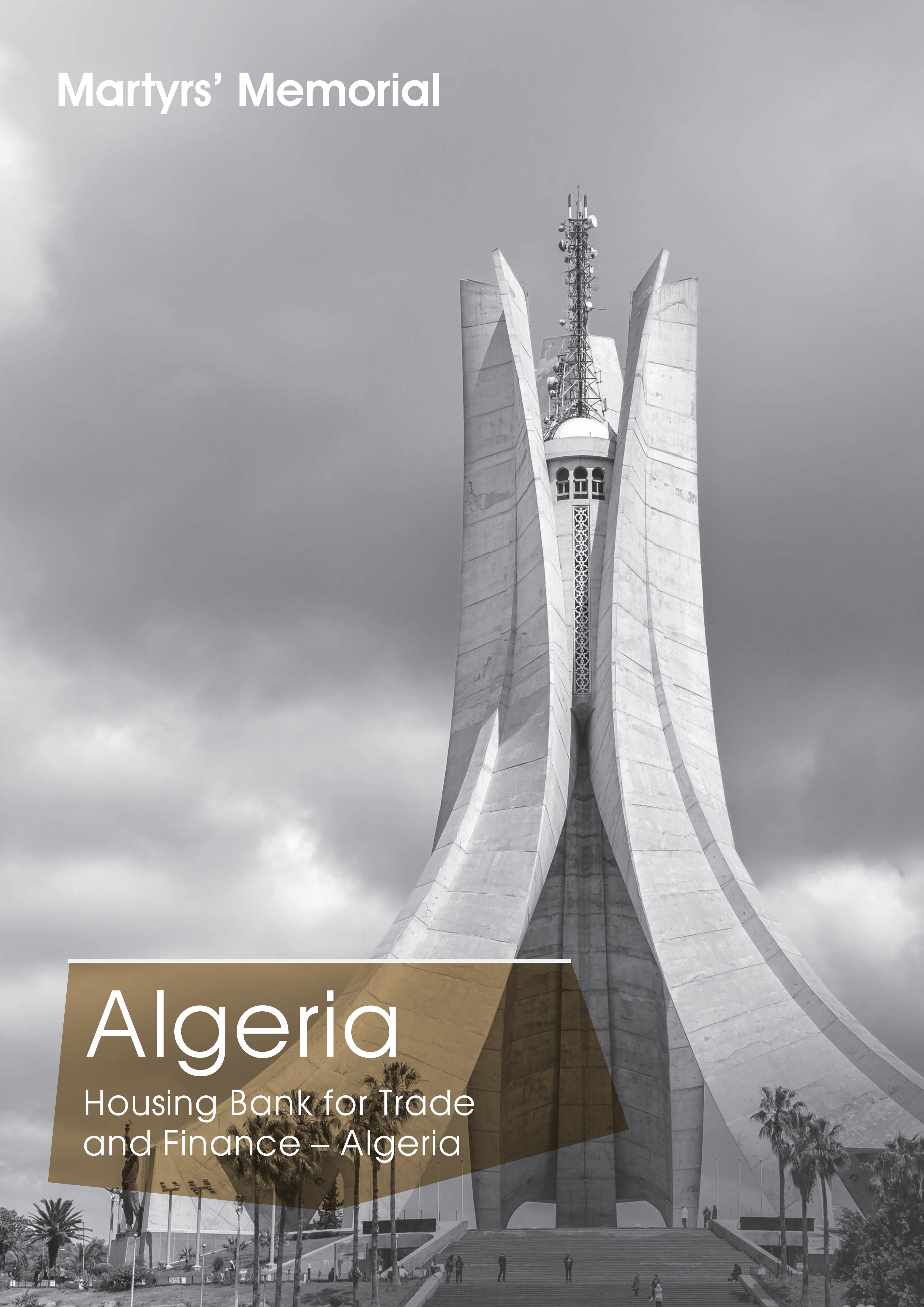
- Working to achieve the vision of the Housing Bank to be the Bank of Choice for customers, by providing innovative and high quality banking services in both retail, and corporate sectors, in a way that not only meets the needs of our customers but also exceeds their expectations, while keeping abreast with developments in the financial and banking sectors.
- Increasing the efficiency of the bank›s marketing efforts for all activities and operations.
- Enhancing the bank’s activity in the credit cards field, and increasing the utilization rates of the ceilings granted to customers.
- Reinforcing the positive image of the bank with the community through continuing to play effective role in the field of corporate social responsibility.
- Increasing the level of customer satisfaction on the level of services provided through all delivery channels, as the level of service represents the competitive advantage that the bank seeks to achieve and distinguish it from competitors.
- Focusing on the youth segment of customers, developing existing products and services, studying the feasibility of introducing new products and services according to their needs and requirements, and developing appropriate work procedures thereto.
- Deepening the relationship between the bank and all its customers through studying their needs and working to meet them and identifying the problems they face in their dealings with the bank and solving them immediately and at the time of their occurrence.
- Continuing to encourage and motivate customers to use e-channel.

Operations Pillar

- Enhancing the security and protection of the bank's information and electronic networks.
- Continuing the process of reviewing and developing the bank's working procedures to ensure they remain effectives and seamless.
- Managing the risks to which the bank may be exposed efficiently and effectively, and complying with all laws and regulations issued by the legislative and regulatory authorities.
- Managing local and abroad branches effectively, to ensure that the best services are deployed to customers within their areas of presence.
- Starting by preparing the necessary action plans to implement digital bank services and automate business to improve the speed and quality of services provided to customers, while continuing to raise the efficiency of the available electronic channels, diversifying the services provided through them, and directing customers towards the use of alternative channels such as bank applications services on smart phones, Internet, and Online Banking. This is to take advantage of the different bank services that are provided through these channels, and explain the benefits of using them to customers.
- Increasing the efficiency of the project management process in the Bank and speeding up the project completion cycle in all its phases, in a manner that achieves the required goals and objectives of its implementation.
- Enhancing the capabilities and potentials of external branches and subsidiaries by providing support and assistance to them by all departments and work centers in the bank, and continuing to enhance their efficiency and their contribution to increase the bank's profits through effective participation of members of the bank's executive management in the boards of directors of these companies.

Human Resources Pillar

- Increasing employee satisfaction and loyalty to the bank and improving their productivity by continuing to implement the Ideal Employee Initiative while continuing to pursue and care for excellent employees and link their performance with financial and non-financial rewards.
- Establishing clear principles and guidelines governing the advancement of employees to fill in vacancies in the bank.
- Reinforcing the effectiveness of the role of human resources management in improving the level of quality of service provided to internal customers through attracting competent human resource who will be trained and qualified to be deployed into branches and work centers with as per their workforce planning needs.
- Providing the necessary training opportunities that suit the actual needs of the employee and the job, which contributes to improving the performance and skills of the employees.
- Promoting the spirit of teamwork and activating communication between the various departments and work centers. Furthermore, expedite the time and flexibility in responding to the requirements of implementing and completing the required work.
- Adopting clear standards for the classification of branches and assessing their performance, and establishing evaluation criteria that is able to steer and stimulate energies towards customer care and the achievement of objectives, and measure objectively the effort of every employee in their workplace.
- Ensure that employee evaluation is built upon criteria that drive achievement of objectives and resect performance measurement indicators, in order to prepare the second row of employees and provide them with the scientific and practical knowledge and expertise necessary to develop their skills.
- Taking the necessary measures to enhance the concept of accountability for the purpose of reducing mishandlings and errors that may harm the bank's interests as well as reducing actual complaints received from customers.



Martyrs' Memorial

Algeria

Housing Bank for Trade and Finance – Algeria

04 Consolidated Financial Statements

Audit Report on the Consolidated Financial Statements

Deloitte.

AM/ 010923

To The Shareholders of
The Housing Bank for Trade and Finance
(A Public Shareholding Limited Company)
Amman – The Hashemite Kingdom of Jordan

Report on the Audit of the Consolidated Financial statements

Opinion

We have audited the consolidated financial statements of The Housing Bank for Trade and Finance (A Public Shareholding Limited Company) (the Bank") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at December 31, 2019, and the consolidated statements of income, consolidated statement of comprehensive income, consolidated statement of changes in owners' equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Bank as of December 31, 2019, and its consolidated financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the Central Bank of Jordan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the Bank's consolidated financial statements in Jordan, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The accompanying consolidated financial statements are a translation of the original consolidation financial statement, which are in the Arabic language, to which reference should be made.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

A description was provided on how to examine each of the matters referred to below in the audit procedures:

Key Audit Matters	How our audit addressed the key audit matter
1. Adequate Provision for Credit Losses on Credit Facilities As described in Note 10 to the consolidated financial statements, the Bank had direct credit facilities of JD 4.6 billion as at December 31, 2019 representing 54.5% of total assets. The determination of the Bank's expected credit losses for credit facilities measured at amortized cost is a material and complex estimate requiring significant management judgement in the evaluation of the credit quality and the estimation of inherent losses in the portfolio. The financial statement risk arises from several aspects requiring substantial judgement of management, such as the estimation of probabilities of default and loss given defaults for various stages, the determination of significant increases in credit risk (SICR) and credit-impairment status (default), the use of different modelling techniques and consideration of manual adjustments. In calculating expected credit losses, the Bank considered credit quality indicators for each loan and portfolios, stratifies loans and advances by risk grades and estimates losses for each loan based upon their nature and risk profile. Auditing these complex judgements and assumptions involves especially challenging auditor judgement due to the nature and extent of audit evidence and effort required to address these matters.	We established an audit approach which includes both testing the design and operating effectiveness of internal controls over the determination of expected credit losses and risk-based substantive audit procedures. Our procedures over internal controls focused on the governance over the process controls around the ECL methodology, completeness and accuracy of loan data used in the expected loss models, management review of outcomes, management validation and approval processes, the assignment of borrowers' risk classification, consistency of application of accounting policies and the process for calculating individual allowances. The primary substantive procedures which we performed to address this key audit matter included, but were not limited to, the following: • For a risk-based sample of individual loans, we performed a detailed credit review, assessed the appropriateness of information for evaluating the credit-worthiness and staging classification of individual borrowers and challenged the assumptions underlying the expected credit loss allowance calculations, such as estimated future cash flows, collateral valuations and estimates of recovery as well as considered the consistency of the Bank's application of its impairment policy. Further, we evaluated controls over approval, accuracy and completeness of impairment allowances and governance controls, including assessing key management and committee meetings that form part of the approval process for loan impairment allowances; • For loans not tested individually, we evaluated controls over the modelling process, including model monitoring, validation and approval. We tested controls over model outputs and the mathematical accuracy and computation of the expected credit losses by re-performing or independently calculating elements of the expected credit losses based on relevant source documents with the involvement of our modelling specialists. We challenged key assumptions, inspected the calculation methodology and traced a sample back to source data. We evaluated key assumptions such as thresholds used to determine SICR and forward looking macroeconomic scenarios including the related weighting;

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Key Audit Matters	How our audit addressed the key audit matter
The Bank expected credit losses are calculated against credit exposures, according to the requirements of International Financial Reporting Standard 9 Financial Instruments (IFRS 9) as adopted by the Central Bank of Jordan. Credit exposures granted directly to the Jordanian Government as well as credit exposers guaranteed by Government are excluded from the determination of the allowance for expected credit losses. In addition, expected credit losses are also adjusted to take into consideration any special arrangements with the Central Bank of Jordan. For further information on this key audit matter refer to Notes 10 and 46 to the consolidated financial statements.	• We evaluated post model adjustments and management overlays in the context of key model and data limitations identified by the Bank in order to assess the reasonableness of these adjustments, focusing on PD and LGD used for corporate loans, and challenged their rationale; • We assessed the reasonableness of forward looking information incorporated into the impairment calculations by involving our specialists to challenge the multiple economic scenarios chosen and weighting applied to capture non-linear losses; and • We determined if the amount recorded as the allowance for expected credit losses was determined in accordance with the instructions of the Central Bank of Jordan. • We tested, utilising our internal IT specialists, the IT application used in the credit impairment process and verified the integrity of data used as input to the models including the transfer of data between source systems and the impairment models. We evaluated system-based and manual controls over the recognition and measurement of impairment allowances.

Key Audit Matters	How our audit addressed the key audit matter
2. Provision for Lawsuits and Legal Claims The recognition and measurement of provisions for lawsuits and the measurement and disclosure of contingent liabilities in respect of legal claims requires significant judgement to be applied by the directors and as a result is considered to be a key audit matter. The legal cases and lawsuits raised against the bank have been disclosed in notes No.(20) and No.(51) on the consolidated financial statements a contingent liabilities has also disclosed in note (50) on the consolidated financial statements.	We assessed the design and implementation of controls in this area. We discussed and obtained a letter of confirmation from the Group's internal legal counsel about the existence of lawsuits and other legal claims and the related possible liability to the Group as a result of these matters. We obtained a letter of confirmation from the Group's external legal counsel about the existence of lawsuits and other legal claims and the related possible liability to the Group as a result of these matters. We assessed the amount provided by management in the statement of financial position in respect of lawsuits and other legal claims to determine if it was adequate. We assessed the disclosures relating to contingent liabilities arising from legal claims to determine if it was valid, complete and complied with the requirements of IFRSs.
3 IT systems and controls over financial reporting We identified IT systems and controls over the Bank's financial reporting as an area of focus due to the extensive volume and variety of transactions which are processed daily by the Bank and rely on the effective operation of automated and IT dependent manual controls. There is a risk that automated accounting procedures and related internal controls are not accurately designed and operating effectively. In particular, the incorporated relevant controls are essential to limit the potential for fraud and error as a result of change to an application or underlying data.	Our audit approach relies on automated controls and therefore the following procedures were designed to test access and control over IT systems: • We obtained an understanding of the applications relevant to financial reporting and the infrastructure supporting these applications. • We tested IT general controls relevant to automated controls and computer-generated information covering access security, program changes, data centre and network operations. • We examined computer generated information used in financial reports from relevant applications and key controls over their report logics. • We performed testing on the key automated controls on significant IT systems relevant to business processes.

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Other Information

Management is responsible for other information. The other information comprises the other information in the annual report, excluding the consolidated financial statements and the independent auditors' report there on. We expect that the annual report will be made available to us after the date of our audit report. Our opinion on the consolidated financial statements does not cover the other information, and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs as adopted by the Central Bank of Jordan, and for such internal control as management determines necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and implementation of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and have communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period, and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonable be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

The Bank maintains proper books of accounts, which are in agreement with the consolidated financial statements. We recommend that the General Assembly of Shareholders approve these consolidated financial statements.

Amman – The Hashemite Kingdom of Jordan
February 27, 2020

Deloitte & Touche (M.E.) – Jordan

Deloitte & Touche (M.E.)
ديلويت آند توش (الشرق الأوسط)
010103

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS IN DECEMBER 31,2019

	Note	2019 JD	2018 JD
Assets:			
Cash and balances at central banks-net	5	1,114,595,764	1,182,417,706
Balances at banks and financial institutions-net	6	452,515,681	552,436,392
Deposits at banks and financial institutions-net	7	56,296,849	37,578,850
Financial assets at fair value through profit or loss	8	3,673,524	3,735,411
Direct credit facilities-net	10	4,158,821,005	4,255,354,746
Financial assets at fair value through other comprehensive income	9	388,454,051	372,003,362
Financial assets at amortized cost - net	11	1,826,623,951	1,486,802,987
Property and equipment - net	12	185,136,052	186,565,718
Intangible assets - net	13	23,582,588	23,628,921
Right of use asset	19/a	28,702,451	-
Deferred tax assets	21/e	73,911,906	76,354,109
Other assets	14	128,935,815	123,159,399
TOTAL ASSETS		**8,441,249,637**	**8,300,037,601**
LIABILITIES AND OWNERS' EQUITY:			
LIABILITIES:			
Banks and financial institutions deposits	15	725,249,222	615,208,559
Customers' deposits	16	5,810,512,968	5,873,760,855
Cash margins	17	278,903,172	286,986,276
Borrowed funds	18	146,914,579	125,858,988
Sundry provisions	20	49,697,700	53,814,157
Income tax provision	21/a	43,188,532	49,752,994
Deferred tax liabilities	21/e	6,569,323	4,141,270
Lease liability	19/b	26,734,220	-
Other liabilities	22	229,666,079	210,420,928
TOTAL LIABILITIES		**7,317,435,795**	**7,219,944,027**
OWNERS' EQUITY:			
BANK'S SHAREHOLDERS' EQUITY:			
Paid-up capital	23	315,000,000	315,000,000
Share premium	23	328,147,537	328,147,537
Statutory reserve	23	235,755,327	219,222,999
Special reserve	24	11,184,797	10,798,320
Foreign currencies translation	25	(112,455,441)	(113,597,748)
Fair value reserve – net	26	5,400,864	(2,219,625)
Retained earnings	27	285,267,050	268,842,701
TOTAL BANK'S SHAREHOLDERS' EQUITY		**1,068,300,134**	**1,026,194,184**
Non-controlling interest		55,513,708	53,899,390
TOTAL OWNERS' EQUITY		**1,123,813,842**	**1,080,093,574**
TOTAL LIABILITIES AND OWNERS' EQUITY		**8,441,249,637**	**8,300,037,601**

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE AUDIT REPORT.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED DECEMBER 31, 2019

	Note	2019 JD	2018 JD
Interest income	30	446,277,759	418,271,541
Interest expense	31	(149,533,212)	(137,274,756)
Net Interest Income		**296,744,547**	**280,996,785**
Net commission income	32	26,785,632	25,899,994
Net Interest and Commission Income		**323,530,179**	**306,896,779**
Gain from foreign currencies	33	10,449,425	11,208,811
Gain (loss) from financial assets at fair value through profit or loss	34	10,450	(460,109)
Cash dividends from financial assets at fair value through other comprehensive income		226,968	169,739
Other income	35	26,762,472	31,009,571
Total Income		**360,979,494**	**348,824,791**
Expenses			
Employees' expenses	36	82,381,180	75,981,500
Depreciation and amortization	12&13&19	22,830,232	15,824,709
Other expenses	37	54,146,653	54,067,600
Allowance for expected credit loss - net	38	55,135,145	62,693,808
Sundry provisions - net	20	14,311,332	8,256,576
Total Expenses		**228,804,542**	**216,824,193**
Profit for the Year before Income Tax Expense		**132,174,952**	**132,000,598**
Income tax	21/b	(48,467,752)	(37,473,860)
Profit for the Year		**83,707,200**	**94,526,738**
Attributable to:			
Bank's Shareholders		**80,866,565**	**90,316,409**
Non-Controlling Interest		**2,840,635**	**4,210,329**
		83,707,200	**94,526,738**
Basic and diluted earnings per share for the year attributable to the Bank's Shareholders	**39**	**JD 0.257**	**JD 0.287**

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE AUDIT REPORT.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2019

	2019 JD	2018 JD
Profit for the year	**83,707,200**	**94,526,738**
Other comprehensive income items which may be reclassified to profit or loss in the subsequent period		
Foreign currencies translation	889,126	(8,706,550)
Net change in valuation reserve of financial assets at fair value through comprehensive income after tax - debt instruments	7,853,731	(1,826,051)
Other comprehensive income items that will not be reclassified to profit or loss in the subsequent period		
Net change in valuation reserve of financial assets at fair value through comprehensive income after tax - equity instruments	(233,242)	(284,115)
Total Comprehensive Income Items for the Year after Tax	**8,509,615**	**(10,816,716)**
Total Comprehensive Income for the Year	**92,216,815**	**83,710,022**
Attributable to:		
Bank's Shareholders	**89,629,361**	**81,249,910**
Non-Controlling Interest	**2,587,454**	**2,460,112**
	92,216,815	**83,710,022**

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE AUDIT REPORT.

CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY FOR THE YEAR ENDED DECEMBER 31, 2019

	Note	Paid-up Capital	Share Premium	Reserves: Statutory	Reserves: General Banking Risks	Reserves: Special	Foreign Currency Translation	Fair Value Reserve - Net	Retained Earnings	Total Shareholder's Equity	Non-Controlling Interest	Total Owners' Equity
		JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
For the Year Ended December 31, 2019												
Beginning balance for the year		**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		**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 Year		-	-	-	-	-	-	-	80,866,565	**80,866,565**	2,840,635	**83,707,200**
Net change in valuation reserve of financial assets at fair value through other comprehensive income after tax - debt instruments	26	-	-	-	-	-	-	7,853,731	-	**7,853,731**	-	**7,853,731**
Net change in valuation reserve of financial assets at fair value through other comprehensive income after tax - equity instruments		-	-	-	-	-	-	(233,242)	-	**(233,242)**	-	**(233,242)**
Foreign currency translation		-	-	-	-	-	1,142,307	-	-	**1,142,307**	(253,181)	**889,126**
Total Comprehensive Income		**-**	**-**	**-**	**-**	**-**	**1,142,307**	**7,620,489**	**80,866,565**	**89,629,361**	**2,587,454**	**92,216,815**
Realized gain from sold financial assets at fair value through other comprehensive income		-	-	-	-	-	-	-	13,638	**13,638**	-	**13,638**
Transferred to reserves		-	-	16,532,328	-	386,477	-	-	(16,918,805)	**-**	-	**-**
Dividends paid	27	-	-	-	-	-	-	-	(47,250,000)	**(47,250,000)**	(889,799)	**(48,139,799)**
Ending Balance for the Year		**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**
For the Year Ended December 31, 2018												
Beginning balance for the year		**315,000,000**	**328,147,537**	**206,742,971**	**37,608,684**	**8,807,007**	**(106,641,415)**	**(109,459)**	**273,604,841**	**1,063,160,166**	**53,070,195**	**1,116,230,361**
Effect of implementation of International Financial Reporting Standard No. (9)		-	-	-	-	-	-	-	(55,220,989)	**(55,220,989)**	(69,975)	**(55,290,964)**
Transferred from general banking risks		-	-	-	(37,608,684)	-	-	-	37,608,684	**-**	-	**-**
Adjusted beginning balance		**315,000,000**	**328,147,537**	**206,742,971**	**-**	**8,807,007**	**(106,641,415)**	**(109,459)**	**255,992,536**	**1,007,939,177**	**53,000,220**	**1,060,939,397**
Profit for the Year		-	-	-	-	-	-	-	90,316,409	**90,316,409**	4,210,329	**94,526,738**
Net change in valuation reserve of financial assets at fair value through other comprehensive income after tax - debt instruments		-	-		-	-	-	(1,826,051)	-	**(1,826,051)**	-	**(1,826,051)**
Net change in valuation reserve of financial assets at fair value through other comprehensive income after tax – equity instruments	26	-	-	-	-	-	-	(284,115)	-	**(284,115)**	-	**(284,115)**
Foreign currency translation		-	-	-	-	-	(6,956,333)	-	-	**(6,956,333)**	(1,750,217)	**(8,706,550)**
Total Comprehensive Income		**-**	**-**	**-**	**-**	**-**	**(6,956,333)**	**(2,110,166)**	**90,316,409**	**81,249,910**	**2,460,112**	**83,710,022**
Realized gain from sold financial assets at fair value through other comprehensive income		-	-	-	-	-	-	-	5,097	**5,097**	-	**5,097**
Transferred to/from reserves		-	-	12,480,028	-	1,991,313	-	-	(14,471,341)	**-**	-	**-**
Dividends paid	27	-	-	-	-	-	-	-	(63,000,000)	**(63,000,000)**	(1,560,942)	**(64,560,942)**
Ending Balance for the Year		**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**

- The Bank cannot use a restricted amount of JD 6,283,303 from retained earing 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 563,977, 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 73,911,906 from retained earing 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 13,788,636, which represents the gain from the valuation of foreign currencies at the International Bank for Trade and Finance / Syria for the current year and the prior years.

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE AUDIT REPORT.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2019

	Note	2019 JD	2018 JD
Operating Activities			
Profit before income tax		**132,174,952**	**132,000,598**
Adjustments for non-cash items:			
Depreciation and amortization		22,830,232	15,824,709
Provision for expected credit loss	38	55,135,145	62,901,888
Net unrealized loss from the valuation of financial assets at fair value through profit or loss		155,561	558,248
Net accrued interest and commission income		(1,088,028)	(3,587,350)
Effect of the change in exchange rates on cash and cash equivalents		(3,017,264)	(3,612,862)
Provision for end-of-service indemnity expense		7,681,497	3,245,903
Premiums and discounts amortization		(2,095,051)	1,103,230
Sundry provisions		14,311,332	8,256,576
Others		4,173,664	2,432,574
Cash flows from operating activities before changes in assets and liabilities		**230,262,040**	**219,123,514**
Decrease (Increase) in Assets			
Deposits at banks and financial institutions (maturing within more than 3 months)		(18,705,180)	268,059
Direct credit facilities		46,126,214	(164,103,201)
Financial assets at fair value through profit or loss		(93,674)	(526,448)
Other assets		(4,170,130)	(15,744,283)
Increase (Decrease) in Liabilities			
Banks and financial institutions' deposits (maturing within more than 3 months)		(80,088,970)	78,042,047
Customers' deposits		(63,247,887)	45,628,284
Cash margins		(8,083,104)	20,379,487
Other liabilities		8,968,981	19,101,482
Sundry provisions		(26,082,475)	(12,974,559)
Net Cash Flows from Operating Activities before Income Tax		**84,885,815**	**189,194,382**
Income tax paid		(53,352,248)	(52,514,979)
Net Cash Flows from Operating Activities		**31,533,567**	**136,679,403**
Investing Activities			
(Purchase) of financial assets at fair value through comprehensive income		(120,269,899)	(96,189,680)
Sale of financial assets at fair value through comprehensive income		113,666,056	107,083,327
(Purchase) of financial assets at amortized cost		(655,478,562)	(374,159,226)
Matured financial assets at amortized cost		318,672,790	301,109,431
(Purchase) of property and equipment		(11,973,120)	(17,632,584)
Proceeds from sale of property and equipment		147,193	257,270
(Purchase) of intagible assets		(5,288,935)	(4,090,536)
Paid for lease obligation		(7,976,544)	-
Net Cash Flows (used in) Investing Activities		**(368,501,021)**	**(83,621,998)**
Financing Activities			
Borrowed funds		21,055,591	23,400,330
Paid from borrowed funds		-	(11,678,127)
Dividends paid to shareholders		(45,047,795)	(62,947,665)
Non-controlling interest		(889,799)	(1,560,942)
Net Cash Flows (used in) Financing Activities		**(24,882,003)**	**(52,786,404)**
Net (Decrease) Increase in Cash and Cash Equivalents		**(361,849,457)**	**271,001**
Effect of the change in exchange rates on cash and cash equivalents		4,009,878	(4,347,410)
Cash and cash equivalents - beginning of the year		**1,267,129,014**	**1,271,205,423**
Cash and Cash Equivalents - End of the Year	**40**	**909,289,435**	**1,267,129,014**

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE AUDIT REPORT.

1 GENERAL

- 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 headquarters is located in Amman – The Hashemite Kingdom of Jordan.
- The Bank provides its banking and financing business activities through its headquarters in Amman Jordan; its branches in Jordan (125 branches); its branches abroad in Palestine and Bahrain (16 branches); and its subsidiaries in Jordan, Syria, Algeria, and the United Kingdom.
- The Bank's shares are traded on Amman Stock Exchange.
- The consolidated financial statements were approved by the Bank's Board of Directors in their meeting held on January 23, 2020 and it is subject to the approval of the general assembly of shareholders.

2 Significant Accounting Policies

Basis of consolidated financial statements preparation

The accompanying consolidated financial statements for the Bank have been prepared in accordance with the standards issued by the International Accounting Standards Board, and interpretations of the International Financial Reporting Interpertation Committee arising from the International Accounting Standrads Committee, as adapted by Central Bank of Jordan.

The key differences between International Financial Reporting Standards that should be applied and what adopted by the Central Bank of Jordan are as follows:

- Provisions for expected credit losses are calculated in accordance with the Central Bank of Jordan (CBJ) instructions No. (13/2018) "International Financial Reporting Standard No. (9) Implementation" dated June 6, 2018 and in accordance with the regulatory authorities instructions in the countries that the Bank operates whichever is more strict, the main significant differences are as follows:
  - Exclusion Debt instruments issued or guaranteed by the Jordanian Government, so that credit exposures issued or guaranteed by the Jordanian Government are treated with no credit losses.
  - When calculating credit losses against credit exposures, the calculation results in accordance to International Financial Reporting Standards (9) are compared with the calculation as per the instructions of the Central Bank of Jordan No. (47/2009) dated December 10, 2009 for each stage separately and the greater results are recorded.
- In accordance with the instructions of the Central Bank of Jordan and the instructions of the supervisory authorities in the countries in which the bank operates, interest and commissions are suspended on non-performing credit facilities.
- Assets seized by the Bank are shown in the consolidated statement of financial position among other assets at their current value when seized by the Bank or at fair value, whichever is lower, and are individually reassessed on the date of the consolidated financial statements. Any impairment loss is recorded in the consolidated statement of profit or loss while any increase in the value is not recorded as revenue. Subsequent increase is taken to the consolidated statement of profit or loss to the extent of not exceeding the previously recorded impairment. Also effective beginning of 2015, a gradual provision was made for assets seized against debts for a period over 4 years, according to the Central Bank of Jordan Circular No. 15/1/4076 dated March 27, 2014 and No. 10/1/2510 dated February 14, 2017. The Central Bank of Jordan has issued Circular No. 10/1/13967 dated October 25, 2018, on which it approved the extension of Circular No. 10/1/16607 dated December 17, 2017, whereby it had confirmed to postpone the provision calculation until the end of 2019. According to the Central Bank of Jordan Circular No. 10/1/16239 dated November 21, 2019, the deduction of the provisions required against seized assets should continue at a rate of 5% of the total book values of these properties (regardless of the violation period) from the year of 2021, untill the required percentage of 50% is reached by the end of 2029.

- Additional provisions are calculated in the consolidated financial statements against some of the Bank's foreign investments in some neighbouring countries.
- The consolidated financial statements have been prepared under the historical cost, except for certain financial instruments that have been measured at fair value at the end of each financial period, as described in the accounting policies below.
- The reporting currency of the consolidated financial statements is the Jordanian Dinar, which is the functional currency of the Bank.
- The accounting policies adopted in preparing the consolidated financial statements are consistent with those applied in the year ended December 31, 2018, except for the effect of the application of the new and revised standards applied on or after January 1, 2019 as stated in Note (3-a & 3-b).

Basis of Consolidation

The consolidated financial statements include the financial statements 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 between the Bank and its subsidiaries.

As of December 31, 2019 the Bank owns the following subsidiaries:

A- Foreign subsidiaries

- International Bank for Trade and Finance / Syria (paid-up capital is Syrian Lira 5.25 billion, of which the Bank owns 49.063%). The Bank has the power to control the operating, financial and administrative policies and 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: (ownership is 85% of the bank's capital of 15 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: (ownership is 75% of paid-up capital, which amounts to 65 million pounds sterling (65 million shares). The bank conducts all banking activities.

B- Local subsidiaries

- International Financial Center Company / Jordan (paid-up capital JD 5 million, of which the Bank owns 77.5%). The Company's main activity is financial brokerage in Amman Stock Exchange (ASE) and other exchange markets (Stock markets) in the Hashemite Kingdom of Jordan and outside Jordan, 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, of which the Bank owns 100% of paid- up capital of JD 30 million. 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- up 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.

The results of the subsidiaries' operations in the consolidated statement of profit or loss effective from their acquisition date, which is the date on which control over the subsidiaries is effectively transferred to the Bank. Furthermore, the results of the disposed-of subsidiaries are consolidated in the consolidated statement of profit or loss up to the date of their disposal, which is the date on which the Bank loses control over the subsidiaries.

Control is achieved when the Bank:
- Has the power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect the investee's returns.

The Bank reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control listed above.When the Bank has less than the majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. In this regard, the Bank considers all relevant facts and circumstances in assessing whether or not the Bank's voting rights in an investee are sufficient to give it power, including:
- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, other vote holders, or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Bank has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

When the Bank loses control of a subsidiary, it performs the following:
- Derecognizes the assets (including goodwill) and liabilities of the subsidiary.
- Derecognizes the book value of any non-controlling interests.
- Derecognizes the transfer difference accumulated in Owners' Equity.
- Derecognizes the fair value of the consideration received controlling party.
- Derecognizes the fair value of any investment retained.
- Derecognizes any gain or loss in the statement of profit or loss.
- Reclassifies owners' equity already booked in other comprehensive income to the rofit or loss statement, as appropriate.

The subsidiaries' financial statements are prepared under the same accounting policies adopted by the Bank. If the subsidiaries apply different accounting policies than those used by the Bank, the necessary modifications shall be made to the subsidiaries' financial statements to make them comply with the accounting policies used by the Bank.

The non-controlling interest represent the portion not owned by the Bank relating to the ownership of the subsidiaries.

Segment Information

Business sectors represent a group of assets and operations that jointly provide products or services subject to risks and returns different from those of other business sectors which are measured in accordance with the reports sent to the operations management and decision makers in the Bank.

The geographical sector relates to providing products or services in a specific economic environment subject to risk and returns different from those of sectors functioning in other economic environments.

Net Interest Income

Interest income and expense for all financial instruments, except for those classified as held for trading, or those measured or designated as at fair value through consolidated statement of profit or loss, are recognized in 'Net Interest Income' as 'Interest Income' and 'Interest Expense' in the statement of profit or loss using the effective interest method. Interest on financial instruments measured at fair value through the consolidated statement of profit or loss is included within the fair value movement during the period.

The effective interest rate is the rate that discounts the estimated future cash flows of the financial instrument through the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability. The future cash flows are estimated, taking into account all the contractual terms of the instrument.

Interest income/ interest expense is calculated by applying the effective interest rate to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortized cost of the financial asset before adjusting for any expected credit loss allowance), or to the amortized cost of financial liabilities. For credit-impaired financial assets, the interest income is calculated by applying the effective interest rate to the amortized cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for expected credit losses). For financial assets originated or purchased credit-impaired, the effective interest rate reflects the expected credit losses in determining the future cash flows expected to be received from the financial asset.

Interest income and expense in the Bank's consolidated statement of profit or loss also includes the effective portion of fair value changes of derivatives designated as hedging instruments in cash flow hedges of interest rate risk. For fair value hedges of interest rate risk related to interest income and expense, the effective portion of the fair value changes of the designated derivatives, as well as the fair value changes of the designated risk of the hedged item, are also included in interest income and expense against the lease contract liabilities.

Net Fees and Commission Income

Fees and commission income and expense include fees other than those that are an integral part of the effective interest rate. The fees included in this part of the Bank's consolidated statement of profit or loss include, among other things, fees charged for servicing a loan, non-utilization fees relating to loan commitments when it is unlikely that these will result in a specific lending arrangement, and loan syndication fees.

Fee and commission expenses concerning services are accounted for as the services are received.

A contract with a customer that results in a recognized financial instrument may be partially in the scope of IFRS 9 and partially in the scope of IFRS 15. If this is the case, then the Bank first applies IFRS 9 to separate and measure the part of the contract that is in the scope of IFRS 9 and then applies IFRS 15 to the residual.

Net Trading Income

Net trading income includes all gains and losses from changes in the fair value of financial assets and financial liabilities held for trading. The Bank has elected to present the full fair value movement of trading assets and liabilities in trading income, including any related interest income, expense, and dividends.

Net Income from Other Financial Instruments at Fair Value through Profit or Loss

Net income from other financial instruments at fair value through profit or loss includes all gains and losses from changes in the fair value of financial assets and financial liabilities at fair value through profit or loss except those that are held for trading. The Bank has elected to present the full fair value movement of assets and liabilities at fair value through profit or loss in this line, including the related interest income, expense, and dividends.

The fair value movement on derivatives held for economic hedging where hedge accounting is not applied are presented in 'Net income from other financial instruments at fair value through the statement of profit or loss. However, for designated and effective fair value hedge accounting relationships, the gains and losses on the hedging instrument are presented in the same line in the statement of profit or loss as the hedged item. For designated and effective cash flow and net investment hedge accounting relationships, the gains and losses of the hedging instrument, including any hedging ineffectiveness included in the statement of profit or loss, are presented in the same line as the hedged item that affects the statement of profit or loss.

Dividend Income

Dividend income is recognized when the right to receive payment is established. This is the ex-dividend date for listed equity securities, and usually the date when shareholders approve the dividend for unlisted equity securities.

The presentation of dividend income in the statement of profit or loss depends on the classification and measurement of the equity investment, i.e.:

- For equity instruments which are held for trading, dividend income is presented as trading income (loss) as financial assets at fair value through statement of profit or loss ;
- For equity instruments classified at fair value through other comprehensive income, dividend income is presented in dividends from financial assets at fair value through other comprehensive income line within the statement of profit or loss.
- For equity instruments not classified at fair value through other comprehensive income and not held for trading, dividend income is presented as net income from other instruments at fair value through the statement of profit or loss.

Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognized in the Bank's consolidated statement of financial position when the Bank becomes a party to the contractual provisions of the instrument. Loans and advances to customers are recognized as soon as they are credited to the customer's account.
Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributed to the acquisition or the issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities as appropriate on initial recognition. Transaction costs directly attributed to the acquisition of financial assets or financial liabilities at fair value through the statement of profit or loss are recognized immediately in the statement of profit or loss.

If the transaction price differs from fair value at initial recognition, the Bank will account for such difference as follows:

- If fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets, then the difference is recognized in the statement of profit or loss on initial recognition (i.e. day 1 the statement of profit or loss);
- In all other cases, the fair value will be adjusted to become it in line with the transaction price (i.e. day 1 the statement of profit or loss will be deferred by including it in the initial carrying amount of the asset or liability).

After initial recognition, the deferred gain or loss will be recognized in the statement of profit or loss on a rational basis, only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability or when derecognizing the instruments.

Financial Assets

Initial Recognition

All financial assets are recognized on the trading date when the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned. They are initially measured at fair value, plus transaction costs, except for those financial assets classified as fair value through profit or loss. Transaction costs directly attributable to the acquisition of financial assets classified as fair value through profit or loss are recognized immediately in the consolidated statement of profit or loss.

Subsequent Measurement

All recognized financial assets that are within the scope of IFRS 9 are required to be subsequently measured at amortized cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Specifically:

- Debt instruments held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI), are subsequently measured at amortized cost;
- Debt instruments held within a business model whose objective is both to collect the contractual cash flows and to sell the debt instruments, and that have contractual cash flows that are SPPI, are subsequently measured at fair value through other comprehensive income;
- All other debt instruments (e.g. debt instruments managed on a fair value basis, or held for sale) and equity investments are subsequently measured at fair value through profit or loss. However, the Bank may irrevocably make the following selection / designation at initial recognition of a financial asset on an asset-by-asset basis:
- The Bank may irrevocably select to present subsequent changes in fair value of an equity investment that is neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies, in other comprehensive income; and
- The Bank may irrevocably designate a debt instrument that meets the amortized cost or fair value through other comprehensive income criteria as measured at fair value through the statement of income, if doing so eliminates or significantly reduces an accounting mismatch (referred to as the fair value option).

Debt Instruments at Amortized Cost or at Fair Value through Other Comprehensive Income
The Bank assesses the classification and measurement of a financial asset based on the contractual cash flow characteristics of the asset and the Bank's business model for managing the asset.

For an asset to be classified and measured at amortized cost or at fair value through other comprehensive income, its contractual terms should give rise to cash flows that are solely payments of principal and interest on the principal outstanding (SPPI).

For the purpose of solely payments of principal and interest test, principal is the fair value of the financial asset at initial recognition. That principal amount may change over the life of the financial asset (e.g. if there are repayments of principal). Interest consists of the consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time, and for other basic lending risks and costs, as well as a profit margin. The solely payments of principal and interest assessment is made in the currency in which the financial asset is denominated.

Contractual cash flows that are SPPI are consistent with a basic lending arrangement. Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are solely payments of principal and interest. An originated or an acquired financial asset can be a basic lending arrangement irrespective of whether it is a loan in its legal form.

Assessment of Business Models
An assessment of business models for managing financial assets is fundamental to the classification of a financial asset. The Bank determines the business models at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. The Bank's business model does not depend on management's intentions for an individual instrument; therefore, the business model assessment is performed at a higher level of aggregation rather than on an instrument-by-instrument basis.

The Bank has more than one business model for managing its financial instruments, which reflect how the Bank manages its financial assets in order to generate cash flows. The Bank's business models determine whether cash flows will result from collecting contractual cash flows, selling financial assets, or both.

The Bank considers all relevant information available when making the business model assessment. However, this assessment is not performed based on scenarios that the Bank does not reasonably expect to occur, such as so-called 'worst case' or 'stress case' scenarios. The Bank takes into account all relevant evidence available such as:
- The stated policies and objectives of the portfolio and application of those policies whether the management strategy focuses on obtaining contractual revenues, maintaining specific profit rate matching the profit of financial assets with the period of financial liabilities that finance those assets.
- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way in which those risks are managed; and
- How the business managers are compensated (e.g. whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

At initial recognition of a financial asset, the Bank determines whether newly recognized financial assets are part of an existing business model or whether they reflect the commencement of a new business model. The Bank reassess its business models each reporting period to determine whether the business models have changed since the preceding period.

When a debt instrument measured at fair value through other comprehensive income is derecognized, the cumulative gain/loss previously recognized in other comprehensive income is reclassified from equity to the consolidated statement of profit or loss. In contrast, for an equity investment designated as measured at fair value through other comprehensive income, the cumulative gain/loss previously recognized in other comprehensive income is not subsequently reclassified to the consolidated statement of profit or loss but transferred within equity.

Debt instruments that are subsequently measured at amortized cost or at fair value through other comprehensive income are subject to impairment.

Financial Assets at fair Value through Profit or Loss

Financial assets at fair value through profit or loss are:

- Assets with contractual cash flows that are not solely payments of principal and interest; or/and
- Assets that are held in a business model other than held to collect contractual cash flows or held to collect and sell; or
- Assets designated at fair value through profit or loss using the fair value option.

These assets are measured at fair value, with any gains/losses arising on re-measurement recognized in the consolidated statement of income.

Reclassifications

If the business model under which the Bank holds financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model, which results in reclassifying the Bank's financial assets. The changes in the contractual cash flows are considered under the accounting policy on the modification and de-recognition of financial assets described below.

Foreign Exchange Gains and Losses

The carrying amount of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically:

- For financial assets measured at amortized cost that are not part of a designated hedging relationship, exchange differences are recognized in the statement of income;
- For debt instruments measured at fair value through other comprehensive income that are not part of a designated hedging relationship, exchange differences on the amortized cost of the debt instrument are recognized in the statement of profit or loss. Other exchange differences are recognized in other comprehensive income in the investments revaluation reserve;
- For financial assets measured at fair value through profit or loss that are not part of a designated hedge accounting relationship, exchange differences are recognized in the statement of profit or loss;
- And For equity instruments measured at fair value through other comprehensive income, exchange differences are recognized in other comprehensive income in the investments revaluation reserve.

Fair Value Option

A financial instrument with a fair value that can be reliably measured at fair value through profit or loss (fair value option) can be classified at initial recognition even if the financial instruments are not acquired or incurred principally for the purpose of selling or repurchasing. The fair value option may be used for financial assets if it significantly eliminates or sign ificantly reduces the measurement or recognition inconsistency that would otherwise have resulted in the measurement of the asset or liability or recognized the related gain or loss on a different basis ("accounting mismatch"). The fair value option for financial liabilities can be chosen in the following cases:

- If the selection leads to a significant cancellation or reduction of the accounting mismatch.
- If the financial liabilities are part of a portfolio managed on a fair value basis, in accordance with a documented risk management or investment strategy; or
- If a derivative is included in the underlying financial or non-financial contract, and the derivative is not closely related to the underlying contract.

These instruments can not be reclassified from the fair value category through profit or loss while retained or issued. Financial assets at fair value through profit or loss are recognized at fair value with any unrealized gain or loss arising from changes in fair value recognized in investment profit or loss.

Impairment

The Bank recognizes loss allowances for expected credit losses on the following financial instruments that are not measured at fair value through the statement of income:

- Balances and deposits at banks and financial institutions;
- Direct credit facilities (Loans and advances to customers);
- Financial assets at amortized cost (Debt investment securities);
- Financial assets at fair value through other comprehensive income;
- Off statement of financial position exposures subject to credit risk (Financial guarantee contracts issued).

No impairment loss is recognized on equity investments.

With the exception of purchased or originated credit-impaired (POCI) financial assets (which are considered separately below), expected credit losses are required to be measured through a loss allowance at an amount equal to:

- 12-month expected credit loss, i.e. lifetime expected credit loss that results from those default events on the financial instrument that are possible within 12 months after the reporting date, (referred to as Stage 1); or
- 12-month expected credit loss, i.e. lifetime expected credit loss that results from all possible default events over the life of the financial instrument, (referred to as Stage 2 and Stage 3).

A loss allowance for full lifetime expected credit loss is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, expected credit losses are measured at an amount equal to the 12-month expected credit loss.

Expected credit losses are a probability-weighted estimate of the present value of credit losses. These are measured as the present value of the difference between the cash flows due to the Bank under the contract and the cash flows that the Bank expects to receive arising from the weighting of multiple future economic scenarios, discounted at the asset's effective interest rate.

For unutilized loan limits, the expected credit loss is the difference between the present value of the difference between the contractual cash flows that are due to the Bank if the holder of the commitment draws down the loan and the cash flows that the Bank expects to receive if the loan is utilized; and

For financial guarantee contracts, the expected credit loss is the difference between the expected payments to reimburse the holder of the guaranteed debt instrument less any amounts that the Bank expects to receive from the holder, the client, or any other party.
The Bank measures expected credit loss on an individual basis, or on a collective basis for portfolios of loans that share similar economic risk characteristics. The measurement of the loss allowance is based on the present value of the asset's expected cash flows using the asset's original effective interest rate, regardless of whether it is measured on an individual basis or a collective basis.

Provisions for expected credit losses are calculated in accordance with the Central Bank of Jordan instructions No. (2018/13) "Adoption of IFRS 9" on June 6, 2018, and according to the instruction of the supervisory authorities in the countries in which the Bank operates, whichever is stronger , the material differences is as follows:

- Elimination of debt instrument issued or granted by the Jordanian government so that credit exposures is resolved on the Jordanian Government and by its guarantee without credit losses.
- When calculating the credit losses against credit exposures, a calculation comparasion according to IFRS 9 with Central Bank of Jordan instructions No. (2009/47) dated December 10, 2009 for each stage individual, the stronger results is taken.

Credit-impaired Financial Assets

A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Credit-impaired financial assets are referred to as Stage 3 assets. Evidence of credit-impairment includes observable data about the following events:

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or past due event;
- The lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- The disappearance of an active market for a security because of financial difficulties; or
- The purchase of a financial asset at a deep discount that reflects the incurred credit losses.

It may not be possible to identify a single discrete event. Instead, the combined effect of several events may have caused financial assets to become credit-impaired. The Bank assesses whether debt instruments that are financial assets measured at amortized cost or fair value through other comprehensive income are credit-impaired at each reporting date. To assess if corporate debt instruments are credit impaired, the Bank considers factors such as bond yields, credit ratings, and the ability of the borrower to raise funding.
A loan is considered credit-impaired when a concession is granted to the borrower due to a deterioration in the borrower's financial condition, unless there is evidence that as a result of granting the concession, the risk of not receiving the contractual cash flows has reduced significantly, and there are no other indicators of impairment. For financial assets where concessions are contemplated but not granted, the asset is deemed credit-impaired when there is observable evidence of credit-impairment including meeting the definition of default. The definition of default includes unlikeliness to pay indicators and a back- stop if amounts are overdue for 90 days or more. However, in cases where the assets impairment is not recognized after 90 days overdue are supported by reasonable information.

Purchased or Originated Credit-impaired (POCI) Financial Assets

Purchased or originated credit-impaired financial assets are treated differently because the asset is credit-impaired at initial recognition. For these assets, the Bank recognizes all changes in lifetime expected credit loss since initial recognition as a loss allowance with any changes recognized in the consolidated statement of profit or loss. A favorable change for such assets creates an impairment gain.

Definition of Default

Critical to the determination of expected credit loss is the definition of default. The definition of default is used in measuring the amount of expected credit loss and in the determination of whether the loss allowance is based on 12-month or lifetime expected credit loss, as default is a component of the probability of default (PD) which affects both the measurement of expected credit losses and the identification of a significant increase in credit risk below.

The Bank considers the following as constituting an event of default:

- The borrower is past due more than 90 days on any material credit obligation to the Bank; or
- The borrower is unlikely to pay its credit obligations to the Bank in full.

The definition of default is appropriately tailored to reflect different characteristics of different types of assets. Overdrafts are considered as being past due once the customer has breached an advised limit or has been advised of a limit smaller than the current amount outstanding.

When assessing if the borrower is unlikely to pay its credit obligation, the Bank takes into account both qualitative and quantitative indicators. The information assessed depends on the type of the asset. For example, in corporate lending, a qualitative indicator used is the breach of covenants, which is not relevant for retail lending. Quantitative indicators, such as overdue status and non-payment on another obligation of the same counterparty are key inputs in this analysis. The Bank uses a variety of sources of information to assess default that is either developed internally or obtained from external sources.

Significant Increase in Credit Risk

The Bank monitors all financial assets, issued loan commitments, and financial guarantee contracts that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk, the Bank measures the loss allowance based on lifetime rather than 12-month expected credit loss.

The Bank's accounting policy is not to use the practical expedient that financial assets with 'low' credit risk at the reporting date are deemed not to have had a significant increase in credit risk. As a result, the Bank monitors all financial assets, issued loan commitments, and financial guarantee contracts that are subject to impairment for significant increase in credit risk.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Bank compares the risk of a default occurring on the financial instrument at the reporting date, based on the remaining maturity of the instrument, with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognized. In making this assessment, the Bank considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, based on the Bank's historical experience and expert credit assessment including forward-looking information.

Multiple economic scenarios form the basis of determining the probability of default at initial recognition and at subsequent reporting dates. Different economic scenarios will lead to a different probability of default. It is the weighting of these different scenarios that forms the basis of a weighted average probability of default that is used to determine whether credit risk has significantly increased.

For corporate lending, forward-looking information includes the future prospects of the industries in which the Bank's counterparties operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organizations, as well as consideration of various internal and external sources of actual and forecast economic information. For retail lending, forward-looking information includes the same economic forecasts as corporate lending with additional forecasts of local economic indicators, particularly for regions with a concentration to certain industries, as well as internally generated information of customer payment behavior. The Bank allocates its counterparties to a relevant internal credit risk grade depending on their credit quality. The quantitative information is a primary indicator of significant increase in credit risk and is based on the change in lifetime probability of default by comparing:
- The remaining lifetime probability of default at the reporting date; with
- The remaining lifetime probability of default for this point in time that was estimated based on facts and circumstances at the time of initial recognition of the exposure.

The probability of default used is forward looking, and the Bank uses the same methodologies and data used to measure the loss allowance for expected credit loss.

The qualitative factors that indicate significant increase in credit risk are reflected in probability of default models on a timely basis. However the Bank still considers separately some qualitative factors to assess if credit risk has increased significantly. For corporate lending, there is particular focus on assets that are included on a 'watch list'. An exposure is on a watch list once there is a concern that the creditworthiness of the specific counterparty has deteriorated. For retail lending, the Bank considers the expectation of forbearance and payment holidays, credit scores and events such as unemployment, bankruptcy, divorce or death.

Given that a significant increase in credit risk since initial recognition is a relative measure, a given change, in absolute terms, in the probability of default will be more significant for a financial instrument with a lower initial probability of default than for a financial instrument with a higher probability of default.

As a backstop when an asset becomes more than 45 days past due, the Bank considers that a significant increase in credit risk has occurred, and the asset is in stage 2 of the impairment model, i.e. the loss allowance is measured as the lifetime expected credit loss.

Modification and Derecognition of Financial Assets

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date. In addition, the introduction or adjustment of existing covenants of an existing loan would constitute a modification even if these new or adjusted covenants do not yet affect the cash flows immediately but may affect the cash flows depending on whether the covenant is or is not met (e.g. a change to the increase in the interest rate that arises when covenants are breached).

The Bank renegotiates loans to customers in financial difficulty to maximize collection and minimize the risk of default. A loan forbearance is granted in cases where although the borrower made all reasonable efforts to pay under the original contractual terms, there is a high risk of default, or default has already happened, and the borrower is expected to be able to meet the revised terms. The revised terms in most of the cases include an extension of the maturity of the loan, changes to the timing of the cash flows of the loan (principal and interest repayment), reduction in the amount of cash flows due (principal and interest forgiveness) and amendments to covenants. The Bank has an established forbearance policy, which applies for corporate and retail lending.

When a financial asset is modified, the Bank assesses whether this modification results in derecognition. In accordance with the Bank's policy, a modification results in derecognition when it gives rise to substantially different terms. To determine if the modified terms are substantially different from the original contractual terms, the Bank considers the following:

- Qualitative factors, such as contractual cash flows after modification are no longer SPPI, change in currency or change of counterparty, the extent of change in interest rates, maturity, covenants. If these do not clearly indicate a substantial modification, then;
- A quantitative assessment is performed to compare the present value of the remaining contractual cash flows under the original terms with the contractual cash flows under the revised terms, both amounts discounted at the original effective interest.

In the case where the financial asset is derecognized, the loss allowance for expected credit loss is re-measured at the date of derecognition to determine the net carrying amount of the asset at that date. The difference between this revised carrying amount and the fair value of the new financial asset with the new terms will lead to a gain or loss on derecognition. The new financial asset will have a loss allowance measured based on 12-month expected credit loss except in the rare occasions where the new loan is considered to be originated- credit impaired. This applies only in the case where the fair value of the new loan is recognized at a significant discount to its revised par amount because there remains a high risk of default which has not been reduced by the modification. The Bank monitors credit risk of modified financial assets by evaluating qualitative and quantitative information, such as if the borrower is in past due status under the new terms.

When the contractual terms of a financial asset are modified, and the modification does not result in derecognition, the Bank determines if the financial asset's credit risk has increased significantly since initial recognition by comparing:

- The remaining lifetime probability of default estimated based on data at initial recognition and the original contractual terms; with
- The remaining lifetime probability of default at the reporting date based on the modified terms.

For financial assets modified as part of the Bank's forbearance policy, where modification did not result in derecognition, the estimate of probability of default reflects the Bank's ability to collect the modified cash flows taking into account the Bank's previous experience of similar forbearance action, as well as various behavioral indicators, including the borrower's payment performance against the modified contractual terms. If the credit risk remains significantly higher than what was expected at initial recognition, the loss allowance will continue to be measured at an amount equal to lifetime expected credit loss. The loss allowance on forborne loans will generally only be measured based on 12-month expected credit loss when there is evidence of the borrower's improved repayment behavior following modification leading to a reversal of the previous significant increase in credit risk.

When the modification does not lead to derecognition, the Bank calculates the modification gain/loss comparing the gross carrying amount before and after the modification (excluding the provision for expected credit loss). Then the Bank measures expected credit loss for the modified asset, where the expected cash flows arising from the modified financial asset are included in calculating the expected cash shortfalls from the original asset.

The Bank derecognizes a financial asset only when the contractual rights to the asset's cash flows expire (including expiry arising from a modification with substantially different terms), or when the financial asset and substantially all the risks and rewards of ownership of the asset are transferred to another entity. If the Bank neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Bank recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Bank retains substantially all the risks and rewards of ownership of a transferred financial asset, the Bank continues to recognize the financial asset and recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain/loss that had been recognized in other comprehensive income and accumulated in equity is recognized in the statement of income, with the exception of equity investment designated as measured at fair value through other comprehensive income, where the cumulative gain/loss previously recognized in other comprehensive income is not subsequently reclassified to the statement of income.

Write-off

Financial assets are written off when the Bank has no reasonable expectations of recovering the financial asset. This is the case when the Bank determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Bank may apply enforcement activities to financial assets written off. Recoveries resulting from the Bank's enforcement activities will be recognized in consolidated statement of profit or loss when it's recovered.

Presentation of Allowance for Expected Credit Loss in the Consolidation Statement of Financial Position

Loss allowances for expected credit loss are presented in the consolidated statement of financial position as follows:

- For financial assets measured at amortized cost: as a deduction from the gross carrying amount of the assets;
- For debt instruments measured at fair value through other comprehensive income: no loss allowance is recognized in the consolidated statement of financial position as the carrying amount is at fair value. However, the loss allowance is included as part of the revaluation amount in the investments revaluation reserve.
- For loan commitments and financial guarantee contracts: as a provision; and
- Where a financial instrument includes both a drawn and an undrawn component, and the Bank cannot identify the expected credit loss on the loan commitment component separately from those on the drawn component: the Bank presents a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn component is presented as a provision.

Loans and advances

The "loans and advances" included in the consolidated statement of financial position as follows:

- Loans and advances measured at amortized cost, which are initially measured at fair value plus additional direct transaction costs, and later at amortized cost using the effective interest method.
- Loans and advances that are measured at fair value through profit or loss, or that determined as being at fair value through profit or loss; measured at fair value and recognize changes directly in profit or loss; and
- Lease obligations.
- Interest and commissions are suspended on non-performing credit facilities granted to clients in accordance with the instructions of the Central Bank of Jordan.
- All related credit facilities and outstanding interest covered by the provision are transferred out of the consolidated statement of financial position, and this according to the decisions of board of directors in this regards.
- The outstanding accounts interest with lawsuits outside the consolidated statement of financial position are recognized in accordance with the decisions of the board of directors in this regards.

When the Bank purchases a financial assets and concludes an agreement simultaneously to resell the asset (or a substantially similar asset) at a fixed price. At later date (repurchase or borrow the shares) the consideration paid is calculated as a loan or advance, and the asset is not recognized in the Bank financial statements.

Financial Liabilities and Equity

Debt and equity instruments issued are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

A financial liability is a contractual obligation to deliver cash or another financial asset, or to exchange financial assets or financial liabilities with another entity under conditions potentially unfavorable to the Bank, or a contract that will or may be settled in the Bank's own equity instruments and is a non-derivative contract for which the Bank is or may be obliged to deliver a variable number of its own equity instruments, or a derivative contract over own equity that will or may be settled other than by the exchange of a fixed amount of cash (or another financial asset) for a fixed number of the Bank's own equity instruments.

Equity Instruments

Paid up Capital

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Bank are recognized at the proceeds received, net of direct issue costs.

Treasury Shares

Repurchase of the Bank's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in the consolidated statement of profit or loss on the purchase, sale, issue or cancellation of the Bank own equity instruments.

Compound Instruments

The component parts of compound instruments (e.g. convertible notes) issued by the Bank are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Bank's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. In the case there are non-closed related embedded derivatives, these are separated first with the remainder of the financial liability being recorded on an mortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

Financial Liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss or 'other financial liabilities'.

Financial liabilities at Fair Value Through the Statement of Profit or Loss

Financial liabilities are classified as at fair value through the statement of profit or loss when the financial liability is (i) held for trading, or (ii) it is designated as at fair value through the statement of profit or loss. A financial liability is classified as held for trading if:

- It has been incurred principally for the purpose of repurchasing it in the near term; or
- On initial recognition, it is part of a portfolio of identified financial instruments that the Bank manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument.

A financial liability, other than a financial liability held for trading, or contingent consideration that may be paid by an acquirer as part of a business combination, may be designated as at fair value through the statement of profit or loss upon initial recognition if:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- The financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Bank's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- It forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire hybrid (combined) contract to be designated as at fair value through the statement of profit or loss.

Financial liabilities at fair value through profit or loss are stated at fair value, with any gains/losses arising on re-measurement recognized in the statement of profit or loss to the extent that they are not part of a designated hedging relationship. The net gain/loss recognized in the statement of profit or loss incorporates any interest paid on the financial liability and is included in the 'net income from other financial instruments at fair value through profit or loss line item in the statement of profit or loss.

However, for non-derivative financial liabilities designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability attributable to changes in the credit risk of that liability is recognized in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in the statement of profit or loss. The remaining amount of change in the fair value of liability is recognized in the consolidated statement of profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognized in other comprehensive income are not subsequently reclassified to the consolidated statement of profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

For issued loan commitments and financial guarantee contracts designated as at fair value through profit or loss, all gains and losses are recognized in the consolidated statement of profit or loss.

In making the determination of whether recognizing changes in the liability's credit risk in other comprehensive income will create or enlarge an accounting mismatch in the consolidated statement of profit or loss , the Bank assesses whether it expects that the effects of changes in the liability's credit risk will be offset in the statement of profit or loss by a change in the fair value of another financial instrument measured at fair value through the consolidated statement of profit or loss.

Other Financial Liabilities

Other financial liabilities, including deposits and borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. For details on effective interest rate, see the "net interest income section" above.

Derecognition of Financial Liabilities

The Bank derecognizes financial liabilities when, and only when, the Bank's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in the consolidated statement of profit or loss.

When the Bank exchanges with the existing lender one debt instrument into another one with substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Bank accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate, is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability.

Derivative Financial Instruments
The Bank enters into a variety of derivative financial instruments some of which are held for trading while others are held to manage its exposure to interest rate risk; credit risk; and foreign exchange rate risk. Held derivatives include foreign exchange forward contracts, interest rate swaps, cross currency interest rate swaps, and credit default swaps.

Derivatives are initially recognized at fair value at the date a derivative contract is entered into and are subsequently re-measured to their fair value at each balance sheet date. The resulting gain/ loss is recognized in the statement of profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the statement of profit or loss depends on the nature of the hedge relationship. The Bank designates certain derivatives as either hedges of the fair value of recognized assets, liabilities or firm commitments (fair value hedges), hedges of highly probable forecast transactions, hedges of foreign currency risk of firm commitments (cash flow hedges), or hedges of net investments in foreign operations (net investment hedges).

A derivative with a positive fair value is recognized as a financial asset whereas a derivative with a negative fair value is recognized as a financial liability. A derivative is presented within other asset or other liability if the remaining maturity of the instrument is more than 12 months, and it is not expected to be realized or settled within 12 months. Other derivatives are presented within other assets or other liabilities.

Embedded derivatives
Derivatives embedded in financial liabilities or other non-financial asset host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts, and the host contracts are not measured at fair value through the statement of profit or loss.

An embedded derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the hybrid instrument to which the embedded derivative relates is more than 12 months and is not expected to be realized or settled within 12 months. Other embedded derivatives are presented as other assets or other liabilities.

Financial Guarantee Contracts
A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a group entity are initially measured at their fair values and, if not designated as at fair value through the statement of profit or loss and not arising from a transfer of a financial asset, are subsequently measured at the higher of:
- The amount of the loss allowance determined in accordance with IFRS 9; and
- The amount initially recognized less, where appropriate, the cumulative amount of income recognized in accordance with the Bank's revenue recognition policies.

Financial guarantee contracts not designated at fair value through the statement of profit or loss are presented as provisions in the consolidated statement of financial position, and the re-measurement is presented in other revenue.

The Bank has not designated any financial guarantee contracts as at fair value through profit or loss.

Commitments to Provide a Loan at a Below-Market Interest Rate

Commitments to provide a loan at a below-market interest rate are initially measured at their fair values and, if not designated as at fair value through profit or loss, are subsequently measured at the higher of:

- The amount of the loss allowance determined in accordance with IFRS 9; and
- The amount initially recognized less, where appropriate, the cumulative amount of income recognized in accordance with the Bank's revenue recognition policies.

Commitments to provide a loan below market rate not designated at fair value through profit or loss are presented as provisions in the consolidated statement of financial position and the re-measurement is presented in other revenue.

The Bank has not designated any commitments to provide a loan below market rate designated at fair value through the statement of profit or loss.

Derivatives

Derivatives for Trading

The fair value of derivative financial instruments held for trading (such as forward foreign exchange contracts, future interest contracts, swaps, foreign exchange options rights) is recognized in the consolidated statement of financial position, and fair value is determined at the prevailing market rates. If this information is not available, the assessment methodology is disclosed, and the change in fair value is recognized in the consolidated statement of profit or loss.

Hedge Accounting

The Bank designates certain derivatives as hedging instruments in respect of foreign currency risk and interest rate risk in fair value hedges, cash flow hedges, or hedges of net investments in foreign operations, as appropriate. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges. The Bank does not apply fair value hedge accounting of portfolio hedges of interest rate risk. In addition, the Bank does not use the exemption to continue using IAS 39 hedge accounting rules, i.e. the Bank applies IFRS 9 hedge accounting rules.

At the inception of the hedge relationship, the Bank documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Bank documents whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- There is an economic relationship between the hedged item and the hedging instrument;
- The effect of credit risk does not dominate the value changes that result from that economic relationship; and
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Bank actually hedges, and the quantity of the hedging instrument that the Bank actually uses to hedge that quantity of the hedged item.

The Bank rebalances a hedging relationship in order to comply with the hedge ratio requirements when necessary. In such cases discontinuation may apply to only part of the hedging relationship. For example, the hedge ratio might be adjusted in such a way that some of the volume of the hedged item is no longer part of a hedging relationship, hence hedge accounting is discontinued only for the volume of the hedged item that is no longer part of the hedging relationship.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Bank adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again.

In some hedge relationships, the Bank designates only the intrinsic value of options. In this case, the fair value change of the time value component of the option contract is deferred in other comprehensive income, over the term of the hedge, to the extent that it relates to the hedged item and is reclassified from equity to the statement of profit or loss when the hedged item does not result in the recognition of a non-financial item. The Bank's risk management policy does not include hedges of items that result in the recognition of non-financial items, because the Bank's risk exposures relate to financial items only.

The hedged items designated by the Bank are time-period related hedged items, which means that the amount of the original time value of the option that relates to the hedged item is amortized from equity to the statement of profit or loss on a rational basis (e.g. straight- line) over the term of the hedging relationship.

In some hedge relationships, the Bank excludes from the designation the forward element of forward contracts or the currency basis spread of cross currency hedging instruments. In this case, a similar treatment is applied to the one applied for the time value of options. The treatment for the forward element of a forward contract and the currency basis element is optional, and the option is applied on a hedge- by- hedge basis, unlike the treatment for the time value of the options which is mandatory. For hedge relationships with forwards, or foreign currency derivatives such as cross currency interest rate swaps, where the forward element or the currency basis spread is excluded from the designation, the Bank generally recognizes the excluded element in other comprehensive income.

The fair values of the derivative instruments used for hedging purposes and movements in the hedging reserve are determined in equity.

Fair Value Hedges

The fair value change on qualifying hedging instruments is recognized in the statement of profit or loss except when the hedging instrument hedges an equity instrument designated at fair value through other comprehensive income in which case it is recognized in other comprehensive income. The Bank has not designated fair value hedge relationships where the hedging instrument hedges an equity instrument designated at fair value through other comprehensive income.

The carrying amount of a hedged item not already measured at fair value is adjusted for the fair value change attributable to the hedged risk with a corresponding entry in the statement of profit or loss. For debt instruments measured at fair value through other comprehensive income, the carrying amount is not adjusted as it is already at fair value, but the part of the fair value gain or loss on the hedged item associated with the hedged risk is recognized in the statement of income instead of other comprehensive income. When the hedged item is an equity instrument designated at fair value through other comprehensive income, the hedging gain/loss remains in other comprehensive income to match that of the hedging instrument.

Where hedging gains/losses are recognized in the statement of profit or loss, they are recognized in the same line as the hedged item.

The Bank discontinues hedge accounting only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. The discontinuation is accounted for prospectively. The fair value adjustment to the carrying amount of hedged items for which the effective interest rate method is used (i.e. debt instruments measured at amortized cost or at fair value through other comprehensive income) arising from the hedged risk is amortized to the statement of profit or loss commencing no later than the date when hedge accounting is discontinued.

Cash Flow Hedges

The effective portion of changes in the fair value of derivatives and other qualifying hedging instruments that are designated and qualify as cash flow hedges is recognized in the cash flow hedging reserve, a separate component of other comprehensive income, limited to the cumulative change in fair value of the hedged item from inception of the hedge less any amounts recycled to the statement of profit or loss.

Amounts previously recognized in other comprehensive income and accumulated in equity are reclassified to the statement of profit or loss in the periods when the hedged item affects the statement of profit or loss, in the same line as the recognized hedged item. If the Bank no longer expects the transaction to occur, that amount is immediately reclassified to the statement of profit or loss.

The Bank discontinues hedge accounting only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised, or when the occurrence of the designated hedged forecast transaction is no longer considered to be highly probable. The discontinuation is accounted for prospectively. Any gain/loss recognized in other comprehensive income and accumulated in equity at that time remains in equity and is recognized when the forecast transaction is ultimately recognized in the statement of profit or loss. When a forecast transaction is no longer expected to occur, the gain/loss accumulated in equity is reclassified and recognized immediately in the statement of profit or loss.

Hedges of Net Investments in Foreign Operations

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain/loss on the hedging instrument relating to the effective portion of the hedge is recognized in other comprehensive income and accumulated in the foreign currency translation reserve.

Gains and losses on the hedging instrument relating to the effective portion of the hedge accumulated in the foreign currency translation reserve are reclassified to the statement of profit or loss in the same way as exchange differences relating to the foreign operation as described above.

Offsetting

Financial assets and financial liabilities are offset, and the net amount is reported in the consolidated statement of financial position, when there is a legally enforceable right to offset the recognized amounts and realize the asset and settle the liability stimultaneously.

Accounts Managed on Behalf of Customers

These represent the accounts managed by the Bank on behalf of its customers, but do not represent part of the Bank's assets, fees and commissions on such accounts are shown in the consolidated statement of profit or loss, a provision against the impairment in the capital-guaranteed portfolios managed on behalf of customers is taken.

Fair value

Fair value is defined as the price at which an asset is to be sold or paid to convert any of the liabilities in a structured transaction between the market participants on the measurement date, irrespective of whether the price can be realized directly or whether it is estimated using another valuation technique. When estimating the fair value of an asset or liability, the Bank takes into consideration when determining the price of any asset or liability whether market participants are required to consider these factors at the measurement date. The fair value for measurement and / or disclosure purposes in these financial statements is determined on the same basis, except for measurement procedures that are similar to fair value procedures and are not fair value such as fair value as used in IAS 36.

In addition, fair value measurements are classified for the purposes of financial reporting to level (1), (2) or (3) based on the extent to which the inputs are clear concerning the fair value measurements and the importance of inputs to the full fair value measurements. These are as follows:

Level inputs (1)	inputs derived from quoted (unadjusted) prices of identical assets or liabilities in active markets that an enterprise can obtain on the measurement date;
Input level (2)	inputs derived from data other than quoted prices used at level 1 and observable for assets or liabilities, either directly or indirectly;
Level inputs (3)	are inputs to assets or liabilities that are not based on observable market prices.

Provisions

Provisions are recognized when the Bank has an obligation at the date of the consolidated statement of financial position arising from a past event, and the costs to settle the obligation are probable and can be reliably measured.

Employees Benefits

Short term employee benefits

Employees short term benefits are recognised as expenses when delivering relevant services. Liability is recorded against the related commitment when the bank is legaly obliged implicitly or explicitly to pay for past services rendered by the employee and the liability can be estimated reliably.

Other long term employee benefits

The Bank's net liabilities relating to employee benefits are the amount of future benefits that employees have received for their services in the current and previous periods. A provision is made to meet the statutory and contractual obligations for employees to end the service for each employee for the date of the consolidated statement of financial position in accordance with the internal regulations of the Bank.

Assets Seized by the Bank

Assets foreclosed by bank are presented at the consolidated statement of financial position within other assets at fair value or at the value of their ownership by the bank whichever is less, at the date of the consolidated financial statements these assets gets re-evaluated individually, and any impairment in their value is recorded as a loss in the consolidated statement of profit or loss but the increase is not recorded as revenue, Subsequent value increase is taken to the consolidated statement of profit or loss to the extent that it does not exceed the previously recorded impairment amount.

Starting from the year 2015 and in accordance with the Central Bank of Jordan circular No. 10/1/4076 dated March 27, 2014 and circular No. 10/1/2510 dated February 14, 2017, the Bank has started to calculate gradual provision against the assets foreclosed by the Bank in exchange of credit facilities that have been in possession for more than 4 years. Central Bank of Jordan issued circular No. 10/1/16239 dated November 21, 2019 approving the extension of circular No. 10/1/2150 dated February 14, 2017, in which it confirmed postponing the provision calculation until the end of year 2020 and amending the second clause of it.

Income Tax
Tax expense comprises of current tax and deferred taxes.

Current tax is based on taxable profits, which may differ from accounting profits published in the consolidated financial statements. Accounting profits may include non-taxable profits or tax non-deductible expenses which may be exempted in the current or subsequent financial years, or accumulatted losses that are tax acceptable or items not subject to deduction for tax purposes.

Tax is calculated based on tax rates and laws that are applicable in the country of operation.

Deferred tax is the tax expected to be paid or recovered due to temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets and liabilities are measured at the tax rates expected to be applied in the period when the asset is realized or the liability is settled, based on the laws enacted or substantially enacted at the date of the consolidated statement of financial position.

The carrying values of deferred tax assets are reviewed at the date of the consolidated financial statement and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Mortgaged Financial Assets
These financial assets are mortgaged to third parties with the right to sell or re-mortgage. These financial assets are revalued according to the accounting policies at the date of initial classification.

Repurchase and Resale Agreements
Assets sold with a simultaneous commitment to repurchase at a specified future date (repos) will continue to be recognized in the Bank’s consolidated financial statements.This is due to the Bank’s continuing control of these assets and the fact that exposure to the risks and rewards of these assets remains with the Bank. These assets continue to be evaluated in accordance with the applied accounting policies (where the buyer has the right to use these assets (sell or re-lien), they are reclassified as liened financial assets). The proceeds of the sale are recorded under loans and borrowings. The difference between the sale and the repurchase price is recognized as an interest expense over the agreement term using the effective interest rate method.

Assets purchased with a corresponding commitment to resell at a specified future date (reverse repos) are not recognized in the Bank’s consolidated financial statements since the Bank is not able to control these assets or the associated risks and benefits. The related payments are recognized as part of deposits at banks and financial institutions or direct credit facilities as applicable, and the difference between the purchase and resale price is recognized as interest income over the agreement term using the effective interest rate method.

Property and Equipment

Property and equipment are measured at cost less accumulated depreciation and any impairment. Property and equipment (except land) are depreciated when ready for use using the straight line method over their expected useful life.

The depreciation rates used are as follows:

	%
Buildings	2
Equipment, furniture and fixtures	5-15
Vehicles	20
Applications and Computer	10-33

If such indication exists and when the carrying values exceed the estimated recoverable amounts, the assets are written down to their recoverable amount, and the impairment is charged to statement of profit or loss.

The useful life of property and equipment is reviewed at each year end, and changes in the expected useful life are treated as changes in accounting estimates.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal.

Intangible Assets

Goodwill

Goodwill is initially measured at cost, being the excess of the cost of acquisition or purchase of investment in an associate or subsidiary company over the Bank's share in the net fair value of the identifiable assets at the date of acquistion.

Goodwill arising from the investment in subsidiaries will be separately shown under intangible assets, while that arising from the investment in associates will be shown as part of investment in associates and subsequently adjusted for any impairment losses.

Goodwill is allocated to each of the cash-generating units, or groups of cash-generating units for the purpose of impairment testing.

Goodwill is tested for impairment, at the date of the consolidated financial statements, if events or changes in circumstances indicate that the estimated recoverable amount of a cash-generating unit or group of cash-generating units is less than their carrying amount. Moreover, impairment losses are charged to the consolidated statement of profit or loss.

Other Intangible Assets

Intangible assets acquired through business combination are recorded at their fair value on that date. Other intangible assets are measured on initial recognition at cost.

Intangible assets are classified based on the assessment of their useful life to definite and indefinite. Intangible assets with definite lives are amortized over their useful economic life, while intangible assets with indefinite useful lives are assessed for impairment at each reporting date, and impairment loss is charged to the consolidated statement of profit or loss.

Internally generated intangible assets are not capitalized and are expensed in the consolidated statement of profit or loss in the same period.

Indications of impairment of intangible assets are reviewed, and their useful economic lives are reassessed at each reporting date. Adjustments are reflected in the current and subsequent periods.

Computer software: are amortized using the straight -line method during a period that does not exceed 3 years from acquisition date.

Impairement of non financial asset

The carrying amount of the bank's non-financial asset is reviewed at the end of each fiscal year except for the deferred tax assets, to determine if there is an indication of impairment, and if there is an indication of impairment, the amount recoverable from these assets will be estimated.

If the carrying amount of the assets exceeds the recoverable amount from those assets, the impairment loss is recorded in these assets.

The recoverable amount is the fair value of the asset – less cost of sales – or the value of its use, whichever is greater.

All impairment losses are recognized in the consolidated statement of profit or loss and other comprehensive income.

The impairment loss for goodwill is not reversed, for other assets, the impairment loss is reversed only if the value of the carrying amount of the assets does not exceed the book value that was determined after the depreciation or amortization has been reduced if the impairment loss is not recognized in value.

Foreign Currencies

For the purpose of the consolidated financial statements, the results and financial position of each entity of the Group are presented in the functional currency unit of the Bank and the presentation currency of the consolidated financial statements.

The standalone financial statements of the Bank's subsidiaries are prepared. Moreover, the standalone financial statements of each entity of the Bank are presented in the functional currency in which it operates. Transactions in currencies other than the functional currency of the Bank are recorded at the rates of exchange prevailing at the dates of those transactions. At the balance sheet date, financial assets and liabilities denominated in foreign currencies are translated at the rates of exchange prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the exchange rates at the date when the fair value was determined. Non-monetary items measured at historical cost in a foreign currency are not reclassified.

Exchange differences are recognized in the consolidated statement of profit or loss in the period in which they arise except for:

- Foreign exchange differences on transactions made in order to hedge foreign exchange risk.
- Foreign exchange differences on monetary items required to / from a foreign operation that are not planned to be settled, are unlikely to be settled in the near future (and therefore, these differences form part of the net investment in the foreign operation), and are initially recognized in the comprehensive income statement and reclassified from equity to the income statement when selling or partially disposing of net investment.

In order to present the consolidated financial statements, the assets and liabilities of the Bank's foreign operations are translated at the rates of exchange prevailing at the statement of financial position date. Income is also converted to average exchange rates for the period, unless exchange rates change significantly during that period, in which case the exchange rates are used on the date of the transactions. Exchange differences arising, if any, are recognized in other consolidated statement of comprehensive income and collected in a separate line item of equity.

When foreign operations are disposed of (i.e. disposal of the Bank's entire share from foreign operations, or resulting from the loss of control of a subsidiary in foreign operations, or partial exclusion by its share in a joint arrangement, or an associate company of a foreign nature in which the share held is a financial asset), all foreign exchange differences accumulated in a separate item under equity in respect of that transaction attributable to the Bank owners are reclassified to the consolidated statement of profit or loss.

In addition, in respect of the partial disposal of a subsidiary involving foreign operations that do not result in the Bank losing control of the subsidiary, its share of the accumulated exchange differences is credited to net comprehensive income at a rate that is derecognized and not recognized in the consolidated statement of profit or loss. For all other partial liquidation (such as partial liquidation of associates or joint ventures that do not result in the Bank losing significant influence or joint control), the share of accumulated exchange differences is reclassified to the consolidated statement of profit or loss.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and cash balances with central banks and balances with banks and financial institutions that mature within three months, less banks and financial institutions deposits that mature within three months and restricted balances.

Earning per Share

The bank calculate basic and diluted EPS data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss that is attributable to ordinary shareholders of the Bank by the weighted-average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss that is attributable to ordinary shareholders and the weighted-average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

Lease contracts

Accounting policy used from January 1, 2019

The Bank as a lessee

The Bank assesses whether the contract contains lease when starting the contract. The Bank recognizes the right to use assets and the corresponding lease obligations in relation to all lease arrangements in which the lessee is in, except for short-term lease contracts (defined as leases of 12 months or less) and low value asset leases, and for these contracts, the bank recognizes the lease payments as an operating expense on a straight-line basis over the period of the lease, unless another regular basis is more representative of the time pattern in which the economic benefits from the leased assets are utilized.

The lease obligation is initially measured at the present value of the lease payments that were not paid on the start date of the lease, deducted by using the price implicit in the lease. If this rate cannot be easily determined, the bank uses its additional expected rate.

The lease payments included in the rental obligation measurement include:
- Fixed rental payments (essentially including fixed payments), minus accrued receivable rental incentives;
- Variable rental payments that depend on an index or rate, initially measured using the indicator or the rate at the date the contract begins.
- The amount expected to be paid by the lessee under the residual value guarantees.
- The price of the exercise of purchase options, if the lessee is reasonably certain of the exercise of the options; and
- Paying the contract termination fines, if the lease reflects the exercise of the lease termination option.

Rental obligations are presented as a separate note in the consolidated statement of financial position.

Later, lease obligations are subsequently measured by increasing the book value to reflect the interest in the rental obligations (using the effective interest method) and by reducing the book value to reflect the rental payments paid.

The lease obligations (and a similar adjustment to the related right-to-use assets) are re-measured whenever:
- The lease term has changed or there is an event or important change in the conditions that lead to a change in the exercise of the purchase option assessment, in which case the lease obligations are re-measured by deducting the adjusted lease payment using the adjusted discount rate.
- Lease payments change due to changes in an index, rate, or change in expected payments under the guaranteed residual value, in which cases the lease obligation is re-measured by deducting the modified rental payments using a non-variable discount rate (unless the rental payments change due to a change in the floating interest rate, in this case the adjusted discount rate is used.
- The lease contract is adjusted and the lease amendment is not accounted as a separate lease, in which case the lease obligation is re-measured based on the duration of the adjusted lease contract by deducting the adjusted rental payments using the adjusted discount rate at the actual price at the date of the amendment.

The right to use assets are depreciated over the life of the lease or the useful life of the asset (whichever is shorter). If the lease contract transfers the ownership of the underlying asset or the cost of the right to use, which reflects that the company expects to exercise the purchase option, then the relevant value of the right to use is depreciated over the useful life of the asset. Depreciation begins on the date the commencement of the lease.

The right-to-use assets are presented as a separate note in the consolidated statement of financial position.

The Bank applies International Accounting Standard (36) to determine whether the value of the right to use has decreased its value and calculates any impairment losses as described in the policy of "property and equipment".

Variable rents that are not dependent on an index or rate are not included in the measurement of lease obligations and right to use assets. Related payments are recognized as an expense in the period in which the event or condition that leads to these payments occurs and are included in "Other Expenditures" in the statement of profit or loss.

The Bank as a lessor

The Bank enters into lease contracts as a lessor in regard with some investment properties.

Leases in which the Bank is the lessor are classified as operating or finance leases. In the event that the terms of the lease contract transfer all risks and rewards of ownership to the lessee, the contract is classified as a finance lease and all other leases are classified as operating leases.

When the Bank is an intermediary lessor, it represents the main lease and sub-contract as two separate contracts. The sublease contract is classified as finance or operating lease by reference to the original right of use arising from the main lease.

Rental income from operating leases is recognized on a straight-line basis over the period of the relevant lease. The primary direct costs incurred in negotiating and arranging an operating lease are added to the book value of the leased asset and are recognized on a straight-line basis over the lease term.

The amounts due from the lessee under finance leases are recognized as receivables with the amount of the company's net investment in the rental contracts. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the bank's existing net investment with respect to lease contracts.

When the contract includes leasing components and other components other than leasing, the bank applies IFRS 15 to distribute the amounts received or to be received under the contract for each component.

Accounting policies used until December 31, 2018

Leases are classified as finance leases when the terms of the lease provide for substantially all the risks and rewards of ownership of the lessee. All other leases are classified as operating leases.

The Bank as a lessor

The amounts due from the lessee are recognized under finance lease contracts, as receivables from the amount of the net investment in the contracts. Finance lease income is allocated to accounting periods to reflect a constant periodic return on the net investment, with regard to rental leases.

Operating lease income is recognized using the straight-line method over the life of the lease. The initial direct costs incurred in the discussion and arrangement of the operating contract are added to the carrying amount of the leased assets and recognized in accordance with the straight-line method over the lease term.

The Bank as a Lessee

Assets acquired through leases are recognized on initial recognition at their fair value at the inception of the lease or at the present value of the minimum lease payments, whichever is lower. Financial leasing liabilities are recorded at the same value. These obligations are presented in statement of financial position as finance lease liabilities.

The lease payments are distributed between the financing expenses and decreasing of the financial lease liabilities in order to achieve a fixed rate of interest on the remaining balance of the lease liabilities. Direct financing expenses are recognized in the consolidated statement of profit or loss.

Operating lease payments are recognized as an expense on a straight-line basis over the life of the lease, except in situations where it has another regular basis that is more representative of the time pattern in which the economic benefits are utilized from the leased asset. Recognition of reassuring lease arising from operating lease as an expense in the period in which they incurred. In the event that lease incentives are received to enter into operating lease, these incentives are recognized as an obligation. The overall interest of incentives are recognized as reduction in lease expense on straight line basis, unless there is a systematic basis that is more representative of the time pattern in which will be used from economic benefits from leased assets.

3 Application of New and Amended International Financial Reporting Standards

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

The following new and revised IFRSs, which are effective for annual periods beginning on or after January 1, 2019 or later, have been adopted in the preparation of the Bank's consolidated financial statements. These new and revised IFRSs have not materially affected the amounts and disclosures in the consolidated financial statements for the year and prior years, which may have an impact on the accounting treatment of future transactions and arrangements:

New and revised standards	Amendments to new and revised IFRSs
Annual improvements to IFRSs issued between 2015 and 2017	Improvements include amendments to IFRS (3) "Business Combinations", (11) "Joint Arrangements", International Accounting Standards (12), "Income Taxes" and (23) "Borrowing Costs" and as the following: **IFRS (12)"Income Tax"** The amendments clarify that an entity should recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised the transactions that generated the distributable profits. This is the case irrespective of whether different tax rates apply to distributed and undistributed profits. **IFRS (23)"Borrowing Costs"** The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. **IFRS (3)"Business Combination"** The amendments to IFRS 3 clarify that when an entity obtains control of a business that is a joint operation, the entity applies the requirements for a business combination achieved in stages, including re-measuring its previously held interest (PHI) in the joint operation at fair value. The PHI to be re-measured includes any unrecognised assets, liabilities and goodwill relating to the joint operation. **IFRS (11)"Joint Arrangements"** The amendments to IFRS 11 clarify that when a party that participates in, but does not have joint control of, a joint operation that is a business obtains joint control of such a joint operation, the entity does not re-measure its PHI in the joint operation.
IFRIC (23) Uncertainty on the Treatment of Income Tax	The interpretation clarifies the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax benefits and tax rates when there is uncertainty about the treatment of income tax under IAS (12) and specifically addresses: • whether the tax treatment should be considered in aggregate; • assumptions regarding the procedures for the examination of tax authorities; • determination of taxable profit (tax loss), tax basis, unused tax losses, unused tax breaks, and tax rates; • The impact of changes in facts and circumstances.

New and revised standards	Amendments to new and revised IFRSs
Amendments to IFRS 9 Financial Instruments.	These amendments relate to the advantages of prepayment with negative compensation, where the current requirements of IFRS (9) regarding termination rights have been amended to allow for the measurement at amortized cost (or on the business model at fair value through other comprehensive income) status of negative compensation payments.
Amendments to IAS (28) "Investment in Associates and Joint Ventures".	These amendments relate to long-term shares in allied enterprises and joint ventures. These amendments clarify that an entity applies IFRS (9) "Financial Instruments" to long-term interests in an associate or joint venture that forms part of the net investment in an associate or joint venture if the equity method has not been applied to it.
Amendments to IAS 19 Employee Benefits.	These amendments relate to adjustments to plans, reductions, or settlements.

B- Amendments Affecting the Bank's Consolidated Financial Statements:

The Bank adopted IFRS 16 'Leases' the standard replaces the existing guidance on leases, including IAS 17 "Leases Contracts". IFRIC 4 "Determining whether an Arrangement contains a Lease". SIC 15 "Operating Leases – Incentives" and SIC 27 "Evaluating the Substance of Transactions in the Legal Form of a Lease".

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

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

Right-of use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet as at December 31, 2018, there were no adjustments on the returned earnings using the simplified approach, there were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.

The recognised right-of-use assets relate to leased properties as of December 31, 2019 and January 1, 2019. The effect of application on beginning balances for each right of use assets and lease liabilities amounted to JD 33,006,764.

The table below shows the effect of application of IFRS 16 for each financial item as of December 31, 2019:

Statement of Financial Position

Item	Amounts as reported in financial statements JD	Effect of application JD	Amounts without adoption JD
Right of use assets	28,702,451	28,702,451	-
Other assets	128,935,815	(3,133,584)	132,069,399
Total effect on assets		25,568,867	
Lease liabilities	26,734,220	26,734,220	-
Total effect on liabilities		26,734,220	

Statement of Profit or Loss

Item	Amounts as reported in financial statements JD	Effect of application JD	Amounts without adoption JD
Interest (debit)	149,533,212	(1,820,680)	147,712,532
Depreciation and amortization	22,830,232	(4,178,663)	18,651,569
Other expenses	54,146,653	5,585,228	59,731,881
Income tax	48,467,752	151,839	48,619,591
Total effect on statement of profit or loss		(262,276)	

Statement of Cash Flows

Item	Amounts as reported in financial statements JD	Effect of application JD	Amounts without adoption JD
Profit before tax	132,174,952	(414,115)	132,589,067
Depreciation and amortization	22,830,232	4,178,663	18,651,569
Other assets	(4,170,130)	4,060,157	(8,230,287)
Net cash flows from operating activities		**7,824,705**	
Paid for lease liabilities	(7,976,544)	(7,976,544)	-
Net (used in) investing activities		**(7,976,544)**	

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

The Bank leases real estate for use in its corporate activities, and usually leases are for fixed periods ranging from one to thirty years, some of which may include extension options and lease terms are negotiated on an individual basis and contain a set of different terms and conditions. Lease contracts do not include any pledges and are not used as collateral for borrowing purposes.

Until the end of the fiscal year 2018, real estate leases was classified as either an operating lease or a finance lease, and amounts paid against operating leases are recorded in the income statement according to the straight-line method during the lease term.

As of January 1, 2019, lease contracts are recognized as right to use assets and liabilities obligations on the date when the asset is ready for use by the group, the value of each lease payment is distributed between the lease obligations and financing costs, and financing costs are recorded in statement of profit or loss during the lease period to reach a fixed periodic interest rate on the remaining balance of the obligation for each period and assets are depreciated during the useful life of the asset or the lease period, whichever is shorter according to the straight-line method.

Assets and liabilities arising from lease contracts are initially measured based on the present value, and the lease obligations include the net present value of the following lease payments:

- Fixed payments (including guaranteed fixed payments) minus receivable lease incentives;
- Variable lease payments based on an indicator or rate;
- The amounts expected to be paid by the lessee under the residual value guarantees;
- Purchase option if the tenant is reasonably certain of this option, and
- Paying the contract termination fines if the terms of the lease include this option.

Lease payments are deducted using the interest rate of the underlying lease or the additional borrowing rate of the lessee if they are not available, which is the amount that the lessee must pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right of use assets are measured at cost, which includes the following:
- The value of the initial measurement of the lease obligations;
- Any lease payments made on or before the start date minus any lease incentives received;
- Any initial direct costs, and
- Return costs (renewal and restoration).

Payments related to short-term leases and contracts for lease of low-value assets are included on a straight-line basis as an expense in the statement of profit or loss. Short-term leases are 12-month or less. While low-value assets such as low-value IT equipment and small items of office furniture.

When applying the IFRS 16 for the first time, the Bank used the following:
- Using a single discount rate for a portfolio of lease contracts with reasonably similar characteristics;
- Depending on previous evaluations of whether lease contracts are low;
- Classifying operating leases with a remaining lease term of less than 12 months in January 1, 2019 as short-term leases;
- Excluding the initial direct costs for measuring the right to use assets at the date of the initial application, and
- Using the previous perception to determine the term of the lease, as the contract contains options for extending or terminating the lease.

The Bank also chose not to reassess whether the contract contains or does not contain a lease on the date of the initial application. Instead, the bank relied on the evaluation of contracts that were concluded before the date of the transition, which was applied through the application of International Accounting Standard No. (17) "Lease Contracts" and International Interpretation (4) "Determining whether an arrangement involves a lease contract."

C. New and revised IFRS in issue but not yet effective and not early adopted

The bank has not adopted the following new and amended IFRSs issued but not yet effective as of the date of the consolidated financial statements with its details as follows:

New and revised standards	Amendments to new and revised IFRSs
Amendments to IAS 1 Presentation of Financial Statements. (Effective January 2020).	These amendments relate to the definition of materiality. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.'
Amendments to IFRS 3 Business Combinations (Effective January 2020.)	These amendments clarify the definition of business as the International Accounting Standards Board published the Revised Financial Reporting Framework. This includes revised definitions of assets and liabilities as well as new guidance on measurement, derecognition, presentation, and disclosure. In addition to the amended conceptual framework, the IASB issued amendments to the guidelines on the conceptual framework in the IFRS Standards, which contain amendments to IFRS (2), (3), (6) and (14) and IAS (1), (8), (34), (37) and (38)) and IFRIC (12), Interpretation (19), Interpretations 20 and 22 and Interpretations of the Standing Committee for the Interpretation of Standards Number (32) in order to update those statements with regard to references and quotations from the framework or to refer to a different version of the conceptual framework.
IFRS 17 "Insurance Contracts" (Effective January 1, 2022.)	Provides a more consistent measurement and presentation approach to all insurance contracts. These requirements are aimed at achieving a consistent, principled accounting objective for insurance contracts. IFRS (17) replaces IFRS (4) Insurance Contracts. IFRS (17) requires measurement of insurance liabilities at present value to meet.
Amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures (2011)" (The start date has been postponed indefinitely, and the application is still permitted)	These amendments relate to the treatment of the sale or contribution of the assets of the investor in the associate or joint venture.

Management expects to apply these new standards, interpretations, and amendments to the consolidated financial statements of the Bank when they are applicable. Moreover, the adoption of these new standards, interpretations, and amendments may have no material impact on the Bank's consolidated financial statements in the initial application period.

4 Significant Accounting Judgments and key Sources of Uncertainty Estimates

Preparation of the consolidated financial statements and application of the accounting policies require the Bank 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.

Judgments, estimates, and assumptions are reviewed periodically. Moreover, the effect of the change in estimates is recognized in the financial period in which the change occurs if the change affects only the financial period. On the other hand, the effect of the change in estimates is recognized in the financial period in which the change occurs and in future periods if the change affects the financial period and future financial periods. Management believes that its estimates in the consolidated financial statements are reasonable. The details are as follows:

Impairment of property acquired

Impairment in value of properties acquired is recognized based on recent real estate valuations by qualified independent evaluators for calculating the asset impairment, which is reviewed periodically. Considered from the beginning of the year 2015 a gradual provision for real estate acquired in exchange for debts that have expired over a period of more than 4 years, according to the generiliazation from the Central Bank of Jordan No 15/1/4076 dated on March 27, 2014 and No. 10/1/2510 dated on February 14, 2017. Knowing that the Central Bank of Jordan has issued circular No. 10/1/16239 dated on November 21, 2019, decided to extend the circular 10/1/2150 dated on February 14, 2017, after postponding the provision calculation until the year end of 2020 and adjust another note.

Productive lifespan of tangible assets and intangible assets

The Bank's management periodically recalculates the useful lives of tangible assets and intangible assets for calculating annual depreciation and amortization based on the general condition of those assets and estimated future useful lives. The impairment loss is recognized in the consolidated statement of profit or loss for the year.

Income tax

The fiscal year is charged with the income tax expense in accordance with the accounting regulations, laws and standards. Moreover, deferred tax assets and liabilities and the required tax provision are recognized.

Litigation provision

A provision is made to meet any potential legal liabilities based on a legal study prepared by the Bank's legal counsel. This study identifies potential future risks and is reviewed periodically.

Provision for end-of-service indemnity

The provision for end-of-service indemnity, representing the Bank's obligations to employees, is calculated in accordance with the Bank's internal regulations.

Assets and liabilities at cost

Management periodically reviews the assets and liabilities at cost for estimating any impairment in value, which is recognized in the consolidated statement of profit or loss for the year.

Provision for expected credit losses

Management is required to use significant judgments and estimates to estimate the amounts and timing of future cash flows and assess the risks of a significant increase in credit risks for financial assets after initial recognition and future measurement information for the expected credit losses. The most important policies and estimates used by the Bank's management are detailed in note (46).

Evaluation of business model

The classification and measurement of financial assets depend on the results of the principal and interest payments test on the principal outstanding and the business model test. The Bank defines a business model at a level that reflects how the groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgment that reflects all relevant evidence, including how to assess the performance of the assets and measure their performance, the risks that affect the performance of assets and how they are managed, and how asset managers are compensated. The Bank monitors financial assets measured at amortized cost or fair value through other comprehensive income and derecognized before maturity to understand the reason for derecognition and whether the reasons are consistent with the objective of the business held. In this respect, control is part of the Bank's continuous assessment of whether the business model under which the remaining financial assets are retained is appropriate, and whether it is inappropriate if there is a change in the business model, and therefore, a future change is made in the classification of those assets.

Significant increase in credit risk

The expected credit loss is measured as an allowance equivalent to the expected credit loss of 12 months for the assets of the first stage, or the credit loss over the life of the assets of the second or third stage. The asset moves to the second stage if credit risk increases significantly since initial recognition. IFRS (9) does not specify what constitutes a significant increase in credit risk. In assessing whether the credit risk of any asset has increased significantly, the Bank takes into account reasonable and reliable quantitative and qualitative information. The estimates used by the Bank's management concerning the significant change in credit risk that result in a change in the classification within the three stages (1, 2 and 3) are shown in details in note (46).

Establish groups of assets with similar credit risk characteristics

When the expected credit losses are measured on a collective basis, the financial instruments are grouped on the basis of common risk characteristics (e.g. instrument type, credit risk, collateral type, initial recognition date, remaining maturity period, industry, borrower's geographic location, etc.). The Bank monitors the appropriateness of credit risk characteristics on an ongoing basis to assess whether they are still similar. This is required to ensure that, in the event of a change in the credit risk characteristics, the asset is properly reallocated. This may result in the creation of new portfolios or the transfer of assets to an existing portfolio that better reflects the credit risk characteristics of that group of assets.

Re-division of portfolios and movements between portfolios

The re-division of portfolios and movements between portfolios is more common when credit risk increases significantly (or when such a large increase is reflected). Therefore, assets are transferred from expected credit losses of between (12) months to another portfolio or vice versa. However, this may happen within the portfolios that continue to be measured on the same basis as expected credit losses for a 12-month period or a lifetime, but the amount of the expected credit loss changes due to the varying credit risk of portfolios.

Models and assumptions used

The Bank uses various models and assumptions in measuring the fair value of financial assets as well as in assessing the expected credit loss described in note (46). The judgment is applied when determining the best models for each type of asset as well as for the assumptions used in those models, which include assumptions regarding the main drivers of credit risk.

A. Classification and measurement of financial assets and liabilities

The Bank classifies financial instruments or components of financial assets at initial recognition either as a financial asset or a financial liability, or as an equity instrument in accordance with the substance of the contractual agreements and the definition of the instrument. The reclassification of a financial instrument is subject to the substance of the consolidated financial statements and not to its legal form.

The Bank shall determine the classification at initial recognition and reassess such determination, if possible and appropriate, at each date of the consolidated statement of financial position.

When measuring financial assets and liabilities, certain assets and liabilities of the Bank are re-measured at fair value for financial reporting purposes. In assessing the fair value of any assets or liabilities, the Bank uses available observable market data. In the absence of level 1 inputs, the Bank conducts evaluations using professionally qualified independent evaluators. The Bank works closely with qualified external evaluators to develop appropriate valuation and data valuation techniques.

B. Fair value measurement

If the fair values of financial assets and financial liabilities included in the consolidated statement of financial position cannot be obtained from active markets, these fair values are determined using a range of valuation techniques involving the use of accounting models. If possible, the entered data for those models will be extracted from the market data. In the absence of such market data, fair values are determined by making judgments. These provisions include liquidity considerations and model data such as derivative volatility, longer-term discount rates, pre-payment ratios and default rates on asset-backed securities. Management believes that the valuation techniques used are appropriate to determine the fair value of financial instruments.

C. Derivative financial instruments

The fair values of derivative financial instruments measured at fair value are generally obtained by reference to quoted market prices, discounted cash flow models and, where appropriate, recognized pricing models. In the absence of prices, fair values are determined using valuation techniques that reflect observable market data. These techniques include comparison with similar instruments at observable market prices, discounted cash flow analysis, pricing option models and other valuation techniques commonly used by market participants. The main factors that Management takes into consideration when applying the model are:

- The expected timing and probability of future cash flows on the instrument where such cash flows are generally subject to the terms of the instrument, although Management's judgment may be required where the counterparty's ability to repay the instrument in accordance with contractual terms is in doubt; and
- An appropriate discount rate for the instrument. Management determines the instrument discount rate at a rate higher than the non-risk rate. In assessing the instrument by reference to comparative instruments, Management considers the maturity, structure, and degree of classification of the instrument based on the system in which the existing position is compared. When evaluating tools on a model basis using the fair value of the main components, Management also considers the need to make adjustments for a number of factors, such as bid differences, credit status, portfolio service costs, and uncertainty about the model.

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

Determining the duration of the lease
When determining the duration of the lease, management takes into account all the facts and circumstances that create an economic incentive for the extension option, or no termination option. Extension options (or periods following termination options) are included only in the lease term if the lease is reasonably certain to be extended (or not terminated). The evaluation is reviewed in the event of a significant event or significant change in the circumstances affecting this assessment that are under the control of the tenant.

Key Sources of Uncertain Estimates
The principal estimates used by Management in applying the Bank's accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are as follows:

Determining the number and relative weight of scenarios, the outlook for each type of product / market, and the identification of future information relevant to each scenario.
When measuring the expected credit loss, the Bank uses reasonable and supported future information based on the assumptions of the future movement of the various economic drivers and the manner in which they affect each other.

Probability of default
The potential for default is a key input in measuring the expected credit loss. The probability of default is an estimate of the probability of default over a given period of time, which includes the calculation of historical data, assumptions, and expectations relating to future circumstances.

Loss given default
Loss given default is an estimate of the loss arising from default. It is based on the difference between the contractual cash flows due and those that the financer expects to collect, taking into account cash flows from collateral and integrated credit adjustments.

Fair value measurement and valuation procedures
When estimating the fair value of financial assets and financial liabilities, the Bank uses available observable market data. In the absence of level 1 inputs, the Bank conducts evaluations using appropriate valuation models to determine the fair value of financial instruments.

Discounting of lease payments
Leasing payments are deducted using the Bank's additional borrowing rate ("IBR"). The Administration applied the provisions and estimates to determine the additional borrowing rate at the start of the lease.

5 Cash and Balances at Central Banks - Net

The details of this item are as follows:

	December 31,	
	2019 JD	2018 JD
Cash in hand and treasury	146,664,149	143,277,306
Balances at central banks:		
Current accounts and demand deposits	494,632,182	519,860,314
Term and notice deposits	46,442,778	72,855,373
Statutory cash reserve	341,875,608	346,424,713
Certificates of deposit *	85,004,400	100,000,000
Total Balances at Central Banks	**967,954,968**	**1,039,140,400**
Total Cash and Balances at Central Banks	**1,114,619,117**	**1,182,417,706**
Provision for expected credit loss	(23,353)	-
Net Cash and Balances at Central Banks	**1,114,595,764**	**1,182,417,706**

* There are no certificate of deposits purchased from the Central Bank of Jordan maturing within a period of three months as of December 31, 2019 and 2018.

- Except for the statutory cash reserve, there are no restricted balances as of December 31, 2019 and 2018.
- The movement on cash and balances at central banks during the the year was as follows:

2019

	Stage (1) Individual JD	Stage (2) Individual JD	Stage (3) JD	Total JD
Balance - beginning of the year	1,039,140,400	-	-	**1,039,140,400**
New balances during the year	967,954,968	-	-	**967,954,968**
Paid balances	(1,039,140,400)	-	-	**(1,039,140,400)**
Balance - End of the Year	**967,954,968**	-	-	**967,954,968**

2018

	Stage (1) Individual JD	Stage (2) Individual JD	Stage (3) JD	Total JD
Balance - beginning of the year	1,088,004,244	-	-	**1,088,004,244**
New balances during the year	1,039,140,400	-	-	**1,039,140,400**
Paid balances	(1,088,004,244)	-	-	**(1,088,004,244)**
Balance - End of the Year	**1,039,140,400**	-	-	**1,039,140,400**

There are no transfers between stages (1, 2 and 3) or written-off balances during the year ended December 31, 2019 and 2018.

6 Balances at Banks and Financial Institutions – Net

The details of this item are as follows:

Description	Local Banks and Financial Institutions December 31,		Foreign Banks and Financial Institutions December 31,		Total December 31,	
	2019 JD	2018 JD	2019 JD	2018 JD	2019 JD	2018 JD
Current accounts and demand deposits	34,104,009	29,688,117	155,112,950	176,712,647	189,216,959	206,400,764
Deposits maturing within or less than 3 months	99,804,101	103,018,529	163,712,055	243,225,179	263,516,156	346,243,708
Total	**133,908,110**	**132,706,646**	**318,825,005**	**419,937,826**	**452,733,115**	**552,644,472**
Provision for expected credit loss	(206,701)	(49,104)	(10,733)	(158,976)	(217,434)	(208,080)
Net	**133,701,409**	**132,657,542**	**318,814,272**	**419,778,850**	**452,515,681**	**552,436,392**

- Non-interest bearing balances at banks and financial institutions amounted to JD 28,830,901 as of December 31, 2019 (JD 33,353,230 as of December 31, 2018).
- There were no restricted balances as of December 31, 2019 and 2018.

The movement on balances at banks and financial institutions for the the year ended December 31, 2019 and 2018 was as follows:

2019

	Stage (1) Individual JD	Stage (2) Individual JD	Stage (3) JD	Total JD
Balance - beginning of the year	552,644,472	-	-	552,644,472
New balances during the year	452,733,115	-	-	452,733,115
Paid balances	(552,644,472)	-	-	(552,644,472)
Balance - End of the Year	**452,733,115**	**-**	**-**	**452,733,115**

2018

	Stage (1) Individual JD	Stage (2) Individual JD	Stage (3) JD	Total JD
Balance - beginning of the year	494,547,239	-	-	494,547,239
New balances during the year	552,644,472	-	-	552,644,472
Paid balances	(494,547,239)	-	-	(494,547,239)
Balance - End of the Year	**552,644,472**	**-**	**-**	**552,644,472**

- The following represents the movement on the provision for expected credit lossess for deposits balances at banks and financial institutions during the year ended December 31, 2019 and 2018:

2019

	Stage (1) Individual JD	Stage (2) Individual JD	Stage (3) JD	Total JD
Balance - beginning of the year	208,080	-	-	208,080
Impairment on new balances during the year	217,434	-	-	217,434
Reversed from impairment on new balances	(208,080)	-	-	(208,080)
Balance - End of the Year	**217,434**	**-**	**-**	**217,434**

2018

	Stage (1) Individual JD	Stage (2) Individual JD	Stage (3) JD	Total JD
Balance - beginning of the year	-	-	-	-
Impairment on new balances during the year	208,080	-	-	208,080
Balance - End of the Year	**208,080**	**-**	**-**	**208,080**

7 Deposits at Banks and Financial Institutions – Net

The details of this item are as follows:

	Local Banks and Financial Institutions December 31,		Foreign Banks and Financial Institutions December 31,		Total December 31,	
	2019 JD	2018 JD	2019 JD	2018 JD	2019 JD	2018 JD
Deposits mature during the period:						
From 3 months to 6 months	-	5,000,000	7,653,875	5,664,268	7,653,875	10,664,268
From 6 months to 9 months	30,000,000	25,000,000	6,832,950	-	36,832,950	25,000,000
From 9 months to 12 months	-	-	12,004,964	2,122,341	12,004,964	2,122,341
Total	**30,000,000**	**30,000,000**	**26,491,789**	**7,786,609**	**56,491,789**	**37,786,609**
Provision for expected credit losses	(20,978)	(28,112)	(173,962)	(179,647)	(194,940)	(207,759)
Net	**29,979,022**	**29,971,888**	**26,317,827**	**7,606,962**	**56,296,849**	**37,578,850**

- There were no restricted deposits as of December 31, 2019 and 2018.
- The movement on deposits at banks and financial institutions for the the year ended December 31, 2019 and 2018 was as follows:

2019

	Stage (1) Individual JD	Stage (2) Individual JD	Stage (3) JD	Total JD
Balance - beginning of the year	**37,786,609**	**-**	**-**	**37,786,609**
New balances during the year	56,491,789	-	-	56,491,789
Paid balances	(37,786,609)	-	-	(37,786,609)
Balance - End of the Year	**56,491,789**	**-**	**-**	**56,491,789**

2018

	Stage (1) Individual JD	Stage (2) Individual JD	Stage (3) JD	Total JD
Balance - beginning of the year	**38,122,776**	**-**	**-**	**38,122,776**
New balances during the year	37,786,609	-	-	37,786,609
Paid balances	(38,122,776)	-	-	(38,122,776)
Balance - End of the Year	**37,786,609**	**-**	**-**	**37,786,609**

- The following represents the movement on the provision for expected credit lossess for deposits at banks and financial institutions during the year ended December 31, 2019 and 2018:

2019

	Stage (1) Individual JD	Stage (2) Individual JD	Stage (3) JD	Total JD
Balance - beginning of the year	207,759	-	-	**207,759**
Impairment on new balances during the year	187,300	-	-	**187,300**
Reversed from impairment on new balances	(207,759)	-	-	**(207,759)**
Foreign currency translation difference	7,640			**7,640**
Balance - End of the Year	**194,940**	**-**	**-**	**194,940**

2018

	Stage (1) Individual JD	Stage (2) Individual JD	Stage (3) JD	Total JD
Balance - beginning of the year	-	-	-	**-**
Effect of implementing IFRS (9)	380,512	-	-	**380,512**
Adjusted Balance after Implementing IFRS (9)	**380,512**	**-**	**-**	**380,512**
Reversed from impairment on new deposits	(187,389)	-	-	**(187,389)**
Transferred from general provision	22,987	-	-	**22,987**
Foreign currency translation difference	(8,351)	-	-	**(8,351)**
Balance - End of the Year	**207,759**	**-**	**-**	**207,759**

8 Financial Assets at Fair Value through Profit or Loss

The details of this item are as follows:

	December 31,	
	2019	2018
	JD	JD
Quoted Financial Assets:		
Quoted shares in active markets	3,040,727	3,036,343
Total	**3,040,727**	**3,036,343**
Unquoted Financial Assets:		
Government bonds and guarantees	-	66,271
Unquoted shares in active markets	632,797	632,797
Total	**632,797**	**699,068**
Net	**3,673,524**	**3,735,411**
Bonds Analysis:		
With fixed return	-	66,271
Total	**-**	**66,271**

9 Financial Assets at Fair Value through Other Comprehensive Income

The details of this item are as follows:

	December 31,	
	2019	2018
	JD	JD
Quoted shares	2,500,000	2,500,000
Unquoted shares *	23,128,516	19,476,065
Total Shares	**25,628,516**	**21,976,065**
Jordanian Treasury bonds	157,903,675	151,471,794
Foreign governments bills and bonds	82,325,965	82,953,356
Corporate bonds	122,969,903	115,904,378
Total Bonds	**363,199,543**	**350,329,528**
Less: Provision of expected credit loss	(374,008)	(302,231)
Total Bonds - Net	**362,825,535**	**350,027,297**
Total	**388,454,051**	**372,003,362**

- Bonds mature in several payments the last of which matures in 2049.
- Interest rates on bonds ranges from 1.75% to 6.63%.
- The movement on financial assets at fair value through other comprehensive income for shares during the year ended December 31, 2019 and 2018:

	For the Year Ended December 31,	
	2019 JD	2018 JD
Fair value as of beginning of the year	21,976,065	1,983,995
Transferred from financial assets at fair value through profit or loss	-	17,632,667
Adjusted Beginning Balance for the Year	**21,976,065**	**19,616,662**
New investments during the year	4,045,387	2,803,083
Changes in fair value during the year	(364,237)	(443,680)
Investments matured during the year	(28,699)	-
Balance – End of the Year	**25,628,516**	**21,976,065**

- The movement on financial assets at fair value through other comprehensive income during the year ended December 31, 2019 and 2018:

2019

	Stage (1) Individual JD	Stage (2) Individual JD	Stage (3) JD	Total JD
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 issue	(820,025)	(154,672)	-	**(974,697)**
Changes due from adjustments	-	(101,024)	-	**(101,024)**
Adjustments due to 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**

2018

	Stage (1) Individual JD	Stage (2) Individual JD	Stage (3) JD	Total JD
Fair value – beginning of the year	-	-	-	**-**
Transfers from financial assets at fair value	361,492,491	6,962,678	691,856	**369,147,025**
Adjusted Beginning Balance for the Year	**361,492,491**	**6,962,678**	**691,856**	**369,147,025**
New investments during the year	93,418,668	-	-	**93,418,668**
Matured investments	(108,662,880)	-	(691,856)	**(109,354,736)**
Change in fair value during the year	(1,225,827)	(312,059)	-	**(1,537,886)**
Transferred to stage (2)	(4,216,980)	4,216,980	-	**-**
Adjustments due to change in exchange rates	(1,281,567)	(61,976)	-	**(1,343,543)**
Balance – End of the Year	**339,523,905**	**10,805,623**	**-**	**350,329,528**

The following represents the movement on the provision for expected credit lossess during the year ended December 31, 2019 and 2018:

2019

	Stage (1) Individual JD	Stage (2) Individual JD	Stage (3) JD	Total JD
Balance – beginning of the year	214,695	87,536	-	**302,231**
Expected credit losses for new investment during the year	165,063	-	-	**165,063**
Reversed from impairment on matured investment	(95,913)	-	-	**(95,913)**
Effect on provision due to adjustments	66,387	(70,073)	-	**(3,686)**
Adjustments due to change in exchange rates	2,646	3,668	-	**6,314**
Balance – End of the Year	**352,878**	**21,131**	**-**	**374,009**

2018

	Stage (1) Individual JD	Stage (2) Individual JD	Stage (3) JD	Total JD
Balance – beginning of the year	-	-	-	**-**
Effect of implementing IFRS (9) net after tax	183,131	128,770		**311,901**
Adjusted Beginning Balance for the Year	**183,131**	**128,770**		**311,901**
Transferred from credit facilities provision	170,477	-	-	**170,477**
Expected credit losses for new investment during the year	4,541	-	-	**4,541**
Expected credit losses for matured investment	(125,123)	(48,208)	-	**(173,331)**
Transferred to stage (2)	(30,174)	30,174	-	**-**
Adjustments due to change in exchange rates	11,843	(23,200)	-	**(11,357)**
Balance – End of the Year	**214,695**	**87,536**	**-**	**302,231**

10 Direct Credit Facilities - Net

The details of this item are as follows:

	December 31,	
	2019	2018
	JD	JD
Individuals (retail):		
Overdraft accounts	5,123,088	12,784,648
Loans and discounted bills *	777,744,401	740,669,106
Credit cards	16,935,311	15,430,232
Real estate loans	**1,217,404,841**	**1,216,608,027**
Includes Housing loans	786,303,762	803,108,141
Companies:		
Large		
Overdraft accounts	266,181,191	464,535,898
Loans and discounted bills *	1,277,486,850	997,444,052
Small and Medium		
Overdraft accounts	72,876,785	106,354,098
Loans and discounted bills *	234,032,547	199,572,837
Government and public sector	**730,959,320**	**892,185,795**
Total	**4,598,744,334**	**4,645,584,693**
Less: Provision of expected credit losses	(333,607,743)	(291,832,350)
Interest in suspense	(106,315,586)	(98,397,597)
Net Direct Credit Facilities	**4,158,821,005**	**4,255,354,746**

* Net after deducting interest and commission received in advance of JD 27,285,533 as of December 31, 2019 (JD 34,117,345 as of December 31, 2018).

- Non-performing credit facilities amounted to JD 344,498,537 which is equivalent to 7.49% of total direct credit facilities as of December 31, 2019 (JD 290,870,587, which is equivalent to 6.26% of total direct credit facilities as of December 31, 2018).
- Non- performing credit facilities after deducting interest and commissions in suspense amounted to JD 240,420,406 which is equivalent to 5.35% of the total direct credit facilities balance after deducting interest and commission in suspense as of December 31, 2019 (JD 193,430,468, which is equivalent to 4,25% of the total credit facilities balance after deducting interest and commission in suspense as of December 31, 2018).
- Non-performing credit facilities transferred off-the consolidated statement of financial position amounted to JD 24,073,213 as of December 31, 2019 (JD 20,922,474 as of December 31, 2018). The off-balancesheet items balance is amounted to JD 369,337,944 as of December 31, 2019 (JD 326,449,577 as of Deccember 31, 2018).
- Direct credit facilities granted to and guaranteed by the Government of the Hashemite Kingdom of Jordan amounted to JD 730,959,319, which is equivalent to 15.9% of total direct credit facilities as of December 31, 2019 (JD 698,176,992 , which is equivalent to 15.03% as of December 31, 2018).

The movement on direct credit facilities during the year ended December 31, 2019 and 2018 was as follow:

2019

	Stage (1)		Stage (2)			
	Individual JD	collective JD	Individual JD	collective JD	Stage (3) JD	Total JD
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 to stage (1)	55,263,078	38,507,533	(53,089,468)	(32,005,140)	(8,676,003)	-
Transferred to stage (2)	(79,422,136)	(71,020,380)	81,246,852	76,160,950	(6,965,286)	-
Transferred to stage (3)	(15,516,378)	(29,660,575)	(53,843,291)	(24,203,331)	123,223,575	-
Effect of 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 due to change in exchange rates	(47,508)	2,865,049	168,117	(179,255)	632	**2,807,035**
Balance - End of the Year	**1,999,944,671**	**1,764,918,943**	**321,609,001**	**124,546,946**	**387,724,773**	**4,598,744,334**

2018

	Stage (1)		Stage (2)			
	Individual JD	collective JD	Individual JD	collective JD	Stage (3) JD	Total JD
Balance - beginning of the year	2,064,521,110	1,827,616,214	263,543,054	52,277,759	281,442,652	**4,489,400,789**
New credit facilities during the year	305,341,868	447,702,678	29,566,109	21,746,277	9,825,366	**814,182,298**
Paid credit facilities during the year	(156,741,087)	(270,638,437)	(8,813,734)	(4,506,039)	(26,651,490)	**(467,350,787)**
Transferred to stage (1)	22,881,961	24,339,190	(22,828,421)	(17,912,874)	(6,479,856)	-
Transferred to stage (2)	(128,383,392)	(83,207,513)	129,479,613	86,425,063	(4,313,771)	-
Transferred to stage (3)	(9,459,562)	(21,082,327)	(22,867,634)	(13,512,686)	66,922,209	-
Effect of adjustments	(68,955,908)	(75,537,398)	(3,745,048)	(10,327,434)	5,892,120	**(152,673,668)**
Written off credit facilities	-	-	-	-	(22,389,869)	**(22,389,869)**
Adjustments due to change in exchange rates	34,731	(14,792,159)	(121,560)	(41,394)	(663,688)	**(15,584,070)**
Balance - End of the Year	**2,029,239,721**	**1,834,400,248**	**364,212,379**	**114,148,672**	**303,583,673**	**4,645,584,693**

The movement on the provision for expected credit loss during the year ended December 31, 2019 and 2018 was as follow:

	Corporate JD	SME's JD	Retail JD	Real Estate JD	Governmental and Public JD	Total JD
For the Year ended December 31, 2019						
Balance at the 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 of the Year	**168,317,782**	**30,639,933**	**33,082,972**	**59,725,026**	**437,023**	**292,202,736**
Impairment on new credit facilities during the year	10,952,952	4,329,529	4,829,618	1,340,348	403,004	**21,855,451**
Recovered from impairment on paid credit 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 to stage (2)	(10,748,485)	(1,085,242)	(1,801,670)	8,589	(24,469)	**(13,651,277)**
Transferred to stage (3)	10,388,396	860,756	(1,496,993)	(2,083,573)	-	**7,668,586**
Effect on provision at the end of the year due to reclassification between stages	18,828,216	8,524,702	7,833,773	15,015,072	(16,272)	**50,185,491**
Effect due to adjustments	(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 due to change in exchange rates	(79,546)	(60,645)	(817)	(378)	-	**(141,386)**
Balance at the End of the Year	**178,484,965**	**39,280,368**	**40,543,847**	**74,880,894**	**417,669**	**333,607,743**
Redistribution:						
Provision on an individual basis	168,745,190	32,857,041	2,869,212	52,400,999	417,669	**257,290,111**
Provision on a collective basis	9,739,775	6,423,327	37,674,635	22,479,895	-	**76,317,632**

	Corporate JD	SME's JD	Retail JD	Real Estate JD	Governmental and Public JD	Total JD
For the Year ended December 31, 2018						
Balance at the beginning of the year	119,885,952	28,368,876	20,471,246	15,528,233	-	**184,254,307**
Reclassification impact	4,483,472	(4,607,383)	(519,276)	(467,300)	1,110,487	**-**
Impact of implementing IFRS (9)	36,209,420	5,015,526	10,152,144	16,098,611	641,744	**68,117,445**
Adjusted Beginning Balance of the Year	**160,578,844**	**28,777,019**	**30,104,114**	**31,159,544**	**1,752,231**	**252,371,752**
Transferred to indirect credit facility provision	(794,772)	(2,627,293)	-	(168,101)	-	**(3,590,166)**
Impairment on new credit facilities during the year	6,875,229	5,700,499	2,905,942	1,882,189	453	**17,364,312**
Recovered from impairment on paid credit facilities	(4,445,610)	(3,486,364)	(1,959,999)	(2,150,785)	(2,072)	**(12,044,830)**
Transferred to stage (1)	(1,074,765)	(24,566,943)	1,481,363	1,766,733	(23,985,928)	**(46,379,540)**
Transferred to stage (2)	(2,842,963)	16,507,475	(1,097,257)	(1,768,666)	23,985,928	**34,784,517**
Transferred to stage (3)	3,917,728	8,059,468	(384,106)	1,933	-	**11,595,023**
Effect on provision at the end of the year due to reclassification between stages	11,365,247	5,315,353	8,803,907	8,491,976	(81,127)	**33,895,356**
Effect due to adjustments	5,279,767	(3,586,701)	(5,374,259)	19,184,061	(1,232,462)	**14,270,406**
Written-off credit facilities	(8,598,079)	(525,819)	(640,472)	(344,767)	-	**(10,109,137)**
Adjustments due to change in exchange rates	(21,917)	(293,616)	(2,893)	(6,917)	-	**(325,343)**
Balance at the End of the Year	**170,238,709**	**29,273,078**	**33,836,340**	**58,047,200**	**437,023**	**291,832,350**
Redistribution:						
Provision on non-performing credit facilities	165,520,229	27,011,504	24,905,943	53,715,208	437,023	**271,589,907**
Provision on performing credit facilities	4,718,480	2,261,574	8,930,397	4,331,992	-	**20,242,443**

Interest in Suspense

The following is the movement on interest in suspense:

	Corporate JD	SME's JD	Retail JD	Real Estate JD	Governmental and Public JD	Total JD
For the Year Ended December 31, 2019						
Balance at the 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 of the Year	**47,305,353**	**20,810,146**	**16,581,320**	**13,696,888**	**3,890**	**98,397,597**
New Interest suspended during the year	253,607	483,363	674,173	695,210	-	**2,106,353**
Interest in suspense transferred to income from suspense paid during the year	(371,019)	(739,486)	(781,768)	(918,895)	(3,890)	**(2,815,058)**
Effect on interest suspended due to reclassification between stages	2,082,475	816,034	376,812	1,200,530	-	**4,475,851**
Effect on interest in suspense due to 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 due to change in exchange rates	(725)	(23,428)	(547)	(37)	-	**(24,737)**
Balance at the End of the Year	**45,614,086**	**23,114,028**	**20,778,391**	**16,809,081**	**-**	**106,315,586**

	Corporate JD	SME's JD	Retail JD	Real Estate JD	Governmental and Public JD	Total JD
For the Year Ended December 31, 2018						
Balance at the beginning of the year	**44,737,782**	**20,081,617**	**13,667,876**	**14,021,783**	**-**	**92,509,058**
Transfers	779,077	(401,985)	413,767	(790,859)	-	-
Adjusted Beginning Balance of the Year	**45,516,859**	**19,679,632**	**14,081,643**	**13,230,924**	**-**	**92,509,058**
Interest suspended during the year	89,887	690,862	323,381	2,206	-	**1,106,336**
Interest transferred to income	(8,550,742)	(1,248,782)	(278,311)	(1,390,994)	-	**(11,468,829)**
Effect on interest suspended due to reclassification between stages	1,946,061	50,557	671,669	714,332	-	**3,382,619**
Effect due to adjustments	16,515,164	3,765,888	3,024,073	1,986,111	3,890	**25,295,126**
Written-off interest in suspense	(9,388,370)	(1,210,398)	(1,163,114)	(586,180)	-	**(12,348,062)**
Adjustments due to change in exchange rates	286	(77,398)	(1,670)	131	-	**(78,651)**
Balance at the End of the Year	**46,129,145**	**21,650,361**	**16,657,671**	**13,956,530**	**3,890**	**98,397,597**

The following are the exposures according to IFRS (9) as of December 31, 2019 and 2018:

2019

	Stage (1)			Stage (2)			Stage (3)			
	Direct Credit Facilities JD	Provision for Expected Credit Loss JD	Interest in Suspense JD	Direct Credit Facilities JD	Provision for Expected Credit Loss JD	Interest in Suspense JD	Direct Credit Facilities JD	Provision for Expected Credit Loss JD	Interest in Suspense JD	Net JD
Corporate entities	1,185,787,654	10,515,929	34,784	185,334,753	42,341,456	181,225	172,545,634	125,627,580	45,398,077	**1,319,568,990**
SME's	195,015,237	4,378,140	26,532	40,874,326	6,186,026	101,609	71,019,769	28,716,200	22,985,887	**244,514,938**
Retail	709,580,714	4,900,913	38,110	28,280,686	5,173,978	4,869	61,941,400	30,468,956	20,735,412	**738,480,562**
Real estate loans	943,520,689	4,005,982	11,853	191,666,182	39,662,728	20,183	82,217,970	31,212,186	16,777,045	**1,125,714,864**
Governmental and public	730,959,320	417,669	-	-	-	-	-	-	-	**730,541,651**
Total	**3,764,863,614**	**24,218,633**	**111,279**	**446,155,947**	**93,364,188**	**307,886**	**387,724,773**	**216,024,922**	**105,896,421**	**4,158,821,005**

2018

	Stage (1)			Stage (2)			Stage (3)			
	Direct Credit Facilities JD	Provision for Expected Credit Loss JD	Interest in Suspense JD	Direct Credit Facilities JD	Provision for Expected Credit Loss JD	Interest in Suspense JD	Direct Credit Facilities JD	Provision for Expected Credit Loss JD	Interest in Suspense JD	Net JD
Corporate entities	1,090,875,002	13,749,917	7,504	226,560,962	47,291,903	4,180	144,543,986	109,196,889	46,117,461	**1,245,612,096**
SME's	214,937,730	4,014,440	24,433	36,792,094	2,449,638	31,482	54,197,111	22,809,000	21,594,446	**255,003,496**
Retail	679,142,489	4,065,384	18,548	37,913,756	5,163,047	4,217	51,827,741	24,607,909	16,634,906	**718,389,975**
Real estate loans	1,009,596,954	3,634,824	875	153,996,238	34,840,885	5,780	53,014,835	19,571,491	13,949,875	**1,144,604,297**
Governmental and public	869,087,791	412,553	3,890	23,098,004	24,470	-	-	-	-	**891,744,882**
Total	**3,863,639,966**	**25,877,118**	**55,250**	**478,361,054**	**89,769,943**	**45,659**	**303,583,673**	**176,185,289**	**98,296,688**	**4,255,354,746**

- The distribution of total credit facilities by internal credit rating for corporates was as follows:

	December 31, 2019				2018
	Stage (1) JD	Stage (2) JD	Stage (3) JD	Total JD	Total JD
Credit rating categories based on the Bank's internal system:					
From (1) To (5)	803,326,094	47,542,584	2,236,278	**853,104,956**	**680,335,844**
From (6) To (7)	206,279,130	102,447,541	18,876,696	**327,603,367**	**397,529,582**
From (8) To (10)	-	-	113,513,321	**113,513,321**	**109,699,557**
Not rated	176,182,430	35,344,628	37,919,339	**249,446,397**	**274,414,965**
Total	**1,185,787,654**	**185,334,753**	**172,545,634**	**1,543,668,041**	**1,461,979,948**

The movement on credit facilities for corporates during the year ended December 31, 2019 and 2018 was as follows:

2019

	Stage (1)		Stage (2)			
	Individual JD	Collective JD	Individual JD	Collective JD	Stage (3) JD	Total JD
Balance - beginning of the year	880,201,382	210,673,621	196,776,301	29,784,659	144,543,985	**1,461,979,948**
Reclassification impact	8,229,391	6,711,352	(29,743,061)	180,240	(2,097,863)	**(16,719,941)**
Adjusted balance - beginning of the year	**888,430,773**	**217,384,973**	**167,033,240**	**29,964,899**	**142,446,122**	**1,445,260,007**
New credit facilities during the year	395,912,329	22,180,214	23,706,451	18,114,271	4,386,786	**464,300,051**
Paid credit facilities	(162,853,742)	(15,506,886)	(12,822,285)	(13,526,201)	(8,060,575)	**(212,769,689)**
Transferred to stage (1)	19,300,091	5,632,239	(17,900,899)	(5,365,536)	(1,665,895)	-
Transferred to stage (2)	(39,342,836)	(11,340,605)	39,444,391	11,668,512	(429,462)	-
Transferred to stage (3)	(7,954,301)	(2,408,343)	(35,194,715)	(3,030,186)	48,587,545	-
Effect of adjustments	(85,049,021)	(37,264,065)	(14,267,732)	(2,387,293)	9,139,831	**(129,828,280)**
Written off credit facilities	-	-	-	-	(21,855,560)	**(21,855,560)**
Adjustments due to change in exchange rates	(39,534)	(1,293,632)	(8,326)	(93,838)	(3,158)	**(1,438,488)**
Balance - End of the Year	**1,008,403,759**	**177,383,895**	**149,990,125**	**35,344,628**	**172,545,634**	**1,543,668,041**

2018

	Stage (1)		Stage (2)			
	Individual	Collective	Individual	Collective	Stage (3)	Total
	JD	JD	JD	JD	JD	JD
Balance - beginning of the year	**913,311,146**	**157,926,460**	**163,101,516**	**4,889,964**	**138,530,787**	**1,377,759,873**
New credit facilities during the year	150,204,067	49,105,228	11,363,309	10,836,745	2,331,217	**223,840,566**
Paid credit facilities	(117,535,916)	(20,932,954)	(4,414,803)	(365,925)	(7,441,221)	**(150,690,819)**
Transferred to stage (1)	12,322,953	1,612,263	(12,322,953)	(1,450,440)	(161,823)	-
Transferred to stage (2)	(55,584,308)	(20,767,523)	55,653,242	20,767,523	(68,934)	-
Transferred to stage (3)	(6,964,584)	(325,993)	(14,795,097)	(2,188,274)	24,273,948	-
Effect of adjustments	(15,581,428)	47,071,484	(1,813,086)	(2,680,344)	5,065,936	**32,062,562**
Written off credit facilities	-	-	-	-	(17,986,449)	**(17,986,449)**
Adjustments due to change in exchange rates	29,452	(3,015,344)	4,173	(24,590)	524	**(3,005,785)**
Balance - End of the Year	**880,201,382**	**210,673,621**	**196,776,301**	**29,784,659**	**144,543,985**	**1,461,979,948**

The movement on the provision for credit loss for corporates credit facilities during the year ended December 31, 2019 and 2018 was as follows:

2019

	Stage (1)		Stage (2)			
	Individual	Collective	Individual	Collective	Stage (3)	Total
	JD	JD	JD	JD	JD	JD
Balance - beginning of the year	**9,931,675**	**3,818,243**	**43,686,572**	**3,605,332**	**109,196,886**	**170,238,708**
Reclassification impact	122,887	67,758	(768,650)	35,546	(1,378,469)	**(1,920,928)**
Adjusted balance - beginning of the year	**10,054,562**	**3,886,001**	**42,917,922**	**3,640,878**	**107,818,417**	**168,317,780**
Impairment losses on new investment during the year	1,868,370	931,893	1,926,952	3,338,091	2,887,644	**10,952,950**
Reversed from impairment losses on matured investments	(968,759)	(647,544)	(109,396)	(1,754,826)	(2,522,711)	**(6,003,236)**
Transferred to stage (1)	1,058,484	122,676	(434,589)	(122,676)	(623,895)	-
Transferred to stage (2)	(371,357)	(409,783)	381,886	491,665	(92,411)	-
Transferred to stage (3)	(6,009)	(33,922)	(10,851,269)	(213,502)	11,104,702	-
Effect on the size of exposures due to reclassification between stages	(494,783)	(36,526)	176,457	694,084	18,488,984	**18,828,216**
Effect of adjustments	(4,282,963)	(59,762)	2,255,788	6,249	(4,523,726)	**(6,604,414)**
Written off credit facilities	-	-	-	-	(6,926,790)	**(6,926,790)**
Adjustments due to change in exchange rates	(2,808)	(91,841)	(881)	(1,377)	17,366	**(79,541)**
Balance - End of the Year	**6,854,737**	**3,661,192**	**36,262,870**	**6,078,586**	**125,627,580**	**178,484,965**

2018

	Stage (1)		Stage (2)			2018
	Individual	Collective	Individual	Collective	Stage (3)	Total
	JD	JD	JD	JD	JD	JD
Balance - beginning of the year	**12,425,977**	**3,470,368**	**36,689,315**	**401,394**	**107,591,790**	**160,578,844**
Transferred to other provisions	-	-	-	-	(794,772)	**(794,772)**
Impairment losses on new investment during the year	1,570,429	1,039,183	1,356,015	1,613,591	1,296,011	**6,875,229**
Reversed from impairment losses on matured investments	(1,997,496)	(503,124)	(211,344)	(7,779)	(1,725,867)	**(4,445,610)**
Transferred to stage (1)	262,273	41,796	(262,273)	(41,796)	-	**-**
Transferred to stage (2)	(442,671)	(910,150)	473,470	910,150	(30,799)	**-**
Transferred to stage (3)	(895)	(25,118)	(3,668,384)	(254,130)	3,948,527	**-**
Effect on the size of exposures due to reclassification between stages	(151,507)	(4,292)	1,225,569	959,684	9,335,793	**11,365,247**
Effect of adjustments	(1,735,014)	769,735	8,084,224	27,570	(1,866,748)	**5,279,767**
Written off credit facilities	-	-	-	-	(8,598,080)	**(8,598,080)**
Adjustments due to change in exchange rates	579	(60,155)	(20)	(3,352)	41,031	**(21,917)**
Balance - End of the Year	**9,931,675**	**3,818,243**	**43,686,572**	**3,605,332**	**109,196,886**	**170,238,708**

The distribution of total credit facilities by internal credit rating for SME's was as follows:

	December 31, 2019				2018
	Stage (1)	Stage (2)	Stage (3)	Total	Total
	JD	JD	JD	JD	JD
Credit rating categories based on the Bank's internal system:					
From (1) To (5)	76,592,107	16,116,751	917,916	**93,626,774**	**95,243,775**
From (6) To (7)	21,567,018	5,394,407	1,100,993	**28,062,418**	**34,506,709**
From (8) To (10)	-	-	48,136,874	**48,136,874**	**37,883,140**
Not rated	96,856,112	19,363,168	20,863,986	**137,083,266**	**138,293,311**
Total	**195,015,237**	**40,874,326**	**71,019,769**	**306,909,332**	**305,926,935**

The movement on credit facilities for SME's during the year ended December 31, 2019 and 2018 was as follows:

2019

	Stage (1)		Stage (2)			
	Individual JD	Collective JD	Individual JD	Collective JD	Stage (3) JD	Total JD
Balance - beginning of the year	106,973,595	107,964,135	21,214,181	15,577,913	54,197,111	**305,926,935**
Reclassification impact	5,335,886	(4,649,852)	2,824,780	(182,668)	1,944,580	**5,272,726**
Adjusted Balance - Beginning of the Year	**112,309,481**	**103,314,283**	**24,038,961**	**15,395,245**	**56,141,691**	**311,199,661**
New credit facilities during the year	26,481,844	48,643,006	4,243,611	3,924,076	3,519,900	**86,812,437**
Paid credit facilities	(18,353,892)	(35,228,133)	(4,072,615)	(2,767,591)	(2,947,584)	**(63,369,815)**
Transferred to stage (1)	7,586,522	1,612,730	(7,154,949)	(1,497,858)	(546,445)	-
Transferred to stage (2)	(15,848,633)	(10,387,169)	16,013,410	10,502,158	(279,766)	-
Transferred to stage (3)	(3,370,773)	(4,191,712)	(7,870,559)	(3,070,203)	18,503,247	-
Effect of adjustments	(10,641,611)	(6,262,219)	(3,686,314)	(3,037,461)	(231,118)	**(23,858,723)**
Written-off credit facilities	-	-	-	-	(3,080,186)	**(3,080,186)**
Adjustments due to change in exchange rates	(3,813)	(644,674)	(387)	(85,198)	(59,970)	**(794,042)**
Balance - End of the Year	**98,159,125**	**96,856,112**	**21,511,158**	**19,363,168**	**71,019,769**	**306,909,332**

2018

	Stage (1)		Stage (2)			
	Individual JD	Collective JD	Individual JD	Collective JD	Stage (3) JD	Total JD
Balance - beginning of the year	102,955,453	142,717,485	16,055,898	3,001,283	47,794,409	**312,524,528**
New credit facilities during the year	26,767,706	63,900,629	4,524,063	4,880,442	5,319,355	**105,392,195**
Paid credit facilities	(15,073,697)	(76,790,858)	(3,389,816)	(1,134,505)	(4,236,682)	**(100,625,558)**
Transferred to stage (1)	4,237,481	824,114	(4,183,941)	(605,890)	(289,764)	-
Transferred to stage (2)	(12,116,201)	(12,110,034)	12,971,703	12,347,573	(1,093,041)	-
Transferred to stage (3)	(1,276,519)	(4,143,784)	(3,537,508)	(484,462)	9,442,273	-
Effect of adjustments	1,478,437	(3,121,180)	(1,226,169)	(2,412,388)	(809,086)	**(6,090,386)**
Written off credit facilities	-	-	-	-	(1,735,276)	**(1,735,276)**
Adjustments due to change in exchange rates	935	(3,330,237)	(49)	(14,140)	(195,077)	**(3,538,568)**
Balance - End of the Year	**106,973,595**	**107,946,135**	**21,214,181**	**15,577,913**	**54,197,111**	**305,926,935**

The movement on the provision for credit loss for SME's credit facilities during the year ended December 31, 2019 and 2018 was as follows:

2019

	Stage (1)		Stage (2)			
	Individual JD	Collective JD	Individual JD	Collective JD	Stage (3) JD	Total JD
Balance - beginning of the year	2,404,138	1,610,302	1,793,338	656,300	22,809,000	**29,273,078**
Reclassification impact	(348,229)	(75,568)	195,029	(36,026)	1,631,649	**1,366,855**
Adjusted balance - Beginning of the Year	**2,055,909**	**1,534,734**	**1,988,367**	**620,274**	**24,440,649**	**30,639,933**
Impairment losses on new investment during the year	367,052	1,106,747	395,294	436,761	2,023,673	**4,329,527**
Reversed from impairment losses on matured investments	(193,502)	(527,294)	(105,122)	(229,204)	(626,629)	**(1,681,751)**
Transferred to stage (1)	805,171	114,567	(501,033)	(58,762)	(359,943)	-
Transferred to stage (2)	(343,632)	(184,108)	420,352	216,750	(109,362)	-
Transferred to stage (3)	(121,353)	(46,160)	(1,065,020)	(97,528)	1,330,061	-
Effect on the size of exposures due to reclassification between stages	(442,444)	(87,007)	3,337,586	402,066	5,314,501	**8,524,702**
Effect of adjustments	(51,406)	400,185	304,537	122,357	(1,956,488)	**(1,180,815)**
Written off credit facilities	-	-	-	-	(1,290,584)	**(1,290,584)**
Adjustments due to change in exchange rates	(46)	(9,273)	-	(1,649)	(49,678)	**(60,646)**
Balance - End of the Year	**2,075,749**	**2,302,391**	**4,774,961**	**1,411,065**	**28,716,200**	**39,280,366**

2018

	Stage (1)		Stage (2)			
	Individual JD	Collective JD	Individual JD	Collective JD	Stage (3) JD	Total JD
Balance - beginning of the year	1,980,788	2,401,820	1,230,745	171,736	22,991,930	**28,777,019**
Transferred to other provisions	-	-	-	-	(2,627,293)	**(2,627,293)**
Impairment losses on new investment during the year	391,177	1,034,262	469,999	259,572	3,545,489	**5,700,499**
Reversed from impairment losses on matured investments	(127,191)	(1,306,567)	(158,677)	(51,245)	(1,842,684)	**(3,486,364)**
Transferred to stage (1)	152,968	75,939	(133,136)	(40,652)	(55,119)	-
Transferred to stage (2)	(156,603)	(228,946)	450,738	298,630	(363,819)	-
Transferred to stage (3)	(19,411)	(64,698)	(337,888)	(32,383)	454,380	-
Effect on the size of exposures due to reclassification between stages	(76,451)	(73,673)	359,891	72,975	5,032,611	**5,315,353**
Effect of adjustments	258,660	(183,014)	(88,318)	(18,434)	(3,555,595)	**(3,586,701)**
Written off credit facilities	-	-	-	-	(525,819)	**(525,819)**
Adjustments due to change in exchange rates	201	(44,821)	(16)	(3,899)	(245,081)	**(293,616)**
Balance - End of the Year	**2,404,138**	**1,610,302**	**1,793,338**	**656,300**	**22,809,000**	**29,273,078**

The distribution of total credit facilities by internal credit rating for Individuals was as follows:

	December 31, 2019				2018
	Stage (1) JD	Stage (2) JD	Stage (3) JD	Total JD	Total JD
Credit rating categories based on the Bank's internal system:					
From (1) To (5)	34,940,060	1,556,388	8,062	**36,504,510**	**48,063,156**
From (6) To (7)	324,781	-	-	**324,781**	**-**
From (8) To (10)	-	-	2,057,678	**2,057,678**	**3,614,366**
Not rated	674,315,873	26,724,298	59,875,660	**760,915,831**	**717,206,464**
Total	**709,580,714**	**28,280,686**	**61,941,400**	**799,802,800**	**768,883,986**

The movement on credit facilities for Individuals during the year ended December 31, 2019 and 2018 was as follows:

2019

	Stage (1)		Stage (2)			
	Individual JD	Collective JD	Individual JD	Collective JD	Stage (3) JD	Total JD
Balance - beginning of the year	40,785,318	638,357,171	7,277,860	30,635,896	51,827,741	**768,883,986**
Reclassification impact	(22,631,452)	145,245	(6,345,682)	-	(1,939,451)	**(30,771,340)**
Adjusted Balance - Beginning of the Year	**18,153,866**	**638,502,416**	**932,178**	**30,635,896**	**49,888,290**	**738,112,646**
New credit facilities during the year	27,964,875	311,741,962	825,049	5,723,391	2,628,289	**348,883,566**
Paid credit facilities	(9,201,234)	(192,691,009)	(290,104)	(8,327,622)	(3,340,509)	**(213,850,478)**
Transferred to stage (1)	-	13,164,241	-	(10,557,200)	(2,607,041)	**-**
Transferred to stage (2)	-	(17,616,355)	37,956	19,337,747	(1,759,348)	**-**
Transferred to stage (3)	(86,296)	(9,881,488)	-	(6,789,485)	16,757,269	**-**
Effect of adjustments	(1,562,339)	(68,908,353)	51,308	(3,298,428)	687,442	**(73,030,370)**
Written-off credit facilities	-	-	-	-	(311,623)	**(311,623)**
Adjustments due to change in exchange rates	(311)	739	-	-	(1,369)	**(941)**
Balance - End of the Year	**35,268,561**	**674,312,153**	**1,556,387**	**26,724,299**	**61,941,400**	**799,802,800**

2018

	Stage (1)		Stage (2)			
	Individual JD	Collective JD	Individual JD	Collective JD	Stage (3) JD	Total JD
Balance - beginning of the year	42,830,449	649,863,118	533,757	15,463,079	42,390,746	**751,081,149**
New credit facilities during the year	18,998,307	233,154,550	642,074	4,510,648	1,386,965	**258,692,544**
Paid credit facilities	(11,618,644)	(135,789,159)	(889)	(1,574,317)	(1,643,818)	**(150,626,827)**
Transferred to stage (1)	243,231	6,827,552	(243,231)	(4,718,112)	(2,109,440)	**-**
Transferred to stage (2)	(7,432,374)	(24,174,221)	7,432,374	25,431,191	(1,256,970)	**-**
Transferred to stage (3)	(38,564)	(9,122,106)	-	(4,820,979)	13,981,649	**-**
Effect of adjustments	(2,199,497)	(82,402,438)	(1,085,737)	(3,655,614)	821,712	**(88,521,574)**
Written off credit facilities	-	-	-	-	(1,737,196)	**(1,737,196)**
Adjustments due to change in exchange rates	2,410	(125)	(488)	-	(5,907)	**(4,110)**
Balance - End of the Year	**40,785,318**	**638,357,171**	**7,277,860**	**30,635,896**	**51,827,741**	**768,883,986**

The movement on the provision for credit loss for individuals credit facilities during the year ended December 31, 2019 and 2018 was as follows:

2019

	Stage (1)		Stage (2)			
	Individual JD	Collective JD	Individual JD	Collective JD	Stage (3) JD	Total JD
Balance - beginning of the year	289,327	3,776,057	4,746	5,158,301	24,607,909	**33,836,340**
Prior years adjustments	-	-	-	-	370,386	**370,386**
Reclassification impact	(235,065)	263	(1)	-	(888,945)	**(1,123,748)**
Adjusted balance - Beginning of the Year	**54,262**	**3,776,320**	**4,745**	**5,158,301**	**24,089,350**	**33,082,978**
Impairment losses on new facilities during the year	111,267	2,036,691	56,659	1,080,083	1,544,918	**4,829,618**
Reversed from impairment losses on matured facilities	(5,258)	(1,024,182)	-	(1,391,294)	(1,404,297)	**(3,825,031)**
Transferred to stage (1)	-	3,449,792	-	(1,817,885)	(1,631,907)	**-**
Transferred to stage (2)	-	(96,346)	15,410	1,137,303	(1,056,367)	**-**
Transferred to stage (3)	(1,415)	(53,368)	-	(1,136,498)	1,191,281	**-**
Effect on the size of exposures due to reclassification between stages	-	(3,378,102)	(14,436)	1,869,676	9,356,635	**7,833,773**
Effect of adjustments	(21,529)	52,782	(1,599)	213,514	(1,584,621)	**(1,341,453)**
Written-off credit facilities	-	-	-	-	(35,215)	**(35,215)**
Adjustments due to change in exchange rates	(1)	-	-	(1)	(821)	**(823)**
Balance - End of the Year	**137,326**	**4,763,587**	**60,779**	**5,113,199**	**30,468,956**	**40,543,847**

2018

	Stage (1)		Stage (2)			
	Individual JD	Collective JD	Individual JD	Collective JD	Stage (3) JD	Total JD
Balance - beginning of the year	545,668	6,244,520	6,949	3,459,812	19,847,165	**30,104,114**
Impairment losses on new facilities during the year	167,804	1,272,790	4,745	766,165	694,438	**2,905,942**
Reversed from impairment losses on matured facilities	(66,039)	(880,861)	(1)	(328,806)	(684,292)	**(1,959,999)**
Transferred to stage (1)	6,938	1,870,258	(6,938)	(976,906)	(893,352)	**-**
Transferred to stage (2)	(180,880)	(156,106)	180,880	712,344	(556,238)	**-**
Transferred to stage (3)	(45)	(58,802)	-	(1,006,637)	1,065,484	**-**
Effect on the size of exposures due to reclassification between stages	(4,439)	(1,840,248)	(180,799)	3,062,686	7,766,707	**8,803,907**
Effect of adjustments	(179,664)	(2,675,480)	(9)	(530,357)	(1,988,749)	**(5,374,259)**
Written-off credit facilities	-	-	-	-	(640,472)	**(640,472)**
Adjustments due to change in exchange rates	(16)	(14)	(81)	-	(2,782)	**(2,893)**
Balance - End of the Year	**289,327**	**3,776,057**	**4,746**	**5,158,301**	**24,607,909**	**33,836,340**

The distribution of total credit facilities by internal credit rating for Real Estate was as follows:

	December 31, 2019				2018
	Stage (1) JD	Stage (2) JD	Stage (3) JD	Total JD	Total JD
Credit rating categories based on the Bank's internal system:					
From (1) To (5)	110,710,544	9,909,676	1,796,098	**122,416,318**	**127,740,045**
From (6) To (7)	16,443,363	132,691,177	10,197,065	**159,331,605**	**114,716,872**
From (8) To (10)	-	-	21,249,366	**21,249,366**	**17,843,230**
Not rated	816,366,782	49,065,329	48,975,441	**914,407,552**	**956,307,880**
Total	**943,520,689**	**191,666,182**	**82,217,970**	**1,217,404,841**	**1,216,608,027**

The movement on credit facilities for Real Estate during the year ended December 31, 2019 and 2018 was as follows:

2019

	Stage (1)		Stage (2)			
	Individual JD	Collective JD	Individual JD	Collective JD	Stage (3) JD	Total JD
Balance - beginning of the year	132,191,635	877,405,320	115,846,032	38,150,205	53,014,835	**1,216,608,027**
Reclassification impact	6,898,071	(38,662)	33,263,964	2,428	2,092,741	**42,218,542**
Adjusting Balance - Beginning of the Year	**139,089,706**	**877,366,658**	**149,109,996**	**38,152,633**	**55,107,576**	**1,258,826,569**
New credit facilities during the year	25,215,982	95,743,540	1,226,095	775,646	2,089,279	**125,050,542**
Paid credit facilities	(10,603,992)	(102,687,782)	(15,998,294)	(2,437,963)	(4,158,038)	**(135,886,069)**
Transferred to stage (1)	5,379,587	18,098,323	(5,036,742)	(14,584,546)	(3,856,622)	**-**
Transferred to stage (2)	(24,230,667)	(31,676,251)	25,751,095	34,652,533	(4,496,710)	**-**
Transferred to stage (3)	(4,105,008)	(13,179,032)	(10,778,017)	(11,313,457)	39,375,514	**-**
Effect of adjustments	(3,587,852)	(32,101,299)	4,100,369	(2,129,775)	(1,150,620)	**(34,869,177)**
Written-off credit facilities	-	-	-	-	(757,532)	**(757,532)**
Adjustments due to change in exchange rates	(3,850)	4,802,626	176,829	(220)	65,123	**5,040,508**
Balance - End of the Year	**127,153,906**	**816,366,783**	**148,551,331**	**43,114,851**	82,217,970	**1,217,404,841**

2018

	Stage (1)		Stage (2)			
	Individual JD	Collective JD	Individual JD	Collective JD	Stage (3) JD	Total JD
Balance - beginning of the year	161,216,335	877,109,150	83,851,883	28,923,434	52,726,710	**1,203,827,512**
New credit facilities during the year	9,303,660	101,542,271	12,428,489	1,518,443	787,828	**125,580,691**
Paid credit facilities	(11,806,864)	(37,125,466)	(1,008,226)	(1,431,293)	(13,329,768)	**(64,701,617)**
Transferred to stage (1)	6,078,296	15,057,261	(6,078,296)	(11,138,431)	(3,918,830)	**-**
Transferred to stage (2)	(29,264,581)	(26,155,735)	29,436,366	27,878,775	(1,894,825)	**-**
Transferred to stage (3)	(1,179,895)	(7,490,444)	(4,535,029)	(6,018,972)	19,224,340	**-**
Effect of adjustments	(2,157,250)	(37,085,264)	1,876,041	(1,579,085)	813,556	**(38,132,002)**
Written off credit facilities	-	-	-	-	(930,948)	**(930,948)**
Adjustments due to change in exchange rates	1,934	(8,446,453)	(125,196)	(2,666)	(463,228)	**(9,035,609)**
Balance - End of the Year	**132,191,635**	**877,405,320**	**115,846,032**	**38,150,205**	**53,014,835**	**1,216,608,027**

The movement on the provision for credit loss for real estate credit facilities during the year ended December 31, 2019 and 2018 was as follows:

2019

	Stage (1)		Stage (2)			
	Individual	collective	Individual	collective	Stage (3)	Total
	JD	JD	JD	JD	JD	JD
Balance - beginning of the year	2,131,512	1,503,312	31,749,897	3,090,988	19,571,491	**58,047,200**
Reclassification impact	460,401	7,544	551,381	22,718	635,782	**1,677,826**
Adjusted Balance - Beginning of the Year	**2,591,913**	**1,510,856**	**32,301,278**	**3,113,706**	**20,207,273**	**59,725,026**
Impairment losses on new facilities during the year	232,814	364,544	78,916	112,668	551,408	**1,340,350**
Reversed from impairment losses on matured facilities	(249,679)	(123,765)	(68,375)	(162,364)	(1,446,270)	**(2,050,453)**
Transferred to stage (1)	318,439	2,824,800	(186,741)	(1,202,599)	(1,753,899)	**-**
Transferred to stage (2)	(481,375)	(79,920)	1,202,192	1,485,120	(2,126,017)	**-**
Transferred to stage (3)	(484,003)	(22,957)	(403,887)	(885,496)	1,796,343	**-**
Effect on the size of exposures due to reclassifcation between stages	(265,638)	(2,793,208)	791,715	1,263,492	16,018,711	**15,015,072**
Effect of adjustments	785,671	(122,852)	2,395,277	(172,014)	(1,962,763)	**923,319**
Written-off credit facilities	-	-	-	-	(72,040)	**(72,040)**
Adjustments due to change in exchange rates	(143)	485	(592)	432	(560)	**(378)**
Balance - End of the Year	**2,447,999**	**1,557,983**	**36,109,783**	**3,552,945**	**31,212,186**	**74,880,896**

2018

	Stage (1)		Stage (2)			
	Individual	collective	Individual	collective	Stage (3)	Total
	JD	JD	JD	JD	JD	JD
Balance - beginning of the year	1,947,467	2,244,932	10,949,143	2,714,399	13,303,603	**31,159,544**
Transferred to other provisions	-	-	-	-	(168,101)	**(168,101)**
Impairment losses on new facilities during the year	117,530	223,492	815,130	145,508	580,529	**1,882,189**
Reversed from impairment losses on matured facilities	(124,323)	(124,816)	(93,562)	(113,252)	(1,694,832)	**(2,150,785)**
Transferred to stage (1)	412,067	1,662,266	(412,067)	(1,056,262)	(606,004)	**-**
Transferred to stage (2)	(174,629)	(79,299)	206,617	382,296	(334,985)	**-**
Transferred to stage (3)	(32,026)	(21,644)	(310,410)	(578,841)	942,921	**-**
Effect on the size of exposures due to reclassifcation between stages	(345,967)	(1,635,479)	1,299,947	1,746,713	7,426,762	**8,491,976**
Effect of adjustments	331,381	(759,680)	19,295,528	(149,484)	466,316	**19,184,061**
Written-off credit facilities	-	-	-	-	(344,767)	**(344,767)**
Adjustments due to change in exchange rates	12	(6,460)	(429)	(89)	49	**(6,917)**
Balance - End of the Year	**2,131,512**	**1,503,312**	**31,749,897**	**3,090,988**	**19,571,491**	**58,047,200**

The distribution of total credit facilities by internal credit rating for Government and public sector was as follows:

	December 31, 2019				2018
	Stage (1) JD	Stage (2) JD	Stage (3) JD	Total JD	Total JD
Credit rating categories based on the Bank's internal system:					
From (1) To (5)	730,959,320	-	-	**730,959,320**	**892,185,795**
From (6) To (7)	-	-	-	-	-
From (8) To (10)	-	-	-	-	-
Not rated	-	-	-	-	-
Total	**730,959,320**	**-**	**-**	**730,959,320**	**892,185,795**

The movement on credit facilities for Government and Public Sector during the year ended December 31, 2019 and 2018 was as follows:

2019

	Stage (1) Individual JD	Stage (2) Individual JD	Stage (3) JD	Total JD
Balance - beginning of the year	869,087,791	23,098,004	-	**892,185,795**
Reclassification impact	12	1	-	**13**
Adjusted Balance - Beginning of the Year	**869,087,803**	**23,098,005**	-	**892,185,808**
New credit facilities during the year	104,555,680	-	-	**104,555,680**
Paid credit facilities	(58,986,312)	(101,127)	-	**(59,087,439)**
Transferred to stage (1)	22,996,878	(22,996,878)	-	**-**
Transferred to stage (2)	-	-	-	**-**
Transferred to stage (3)	-	-	-	**-**
Effect of adjustments	(206,694,729)	-	-	**(206,694,729)**
Balance - End of the Year	**730,959,320**	**-**	**-**	**730,959,320**

2018

	Stage (1) Individual JD	Stage (2) Individual JD	Stage (3) JD	Total JD
Balance - beginning of the year	844,207,727	-	-	**844,207,727**
New credit facilities during the year	100,068,128	608,174	-	**100,676,302**
Paid credit facilities	(705,966)	-	-	**(705,966)**
Transferred to stage (1)	-	-	-	**-**
Transferred to stage (2)	(23,985,928)	23,985,928	-	**-**
Transferred to stage (3)	-	-	-	**-**
Effect of adjustments	(50,496,170)	(1,496,098)	-	**(51,992,268)**
Balance - End of the Year	**869,087,791**	**23,098,004**	**-**	**892,185,795**

The movement on the provision for credit loss for Government and public sector credit facilities during the year ended December 31, 2019 and 2018 was as follows:

2019

	Stage (1) Individual JD	Stage (2) Individual JD	Stage (3) JD	Total JD
Balance - beginning of the year	412,554	24,469	-	**437,023**
Impairment losses on new facilities during the year	403,004	-	-	**403,004**
Reversed from impairment losses on matured facilities	(407,635)	-	-	**(407,635)**
Transferred to stage (1)	24,469	(24,469)	-	**-**
Transferred to stage (2)	-	-	-	**-**
Transferred to stage (3)	-	-	-	**-**
Effect on the size of exposures due to reclassifcation between stages	(16,272)	-	-	**(16,272)**
Effect of adjustments	1,549	-	-	**1,549**
Balance - End of the Year	**417,669**	**-**	**-**	**417,669**

2018

	Stage (1) Individual JD	Stage (2) Individual JD	Stage (3) JD	Total JD
Balance - beginning of the year	1,752,231	-	-	**1,752,231**
Impairment losses on new facilities during the year	374	79	-	**453**
Reversed from impairment losses on matured facilities	(2,072)	-	-	**(2,072)**
Transferred to stage (1)	-	-	-	**-**
Transferred to stage (2)	(105,517)	105,517	-	**-**
Transferred to stage (3)	-	-	-	**-**
Effect on the size of exposures due to reclassifcation between stages	-	(81,127)	-	**(81,127)**
Effect of adjustments	(1,232,462)	-	-	**(1,232,462)**
Balance - End of the Year	**412,554**	**24,469**	**-**	**437,023**

11 Financial Assets at Fair Value through Profit or Loss

The details of this item are as follows:

	December 31,	
	2019 JD	2018 JD
Quoted Financial Assets:		
Jordanian treasury bonds	1,141,026,768	914,626,190
Governmental/Government-guaranteed bonds	531,351,277	474,041,325
Foreign goverments bonds	22,565,281	1,494,650
Corporate bonds and debentures	131,858,249	96,763,890
Total Quoted Financial Assets	**1,826,801,575**	**1,486,926,055**
Unquoted Financial Assets:		
Corporate bonds and debentures	3,000,001	3,000,001
Total Unquoted Financial Assets	**3,000,001**	**3,000,001**
Total	**1,829,801,576**	**1,489,926,056**
Less: Provision for excepted credit loss	(3,177,625)	(3,123,069)
Total	**1,826,623,951**	**1,486,802,987**
Bonds and Bills Analysis:		
With fixed rate	1,818,052,951	1,478,231,987
With floating rate	8,571,000	8,571,000
Total	**1,826,623,951**	**1,486,802,987**

- Bonds are repaid yearly, and the last of which matures in the year 2029.
- The interest rate on bonds ranges from 3.24% to 6.74%.
- There are no staging categories through the Bank's internal system.
- The following is the movement on the financial assets at amortized cost during the year ended December 31, 2019 and 2018:

	Stage (1) Individual JD	Stage (2) Individual JD	Stage (3) JD	Total JD
Balance - beginning of the year	1,486,926,055	-	3,000,001	**1,489,926,056**
New investments during the year	655,218,583	-	-	**655,218,583**
Matured investments	(318,672,790)	-	-	**(318,672,790)**
Amortization of premium/ discount	3,069,748	-	-	**3,069,748**
Adjustments due to change in exchange rates	259,979	-	-	**259,979**
Balance - End of the Year	**1,826,801,575**	**-**	**3,000,001**	**1,829,801,576**

	Stage (1) Individual JD	Stage (2) Individual JD	Stage (3) JD	Total JD
Balance - beginning of the year	1,778,078,637	-	9,297,988	**1,787,376,625**
Transfer to financial assets at air value through other comprehensive income	(365,357,008)	-	(2,647,988)	**(368,004,996)**
Adjusted – Beginning Balance of the Year	**1,412,721,629**	**-**	**6,650,000**	**1,419,371,629**
New investments during the year	378,914,903	-	-	**378,914,903**
Matured investments	(305,269,299)	-	(3,649,999)	**(308,919,298)**
Adjustments due to change in exchange rates	558,822	-	-	**558,822**
Balance - End of the Year	**1,486,926,055**	**-**	**3,000,001**	**1,489,926,056**

The following is the movement on the provision for expected credit loss during the year ended December 31, 2019 and 2018:

	Stage (1) Individual JD	Stage (2) Individual JD	Stage (3) JD	Total JD
Balance - beginning of the year	123,069	-	3,000,000	**3,123,069**
Expected credit losses on new investments during the year	85,125	-	-	**85,125**
Expected credit losses on matured investments during the year	(23,136)	-	-	**(23,136)**
Effect of adjustments	(10,046)	-	-	**(10,046)**
Adjustments due to change in exchange rates	2,613	-	-	**2,613**
Balance - End of the Year	**177,625**	**-**	**3,000,000**	**3,177,625**

	Stage (1) Individual JD	Stage (2) Individual JD	Stage (3) JD	Total JD
Balance - beginning of the year	-	-	6,234,632	**6,234,632**
Reclassification	-	-	(1,957,132)	**(1,957,132)**
Effect of implementing IFRS (9)	176,625	-	-	**176,625**
Adjusted Beginning Balance for the Year	**176,625**	**-**	**4,277,500**	**4,454,125**
Expected credit losses on new investments during the year	92,259	-	-	**92,259**
Expected credit losses on matured investments during the year	(141,874)	-	(1,277,500)	**(1,419,374)**
Adjustments due to change in exchange rates	(3,941)	-	-	**(3,941)**
Balance - End of the Year	**123,069**	**-**	**3,000,000**	**3,123,069**

12 Property and Equipment - Net

The details of this item are as follows:

	Lands JD	Buildings JD	Equipment, Furniture and Fixtures JD	Vehicles JD	Computers Hardware JD	Total JD
For the Year Ended December 31, 2019						
Cost:						
Balance - beginning of the year	26,862,813	30,351,435	94,479,292	2,637,748	38,619,498	**192,950,786**
Additions	1,996,141	65,972,139	51,144,731	142,099	4,333,674	**123,588,784**
Disposals	-	(1,938)	(4,492,189)	(443,690)	(1,747,123)	**(6,684,940)**
Foreign currency exchange differences	(1,653)	(9,065)	(573)	(1,118)	4,250	**(8,159)**
Balance - End of the Year	**28,857,301**	**96,312,571**	**141,131,261**	**2,335,039**	**41,210,299**	**309,846,471**
Accumulated Depreciation:						
Balance - beginning of the year	-	8,593,240	77,037,333	1,893,808	30,223,328	**117,747,709**
Annual depreciation	-	1,550,269	9,057,422	286,217	2,422,393	**13,316,301**
Disposals	-	(1,166)	(1,404,825)	(393,449)	(1,538,108)	**(3,337,548)**
Foreign currency exchange differences	-	(6,861)	(16,936)	(723)	4,200	**(20,320)**
Balance - End of the Year	**-**	**10,135,482**	**84,672,994**	**1,785,853**	**31,111,813**	**127,706,142**
Net book value of property and equipment	28,857,301	86,177,089	56,458,267	549,186	10,098,486	**182,140,329**
Payments on purchased property and equipment	-	-	2,257,126	-	-	**2,257,126**
Projects under construction	-	583,573	155,024	-	-	**738,597**
Net Book Value – End of the Year	**28,857,301**	**86,760,662**	**58,870,417**	**549,186**	**10,098,486**	**185,136,052**
For the Year Ended December 31, 2018						
Cost:						
Balance - beginning of the year	26,674,033	30,200,671	92,192,469	2,833,640	40,367,345	**192,268,158**
Additions	195,159	599,218	5,084,276	144,624	4,562,223	**10,585,500**
Disposals	-	(413,465)	(2,716,122)	(301,578)	(6,258,933)	**(9,690,098)**
Foreign currency exchange differences	(6,379)	(34,989)	(81,331)	(38,938)	(51,137)	**(212,774)**
Balance - End of the Year	**26,862,813**	**30,351,435**	**94,479,292**	**2,637,748**	**38,619,498**	**192,950,786**
Accumulated Depreciation:						
Balance - beginning of the year	-	8,013,509	72,799,540	1,810,697	33,582,758	**116,206,504**
Annual depreciation	-	608,371	6,404,256	372,449	2,894,996	**10,280,072**
Disposals	-	(3,192)	(2,043,075)	(287,061)	(6,223,655)	**(8,556,983)**
Foreign currency exchange differences	-	(25,448)	(123,388)	(2,277)	(30,771)	**(181,884)**
Balance - End of the Year	**-**	**8,593,240**	**77,037,333**	**1,893,808**	**30,223,328**	**117,747,709**
Net book value of property and equipment	26,862,813	21,758,195	17,441,959	743,940	8,396,170	**75,203,077**
Payments on purchased property and equipment	-	-	12,722,734	-	-	**12,722,734**
Projects under construction	-	98,639,907	-	-	-	**98,639,907**
Net Book Value – End of the Year	**26,862,813**	**120,398,102**	**30,164,693**	**743,940**	**8,396,170**	**186,565,718**

- Property and equipment include fully depreciated assets of JD 81,388,071 as of December 31, 2019 compared with JD 72,250,021 as of December 31, 2018.
- Contractual commitments related to payments on purchases of property and equipment and projects under construction are stated in Note (49), and including the remaining estimated cost for projects under construction.

13 Intangible Assets - Net

The details of this item are as follows:

For the Year Ended December 31, 2019	Goodwill JD	Computer Software JD	Other * JD	Total JD
Balance - beginning of the year	358,397	18,065,363	5,205,161	23,628,921
Additions **	-	5,288,935	-	5,288,935
Amortization for the year	-	(5,335,268)	-	(5,335,268)
Balance - End of the Year	**358,397**	**18,019,030**	**5,205,161**	**23,582,588**

For the Year Ended December 31, 2018	Goodwill JD	Computer Software JD	Other * JD	Total JD
Balance - beginning of the year	358,397	19,519,464	5,205,161	25,083,022
Additions **	-	4,090,536	-	4,090,536
Amortization for the year	-	(5,544,637)	-	(5,544,637)
Balance - End of the Year	**358,397**	**18,065,363**	**5,205,161**	**23,628,921**

* This item represents the license for conducting banking activities arising from the acquisition of Jordan International Bank / London with a shareholding value of 75%. The licence for conducting business was identified as having an indifinte life. Its impairment was tested, and no impairement was identified as of December 31, 2019 and 2018.

** The additions to computer software amounted to JD 950,753 as of December 31, 2019 compared with JOD 2,312,069 as of December 31, 2018 representing payments on account for the purchase of computer software.

14 Other Assets

The details of this item are as follows:

	December 31,	
	2019 JD	2018 JD
Accrued revenues and interest	29,789,846	25,762,323
Prepaid expenses	3,868,543	3,726,570
Assets seized by the Bank *	64,412,759	57,223,906
Assets seized by the Bank with customer’s right to recover **	-	5,035,422
Cheques under collection	13,130,829	14,970,237
Other	17,733,838	16,440,941
Total	**128,935,815**	**123,159,399**

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

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

	For the Year Ended December 31,	
	2019	2018
	JD	JD
Balance - beginning of the year	62,259,328	44,627,522
Additions	7,328,763	22,551,692
Disposals	(2,761,640)	(3,721,418)
Impairment loss	(2,413,692)	(1,198,468)
Balance - End of the Year	**64,412,759**	**62,259,328**

** Includes properties and shares that are amounted to JOD 5,035,422 as of December 31, 2018 that the customer has the right to repurchase from the Bank within a period of three years, at cost plus agreed upon interest, Note that the period of three years has passed and the customer has not exercised his right, and accordingly it has been classified under Assets seized by the Bank.

15 Bank and Financial Institutions Deposits

The details of this item are as follows:

	December 31, 2019			December 31, 2018		
	Inside Jordan	Outside Jordan	Total	Inside Jordan	Outside Jordan	Total
	JD	JD	JD	JD	JD	JD
Current accounts and demand deposits	10,642,571	49,227,467	59,870,038	14,887,882	57,455,853	72,343,735
Deposits due within 3 months	63,169,564	535,023,195	598,192,759	70,745,877	324,843,552	395,589,429
Deposits due within 3- 6 months	7,427,437	-	7,427,437	5,292,255	106,350,000	111,642,255
Deposits due within 6 - 9 months	30,442,588	-	30,442,588	30,305,873	-	30,305,873
Deposits due within 9 - 12 months	5,470,603	23,845,797	29,316,400	5,327,267	-	5,327,267
More than one year	-	-	-	-	-	-
	117,152,763	608,096,459	725,249,222	126,559,154	488,649,405	**615,208,559**

16 Customers' Deposits

The details of this item are as follows:

December 31, 2019	Retail	Corporate	SMEs	Government and Public Sector	Total
	JD	JD	JD	JD	JD
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	**4,436,737,332**	**534,114,512**	**453,032,581**	**386,628,543**	**5,810,512,968**

December 31, 2018	Retail JD	Corporate JD	SMEs JD	Government and Public Sector JD	Total JD
Current accounts and demand deposits	657,723,012	161,513,570	286,569,182	46,231,062	**1,152,036,826**
Saving deposits	2,074,766,403	379,956	13,647,932	522,527	**2,089,316,818**
Time and notice deposits	1,451,739,680	463,206,362	56,561,236	416,588,091	**2,388,095,369**
Certificates of deposit	209,782,637	33,020,257	1,084,658	-	**243,887,552**
Others	424,290	-	-	-	**424,290**
Total	**4,394,436,022**	**658,120,145**	**357,863,008**	**463,341,680**	**5,873,760,855**

- The deposits of the public sector and the Government of Jordan inside the Kingdom amounted to JD 381.6 million, representing 6.6% of total deposits as of December 31, 2019 (JD 454.2 million, representing 7.73% of total deposits as of December 31, 2018).
- Non-interest bearing deposits amounted to JD 1.59 billion, representing 27.3% of total deposits as of December 31, 2019 (JD 1.64 billion, representing 27.9% of total deposits as of December 31, 2018).
- Restricted deposits (Restricted withdrawal) amounted to JD 208.7 million, representing 3.6% of total deposits as of December 31, 2019 (JD 220 million, representing 3.75% of total deposits as of December 31, 2018).
- Dormant accounts amounted to JD 203 million, representing 3.5% of total deposits as of December 31, 2019 (JD 205 million, representing 3.5% of total deposits as of December 31, 2018).

17 Cash Margins

The details of this item are as follows:

	December 31,	
	2019 JD	2018 JD
Margins against direct credit facilities	112,409,946	86,755,326
Margins against indirect credit facilities	150,796,873	196,498,289
Dealing margins	1,271,174	1,645,721
Other margins	14,425,179	2,086,940
Total	**278,903,172**	**286,986,276**

18 Borrowed Funds

The details of this item are as follows:

	Amount JD	Periodic Repayment	Repayment Date	Guarantee	Borrowing Interest Rate	Re-lending Interest Rate
December 31, 2019						
Amman Cairo Bank loan	1,000,000	Monthly	30/7/2020	Financial Solvency	4.50%	10.5%
Amman Cairo Bank loan	24,000,000	Monthly	30/7/2020	Financial Solvency	4.75%	10.5%
Jordan Mortgage Refinance Co.	5,000,000	Semi annual	4/5/2020	Financial Solvency	5.75%	10.5%
Jordan Mortgage Refinance Co.	5,000,000	Semi annual	9/8/2020	Financial Solvency	5.85%	10.5%
Jordan Mortgage Refinance Co.	5,000,000	Semi annual	12/11/2020	Financial Solvency	5.75%	10.5%
Jordan Mortgage Refinance Co.	5,000,000	Semi annual	7/1/2020	Financial Solvency	5.75%	10.5%
Central Bank of Jordan loan	5,600,000	Semi annual	14/7/2028	Financial Solvency	3.85%	Guaranteed 7.98% without guarantee 8.48%
Central Bank of Jordan loan	3,974,875	Semi annual	7/2/2031	Financial Solvency	3.90%	Guaranteed 7.53% without guarantee 8.53%
Central Bank of Jordan loan	2,275,000	Semi annual	29/11/2024	Financial Solvency	2.50%	Guaranteed 6% without guarantee 6.5%
Central Bank of Jordan loan	2,814,013	Semi annual	21/12/2039	Financial Solvency	3.00%	Guaranteed 6.5% without guarantee 7%
Central Bank of Jordan loan	12,250,691	According to instalment maturity date	5 years with the exception of renewable energy projects 10 years	Promissory note on demand	Inside the capital city 1.75% outside the capital city 1%	Inside the capital Minimum 4.5% outside the capital minimum 3.75%
Jordan Mortgage Refinance Co *	50,000,000	Interest is paid semiannually but loans are paid in one payment	29/5/2024	Mortgage	6.35%	6.99% - 9.25%
Jordan Mortgage Refinance Co *	25,000,000	Interest is paid semiannually but loans are paid in one payment	31/1/2022	Mortgage	6.10%	6.99% - 9.25%
	146,914,579					

*Funds have been reborrowed for housing loans at an interest rate of 6.99%-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 a 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 settled borrowed funds amounted to JD 55,908,283.
- The re-issued loans amounted to JD 80,000,000.

	Amount JD	Periodic Repayment	Repayment Date	Guarantee	Borrowing Interest Rate	Re-lending Interest Rate
December 31, 2018						
Audi Bank loan	4,891,660	Monthly	31/05/2019	Financial Solvency	4.75%	10.5%
Societe Genarale Bank loan	1,499,626	Monthly	31/08/2019	Financial Solvency	6.75%	10.5%
Amman Cairo Bank loan	25,000,000	Monthly	30/07/2019	Financial Solvency	5.00%	10.5%
Real Estate Mortgage Re-fund Co.	5,000,000	Monthly	4/5/2020	Financial Solvency	4.75%	10.5%
Real Estate Mortgage Re-fund Co.	5,000,000	Semi annual	9/8/2020	Financial Solvency	5.75%	10.5%
Real Estate Mortgage Re-fund Co.	5,000,000	Semi annual	24/09/2019	Financial Solvency	5.85%	10.5%
Real Estate Mortgage Re-fund Co.	5,000,000	Semi annual	7/1/2020	Financial Solvency	5.50%	10.5%
Central Bank of Jordan loan	6,300,000	Semi annual	14/07/2028	Financial Solvency	4.37%	Gauranteed 7.87% without guarantee 8.37%
Central Bank of Jordan loan	3,974,875	Semi annual	7/2/2031	Financial Solvency	4.42%	Gauranteed 7.42% without guarantee 8.42%
Central Bank of Jordan loan	2,765,000	Semi annual	29/11/2024	Financial Solvency	2.50%	Gauranteed 6% without guarantee 6.5%
Central Bank of Jordan loan	1,412,458	Semi annual	21/12/2039	Mortgage	3.00%	Gauranteed 6.5% without guarantee 7.5%
Central Bank of Jordan loan	10,015,379	According to instalment maturity date	5 years with the exeption of renewable eneregy projects 10 years	Promissory note on demand	Inside the capital city 1.75% outside the capital city 1%	Inside the capital Minimum 4.5% outside the capital minimum 3.75%
Real Estate Mortgage Re-fund Co. *	49,999,990	Semi annual	29/05/2019	Mortgage	5.05%	8% - 10.25%
	125,858,988					

* Funds have been reborrowed for housing loans at an interest rate of 7%-9.5%, and reborrowed funds amounted to JD 50,000,000.

- The maturity dates of funds reborrowed from the Central Bank of Jordan range from May 1, 2014 to September 21, 2028.
- Borrowed funds with a fixed interest rate amounted to JD 115,584,113, and borrowed funds with a variable interest rate amounted to JD 10,274,875 as December 31, 2018.
- Borrowed funds during 2018 amounted to JD 16,013,066, and settled borrowed funds amounted to JD (10,252,185).

19 Leases

Right of use assets

The bank leases many assets, including lands and buildings, the average lease term is 5 years, and the following is the movement over the right to use assets during the year:

	For the Year Ended December 31,2019 JD
Beginning balance (Amended)	33,006,764
Add: additions during the year	1,871,508
Less: Depreciation for the year	(4,171,118)
Cancelled contracts	(2,004,703)
Balance as of December 31, 2019	28,702,451

Amounts that were recorded in the statement of profits or losses:

	For the Year Ended December 31,2019 JD
Depreciation for the year	4,171,118
Interest for the year	1,820,680
Lease expense during the year	5,991,798

Lease contract commitments:

	For the Year Ended December 31,2019 JD
Beginning balance (Amended)	33,006,764
Add: Additions during the year	1,871,508
Interest during the year	1,820,680
Less: paid during the period	(7,976,544)
Cancelled contracts	(2,004,703)
Exchange difference	16,515
Balance as of December 31, 2019	26,734,220

Maturity of lease liabilities analysis:

	December 31,2019 JD
Up to a year	2,078,202
From one to five years	11,627,113
More than five years	13,028,905
	26,734,220

The value of the undiscounted lease obligations amounted to JOD 35,681,364 as of December 31, 2019 and the following is a maturity analysis:

Undiscounted lease obligations analysis:

	December 31,2019 JD
Up to a year	3,502,784
From one to five years	16,146,805
More than five years	16,031,775
	35,681,364

20 Sundry Provisions

The details of this item are as follows:

	Provision for End-of-Service Indemnity JD	Provision for Outstanding Lawsuits Against the Bank JD	Other Provisions JD	Total JD
For the Year Ended December 31, 2019				
Balance - beginning of the year	**21,851,825**	**3,163,535**	**28,798,797**	**53,814,157**
Net provision for the year	7,681,493	20,384,590	749,598	28,815,681
Transfers from/to provisions	3,185,725	-	(3,185,725)	-
Provision used during the year	(24,860,319)	(445,067)	(777,089)	(26,082,475)
Reverse to revenue	-	(21,747)	(6,801,109)	(6,822,856)
Currency translation	-	(27,423)	616	(26,807)
Balance - End of the Year	**7,858,724**	**23,053,888**	**18,785,088**	**49,697,700**
For the Year Ended December 31, 2018				
Balance - beginning of the year	**26,461,646**	**1,278,282**	**27,544,762**	**55,284,690**
Net provision for the year	3,245,903	2,084,718	6,171,858	11,502,479
Provision used during the year	(7,855,653)	(203,010)	(4,915,896)	(12,974,559)
Reverse to revenue	-	-	-	-
Currency translation	(71)	3,545	(1,927)	1,547
Balance - End of the Year	**21,851,825**	**3,163,535**	**28,798,797**	**53,814,157**

21 Income Tax

a. Income tax provision

The movement on the income tax provision is as follows:

	For the Year Ended December 31,	
	2019	2018
	JD	JD
Balance - beginning of the year	49,752,994	50,509,319
Income tax paid	(53,352,248)	(52,514,979)
Accrued income tax	41,555,990	51,892,329
Accrued income tax of distribution profits from a subsidiary	5,219,005	-
Currency translation	12,791	(133,675)
Balance - End of the Year	**43,188,532**	**49,752,994**

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

	For the Year Ended December 31,	
	2019	2018
	JD	JD
Provision for income tax for the year	41,555,990	51,892,329
Deferred tax assets for the year	(4,315,154)	(12,676,270)
Deferred tax liabilities for the year	-	1,442,735
Amortization of deferred tax assets	6,418,634	2,308,790
Amortization of deferred tax liabilities	(410,723)	-
Accrued income tax of distribution profits from a subsidiary	5,219,005	-
Effect of change of tax rates on deferred tax	-	(5,493,724)
Total	**48,467,752**	**37,473,860**

c. Reconciliation of the accounting profit with taxable profit:

	For the Year Ended December 31,	
	2019	2018
	JD	JD
Accounting profit for the year	132,174,952	132,000,598
Non-taxable income	(24,110,251)	(29,261,064)
Non-deductible expenses for tax purposes	35,917,431	36,545,426
Taxable Profit	**143,982,132**	**139,284,960**
Effective income tax rate	**36.66%**	**28.39%**

- The legal income tax rate on banks in Jordan was 35% until the end of the year 2018. Effective January 1, 2019, the legal rate become 38%. The tax rate on local subsidiaries ranges from 20% to 28%, whereas the legal income tax rates in the countries in which the Bank operates range from 0% to 31%.

d. Tax Status

- The Bank has reached a final settlement with the Income and Sales Tax Department up to the year 2014, and has paid the declared taxes for the years 2015, 2016, 2017, 2018 and 2019 and cleared 2018’s tax.
- Taxes due on Palestine branches were cleared up to 2018.
- The income tax for the International Bank for Trade and Finance /Syria was paid up to the year 2018.
- The income tax for the Housing Bank for Trade and Finance /Algeria was paid up to the year 2018.
- The income tax for Jordan International Bank/ London was paid up to the year 2018.
- The income tax for the International Financial Centre Company was paid up to the year 2018. Moreover, a final settlement has been reached for all years except for the years 2016 and 2017.
- The income tax for the Specialized Leasing Company was paid up to the year 2018, and a final settlement has been reached up to the year 2017.

e. Deferred Income Tax Assets / Liabilities

The details of this item are as follows:

	Beginning Balance JD	Reclassification Impact JD	Adjusted beginning Balance JD	Amounts Released JD	Amounts Added JD	Ending Balance JD	Deferred Tax JD
For the Year Ended December 31, 2019							
Assets							
Expected credit loss	153,109,281	-	153,109,281	5,951,708	11,617,638	158,775,211	44,137,529
Suspended interest	828,722	-	828,722	-	431,552	1,260,274	453,249
Provision for indemnities	21,179,764	3,185,725	24,365,489	24,684,421	6,990,173	6,671,241	2,399,268
Impairment of real estate	4,254,311	-	4,254,311	-	2,905,778	7,160,089	2,575,079
Other provisions	14,632,147	(3,185,725)	11,446,422	856,677	2,646,113	13,235,858	17,602,672
Financial assets valuation Difference	3,719,228	8,865,814	12,585,042	2,769,427	162,879	9,978,494	2,488,618
Other assets	19,305,127	(8,865,814)	10,439,313	4,505,343	5,898,562	11,832,532	4,255,491
Total	**217,028,580**	-	**217,028,580**	**38,767,576**	**30,652,695**	**208,913,699**	**73,911,906**
Liabilities							
Difference valuation of financial assets	11,514,934	-	11,514,934	1,142,029	7,893,308	18,266,213	6,569,323
Total	**11,514,934**	-	**11,514,934**	**1,142,029**	**7,893,308**	**18,266,213**	**6,569,323**

	Beginning Balance JD	Reclassification Impact JD	Adjusted beginning Balance JD	Amounts Released JD	Amounts Added JD	Ending Balance JD	Deferred Tax JD
For the Year Ended December 31, 2018							
Assets							
Expected credit loss	60,275,972	64,607,711	124,883,683	-	28,225,598	153,109,281	55,064,743
Suspended interest	576,686	-	576,686	-	252,036	828,722	298,044
Provision for indemnities	22,832,372	-	22,832,372	4,146,503	2,493,895	21,179,764	7,617,162
Impairment of real estate	3,055,843	-	3,055,843	-	1,198,468	4,254,311	1,530,035
Other provisions	10,919,815	-	10,919,815	-	3,712,332	14,632,147	5,262,355
Financial assets valuation Difference	-	-	-	-	3,719,228	3,719,228	1,140,547
Other assets	23,673,496	-	23,673,496	6,753,968	2,385,599	19,305,127	5,441,223
Total	**121,334,184**	**64,607,711**	**185,941,895**	**10,900,471**	**41,987,156**	**217,028,580**	**76,354,109**
Liabilities							
Difference valuation of financial assets	6,598,803	-	6,598,803	-	4,916,131	11,514,934	4,141,270
Total	**6,598,803**	-	**6,598,803**	-	**4,916,131**	**11,514,934**	**4,141,270**

The movement on the deferred income tax assets / liabilities is as follows:

	For the Year Ended December 31, 2019		For the Year Ended December 31, 2018	
	Assets	Liabilities	Assets	Liabilities
	JD	JD	JD	JD
Balance - beginning of the year	76,354,109	4,141,270	38,384,838	2,185,858
Impact of Implementing IFRS (9)	-	-	21,401,337	-
Adjusted Beginning Balance for the Year	**76,354,109**	**4,141,270**	**59,786,175**	**2,185,858**
Additions	10,843,017	2,838,776	13,816,816	1,644,390
Disposals	(13,316,167)	(410,723)	(2,932,491)	-
Currency translation	30,947	-	(121,137)	-
Effect of change of tax rates on deferred tax *	-	-	5,804,746	311,022
Balance - End of the Year	**73,911,906**	**6,569,323**	**76,354,109**	**4,141,270**

* Deferred tax assets and liabilities for Jordan branches were calculated at a rate of 38% as of December 31, 2019 (38% as of December 31, 2018). In accordance with the Income Tax Law in the Hashemite Kingdom of Jordan, for the tax rate for subsidiaries and foreign subsidiaries, according to which deferred tax assets have been calculated, ranges from 19% to 28%. We believe that the tax assets and liabilities will be realized during the future periods of the Bank.

22 Other Liabilities

The details of this item are as follows:

	December 31,	
	2019	2018
	JD	JD
Accrued interest	22,401,169	19,602,683
Interests and commissions received in advance	949,144	808,135
Accrued expenses	17,646,599	13,790,311
Certified cheques	35,068,675	34,050,008
Transfers deposits	31,439,928	29,525,841
Payment trusts	6,203,976	2,842,459
Prizes trusts	1,315,822	1,246,840
Correspondent banks trusts	1,435,089	995,814
General management trusts	5,439,250	3,703,593
Shareholders deposits	2,706,593	504,388
Accounts payable	3,018,488	3,716,977
Other deposits	58,745,944	62,461,284
Provision for indirect facilities' expected credit loss	32,057,352	26,926,112
Others	11,238,050	10,246,483
Total	**229,666,079**	**210,420,928**

Below is the movement on indirect facilities during the year:

2019

	Stage (1)		Stage (2)			
	Individual JD	Collective JD	Individual JD	Collective JD	Stage (3) JD	Total JD
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 exposure during the period	295,140,096	64,899,990	21,838,545	3,248,015	83,382	385,210,028
Matured exposure	(213,726,896)	(78,032,692)	(24,115,501)	(226,826)	(1,677,388)	(317,779,303)
Transferred to stage (1)	4,699,896	145,834	(3,369,296)	(143,334)	(1,333,100)	-
Transferred to stage (2)	(2,042,292)	(825,210)	2,383,192	906,678	(422,368)	-
Transferred to stage (3)	(403,870)	(146,574)	(1,924,564)	(142,365)	2,617,373	-
Effect of the reclassification	83,153,382	2,116,960	5,758,836	130,416	1,596,684	92,756,278
Adjustments due to foreign currency changes	(6,334)	497,213	(5,476)	(1,713)	-	483,690
Balance at the End of the Year	**686,750,033**	**139,683,669**	**32,131,097**	**4,381,623**	**19,746,052**	**882,692,474**

2018

	Stage (1)		Stage (2)			
	Individual JD	Collective JD	Individual JD	Collective JD	Stage (3) JD	Total JD
Balance at the beginning of the year	507,975,768	193,492,655	10,113,314	238,567	15,982,423	15,982,423
New exposure during the period	294,876,388	92,790,610	5,632,908	302,823	742,905	742,905
Matured exposure	(225,226,009)	(123,575,851)	(2,387,807)	(3,657)	(1,348,511)	(1,348,511)
Transferred to stage (1)	2,063,279	164,693	(1,885,651)	(157,693)	(184,628)	(184,628)
Transferred to stage (2)	(27,560,222)	(583,857)	27,931,222	609,357	(396,500)	(396,500)
Transferred to stage (3)	(1,346,800)	(12,640)	(2,994,490)	(77,000)	4,430,930	4,430,930
Effect of the reclassification	(30,847,509)	(5,571,888)	(4,842,025)	(301,645)	(332,848)	(332,848)
Adjustments due to foreign currency changes	1,156	(5,675,574)	(2,110)	-	(12,302)	(12,302)
Balance at the End of the Year	**519,936,051**	**151,028,148**	**31,565,361**	**610,752**	**18,881,469**	**18,881,469**

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

2019

	Stage (1)		Stage (2)			
	Individual JD	Collective JD	Individual JD	Collective JD	Stage (3) JD	Total JD
Balance at the beginning of the year	3,823,459	2,433,685	4,846,856	84,229	15,737,883	**15,737,883**
Transfers	(571)	-	2	-	569	569
Adjusted beginning balance for the year	**3,822,888**	**2,433,685**	**4,846,858**	**84,229**	**15,738,452**	**15,738,452**
Impairment loss on new exposure during the year	1,554,499	2,737,553	4,852,085	755,041	2,492	**2,492**
Reversed impairment loss on matured exposure	(2,596,590)	(1,708,191)	(4,629,739)	(58,620)	(1,252,535)	**(1,252,535)**
Transferred to stage (1)	794,011	10,647	(63,931)	(9,147)	(731,580)	**(731,580)**
Transferred to stage (2)	(55,181)	(49,366)	369,898	77,372	(342,723)	**(342,723)**
Transferred to stage (3)	(5,257)	(5,032)	(62,498)	(4,939)	77,726	**77,726**
Effect on provision as of end of the year due to reclassification between the stages during the year	(763,788)	(10,297)	165,638	86,099	1,734,993	**1,734,993**
Adjustments due to changes	529,349	715,105	1,249,782	8,530	1,763,064	**1,763,064**
Adjustments due to foreign currency changes	-	5,585	-	-	(8,815)	**(8,815)**
Balance at the End of the Year	**3,279,931**	**4,129,689**	**6,728,093**	**938,565**	**16,981,074**	**16,981,074**

2018

	Stage (1)		Stage (2)			
	Individual JD	Collective JD	Individual JD	Collective JD	Stage (3) JD	Total JD
Balance at the beginning of the year	-	-	-	-	4,254,000	**4,254,000**
Effect of application IFRS (9)	5,478,806	258,486	217,826	20,872	1,729,828	**1,729,828**
Transferred from general provision	-	3,399,031	-	47	890,934	**890,934**
Adjusted beginning balance for the year	**5,478,806**	**3,657,517**	**217,826**	**20,919**	**6,874,762**	**6,874,762**
Impairment loss on new exposure during the year	1,281,346	2,152,541	196,017	69,099	3,573,676	**3,573,676**
Reversed impairment loss on matured exposure	(1,997,637)	(3,043,026)	(121,746)	(6,503)	(5,441)	**(5,441)**
Transferred to stage (1)	77,980	10,484	(26,140)	(10,484)	(51,840)	**(51,840)**
Transferred to stage (2)	(345,988)	(7,124)	496,242	7,124	(150,254)	**(150,254)**
Transferred to stage (3)	(7,034)	(182)	(34,907)	(4,815)	46,938	**46,938**
Effect on provision as of end of the year due to reclassification between the stages during the year	(58,104)	(9,520)	4,049,251	8,858	2,985,653	**2,985,653**
Adjustments due to changes	(605,910)	(320,363)	70,313	894	2,464,389	**2,464,389**
Adjustments due to foreign currency changes	-	(6,642)	-	(863)	-	**-**
Balance at the End of the Year	**3,823,459**	**2,433,685**	**4,846,856**	**84,229**	**15,737,883**	**15,737,883**

23 Capital and issue premium

Subscribed and paid up capita

The authorized and subscribed capital amounts to JOD 315 million, divided into 315 million shares, with a nominal value of one dinar per share, as of December 31, 2019 and 2018.

Issue premium

The premium for the issue is JOD 328,147,538 as of December 31, 2019 and 2018.

24 Reserves

Statutory reserve

The amounts accumulated in this account represent the transfer of annual profits before tax at the rate of 10% during the year and previous years and it is not available for distribution to shareholders according to the laws and regulations enforced.

General bank risk reserve

This item represents a general banking risk reserve in accordance with the instructions of the Central Bank of Jordan.

Special reserve

This item represents the reserve for the periodic fluctuations of Palestine branches according to the instructions of the Palestinian Monetary Authority, in addition to a special reserve with the International Bank for Trade and Finance / Syria based on the instructions of the regulatory authorities.

The restricted reserves for disposal are as follows:

Name of the reserve	As of 31, December 2019		Regulation
	2019 JD	2018 JD	
Statutory reserve	235,755,327	219,222,999	According to the applicable laws and regulations
Special reserve	11,184,797	10,798,320	According to the regulatory authorities regulations

25 Foreign Currency Translation Reserve

This item represents the differences resulting from the translation of net investments in the foreign subsidiares and branches upon the consolidation of the financial statements. The movement on this account is as follows:

	For the Year Ended December 31,	
	2019 JD	2018 JD
Balance at the beginning of the year	(113,597,748)	(106,641,415)
Net changes during the year	1,142,307	(6,956,333)
Balance at the Ending of the Year	**(112,455,441)**	**(113,597,748)**

26 Fair Value Reserve - Net

The fair value reserve appears net after deferred taxes with a negative amount of JD 5,400,864 as of December 31, 2019 (a negative amount of JD 2,219,625 as of December 31, 2018). The movement on the net fair value reserve is as follows:

	For the Year Ended December 31,	
	2019 JD	2018 JD
Balance – beginning of the year	**(2,219,625)**	**(109,459)**
Unrealized (losses) - Debt instruments	11,674,687	(2,605,375)
Unrealized gain (losses) - Shares	(364,237)	(443,682)
Deferred tax assets	(851,186)	1,140,547
Deferred tax liabilities	(2,838,775)	(201,656)
Net change in the valuation reserve of financial assets at fair value through comprehensive income after tax	**7,620,489**	**(2,110,166)**
Balance at End of the Year	**5,400,864**	**(2,219,625)**

27 Retained Earnings

The movement on retained earnings is as follows:

	For the Year Ended December 31,	
	2019 JD	2018 JD
Balance – beginning of the year	268,842,701	273,604,841
Prior years adjustments	(287,049)	-
Effect of the application of IFRS (9) on expected credit loss	-	(76,622,326)
Transferred from general banking risk reserve	-	37,608,684
Effect of the application of IFRS9 (9) on deferred tax assets	-	21,401,337
Effect of the application of IFRS (9) net after tax	-	**(17,612,305)**
Adjusted– beginning balance of the year	**268,555,652**	**255,992,536**
Income for the year	80,866,565	90,316,409
Dividends distribution	(47,250,000)	(63,000,000)
Transferred from reserves	(16,918,805)	(14,471,341)
Capital increase expenses	-	-
Gains from sale of financial assets at fair value through other comprehensive income	13,638	5,097
Balance – End of the Year	**285,267,050**	**268,842,701**

- The Bank cannot use a restricted amount of JD 6,283,303 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 73,911,906 from retained earing 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 13,788,639, which represents the gain from the valuation of foreign currencies at the International Bank for Trade and Finance /Syria for the current year and the prior years.

28 Retained Earnings and Proposed Dividends

The proposed cash dividends for the current year amounted to 15% as of December 31,2019 , equivalent to JD 47,3 million of paid-in capital subject to the approval of the General Assembly of Shareholders (15% as of December 31,2018).

29 Subsidiaries with Material Non-controlling Interest

First: Percenatage owned by non-controlling interests

	As of December 31, 2019 and 2018		
	Country	Activity Sector	Non-controlling Interests
International Bank for Trade and Finance/Syria	Syria	Banking	50.937%
The Housing Bank for Trade and Finance/Algeria	Algeria	Banking	15%
Jordan International Bank London/UK	United Kingdom	Banking	25%

Second: The following is selected financial information for subsidiaries with material non-controlling interests:

A- Condensed statement of financial position before elimination of inter-company transactions as of December 31, 2019 and 2018:

	As of December 31, 2019		
	International Bank for Trade and Finance/ Syria JD	The Housing Bank for Trade and Finance/Algeria JD	Jordan International Bank London/UK JD
Financial assets	272,905,254	514,988,708	350,452,489
Other assets	6,857,156	12,356,744	5,586,496
Total Assets	**279,762,410**	**527,345,452**	**356,038,985**
Financial Liabilities	229,005,894	305,103,495	268,823,187
Other Liabilities	15,979,938	123,754,958	4,243,879
Total Liabilities	**244,985,832**	**428,858,453**	**273,067,066**
Total Equity	**34,776,578**	**98,486,999**	**82,971,919**
Total Liabilities and Equity	**279,762,410**	**527,345,452**	**356,038,985**
Non-Controlling Interest	**17,701,485**	**14,774,035**	**20,742,980**

	As of December 31, 2018		
	International Bank for Trade and Finance/ Syria JD	The Housing Bank for Trade and Finance/Algeria JD	Jordan International Bank London/UK JD
Financial assets	250,223,682	546,800,530	341,634,060
Other assets	4,976,317	15,292,328	5,705,976
Total Assets	**255,199,999**	**562,092,858**	**347,340,036**
Financial Liabilities	208,172,415	338,935,479	266,830,059
Other Liabilities	18,053,185	107,864,749	4,413,130
Total Liabilities	**226,225,600**	**446,800,228**	**271,243,189**
Total Equity	**28,974,399**	**115,292,630**	**76,096,847**
Total Liabilities and Equity	**255,199,999**	**562,092,858**	**347,340,036**
Non-Controlling Interests	**14,758,617**	**17,295,047**	**19,024,212**

B- Condensed statement of profit or loss before elimination of inter-company transactions for the year ended December 31, 2019 and 2018:

	For the Year Ended December 31, 2019		
	International Bank for Trade and Finance/ Syria JD	The Housing Bank for Trade and Finance/ Algeria JD	Jordan International Bank London/UK JD
Total revenue	7,274,214	31,450,372	11,220,128
Profit for the year	5,803,925	(4,563,140)	2,413,324
Total Comprehensive Income	**5,803,925**	**(4,563,140)**	**3,350,092**
Attributable to non-controlling interest	**2,956,330**	**(684,516)**	**837,523**

	For the Year Ended December 31, 2018		
	International Bank for Trade and Finance/ Syria JD	The Housing Bank for Trade and Finance/ Algeria JD	Jordan International Bank London/UK JD
Total revenue	5,826,000	33,814,102	11,999,965
Profit for the year	2,213,130	15,608,471	3,133,680
Total Comprehensive Income	**2,213,130**	**15,608,471**	**2,253,059**
Attributable to non-controlling interest	**1,127,296**	**2,341,427**	**563,265**

C- Condensed statement of cash flows for material subsidiaries for the year ended December 31, 2019 and 2018:

	For the Year Ended December 31, 2019		
	International Bank for Trade and Finance/ Syria JD	The Housing Bank for Trade and Finance/ Algeria JD	Jordan International Bank London/UK JD
Operating cash flows	10,411,698	17,455,354	16,213,289
Investing cash flows	(1,977,854)	1,029,291	(65,956)
Financing cash flows	(1,647)	(25,550,416)	1,806,381
Effect of change in exchange rates	178,435	19,228,222	2,736,521
Net Increase / (Decrease)	**8,610,632**	**12,162,451**	**20,690,235**

	For the Year Ended December 31, 2018		
	International Bank for Trade and Finance/ Syria JD	The Housing Bank for Trade and Finance/ Algeria JD	Jordan International Bank London/UK JD
Operating cash flows	28,773,188	15,380,159	2,514,144
Investing cash flows	(620,590)	(1,078,424)	18,279,132
Financing cash flows	(3,021)	(10,570,022)	(1,783,871)
Effect of change in exchange rates	238,335	2,824,697	(5,004,748)
Net Increase / (Decrease)	**28,387,912**	**6,556,410**	**14,004,657**

D- The cash dividends for the Housing Bank for Trade and Finance/Algeria amounted to JD 29,499,698 during the year 2019 (JD 7,517,322 during the year 2018).

30 Interest Income

The details of this item are as follows:

	For the Year Ended December 31,	
	2019 JD	2018 JD
Direct Credit Facilities:		
Individual retail customer:		
Overdraft	558,216	1,002,858
Loans and discounted bills	69,298,270	65,204,931
Credit cards	2,444,321	2,175,749
Other	330,375	241,957
Real estate mortgages	**79,144,523**	**80,017,713**
Large corporates		
Overdraft	31,042,650	26,053,691
Loans and discounted bills	66,196,940	60,332,700
SME's		
Overdraft	9,524,130	11,281,267
Loans and discounted bills	17,381,198	12,648,694
Government and Public Sector	**45,361,664**	**50,818,155**
Balances at central banks	11,251,230	12,651,380
Balances and deposits at banks and financial institutions	14,415,668	11,400,852
Financial assets at fair value through profit or loss	1,098	4,009
Financial assets at fair value through other comprehensive income	10,829,100	9,725,613
Financial assets at amortized cost	88,498,376	74,711,972
Total	**446,277,759**	**418,271,541**

31 Interest Expense

The details of this item are as follows:

	For the Year Ended December 31,	
	2019 JD	2018 JD
Banks and financial institutions deposits	19,906,710	12,470,989
Customers deposits:		
Current accounts and demand deposits	777,214	1,091,392
Saving deposits	9,215,375	8,820,765
Time and notice deposits	87,244,585	84,187,890
Certificates of deposit	11,732,606	9,097,808
Cash margin	3,077,978	4,397,942
Borrowed funds	7,538,407	5,780,014
Deposits insurance fees	8,199,594	11,427,956
Lease liability	1,820,680	-
Other	20,063	-
Total	**149,533,212**	**137,274,756**

32 Net Commission Income

The details of this item are as follows:

	For the Year Ended December 31,	
	2019	2018
	JD	JD
Commission income:		
Direct credit facilities	11,849,237	10,910,184
Indirect credit facilities	14,982,899	15,020,550
Less: Commission expense	(46,504)	(30,740)
Net Commission Income	**26,785,632**	**25,899,994**

33 Net Gain from Foreign Currency Exchange

The details of this item are as follows:

	For the Year Ended December 31,	
	2019	2018
	JD	JD
From trading	7,432,161	7,595,949
From re-valuation	3,017,264	3,612,862
Total	**10,449,425**	**11,208,811**

34 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 Year 2019						
Bonds	-	(3,689)	-	-	-	**(3,689)**
Corporate shares	-	-	-	(155,561)	169,700	**14,139**
Investment funds	-	-	-	-		**-**
Total	**-**	**(3,689)**	**-**	**(155,561)**	**169,700**	**10,450**
For the Year 2018						
Bonds	-	-	-	(9,428)	-	**(9,428)**
Corporate shares	-	(169,229)	3,160	(551,980)	200,671	**(517,378)**
Investment funds	57,676	-	-	-	9,021	**66,697**
Total	**57,676**	**(169,229)**	**3,160**	**(561,408)**	**209,692**	**(460,109)**

35 Other Income

The details of this item are as follows:

	For the Year Ended December 31,	
	2019 JD	2018 JD
Fees on salaries accounts	3,401,126	3,168,813
Credit cards income	7,324,409	6,932,336
Safety deposit box rental income	587,771	622,119
Commissions on returned checks	775,229	881,325
Management fees	5,890,658	5,259,953
Net income from recovered loans	25,888	2,823,330
Brokerage services fees	243,001	390,146
Banking services fees	1,118,036	2,053,940
Income on transfers	5,135,242	6,052,656
Miscellaneous income	2,261,112	2,824,953
Total	**26,762,472**	**31,009,571**

36 Employees Expenses

The details of this item are as follows:

	For the Year Ended December 31,	
	2019 JD	2018 JD
Salaries, benefits and allowances	61,618,772	59,300,055
Bank's contribution in social security	6,803,054	6,905,430
Bank's contribution in the saving fund	224,389	201,081
End-of-service indemnity	7,681,493	3,245,903
Medical expenses	3,299,727	3,515,621
Training expenses	577,841	542,619
Travel and transportation expenses	1,128,388	1,184,315
Others	1,047,516	1,086,476
Total	**82,381,180**	**75,981,500**

37 Other Expenses

The details of this item are as follows:

	For the Year Ended December 31,	
	2019 JD	2018 JD
Information technology	11,288,865	9,372,718
Marketing and promotion	3,383,919	3,442,943
External and professional services	1,495,775	2,008,833
Rent and workplace expenses	19,102,947	20,909,993
Financial institutions subscription fees	3,255,252	3,009,690
Stationery expenses	2,027,147	2,030,708
Fees on credit facilities processing	453,460	304,643
Other expenses	13,139,288	12,988,072
Total	**54,146,653**	**54,067,600**

38 Expected Credit Loss Expense – Net

The details of this item are as follows:

	For the Year Ended December 31,	
	2019 JD	2018 JD
Balances and deposits at banks and financial institutions	12,248	20,691
Financial assets at fair value through other comprehensive income	65,463	(168,790)
Financial assets at amortized cost	51,943	(1,327,115)
Direct credit facilities	49,871,021	53,485,235
Indirect credit facilities (commitments and contingent liabilities)	5,134,470	10,683,787
Total	**55,135,145**	**62,693,808**

39 Earnings Per Share

The details of this item are as follows:

	For the Year Ended December 31,	
	2019 JD	2018 JD
Profit for the year attributable to shareholders' (JD)	80,866,565	90,316,409
Weighted average number of shares (share)	315,000,000	315,000,000
Basic and diluted earnings per share attributable to shareholders of the Bank	**JD 0.257**	**JD 0.287**

40 Cash and Cash Equivalents

The details of this item are as follows:

	As of December 31,	
	2019 JD	2018 JD
Cash and balances with central banks maturing within 3 months	1,114,619,117	1,182,417,706
Add: Balances with banks and financial institutions maturing within 3 months	452,733,115	552,644,472
Less: Banks and financial institutions deposits maturing within 3 months	(658,062,797)	(467,933,164)
	909,289,435	**1,267,129,014**

41 Financial Derivative Instruments

The details of this item are as follows:

	Positive Fair Value JD	Negative Fair Value JD	Nominal Value JD	Due in three Months JD	Due in 3 - 12 Months JD	From 1 to 3 Years JD
For the Year 2019						
Traded Financial Derivatives:						
Forward foreign currency contracts	63,104	(446,884)	230,786,087	227,259,525	3,526,562	-
Interest rate swap contracts	-	-	14,180,000	-	14,180,000	-
For the Year 2018						
Traded Financial Derivatives:						
Forward foreign currency contracts	111,006	(165,008)	171,685,007	19,408,295	152,276,712	-
Interest rate swap contracts	-	-	-	-	-	-

Nominal value represents the value of transactions outstanding at year-end and does not refer to market risks or credit risks.

42 Related Party Transactions

A. These consolidated financial statements include the financial statements of the Bank and the following subsidiaries:

Company Name	Ownership %	December 31, 2019 JD	December 31, 2018 JD
The Housing Bank for Trade and Finance / Algeria	85%	127,798,568	98,134,068
International Bank for Trade and Finance / Syria	49.063%	76,684,321	76,684,321
International Financial Center	77.5%	5,000,000	5,000,000
Specialized Lease Finance Co.	100%	30,000,000	30,000,000
Jordan Real Estate Investment Co.	100%	40,000	40,000
Jordan International Bank / London	75%	72,403,280	72,403,280
International Financial Center / Syria	46.704%	1,495,780	1,495,780

The subsidiary, International Bank for Trade and Finance – Syria owns 85% of the International Financial Centre Company – Syria, and the Bank owns 5% of the company.

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 transactions during the year:

	Related Party				Total as of December 31,	
	Major Shareholders JD	Subsidiaries JD	Board of Directors JD	Executive Management JD	2019 JD	2018 JD
Financial Position Items:						
Total deposits with related parties	74,213,711	83,235,366	-	-	157,449,077	124,440,812
Total deposits form related parties	705,327,980	48,890,224	2,703,509	1,095,626	758,017,339	639,676,340
Loans and advances granted to related parties	-	225,922	1,916	584,159	811,997	3,928,268
	-	975,538	-	-	975,538	
Items Off-statement of Financial Position						
Letters of guarantees and credits	-	1,319,912	-	-	1,319,912	1,844,023

c. Summary of related party transactions during the year:

	Related Party				Total as of December 31,	
	Major Shareholders JD	Subsidiaries JD	Board of Directors JD	Executive Management JD	2019 JD	2018 JD
Statement of profit or loss Items						
Interest and commissions income	764,837	369,289	351	29,439	1,163,916	3,244,850
Interest and commissions expense	23,948,249	1,438,869	84,293	43,232	25,514,643	19,762,859

- Interest expense rates range from 0% to 8%.
- Interest income rates range from 0% to 7%.

d. Summary of the Bank's executive management remuneration:

	For the Year Ended December 31,	
	2019 JD	2018 JD
Salaries, bonuses, and other benefits	5,068,159	3,146,595
Salaries, bonuses, and other benefits/ subsidiaries	2,224,174	2,199,918

43 Information about the Bank Business Sectors

Information about the bank's activities:

The Bank is organized for administrative purposes through four main business sectors according to reports sent to the main decision-maker at the bank:

- Retail Banking: includes following up on deposits of individual customers and small businesses, and granting them loans, debts, credit cards, and other services
- Corporate: This includes following up on deposits, credit facilities and other banking services for institutional and corporate clients.
- Corporate Finance: The activity of this sector relates toarranging structured finance and providing services relating to privatizations, IPO's, mergers and acquisitions.
- Treasury: this sector includes 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:

	Retail Banking JD	Corporate JD	Corporate Finance JD	Treasury JD	Other JD	Elimination JD	Total For the Year Ended December 31, 2019 JD	2018 JD
Gross Income	**260,152,698**	**200,489,667**	**9,006,307**	**151,902,602**	**14,662,940**	**(125,701,508)**	**510,512,706**	**486,099,547**
Allowance for expected credit loss (direct / indirect facilities)	(9,953,673)	(43,127,165)	(1,924,653)	-	-	-	**(55,005,491)**	**(52,409,010)**
Bonds Impairment provision at amortized cost	-	-	-	(129,654)	-	-	**(129,654)**	**1,475,214**
Segment results	101,192,448	38,543,718	2,128,844	10,206,150	(8,961,354)	-	**143,109,806**	**147,594,381**
Unallocated expenses	-	-	-	-	-	-	**(10,934,854)**	**(15,593,783)**
Income before tax	-	-	-	-	-	-	**132,174,952**	**132,000,598**
Income Tax	-	-	-	-	-	-	**(48,467,752)**	**(37,473,860)**
Profit for the Year	-	-	-	-	-	-	**83,707,200**	**94,526,738**
Depreciation and amortization							**22,830,180**	**21,723,120**
Capital expenditures							**17,253,533**	**15,824,709**
Segment Assets	**4,919,688,488**	**2,654,504,647**	**113,068,281**	**3,726,434,219**	**1,328,272,888**	**-**	**12,741,968,523**	**12,394,945,267**
Elimination of assets between segments	(3,165,707,229)	-	-	(536,139,951)	(672,783,612)	-	**(4,374,630,792)**	**(4,171,261,775)**
Unallocated assets	-	-	-	-	-	-	**73,911,906**	**76,354,109**
Total Assets	-	-	-	-	-	-	**8,441,249,637**	**8,300,037,601**
Segment Liabilities	**4,821,317,318**	**2,780,899,319**	**111,015,601**	**3,590,336,044**	**308,411,963**	**-**	**11,611,980,245**	**11,333,385,543**
Elimination of liabilities between segments	-	(1,405,304,668)	(71,990,513)	(2,823,818,592)	-	-	**(4,301,113,773)**	**(4,117,582,786)**
Unallocated liabilities	-	-	-	-	-	-	**6,569,323**	**4,141,270**
Total Liabilities	-	-	-	-	-	-	**7,317,435,795**	**7,219,944,027**

The following is the geographical distribution of the Bank's income, assets, and capital expenditures:

	Inside Jordan		Outside Jordan		Total	
	2019 JD	2018 JD	2019 JD	2018 JD	2019 JD	2018 JD
Gross income	406,200,474	374,424,433	104,312,232	111,675,114	**510,512,706**	**486,099,547**
Total assets	7,233,783,930	7,291,405,893	1,207,465,707	1,008,631,708	**8,441,249,637**	**8,300,037,601**
Capital expenditures	13,654,124	18,090,653	3,599,409	3,632,467	**17,253,533**	**21,723,120**

44 Capital Adequacy

The Bank aims to achieve the following goals through managing capital:
- To be aligned with the central bank's capital requirements.
- Maintaining the Bank's ability to continue.
- Maintaining a strong capital base to support growth and development of the bank's activities.
- The Bank's management monitors capital adequacy monthly as well as provide the central bank with the required information about the capital adequacy on a quarterly basis.

According to the instructions of the Central Bank, the minimum capital adequacy ratio is 12%, and banks are classified into five categories, the best of which is a rate of 14% or more.

The Bank manages the capital structure and makes the necessary adjustments to it in light of changes in working conditions. The Bank has not made any changes to the objectives, policies and procedures related to capital structure during the current year.

The capital adequacy ratio is calculated according to the instructions of the Central Bank, based on the instructions of Basel III Committee, as follows:

	December 31,	
	2019	2018
	JD	JD
1. Common Equity Tier 1 Capital		
Paid-in capital	**315,000,000**	**315,000,000**
Retained earnings	**231,639,848**	**214,088,488**
Other comprehensive income items	**(107,054,578)**	**(115,817,373)**
Net fair value reserve	5,400,864	(2,219,625)
Foreign currency translation reserve	(112,455,442)	(113,597,748)
Share premium	**328,147,538**	**328,147,537**
Statutory reserve	**235,737,655**	**219,206,360**
Other reserve	**11,184,798**	**10,798,320**
Non-controlling Interest	**23,196,877**	**23,386,049**
Total capital of common stock	**1,037,852,137**	**994,809,381**
Regulatory amendments (Propositions of the capital)	**(103,134,368)**	**(102,658,487)**
Goodwill and other intangible assets	(23,582,588)	(23,628,921)
Deferred tax assets	(73,911,906)	(76,354,109)
Investments in capital of non-consolidated subsidiaries	(36,613)	(28,477)
Mutual fund investments in the capital of Banking, Financial and Insurance Entities (within CET1)	(5,603,261)	(2,646,980)
Total primary capital	**934,717,769**	**892,150,894**
2. Additional Tier 1		
Non-controlling Interest	4,093,567	4,126,950
Total additional capital	4,093,567	4,126,950
Regulatory amendments (Propositions of the capital)	-	-
Net additional capital	**4,093,567**	**4,126,950**
Net additional capital Tier 1.	**938,811,336**	**896,277,844**
3. Tier 2		
General banking risk reserve	-	-
Provision of credit loss for stage (1) not exceeding 1.25% of assets exposed to credit loss	**32,594,487**	**32,887,865**
Non-controlling Interest	5,458,089	5,502,600
Total supported capital	**38,052,576**	**38,390,465**
Regulatory amendments (Propositions of the capital)	**(4,068)**	**(12,204)**
Investments in capital of non-consolidated subsidiaries	**(4,068)**	**(12,204)**
Net additional capital Tier 2	**38,048,508**	**38,378,261**
Regulatory capital	**976,859,844**	**934,656,105**
Total weighted assets risk average.	**5,664,064,302**	**5,796,098,827**
Capital Adequacy ordinary shareholders (CETI) Ratio %	**16.50%**	**15.39%**
Capital Adequacy Tier 1 Ratio %	**16.57%**	**15.46%**
Capital Adequacy Ratio %	**17.25%**	**16.13%**

45 Fair Value of Financial Assets Not Carried at Fair Value in the Financial Statements

The fair value of financial assets not carried at fair value in the financial statements is as follows:

	December 31, 2019		December 31, 2018	
	Book Value JD	Fair Value JD	Book Value JD	Fair Value JD
Financial assets at amortized cost	1,826,623,951	1,826,712,146	1,486,802,987	1,486,900,555
Direct credit facilities – Net	4,158,821,005	4,158,821,005	4,255,354,746	4,255,354,746

46 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.

Defining risk levels and limits is a process conducted according to quantitative and qualitative measurement techniques, depending on the nature of each risk. Those risk levels are then reflected (quantitative and qualitative) within the risk limits defined and approved in the Bank's policies and procedures.

Acceptable risk levels comply with the Bank's strategy and mechanism to do business. They clearly describe risks that the Bank can handle and the methods and manners through which the Bank can control and monitor such risks.

The Bank's risk management is based on a comprehensive risk reduction strategy and ways of addressing it and mitigating it, after identifying acceptable risks by the Bank to manage its business in order to maintain the level and quality of the various risks that the Bank wishes to accept, which does not affect the achievement of the strategic objectives , In addition to decreasing the negative effects of internal and external events on the profitability of the bank, the level of capital, market share and any other intangible factors such as reputation and reputation of the bank.

The process of adopting acceptable limits and levels of risk at the Bank is carried out according to qualitative and / or quantitative measurement methods, based on the nature and specificity of the various risks. These levels (qualitative and quantitative) are reflected within the risk limits adopted in the Bank's policies, powers and procedures.

The acceptable risk levels are consistent with the Bank's strategy and sets out a framework for the mechanism that the Bank must adopt to conduct its business, clarify the nature of risks accepted by the Bank to achieve its strategic objectives, and establish procedures for identifying and controlling acceptable risk levels.

Strategic objectives of risk management

- Establishing effective risk management in the Bank and enhancing institutional governance through applying advanced methods and approaches in measuring different risks.
- Hedging and mitigating potential losses, leading to the maximization of profitability and improvement of the efficiency and effectiveness of the banking operations.
- Spreading a culture of awareness of the surrounding risks and achieving a deep understanding of all levels of management of risks faced by the Bank.
- Assisting in achieving the overall strategic objectives of the Bank.

Risks to the Bank

The Bank is exposed to the following major risks:

- Credit risk.
- Market and liquidity risks, including interest and currency risks.
- Operational risks, including information security risks and business continuity risks.

Acceptable risk levels

Effective risk management includes a thorough understanding of the sources and nature of the risks facing the Bank, as well as the provision of an appropriate regulatory environment in line with the international best practices and standards, consistent with the instructions of the regulatory authorities and the instructions of the Bank. The most important pillars of effective risk management are based on identifying acceptable risk levels for all banking activities after identifying, measuring, and analyzing the various risks faced by the Bank.

The procedures used to determine acceptable risk levels at the Bank include:

- Determining the business strategy: The acceptable risk levels are determined in line with the Bank's strategic plan, regulatory directives, maintaining its capital adequacy, sound management of liquidity risks and sources of funds, and maintaining stable levels of profit.
- Evaluating the Bank's material risks, identifying methods and approaches of measurement, quantifying the risks that the Bank can accept and assume, and inform the Board of Directors about risks, size of exposure, and control framework on these risks at the Bank.
- Determining the acceptable risk level for business units and the Bank's products;
- Limits: The level of risk that the Bank can bear and accept based on the exposure to the Bank's activities and on the objectives set for the Bank and the business community.
- In addition, the acceptable risk levels are monitored, and any violations of the prescribed limits and acceptable risk levels are addressed and reported to the Board of Directors through the Risk Management Committee.

Risk management framework

- The existence of a separate risk management structure that includes monitoring, supervision, reporting, and tasks related to the risk functions.
- The existence of a strategy, policies, and work procedures aimed at effective risk management, control, and mitigation of the adverse effects of such risks.
- Controlling, supervising, and measuring risks within the risk acceptance document.
- Managing risks on a daily basis and ensuring that they are within the approved limits.

Credit risk

Credit risk is defined as the risk arising from the customer's inability or willingness to meet its obligations to the Bank within an agreed period of time or from a recession in a particular sector.
In this regard, customers' credit concentration risks are defined as the risks to the Bank arising from the unequal distribution of credit customers or concentrations in facilities granted to economic sectors or in certain countries, which may lead to increased probability of losses.

Credit risk management

Credit risk is managed by:

- Promoting the establishment of a good and balanced credit portfolio that achieves the targeted return within its defined risk levels;
- Strictly controlling credit in its various stages and consistently complying with the regulatory authorities' instructions and their amendments;
- Distributing the credit portfolio, including expanding the customer base according to specific plans, ceilings, and risks;
- Continuing to work within the principle of segregating the functions of customer relationship management, credit analysis, and credit control;
- Granting credit based on eligibility and repayment ability, provided that there are no restrictions on borrowing or foreclosure in the Company's Memorandum of Association and Articles of Association, and on the Bank's belief in the customers' ability to meet their obligations based on a comprehensive credit study of the customers' positions within the Bank's acceptable risk classification levels;
- Prohibiting the financing of facilities except for the purposes specified in the Bank's credit policy, the instructions of the Central Bank of Jordan, the Banking Law, and any instructions issued by the regulatory authorities, and against appropriate collaterals that guarantee the Bank's right;
- Reducing the non-performing debt ratio in the credit portfolio while increasing market share in commercial finance and corporate finance; and
- Diversifying the credit portfolio, especially in the corporate portfolio, while avoiding overconcentration at the customer's level.

Default and default tackling mechanism:

Default definition:

Default is the existence of payment dues on customer facilities of more than 90 days and a marked increase in risk ratings (8,9,10), in addition to any indications of the existence of customer's probability of default (PD), requiring the inclusion of some customers within the concept of "Credit Deterioration Factors", including, but not limited to:

- Significant financial difficulties faced by the debtor such as a severe weakness in the financial statements.
- Relinquishing part of the obligations incurred by the debtor because of the debtor's financial difficulties.
- Non-payment of obligations on time.
- Debtor's bankruptcy.
- Debtor's need to restructure or reschedule his obligations.

Default handling mechanism:

Under the instructions of the Central Bank of Jordan, and once debt is classified as non-performing, the Bank takes adequate provisions and carries out the necessary procedures for collecting its rights in accordance with the applicable laws. Furthermore, the Bank performs all collection procedures to reach settlements with customers according to the regulations in force to ensure that debts are repaid fully or rescheduled in accordance with the standards and principles stipulated by the Central Bank of Jordan and the regulatory authorities of the host countries.

The Bank's Internal Rating Systems:

Internal Rating System for Corporate Customers:

A system designed to assess and measure the risks of corporate customers in a comprehensive manner by extracting the customer's risk rating associated with the customer's probability of default (PD) based on the financial and objective data. It is also involved in the extraction of the expected losses (EL) of the customer's facilities through "facility rating" and the loss given default (LGD) associated with collaterals.

The Risk Analyst / Moody's System has various models and Scorecards to cover most customer segments. Each model has several sections, and each section is associated with risk weights according to model used. The risk score is calculated through these models/cards by collecting the results of financial and objective extracts in a digital form called VOTES. Then, calculations are made to extract the so-called average assessment, which is shown in the form of a digital counter (from 0-100), noting that the digital meter is divided into seven sections (excellent / very good / good / average / less than average / bad / unacceptable).

The Bank uses the Risk Analyst/Moody's System to measure the risk rating of customers within (7) grades for the performing accounts and three grades for the non-performing accounts. The probability of default (PD) increases as risk rating increases. Three segments are adopted at each grades - with the exception of grade (-1). Each grade is defined clearly as explained in the methodology.

Principles for the evaluation process within the internal rating system for corporate customers:

Availability of recent, audited / unaudited financial statements, in line with the instructions of the Central Bank of Jordan to reflect the actual financial position of the credit applicant.

The credit grantor having a clear idea about the objective aspects of the customer's situation (e.g. management, customer sector, competitive situation, etc.), because of the significant impact of the objective aspect on the customer's risk assessment results.

Availability of sufficient data on the customer's collaterals to enable assessment of the credit facility's risk.

Annual update of the Probability of Default based on the latest studies conducted by Moody's.

Selection of the appropriate Analysis Model that fits with the customer's nature.

Use of the Archiving Option to maintain the customer's historical risk levels approved within the credit analysis.

Use of the Override Option of the Risk Analyst System through adopting the Bank's override methodology concerning the availability of approval of the authorized personnel "representing the credit granting powers themselves", in order to raise or lower the risk level, according to the credit analysis memorandum prepared by the Business and Credit Review Center.

Internal Rating System for Retail and Small Business Customers:

A system that evaluates customers (individuals and small companies) and gives them risk scoring based on their risks before granting them loans. Based on this evaluation, the customer's creditworthiness and probability of default are assessed.

The internal scoring of retail customers is conducted for all granted products (personal loans, housing loans, credit cards, and car loans). For small companies, the granted products are scored, including (business loans, mortgage loans, and declining balance loans).

Definition of expected credit losses (ECL):

The expected credit losses represent the total amounts allocated to cover the losses resulting from the customers' failure to fulfill their obligations. This is equal to: Exposure at Default X Probability of Default X Losses Given Default.

Mechanism for calculating expected credit losses (ECL)

Credit Portfolio (Corporate Portfolio)

Exposure at Default (EAD):

This represents the reporting period balance plus interest. It includes the credit facilities within the corporate portfolio and is divided into funded facilities, unfunded facilities, and unutilized ceilings, as for the balance subject to the calculation of expected credit losses for stage (3), represent the balance less interest in suspense and cash margins (if any).

Funded Facilities:

Two types of cash payments from customers have been approved as follows: Annuity Repayment (monthly, quarterly, and semi-annual) and bullet repayment.

Customers' cash flows are adopted according to the repayment schedules and periodicity (Projected Cash Flows).

The credit facilities remaining payments have been studied after considering the Contractual Interest Rate (CIR) as an alternative to the Effective Interest Rate (EIR) and the actual maturity of the facility as stated in the original agreement Contractual Maturity.

A study was conducted on the percentage of utilization of the ceilings of overdraft facilities and revolving loans. The study concluded that the percentage of utilization of these ceilings had reached 75% through using the previous three years' historical data.

To calculate the balance subject to ECL calculation, the ceiling is multiplied by the utilization percentage (75%) and compared with the utilized balance, so that the higher value is taken.

The overdraft average maturity is 2.5 years, according to Basel regulations.

A risk rating of (-5) has been applied to all unrated facilities, based on the consulting company's opinion.

Unfunded Facilities:

A study was conducted on the utilization ratios of the limits of each of the guarantees and credits, where the percentage of the exploitation of the limits of the guarantees reached 36.8% and 34.2% from the limits related to credits, and the results was approved by the risk committee/executive management.

To reach the balance used for the calculation of expected credit loss, is multiplied by guarantees limits or guarantees by exploitation rate shown above and then compare it to the used balance and consider the higher value.

The interest rates for the indirect credit exposures are approved in accordance with the interest instructions for the paid guarantees and the used credits, and so the applied interest rate is as follows:

- If the payment or credit due in the foreign currency is applied, the interest rate will be at 5% and will increase to 6% if the customer fails to pay after one month of payment.
- If the payment or credit due in local currency is applied, the interest rate will be at 12% and will increase to 13% if the customer fails to pay after one month of payment.

Approved but Unutilized Ceilings:

Adopting the proposed methodology (the balance or the outcome of multiplying the ceiling by 75% for current debtor facilities, or revolving loans, or 36.8% for guarantees, and 34.2% credit limits, whichever is higher) in the calculation of ECL.

Loss Given Default (LGD):

Represents an acceptable collateral then compare the market value of the collateral with the mortgage bond and its interests, whichever is lower.

The standard haircut approach ratios are adopted according to the requirements of the Central Bank of Jordan. At the same time, the credit mitigators are considered, including the secured and unsecured portions of the collateral when calculating the Loss Given Default for the first and second stages. For the third stage, after applying the standard haircut ratios, Loss Given Default is calculated on the secured portion at 45% and the unsecured portion at 80%.

Credit Portfolio (Retail Portfolio)

Exposure At Default (EAD):

This item represents the balance of each sub-portfolio as in the reporting period plus interest for stage (1) and (2), as for the balance subject to the calculation of expected credit losses for stage (3), represent the balance less interest in suspense and cash margins (if any).

Facilities were divided within each sub-portfolio into unfunded facilities, unutilized ceilings, and loans of more than JD 250,000.

Measuring credit risk and expected credit loss on an aggregate basis:

The Bank's policy in determining the common elements in measuring the credit risk of the retail portfolio is in line with the instructions of the Central Bank of Jordan, which indicated in one of its items the product type. Thus, the retail portfolio has been divided into five sub-portfolios, depending on their product type, as follows:

- Personal loans portfolio
- Car loans portfolio
- Real estate loans portfolio
- Credit cards portfolio
- Small enterprises portfolio (except for accounts exceeding JD 250 thousand, considered as belonging to individuals) which will be included in the Bank's financial statements at the end of the year.

Funded Facilities:

The Annuity Repayment (monthly, quarterly, and semi-annual) has been adopted.

This includes the Projected Cash Flows for each sub-portfolio based on the Interest Weighted Average and Maturity Weighted Average to determine the maturity of each sub-portfolio and then amortize the remaining payments of each sub-portfolio taking into account any prepaid amounts/ installments.

Unutilized Ceilings:

The expected credit losses have been calculated on customers' balances in the calculation period, except for the loans treated as ceilings such as (housing loans that are spent in installments and cards where the expected credit losses have been calculated on the ceilings).

Face value has been used for housing loans (balance plus the unutilized portion of the loans not fully disbursed, for loans where payments have been made, the balance is adopted for calculating the expected credit losses).

Loans Exceeding JD 250 thousand:

- Loans of more than JD 250 thousands have been excluded from the retail portfolio.
- The expected credit loss (ECL) is calculated in a manner similar to that applied to the corporate portfolio based on the Projected Cash Flows for each customer.
- A risk rate of (-5) has been applied. Moreover, the expected credit loss has been calculated for 12 months, or for the lifetime of the loan, based on the customer's classification (Stage I / Stage II). Meanwhile, these loans will be assessed through the internal rating systems for both individuals and companies in the future (in accordance with the approved work plan).

Loss Given Default (LGD):

A simple approach has been adopted for calculating LGD for the facilities within each sub-portfolio (Simple LGD approach).

A cut has been applied on collaterals within each sub-portfolio according to the ratios implemented in the corporate portfolio, in line with the regulations of Central Bank of Jordan and Basel III.

An acceptable collateral represents a comparison of the market value of the collateral with the value of the mortgage bond and its benefits, whichever is less.

The following equation has been applied to calculate facility-level LGD for Stage I and Stage II as follows:(Exposure after Mitigation / Exposure before Mitigation * 45%).

With regard to the Stage 3, and after implementing the standard haircut rates, losses are calculated when the secured portion is 45% and the unsecured portion is 80%.

To calculate LGD ratio at the level of each sub-portfolio, the LGD Weighted Average is calculated.

Probability of Default (PD):

Historical data has been used for five years from 2012 to 2016 for calculating the ODR at the level of each sub-portfolio and forecasting future probability of default for conversion from TTC PD to PIT PD, as for stage (3), probability of default 100% was applied.

Investment Portfolio

Probability of Default (PD):

The probability of default for 12 months (12-month PD) is extracted from Bloomberg system for the issuer and the country of risk, using the following functions:

- DRSK for public companies: The Accuracy Ratio is 92.43% for non-financial companies and 91.78% for financial companies.
- SRSK for countries: The Accuracy Ratio for countries is 89%.

The 12-month PDs extracted from DRSK and SRSK functions are based on structural models which take into account several variables:

- The nature of the sector, the assets growth rates, and market fluctuations when calculating PD for corporates.
- The prevailing political situation, countries' financial and economic performance, GDP growth, and non-performing loans in the banking sector, foreign currency reserves, etc. according to the forecasts of the International Monetary Fund and World Bank when determining a sovereign PD. Therefore, the PD represents the current situation (Point-in-Time PD) and reflects only the corporates PD without taking into account the country of risk factor (Standalone PD).

As a result, the PD for each issue has been adjusted by using the ceiling of the probability of risk for the country of risk at minimum for calculating PD, so that the PD of any issue will not be lower than its country of risk PD.

In order to apply the PD floor to the exposures on various banks, the following approach is adopted. If the exposure is on a foreign bank, and the exposure is in any currency other than the local currency of the foreign bank's country, then the higher PD of either the foreign bank's country or the foreign bank shall be adopted. Otherwise, if the exposure on a foreign bank is in the local currency of the bank's country, then the PD of the bank itself shall be adopted (i.e., the ceiling of the country's PD shall not be used at minimum).

When the PD results is calculated then Bloomberg system use current market information in addition to expected that reverse the average expected to expectations of the analysts in market, subsequently no need to implement analyst scenario for expected PD.

If the PD results extracted from Bloomberg system do not represent the actual reality of market expectations (i.e., the implied PD of the market derived from the Credit Default Swap "CDS' and / or the Market Asset Swap "ASW") for the issuer, the market PD obtained from a high liquidity issue / security for the same issuer shall be adopted as a representative proxy according to the procedures for evaluating the risk factor of the investment portfolio.

If the PD for the country of risk is not available, the Shadow Rating methodology prepared by the consulting company shall be adopted. On the other hand, if the PD of the issuer is not available, the PD of the country of risk shall be adopted as the issuer PD.

The Jordan PD as a country of risk is considered as the PD of the issuer in the case of placements in money market (Term Deposits) with HBTF's branches as well as subsidiaries in which the Bank owns 50% or more of their capital.

After that, the 12-month PD is adjusted to take into consideration the remaining life of exposure for any issue with a remaining maturity less than one year, according to the following equation:

PDn= 1-((1-PD12-month)) ^ (n/12)) where (n) represents the remaining life in months (n <12)

Calculating PD for Jordanian Companies in JD (if PD for the issuer is not available)

Risk rating is calculated based on Moody's Credit rating and then mapped to the relevant assigned PD.

The assigned PD represents "Through-the-Cycle (TTC)", and thus calibrated according to the methodology developed by the consulting company in order to obtain (Point-in-Time "PIT" 12-month PD).

The 12-month PD is then adjusted to take into account the remaining life of exposure for any issue with a remaining maturity less than one year, according to the above equation.

Loss Given Default (LGD):

The Recovery Rate (RR) is extracted from Bloomberg system for each issue using CDSW function, which is based on the ISDA Standard Model, where the LGD is calculated according to equation (LGD = 1-RR), as in the following table:

Markets	Senior Unsecured	Subordinated
Developed markets	RR= 40%, LGD= 60%	RR= 20%, LGD= 80%
Emerging markets	RR= 25%, LGD= 75%	RR=25%, LGD= 75%

For secured securities, the Haircut-Based Approach is considered along with the limits per the IRB in order to determine the LGD (as per the procedures approved for the credit portfolio).

Exposure at Default (EAD):

EAD = Accrued Interest to Date + Present Value (Face Value + Expected 1 Year Interest)

Accrued interest to date is calculated or extracted from Bloomberg system.

The expected interest for the remaining life of exposure is calculated up to a maximum of one year using the coupon for fixed rate bonds. As for floating rate bonds that pay LIBOR plus a fixed spread, LIBOR is projected over a 1-year period and added to the fixed spread for the calculation of expected interest.

The Discount Rate used to calculate the Present Value represents the Effective Interest Rate (EIR).

Expected Credit Loss (ECL):

The expected credit loss (ECL) is calculated according to the following equation: ECL = PD*LGD*EAD

The expected credit loss value for off balance sheet financial derivatives is calculated by extracting the expected maximum exposure in addition to the maximum exposure time from the Bloomberg system using (SWPM) which is calculated based on the Monte Carlo model. Present Value is calculated for the peak exposure based on the following:

- The Discount Period represents the time to peak extracted from Bloomberg system.
- The Discount Rate represents the Risk-Free Rate of the currency of exposure at the time – to – peak maximum to one-year limit.

The expected credit loss (ECL) is calculated according to the following equation:
ECL = PD*LGD*Peak Exposure (EAD).

Key macroeconomic factors used by the Bank in calculating expected credit losses (ECL)

Corporate portfolio

Portfolio	Macroeconomic Factor
Large Corporates	– Industrial Production – Rate of change Lag 4. – Volume of imports of goods and services (Percentage Change) – 3-quarter moving average Lag 4. – Total investment – Rate of Growth (Percentage of GDP) Lag 2.
Medium Enterprises	– Volume of imports of goods and services (Percentage Change). – Volume of exports of goods (Percentage Change) – 6-quarter moving average Lag 4.

Retail portfolio

Pool Name	Stage I	Stage II
Cars/Vehicles Loan	– Volume of exports of goods (Percentage Change) – 6-quarter moving average Lag 3.	– Volume of exports of goods (Percentage Change) – 6-quarter moving average Lag 3.
Mortgage Loan	– Volume of exports of goods (Percentage Change) – 6-quarter moving average Lag 1. – Industrial Production Index Lag 3	– GDP Annual Growth Lag 1. – Volume of exports of goods (Percentage Change) – 6-quarter moving average Lag 3. – Government Revenue Lag 1.
Personal Loan	– Ease of Doing Business – 6-quarter moving average. – Industrial Production Index – 3- quarter moving average Lag 3	– GDP Annual Growth Lag 1
Small Business	– Volume of exports of goods (Percentage Change) – 3-quarter moving average Lag 2.	– GDP Annual Growth – 3-quarter moving average Lag 1

Determinants of the significant change in the credit risk adopted by the Bank in the calculation of ECL

Credit portfolio

Classification	Standards
Stage I:	Accounts for which there has been no significant increase in credit risk or default indicators, as follows: - Performing accounts for which there are no dues or have dues less than 45 days (gradually reduced to 30 days over three years).
Stage II:	Accounts whose credit risk has significantly increased and have signs of default, as follows: - Accounts with dues more than 45 days or more and less than 90 days. - Accounts with two restrictions. - Accounts classified as watch list. - Any accounts that require classification at this stage according to the directives of Management and the regulatory bodies.
Stage III:	Accounts that have become in default, as follows: - All non-performing loans and facilities according to the definition of non-performing loans mentioned in the CBJ regulations No. 47/2009 dated 10/12/2009, which are 90 days or more past due. - Accounts whose risk rating is (8, 9, 10) according to the Bank's credit rating. Accounts with a scheduling flag.

The standard also states that if the quality of credit has improved, and sufficient and documented reasons are available to make it possible to transfer credit claims from stage III to stage II or from stage II to stage I, the transfer process must take place after verifying the improvement of the credit status of the claim and the commitment to repay three monthly installments, two quarterly installments or a semi-annual installment on time, so that the early payment of installments for the purpose of transferring debt to a better stage is not considered. For example, if an account is classified within stage III and the account is scheduled, the account must remain within stage III for three monthly installments, two quarterly installments, or one annual installment according to the repayment cycle of this facility before being transferred to stage II.

Investment portfolio

Financial Instrument	Standards
Investment Grade Instruments	- The credit rating of the instrument at the reporting date is downgraded by two notches below the investment grade since origination (BB); or - (The Implied Rating / 1-year Default Risk Rating) at the reporting date is downgraded to more than two notches below the investment grade since the date of the previous report (less than HY2 according to Bloomberg system).
High Yield Instruments	- The credit rating of the instrument at the reporting date is downgraded by two notches below its credit rating at the date of purchase; or - (The Implied Rating / 1-year Default Risk Rating) is downgraded by two notches below its implied rating since the date of the previous report.
Unrated Instruments	- According to Moody's Credit rating, the financial instrument is considered to be in stage II if its rating declines by more than 2 notches since origination.

Governance of the application of IFRS requirements

Board of Directors

Providing appropriate governance structure and procedures to ensure the proper application of the standard by defining the roles of the committees and departments at the Bank; ensuring work integrity among them; and providing appropriate infrastructure in accordance with CBJ regulations and the standards related to the accounting standard.

Approving any amendments to the results and outputs of the systems regarding the calculation and measurement of ECL and the variables to be calculated.

Implementing business models through specifying the objectives and rules of classification of financial instruments, in order to ensure integration with other business requirements.

Ensuring that the Bank's control units, specifically risk management and internal audit, perform all the work required to verify the validity and integrity of the methodologies and systems used in the application of IFRS 9 and providing the required support to these control units.

Approving the final results of ECL calculation.

Risk Management Committee / Board of Directors

- Reviewing the Bank's risk management framework for the calculation of ECL.
- Reviewing the Bank's risk management strategy before it is approved by the Board.
- Supervising the efficiency and effectiveness of the calculation of ECL.

Steering Committee:

- Supervising the proper functioning of the project and ensuring compliance with the plan.
- Ensuring that key risks are identified and taking all necessary action to address them.
- Approving the recommendations of the project technical committee.
- Meeting, if necessary, with the Board of Directors and / or its committees to inform them about the situation.

The Technical Committee for Applying IFRS9:

- Reviewing the methodology for assessing credit losses and the mechanism for calculating key components of credit losses (EAD, PD, LGD) and recommending their approval by the Board of Directors.
- Adopting the results of the annual review of the outputs of internal credit rating systems.
- Assessing the appropriateness of the economic variables used in the calculations and their impact on the item relating to the estimation of PD and the results of the calculation of ECL.
- Reviewing the internal and external audit notes related to the methodology for assessing the credit losses, the data used, and the calculation results, as well as supervising the development of the necessary corrective plans.
- Adopting an action plan for implementing the project in its various stages; identifying tasks, duties and responsibilities required from all departments; and supervising the completion of the project stages in accordance with the plan.
- Resolving all the problems and obstacles facing the Bank in applying the standard related to resources, policies, systems, data, etc.
- Addressing any new developments or requirements issued by the Central Bank of Jordan on the application of the standard and ensuring that all the requirements of the Central Bank are met.
- Discussing and approving the approaches and methodologies relating to the ECL calculation models.

- Adopting the results of analysis and evaluation of the companies' offers to provide services to the Bank, establish the accounting models, and purchase any systems for the standard compliance requirements; as well as submitting the recommendation to the project steering committee.

Audit Committee:

Verifying the adequacy of ECL / general bank risk reserve / provision for impairment of credit facilities provided by the Bank and ensuring their adequacy in all financial statements.

Risk Department:

- Developing a clear framework for ECL calculation.
- Reviewing the internal credit rating systems and the framework on an annual basis to keep abreast of any changes to the bases used in the calculation to ensure the accuracy of results.
- Calculating the ECL, classifying the customers according to the three stages on a quarterly basis in accordance with the accounting standard requirements and CBJ regulations, and informing the Executive Management Risk Committee of the calculation results.
- Making the necessary recommendations to the Executive Management Risk Committee regarding the customers whose classifications have been changed because of override.
- Developing the indicators that contribute to monitoring the signs of credit default for customers to enhance the forward-looking principle regarding the assessment of credit risks and losses.
- Preparing the statements required by the Central Bank in cooperation with the concerned departments.
- Reviewing and approving the risk parameters in accordance with the approved policy and methodology.

1- Credit Expousures Distributions

2019

Internal Rating for the Bank	Category Classification According to (2009/47)	Total Exposure Value JD	Expected Credit Loss JD	Probability of Default %	Exposure when Default (in Millions) JD	Average Loss on Default %
1	Performing Loans	630,563,639	6,746	**0.01%**	646,218,392	**45.00%**
2	Performing Loans	7,604,442	673	**0.03%**	7,917,464	**43.68%**
-2	Performing Loans	22,487,486	8,408	**0.08%**	24,544,225	**45.10%**
+2	Performing Loans	4,297,609	419	**0.04%**	5,238,151	**29.28%**
3	Performing Loans	163,364,354	66,513	**0.11%**	186,791,124	**42.77%**
-3	Performing Loans	32,051,331	31,234	**0.28%**	37,983,014	**41.30%**
+3	Performing Loans	81,156,763	31,523	**0.08%**	93,938,968	**44.18%**
4	Performing Loans	88,520,143	1,417,177	**2.89%**	118,147,035	**39.41%**
-4	Performing Loans	78,426,903	356,402	**1.48%**	111,841,164	**44.43%**
+4	Performing Loans	49,124,730	558,626	**1.80%**	66,464,831	**42.11%**
5	Performing Loans	85,583,573	923,150	**2.35%**	107,969,893	**41.12%**
-5	Performing Loans	453,693,287	8,906,928	**6.68%**	487,812,188	**37.14%**
+5	Performing Loans	97,983,560	883,914	**1.74%**	118,819,507	**41.62%**
6	Performing Loans	49,624,583	2,016,421	**8.73%**	51,819,992	**40.45%**
-6	Performing Loans	251,107,894	22,859,905	**14.02%**	269,163,154	**42.07%**
+6	Performing Loans	64,789,485	1,078,376	**3.63%**	70,944,418	**50.91%**
7	Performing Loans	88,679,680	37,050,951	**27.69%**	96,669,620	**40.72%**
-7	Performing Loans	88,352,423	28,297,354	**58.78%**	92,884,626	**50.03%**
+7	Performing Loans	14,522,190	707,966	**17.86%**	16,415,515	**27.57%**
Unrated	Performing Loans	1,902,504,699	32,830,414	**51.00%**	1,967,291,984	**51.00%**
		4,254,438,774	**138,033,100**		**4,578,875,265**	
8	Substandard Debt	5,015,669	2,779,749	**100%**	4,946,964	**56.32%**
Unrated	Substandard Debt	14,697,107	6,239,693	**100%**	14,339,290	**68.37%**
9	Doubtful Debts	16,277,459	10,014,780	**100%**	15,334,945	**56.76%**
Unrated	Doubtful Debts	29,183,895	16,502,165	**100%**	27,524,236	**69.47%**
10	Bad Loans	163,664,090	79,029,702	**100%**	107,558,458	**59.49%**
Unrated	Bad Loans	115,467,423	81,008,554	**100%**	73,105,808	**70.96%**
		344,305,643	**195,574,643**		**242,809,701**	
Total		**4,598,744,417**	**333,607,743**		**4,821,684,966**	

The above exposures are not rated by external rating institutions.

2018

Internal Rating for the Bank	Category Classification According to (2009/47)	Total Exposure Value JD	Expected Credit Loss JD	Probability of Default %	Exposure when Default (in Millions) JD	Average Loss on Default %
1	Performing Loans	820,925,815	3,890	**0.00%**	830,751,395	**5.63%**
2	Performing Loans	1,857,873	152	**0.00%**	1,857,873	**5.16%**
-2	Performing Loans	60,942,394	11,225	**0.02%**	63,011,965	**16.91%**
+2	Performing Loans	4,706,525	602	**0.01%**	5,002,634	**2.55%**
3	Performing Loans	121,569,549	57,512	**0.08%**	138,220,480	**12.53%**
-3	Performing Loans	25,725,259	11,349	**0.07%**	30,466,271	**14.83%**
+3	Performing Loans	11,429,222	2,609	**0.02%**	16,573,233	**11.93%**
4	Performing Loans	100,206,361	153,233	**0.43%**	110,960,308	**15.01%**
-4	Performing Loans	147,462,073	310,428	**0.52%**	154,533,960	**15.65%**
+4	Performing Loans	55,670,430	80,110	**0.14%**	61,472,862	**14.62%**
5	Performing Loans	94,369,798	434,671	**0.56%**	98,968,442	**17.18%**
-5	Performing Loans	343,807,605	4,535,541	**1.58%**	369,122,659	**15.98%**
+5	Performing Loans	52,986,425	301,168	**1.07%**	64,385,271	**13.17%**
6	Performing Loans	42,429,292	1,039,102	**2.67%**	45,175,651	**17.07%**
-6	Performing Loans	264,775,884	18,119,094	**3.19%**	274,557,207	**17.28%**
+6	Performing Loans	31,170,018	692,280	**4.28%**	32,195,468	**10.02%**
7	Performing Loans	119,021,795	44,589,138	**5.96%**	124,648,844	**15.91%**
-7	Performing Loans	41,172,276	15,414,702	**12.79%**	41,295,321	**17.52%**
+7	Performing Loans	50,098,031	7,663,603	**8.84%**	50,496,645	**15.70%**
9	Performing Loans	2,654	2,123	**12.50%**	2,654	**10.00%**
10	Performing Loans	401,731	308,932	**12.50%**	401,731	**10.00%**
Unrated	Performing Loans	1,963,983,098	32,783,846	**5.05%**	1,929,359,288	**39.22%**
		4,354,714,108	**126,515,310**		**4,443,460,162**	
8	Substandard Debt	2,681,759	1,330,749	**100%**	2,504,721	**53.13%**
Unrated	Substandard Debt	15,279,591	7,663,507	**100%**	13,465,455	**56.91%**
	Doubt full Debts	14,843,773	8,236,370	**100%**	14,692,633	**56.06%**
Unrated	Doubt full Debts	15,558,681	8,280,534	**100%**	14,376,513	**57.60%**
10	Bad Loans	150,572,848	64,974,918	**100%**	144,237,248	**45.05%**
Unrated	Bad Loans	91,933,935	74,830,960	**100%**	83,038,198	**90.12%**
		290,870,587	**165,317,038**		**272,314,768**	
Total		**4,645,584,695**	**291,832,348**		**4,715,774,930**	

2. Credit risk according to economic sectors:
a. Distributions according to financial instuments exposure:

2019

	Financial JD	Industrial JD	Trading JD	Real Estate JD	Agriculture JD	Equities JD	Individuals JD	Government and Public JD	Other JD	Total JD
Balances at central banks	967,931,615	-	-	-	-	-	-	-	-	967,931,615
Balances at banks and financial institutions	452,515,681	-	-	-	-	-	-	-	-	452,515,681
Deposits at banks and financial institutions	56,296,849	-	-	-	-	-	-	-	-	56,296,849
Credit facilities	128,097,048	526,338,498	462,089,155	1,113,895,128	15,342,153	3,309,671	773,084,748	730,943,809	405,720,795	4,158,821,005
Bonds and bills:										-
Within: Financial assets through profit and loss	-	-	-	-	-	-	-	-	-	-
Within: Financial assets at fair value through other comprehensive income	106,946,963	-	8,259,987	-	-	-	-	247,618,585	-	362,825,535
Within: Financial assets at amortized cost	7,078,246	-	8,699,653	-	-	-	-	1,810,846,052	-	1,826,623,951
Derivatives	-	-	-	-	-	-	-	-	-	-
Mortgaged financial assets (liabilities)	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-	-
Total for the Year	**1,718,866,402**	**526,338,498**	**479,048,795**	**1,113,895,128**	**15,342,153**	**3,309,671**	**773,084,748**	**2,789,408,446**	**405,720,795**	**7,825,014,636**
Letter of guarantees	-	-	370,019,451	-	-	-	-	-	-	370,019,451
Letter of credit	-	-	373,427,157	-	-	-	-	-	-	373,427,157
Other liabilities	-	-	107,188,514	-	-	-	-	-	-	107,188,514
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**

2018

	Financial JD	Industrial JD	Trading JD	Real Estate JD	Agriculture JD	Equities JD	Individuals JD	Government and Public JD	Other JD	Total JD
Balances at central banks	1,039,140,400	-	-	-	-	-	-	-	-	**1,039,140,400**
Balances at banks and financial institutions	552,436,392	-	-	-	-	-	-	-	-	**552,436,392**
Deposits at banks and financial institutions	37,578,850	-	-	-	-	-	-	-	-	**37,578,850**
Credit facilities	146,996,585	458,327,179	552,012,500	1,115,162,491	15,669,673	6,959,336	724,708,057	892,151,696	343,367,229	**4,255,354,746**
Bonds and bills:										
Within: Financial assets through profit and loss	-	-	-	-	-	-	-	66,271	-	**66,271**
Within: Financial assets at fair value through other comprehensive income	261,799,615	-	13,777,753	-	-	-	-	74,449,929	-	**350,027,297**
Within: Financial assets at amortized cost	-	-	46,369,872	-	-	-	-	1,440,433,115	-	**1,486,802,987**
Derivatives	-	-	-	-	-	-	-	-	-	**-**
Mortgaged financial assets (liabilities)	-	-	-	-	-	-	-	-	-	**-**
Other assets	-	-	-	-	-	-	-	-	-	**-**
Total for the Year	**2,037,951,842**	**458,327,179**	**612,160,125**	**1,115,162,491**	**15,669,673**	**6,959,336**	**724,708,057**	**2,407,101,011**	**343,367,229**	**7,721,406,943**
Letter of guarantees	-	-	189,991,327	-	-	-	-	-	-	**189,991,327**
Letter of credit	-	-	398,223,381	-	-	-	-	-	-	**398,223,381**
Other liabilities	-	-	100,622,696	-	-	-	-	-	-	**100,622,696**
Total	**2,037,951,842**	**458,327,179**	**1,300,997,529**	**1,115,162,491**	**15,669,673**	**6,959,336**	**724,708,057**	**2,407,101,011**	**343,367,229**	**8,410,244,347**

b. Distribution of exposures according to staging (IFRS 9):

2019

Item	Stage (1)		Stage (2)			
	Individual JD	Collective JD	Individual JD	Collective JD	Stage (3) JD	Total JD
Financial	1,711,361,793	977,953	6,210,546	127	315,983	**1,718,866,402**
Industrial	323,592,290	148,109,100	45,990,471	1,644,548	7,002,089	**526,338,498**
Trading	965,321,892	234,406,489	83,535,600	29,002,858	17,417,078	**1,329,683,917**
Real-estate	161,991,934	818,870,308	67,081,383	42,529,969	23,421,534	**1,113,895,128**
Agriculture	10,904,937	389,432	3,550,034	46,439	451,311	**15,342,153**
Equity	-	2,600,483	-	-	709,188	**3,309,671**
Individual	63,341,799	677,567,506	1,886,478	20,999,953	9,289,012	**773,084,748**
Government and public sector	2,778,682,491	29	10,725,926	-	-	**2,789,408,446**
Other	311,689,023	5,196,803	61,506,032	17,366,725	9,962,212	**405,720,795**
Total	**6,326,886,159**	**1,888,118,103**	**280,486,470**	**111,590,619**	**68,568,407**	**8,675,649,758**

2018

Item	Stage (1)		Stage (2)		Stage (3)	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD	JD	JD
Financial	2,025,558,196	378,644	11,402,810	-	612,192	**2,037,951,842**
Industrial	229,352,979	148,260,032	53,297,804	18,119,449	9,296,915	**458,327,179**
Trading	1,050,775,719	173,449,909	98,823,240	8,248,503	(30,299,842)	**1,300,997,529**
Real-estate	251,933,724	696,564,554	110,582,509	31,375,227	24,706,477	**1,115,162,491**
Agriculture	11,634,664	332,499	2,565,986	257,379	879,145	**15,669,673**
Equity	1,600,275	1,356,787	778,297	-	3,223,977	**6,959,336**
Individual	44,240,166	637,359,950	7,314,706	25,366,918	10,426,317	**724,708,057**
Government and public sector	2,381,985,409	-	25,115,602	-	-	**2,407,101,011**
Other	281,138,303	29,187,742	26,672,730	3,480,624	2,887,830	**343,367,229**
Total	**6,278,219,435**	**1,686,890,117**	**336,553,684**	**86,848,100**	**21,733,011**	**8,410,244,347**

3. Exposure distribution according to geographical distribution
a. Total exposure distribution according to geographic region:

2019	Inside Jordan JD	Other Middle Eastern Countries JD	Europe JD	Asia JD	Africa JD	America JD	Other Countries JD	Total JD
Balances at central banks	967,931,615	-	-	-	-	-	-	967,931,615
Balances at banks and financial institutions	120,313,689	79,743,391	124,209,348	5,428,955	278,579	121,549,780	991,939	452,515,681
Deposits at banks and financial institutions	30,189,522	3,973,369	22,133,958	-	-	-	-	56,296,849
Credit facilities	3,841,249,727	175,446,753	142,124,525	-	-	-	-	4,158,821,005
Bonds and bills:								-
Within: Financial assets through profit and loss	-	-	-	-	-	-	-	-
Within: Financial assets at fair value through other comprehensive income	158,056,419	32,500,614	42,938,271	18,006,690	14,168,270	85,696,640	11,458,631	362,825,535
Within: Financial assets at amortized cost	1,753,274,119	58,574,260	5,180,360	5,636,247	-	3,958,965	-	1,826,623,951
Derivatives	-	-	-	-	-	-	-	-
Mortgaged financial assets (liabilities)	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-
Total for the year	**6,871,015,091**	**350,238,387**	**336,586,462**	**29,071,892**	**14,446,849**	**211,205,385**	**12,450,570**	**7,825,014,636**
Letter of guarantees	339,534,150	11,444,267	6,213,775	181,092	12,646,167	-	-	370,019,451
Letter of credit	352,993,590	13,585,400	3,738,823	1,046,176	708,422	1,354,746	-	373,427,157
Other liabilities	70,891,644	-	36,296,870	-	-	-	-	107,188,514
Total	**7,634,434,475**	**375,268,054**	**382,835,930**	**30,299,160**	**27,801,438**	**212,560,131**	**12,450,570**	**8,675,649,758**

2018	Inside Jordan JD	Other Middle Eastern Countries JD	Europe JD	Asia JD	Africa JD	America JD	Other Countries JD	Total JD
Balances at central banks	1,039,140,400	-	-	-	-	-	-	**1,039,140,400**
Balances at banks and financial institutions	104,864,681	70,260,713	238,400,549	5,296,256	67,893	128,939,539	4,606,761	**552,436,392**
Deposits at banks and financial institutions	29,971,888	4,457,234	3,149,728	-	-	-	-	**37,578,850**
Credit facilities	3,976,714,793	124,040,034	154,599,919	-	-	-	-	**4,255,354,746**
Bonds and bills:								
Within: Financial assets through profit and loss	66,271	-	-	-	-	-	-	**66,271**
Within: Financial assets at fair value through other comprehensive income	153,465,545	35,933,465	17,316,081	19,926,890	14,602,060	99,183,214	9,600,042	**350,027,297**
Within: Financial assets at amortized cost	1,444,518,765	38,006,777	-	2,146,482	-	-	2,130,963	**1,486,802,987**
Derivatives	-	-	-	-	-	-	-	**-**
Mortgaged financial assets (liabilities)	-	-	-	-	-	-	-	**-**
Other assets	-	-	-	-	-	-	-	**-**
Total for the year	**6,748,742,343**	**272,698,223**	**413,466,277**	**27,369,628**	**14,669,953**	**228,122,753**	**16,337,766**	**7,721,406,943**
Letter of guarantees	156,641,158	23,140,879	10,209,290	-	-	-	-	**189,991,327**
Letter of credit	350,294,558	44,781,293	-	2,018,183	443,086	686,261	-	**398,223,381**
Other liabilities	72,902,384	27,720,312	-	-	-	-	-	**100,622,696**
Total	**7,328,580,443**	**368,340,707**	**423,675,567**	**29,387,811**	**15,113,039**	**228,809,014**	**16,337,766**	**8,410,244,347**

b. Exposure distribution according to staging (IFRS 9):

2019

	Stage (1)		Stage (2)			
	Individual JD	Collective JD	Individual JD	Collective JD	Stage (3) JD	Total JD
Inside Jordan	5,443,784,830	1,820,469,691	196,990,180	111,590,619	61,599,155	**7,634,434,475**
Other Middle Eastern countries	301,279,150	6,281,911	64,756,534	-	2,950,459	**375,268,054**
Europe	319,194,900	53,816,135	5,911,610	-	3,913,285	**382,835,930**
Asia	30,118,068	-	181,092	-	-	**30,299,160**
Africa	15,154,384	-	12,647,054	-	-	**27,801,438**
America	212,560,131	-	-	-	-	**212,560,131**
Other countries	4,794,696	7,550,366	-	-	105,508	**12,450,570**
Total	**6,326,886,159**	**1,888,118,103**	**280,486,470**	**111,590,619**	**68,568,407**	**8,675,649,758**

2018

	Stage (1)		Stage (2)			
	Individual JD	Collective JD	Individual JD	Collective JD	Stage (3) JD	Total JD
Inside Jordan	5,020,751,947	219,036,608	326,500,745	27,028,100	52,005,477	**5,645,322,877**
Other Middle Eastern countries	758,770,994	1,117,844,870	10,052,937	57,751,293	(32,443,618)	**1,911,976,476**
Europe	301,300,329	272,795,529	-	2,068,710	2,171,150	**578,335,718**
Asia	12,784,782	11,964,766	-	-	-	**24,749,548**
Africa	11,162,551	3,525,653	-	-	-	**14,688,204**
America	173,327,522	45,415,704	-	-	-	**218,743,226**
Other countries	121,311	16,306,987	-	-	-	**16,428,298**
Total	**6,278,219,436**	**1,686,890,117**	**336,553,682**	**86,848,103**	**21,733,009**	**8,410,244,347**

4. Credit exposures that have been reclassified:
a. Total credit exposures that have been reclassified:

2019

	Stage (2)		Stage (3)			
	Total Exposures Amount JD	Exposures that have been Reclassified JD	Total Exposures Amount JD	Exposures that have been Reclassified JD	Total Exposures that have been Reclassified JD	Percentage of Exposures that have been Reclassified %
Balances at central Banks	-	-	-	-	-	-
Balances at banks and financial institutions	-	-	-	-	-	-
Deposits at banks and financial institutions	-	-	-	-	-	-
Credit facilities	446,155,947	157,407,802	387,724,773	123,223,575	280,631,377	6.00%
Bonds and bills:	10,768,285	-	3,000,000	-	-	-
Within: Financial assets through profit and loss	-	-	-	-	-	-
Within: Financial assets at fair value through other comprehensive income	10,768,285	-	-	-	-	-
Within: Financial assets at amortized cost	-	-	3,000,000	-	-	-
Derivatives	-	-	-	-	-	-
Mortgaged financial assets (liabilities)	-	-	-	-	-	-
Other assets	-	-	-	-	-	-
Total	**456,924,232**	**157,407,802**	**390,724,773**	**123,223,575**	**280,631,377**	**3.00%**
Letter of guarantees	32,779,681	2,727,401	19,706,566	2,617,373	5,344,774	1.00%
Letter of credit	3,640,513	551,873	39,487	-	551,873	0.00%
Other liabilities	92,525	10,596	-	-	10,596	0.00%
Total	**36,512,719**	**3,289,870**	**19,746,053**	**2,617,373**	**5,907,243**	**1.00%**
Net Total	**493,436,951**	**160,697,672**	**410,470,826**	**125,840,948**	**286,538,620**	**3.00%**

2018

	Stage (2)		Stage (3)			
	Total Exposures Amount JD	Exposures that have been Reclassified JD	Total Exposures Amount JD	Exposures that have been Reclassified JD	Total Exposures that have been Reclassified JD	Percentage of Exposures that have been Reclassified %
Balances at central Banks	-	-	-	-	-	-
Balances at banks and financial institutions	-	-	-	-	-	-
Deposits at banks and financial institutions	-	-	-	-	-	-
Credit facilities	478,361,054	215,904,677	303,583,673	66,922,209	282,826,886	6%
Bonds and bills:	10,805,623	4,216,980	3,000,000	-	4,216,980	0%
Within: Financial assets through profit and loss	-	-	-	-	-	-
Within: Financial assets at fair value through other comprehensive income	10,805,623	4,216,980	-	-	4,216,980	1%
Within: Financial assets at amortized cost	-	-	3,000,000	-	-	-
Derivatives	-	-	-	-	-	-
Mortgaged financial assets (liabilities)	-	-	-	-	-	-
Other assets	-	-	-	-	-	-
Total	**489,166,677**	**220,121,657**	**306,583,673**	**66,922,209**	**287,043,866**	**4%**
Letter of guarantees	27,429,099	28,118,751	8,332,122	4,430,930	32,549,681	15%
Letter of credit	4,498,759	257,889	37,082	-	257,889	0%
Other liabilities	248,254	163,939	-	-	163,939	0%
Total	**32,176,112**	**28,540,579**	**8,369,204**	**4,430,930**	**32,971,509**	**5%**
Net Total	**521,342,789**	**248,662,236**	**314,952,877**	**71,353,139**	**320,015,375**	**6%**

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

2019

Description	Exposures that have been Reclassified			Expected Credit Loss due to Reclassified Exposures				
				Stage (2)		Stage (3)		
	Exposures Reclassified from Stage (2)	Exposures Reclassified from Stage (3)	Total	Individual	Collective	Individual	Collective	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Balances at central banks	-	-	-	-	-	-	-	-
Balances at banks and financial institutions	-	-	-	-	-	-	-	-
Deposits at banks and financial institutions	-	-	-	-	-	-	-	-
Credit facilities	157,407,802	123,223,575	280,631,377	2,019,840	3,330,838	15,422,388	-	20,773,066
Bonds and bills:	-	-	-	-	-	-	-	-
Within: Financial assets through profit and loss	-	-	-	-	-	-	-	-
Within: Financial assets at fair value through other comprehensive income	-	-	-	-	-	-	-	-
Within: Financial assets at amortized cost	-	-	-	-	-	-	-	-
Derivatives	-	-	-	-	-	-	-	-
Mortgaged financial assets (liabilities)	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-
Total	**157,407,802**	**123,223,575**	**280,631,377**	**2,019,840**	**3,330,838**	**15,422,388**	**-**	**20,773,066**
Letter of guarantees	2,727,401	2,617,373	5,344,774	53,198	351,805	73,213	-	478,216
Letter of credit	551,873	-	551,873	-	42,240	-	-	42,240
Other liabilities	10,596	-	10,596	27	-	-	-	27
Total	**3,289,870**	**2,617,373**	**5,907,243**	**53,225**	**394,045**	**73,213**	**-**	**520,483**
Net Total	**160,697,672**	**125,840,948**	**286,538,620**	**2,073,065**	**3,724,883**	**15,495,601**	**-**	**21,293,549**

2018

Description	Exposures that have been Reclassified			Expected Credit Loss due to Reclassified Exposures				Total
				Stage (2)		Stage (3)		
	Exposures Reclassified from Stage (2) JD	Exposures Reclassified from Stage (3) JD	Total JD	Individual JD	Collective JD	Individual JD	Collective JD	JD
Balances at central banks	-	-	-	-	-	-	-	-
Balances at banks and financial institutions	-	-	-	-	-	-	-	-
Deposits at banks and financial institutions	-	-	-	-	-	-	-	-
Credit facilities	215,904,677	66,922,209	282,826,886	1,588,052	2,132,589	6,411,312	-	10,131,953
Bonds and bills:	4,216,980	-	4,216,980	30,174	-	-	-	30,174
Within: Financial assets through profit and loss	-	-	-	-	-	-	-	-
Within: Financial assets at fair value through other comprehensive income	4,216,980	-	4,216,980	30,174	-	-	-	30,174
Within: Financial assets at amortized cost	-	-	-	-	-	-	-	-
Derivatives	-	-	-	-	-	-	-	-
Mortgaged financial assets (liabilities)	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-
Total	**220,121,657**	**66,922,209**	**287,043,866**	**1,618,226**	**2,132,589**	**6,411,312**	**-**	**10,162,127**
Letter of guarantees	28,118,751	4,430,930	32,549,681	494,999	2,688	46,936	-	544,623
Letter of credit	257,889	-	257,889	1,220	3,768	-	-	4,988
Other liabilities	163,939	-	163,939	23	668	-	-	691
Total	**28,540,579**	**4,430,930**	**32,971,509**	**496,242**	**7,124**	**46,936**	**-**	**550,302**
Net Total	**248,662,236**	**71,353,139**	**320,015,375**	**2,114,468**	**2,139,713**	**6,458,248**	**-**	**10,712,429**

5- Credit Risk Exposures (after provision for impairment, outstanding interest and before collateral and other risk mitigants):

	December 31,	
	2019 JD	2018 JD
Financial Position Items		
Balances at central banks	967,931,615	1,039,140,400
Balances at banks and financial institutions	452,515,681	552,436,392
Deposits at banks and financial institutions	56,296,849	37,578,850
Credit facilities:		
Individual	738,480,562	718,389,976
Real estate mortgages	1,125,714,864	1,144,604,297
Corporates		
Large corporates	1,319,568,990	1,245,612,098
SME's	244,514,938	255,003,493
Government and Public Sector	730,541,651	891,744,882
Bonds and bills		
Within: Financial assets through profit and loss	-	66,271
Within: Financial assets at amortized cost	1,826,623,951	1,486,802,987
Within: Financial assets at fair value through other comprehensive income	362,825,535	350,027,297
Total	**7,825,014,636**	**7,721,406,943**
Items Off-statement of Financial Position		
Letter of guarantees	373,427,157	398,223,381
Letter of credit	370,019,451	189,991,327
Un-utilized facilities ceilings	107,188,514	100,622,696
Total	**850,635,122**	**688,837,404**
Net Total	**8,675,649,758**	**8,410,244,347**

The above table represents the maximum credit exposure of the Bank as of December 31, 2019 and 2018 without taking into account collateral or other credit risk mitigators.

The relative distribution of exposures is as follows:
- 17.02% of total exposures are due to balances with central banks and banks and financial institutions (2018: 19.37%).
- 47.94% of the total exposure is due to loans and advances (2018: 50.60%).
- 21.05% of the total exposure resulted from investments in bonds, debentures, and funds (2018: 21.79%).
- 9.8% of total exposure resulted from off-balance sheet items and other items (2018: 8.19%).

Scheduled Debts:
These represent loans previously classified as non-performing loans and reclassified as other than non-performing loans according to proper scheduling to watch list during the year 2019. Moreover, they amounted to JD 57.3 million as of the current year against JD 19.4 million as of the previous year.

The scheduled debt balance represents the debt that was scheduled whether classified under watch list or transferred to performing.

Restructured Debts:

Restructuring means re-arranging the status of operating credit facilities in terms of adjusting the premiums, prolonging the life of the credit facilities, postponing some of the installments or extending the grace period based on customer cash flows and helping them meet their obligations towards the Bank. The value of these loans amounted to about JD 395.5 million in 2019 against JD 464.6 million at the end of the previous year.

6. Debts Securities and Treasury Bills:

The following table shows the classifications of bonds and bills according to external rating institutions (S&P Classification Corporation):

2019

Classification grade	Within specific financial assets at fair value through profit or loss statement JD	Among other financial assets through the statement of comprehensive income JD	Among other financial assets at amortized cost JD	Total JD
AAA	-	41,986,230	-	41,986,230
AA+	-	-	-	-
AA	-	14,327,072	-	14,327,072
AA-	-	5,786,632	-	5,786,632
A+	-	11,152,097	-	11,152,097
A	-	14,381,135	4,499,044	18,880,179
A-	-	37,678,442	7,796,730	45,475,172
BBB+	-	32,930,543	1,762,748	34,693,291
BBB	-	12,271,459	1,795,252	14,066,711
BBB-	-	3,763,998	-	3,763,998
BB+	-	5,756,725	-	5,756,725
BB	-	-	-	-
BB-	-	-	-	-
B+	-	5,517,630	-	5,517,630
B	-	3,160,861	-	3,160,861
B-	-	-	-	-
CCC-	-	-	-	-
C	-	-	-	-
Unclassified	-	-	115,902,725	115,902,725
Governmental or guaranteed by the government	-	174,112,711	1,694,867,452	1,868,980,163
Total	**-**	**362,825,535**	**1,826,623,951**	**2,189,449,486**

2018

Classification grade	Within specific financial assets at fair value through profit or loss statement JD	Among other financial assets through the statement of comprehensive income JD	Among other financial assets at amortized cost JD	Total JD
AAA	-	-	-	-
AA+	-	-	-	-
AA	-	9,989,345	-	**9,989,345**
AA-	-	5,641,509	-	**5,641,509**
A+	-	10,905,788	-	**10,905,788**
A	-	10,392,842	-	**10,392,842**
A-	-	38,721,457	4,278,162	**42,999,619**
BBB+	-	30,355,574	-	**30,355,574**
BBB	-	3,510,489	-	**3,510,489**
BBB-	-	9,776,229	-	**9,776,229**
BB+	-	1,759,135	-	**1,759,135**
BB	-	3,591,617	-	**3,591,617**
BBB-	-	-	-	-
B+	-	-	-	-
B	-	4,019,684	-	**4,019,684**
B-	-	-	-	-
CCC-	-	-	-	-
C	-	-	-	-
Unclassified	-	-	92,442,402	**92,442,402**
Governmental or guaranteed by the government	66,271	221,629,969	1,390,158,993	**1,611,855,233**
Total	**66,271**	**350,293,638**	**1,486,879,557**	**1,837,239,466**

Market Risk

Market risk is defined as the risk of fluctuation in fair value or cash flows of financial assets arising from changes in market prices, which are divided into four major categories: interest rate risks, foreign currency risks, equity instruments risks, and commodities risks.

Market risk is monitored through specialized committees and certain business centers.

Market risk is measured and monitored through sensitivity analysis and VAR, using a 99% confidence level according to Basel II policies and stop loss limits; monitoring risk limits; and submitting periodic reports.

Sensitivity analysis is based on estimating the loss risk in fair value due to changes in interest rate and foreign currencies exchange rate. Moreover, fair value is calculated according to the current value of future money flows that will be affected by price changes.

1. Interest rate risk:

This risk arises from changes in market interest rates. In this regard, the Bank manages interest rate risk by applying sensitivity analysis for the interest rate sensitive instruments designated at fair value through the income statement by shifting the yield curve a parallel shift of ±1%.

	Effect of Increasing Interest Rate by 1% on the Consolidated Statement of Profit or Loss JD	Effect of Increasing Interest Rate by 1% on the Consolidated Statement of Profit or Loss JD	Effect of Increasing Interest Rate by 1% on Equity JD	Effect of Decreasing in Interest Rate by 1% on Equity JD
Sensitivity Analysis for 2019				
U.S Dollar	-	-	-	-
8Sensitivity Analysis for 2019				
U.S Dollar	(78)	78	(56)	56

2. Foreign Exchange risk:

This risk arises from changes in foreign exchange rates that might have an impact on the Bank's assets and liabilities held in foreign currency. The Bank manages the exchange rate risk by applying sensitivity analysis to the Bank's net foreign currencies positions by shifting the exchange rate ± 1% on net profit and loss and shareholders' equity

Currency	Effect of Increasing Exchange Rate Currency by 1% on the Consolidated Statement of Profit or Loss JD	Effect of Decreasing Exchange Rate Currency by 1% on the Consolidated Statement of Profit or Loss JD	Effect of Increasing Exchange Rate Currency by 1% on Equity JD	Effect of Decreasing Exchange Rate Currency by 1% on Equity JD
Sensitivity Analysis for 2019				
Euro	22,280	(22,280)	14,103	(14,103)
Great Britain pound	544,291	(544,291)	344,536	(344,536)
Australian dollar	54	(54)	34	(34)
Swiss franc	362	(362)	229	(229)
Canadian dollar	(297)	297	(188)	188
Japanese yen	(144)	144	(91)	91
Syrian pound	31,743	(31,743)	20,093	(20,093)
Algerian dinar	1,310,278	(1,310,278)	829,406	(829,406)
Sensitivity Analysis for 2018				
Euro	25,461	(25,461)	18,233	(18,233)
Great Britain pound	538,833	(538,833)	385,858	(385,858)
Australian dollar	96	(96)	69	(69)
Swiss franc	1,431	(1,431)	1,025	(1,025)
Canadian dollar	4	(4)	3	(3)
Japanese yen	1,185	(1,185)	848	(848)
Syrian pound	31,711	(31,711)	22,708	(22,708)
Algerian dinar	1,052,465	(1,052,465)	753,670	(753,670)

3. Equity Price Risk:

This risk arises from changes in the prices of equity instruments within the Bank's financial assets at fair value through profit or loss and/or financial assets at fair value through other comprehensive income. The Bank manages the share price risk by applying the VAR methodology calculated based on the historical prices of equity instruments for a confidence level of 99% for one day for each company separately. The VAR was then calculated for the Bank's portfolio.

	2019 JD	2018 JD
Financial assets at fair value through profit or loss	(166,054)	(156,856)
Financial assets at fair value through other comprhesive income	(1,281,818)	(1,099,196)

Interest Rate Re-pricing Gap:

Classification is done according to interest re-pricing or maturity, whichever is closer:

2019

For the Year 2019	Up to 1 Month JD	1 to 3 Months JD	3 to 6 Months JD	6 Months to 1 Year JD	1 to 3 Years JD	Over 3 Years JD	Non-interest Bearing Items JD	Total
Assets								
Cash and balances at central banks	322,442,778	-	-	6,504,400	-	-	785,648,586	**1,114,595,764**
Balances at banks and financial institutions	282,632,823	141,051,957	-	-	-	-	28,830,901	**452,515,681**
Deposits at banks and financial institutions	45,961	-	7,501,290	48,749,598	-	-	-	**56,296,849**
Financial assets through profit and loss	632,797	-	-	-	-	-	3,040,727	**3,673,524**
Credit facilities - net	850,354,536	924,477,296	629,320,094	1,044,062,710	411,364,071	296,906,959	2,335,339	**4,158,821,005**
Financial assets at fair value through other comprehensive income	7,145,352	46,326,626	23,370,688	27,296,921	229,200,274	29,495,114	25,619,076	**388,454,051**
Financial assets at amortized cost	15,190,272	8,571,000	93,185,018	91,627,101	1,563,632,990	54,417,570	-	**1,826,623,951**
Property and equipment	-	-	-	-	-	-	185,136,052	**185,136,052**
Intangible assets - net	-	-	-	-	-	-	23,582,588	**23,582,588**
right of use assets	-	-	-	-	-	-	28,702,451	**28,702,451**
Deferred tax assets	-	-	-	-	-	-	73,911,906	**73,911,906**
Other assets	6,026,576	-	569,015	-	-	-	122,340,224	**128,935,815**
Total Assets	**1,484,471,095**	**1,120,426,879**	**753,946,105**	**1,218,240,730**	**2,204,197,335**	**380,819,643**	**1,279,147,850**	**8,441,249,637**
Liabilities								
Banks and financial institutions deposits	303,176,704	312,920,691	18,340,837	48,845,800	-	-	41,965,190	**725,249,222**
Customers' deposits	964,527,859	1,068,889,313	494,431,419	387,670,324	190,945,801	14,645,737	2,689,402,515	**5,810,512,968**
Margin accounts	78,495,027	62,137,268	24,430,682	31,922,893	12,782,673	12,814,898	56,319,731	**278,903,172**
Loans and borrowing's	5,001,170	1,381,314	7,396,233	42,194,630	36,636,232	54,305,000	-	**146,914,579**
Sundry provisions	-	-	-	-	-	-	49,697,700	**49,697,700**
Income tax provision	-	-	-	-	-	1,131,274	42,057,258	**43,188,532**
Deferred tax liabilities	-	-	-	-	-	-	6,569,323	**6,569,323**
Lease Liability	-	-	-	2,078,202	6,683,138	17,972,880	-	**26,734,220**
Other liabilities	-	-	-	-	-	-	229,666,079	**229,666,079**
Total Liabilities	**1,351,200,760**	**1,445,328,586**	**544,599,171**	**512,711,849**	**247,047,844**	**100,869,789**	**3,115,677,796**	**7,317,435,795**
Interest rate re-pricing gap	**133,270,335**	**(324,901,707)**	**209,346,934**	**705,528,881**	**1,957,149,491**	**279,949,854**	**(1,836,529,946)**	**1,123,813,842**

For the Year 2018	Up to 1 Month JD	1 to 3 Months JD	3 to 6 Months JD	6 Months to 1 Year JD	1 to 3 Years JD	Over 3 Years JD	Non-interest bearing	Total
Assets								
Cash and balances at central banks	419,355,373	-	-	-	-	-	763,062,333	1,182,417,706
Balances at banks and financial institutions	388,258,754	121,888,720	-	-	-	-	42,288,918	552,436,392
Deposits at banks and financial institutions	-	-	10,572,213	27,006,637	-	-	-	37,578,850
Financial assets through profit and loss	632,797	-	-	66,271	-	-	3,036,343	3,735,411
Credit facilities - Net	697,582,758	862,096,418	661,120,237	1,086,478,119	644,893,118	**296,031,303**	7,152,793	4,255,354,746
Financial assets at fair value through other comprehensive income	21,340,687	25,202,743	45,151,451	34,917,518	196,906,610	**26,517,733**	21,966,620	372,003,362
Financial assets at amortized cost	10,113,560	33,170,262	119,242,304	46,385,071	1,235,366,288	**42,525,502**	-	1,486,802,987
Property and equipment	-	-	-	-	-	-	186,565,718	186,565,718
Intangible assets - net	-	-	-	-	-	-	23,628,921	23,628,921
Deferred tax assets	4,009,481	-	582,308	-	-	-	118,567,610	123,159,399
Other assets	-	-	-	-	-	-	76,354,109	**76,354,109**
Total Assets	**1,541,293,410**	**1,042,358,143**	**836,668,513**	**1,194,853,616**	**2,077,166,016**	**365,074,538**	1,242,623,365	8,300,037,601
Liabilities								
Banks and financial institutions deposits	269,097,451	75,347,202	177,094,254	40,925,395	-	-	52,744,257	615,208,559
Customers' deposits	1,144,691,667	896,215,822	537,670,712	369,193,501	184,440,789	**9,252,071**	2,732,296,293	5,873,760,855
Margin accounts	103,348,774	84,449,545	19,528,502	28,405,951	8,299,697	**4,680,780**	38,273,027	286,986,276
Loans and borrowings	-	1,230,966	56,357,193	33,853,727	27,509,644	**6,907,458**	-	125,858,988
Sundry provisions	-	-	-	-	-	-	53,814,157	53,814,157
Income tax provision	-	-	-	-	-	**92,819**	49,660,175	49,752,994
Deferred tax liabilities	-	-	-	-	-	-	4,141,270	4,141,270
Other liabilities	87,517	60,131	99,895	153,605	-	-	210,019,780	210,420,928
Total Liabilities	**1,517,225,409**	**1,057,303,666**	**790,750,556**	**472,532,179**	**220,250,130**	**20,933,128**	3,140,948,959	7,219,944,027
Interest rate re-pricing gap	**24,068,001**	**(14,945,523)**	**45,917,957**	**722,321,437**	**1,856,915,886**	**344,141,410**	(1,898,325,594)	**1,080,093,574**

Concentration of Foreign Currency Risk:

items / Currency 2019	US Dollar JD	Euro JD	Sterling Pound JD	Japanese Yen JD	Syrian Lira JD	Algerian Dinar JD	Other JD	Total JD
Assets								
Cash and balances at central banks	239,465,402	37,008,040	181,819	377	66,178,346	148,824,256	91,379,155	583,037,395
Balances at banks and financial institutions	296,795,993	55,373,532	16,297,017	336,359	9,774,782	21,076,112	8,858,147	408,511,942
Deposits at banks and financial institutions	7,442,053	18,672,660	-	-	-	-	203,112	26,317,825
Credit facilities - Net	630,290,305	15,156,261	142,132,428	11,418,819	48,534,825	232,148,871	117,397,802	1,197,079,311
Financial assets through profit and loss	632,797	-	-	-	-	-	-	632,787
Financial assets at fair value through other comprehensive income	188,063,038	23,211,601	4,645,280	-	-	-	-	215,919,919
Financial assets at amortized cost	464,160,405	-	-	-	-	-	22,565,280	486,725,685
Property and equipment	-	-	712,499	-	4,543,879	1,633,318	383,633	7,273,329
Intangible assets - net	10	-	6,128,896	-	43,917	2,458,120	620,852	9,251,795
right of use Asset	2,107,074	-	3,447,060	-	690,745	1,243,345	943,460	8,431,684
Deferred tax assets	1,080,526	40,430	785,491	54	7,931	-	40,922	1,955,354
Other assets	6,168,170	1,399,854	4,190	350,513	131,237	8,363,846	8,453,709	24,871,519
Total Assets	**1,836,205,773**	**150,862,378**	**174,334,680**	**12,106,122**	**129,905,662**	**415,747,868**	**250,846,072**	**2,970,008,555**
Liabilities								
Banks and financial institutions deposits	563,766,619	38,421,498	20,193,054	92,256	4,227,631	205,732	21,933,243	648,840,033
Customers' deposits	1,372,848,335	90,293,053	59,711,824	926,409	108,936,641	160,164,071	165,248,221	1,958,128,554
Margin accounts	100,915,491	19,214,352	504,477	11,003,946	2,208,344	25,906,963	14,316,021	174,069,594
Sundry provisions	20,123	134,678	-	-	9,316,644	18,806,690	351,025	28,629,160
Income tax provision	-	-	492,113	-	418,230	-	53,258	963,601
Other liabilities	9,992,294	660,861	5,093,772	6	9,920,221	105,415,436	11,476,175	142,558,765
Total Liabilities	**2,047,542,862**	**148,724,442**	**85,995,240**	**12,022,617**	**135,027,711**	**310,498,892**	**213,377,943**	**2,953,189,707**
Net Financial Position Items	**(211,337,091)**	**(2,137,936)**	**88,339,440**	**83,505**	**(5,122,049)**	**105,248,976**	**37,680,129**	**16,818,848**
Off-financial position Contingent Liabilities	**638,230,794**	**326,725,078**	**37,957,798**	**449,925**	**10,745,366**	**107,342,289**	**20,400,692**	**1,141,851,942**
2018								
Total Assets	**1,789,165,561**	**131,773,502**	**175,288,000**	**6,421,525**	**112,595,431**	**418,574,538**	**243,797,642**	**2,877,616,199**
Total Liabilities	**1,942,033,778**	**139,853,160**	**80,489,801**	**6,296,141**	**129,405,939**	**299,902,004**	**195,606,709**	**2,793,587,532**
Net Financial Position Items	**(152,868,217)**	**(8,079,658)**	**94,798,199**	**125,384**	**(16,810,508)**	**118,672,534**	**48,190,933**	**84,028,667**
Off-financial Position Contingent Liabilities	**661,855,831**	**352,948,519**	**28,144,857**	**3,340,258**	**11,802,885**	**104,922,310**	**54,902,154**	**1,217,916,814**

Liquidity Risk

Liquidity risk is defined as the Bank's failure to provide the required funding to cover its obligations at their respective due dates.

- Liquidity risk is managed through the following:
- Analyzing cash inflow for all assets and liabilities.
- Preparing stress scenarios for liquidity risk.
- Evaluating and monitoring concentration and fluctuation in financing sources.
- Assessing the Bank's ability to borrow and finance its activities.
- Monitoring the compliance with the approved policies and the instructions of the Central Bank of Jordan in this regard.
- Submitting periodic reports to higher management on the level of liquidity risk at the Bank.

Sources of Funds:

- The Bank works to diversify its sources of funds including geographical sectors, currencies, customers, facilities, and conditions in order to attain financial flexibility and lower financing costs, in addition to maintaining stable financing sources. The Bank has a large customer base of individuals and corporations with varying deposit accounts, of which 61% are stable and dominated in Jordanian dinars.

2019

	Up to 1 Month JD	1 to 3 Months JD	3 to 6 Months JD	6 Months to 1 Year JD	1 to 3 Years JD	Over 3 Years JD	Non-interest Bearing Items JD	Total JD
Liabilities:								
Banks and financial institutions deposits	303,424,298	313,942,899	18,475,642	49,563,833	-	-	41,965,190	**727,371,862**
Customers' deposits	965,347,708	1,072,523,537	498,213,819	393,601,680	198,736,390	15,542,056	2,689,402,515	**5,833,367,705**
Margin accounts	78,529,042	62,244,973	24,525,962	32,171,892	13,048,553	13,214,723	56,319,731	**280,054,876**
Loans and borrowings	5,011,839	1,393,101	7,538,241	43,814,904	40,387,782	62,646,248	-	**160,792,115**
Sundry provisions	-	-	-	-	-	-	49,697,700	**49,697,700**
Income tax provision	-	-	-	-	-	1,131,274	42,057,258	**43,188,532**
Deferred tax liabilities	-	-	-	-	-	-	6,569,323	**6,569,323**
Lease liability	-	-	-	3,502,784	9,451,968	22,726,612	-	**35,681,364**
Other liabilities	-	-	-	-	-	-	229,666,079	**229,666,079**
Total Liabilities	**1,352,312,887**	**1,450,104,510**	**548,753,664**	**522,655,093**	**261,624,693**	**115,260,913**	**3,115,677,796**	**7,366,389,556**
TOTAL ASSETS (ACCORDING to THEIR EXPECTED MATURITY)	**1,484,471,095**	**1,120,426,879**	**753,946,105**	**1,218,240,730**	**2,204,197,335**	**380,819,643**	**1,279,147,850**	**8,441,249,637**

2018

	Up to 1 Month JD	1 to 3 Months JD	3 to 6 Months JD	6 Months to 1 Year JD	1 to 3 Years JD	Over 3 Years JD	Non-interest Bearing Items JD	Total JD
Liabilities:								
Banks and financial institutions deposits	269,252,182	75,520,501	178,010,717	41,348,973	-	-	52,744,257	**616,876,630**
Customers' deposits	1,145,631,268	899,158,397	541,642,754	374,648,335	191,707,756	9,798,868	2,732,296,293	**5,894,883,671**
Margin accounts	103,413,367	84,660,669	19,638,350	28,725,518	8,548,688	4,891,415	38,273,027	**288,151,034**
Loans and borrowing's	-	1,240,752	57,365,282	35,064,844	30,134,064	7,895,915	-	**131,700,857**
Sundry provisions	-	-	-	-	-	-	53,814,157	**53,814,157**
Income tax provision	-	-	-	-	-	92,819	49,660,175	**49,752,994**
Deferred tax liabilities	-	-	-	-	-	-	4,141,270	**4,141,270**
Other liabilities	87,517	60,131	99,895	153,605	-	-	210,019,780	**210,420,928**
Total Liabilities	**1,518,384,334**	**1,060,640,450**	**796,756,998**	**479,941,275**	**230,390,508**	**22,679,017**	**3,140,948,959**	**7,249,741,541**
TOTAL ASSETS (ACCORDING to THEIR EXPECTED MATURITY)	**1,541,293,410**	**1,042,358,143**	**836,668,513**	**1,194,853,616**	**2,077,166,016**	**365,074,538**	**1,242,623,365**	**8,300,037,601**

Off-financial position items:

	Up to 1 Year JD	1 - 5 Years JD	Over 5 Years JD	Total JD
2019				
Letters of credit and acceptances	540,718,676	127,859,786	-	**668,578,462**
Un-utilized ceilings	420,259,318	32,419,756	750,572	**453,429,646**
Letters of guarantee	444,257,182	58,184,674	158,411	**502,600,267**
Total	**1,405,235,176**	**218,464,216**	**908,983**	**1,624,608,375**
2018				
Letters of credit and acceptances	663,250,814	54,286,845	-	**717,537,659**
Un-utilized ceilings	361,347,137	24,900,644	311,497	**386,559,278**
Letters of guarantee	515,805,948	20,105,072	172,069	**536,083,089**
Total	**1,540,403,899**	**99,292,561**	**483,566**	**1,640,180,026**

47 Fair Value Heirarchy

- 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 JD	Level 2 JD	Level 3 JD	Total JD
December 31, 2019				
Financial assets:				
Financial assets at fair value through other comprehensive income	362,825,530	2,500,000	23,128,516	388,454,046
Financial assets at fair value through profit or loss	3,040,727	-	632,797	3,673,524
Total	**365,866,257**	**2,500,000**	**23,761,313**	**392,127,570**
December 31, 2018				
Financial assets				
Financial assets at fair value through other comprehensive income	350,027,298	2,500,000	19,476,065	372,003,363
Financial assets at fair value through profit or loss	3,036,343	-	699,078	3,735,421
Total	**353,063,641**	**2,500,000**	**20,175,143**	**375,738,784**

48 Fiduciary Accounts

Investment accounts managed on behalf of customers amounted to JD 608 thousands as of December 31, 2019 against JD 624 thousands as of December 31, 2018. These accounts are not included in the assets and liabilities of the Bank's financial statements. The management's commissions and fees on these accounts are recorded in the consolidated statement of profit or loss.

49 Assets and Liabilities Expected Maturities

The following table illustates the assets and liabilities according to the expected maturity periods:

	Up to 1 Year	Over 1 Year	Total
	JD	JD	JD
2019			
Assets			
Cash and balances at central banks	931,662,850	182,932,914	**1,114,595,764**
Balances at banks and financial institutions	452,515,681	-	**452,515,681**
Deposits at banks and financial institutions	56,296,849	-	**56,296,849**
Financial assets through profit or loss	3,040,727	632,797	**3,673,524**
Credit facilities - net	1,444,097,243	2,714,723,762	**4,158,821,005**
Financial assets at fair value through other comprehensive income	96,935,200	291,518,851	**388,454,051**
Financial assets at amortized cost	199,811,257	1,626,812,694	**1,826,623,951**
Property and equipment - net	-	185,136,052	**185,136,052**
Intangible assets - net	-	23,582,588	**23,582,588**
Right of use asset	-	28,702,451	**28,702,451**
Deferred tax assets	-	73,911,906	**73,911,906**
Other assets	34,564,507	94,371,308	**128,935,815**
Total Assets	**3,218,924,314**	**5,222,325,323**	**8,441,249,637**
Liabilities:			
Banks and financial institutions deposits	725,249,222	-	**725,249,222**
Customers' deposits	2,707,196,584	3,103,316,384	**5,810,512,968**
Margin accounts	192,828,812	86,074,360	**278,903,172**
Loans and borrowings	55,973,347	90,941,232	**146,914,579**
Sundry provisions	444,749	49,252,951	**49,697,700**
Income tax provision	39,801,592	3,386,940	**43,188,532**
Deferred tax liabilities	-	6,569,323	**6,569,323**
Lease liability	2,078,202	24,656,018	**26,734,220**
Other liabilities	105,803,136	123,862,943	**229,666,079**
Total Liabilities	**3,829,375,644**	**3,488,060,151**	**7,317,435,795**
Net	**(610,451,330)**	**1,734,265,172**	**1,123,813,842**

	Up to 1 Year JD	Over 1 Year JD	Total JD
2018			
Assets			
Cash and balances at central banks	999,823,351	182,594,355	**1,182,417,706**
Balances at banks and financial institutions	552,436,392	-	**552,436,392**
Deposits at banks and financial institutions	37,578,850	-	**37,578,850**
Financial assets through profit or loss	3,102,614	632,797	**3,735,411**
Credit facilities - net	1,604,613,305	2,650,741,441	**4,255,354,746**
Financial assets at fair value through other comprehensive income	112,293,471	259,709,891	**372,003,362**
Financial assets at amortized cost	200,226,807	1,286,576,180	**1,486,802,987**
Property and equipment - net	-	186,565,718	**186,565,718**
Intangible assets - net	-	23,628,921	**23,628,921**
Deferred tax assets	-	76,354,109	**76,354,109**
Other assets	41,616,411	81,542,988	**123,159,399**
Total Assets	**3,551,691,201**	**4,748,346,400**	**8,300,037,601**
Liabilities:			
Banks and financial institutions deposits	615,208,559	-	**615,208,559**
Customers' deposits	2,767,781,988	3,105,978,867	**5,873,760,855**
Margin accounts	210,953,480	76,032,796	**286,986,276**
Loans and borrowings	91,441,886	34,417,102	**125,858,988**
Sundry provisions	1,624,366	52,189,791	**53,814,157**
Income tax provision	38,526,746	11,226,248	**49,752,994**
Deferred tax liabilities	-	4,141,270	**4,141,270**
Other liabilities	57,164,098	153,256,830	**210,420,928**
Total Liabilities	**3,782,701,123**	**3,437,242,904**	**7,219,944,027**
Net	**(231,009,922)**	**1,311,103,496**	**1,080,093,574**

50 Contractual Commitments and Contingent Liabilities

This item consists of the following:

a- Credit commitments and commitments :

	December,31	
	2019 JD	2018 JD
Letters of credit	632,165,144	626,195,702
Acceptances	36,413,318	91,341,957
Letters of guarantee:		
Payment	125,499,913	148,607,423
Performance	138,561,673	138,713,291
Other	238,538,681	248,762,375
Unutilized direct credit facilities ceilings	453,429,646	386,559,278
Total	**1,624,608,375**	**1,640,180,026**

b - Contractual commitments :

	December,31	
	2019 JD	2018 JD
Property and equipment purchase contracts	1,102,937	2,312,978
Construction projects contracts	748,003	11,224,335
Other procurement contracts	6,409,609	7,096,284
Total	**8,260,549**	**20,633,597**

51 Lawsuits Raised by and against the Bank

- Lawsuits raised against the Bank amounted to JD 44.8 million as of December 31, 2019 against JD 33.2 million as of December 31, 2018. In the opinion of the Bank's management and the Bank's legal advisor, no material liabilities will arise from these lawsuits exceeding the related provision of JD 4,228,077 as of December 31, 2019.
- In addition to the cases mentioned above, 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 read records of violations attributed to the bank related to violating some banking procedures in the Republic of Algeria, and this was issued A preliminary decision was issued subject to appeal from one of the courts of first instance in Algeria, by imposing a fine on the Housing Bank for Trade and Finance / Algeria (a subsidiary company) for one of the violations, with a value equivalent to JD 37.6 million. The Bank's lawyers in Algeria have confirmed the soundness of the bank's legal status with respect to this violation, constituting the value of the remainder for unspecified violations as of the date of the financial statements, and in the opinion of the management, the legal adviser and auditor of the bank's accounts in Algeria, the bank has a strong legal position, and the provisions provided for those irregularities desclosed in Note (20) are sufficient as at the end of the year 2019 and will be reconsidered, in light of developments over the next year.
- The value of cases filed by the Bank against others amounted to approximately JD 487.4 million as of December 31, 2019 (JD 365 million as of December 31, 2018).

52 Comparative Figures

- Some of the year 2018 figures have been reclassified to correspond with the year 2019 presentation without affecting the income and equity statements for the year 2018.

The Palestinian Museum

Palestine

Housing Bank for Trade and Finance

05 Governance Report

The Bank's Commitment to Corporate Governance Regulations and Rules

By virtue of the Board of Directors' belief in the importance of the Corporate Governance in establishing a foundation for the bank's future development and enhancing its performance, strengthening confidence in its activities in front of depositors and shareholders and protecting the interests of all stakeholders in the bank, the board has adopted in 2008 a "Corporate Governance Code" that adopts and complies with the regulators authorities instructions in Jordan and International best practices.

The code is reviewed, improved and amended periodically and continuously in order to keep abreast with changes in the banking sector and updates in best practices. The code can be accessed through the following link on the bank's website:

https://www.hbtf.com/en/InvestorRelations/Lists/HBTFDocumentsInstance/الإسكان%20بنك%20%20المؤسسية%20الحاكمية%20دليل.pdf

In this regard, we assure our shareholders, regulators in Jordan and abroad, international rating agencies, as well as our network of correspondents spread around the globe that the bank is fully committed to applying best practices of good governance and management in all functions and operations, so that we remain a pioneering institution that seeks to support the welfare of communities not only in our homeland "Jordan" but also in all the countries where the bank operates.

This report has been prepared to demonstrate the extent to which the bank's management complies with the pillars of Corporate Governance as outlined in the Corporate Governance Code.

The Bank's Corporate Governance Officer:

Corporate Governance Center Manager - Mrs. Hadeel Ibrahim

First Pillar: The Board of Directors and Its Committees

The Constitution of the Board of Directors:

The Board of Directors consists of 13 non-executive members who have the required expertise and competencies, which of whom 4 are independent members, and are elected by the General Assembly of Shareholders by secret ballot and through proportional voting, which allows each shareholder the option to distribute the number of votes according to the number of shares he/she owns. The shareholder shall have the right to use the votes for one candidate or distribute them to more than one candidate. Each share has one vote without repeating these ballots.

The Chairman and the Vice-chairman are elected at the first meeting of The Board of Directors after their election by the General Assembly.

Decisions are made by the board and its committees by a majority without any individual powers, with a separation of mandates and duties between the positions of the Chairman and the Chief Executive Officer, and between the functions of the Board of Directors and the tasks of the Executive Management.

Board Responsibilities:

The Board of Directors is committed to performing the responsibilities stipulated in the Corporate Governance Code and its Business Charter by continuously monitoring the bank's performance and financial performance through monthly financial performance reports. Those reports cover the bank's main activities, progress in the strategic plan and budget, in addition to setting rules and instructions and adopting effective policies and procedures and internal controls to ensure risk mitigation, as well as giving due attention to risk management and addressing emergencies and planning for crises.

Current and Resigned Board Members and Representatives of the Board of Directors as of 31/12/2019

Name of the Board Member	Date of Appointment	The Entity that Member Represents	Classification
Mr. Abdelelah Moh'd Alkhatib	21/4/2016	Himself	Non-Executive, Independent
Mr. Yousef Mahmoud Al-Neama	31/1/2008	Qatar National Bank	Non-Executive, Non-Independent
Mr. Ramzi Talat Mari	9/3/2014		Non-Executive, Non-Independent
Mr. Khalid Majid Al-Nuaimi	12/7/2015		Non-Executive, Non-Independent
Mrs. Maryam Mohammed Al-Kuwari	2/7/2019		Non-Executive, Non-Independent
Mrs. Munirah As'ad Al Ajeel	31/12/2019	Kuwait Real Estate Investment Consortium	Non-Executive, Non-Independent
Mr. Mohamed Najib Eljamal	9/12/2018	Libyan Foreign Bank	Non-Executive, Non-Independent
Mr. Elhadi Emgahid Abultife	27/2/2019		Non-Executive, Non-Independent
Mr. Fadi Khalid Al Alawneh	26/11/2019	Social Security Corporation / Jordan	Non-Executive, Non-Independent
Mr. Nidal Faeq Alqubaj	22/5/2016		Non-Executive, Non-Independent
Dr. Yaser Manna' Adwan	21/4/2016	Himself	Non-Executive, Independent
Mr. Fawzi Yousif Al-Hanif	23/4/2017	Himself	Non-Executive, Independent
Mrs. Shaikha Yousuf Al-Farsi	21/4/2016	Himself	Non-Executive, Independent

Name of the Resigned Board Member	Date of Resignation	The Entity the Member Represents	Classification
Mr. Abdulla Mubarak Al Khalifa	1/7/2019	Qatar National Bank	Non-Executive, Non-Independent
Mr. Fawzi Abdel Hameed AlMani	18/11/2019	Kuwait Real Estate Investment Consortium	Non-Executive, Non-Independent
Mr. Ismail Abdalla El Mesallati	26/2/2019	Libyan Foreign Bank	Non-Executive, Non-Independent
Mr. Issam Abdallah Alkhatib	24/10/2019	Social Security Corporation / Jordan	Non-Executive, Non-Independent

Memberships held by the Members of the Board of Directors in Public Shareholding Companies:

There are no memberships held by members of the Board of Directors in the Jordanian public shareholding companies.

Meetings of the Board and its Committees:

The meetings of the Board of Directors and its committees have complied in accordance with the schedule of meetings approved by the board and prepared at the end of each year for the subsequent year. Proper and authentic minuting of all meetings, decisions, assignments, and follow-ups on the execution thereof via the secretary of the board have been fully prepared and documented.

The Board's Meetings during 2019 and Names of Attendees:

The bank's Board of Directors held (6) meetings during 2019, the below table shows the members' attendance.

Board Members	Number of Times of Attendance
Mr. Abdelelah Moh'd Alkhatib	6
Mr. Yousef Mahmoud Al-Neama	5
Mr. Ramzi Talat Mari	5
Mr. Khalid Majid Al-Nuaimi	6
Mrs. Maryam Mohammed Al-Kuwari	3
Mrs. Munirah As'ad Al Ajeel	-
Mr. Mohamed Najib Eljamal	3
Mr. Elhadi Emgahid Abultife	5
Mr. Fadi Khalid Al Alawneh	1
Mr. Nidal Faeq Alqubaj	6
Dr. Yaser Manna' Adwan	6
Mr. Fawzi Yousif Al-Hanif	6
Mrs. Shaikha Yousuf Al-Farsi	5
Name of the Resigned Board Member	**Number of Times of Attendance**
Mr. Abdulla Mubarak Al Khalifa	-
Mr. Fawzi Abdel Hameed AlMani	5
Mr. Ismail Abdalla El Mesallati	1
Mr. Issam Abdallah Alkhatib	3

Committees of the Board of Directors:

1. Executive Committee
2. Audit Committee
3. Nomination and Remuneration Committee
4. Corporate Governance Committee
5. Risk Management Committee
6. Compliance Committee
7. IT Governance Committee

Names of the Chairman and members of the Audit Committee, Nomination and Remuneration Committee, Corporate Governance Committee, Risk Management Committee, and their Meetings During the Year with names of attendees:

Audit Committee:

Chairman and members of the Audit Committee and a description of their qualifications and experience in the financial or accounting fields

Name	Qualifications and Experience of the Member
Mr. Fawzi Yousif Al-Hanif (Chairman)	**Qualifications:** B.Sc. Economics, 1980 **Professional experiences** • Assistant Head of Asian Countries Dep., Kuwait Fund for Arab Economic Development / Kuwait 1983. • Head of Arab and Mediterranean Countries Dep., (KFAED) / Kuwait 1986. • Director of Operations, (KFAED) / Kuwait 1997. • Deputy Governor of the OPEC Fund for International Development (OFID) / Austria 1987. **Previous Memberships in other Commissions and Boards:** • Board Member, Kuwaiti Algerian Investment Co. / Luxembourg 1986. • Chairman, Tanmiya Realty Co. / UK 1997. • Board Member, Arab Bank for Economic Development in Africa (BADEA), Sudan 2008-2015. • Member of the Investment Committee, Arab Bank for Economic Development in Africa (BADEA), Sudan 2008-2015.
Mr. Ramzi Talat Mari	**Qualifications:** Masters of Science Degree in Accountancy, 1989 General Manager - Chief Financial Officer / QNB **Memberships in other Commissions and Boards:** • Board Member, QNB Capital / Qatar • Board Member, QIHL Luxembourg • Board Member, QNB Finansbank / Turkey **Previous Memberships in other Commissions and Boards:** • Board Member, QNB Al Ahli / Egypt
Mr. Mohamed Najib Eljamal	**Qualifications:** B.Sc. in Accounting, 1985 Head of administrative committee, Libyan Foreign Bank. **Professional experiences:** • Expert in developing banking strategies • Head of International Financing dept., Arab Bank for Investment & Foreign Trade / Abu Dhabi. • Head of Finance dept., Libyan Foreign Bank / Libya. • General Manager, Arab Turkish Bank / Istanbul. • Chairman, North Africa Commercial Bank / Beirut **Previous Memberships in other Commissions and Boards:** • Board Member, UBAE Bank / Rome. • Board Member, British Arab Commercial Bank / London. • Vice Chairman, Leasing Co. / Istanbul. • Vice Chairman, Arab Turkish Bank / Istanbul. • Board Member, Suez Canal Bank / Cairo. • Board Member, Arab International Bank / Cairo. • Chairman, ALUBAF Arab International Bank / Bahrain. • Board of Directors advisor, Libyan Foreign Bank / Libya.
Mrs. Shaikha Yousuf Al-Farsi	**Qualifications:** MSc in Finance, 2005 GM - Strategy and Organizational Development - Bank Muscat **Professional experiences:** • Board Member, Oman Banks Association, Sultanate of Oman • Former Assistant finance and strategic planning manager, Bank Muscat. **Previous Memberships in other Commissions and Boards** • Board Member, BM JBR Limited
Dr. Yaser Manna' Adwan	**Qualifications:** Ph.D Public Administration / Policy Analysis, 1983 Professor of Management and Policy Analysis - College of Business University of Jordan. **Professional experience:** • Former General Manager, Social Security Corporation **Previous Memberships in other Commissions and Boards** • Chairman, Electricity distribution Co. • Chairman, Social Security Investment Fund • Chairman, Kingdom Electricity for Energy Investments Co • Vice Chairman, Jordan Phosphate Mines Co. • Board Member, Jordan Bromine Co. • Board Member, Industrial Development Bank • Board Member, Jordan Commercial Bank • Member of the Investment Fund Committee University of Jordan • Member of the Investment Fund Committee Al al-Bayt University

Audit Committee Meetings

The Audit Committee held (5) meetings during 2019, the below table shows the attendance of members.

Board Members	Number of Times of Attendance
Mr. Fawzi Yousif Al-Hanif(Chairman)	5
Mr. Ramzi Talat Mari	5
Mr. Mohamed Najib Eljamal	2
Mrs. Shaikha Yousuf Al-Farsi	4
Dr. Yaser Manna' Adwan	5

Audit Committee Meetings with the External Auditor during 2019

The Audit Committee held (4) meetings with the external auditor during 2019

Responsibilities of the Audit Committee:

The Committee effectively oversees the internal and external audit activities and processes, the integrity of the bank's operations, including its financial position, the internal control system, and the bank's compliance with laws, regulations, and codes of conduct through:

- Adopting the annual internal audit plan and following up the performance of the internal audit department.
- Recommending to the Board the nomination/ appointment/ termination /remuneration of the external auditor and its election by the General Assembly and ensuring compliance with the requirements of the regulatory bodies.
- Reviewing and discussing the reports of internal and external audit and regulatory authorities and providing recommendations and issuing suitable assignment thereon.
- Follow-up on corrective actions of the observations contained in internal and external audit reports and regulatory bodies.
- Discussing financial statements with executive management and external auditors.
- Discussing the reports of internal control and control systems with both internal audit and external audit.

Nominations and Remuneration Committee

The Nomination and Remuneration Committee held (3) meetings during 2019, the below table shows the attendance of members:

Board Members	Number of Times of Attendance
Mrs. Shaikha Yousuf Al-Farsi (Chairman)	3
Mr. Fawzi Yousif Al-Hanif	3
Mr. Mohamed Najib Eljamal	2

Responsibilities of the Nominations and Remuneration Committee:

The Committee assisted the Board in its oversight and supervisory role through:

- Effectively oversees the process of preparing and reviewing internal policies and regulations governing the procedures for the granting of bonuses, allowances, and compensation to employees.
- Nominating qualified candidates of the Senior Executive Management and recommending succession plan thereof to the board of directors.
- Evaluating the performance of the Board and its committees and members.

Corporate Governance Committee

The Corporate Governance Committee held one meeting during 2019, the below table shows the members' attendance:

Board Members	Number of Times of Attendance
Mr. Abdelelah Moh'd Alkhatib (Chairman)	1
Dr. Yaser Manna' Adwan	1
Mr. Nidal Faeq Alqubaj	1

Responsibilities of the Corporate Governance Committee

In compliance with the Committee's responsibilities set out in its charter to guide and oversees the preparation, updating, and monitoring of the Corporate Governance code, the Committee has worked on the following:

- Steer and review the Corporate Governance Code and ensure it is developed and adopted in accordance with the valid guidelines of the Corporate Governance Code.
- steer and review the charters of the board and its committees and ensure compliance with the guidelines.

Risk Management Committee

The Risk Management Committee held (4) meetings during 2019, the below table shows the members' attendance:

Board Members	Number of Times of Attendance	Name of the Resigned Board Member	Number of Times of Attendance
Mr. Yousef Mahmoud Al-Neama (Chairman)	4	Mr. Fawzi Abdel Hameed AlMani	3
Mr. Khalid Majid Al-Nuaimi	3		
Mr. Fawzi Abdel Hameed AlMani	-		
Dr. Yaser Manna' Adwan	4		
Mr. Nidal Faeq Alqubaj	1		
Mr. Ammar Bashir Al-Safadi / CEO	4		
Mr. Yousef Mahmoud Al-Neama*	2		

*The Membership of Mr. Yousef Al-Neama has expired as of 25/7/2019

Responsibilities of the Risk Management Committee:

In compliance with its responsibilities set out in the committee charter, the Risk Management Committee assisted the board in its oversight and supervisory role by recommending the adoption of the policies, strategies and plans necessary to manage the bank's risks in line with accepted and approved risk appetite, in addition to evaluating and following up with the main risks and measures taken to mitigate and reduce them by reviewing the periodic reports of activities of the Risk Management Department, discussing its results and making appropriate recommendations and assignments thereon.

Second Pillar: The Senior Executive Management

The Board of Directors delegates the responsibilities of the Executive Management, in order to enable it to exercise its daily activities and to monitor the safety of performance.

Senior Executive Management as of 31/12/2019

Name of the Senior Management Member	Title
Ammar Bashir Al-Safadi	Chief Executive Officer
Vasken Samuel Ajemian	Chief Banking Officer
Marwan Hatem AlKhouli	Chief Operating Officer
Nidal Lutfi Ahmad	Chief Financial Officer
Amro "Mohammad Walid" Mousa	Chief Credit Officer
Riyad Ali Taweel	Head of Treasury and Investment Sector
Ali Hasan Al-Mimi	General Auditor
Nayef Hashem Al-Hussein	Executive Manager / Compliance
Wael Ismail Asfour	Legal Advisor
Reyad Faisal Morshed	Executive Manager / Operations-Acting
Vacant	Chief Risk Officer

Third Pillar: Planning and Strategy Development

The Board of Directors adopts a long-term strategy to achieve the objectives of the bank and oversees the performance of the Senior Executive Management in achieving these objectives through its regular meetings with the Senior Executive Management and periodic reports of the bank's performance.

Fourth Pillar: Control Functions

The bank adopts an overarching framework for internal control that includes:

- Internal control systems covering all banking activities that are evaluated periodically (annually) by internal and external audit and is reported back to the Board of Directors.
- internal audit department that performs specific duties and responsibilities according to an "Internal Audit Charter" that is adopted by the Board of Directors. The department is granted independent and sufficient authority necessary to perform its functions effectively. It's reporting functionally to the Audit Committee and administratively to the CEO.
- a comprehensive risk management framework (policies, strategies, methodologies, and systems) approved by the Board of Directors, and the dedicated department for this purpose is the Risk Management Department, It's reporting functionally to the risk management Committee and administratively to the CEO.

- The bank has a Compliance Control and Anti-Money Laundering Department that reports periodically on its work to the Board of Directors through the Compliance Committee. It's reporting functionally to the Compliance Committee and administratively to the CEO.
- The external auditor of the bank is appointed by the General Assembly on the recommendation of the Board of Directors to comply with the requirements of corporate governance. The external auditor annually submits an annual report on the integrity of the financial statements including the evaluation of the internal control system related to the preparation and presentation of the financial statements. The annual report is presented to the Board and the General Assembly.

Fifth Pillar: (Relationship with Shareholders)

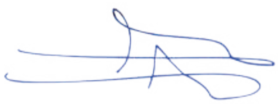
The bank is committed to hold meetings of the General Assembly, allow all shareholders to participate and exercise their right to vote, provide them with complete and adequate information about the bank without discrimination of any shareholder. The bank provides multiple ways of communication with shareholders through the Shareholders Affairs center and its website.

The meetings of the General Assembly of Shareholders were held, the agenda was distributed to the shareholders in accordance with the Companies Law and the Articles of Association of the bank. These meetings were managed effectively by the Chairman of the Board and the members of the board were elected by the General Assembly of Shareholders.

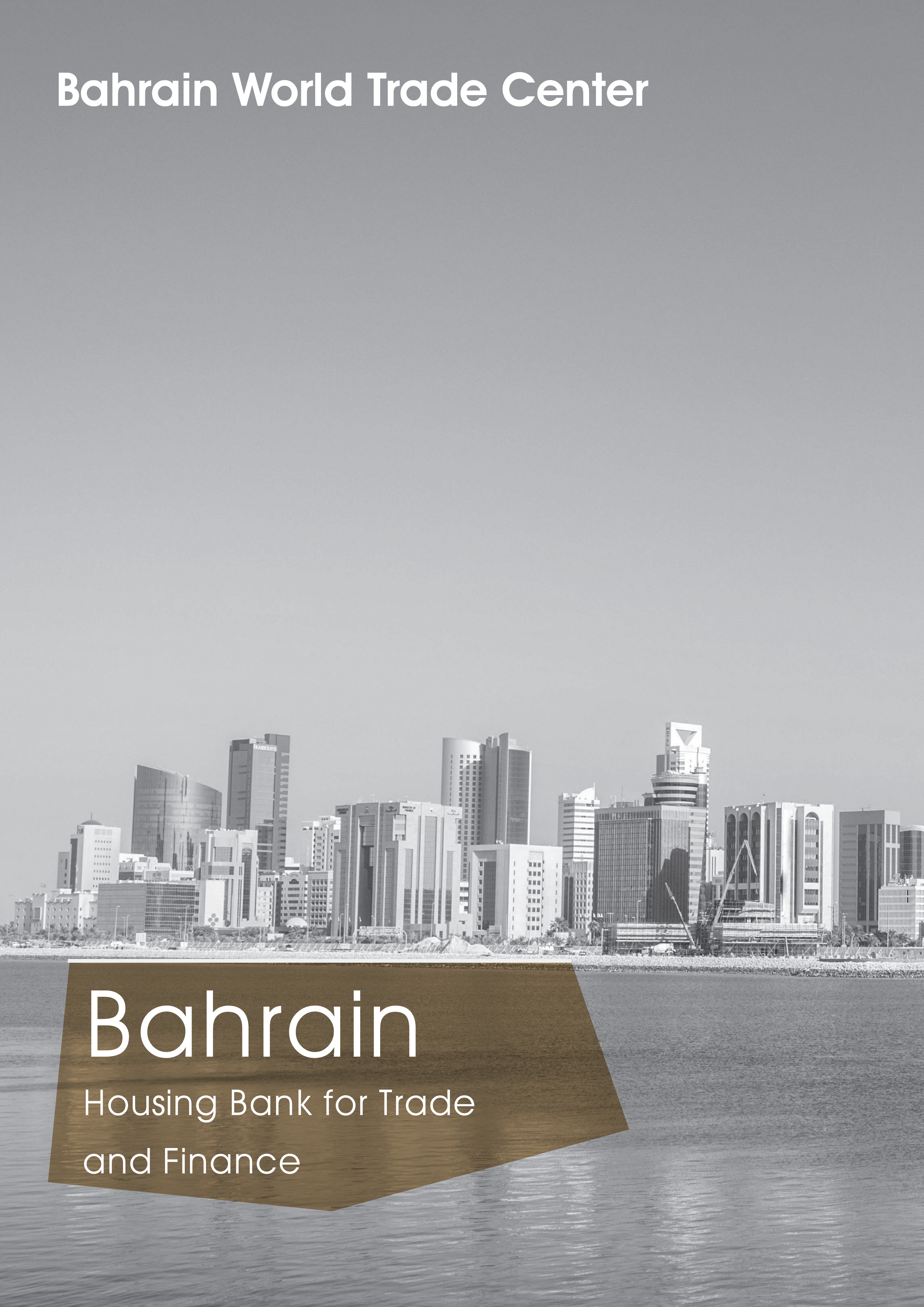
Sixth Pillar: (Disclosure and Transparency)

The Bank is committed to the principle of disclosing all the information required for the relevant parties and in accordance with the guidelines of corporate governance (the disclosure of the annual report, the disclosure of financial and non-financial statements). The bank also has a corporate governance code and is updated to reflect the latest developments. The process of disclosure is done by various means (website, newspapers, semi-annual and annual reports that are printed and hand-delivered or by mail). The Bank also ensures good relations with stakeholders other than shareholders (employees, suppliers, customers and community).

Abdelelah Alkhatib
Chairman of the Board



Bahrain World Trade Center



Bahrain

Housing Bank for Trade and Finance

06
Disclosure Statements

Declarations

First Declaration

The Board of Directors of the HBTF declares that there are no material issues that may affect the bank's continuous effective performance during the next fiscal year 2020.

Second Declaration

The Board of Directors of the HBTF declares its responsibility for the preparation of the financial statements, the accuracy and completeness of the financial statements, and the information of this report; in addition to the effectiveness of the bank's internal control and monitoring systems.

Third Declaration

The Board of Directors of the HBTF declares that they did not receive any benefits through their work in the Bank.

Board Member	Title	Signature
Mr. Abdelelah Moh'd Alkhatib	Chairman	
Mr. Yousef Mahmoud Al-Neama	Vice Chairman	
Mr. Ramzi Talat Mari	Board Member	
Mr. Khalid Majid Al-Nuaimi	Board Member	
Mrs. Maryam Mohammed Al-Kuwari	Board Member	
Mrs. Munirah As'ad Al Ajeel	Board Member	
Mr. Mohamed Najib Eljamal	Board Member	
Mr. Elhadi Emgahid Abultife	Board Member	
Mr. Fadi Khalid Al Alawneh	Board Member	
Mr. Nidal Faeq Alqubaj	Board Member	
Dr. Yaser Manna' Adwan	Board Member	
Mr. Fawzi Yousif Al-Hanif	Board Member	
Mrs. Shaikha Yousuf Al-Farsi	Board Member	

Fourth Declaration

The Chairman, the CEO and the Chief Financial Officer declare the accuracy and completeness of the financial statements, and the information of this report.

Name	Title	Signature
Mr. Abdelelah Moh'd Alkhatib	Chairman	
Mr. Ammar Bashir Al-Safadi	CEO	
Mr. Nidal Lutfi Ahmad	CFO	

The Bank's Main Activities

The HBTF provides versatile financial and banking services for the retail and corporate sectors in Jordan through a network of branches distributed throughout the Kingdom. The bank exercises its main activities in Jordan as well as Palestine and Bahrain.

Size of Capital Investment

The authorized and paid-up capital of the bank is JD 315 million.

The Bank's Training Programs

The total number of training opportunities provided by the bank in 2019 was 24,654. During the year, the bank held a number of internal seminars specialized in the field of banking, in which 1,433 employees participated. Also, the bank provided the opportunity for 43 employees to obtain professional certificates.

Description	Number of Participants
Training Programs held at the bank's Training Center and in jordan	1,433
Training Courses held in Arab and Foreign Countries	16
Professional Certificates	43
Total	**1,492**

Following is a table showing the most important courses held in 2019:

Description	Training Opportunities
Behavioral & Administrative Courses	550
English Language Courses	93
Microsoft Office Courses	95
Specialized Functional Courses for Branches	1,680
Specialized Functional Courses for Management	295
E- Learning	20,806
Others	1,135
Total	**24,654**

Number of Employees

1- Number of employees at the HBTF Group as per their qualifications as at the end of 2019.

Qualification	Branches inside and outside Jordan			Banks and Subsidiaries inside and outside Jordan						
	Jordan Branches	Palestine Branches	Bahrain Branch	IBTF / Syria	HBTF / Algeria	JIB / London	Specialized Leasing Finance Co.	International Financial Center Co.	Jordan Real -Estate Investments & Commercial Services Co.	Representative Offices (Libya, Iraq, U.A.E)
Ph.D. Degree	3	-	-	1	-	-	-	-	-	-
Master's Degree	203	14	4	9	4	12	5	1	-	-
High Diploma Degree	0	1		-	49	2	-	-	-	1
Bachelor's Degree	1881	214	20	256	115	17	23	6	9	4
Diploma Degree	248	19	1	73	59	3	2	1	18	1
General Secondary Certificate	23	31	3	44	60	15	6	2	391	3
Total	**2,358**	**279**	**28**	**383**	**287**	**49**	**36**	**10**	**418**	**9**

2- The Number of Employees of Jordan Branches at the end of 2019

The number of the bank's employees inside Jordan reached 2,358 out of whom 1,034 employees are working at various departments and work centers at the headquarters and 1,324 employees working at the branches distributed as follows:

Branch	NO.	Branch	NO.	Branch	NO.	Branch	NO.	Branch	NO.
The Capital Governorate / Amman		Um Uthyna	10	Al-Yasmeen District	8	Bani Kenana	7	**Karak Governorate**	
Main Branch	10	Jubeiha	12	Mecca St.	12	**Zarqa Governorate**		Karak	16
Abdali	31	Sweileh	13	Taj Mall	21	Qasr Shbeeb	15	Potash	9
Suleiman Al-Nabulsi St.	5	Sahab	9	Al Jeeza	7	Zarqa	18	Mu'ta	15
Abdali Mall	10	Abu Alanda	8	Private Banking Services	9	Russeifa	9	Qaser	10
Al Weibdeh	7	Juwaideh	10	Airport St.	7	Hiteen	8	Thaniah	10
Al Madina	9	Marj Al Hamam	14	Deir Ghbar	7	Oujan	6	**Madaba Governorate**	
Jabal Amman	12	Na'our	8	Prince Rashed District	8	Jabal Al Shamali	12	Madaba	15
Jabal Al Hussein	12	Muwaqqar	7	Sweifieh	8	Dlail	10	The German -Jordanian University	4
Wehdat	13	Tla' Al Ali	11	Galleria Mall	13	North Azraq	7	**Mafraq Governorate**	
Foreign Travel	6	King Abdullah II City	8	Dabouq	7	Ma'soum Sub.	8	Mafraq	15
Marka	16	Hurria St.	12	**Irbid Governorate**		Free Zone / Zarqa	8	Western Complex / Mafraq	5
Prince Hasan Sub.	12	Qwaismeh	8	Irbid	25	New Zarqa	15	**Ajloun Governorate**	
North Hashimi	12	Bayader	16	Ramtha	12	Zarqa Highway	9	Ajloun	13
Ras Al Ein	13	Airport	12	Wasfi Al Tal St. / Ramtha	5	**Balqa Governorate**		Kufranjah	7
Ashrafieh	11	Ethaa'	8	North Shouna	8	Fuhais	11	**Tafileh Governorate**	
Hawooz	8	Um Al Sumaq	11	Deir Abi Saeed	8	Salt	14	Tafileh	9
Nuzha	12	Children	4	Hakama	12	Baqa'	9	Hasa	8
Sports City	14	Arrar St.	7	Huson	13	Deir Alla	9	**Aqaba Governorate**	
Salam	8	Rabiyah	11	Aidoun	9	South Shouna	8	Aqaba	16
Commercial Complex	11	Abdullah Ghosheh	14	Mashare'	7	Karameh	7	Shuwaikh Mall	14
Prince mohammad St.	7	Al-Rawabi District	3	Palestine St.	15	Al Salt Gate	10	**Jarash Governorate**	
Tareq	15	Central Market	7	Kraymeh	7	**Ma'an Governorate**		Jarash	11
Abu Nussair	14	Zahran	11	Yarmouk	9	Ma'an	11	**Mobile Bus**	
Nazal Sub.	10	Madina Munawarah	14	Al Hasan Industrial City	7	Petra	9	Mobile Bus 1 *	-
Abdoun	16	City Mall	21	Quba Circle	17	Shobak	7	Mobile Bus 2	5
Park Plaza	20	Medical City St.	8	Irbid Mall	15	Sheidieh	5	**Total**	**1,324**
Gardens	18	Housing Bank Park / Abdoun	7	30th Street / Irbid	11	Husseiniya	7		

*Frozen

3- The Number of Employees at Palestine Branches as at the end of 2019

Branch	Number
Regional Management	141
Ramallah	14
Gaza	11
Nablus	14
Hebron	13
Halhoul	8
Beir Zeit	7
Khan Younis	5
Jenin	12
Bethlehem	10
Yata	4
Tormosaya	5
Dahriyeh	9
Masyoon	10
Tulkarm	8
Rafidia	8
Total	**279**

4- The Number of Employees at the IBTF/ Syria as at the end of 2019

Branch	Number	Branch	Number	Branch	Number
General Management	185	Mazzeh	8	Dira'*	-
Hejaz	15	Tijarah	7	Hama	10
Pakistan	16	Al Firdous	6	Mahradeh	6
Dama Roze	5	Zabadani	-	Hasakeh*	-
Yarmouk *	-	Homs	7	Latakia	16
Housh Plass	5	Tartus	14	Sweida	10
Duma*	-	Faisal	9	Qamishli	7
Dummar Project	7	Sheraton	5	Deir Al Zour*	-
Hareeka	7	Jmeleyeh	8	Masaken Barzeh	9
Jaramana	9	Sheikh Najjar	-	Abu Rummaneh	6
Qas'a	6	Shahba' Mall	-	**Total**	**383**

* Closed due to the prevailing situations in Syria.

5- The Number of Employees at the HBTF / Algeria as at the end of 2019

Branch	Number
Regional Management	160
Dali Ibrahim	32
Blida	14
Wahran	23
Steif	15
Dar al Bayda'	18
Bgayet	13
Constantine	12
Total	**287**

6- The Number of Employees at the Specialized Leasing Finance Co. as at the end of 2019

Branch	Number
General Management	27
Irbid Office	5
Aqaba Office	4
Total	**36**

7- Nature of the Subsidiaries' Business and Scope of their Activity

Name of Company	Type of Company	Main Activity	Paid - up Capital	Bank's Share
IBTF / Syria	Anonymous Company	Commercial Banking Activities	SL 5.25 billion	49.063%
HBTF / Algeria	Public Shareholding	Commercial Banking Activities	DZD 15 billion	85%
JIB / London	P.L.C	Commercial Banking Activities	GBP 65 million	75%
Specialized Leasing Finance Co.	Private Shareholding	Lease Finance Activities	JD 30 million	100%
International Financial Center Co.	L. L.C.	Financial Brokerage Activities	JD 5 million	77.5%
Jordan Real - Estate Investments & Commercial Services Co.	L. L.C.	Management of non – banking Services Employees	JD 40 thousand	100%

Introductory Overview of the Board of Directors as at 31/12/2019

Mr. Abdelelah Moh'd Alkhatib

Chairman of the Board and Chairman of the Corporate Governance Committee

Date of Birth: 31/3/1953

Mr. Abdelelah Alkhatib held several senior positions in both public and private sectors including:

- Foreign Minister of Jordan from 1998 to 2002 and from 2005 to 2007 and Minister of Tourism and Antiquities, 1995- 1996.
- Member of the Upper House of Parliament (The Senate) between 2010-2016.
- Chairman of the Independent Election Commission, 2012-2013.
- Chairman of the Economic and Social Council, 2009-2010.
- Special Envoy of the Secretary General of the United Nations to Libya in 2011.
- General Manager and Chairman of Jordan Cement Company, and General Manager of Al Daman for Investment.
- Member of the Board of Directors of the Central Bank of Jordan.

Mr. Alkhatib is an active Contributor to the work of civil society. He was elected as the Chairman of the Royal Society for the Conservation of Nature, and he is member of the Board of Trustees, the King Hussein Cancer Foundation, and the American Center for Oriental Research.

Currently, he is the Chairman Jordan Strategies Forum.

He teaches at PSIA, Sciences PO, Paris.

He holds a B.A in political Science, from PANTIOS, Athens, M.A in International Communications from the American University in Washington D.C., M.A in International Economics and Development from the School of Advanced International Studies (SAIS), Johns Hopkins University in Washington D.C.

Mr Alkhatib is married and father of two daugters and a son.

Mr. Yousef Mahmoud Al-Neama
Representative of Qatar National Bank
Title: Board Member

Current Position: Executive General Manager & Group Chief Business Officer / QNB
Date of Birth: 5/1/1965
Qualifications: B.Sc. Aviation Management 1989, Diploma Masters in Business Administration, 2004

Memberships in HBTF Board Committees
- Chairman, Executive Committee

Memberships in other Commissions and Boards
- Vice Chairman, Bank Mansour / Iraq
- Board Member, QNB Finansbank / Turkey

Previous Memberships in other Commissions and Boards
- Board Member, Bank of Commerce & Development / Libya
- Chairman, QNB / Syria

Mr. Ramzi Talat Mari
Representative of Qatar National Bank
Title: Board Member

Current Position: Group Chief Financial Officer / QNB
Date of Birth: 2/1/1966
Qualifications: Masters of Science Degree in Accountancy, 1989

Memberships in HBTF Board Committees
- Audit Committee
- Compliance Committee

Memberships in other Commissions and Boards
- Board Member, QNB Capital / Qatar
- Board Member, QIHL Luxembourg
- Board Member, QNB Finansbank / Turkey

Previous Memberships in other Commissions and Boards
- Board Member, QNB Al Ahli / Egypt

Mr. Khalid Majid Al-Nuaimi
Representative of Qatar National Bank
Title: Board Member

Current Position: AGM Corporate - SMEs / QNB
Date of Birth: 5/12/1976
Qualifications: B.Sc. Management, 2000

Memberships in HBTF Board Committees
- Executive Committee
- Risk Management Committee

Memberships in other Commissions and Boards
None

Previous Memberships in other Commissions and Boards
None

Mrs. Maryam Mohammed Al-Kuwari
Representative of Qatar National Bank
Title: Board Member

Current Position: Assistant General Manager, Development and User services
Date of Birth: 16/6/1975
Qualifications: Bachelor Degree in Computer Science, 1999

Memberships in HBTF Board Committees
- IT Governance Committee
- Risk Management Committee

Memberships in other Commissions and Boards
- Board Member, QNBFS

Previous Memberships in other Commissions and Boards
None

Mrs. Munirah As'ad Al Ajeel
Representative of Kuwait Real Estate Investment Consortium
Title: Board Member

Current Position: Investment Manager, Kuwait Investment Authority
Date of Birth: 26/10/1985

Qualifications
- CFA Charterholder, 2017.
- Bachelor Degree in Finance, 2007.

Memberships in HBTF Board Committees
- IT Governance Committee
- Executive Committee
- Risk Management Committee

Memberships in other Commissions and Boards
None

Previous Memberships in other Commissions and Boards
Board Member, Kuwait Real Estate Investment Consortium 2012-2019.

Mr. Mohamed Najib Eljamal
Representative of the Libyan Foreign Bank
Title: Board Member

Current Position:
- Acting General Manager, Libyan Foreign Bank
- Chairman, North Africa Commercial Bank / Beirut
- Expert in developing banking strategies

Date of Birth: 1/12/1952
Qualifications: B.Sc. in Accounting, 1985

Memberships in HBTF Board Committees
- Audit Committee
- Nomination & Remuneration Committee
- IT Governance Committee

Memberships in other commissions and Boards
None

Previous Memberships in other Commissions and Boards
- Incorporated in several positions within the National Commercial Bank team.
- Head of International finance dept., Arab Bank for Investment & Foreign Trade / Abu Dhabi.
- Board Member, UBAE Bank / Rome.
- Board Member, British Arab Commercial Bank / London.
- Head of finance dept., Libyan Foreign Bank / Libya.
- General Manager, Arab Turkish Bank / Istanbul.
- Vice Chairman, Leasing Co. / Istanbul.
- Vice Chairman, Arab Turkish Bank / Istanbul.
- Board Member, Suez Canal Bank / Cairo.
- Board Member, Arab International Bank / Cairo.
- Chairman, ALUBAF Arab International Bank / Bahrain.
- Board of Directors advisor, Libyan Foreign Bank / Libya.

Mr. Elhadi Emgahid Abultife
Representative of Libyan Foreign Bank
Title: Board Member

Current Position: Manager of L/Cs Dept. of the Libyan Foreign Bank
Date of Birth: 1/1/1965
Qualifications
- Master's degree of Financing 2014
- Bachelor's degree of Accounting 1988

Memberships in HBTF Board Committees
Executive Committee

Memberships in other Commissions and Boards
None

Previous Memberships in other Commissions and Boards
- Assistant General Manager - Union of Arab and French Banks, Seoul Branch - South Korea 1997-2000.
- Regional Manager, Arab World Dept., Union of Arab and French Banks - Head Office- Paris / France 2000-2002.
- Board Member - Banque Intercontinentale Arabe/ Paris 2005-2007
- Board Member - Arab Turkish Bank / Istanbul 2007 - March 2010.
- Assistant General Manager for Banking Operations - North African Commercial Bank - Beirut / Lebanon March 2010 - December 2016.

Mr. Nidal Faeq Alqubaj
Representative of the Social Security Corporation / Jordan
Title: Board Member

Current Position: Head of Risk Management & Strategic Planning Dept. - Social Security Investment Fund
Date of Birth: 2/7/1980
Qualifications: MBA - Accounting, 2006

Memberships in HBTF Board Committees
- Chairman, Risk Management Committee
- Corporate Governance Committee
- IT Governance Committee

Memberships in other commissions and Boards
None

Previous Memberships in other Commissions and Boards
- Board Member, Cairo Amman Bank
- Board Member, Arab Potash Co.
- Board Member, Jordan International Insurance Co.
- Board Member, Al Daman Leasing Co.

Mr. Fadi Khalid Al Alawneh
Representative of the Social Security Corporation / Jordan
Title: Board Member

Current Position: Head of the Loans and leasing Dept.-Social Security Investment fund.
Date of Birth: 21/1/1976
Qualifications: Masters in Finance, 2003

Memberships in HBTF Board Committees
- Executive Committee

Memberships in other commissions and Boards
None

Previous Memberships in other Commissions and Boards
- Board Member, Capital Bank.
- Board Member, Dar Aldawa
- Board Member, Jordan Press and Publishing Co. (Addustour)
- Board Member, Housing Bank for Trade and Finance.

Dr. Yaser Manna' Adwan

Title: Board Member – Independent

Date of Birth: 16/1/1953

Qualifications: Ph.D. in Public Administration / Policy Analysis, 1983

Awards

- Abdul Hameed Shoman Award for Arab Researchers
- National Recognition Award for Public Management.

Memberships in HBTF Board Committees

- Chairman, Compliance Committee
- Audit Committee
- Risk Management Committee
- Corporate Governance Committee

Memberships in other commissions and Boards

None

Previous Memberships in other Commissions and Boards

- Chairman, Electricity Distribution Co.
- Chairman, Kingdom Electricity for Energy Investments Co
- Chairman, Social Security Investment Fund
- Director General, Social Security Corporation
- Chairman, National Corporation for Tourism Development
- Vice President, Yarmouk University
- Vice Chairman, Jordan Phosphate Mines Co.
- Vice Chairman, Accreditations Council for Higher Education Institutions
- Board Member, Jordan Bromine Co.
- Board Member of Trustees, University of Jordan
- Board Member, Industrial Development Bank
- Board Member, Jordan Commercial Bank
- Member of the Investment Fund Committee University of Jordan
- Member of the Investment Fund Committee Al al-Bayt University

Mr. Fawzi Yousif Al-Hanif
Title: Board Member – Independent

Date of Birth: 2/12/1957
Qualifications: B.Sc. Economics, 1980
Memberships in HBTF Board Committees
- Chairman, Audit Committee
- Nomination & Remuneration Committee

Memberships in other commissions and Boards
None
Previous Memberships in other Commissions and Boards
- Assistant Head of Asian Countries Dep., Kuwait Fund for Arab Economic Development / Kuwait 1983
- Head of Arab and Mediterranean Countries Dep., (KFAED) / Kuwait 1986
- Director of Operations, (KFAED) / Kuwait 1997
- Board Member, Kuwaiti Algerian Investment Co. / Luxembourg 1986
- Deputy Governor of The OPEC Fund for International Development (OFID) / Austria 1987
- Chairman, Tanmiya Realty Co. / UK 1997
- Member of the Supreme Administrative Committee, Al-Aqsa and Al-Quds Intifada Fund, Islamic Development Bank 2009-2015
- Board Member, Arab Bank for Economic Development in Africa (BADEA), Sudan 2008-2015
- Member of the Investment Committee, Arab Bank for Economic Development in Africa (BADEA), Sudan 2008-2015
- Member of the Coordination Committee, Gaza Reconstruction Program 2009-2015

Mrs. Sheikha Yousuf Al-Farsi
Title: Board Member – Independent

Current Position: Chief Strategy and Corporate Services - Bank Muscat
Date of Birth: 9/1/1978
Qualifications: MSc in Finance, 2005

Memberships in HBTF Board Committees
- Chairman, Nomination & Remuneration Committee
- Audit Committee
- Compliance Committee

Memberships in other Commissions and Boards
- Board Member, Oman Banks Association, Sultanate of Oman

Previous Memberships in other Commissions and Boards
- Board Member, BM JBR Limited

Resigned Board Members During 2019

Name	Resignation Date	Short Brief
Mr. Abdulla Mubarak Al Khalifa	1/7/2019	Mr. Abdulla Al Khalifa served as a member of the Board of Directors and a Vice Chairman of Housing Bank from 2008 until 2019 representing Qatar National Bank.
Mr. Fawzi Abdel Hameed AlMani	18/11/2019	Mr. Fawzi AlMani served as a member of the Board of Directors of Housing Bank from 2016 until 2019 representing Kuwait Real Estate Investment Consortium.
Mr. Ismail Abdalla El Mesallati	26/2/2019	Mr. Ismail El Mesallati served as a member of the Board of Directors of Housing Bank from 2012 until 2019 representing the Libyan Foreign Bank.
Mr. Issam Abdallah Alkhatib	24/10/2019	Mr. Issam Alkhatib served as a member of the Board of Directors of Housing Bank from 2018 until 2019 representing the Social Security Corporation / Jordan.

Position of Each Board Member

Name of the Board Member	Date of Appointment	The Entity that the Member represents	Classification	Share in the Bank's Capital *
Mr. Abdelelah Moh'd Alkhatib	21/4/2016	Himself	Non-Executive, Independent	0.004%
Mr. Yousef Mahmoud Al-Neama	31/1/2008	Qatar National Bank	Non-Executive, Non-Independent	34.481%
Mr. Ramzi Talat Mari	9/3/2014		Non-Executive, Non-Independent	
Mr. Khalid Majid Al-Nuaimi	12/7/2015		Non-Executive, Non-Independent	
Mrs. Maryam Mohammed Al-Kuwari	2/7/2019		Non-Executive, Non-Independent	
Mrs. Munirah As'ad Al Ajeel	31/12/2019	Kuwait Real Estate Investment Consortium	Non-Executive, Non-Independent	18.609%
Mr. Mohamed Najib Eljamal	9/12/2018	Libyan Foreign Bank	Non-Executive, Non-Independent	17.242%
Mr. Elhadi Emgahid Abultife	27/2/2019		Non-Executive, Non-Independent	
Mr. Nidal Faeq Alqubaj	22/5/2016	Social Security Corporation / Jordan	Non-Executive, Non-Independent	15.405%
Mr. Fadi Khalid Al Alawneh	26/11/2019		Non-Executive, Non-Independent	
Dr. Yaser Manna' Adwan	21/4/2016	Himself	Non-Executive, Independent	0.004%
Mr. Fawzi Yousif Al-Hanif	23/4/2017	Himself	Non-Executive, Independent	0.004%
Mrs. Shaikha Yousuf Al-Farsi	21/4/2016	Himself	Non-Executive, Independent	0.004%

* Share of the entity represented by the member.

Number of Securities Owned by the Board Members and their Relatives

Name of the Board Member	Nationality	Number of Securities Owned by the Member		Number of Securities Owned by Spouse and Minors	
		2018	2019	2018	2019
Mr. Abdelelah Moh'd Alkhatib	Jordanian	12,500	12,500	-	-
Mr. Yousef Mahmoud Al-Neama	Qatari	-	-	-	-
Mr. Ramzi Talat Mari	Jordanian	-	-	-	-
Mr. Khalid Majid Al-Nuaimi	Qatari	-	-	-	-
Mrs. Maryam Mohammed Al-Kuwari	Qatari	-	-	-	-
Mrs. Munirah As'ad Al Ajeel	Kuwaiti	-	-	-	-
Mr. Mohamed Najib Eljamal	Libyan	-	-	-	-
Mr. Elhadi Emgahid Abultife	Libyan	-	-	-	-
Mr. Fadi Khalid Al Alawneh	Jordanian	-	-	-	-
Mr. Nidal Faeq Alqubaj	Jordanian	-	-	-	-
Dr. Yaser Manna' Adwan	Jordanian	12,733	12,733	-	-
Mr. Fawzi Yousif Al-Hanif	Kuwaiti	12,500	12,500	-	-
Mrs. Shaikha Yousuf Al-Farsi	Omani	12,500	12,500	-	-

- **Companies controlled by the board members and their relatives:** None
- **Loans granted to the board members:** None
- **Operations that were made between the bank and the board members:** None
- **Number of securities owned by resigned board members and their relatives:** None
- **Companies controlled by resigned board members and their relatives:** None
- **Loans granted to resigned board members:** None
- **Operations that were made between bank and resigned board members:** None

Summary of the Functions and Responsibilities of the Board Committee

Corporate Governance Committee

- Oversees the development and review of the Board of Directors code of conduct, as well as monitoring compliance with its provisions and recommending to the Board of Directors for any update and approvals in this regard.
- Reporting to the Board of Directors regarding compliance/ non compliance with the Corporate Governance Code.
- Review the composition of the Board of Directors committees periodically and submit recommendations to the Board of Directors in this regard.
- Ensure that the Corporate Governance Report is prepared and presented to the General Assembly through the Board of Directors.

Audit Committee

- Review the scope, outcomes, and adequacy of the internal and external audit.
- Review accounting issues of material impact on the bank's financial statements.
- Review internal control and monitoring systems.
- Recommend to the board for its appointments of external auditors, terminating their services, defining his fees and any other provisions related to contracting with him. The foregoing includes also their independency assessment and any other services, other than audit, assigned to the auditor.
- Review, oversee and ensure that the bank has appropriate and effective whistleblowing procedures, which enable the employee to speak up in confidentiality about any errors in the financial statements or any other matters. The committee shall also ensure the availability of arrangements necessary for independent investigation and ensure following up investigation outcomes, and treatment actions in an objective manner.
- Ensure the auditors review the IT resource management process and the bank's processes.

Nomination and Remuneration Committee

- Identifying the members qualified to join the board taking into consideration the candidates' capabilities and qualifications.
- Recommending qualified candidates to the board to join the senior executive management.
- Ensuring that the board members attend banking-related workshops or seminars, especially those related to Risks Management and Corporate Governance.
- Determining whether the member fulfills the independent member requirements and review such an annual basis.
- Recommending assessing the Board and CEO performance.
- Ensuring the availability of Remuneration Policy for the bank's executives and reviewing and implementing it periodically. The committee recommends determining the salaries, rewards, and other privileges of the CEO and other Senior Executive Management members.
- Ensuring the availability of the succession plan for the Senior Executive Management.
- Nominating the bank's representatives at it's subsidiary banks and companies Board of Directors. companies boards of directors, upon the recommendations of the CEO.

Risk Management Committee

- Reviewing Risk Management framework in the bank.
- Reviewing Risk Management strategies prior to the board's approval.
- Following up with the developments that affect Risk Management, and report them to the board, periodically.
- Ensuring that there are no gaps between the actual risks the bank is exposed to and the bank's risk appetite approved by the board.

Executive Committee

- Studying the estimated budget and major policies related to the bank's activities.
- Studying the bank's annual strategy.
- Studying the bank's strategic capital or investment projects.
- Approving the credit facilities that fall within its authority and submit what exceeds its authority to the board.

IT Governance Committee

- Endorsing IT strategic goals and appropriate organizational structures including steering committees at the Senior Executive Management level, specifically the IT Steering Committee.
- Endorsing the management, controlling and monitoring framework for IT projects and resources that align with the best acceptable international standards in that matter; and precisely Control Objectives for Information and related Technology standard (COBIT), in addition to having the framework in line with the Central Bank of Jordan's regulations.
- Endorsing Enterprise IT Goals Matrix that link business and IT related goals in line with the Central Bank of Jordan's regulations.
- Endorsing responsibilities matrix (RACI Chart) towards key IT Governance processes in line with the Central Bank of Jordan's regulations.
- Ensuring that IT Risk Management Framework aligned with the Enterprise Risk Management (ERM) Framework available and ensuring that it meets all IT Governance processes issued by the Central Bank of Jordan.
- Endorsing budgets for IT strategic projects, initiatives, and business as usual activities.
- Monitoring the IT operations, projects and resources to ensure alignment with the business strategic goals and realization of expected benefits of the bank.

Compliance Committee

- Oversee the efficiency, effectiveness and the independency of the Compliance Department and its different functions in evaluating the degree that the bank manages its "Compliance Risks".
- Take the necessary measures to enhance the values of integrity and sound professional practice inside the bank.
- Oversee the follow up compliance with the instructions of the regulatory bodies and exerting efforts within the bank to establish effective bases in the fields of Anti-Money Laundering and Terrorist Financing and Sanctions.

The Board & the Board Committee's Meetings

First: The Board's Meetings

The bank's Board of Directors held (6) meetings during 2019 as follows:

Board Members	Number of times of attendance	Resigned Board Members during 2019	Number of times of attendance
Mr. Abdelelah Moh'd Alkhatib	6	Mr. Fawzi Abdel Hameed AlMani	5
Mr. Yousef Mahmoud Al-Neama	5	Mr. Ismail Abdalla El Mesallati	1
Mr. Ramzi Talat Mari	6	Mr. Issam Abdallah Alkhatib	3
Mr. Khalid Majid Al-Nuaimi	5		
Mrs. Maryam Mohammed Al-Kuwari	3		
Mrs. Munirah As'ad Al Ajeel	-		
Mr. Mohamed Najib Eljamal	3		
Mr. Elhadi Emgahid Abultife	5		
Mr. Fadi Khalid Al Alawneh	1		
Mr. Nidal Faeq Alqubaj	6		
Dr. Yaser Manna' Adwan	6		
Mr. Fawzi Yousif Al-Hanif	6		
Mrs. Shaikha Yousuf Al-Farsi	5		

Second: Executive Committee Meetings

The Executive Committee held (4) meetings during 2019 as follows:

Board Members	Number of times of attendance	Resigned Board Members during 2019	Number of times of attendance
Mr. Yousef Mahmoud Al-Neama	4	Mr. Fawzi Abdel Hameed AlMani	3
Mr. Khalid Majid Al-Nuaimi	3	Mr. Issam Abdallah Alkhatib	2
Mrs. Munirah As'ad Al Ajeel	-	Mr. Abdulla Mubarak Al Khalifa	-
Mr. Elhadi Emgahid Abultife	4	-	
Mr. Fadi Khalid Al Alawneh	1	-	

Third: Audit Committee Meetings

The Audit Committee held (5) meetings during 2019 as follows:

Board Members	Number of times of attendance	Resigned Board Members during 2019	Number of times of attendance
Mr. Fawzi Yousif Al-Hanif	5		
Mr. Ramzi Talat Mari	5		
Mr. Mohamed Najib Eljamal	2		
Mrs. Shaikha Yousuf Al-Farsi	4		
Dr. Yaser Manna' Adwan	5		

Fourth: Nomination and Remuneration Committee Meetings

The Nomination and Remuneration Committee held (3) meetings during 2019 as follows:

Board Members	Number of times of attendance	Resigned Board Members during 2019	Number of times of attendance
Mrs. Shaikha Yousuf Al-Farsi	3		
Mr. Fawzi Yousif Al-Hanif	3		
Mr. Mohamed Najib Eljamal	2		

Fifth: Risk Management Committee Meetings

The Risk Management Committee held (4) meetings during 2019 as follows:

Board Members	Number of times of attendance	Resigned Board Members during 2019	Number of times of attendance
Mr. Nidal Faeq Alqubaj	4	Mr. Fawzi Abdel Hameed AlMani	3
Mr. Khalid Majid Al-Nuaimi	3		
Mrs. Munirah As'ad Al Ajeel	-		
Dr. Yaser Manna' Adwan	4		
Mrs. Maryam Mohammed Al-Kuwari	1		
Mr. Ammar Bashir Al-Safadi / CEO	4		
Mr. Yousef Mahmoud Al-Neama*	2		

* The membership of Mr. Yousef Al-Neama has expired as of 25/7/2019

Sixth: Corporate Governance Committee Meetings

The Corporate Governance Committee held one meeting during 2019 as follows:

Board Members	Number of times of attendance	Resigned Board Members during 2019	Number of times of attendance
Mr. Abdelelah Moh'd Alkhatib	1		
Dr. Yaser Manna' Adwan	1		
Mr. Nidal Faeq Alqubaj	1		

Seventh: IT Governance Committee

The IT Governance Committee held (4) meetings during 2019 as follows:

Board Members	Number of times of attendance	Resigned Board Members during 2019	Number of times of attendance
Mrs. Maryam Mohammed Al-Kuwari	1	Mr. Fawzi Abdel Hameed AlMani	3
Mrs. Munirah As'ad Al Ajeel	-		
Mr. Nidal Faeq Alqubaj	4		
Mr. Mohamed Najib Eljamal	2		
Mr. Yousef Mahmoud Al-Neama*	2		

* The membership of Mr. Yousef Al-Neama has expired as of 25/7/2019

Eighth: Compliance Committee

The Compliance Committee held (4) meetings during 2019 as follows:

Board Members	Number of times of attendance	Resigned Board Members during 2019	Number of times of attendance
Dr. Yaser Manna' Adwan	4		
Mr. Ramzi Talat Mari	4		
Mrs. Shaikha Yousuf Al-Farsi	3		

Senior Executive Management: Brief Resume (as on 31/12/2019).

Ammar Bashir Al-Safadi

Title: Chief Executive Officer
Date of Birth: 15/10/1967
Date of Appointment: 9/12/2018
Qualifications:
- B.Sc. in Economics & Statistics / University of Jordan, 1988
- M.A. in International Economics / University of Essex (UK),1991

Professional Experience:
- Regional Manager / National Bank of Kuwait (Jordan), 2014-2018
- Deputy Regional Manager/ Banking Group/ National Bank of Kuwait (Jordan), 2012-2014.
- Deputy General Manager/ Banking Group/ Capital Bank (Jordan), 2008-2012
- Deputy Chief Executive Officer / Treasury, Support, and Operations / ABC Bank (Jordan), 2006-2008.
- Assistant General Manager/ Treasury & Investments/ ABC Bank (Jordan), 2001-2006.
- Executive Manager / Private Banking / HSBC (Jordan), 2000-2001.
- Executive Manager / Treasury and Financial Institutions / Export & Finance Bank (Jordan), 1996-2000.
- Manager / Treasury / Citibank (Jordan), 1991-1996.

Memberships in HBTF Board Committees:
- Risk Management Committee

Memberships in other Boards:
- Chairman / Jordan International Bank / London
- Chairman / International Bank for Trade and Finance / Syria
- Chairman / The Housing Bank for Trade & Finance / Algeria
- Chairman / Specialized Leasing Company.
- Vice Chairman/ Iskan Company for Tourism & Hotel Investment
- Board Member / Association of Banks in Jordan.
- Board Member / Jordan Payments and Clearing Company.
- Board Member / Al Hussein Fund for Excellence.
- Board Member / Institute of Banking Studies.
- Board Member / Jordan River Foundation.

Vasken Samuel Ajemian

Title: Chief Banking Officer
Date of Birth: 28/6/1972
Date of Appointment: 5/9/2017
Qualifications: B.Sc. in Business Administration, 1995
Professional Experience:
- Chief Banking Officer/Housing Bank for Trade and Finance, since 2017.
- Head of Banking for Jordan, Lebanon and Egypt/ Standard Chartered Bank, 2010-2017.
- Head of Global Markets /Standard Chartered Bank (Jordan), 2003-2010.
- Head of Global Markets Sales/ Standard Chartered Bank (Jordan), 2001-2003.
- Foreign Exchange Trader / Standard Chartered Bank (Jordan), 1997-2001.
- Teller /Anz Grindlays, 1996-1997.
- Trainee / Anz Grindlays, 1995-1996.

Memberships in HBTF Board Committees: None
Memberships in other Commissions and Boards:
Board Member, Housing Bank for Trade and Finance / Algeria.

Marwan Hatem AlKhouli

Title: Chief Operating Officer
Date of Birth: 4/5/1971
Date of Appointment: 1/4/2018
Qualifications:
- Master in Accounting, 1996
- Bachelor's in Accounting, 1993

Professional Qualifications:
- Certified Public Accountant (CPA), 1997
- Certified Fraud Examiner (CFE), 2003
- Certified Risk Professional (CRP), 2003
- Certified Risk Analyst (CRA), 2005
- Certified Project Manager (CPM), 2005
- Certified Business Manager (CBM), 2002
- Certified Internal Control Auditor (CICA), 2015
- Certified Financial Consultant (CFC), 2012
- Fellow of the Association of Corporate Governance Practitioners (FGP), 2017

Professional Experience:
- Chief Operating Officer/Housing Bank for Trade and Finance, since 2018.
- General Manager / Head of Operation Group/ Oman Arab Bank, 2016-2018.
- General Manager / Head of Internal Audit Group / Oman Arab Bank, 2014-2016.
- Deputy General Manager / Chief Internal Auditor/ Oman Arab Bank, 2008-2014.
- Assistant General Manager / Manager, Inspection & Internal Audit Dept. / Bank al Etihad, 2006-2008.
- Assistant General Manager / Chief Internal Auditor/ Capital Bank, 2004-2006.
- Assistant General Manager / The Auditor General / Jordan Ahli Bank, 2003-2004.
- Manager, Financial Control Dept. / Jordan Ahli Bank, 2002-2003.
- Manager, Inspection & Audit Follow Up Dept. / Bank of Jordan, 1997-1998.
- Section Head/ Credit Dept. / Bank of Jordan, 1994-1997.
- Loans & Foreign Agreements Dept. / Central Bank of Jordan, 1994.
- Inspector/ Inspection dept. / Jordan Islamic bank, 1993.

Memberships in HBTF Board Committees: None
Memberships in other Commissions and Boards:
Board Member, International Bank for Trade & Finance / Syria.

Nidal Lutfi Ahmad

Title: Chief Financial Officer
Date of Birth: 22/8/1964
Date of Appointment: 2/1/2019
Qualifications:
- Master in Accounting, 1994.
- B.Sc. in Accounting, 1990.

Professional Certificate: CPA, 1998.
Professional Experience:
- Chief Financial Officer/ Housing Bank for Trade and Finance, since 2019.
- Assistant General Manager / Finance Group/ Qatar National Bank (Qatar), 2005-2016.
- Senior Financial Manager/ Al Rajhi Bank (KSA), 2004-2005.
- Senior Manager – Finance Dept./ Jordan Kuwait Bank (Jordan), 2002-2004.
- Financial Control Manager / Finance Group/ Qatar National Bank (Qatar), 1995-2002.

Memberships in HBTF Board Committees: None
Memberships in other Commissions and Boards:
Board Member, Jordan International Bank / London.

Amro “Mohammad Walid” Mousa

Title: Chief Credit Officer
Date of Birth: 29/5/1971
Date of Appointment: 23/11/2008
Qualifications: B.Sc. Economics/ Political Science, 1994
Professional Certificates:
- Certified Lender Business Banker (CLBB), 2005
- Accredited certification in Strategic Management, 2014
- Certified Risk Specialist (CRS), 2006
- Certification, Comprehensive Banking Facilities Program 2001.

Professional Experience:
- Chief Credit Officer, Housing Bank for Trade and Finance, since 2019.
- Senior Executive Manager- Credit Review Dept., Housing Bank for Trade and Finance, 2011-2019.
- Large Corp Credit Review Manager, Housing Bank for Trade and Finance, 2008-2011.
- The Banking Assistant to the CEO/GM, Jordan Commercial Bank 2005-2008.
- Advisor: The European Investment Bank - SME’s Fund/ Syria, 2008.
- Corporate Facilities Dept., Societe Generale de Banque Jordanie, 2003-2005.
- Facilities dept., Arab Bank, 2001-2003.
- Commercial Dept., Arab Bank, 1996-2001.
- Operations Dept., Arab Bank, 1995-1996.

Memberships in HBTF Board Committees: None.
Memberships in other Commissions and Boards:
Deputy Chairman, CRIF Jordan.
Board Member, International Bank for Trade and Finance / Syria.

Riyad Ali Taweel

Title: Head of Treasury and Investment Sector
Date of Birth: 1/9/1971
Date of Appointment: 22/7/2007
Qualifications: B.Sc. in Economics, 1992
Professional Certificate: Chartered Financial Analyst / CFA, 2000
Professional Experience:

- Head of Treasury and Investment Sector, Housing Bank for Trade and Finance, since 2009.
- Manager, International Investments Center, Housing Bank for Trade and Finance, 2007-2009.
- Investment analyst, Market Risk Dept., ABC Bank (Bahrain), 2006-2007.
- Manager, Capital Market/ Export & Finance Bank, 2005-2006.
- Treasury Dept, Housing Bank for Trade and Finance, 1992-2005.

Memberships in HBTF Board Committees: None
Memberships in other Commissions and Boards:

- Chairman, International Financial Center Co.
- Board Member, Jordan International Bank / London
- Chairman, Commercial Banks Company to Invest in Companies
- Board Member, Social Security Investment Fund.

Ali Hasan Al-Mimi

Title: General Auditor
Date of Birth: 5/4/1979
Date of Appointment: 18/10/2000
Qualifications: B.Sc. in Accounting 2000
Professional Qualifications:

- Certified Internal Auditor (CIA), 2013.
- Certification in Risk Management Assurance (CRMA), 2013.
- Certification in Control Self-Assessment (CCSA), 2011.

Professional Experience:

- General Auditor, Housing Bank for Trade and Finance, since 2018.
- Internal Audit Dept., Housing Bank for Trade and Finance, 2000-2019.

Memberships in HBTF Board Committees: None
Memberships in other Commissions and Boards:
Board Member, Jordan Mortgage Refinance Company.

Nayef Hashem Al-Hussein

Title: Executive Manager / Compliance Dept.
Date of Birth: 14/10/1979
Date of Appointment: 15/7/2013
Qualifications:
- MA in Financial Economy, 2005.
- B.Sc. Economic 2001.

Professional Certificates:
- Certified Anti Money Laundering Specialist (CAMS), 2008.
- Certified Financial Crime Specialist (CFCS), 2016.
- Certified Anti Money Laundering Specialist (CAMS)-Audit program, 2018.
- Certified Fraud Examiners (CFE), 2019.

Professional Experience:
- Executive Manager / Compliance Dept., Housing Bank for Trade and Finance, since 2013.
- Executive Manager / Compliance Dept., Arab Bank, 2013.
- Sr. officer Anti money Laundering – Deputy Executive Manager/ Compliance Dept., Housing Bank for Trade and Finance, 2007-2013.
- Several Positions/ Housing Bank for Trade and Finance, 2002-2006.

Memberships in HBTF Board Committees: None
Memberships in other Commissions and Boards:
Board Member, AL-Daman Investments Co.

Wael Ismail Asfour

Title: Legal Advisor
Date of Birth: 26/7/1972
Date of Appointment: 1/6/2008
Qualifications:
B.A in Law, 1994
Professional Experience:
- Legal Advisor / Housing Bank for Trade and Finance, since 2013; and joined the bank in 2008.
- Board Secretary of the Specialized Leasing Co., Since 2005.
- Legal Advisor & Board Secretary / International Finance Center Co., Since 2007.
- Legal Advisor / HBTF Jordan Securities Fund, Since 2006.
- Member of the Legal Committee / Association of Banks in Jordan, Since 2005.
- Member of Jordan Bar Association, Since 1994.

Memberships in HBTF Board Committees: None
Memberships in other Commissions and Boards: None

Reyad Faisal Morshed

Title: Executive Manager / Operations Dept. – Acting
Date of Birth: 1/5/1973
Date of Appointment: 12/3/1996
Qualifications:

- MA Banking & Finance, 2012; B.Sc. Accounting 1996.

Professional Qualifications: Certified Information System Auditor (CISA), 2006.
Professional Experience:

- Executive Manager / Operations Dept. – Acting, Housing Bank for Trade and Finance, since 2019.
- Executive Manager / Business Process Reengineering Dept., Housing Bank for Trade and Finance, 2009-2019.
- Internal Audit Dept., Housing Bank for Trade and Finance, 1996-2009.

Memberships in HBTF Board Committees: None
Memberships in other Commissions and Boards:
Board Member, International Financial Center co.

Title: Chief Risk Officer.

Vacant

Resigned Senior Executive Management Members During 2019		
Name	**Resignation Date**	**Short Brief**
Adel Ibrahim Assad Chief Credit Officer	31/5/2019	Mr. Assad has started his career at the HBTF since he was appointed at the bank in the beginning of 1994. He has acquired diverse array of practical experience; including credit, risk, financial analysis and financial management.
Nabil Tawfiq Barqawi Head of Retail Banking Sector	31/5/2019	Mr. Barqawi worked for the Bank for more than 30 years, with an experience focusing on Retail Banking Management.
Khaled Mahmoud Al-Thahabi Executive Manager / Strategic planning & Research	31/5/2019	Mr. Al-Thahabi has extensive and diversified experience in the fields of strategic financial planning and analysis, accounting, tax, reporting, financial risk management, as well as development of accounting policies, procedures, and systems.
Ibrahim Ahmad Hammad Executive Manager / Operations	31/5/2019	Mr. Ibrahim Hammad joined HBTF in 1990, equipped with extensive experience in banking operations; he held various positions reflecting his distinguished experience and competency until appointed as Executive Manager of Operations Department.
Luma Nayef Bakri Executive Manager / Risk Management	30/11/2019	Mrs. Bakri has started her career at HBTF since she was appointed at the bank in 1995, she held various administrative positions until being appointed as Executive Manager of the Risk Department.

Number of Securities Owned by the Senior Executive Management Members and their Relatives

Name of the Senior Management Member	Title	Nationality	Number of Securities Owned by the Member		Number of Securities Owned by the Spouse and Minors	
			2018	2019	2018	2019
Ammar Bashir Al-Safadi	Chief Executive Officer	Jordanian	-	-	-	-
Vasken Samuel Ajemian	Chief Banking Officer	Jordanian	-	-	-	-
Marwan Hatem AlKhouli	Chief Operating Officer	Jordanian	-	-	-	-
Amro "Mohammad Walid" Mousa	Chief Credit Officer	Jordanian	-	-	-	-
Nidal Lutfi Ahmad	Chief Financial Officer	Jordanian	-	-	-	-
Riyad Ali Taweel	Head of Treasury and Investment Sector	Jordanian	-	-	-	-
Ali Hasan Al-Mimi	General Auditor	Jordanian	-	-	-	-
Wael Ismail Asfour	Legal Advisor	Jordanian	-	-	-	-
Nayef Hashem Al-Hussein	Executive Manager / Compliance	Jordanian	-	-	-	-
Reyad Faisal Morshed	Executive Manager / Operations - Acting	Jordanian	-	-	-	-
Vacant	Chief Risk Officer	-	-	-	-	-

Companies Controlled by the Senior Executive Management Members and their Relatives: None

Number of Securities Owned by the Resigned Senior Executive Management Members and their Relatives

Name of the Resigned Senior Management Member	Title	Nationality	Number of Securities Owned by the Member		Number of Securities Owned by the Spouse and Minors	
			2018	2019	2018	2019
Adel Ibrahim Assad	Chief Credit Officer	Jordanian	-	-	-	-
Khaled Mahmoud Al-Thahabi	Executive Manager / Strategic planning & Research	Jordanian	2,500	2,500	-	-
Nabil Tawfiq Barqawi	Head of Retail Banking Sector	Jordanian	-	-	-	-
Ibrahim Ahmad Hammad	Executive Manager / Operations	Jordanian	5,062	5,062	-	-
Luma Nayef Bakri	Executive Manager / Risk Management	Jordanian	-	-	-	-

Companies Controlled by the Resigned Senior Executive Management Members and their Relatives: None

Remuneration Policy

The HBTF applies and implements an incentive-based remuneration policy, which appropriates about 5% of the bank's after-tax profits for this purpose. Such profits are distributed among the bank's employees according to a special plan linking performance with pay.

Remunerations and Benefits for the Chairman and the Board Members during 2019

(JD)

Name	Title	Annual Salaries	Annual Transportation Allowances	Annual Remunerations	Annual Travel Allowances	Total Annual Benefits
Mr. Abdelelah Moh'd Alkhatib	Chairman	-	440,250	5,000	1,020	446,270
Dr. Yaser Manna' Adwan	Board Member	-	145,500	5,000	820	151,320
Mr. Fawzi Yousif Al-Hanif	Board Member	-	151,000	5,000	6,637	162,637
Mrs. Shaikha Yousuf Al-Farsi	Board Member	-	140,000	5,000	4,648	149,648
Qatar National Bank represented by:						
Mr. Yousef Mahmoud Al-Neama	Vice Chairman	-	140,000	5,000	6,141	151,141
Mr. Khalid Majid Al-Nuaimi	Board Member	-	134,500	5,000	5,524	145,024
Mr. Ramzi Talat Mari	Board Member	-	151,000	5,000	6,623	162,623
Mrs.Maryam Mohammed Al-Kuwari	Board Member	-	49,500	-	3,326	52,826
Kuwait Real Estate Investment Consortium represented by:						
Mrs. Munirah As'ad Al Ajeel	Board Member	-	7,883	-	-	7,883
Libyan Foreign Bank represented by:						
Mr. Mohamed Najib Eljamal	Board Member	-	90,959	493	4,087	95,539
Mr. Elhadi Emgahid Abultife	Board Member	-	99,000	-	4,809	103,809
Social Security Corporation / Jordan represented by:						
Mr. Fadi Khalid Al Alawneh	Board Member	-	17,394	274	-	17,668
Mr. Nidal Faeq Alqubaj	Board Member	-	140,250	5,000	875	146,125

In-kind Benefits Obtained by any Board Members: None

Remunerations and Benefits for the Resigned Board Members during 2019

(JD)

Name	Title	Annual Salaries	Annual Transportation Allowances	Annual Remunerations	Annual Travel Allowances	Total Annual Benefits
Mr. Abdulla Mubarak Al Khalifa	Vice Chairman	-	68,500	5,000	-	73,500
Mr. Fawzi Abdel Hameed AlMani	Board Member	-	126,617	5,000	16,223	147,840
Mr. Ismail Abdalla El Mesallati	Board Member	-	46,500	5,000	1,203	52,703
Mr. Issam Abdallah Alkhatib	Board Member	-	112,356	4,726	-	117,082
Mr. Mohammad Mohammad Bin Yousef	Board Member	-	22,932	3,822	-	26,753

In-kind Benefits Obtained by any Resigned Board Members: None

Salaries, Benefits and Allowances of the Senior Executives during 2019

(JD)

Name of the Senior Management Member	Title	Annual Salaries	Annual Transportation Allowances	Annual Remunerations	Annual Travel Allowances	Total Annual Benefits
Ammar Bashir Al-Safadi	Chief Executive Officer	432,784	-	-	12,250	445,034
Vasken Samuel Ajemian	Chief Banking Officer	259,680	2,880	24,120	3,800	290,480
Marwan Hatem AlKhouli	Chief Operating Officer	260,592	2,880	18,090	1,400	282,962
Nidal lutfi ahmad	Chief Financial Officer	192,389	2,872	-	1,800	197,061
Amro "Mohammad Walid" Mousa	Chief Credit Officer	66,819	1,160	-	1,600	69,579
Riyad Ali Taweel	Head of Treasury and Investment Sector	169,524	2,880	25,971	2,600	200,975
Ali Hasan Al-Mimi	General Auditor	140,528	2,880	12,864	-	156,272
Nayef Hashem Al-Hussein	Executive Manager / Compliance	121,438	1,200	11,086	6,400	140,124
Wael Ismail Asfour	Legal Advisor	107,191	1,200	8,146	-	116,536
Reyad Faisal Morshed	Executive Manager / Operations - Acting	45,138	600	-	-	45,738
"Mohammed Naser" Khalil Abu-Zahra*	Head of Commercial Banking Sector	105,300	2,160	21,440	800	129,700
Taj Omaran Khamsh*	Head of Retail Banking Sector	19,756	348	-	-	20,104
Vacant	Chief Risk Officer	-	-	-	-	-

*The list of the members of the Senior Executive Management has been modified in accordance with the amendments of the organizational structure of the bank during the year 2019, as these jobs are no longer included in this list as on 31/12/2019.

In-kind Benefits Obtained by any Senior Executives Management Members: None

Salaries, Benefits and Allowances of the Resigned Senior Executives during 2018

(JD)

Name of the Senior Management Member	Title	Annual Salaries	Annual Transportation Allowances	Annual Remunerations	Annual Travel Allowances	Total End of Service Benefits	Total Annual Benefits
Adel Ibrahim Assad	Chief Credit Officer	88,176	1,200	15,507	800	659,917	765,599
Nabil Tawfiq Barqawi	Head of Retail Banking Sector	61,425	1,200	12,864	0	514,230	589,719
Khaled Mahmoud Al-Thahabi	Executive Manager / Strategic planning & Research	88,234	1,200	18,609	0	734,641	842,683
Ibrahim Ahmad Hammad	Executive Manager / Operations	45,521	500	9,456	1,200	360,413	417,090
Luma Nayef Bakri	Executive Manager / Risk Management	90,339	1,100	14,427	5,450	242,487	353,802

In-kind Benefits Obtained by the Resigned Senior Executive Management Members: None

Major Shareholders 1% or more for 2019

Name	Nationality	Number of Shares	(%) of the Capital	Ultimate Beneficial Owners
Qatar National Bank	Qatari	108,615,827	34.481%	Qatar Investment Authority 51.93%
Kuwait Real Estate Investment Consortium	Kuwaiti	58,617,556	18.609%	Government of the State of Kuwait 99.127%
Libyan Foreign Bank	Libyan	54,311,427	17.242%	Central Bank of Libya 100%
Social Security Corporation/Jordan	Jordanian	48,526,000	15.405%	Itself
Iran Foreign Investments Company	Iranian	14,577,670	4.628%	Government of the Islamic Republic of Iran 100%
State General Reserve Fund / Oman	Omani	9,375,000	2.976%	Ministry of Finance/ Sultanate of Oman 100%
Total	-	**294,023,480**	**93.341%**	-

***Number of Jordanian Shareholders is 2706; their holding constitutes 18.9% of the Capital.**

***Number of Arab & Foreign Shareholders is 443 shareholders; their holding constitutes 81.1% of the Capital.**

Major Shareholders (5% or more) and the number of shares owned by each of them

Name	Number of Shares as at the end of 2018	(%) of the Capital	Number of Shares as at the end of 2019	(%) of the Capital
Qatar National Bank	108,615,827	34.481%	108,615,827	34.481%
Kuwait Real Estate Investment Consortium	58,617,556	18.609%	58,617,556	18.609%
Libyan Foreign Bank	53,866,193	17.100%	54,311,427	17.242%
Social Security Corporation/Jordan	48,485,331	15.392%	48,526,000	15.405%
Total	**269,584,907**	**85.583%**	**270,070,810**	**85.737%**

The Bank's Competitive Position and Market Share

Market Share of the Bank's Branches in Jordan at the end of 2019

Description	Market Share
Assets	13.9%
Customers' Deposits	13.7%
Loans and Credit Facilities	13.0%

The Extent of Dependence on Specific Suppliers and/or Major Clients (Locally and Internationally).

There are no specific suppliers or customers, local or foreign, whose dealings with the bank constitute more than 10% of the total purchases and/or sales.

Description of Any Government Protection or Any Privileges Enjoyed by the Bank or by Any of its Products and Description of any Patents or Concessions.

Neither the HBTF nor any of its products enjoy any government protection or privileges by virtue of the Laws and Regulations. The bank has not obtained any Patents or Concessions.

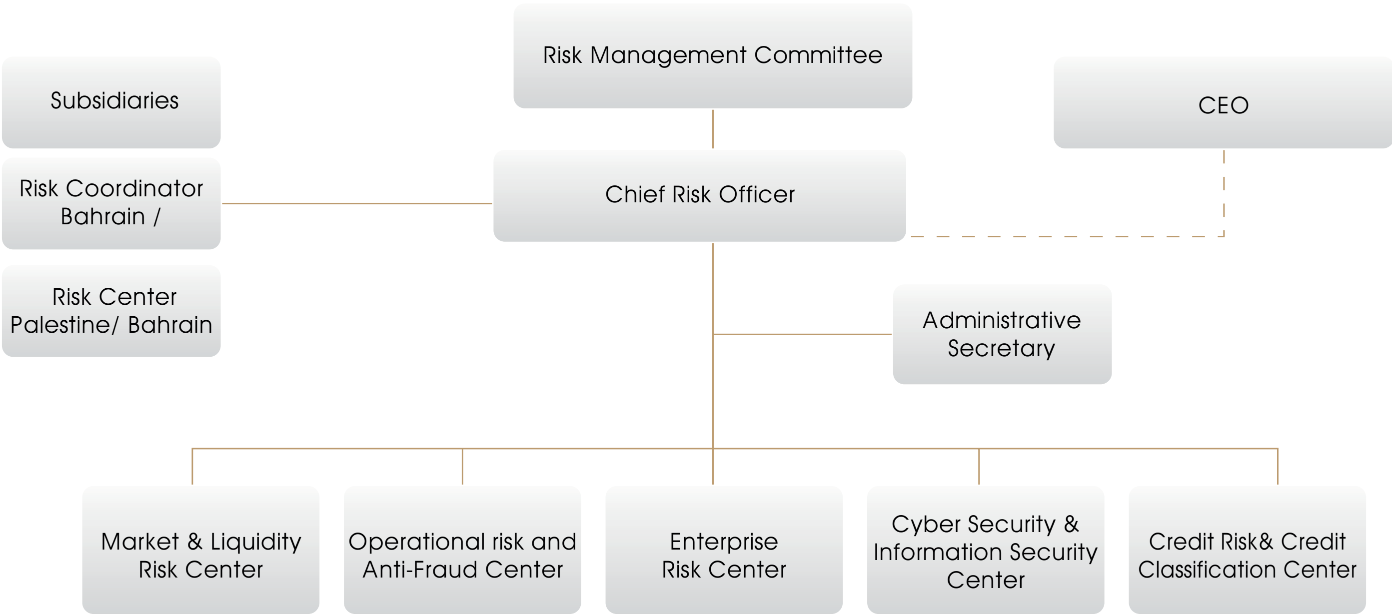
Description of any Decisions by the Government, International Organizations or Others, Having Material Effect on the Bank's Business, Products or Competitiveness.

No resolutions rendered by the government, international organizations or others have any material impact on the bank, its products or competitiveness. The bank applies the International Quality Standards.

Risk Management

The bank in terms of its nature faces various types of risks, and these risks are set out in declaration no. 46 in the financial statements for 2019. The Risk Management Department is an independent department follows a comprehensive and effective approach in managing its major risks including Credit Risk, Market Risk, Liquidity Risk, Operational Risk, Cyber Security and Information Security, Reputation risk, Strategic risk, according to an integrated methodology that depends on determining the size and type of risks that the bank is facing using various management systems, methodologies and tools that incorporate a mix of qualitative and quantitative methods in monitoring and measuring risks in compliance with regulatory instructions and approved policies.

The Risk Management Department administratively linked to the CEO and functionally to the Risk Management Board Committee. The diagram below shows the organizational structure of this department.



The Bank's Accomplishments Supported by Figures and Description of Significant Occurrences which the Bank has Undergone in 2019

Such accomplishments have been set out in the analysis of general performance.

The Financial Impact of Non-recurrent Transactions during 2019 which are not Part of the Bank's Main Activities

No non-recurrent transactions or any substantial matters occurred during 2018 which are not within the bank's main activities.

Development of Profits, Shareholders' Net Equity, Share Price and Dividends

These are set out in the analysis of general performance.

Analysis of the Bank's Financial Position and the Results of its Operations during 2019

These are set out in the analysis of general performance.

Important Prospective Developments including any New Expansions or Projects and the Bank's Future Plan

These are set out in the Bank's Strategy for 2020.

Auditor's Fees for 2019

(JD)

Description	Audit Fees	Consultations and Other Fees	Total
Jordan Branches	236,640	66,932	303,572
Palestine Branches	29,580	11,600	41,180
Bahrain Branch	24,716	7,891	32,607
International Bank for Trade and Finance / Syria	34,032	8,437	42,469
The Housing Bank for Trade and Finance / Algeria	56,109	-	56,109
Jordan International Bank / London	114,261	19,809	134,070
Specialized Leasing Finance Co.	4,640	3,480	8,120
International Financial Center Co.	4,640	-	4,640
Jordan Real Estate Investments and Commercial Services Co.	2,320	-	2,320
Total	**506,938**	**118,149**	**625,087**

Donations and Grants in 2019

1- The Cash Donations

The cash donations provided by the bank in 2019 amounted to JD972,247.

2- The In-Kind Donations

- The book value of in-kind materials that have been donated throughout 2019 amounted to JD304, noting that the nominal value of these materials amounted to JD61,184.
- The amount of materials from photocopy paper donated to the initiative of Her Highness Princess Alia was (2726) ream of A4 photocopy paper for 2019.

Contracts, Projects and Engagements concluded with its Subsidiaries, Sister Companies, Affiliates, Chairman, Members of the Board of Directors, CEO or any Employee in the Company or their Relatives

1- As set out in Note 42 mentioned in the Financial Statements of 2018, the bank has entered into transactions with major shareholders, members of the Board of Directors and Senior Management in the course of ordinary activities using commercial rates of interest and commissions. All credit facilities granted to the relevant parties are considered performing and no provisions have been made therefor.

2- During 2019, the bank didn't enter into contracts, projects and engagements with its Subsidiaries, Sister Companies, Affiliates, Chairman, Members of the Board of Directors, CEO or any employee in the company or their relatives.

3- During 2019, the bank has entered into contracts with Specialized Leasing Co.(Subsidiary) as follows:

(JD)

	Description	Value
1	Financing ATM Machines Purchases	1,044,000
2	Financing Interactive ATM Machines Purchases	286,520
3	Financing Electronic safety deposit boxes systems Purchases	336,400

The Bank's Contribution to the Protection of the Environment and Local Community Service

During the year 2019, the bank continued to support the environmental initiatives in the kingdom, where it continued to finance the maintenance cost of the Housing Bank Park in Abdoun area. Additionally, the bank adopts policies that aim at rationalizing water and energy consumption through applying modern techniques in this field in its new head office building and branches across the kingdom.

Compliance with Corporate Governance

- The bank is committed to implement the principles of the Corporate Governance Code. A copy of this code can be found on the following link:

https://www.hbtf.com/en/InvestorRelations/Pages/HBTF-Governance-Manual.aspx

- The bank is committed to implement the principles of the IT Governance Code. A copy of this code can be found on the following link:

https://www.hbtf.com/en/InvestorRelations/Pages/HBTF-Governance-Manual.aspx

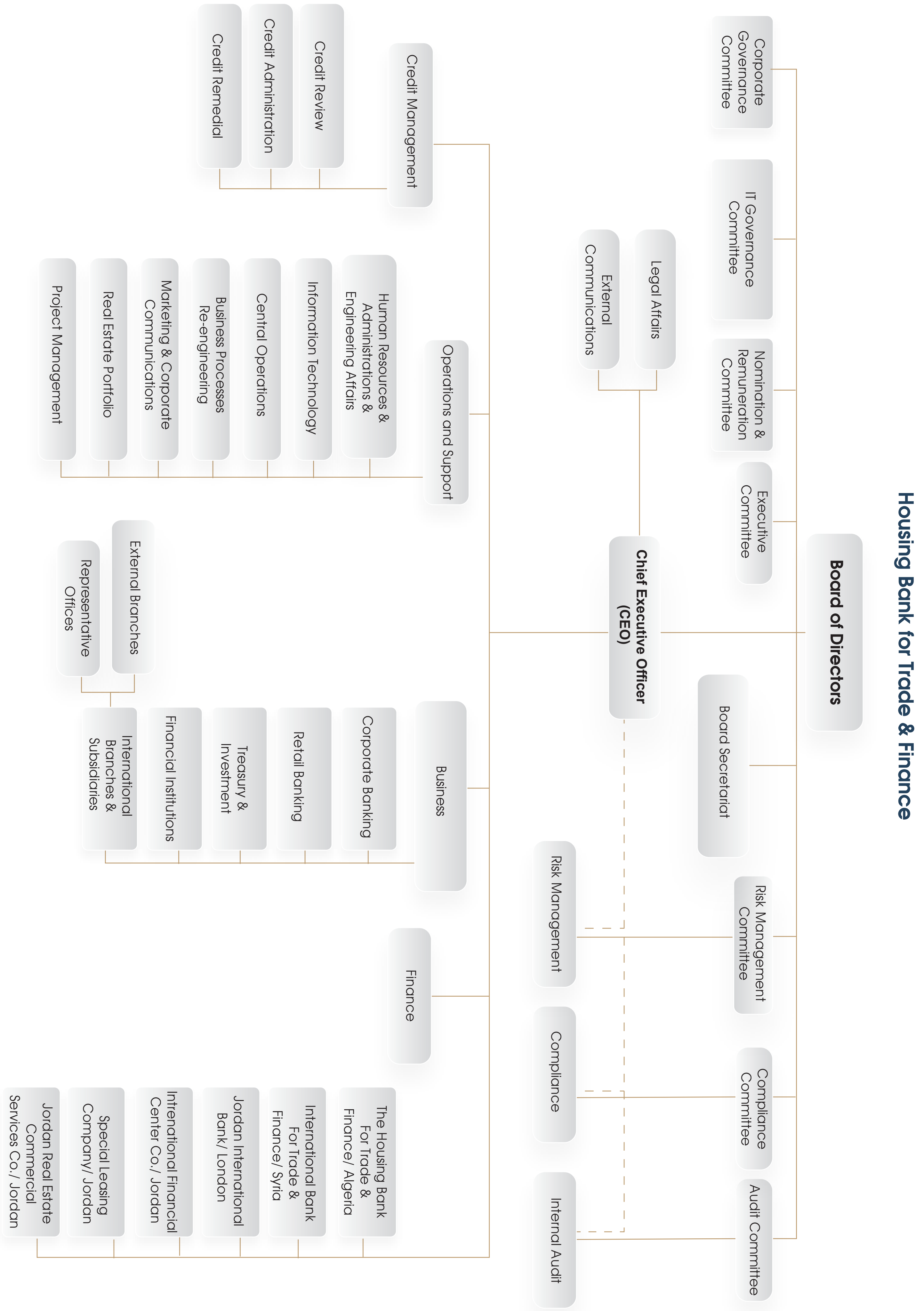
Customers' Complaints Handling

Out of the great importance that HBTF gives to Customers Complaints and maintaining high customer satisfaction, on 2013, the HBTF established a specialized and independent unit, which is responsible for studying, analyzing and solving customers' complaints in professional and transparent manners. This unit is supported with highly qualified resources to perform its tasks and achieve its objectives

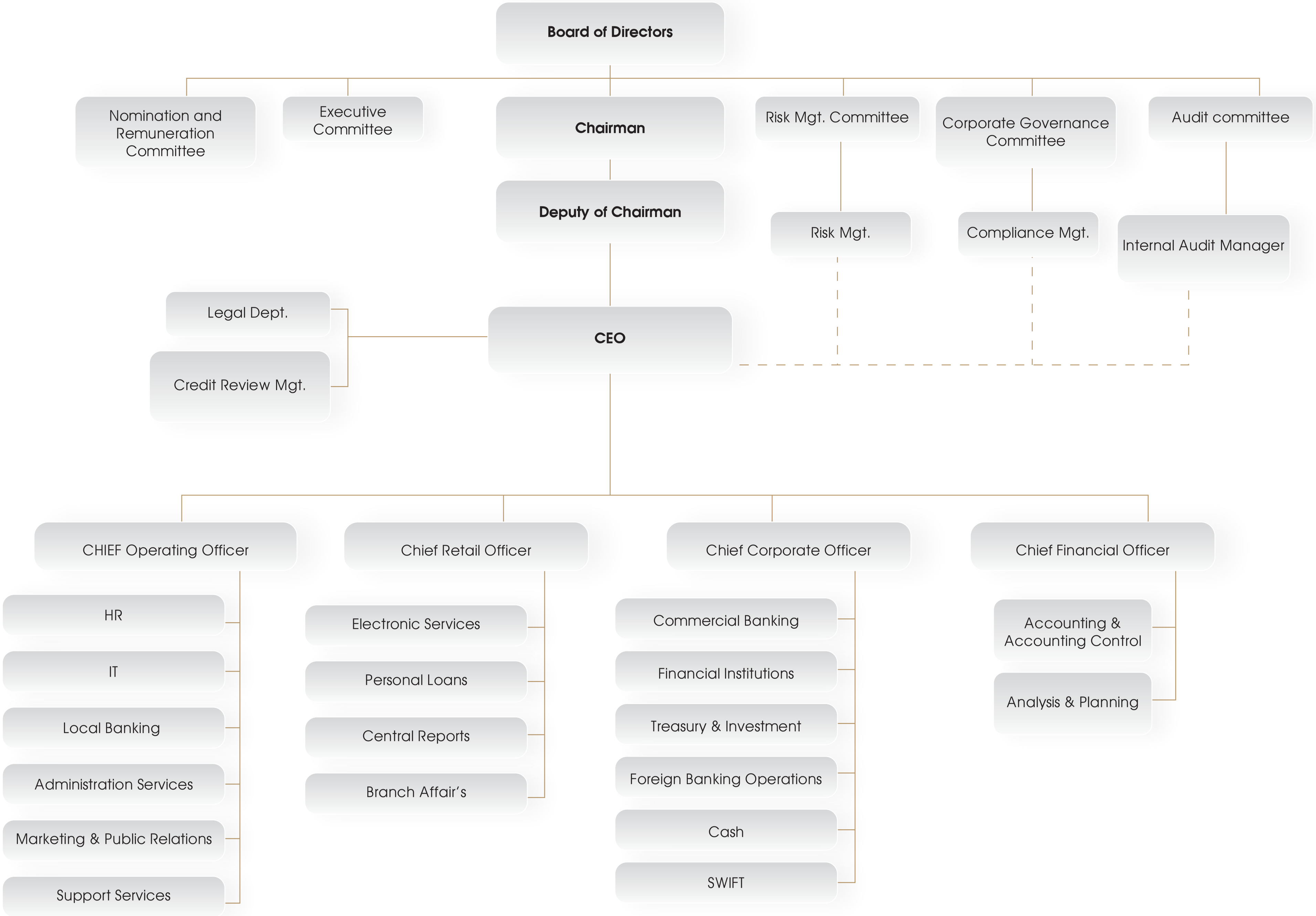
During 2019, the unit received (1057) complaints concerning different aspects, such as: contracts and terms of dealing, work environment, interest rates, commissions and fees, code of professional conduct, online services, banking cards, transfers and product and services marketing. The unit has studied and analyzed all these complaints and updated the concerned customers with the results. In addition to registering the complaints in the bank records after classifying if they are actual or not and the corrective actions taken. Within the same year, the unit submitted quarterly detailed report to the top management, in addition to quarterly statistical report to the compliance committee with all complaints received, actions taken and the unit recommendations for any needed decisions or modifications to improve the procedures to reduce the complaints number. The Board of Directors has discussed these reports, evaluated the complaints and its effects on the bank reputation. In addition of evaluating the actions taken to solve the complaints, and its effectiveness to prevent repeating the same complaints.

Iraq, Libya, and UAE Representative Offices

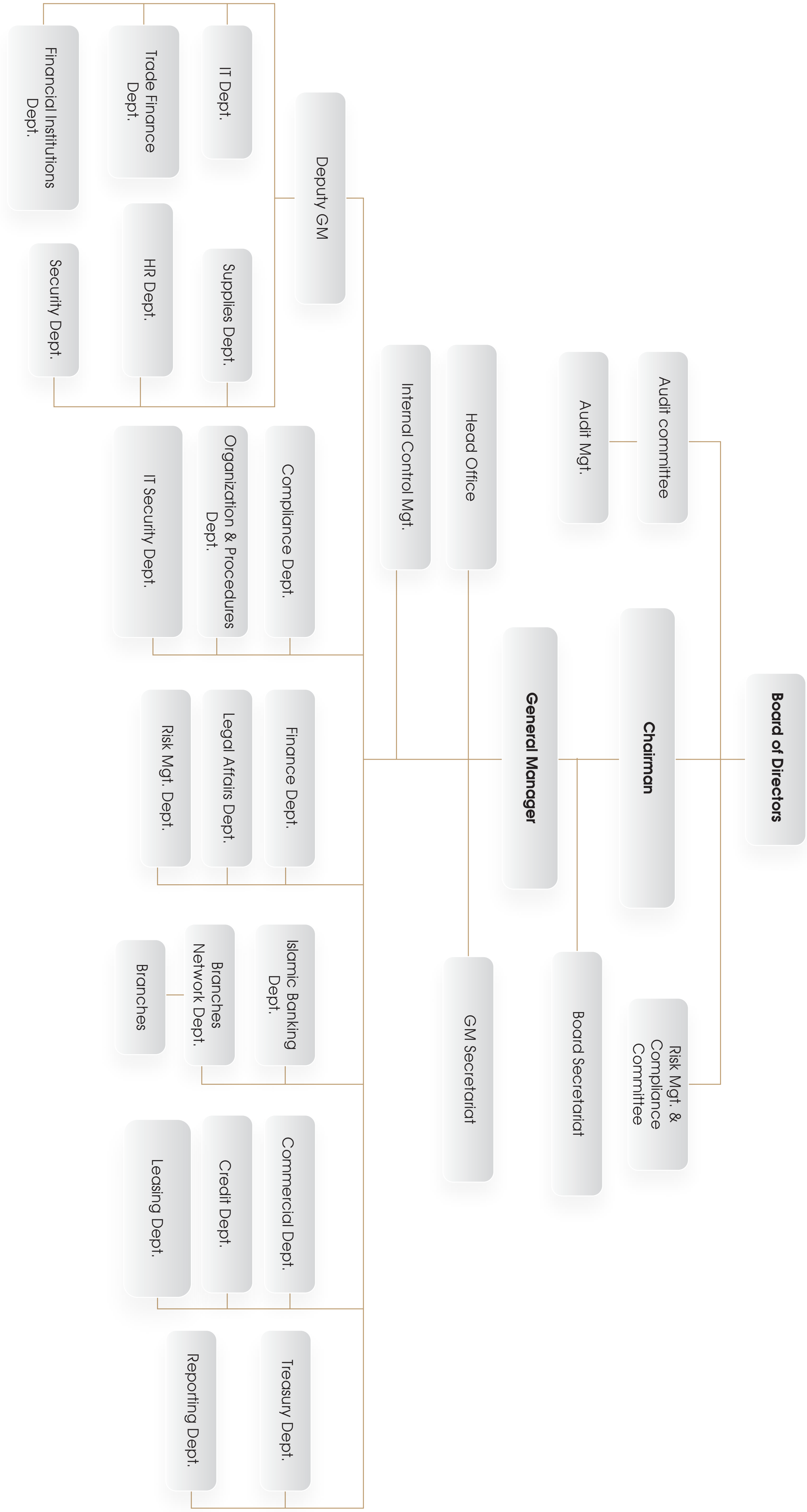
07 Organizational Structures


Housing Bank for Trade & Finance
Board of Directors
Corporate Governance Committee
IT Governance Committee
Nomination & Remuneration Committee
Executive Committee
Board Secretariat
Risk Management Committee
Compliance Committee
Audit Committee
Chief Executive Officer (CEO)
Legal Affairs
External Communications
Risk Management
Compliance
Internal Audit
Credit Management
Credit Review
Credit Administration
Credit Remedial
Operations and Support
Human Resources & Administrations & Engineering Affairs
Information Technology
Central Operations
Business Processes Re-engineering
Marketing & Corporate Communications
Real Estate Portfolio
Project Management
Business
Corporate Banking
Retail Banking
Treasury & Investment
Financial Institutions
International Branches & Subsidiaries
External Branches
Representative Offices
Finance
The Housing Bank For Trade & Finance/ Algeria
International Bank For Trade & Finance/ Syria
Jordan International Bank/ London
Intrenational Financial Center Co./ Jordan
Special Leasing Company/ Jordan
Jordan Real Estate Commercial Services Co./ Jordan

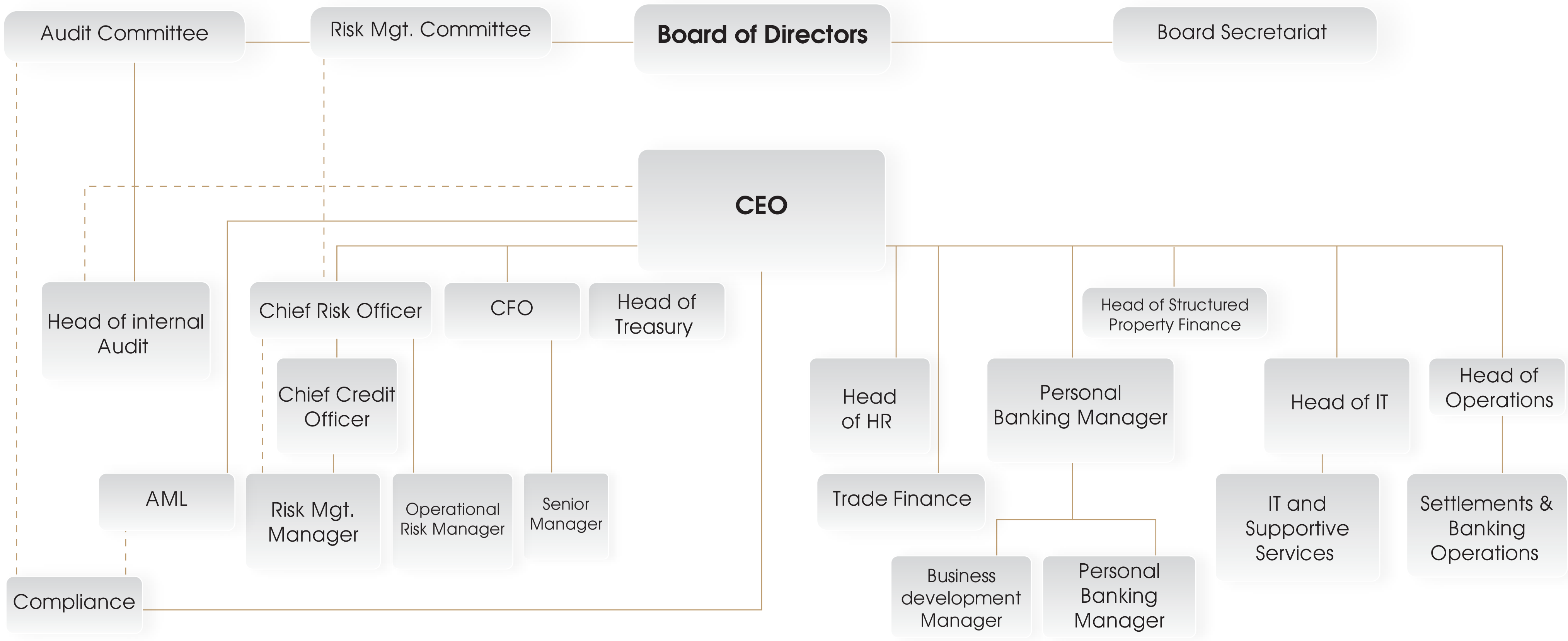
International Bank for Trade & Finance - Syria

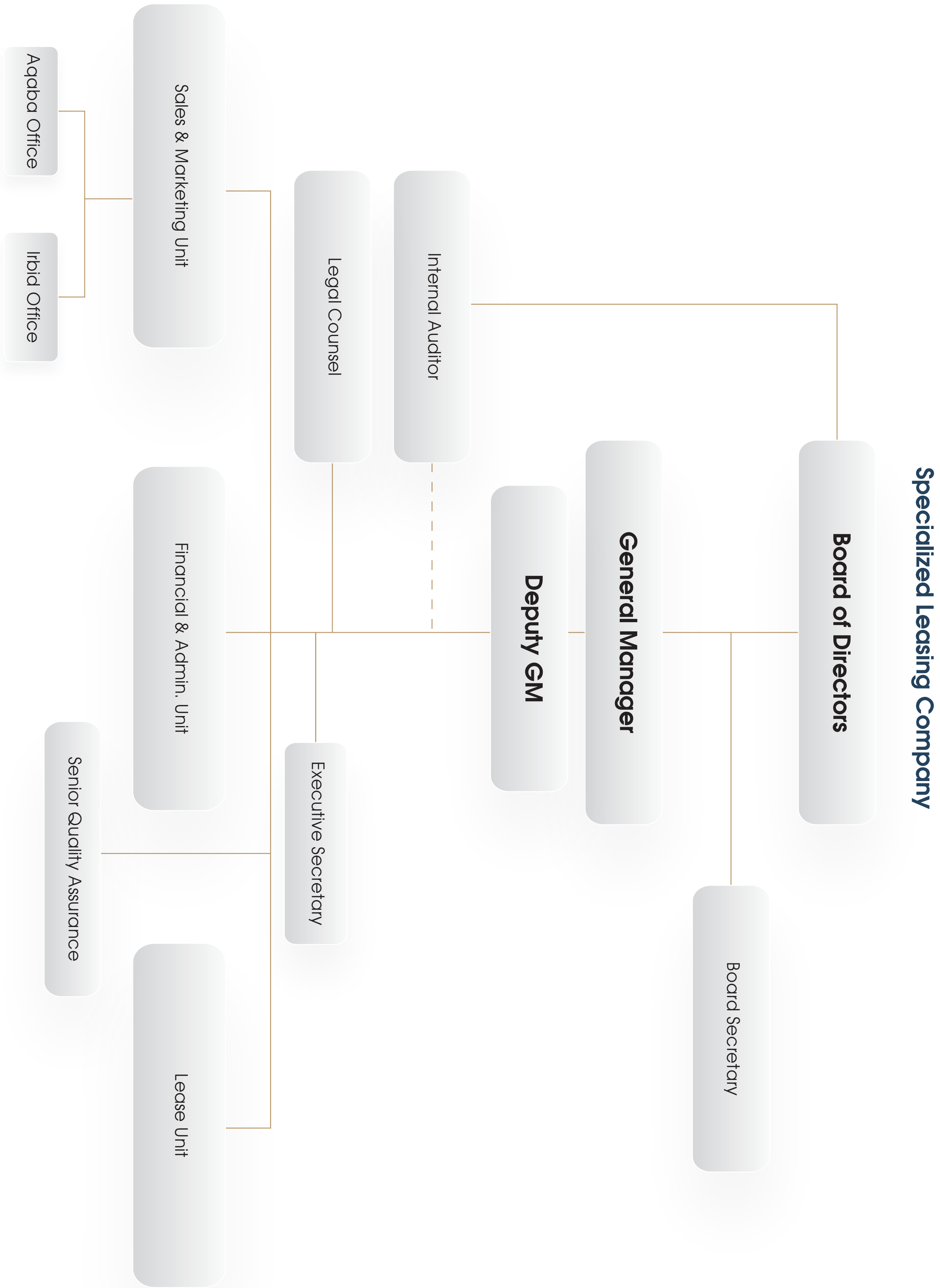


The Housing Bank for Trade & Finance – Algeria



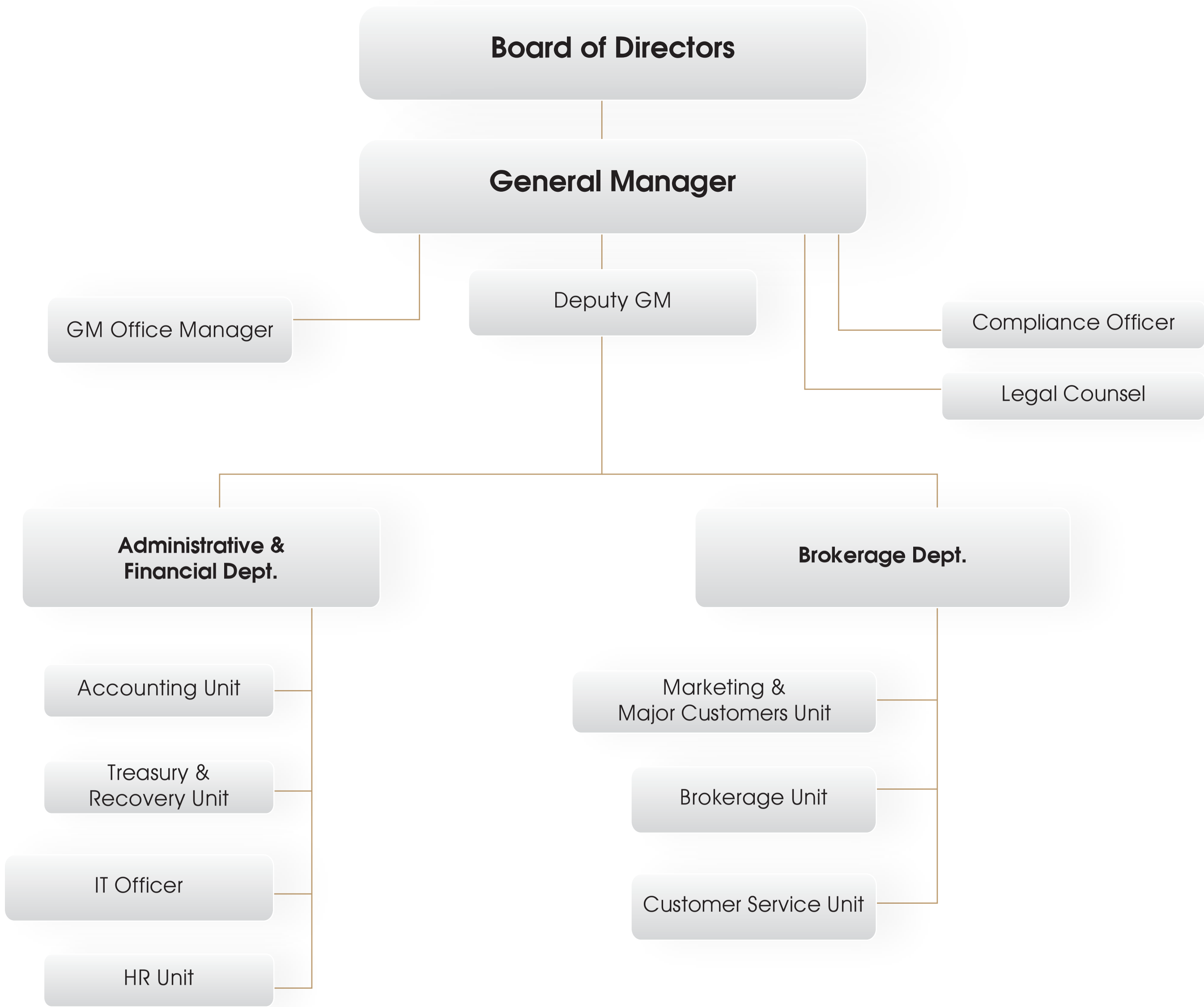
Jordan International Bank - London



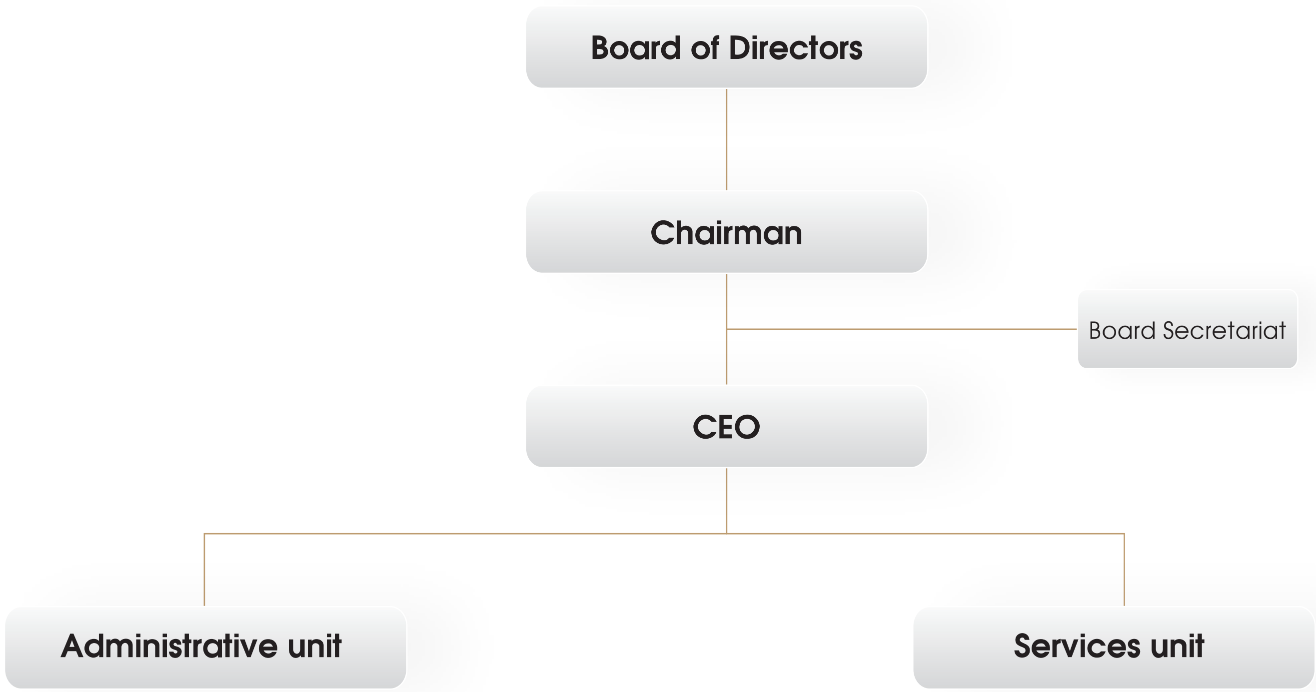


Specialized Leasing Company
Board of Directors
Internal Auditor
Board Secretary
General Manager
Deputy GM
Legal Counsel
Executive Secretary
Sales & Marketing Unit
Aqaba Office
Irbid Office
Financial & Admin. Unit
Senior Quality Assurance
Lease Unit

International Financial Center Company



Jordan Real Estate Investments and Commercial Services Company



The Housing Bank for Trade & Finance Branches – Jordan

Branch	Phone 06-5005555 Ext.	Address	Coordinates		E-mail
			Latitude	Longitude	
Amman Governorate					
Main Branch	2423	Amman, Shmeisani, Shaker Bin Zaid St., Building No. 37	31.9659270	35.8935040	Br028@hbtf.com.jo
Abdali	5138	Amman, Abdali, Parliament St.	31.9610301	35.9116501	br001@hbtf.com.jo
Suleiman Al-Nabulsi St.	3885	Amman, Abdali Boulevard project, Suleiman Al-Nabulsi St.	31.9631579	35.9054240	br001@hbtf.com.jo
Abdali mall	3490	Amman, Abdali, Abdali Mall	31.9632370	35.9081130	br001@hbtf.com.jo
Al Weibdeh	4046	Amman, Abdali, Suleiman Al-Nabulsi St., Building No.183	31.9605600	35.9153600	br002@hbtf.com.jo
Al Madina	4060	Amman, King Hussein St. , Building No. 33	31.9540050	35.9317180	br003@hbtf.com.jo
Jabal Amman	4070	Amman, Jabal Amman, Prince Moh'd St. , Building No. 252	31.9547666	35.9149128	br004@hbtf.com.jo
Jabal Al Hussein	4075	Amman, Jabal Al Hussein, Khaled Bin Al Waleed St. , Building No. 121	31.9646200	35.9216300	br005@hbtf.com.jo
Wehdat	4088	Amman, Wehdat, Prince Hassan St., Building No. 263	31.9259200	35.9381300	br006@hbtf.com.jo
Foreign Travel	4471	Amman, Al Hajj Hassan District, Social Security Corporation building	31.9211341	35.9345492	br006@hbtf.com.jo
Marka	4097	Amman, Marka, King Abdullah St. , Building No. 423	31.9796500	35.9842700	br007@hbtf.com.jo
Prince Hasan Sub.	4122	Amman, South Marka , Al Rabwah Sub, Saleh Al Hamlan St., Al Khaseb Complex	31.9569336	35.9775482	br010@hbtf.com.jo
North Hashimi	4050	Amman, North Hashimi, Al Bathaa St. , Jawharat Al Bathaa Complex	31.9757390	35.9551350	br011@hbtf.com.jo
Ras Al Ein	4136	Amman, Ras Al Ain, Al Quds St. , Building No. 10	31.9433500	35.9222600	br012@hbtf.com.jo
Ashrafieh	4145	Amman, Ashrafieh, Imam Al Shafe' St. , Building No. 52	31.9372130	35.9333060	br013@hbtf.com.jo
Hawooz	4152	Amman, Jabal Amman, Omar Bin Al Khattab St. , Building No. 104	31.9482900	35.9222000	br014@hbtf.com.jo
Nuzha	4146	Amman, Nuzha, Said ibn Al- Musayyib St., Building No. 28	31.9741900	35.9262400	br015@hbtf.com.jo
Sports City	4167	Amman, Sport's City , Al Shaheed St. , Building No. 35	31.9874900	35.9021700	br016@hbtf.com.jo
Salam	4179	Amman, Jabal Al Weibdeh, Shari'a College St. , Building No. 8	31.9572701	35.9205233	br017@hbtf.com.jo
Commercial Complex	2330	Amman, Shmeisani, Queen Noor St. , Housing Bank Complex	31.9713580	35.9075820	br018@hbtf.com.jo
Prince Moh'd St.	5977	Amman, 9th Sha'ban St.	31.9516800	35.9278000	br019@hbtf.com.jo
Tareq	4186	Amman, Tareq, Tareq St., Opposite Nijma Sweets	32.0027010	35.9400830	br020@hbtf.com.jo
Abu Nussair	4193	Amman, Abu Nussair, Ibn Hadeh St., Al Psalh District	32.0524680	35.8792900	br023@hbtf.com.jo
Nazal Sub.	4200	Amman, Nazal Sub., Banu Thaqif St., Building No. 6	31.9361400	35.9156900	br024@hbtf.com.jo
Abdoun	4208	Amman, Abdoun, Cairo St. , Building No. 94	31.9535600	35.8793700	br025@hbtf.com.jo
Park Plaza	4884	Amman, Sweifieh, Salah Suheimat St., Park Plaza Complex	31.9585100	35.8690700	br026@hbtf.com.jo
Gardens	4224	Amman, Tla' Al Ali, Wasfi Al Tal St. , Building No. 27	31.9836750	35.8898240	br027@hbtf.com.jo
Um Uthyna	4270	Amman, Um Uthyna, Sa'ad Ibn Abi Waqas St. , Building No. 47	31.9679400	35.8772400	br030@hbtf.com.jo
Jubeiha	4281	Amman, Jubeiha, Abdulla Ali Lozi St. , Building No. 31	32.0220890	35.8659870	br031@hbtf.com.jo

The Housing Bank for Trade & Finance Branches – Jordan

Branch	Phone 06-5005555 Ext.	Address	Coordinates		E-mail
			Latitude	Longitude	
Sweileh	4306	Amman, Sweileh, Princess Raya Bint Al Hussein St. ,Building No. 26	32.0233600	35.8415600	br034@hbtf.com.jo
Sahab	4315	Amman, Sahab, Prince Hassan St. ,Building No. 24	31.8715500	36.0045300	br035@hbtf.com.jo
Abu Alanda	5322	Amman, Abu Alanda, Ibrahim Rashed Al-Hunaiti St., Building No. 32	31.9029020	35.9621510	br038@hbtf.com.jo
Juwaideh	4025	Amman, Juwaideh, Madaba St., Al-Waleed Building, Building No. 31	31.8791700	35.9328500	br039@hbtf.com.jo
Marj Al Hamam	4336	Amman, Marj Al Hamam, Nweran St., Dallah Circle	31.8941200	35.8385300	br041@hbtf.com.jo
Na'our	4345	Na'our, Intersection of Martyr Sub.	31.8697100	35.8213750	br042@hbtf.com.jo
Muwaqqar	4033	Amman, Mwaqqar Near Al Shaheed Saleh Al Khresha Circle, Building No. 32	31.8117670	36.1062470	br043@hbtf.com.jo
Tla' Al Ali	4358	Amman, Tla' Al Ali, Wasfi Al Tal St. , Building No. 193	31.9930300	35.8626900	br044@hbtf.com.jo
King Abdullah II City	4365	Amman, Sahab, King Abdullah II Industrial Estate	31.8525880	36.0075810	br045@hbtf.com.jo
Hurria St.	4893	Amman, Muqableen, Hurria St. , Building No. 140	31.8953718	35.9165294	br047@hbtf.com.jo
Qwaismeh	4395	Amman, Qwaismeh, Ibn Alforat St., Building No. 79	31.9177600	35.9483600	br048@hbtf.com.jo
Bayader	4396	Amman, Bayader Wadi Al Seer, Husni Sobar St., Building No. 58	31.9544150	35.8386250	br049@hbtf.com.jo
Airport	4688	Amman, Queen Alia International Airport	31.7217170	35.9856760	br097@hbtf.com.jo
Ethaa'	4700	Amman, Prince Hassan St., Opp. to Hiteen College, Building No. 431	31.9083080	35.9384010	br102@hbtf.com.jo
Children's Branch	3774	Amman, Shmeisani, Shaker Bin Zaid St., Haya Cultural Center	31.9660950	35.8968840	br109@hbtf.com.jo
Arrar St.	4754	Amman, Wadi Saqra, Arar St. , Building No. 260	31.9638500	35.8887830	br111@hbtf.com.jo
Rabiyah	4772	Amman, Rabiyah District, Samer Borhum Complex	31.9754450	35.8838660	br115@hbtf.com.jo
Abdullah Ghosheh	4888	Amman, Abdullah Ghosheh St., Al Husini Complex, Building No. 55	31.9672240	35.8550510	br117@hbtf.com.jo
Al-Rawabi District	3485	Bayader- Queen Zein al-sharaf St. - company of marketing petroleum products	31.9583210	35.8516780	br117@hbtf.com.jo
Central Market	4791	Amman, Central Vegetable Market, beside main entrance.	31.8644450	35.9576860	br119@hbtf.com.jo
Zahran	4840	Amman, Ibin Khaldon St., (Al Khaldi Hospital) Building No. 54	31.9522600	35.9015100	br121@hbtf.com.jo
Madina Munawarah	4905	Amman, Tla' Al Ali, Madina Munawarah St. , Building No. 194	31.9874500	35.8669300	br122@hbtf.com.jo
City Mall	4040	Amman, City Mall, Banks floor	31.9801040	35.8369950	br123@hbtf.com.jo
Medical City St.	4848	Amman, King Abdullah II St., Near Khalda Circle, Building No. 185	31.9971600	35.8309300	br124@hbtf.com.jo
Housing Bank Park / Abdoun	4111	Amman, Sa'ad Abdo Shamout St.	31.9410400	35.8841000	br128@hbtf.com.jo
Al-Yasmeen District	4949	Amman, Al-Yasmeen District, Jabal Arafat St., Building No. 13	31.9193700	35.8941000	br131@hbtf.com.jo
Mecca St.	4959	Amman, Mecca St., Al Husseini Complex, Building No. 141	31.9754000	35.8604200	br132@hbtf.com.jo
Taj Mall	3800	Amman, Sa'ad Abdo Shamout St., Taj Mall	31.9408500	35.8878800	br134@hbtf.com.jo

The Housing Bank for Trade & Finance Branches – Jordan

Branch	Phone 06-5005555 Ext.	Address	Coordinates		E-mail
			Latitude	Longitude	
Jizah	3807	Jizah , Airport St.	31.7084700	35.9508700	br135@hbtf.com.jo
Private Banking Services	5188	Amman, 5th Circle, Riad Al Meflih St. , Building No. 7	31.9586710	35.8888780	br145@hbtf.com.jo
Airport St.	3470	Amman, Airport St., Near Universal Schools	31.8753550	35.8867770	br157@hbtf.com.jo
Deir Ghbar	4705	Amman – Deir Ghbar – Al Hashmeyeen St.	31.9431310	35.8720960	br159@hbtf.com.jo
Prince Rashed District	3838	Amman, Prince Rashed District, Princess Tharwat St.	31.9679310	35.8441910	br160@hbtf.com.jo
Sweifieh	4222	Amman, Sweifieh, Commercial Market, Mahmoud Obeidat St.	31.9585160	35.8653300	br161@hbtf.com.jo
Galleria Mall	3857	Amman, Sweifieh, Galleria Mall	31.9595270	35.8615530	br161@hbtf.com.jo
Dabouq	3799	Amman, Dabouq, Plaza Complex, Building No. 29	31.9918850	35.8138830	br162@hbtf.com.jo
Irbid Governorate					
Irbid	4927	Irbid, King Abdullah II St., Quba Circle	32.5570904	35.8556376	br052@hbtf.com.jo
Ramtha	4486	Ramtha, Down Town, Nasser Al Tallaq St.	32.5616000	36.0113300	br060@hbtf.com.jo
Wasfi Al Tal St. / Ramtha	3840	Ramtha, Wasfi Al Tal St. , Fawaz AL Zoubi Complex	32.5664700	36.0154400	br060@hbtf.com.jo
North Shouna	4495	North Shouna, King Faisal St.	32.6100700	35.6097300	br061@hbtf.com.jo
Deir Abi Saeed	4507	Deir Abi Saeed, King Hussein St.	32.5041140	35.6845380	br063@hbtf.com.jo
Hakama	4514	Irbid, Hakama St., Hanina Intersection	32.5692200	35.8580900	br064@hbtf.com.jo
Huson	4523	Irbid, Huson, Irbid Amman St.	32.4877400	35.8838700	br065@hbtf.com.jo
Aidoun	4539	Irbid , Aidoun, Main St.	32.5081300	35.8563100	br067@hbtf.com.jo
Mashare’	4546	Irbid, Mashare’, Main St., Opp. Mashare’ Municipality, Talal al Gazawi Building	32.4418000	35.5941000	br070@hbtf.com.jo
Palestine St.	4566	Irbid, Palestine St., Wasfi Al-Tal Circle	32.5546100	35.8479100	br073@hbtf.com.jo
Kraymeh	4535	Kraymeh, Main St.	32.2753600	35.5984700	br079@hbtf.com.jo
Yarmouk	4600	Irbid , Shafiq Irsheedat St.	32.5422950	35.8506360	br080@hbtf.com.jo
Al Hasan Industrial City	4774	Irbid, Al Hassan Industrial Estate	32.4996630	36.0209640	br114@hbtf.com.jo
Quba Circle	4820	Irbid , King Abdullah II St., Quba Circle	32.5462760	35.8576700	br120@hbtf.com.jo
Irbid Mall	3400	Irbid, Abdul Hameed Sharaf St. , Irbid Mall	32.5410750	35.8444850	br120@hbtf.com.jo
30th Street / Irbid	3815	Irbid, Andalus Sup., Rousan Commercial Complex	32.5545500	35.8630900	br136@hbtf.com.jo
Bani Kenana	3434	Irbid, Sama Rousan Intersection, Opp. Al-Sarow Municipality	32.6387640	35.8359890	br155@hbtf.com.jo

The Housing Bank for Trade & Finance Branches – Jordan

Branch	Phone 06-5005555 Ext.	Address	Coordinates		E-mail
			Latitude	Longitude	
Zarqa Governorate					
Qasr Shbeeb	4248	Zarqa, King Hussein St., Housing Bank Complex, Building No. 96	32.0636600	36.0843900	br029@hbtf.com.jo
Zarqa	4407	Zarqa, Commercial Center, Sultan Abdel Hameed St.	32.0619400	36.0919600	br051@hbtf.com.jo
Russeifa	4477	Zarqa, Russeifa, King Hussein St. , Building No. 184	32.0181530	36.0416570	br059@hbtf.com.jo
Hiteen	4536	Zarqa, Hiteen Camp, King Abdullah St. , Building No. 452	32.0071500	36.0072300	br066@hbtf.com.jo
Oujan	3778	Zarqa, Oujan, Oujan Intersection, Building No. 2, Opp. Military Consumer Establishment	32.0290200	36.0732200	br077@hbtf.com.jo
Jabal Al Shamali	4680	Russeifa, Jabal Shamali, King Abdullah II St. , Building No. 218	32.0280720	36.0361730	br093@hbtf.com.jo
Dlail	4693	Zarqa , Dlail, Jaish St., Qasr Al Halabat Intersection	32.1320100	36.2726700	br101@hbtf.com.jo
North Azraq	4729	North Azraq, Baghdad Main St., Saead Al Awar Complex	31.8829200	36.8327800	br107@hbtf.com.jo
Ma'soum Sub.	4736	Zarqa , Masoum Sub., King Abdullah II Circle	32.0779470	36.0746310	br108@hbtf.com.jo
Free Zone / Zarqa	3888	Zarqa, Free Zone	32.0901310	36.2146440	br127@hbtf.com.jo
New Zarqa	4920	Zarqa, New Zarqa, Mecca St., Kurdi Plaza Complex	32.0857580	36.0867180	br129@hbtf.com.jo
Zarqa Highway	3866	Zarqa, Zarqa Highway, Building No.29 (Ahmad Commercial Complex)	32.0448310	36.0940010	br140@hbtf.com.jo
Balqa Governorate					
Fuhais	4291	Fuhais, King Abdullah II St., Akef Swias Building	32.0018230	35.7773680	br032@hbtf.com.jo
Salt	4293	Salt, Al Maydan St.	32.0427646	35.7270630	br033@hbtf.com.jo
Baqa'	4372	Amman, Baqa' Camp, Near Salah Eddine Mosque	32.0764630	35.8418450	br046@hbtf.com.jo
Deir Alla	4466	Deir Alla, Al Sawalha, Abu Ubaidah St.	32.1839500	35.6213500	br057@hbtf.com.jo
South Shouna	4504	South Shouna, Al Salt St., Government Depts. Complex	31.9002700	35.6212200	br062@hbtf.com.jo
Karameh	4573	Karameh, Main St.	31.9494930	35.5802040	br074@hbtf.com.jo
Salt Gate	4983	Salt City Gate – Dabbabneh Traffic Lights opposite to Salt Shari'a Court	32.0574200	35.7471000	br133@hbtf.com.jo
Karak Governorate					
Karak	4636	Karak, Municipality Building, Al Nuzha St.	31.1851800	35.7035740	br084@hbtf.com.jo
Potash	4645	Karak, Ghour Al Mazra' , Housing City	31.2448670	35.5290940	br085@hbtf.com.jo
Mu'ta	4665	Mu'ta ,University St.	31.0914300	35.7016800	br088@hbtf.com.jo
Qaser	4763	Karak , Qaser, Main St.	31.3102500	35.7434600	br113@hbtf.com.jo
Thaniah	3849	Karak, Thaniah, opposite to Directorate of Agriculture	31.1724600	35.7360020	br162@hbtf.com.jo

The Housing Bank for Trade & Finance Branches – Jordan

Branch	Phone 06-5005555 Ext.	Address	Coordinates		E-mail
			Latitude	Longitude	
Ma'an Governorate					
Ma'an	4627	Ma'an, King Hussein bin Talal St.	30.1958291	35.7352665	br083@hbtf.com.jo
Petra	4652	Wadi Mousa, Main St., Martyr Circle	30.3209800	35.4806600	br086@hbtf.com.jo
Shobak	4659	Shobak, Najel, Main St.	30.5191800	35.5417700	br087@hbtf.com.jo
Sheidieh	4714	Ma'an, Sheidieh Mine	29.9311280	36.1371310	br104@hbtf.com.jo
Husseiniya	3850	Ma'an, Husseiniya, Municipality Building	30.5948240	35.7982920	br137@hbtf.com.jo
Madaba Governorate					
Madaba	4971	Madaba, King Abdullah St.	31.7192400	35.7919200	br056@hbtf.com.jo
German -Jordanian University	3480	Madaba, almushagar, back yard avenue Complex	31.7789240	35.8009530	br056@hbtf.com.jo
Mafraq Governorate					
Mafraq	4444	Mafraq, King Talal St.	32.3430160	36.2087720	br054@hbtf.com.jo
Western Complex / Mafraq	3873	Mafraq - King Abdullah II St. - Al Hejaz Railway Complex	32.3447230	36.2058330	br054@hbtf.com.jo
Ajloun Governorate					
Ajloun	4433	Ajloun, Alqalaa St., Opp. Municipality Building	32.3327700	35.7516200	br053@hbtf.com.jo
Kufranjah	3930	Ajloun , Kufranjah, Main St.	32.2981500	35.7042490	br072@hbtf.com.jo
Tafileh Governorate					
Tafileh	4618	Tafileh, Main St.	30.8369100	35.6057000	br082@hbtf.com.jo
Hasa	4672	Hasa, Housing City, New Commercial Market	30.8555400	35.9728800	br089@hbtf.com.jo
Aqaba Governorate					
Aqaba	4605	Aqaba, Haya Circle, Royal Jordanian employees fund's building, office number 301, 3rd Floor	29.5260041	35.0019094	br081@hbtf.com.jo
Shuwaikh Mall	4991	Aqaba, Shuwaikh Mall Building	29.5438900	35.0156300	br081@hbtf.com.jo
Jarash Governorate					
Jarash	4448	Jarash, Wasfi Al Tal St. , Opp. Qirwan Circle	32.2821420	35.8949380	br055@hbtf.com.jo
Mobile Bus					
Mobile Bus 1*	-	These Mobile branches tour all regions of the Kingdom			br139@hbtf.com.jo
Mobile Bus 2	4554				br158@hbtf.com.jo

*Frozen

The Housing Bank for Trade & Finance Branches – Outside Jordan

Branch	Phone	Address	E-mail
Palestine			
Regional Management/ Palestine	+ 970 2 2945500	Ramallah, AlQuds St., Padico House Building, P.O. Box 1473	Info.pal@hbtf.com.jo
Ramallah	+ 970 2 2945500	Al Bareed St., Rukab Building, P.O. Box 1473	br401@hbtf.com.jo
Gaza	+ 970 8 2826322	Al Shuhada' St., Palestine Tower, P.O. Box 5010	br402@hbtf.com.jo
Nablus	+ 970 9 2386060	Al Hussein Circle, Al Huwari Building, P.O. Box 1660	br403@hbtf.com.jo
Hebron	+ 970 2 2250055	Wadi Al Tufah St., Al Manarah Circle, P.O. Box 285	br404@hbtf.com.jo
Halhoul	+ 970 2 2299602	Main St.- Althorwa – opposite to northern Hebron Governorate and Halhoul Chamber of Commerce P.O. Box (1) – Halhoul	br405@hbtf.com.jo
Beir Zeit	+ 970 2 2945500	Ramallah , Main St., Near Main Circle, P.O. Box 40	br406@hbtf.com.jo
Khan Younis	+970 8 2079401	Gaza, Abu Humaid Circle, Jalal St., P.O. Box 7073	br407@hbtf.com.jo
Jenin	+ 970 4 2505223	Abu Baker St., P.O. Box 50	br408@hbtf.com.jo
Bethlehem	+970 2 2740375	Al Mahd St., City Center, P.O. Box 30	br409@hbtf.com.jo
Yata	+ 970 2 2273301	Hebron, Yata, Roqa'a St., Near Police Station	br410@hbtf.com.jo
Tormosaya	+ 970 2 2805263	Ramallah, Tormosaya, Abu Raslan Complex, P.O. Box 4	br411@hbtf.com.jo
Dahriyeh	+ 970 2 2266779	Hebron, Dahriyeh, Near Dahriyeh Police Station	br412@hbtf.com.jo
Masyoon	+ 970 2 2945500	Ramallah, AlQuds St., Padico Building, P.O. Box 1473	br413@hbtf.com.jo
Rafedia	+ 970 9 2353612	Nablus, Yaser Arafat President St., next to Albisharah Church.	br414@hbtf.com.jo
Tulkarem	+ 970 9 2696662	Al-Quds Open University, beside KFC Restaurant	br415@hbtf.com.jo
Bahrain			
Bahrain Branch	+973 17 225227	Bahrain, Al Manama Center, Govt. St., P.O. Box 5929	bahrain@hbtf.com.jo

Addresses of Subsidiaries

Branch	Phone	Address
International Bank for Trade & Finance / Syria		
Head Office	+ 963 11 23880000	Damascus , Sabe'a Bahrat , Pakistan St., P.O. Box 10502 www.ibtf.com.sy e-mail: info@ibtf.com.sy
Hejaz	+ 963 11 2260500	Damascus – Hejaz Square- opp. Hejaz Station
Pakistan	+ 963 11 23880000	Damascus – Pakistan St.- opp. Maraya Restaurant
Dama Roze	+ 963 11 2241140	Damascus, Dama Roze Hotel, Abu rumaneh
Yarmouk	+ 963 11 6376400	Damascus, Yarmouk St., Alrejah Square
Housh Plas	+963 950009001	Damascus – Der'a Highway – opp. Town Center
Duma	+ 963 11 5750766	Damascus – Duma
Dummar Project	+ 963 11 3123505	Damascus – Dummar Project – Cham Central Market
Hareeka	+ 963 11 2260222	Damascus – Hareeka Square
Jaramana	+ 963 11 5636337	Damascus – President Square
Qass'a	+ 963 11 4430195	Damascus – Russians Tower
Mezzeh	+ 963 11 6117202	Damascus – Mezzeh – opp. Jala'a Club
Tijarah	+ 963 11 4434210	Damascus – Corniche Tijarah
Fardous	+ 963 11 2327018	Damascus, Fardous St., near the Governorate Square
Zabadani	+ 963 11 7111792	Damascus, zabadani Al-Mahata St., opposite to the Engineers Syndicate
Masaken Barzeh	+ 963 11 5117774	Damascus – Masaken Barzeh – opp. Hamich Hospital
Abu Rummaneh	+963 11 3348717	Damascus – Abu Rumaneh, opposite to Al-madfaa Park
Homs	+ 963 31 2485978	Homs – Engineers Pension Fund Building
Tartus	+ 963 43 321355	Tartus – Banks St.
Faisal	+ 963 21 2262303	Aleppo – King Faisal St.
Sheraton	+ 963 21 2125303	Aleppo – Sheraton Hotel
Jmeleyeh	+ 963 21 2231945	Aleppo – Jmeleyeh
Sheikh Najjar	+ 963 21 4712860	Aleppo – Sheikh Najjar – Industrial City
Shahba' Mall	+ 963 21 2520092	Aleppo –Shahba' Mall
Dar'a	+ 963 15 210291	Dar'a – Hanano St.
Hama	+ 963 33 2243100	Hama – Alameen St.
Muhardeh	+963 33 4731071	Hama-Muhardeh-Ghadah Shoa'a St., near Muhardeh Sport's Club
Hasakeh	+ 963 52 316543	Hasakeh – President Square – Salah Eddine St.
Latakia	+ 963 41 459373	Latakia – Baghdad St.
Sweida	+ 963 16 322191	Sweida – Teshreen Square
Kamishli	+ 963 52 431789	Kamishli – Quwatli circle
Deir Al Zor	+ 963 51 241800	Deir Al Zor – Main St.- opp. Al-Kindi Cinema

Branch	Phone	Address	E-mail
The Housing Bank for Trade & Finance /Algeria			
Head Office	+ 213 21 91 88 88	Algeria , 16 Ahmad Waked St., Dali Ibrahim www.housingbankdz.com	housingbank@housingbankdz.com
Dali Ibrahim	+ 213 21 91 88 88	Algeria – 16 Ahmad Waked St.–Dali Ibrahim	Agence-101@housingbankdz.com
Blida	+ 213 25 40 10 33	Algeria – 61 Alarabi Tebessi St. Blida Municipality, Blida	Agence-102@housingbankdz.com
Oran	+ 213 41 23 02 70	Algeria – 10 Tawnia Albahia/ Alsalam Neighborhood	Agence-103@housingbankdz.com
Setif	+ 213 36 53 85 78	Algeria -20 First Nov. 1954 St., Setif	Agence-104@housingbankdz.com
Dar al Bayda’	+ 213 21 75 46 84	Algeria – 59 Mohammad Khemisti St, Dar al Bayda’	Agence-105@housingbankdz.com
Bgayet	+ 213 34 11 33 51	Algeria – Tajz’at Krim Belkacem, Altawniah Alaqaria 45 Maskan, Bgayet	Agence-106@housingbankdz.com
Constantine	+ 213 56 16 15 832	Algeria – 6 lellouche Belhadj Mostefa hammou SMK, Constantine	Agence-107@housingbankdz.com
Jordan International Bank / London			
Head Office	+44 20 3 144 0200	Almack House, 26-28 King Street, London SW1Y 6QW www.jordanbank.co.uk	info@jordanbank.co.uk

Company		Phone	Address	Website	E-mail
Subsidiary Companies					
Specialized Leasing Co.	Head Office	+ 962 6 5521230	Um Uthyna – Sa’ad Ibn Abi Waqas St., Housing Bank Building, P.O. Box 1174 – Amman 11118	www.slcjo.com	slc@hbtf.com.jo
	Irbid Office	+ 962 2 7250308	Irbid , King Abdullah II St., Quba Circle, Housing Bank building		
	Aqaba Office	+962 3 2033428	Aqaba, King Hussein St., Housing Bank Complex		
International Financial Center Co.					
Head Office		+ 962 6 5696724	Shmeisani, Housing Bank Complex ,2nd Floor, P.O. Box 940919, Amman 11194	www.ifc.com.jo	info@ifc.com.jo
Jordan Real Estate Investments & Commercial Services Co.					
Head Office		+962 6 5005555	Amman, 9th Sha’ban St.	www.hbtf.com	info@hbtf.com.jo

Office	Phone	Address	E-mail
Representative Offices			
Tripoli / Libya	+ 218 213350610	Tripoli, Tripoli Tower, First Tower, Floor 15, Office 155, P.O. Box 91270	hbtfLibya@hbtf.com.jo
Abu Dhabi / U.A.E	+971 26268855	Abu Dhabi, Sheikh Khalifa St., Hamoudeh Bin Ali Building,12th Floor, office 1201 P.O. Box 44768	hbtfAbudhabi@hbtf.com.jo
Baghdad / Iraq	+964 79 01328647	Baghdad, Al Arsat Al Hindeya St., Area No. 929, St. No. 30, Building No. 133, apartment 133/29 Babel Sub.	ifaham@hbtf.com.jo

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