

**INVEST BANK
(PUBLIC SHAREHOLDING COMPANY)
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(REVIEWED AND UNAUDITED)
31 MARCH 2019**

**INVEST BANK
(PUBLIC SHAREHOLDING COMPANY)**

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)**

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**REVIEW REPORT ON INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
TO THE CHAIRMAN AND BOARD OF DIRECTORS OF INVEST BANK
(PUBLIC SHAREHOLDING COMPANY)**

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Invest Bank as of 31 March 2019 and the related interim condensed consolidated statements of income and comprehensive income, interim condensed consolidated statements of changes in equity and cash flows for the three months then ended. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard (34) "interim financial reporting". Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements (2410) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not properly prepared, in all material respects, in accordance with International Accounting Standard (34).

Other Matters

The Bank's financial year ends on December 31 of each year, but the accompanying interim condensed consolidated financial statements have been prepared in accordance with the instructions The interim condensed consolidated financial statements have been prepared in accordance with the listing instructions of Amman Stock Exchange and for management purposes and they are not subject to the approval of the Central Bank of Jordan.

PricewaterhouseCoopers
PricewaterhouseCoopers "Jordan" L.L.C.
Amman, Jordan
29 April 2019



INVEST BANK (PUBLIC SHAREHOLDING COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF 31 MARCH 2019

	Notes	31 March 2019 JD (Unaudited)	31 December 2018 JD (Audited)
Assets			
Cash and balances at the Central Bank of Jordan	4	174,540,096	131,690,084
Balances at banks and financial institutions	5	56,344,015	60,496,498
Deposits at banks and financial institutions	6	5,792,604	5,795,837
Financial assets at fair value through statement of income		715,245	1,887,883
Direct credit facilities - net	7	686,108,874	688,947,616
Financial assets at fair value through other comprehensive income		47,091,026	42,824,335
Financial assets at amortized cost		122,869,545	122,698,332
Property and equipment-net		29,728,415	29,803,843
Intangible assets		2,491,496	2,630,850
Deferred tax assets		11,802,624	11,309,801
Other assets	8	63,249,473	54,017,837
Total assets		<u>1,200,733,413</u>	<u>1,152,102,916</u>
Liabilities And Equity			
Liabilities			
Banks and financial institutions deposits		4,482,196	11,496,379
Customers deposits		798,848,739	747,519,491
Cash margins		50,536,873	53,612,634
Borrowed funds	9	113,302,371	114,971,217
Bonds	10	12,200,000	16,100,000
Sundry provisions		448,187	137,610
Income tax provision	11	5,642,203	4,679,715
Deferred tax liabilities		8,566,313	8,463,508
Other liabilities		22,813,221	16,285,132
Total Liabilities		<u>1,016,840,103</u>	<u>973,265,686</u>
Equity			
Authorized capital		<u>100,000,000</u>	<u>100,000,000</u>
Subscribed and paid-in capital		100,000,000	100,000,000
Statutory reserve		27,263,225	27,263,225
Fair value reserve – net		14,116,742	13,475,675
Retained earnings	12	33,412,776	33,486,650
Net income for the period attributable to the shareholders of the bank		4,421,826	-
Total equity attributable to the shareholders of the bank		<u>179,214,569</u>	<u>174,225,550</u>
Non-controlling interest		<u>4,678,741</u>	<u>4,611,680</u>
Total equity		<u>183,893,310</u>	<u>178,837,230</u>
Total liabilities and equity		<u>1,200,733,413</u>	<u>1,152,102,916</u>

The accompanying notes from 1 to 21 form an integral part of these interim condensed consolidated financial statements

INVEST BANK (PUBLIC SHAREHOLDING COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME
FOR THE THREE MONTHS ENDED 31 MARCH 2019

	<u>Notes</u>	For the three months ended 31 March	
		2019	2018
		JD (Unaudited)	JD (Unaudited)
Interest income		19,165,307	16,349,827
Interest expense		<u>(10,059,036)</u>	<u>(8,499,448)</u>
Net Interest Income		9,106,271	7,850,379
Net commission income		<u>1,930,704</u>	<u>2,336,278</u>
Net Interest and Commissions Income		11,036,975	10,186,657
Gain from foreign currencies exchange		133,301	215,483
Gain (loss) from financial assets at fair value through statement of income		44,830	(14,761)
Cash dividends from financial assets at fair value through other comprehensive income		2,642,262	291,074
Other revenue		<u>599,869</u>	<u>818,642</u>
Gross Income		<u>14,457,237</u>	<u>11,497,095</u>
Employee-related expenses		(3,802,223)	(3,882,371)
Depreciation and amortization		(821,910)	(619,177)
Other expenses		(2,109,212)	(2,314,029)
Expected credit loss on direct credit facilities	7	(1,641,631)	(389,573)
Recovered from expected credit loss in financial assets and off-balance sheet items in accordance to IFRS (9)		206,483	-
Sundry provisions		<u>(310,729)</u>	<u>(31,308)</u>
Total Expenses		<u>(8,479,222)</u>	<u>(7,236,458)</u>
Income for the period before income tax		5,978,015	4,260,637
Income tax for the period	11	<u>(1,489,128)</u>	<u>(1,235,304)</u>
Net income for the period		<u>4,488,887</u>	<u>3,025,333</u>
Attributable to :			
Shareholders of the Bank		4,421,826	2,892,422
Non-controlling interest		<u>67,061</u>	<u>132,911</u>
		<u>4,488,887</u>	<u>3,025,333</u>
Basic and diluted earnings per share from net income for the period attributable to the shareholders of the Bank	19	<u>0.044</u>	<u>0.029</u>

The accompanying notes from 1 to 21 form an integral part of these interim condensed consolidated financial statements.

**INVEST BANK (PUBLIC SHAREHOLDING COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED 31 MARCH 2019**

<u>Notes</u>	For the three months ended 31 March	
	2019	2018
	JD (Unaudited)	JD (Unaudited)
Net income for the period	4,488,887	3,025,333
Other Comprehensive Income Items:		
Changes in fair value reserve – net of tax	641,067	4,522,426
(Losses) gains on sale of financial assets at fair value through other comprehensive income	(73,874)	182,637
Total Other Comprehensive Income	567,193	4,705,063
Total comprehensive income for the period	5,056,080	7,730,396
Total Comprehensive Income Attributable to:		
Shareholders of the Bank	4,989,019	7,597,485
Non-controlling interests	67,061	132,911
	5,056,080	7,730,396

The accompanying notes from 1 to 21 form an integral part of these interim condensed consolidated financial statements

**INVEST BANK (PUBLIC SHAREHOLDING COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED 31 MARCH 2019**

	Reserves																					
	Paid-in capital		Statutory		General banking risks		Financial Assets valuation reserve		Retained earnings		Net income for the period		Total Shareholders' Equity		Attributable to the Bank's shareholders		Non-controlling interest		Total			
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	
(Unaudited)																						
Balance at 31 December 2018	100,000,000	27,263,225	-	13,475,675	33,486,650	-	-	-	-	-	-	-	174,225,550	4,611,680	178,837,230							
Net income for the period	-	-	-	-	-	-	-	-	4,421,826	-	-	-	4,421,826	67,061	4,488,887							
Net changes in fair value reserve – net of tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-							
(Losses) gains on sale of financial assets through other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	549,658							
Total comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	17,535	-	17,535							
Transferred to reserves	-	-	-	-	-	-	-	-	(73,874)	-	-	-	4,989,019	67,061	5,066,080							
Balance at 31 March 2019	100,000,000	27,263,225	-	14,116,742	33,412,776	-	-	-	33,412,776	4,421,826	-	-	179,214,569	4,678,741	183,893,310							
(Unaudited)																						
Balance at 31 December 2017	100,000,000	25,004,513	6,365,000	12,477,651	30,033,210	-	-	-	30,033,210	-	-	-	173,880,374	4,916,610	178,796,984							
Impact of IFRS (9) adoption	-	-	-	-	(6,641,390)	-	-	-	(6,641,390)	-	-	-	(6,641,390)	(265,194)	(6,906,584)							
Transferred from reserves	-	-	-	-	6,365,000	-	-	-	6,365,000	-	-	-	-	-	-							
Balance as of 1 January 2018 (Restated)	100,000,000	25,004,513	-	12,477,651	29,756,820	-	-	-	29,756,820	2,892,422	-	-	167,238,984	4,651,416	171,890,400							
Net income for the period	-	-	-	-	-	-	-	-	-	2,892,422	-	-	2,892,422	132,911	3,025,333							
Net changes in fair value reserve – net of tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-							
Losses on sale of financial assets through other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-							
Total comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-							
Investment in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-							
Balance at 31 March 2018	100,000,000	25,004,513	-	17,151,465	29,788,069	-	-	-	29,788,069	2,892,422	-	-	174,836,469	4,542,443	179,378,912							

- Included in retained earnings an amount of JD 11,802,624 as of 31 March 2019 restricted by the Central Bank of Jordan against deferred tax assets amounted to JD 11,309,801 as of 31 December 2018.
- Included in the retained earnings a restricted amount of JD 1,039,200 as of 31 March 2019 and 31 December 2018, based on Central Bank of Jordan request, which represents the remaining balance illegal transactions.
- Included in the retained earnings a restricted amount of JD 415,199 as of 31 March 2019 and 31 December 2018, which represents the effect of the early adoption of IFRS (9). Such amount is restricted and cannot be utilized unless realized through actual sale as instructed by Jordan Securities Commission.
- Retained earnings balance does not include gain of revaluation of financial assets at fair value through statement of income as of 31 March 2019 and 31 December 2018.
- General banking reserves balances amounting JD 6,365,000 as at 31 December 2017 have been transferred to retained earnings based on Central Bank of Jordan regulation (13/2018) to clear the effect of implementation of IFRS (9), and is restricted to be used after clearing.
- Use of fair value of financial assets reserve-net is restricted and requires prior approval from Central bank of Jordan.

The accompanying notes from 1 to 21 form an integral part of these interim condensed consolidated financial statements

INVEST BANK (PUBLIC SHAREHOLDING COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS ENDED 31 MARCH 2019

	Notes	For the three months ended	
		31 March	
		2019	2018
		JD	JD
		(Unaudited)	(Unaudited)
Operating activities			
Income for the period before income tax		5,978,015	4,260,637
Adjustments for non-cash items:			
Depreciation and amortization		821,910	619,177
Expected credit loss on direct credit facilities		1,641,631	389,573
Recovered from expected credit loss in financial assets and off-balance sheet items in accordance to IFRS (9)		(206,483)	-
Sundry provisions		310,729	31,308
Gain on sale of assets seized by the Bank		(1,914)	(398)
Unrealized loss from financial assets at fair value through Statement of income		31,201	2,823
Dividends received on financial assets at fair value through other comprehensive income		(2,642,262)	(291,074)
Net interest income		3,482,714	419,216
Effect of exchange rate fluctuations on cash and cash equivalents		(8,745)	(17,282)
		<u>9,406,796</u>	<u>5,413,980</u>
Changes in assets and liabilities			
Deposits at banks and financial institutions (Mature after 3 months)		14,818	(28,203)
Deposits at banks and financial institutions (Restricted Balances)		-	273,658
Financial assets at fair value through Statement of Income		1,141,437	(22,508)
Direct credit facilities		1,197,111	(16,191,844)
Other assets		(9,560,868)	(5,027,232)
Customers' deposits		51,329,248	2,792,769
Cash margin		(3,075,761)	1,078,969
Other liabilities		3,495,919	387,679
Net cash generated from (used in) operating activities before income tax paid and paid provisions		<u>53,948,700</u>	<u>(11,322,732)</u>
Income tax paid		(1,131,116)	(1,240,085)
Net cash generated from (used in) operating activities		<u>52,817,584</u>	<u>(12,562,817)</u>
Investing activities			
Purchase of financial assets at fair value through OCI		(4,288,314)	(2,443,782)
Sale of financial assets at fair value through OCI		803,122	679,669
Dividends received from financial assets at fair value through OCI		2,642,262	291,074
Financial assets at amortized cost		(63,783)	(25,333,712)
Purchase of property, equipment, and projects under construction		(597,649)	(251,610)
Purchase of intangible assets		(9,479)	(25,995)
Net cash used in investing activities		<u>(1,513,841)</u>	<u>(27,084,356)</u>
Financing activities			
Borrowed funds		(1,668,846)	7,307,117
Bonds		(3,900,000)	2,100,000
Net cash flows (used in) generated from financing activities		<u>(5,568,846)</u>	<u>9,407,117</u>
Effect of exchange rate fluctuations cash and cash equivalents		8,745	17,282
Net increase (decrease) in cash and cash equivalents		<u>45,743,642</u>	<u>(30,222,774)</u>
Cash and cash equivalents at 1 January	16	<u>180,723,437</u>	<u>169,700,674</u>
Cash and cash equivalents at 31 March	16	<u>226,467,079</u>	<u>139,477,900</u>

The accompanying notes from 1 to 21 form an integral part of these interim condensed consolidated financial statements

(1) GENERAL INFORMATION

Invest Bank (the "Bank") was established as a Jordanian public shareholding company under registration No. (173) dated 12 August 1982 in accordance with the Companies Law No. (12) for the year 1964 with a paid in capital of JD 6 million distributed over 6 million shares with a par value of JD 1 per share. The Bank's capital was increased several times to become JD 77,500,000 / JD 1 per share as of 31 December 2010. Furthermore, during 2011, the Bank's capital was increased to JD 85,250,000 / JD 1 per share. Finally, the Bank's capital was increased by JD 14,750,000 on 10 April 2012. Accordingly, the Bank's authorized and paid in capital became JD 100 Millions / JD 1 per share.

The Bank's Head Office is located in Amman, Abd Alhameed Sharaf Street, Shmesani, Tel: 5001500, P.O Box 950601, Amman – 11195 Jordan.

The Bank provides banking and related financial services through its Head Office and Twelve branches in the Hashemite Kingdom of Jordan, and its subsidiaries.

Invest Bank is a public shareholding company listed in Amman Stock Exchange.

These interim condensed consolidated financial statements have been approved by the Board of Directors in its meeting held on 24 April 2019.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Following are the significant accounting policies used by the Bank in the preparation of these interim condensed consolidated financial statements.

2-1 Basis of preparation

The interim condensed consolidated financial statements of the Bank have been prepared in accordance with International Accounting Standards No. (34) ("interim financial reporting"), and in accordance with the local laws and the instructions of Central Bank of Jordan.

The reporting currency of these interim condensed consolidated financial statements is the Jordanian Dinar which is the functional currency of the Bank.

The interim condensed consolidated financial statements are prepared under the historical cost convention, except for financial assets at fair value through statement of income, financial assets at fair value through other comprehensive income that have been measured at fair value at the date of these interim condensed consolidated financial statements.

These interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements prepared in accordance with International Financial Reporting Standards and should be read in conjunction with the consolidated financial statements of the Bank for the year ended 31 December 2018. Furthermore, the results of operations for the three months ended 31 March 2019 do not necessarily reflect the expected results for the year ending 31 December 2019, except for not appropriating the profit of the three months ended on 31 March 2019 which is usually performed at year end.

2-2 Changes in accounting policies and disclosures

The accounting policies, used in the preparation of these interim condensed consolidated financial statements are consistent with those used in the preparation of the Bank's financial statements for the year ended 31 December 2018, except for the adoption of the following new standards and amendments to existing standards, which had no significant impact on these interim condensed consolidated financial statements:

(a) New and amended standards adopted by the Bank, for the first time applied in the beginning of January 2019:

- **IFRS 9, 'Financial instrument'** - The amendment permits more assets to be measured at amortised cost than under the previous version of IFRS 9, in particular some prepayable financial assets. The amendment also confirms that modifications in financial liabilities will result in the immediate recognition of a gain or loss.
- **IFRIC 23 Uncertainty over Income Tax Treatments** – The interpretation address the determination of taxable profit (tax loss) tax bases, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12. It specifically considers
 - Whether tax treatments should be considered collectively
 - Assumptions for taxation authorities
 - The determination of taxable profit (tax loss), tax bases, unused tax losses, and tax rates
 - The effect of changes in facts and circumstances
- **IFRS 16 "Leases"**

Nature of change: IFRS 16 was issued in January 2016. It will result in almost all leases being recognized on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognized. The only exceptions are short-term and low-value leases. The accounting for lessors will not significantly change.

Impact: The Standard will primarily affect the accounting of the Bank's operating leases.

Mandatory application date: Mandatory for financial years commencing on or after 1 January 2019. The Bank applied the simplified approach. As a result, comparatives for the year 2018 financial information does not reflect the requirements of IFRS 16.

All contracts processed within this standard represent the locations of the Bank's branches and subsidiaries as well as automated teller machines.

Assets recognized in the statement of financial position are amortized using the straight-line method over the expected life of the right of use for each asset.

The leases were previously treated as operating leases in accordance with IFRS 17 and recognized as an expense in the statement of income for the period

As at 1 January 2019, the Bank had non-cancellable operating lease contracts amounting to JD 5,075,448.

The Bank has recorded the right of use assets with the amount of JD 4,316,555 and has recorded an obligation lease liabilities against the rent contracts with the amount of JD 4,316,555.

The effect on the statement of income for the period was decrease in the rent expense by JD 259,494 and increase the amortization expense by JD 239,252.

The following table shows reconciliation of operating lease commitments under IAS 17 to lease liability under IFRS 16 as on 1 January 2019:

	<u>1 January 2019</u> <u>JD</u>
Operating lease commitments disclosed as at 31 December 2018	5,075,448
Discounted using the Group's incremental borrowing rate	<u>(758,893)</u>
Lease liability recognised as at 1 January 2019	<u>4,316,555</u>
<i>Of which are:</i>	
Current lease liabilities	1,013,456
Non-current lease liabilities	<u>3,303,099</u>

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to 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 comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

INVEST BANK (PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
31 MARCH 2019 (UNAUDITED)

The Bank has adopted IFRS 16 prospectively from 1 January 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the specific transitional provisions in the standard.

2-3 Basics of consolidation

The consolidated financial statements include the financial statements of the Bank and the wholly owned subsidiary companies controlled by it. Control exists when the Bank has the ability to control the financial and operating policies of the subsidiary companies in order to achieve financial benefits out of their operations. All inter-company transactions, balances, revenues and expenses between the Bank and its subsidiaries are eliminated

The interim condensed consolidated financial statements include the financial statements of the Bank and its following subsidiaries as of 31 March 2019:

<u>Company's Name</u>	<u>Paid-in capital</u> JD	<u>Bank's ownership</u>	<u>Nature of operations</u>	<u>Location</u>	<u>Date of acquisition</u>
Al- Mawared for Financial Brokerage Company	5,000,000	100%	Financial securities brokerage	Amman	2006
Tamkeen Leasing Company*	20,000,000	97.5%	Lease financing	Amman	2006
Al- Istethmari Latemweel Selselat Al Imdad Company	3,000,000	94%	Management and operation of bonded stores	Amman	2010
Jordanian Company for Factoring **	30,000	100%	Factoring receivables	Amman	2011
Jordan Trade Facilities Company	16,500,000	95.2%	Providing loans and facilities	Amman	2016
Trade Facilities for finance leasing Company	2,000,000	95.2%	Lease financing	Amman	2016
Bindar Trade and Investment Company	20,000,000	93.2%	Providing loans and facilities	Amman	2017
Raboua Al Sharq Real Estate Company	50,000	93.2%	Sale of land and real estates owned by the company	Amman	2017
Rakeen Real Estate Company	30,000	93.2%	Sale of land and real estates owned by the company	Amman	2017
Bindar Lease Financing Company	1,000,000	93.2%	Lease financing	Amman	2017

* Based on a general assembly decision in their extra ordinary meeting held on 18 October 2018, the paid in capital has been increased by JD 10,000,000 to equal an authorized and paid in capital of JD 20,000,000. The procedures to increase the paid in capital were completed on 11 November 2018.

** Jordanian Company for Factoring was established on 21 December 2011 and has not yet started operating at the date of these consolidated financial statements.

The financial statements of the subsidiaries are prepared using the same accounting policies adopted by the Bank. Changes are made to the accounting policies of subsidiaries, when necessary, to align them with accounting policies adopted by the Bank.

The results of operations of the subsidiaries are consolidated in the consolidated statement of income from the date on which control is transferred to the Bank and cease to be consolidated from the date on which control is transferred from the Bank.

Non-controlling interest represents the portion of net profit or loss and net assets not owned directly or indirectly by the Bank in its subsidiaries and are presented in the interim consolidated statement of income and within equity in the consolidated statement of financial position separately from the equity attributable to the shareholders of the Bank.

(3) ACCOUNTING ESTIMATES

Preparation of the interim condensed consolidated financial statements and the application of the accounting policies require the Bank's management to perform assessments and assumptions that affect the amounts of financial assets and liabilities, fair value reserve and the disclosure of contingent liabilities. Moreover, these assessments and assumptions affect revenues, expenses, provisions, and changes in the fair value shown within the consolidated statement of comprehensive income. In particular, this requires the bank's management to issue significant judgments and assumptions to assess future cash flow amounts and their timing. Moreover, the mentioned assessments are necessarily based on assumptions and factors with varying degrees of consideration and uncertainty. In addition, actual results may differ from assessments due to changes resulting from the conditions and circumstance of those assessments in the future.

The significant estimates used by management in the preparation of these interim condensed consolidated financial statements applied in the accounting policies as well as the sources of estimates in cases of uncertainty are consistent with those used in the preparation of the consolidated financial statements as of and for the year ended on 31 December 2018.

(4) CASH ON HAND AND BALANCES AT THE CENTRAL BANK

This item consists of the following:

	31 March 2019	31 December 2018
	JD (Unaudited)	JD (Audited)
Cash on hand	13,542,760	13,863,348
Balances with central banks		
Current and demand accounts	1,191,683	453,351
Term and notice deposits	65,000,000	15,000,000
Statutory cash reserve	52,205,653	54,373,385
Deposit certificate	42,600,000	48,000,000
	<u>174,540,096</u>	<u>131,690,084</u>

- Except for the statutory cash reserve, there are no restricted balances as of 31 March 2019 and 31 December 2018.
- There are no balances mature with a period exceeding three months as of 31 March 2019 and 31 December 2018.

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(5) BALANCES AT BANKS AND FINANCIAL INSTITUTIONS

This item consists of the following:

	31 March 2019 <u>JD</u> (Unaudited)	31 December 2018 <u>JD</u> (Audited)
Local banks and financial institution	24,385,183	28,532,406
Foreign banks and financial institutions	32,023,996	31,997,326
Impairment loss in accordance with IFRS (9)	<u>(65,164)</u>	<u>(33,234)</u>
	<u>56,344,015</u>	<u>60,496,498</u>

- Balances at banks and financial institution with no interest amounted to JD 26,768,191 as of March 2019 against JD 20,591,498 as of 31 December 2018.
- There are no restricted balances as of 31 March 2019 and as of 31 December 2018.

(6) DEPOSITS AT BANKS AND FINANCIAL INSTITUTIONS

This item consists of the following:

	31 March 2019 <u>JD</u> (Unaudited)	31 December 2018 <u>JD</u> (Audited)
Local banks and financial institution	5,795,799	5,810,617
Impairment loss in accordance with IFRS (9)	<u>(3,195)</u>	<u>(14,780)</u>
	<u>5,792,604</u>	<u>5,795,837</u>

There are no restricted balances as of 31 March 2019 and as of 31 December 2018.

Deposits balances maturing within a period exceeding three months amounted to JD 5,795,798 as of 31 March 2019 against JD 5,810,617 as of 31 December 2018.

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(7) DIRECT CREDIT FACILITIES – NET

This item consists of the following:

	31 March 2019 JD (Unaudited)	31 December 2018 JD (Audited)
Individuals (retail):		
Overdraft	13,010,851	14,533,907
Loans and discounted bills *	130,051,069	127,022,902
Credit Cards	19,049,376	19,087,886
Real estate loans	143,883,186	144,073,773
Companies		
Corporate:		
Overdraft	90,087,364	80,637,866
Loans and discounted bills *	273,488,980	290,817,491
Medium and small entities		
Overdraft	5,191,559	5,374,216
Loans and discounted bills *	55,564,361	49,508,811
Government and Public Sectors	7,549,165	7,543,989
Total	737,875,911	738,600,841
Less: Provision for impairment in direct credit facilities	40,897,209	39,295,304
Interest in suspense	10,869,828	10,357,921
Net Direct Credit Facilities	686,108,874	688,947,616

- * The balance shown at net after deducting the interest received in advance amounted to JD 21,161,427 as at 31 March 2019 against JD 22,537,502 as of 31 December 2018.
- Included in the direct credit facility balance a non-performing facilities amounted to JD 55,290,670 which represents 7.5% as of 31 March 2019 against to JD 54,534,633 which represents 7.4% as of 31 December 2018.
- The non-performing facility balances after deducting interest in suspense amounted to JD 44,431,866 which represents 6.1% from direct credit facility as of 31 March 2019 against JD 44,207,157 which represents 6.1% from direct credit facilities after deducting interest in suspense as of 31 December 2018.
- Credit facilities granted to the government amount to 7,549,165 which represents 1% from direct credit facility as of 31 March 2019 and 7,543,989 which represents 1% from direct credit facilities as of 31 December 2018.
- Part of the collaterals of the due instalments and finance lease contract related to Jordan Tarde Facilities Company with an amount of JD 18,059,206 as of 31 March 2019 against JD 15,318,946 (Cheques and promissory notes) as of 31 December 2018 were deposited as collaterals against the loans and overdraft of the company.

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- **Provision for impairment loss on direct credit facilities**

The movement on the provision for Impairment in Direct Credit Facilities was as follows:

	Individuals (Retail) JD	Real estate loans JD	Companies		Total JD
			Corporate JD	Medium and Small JD	
(Unaudited)					
31 March 2019					
Balance at 1 January	14,297,589	3,085,775	15,637,579	6,274,361	39,295,304
Provision charge (surplus) for the period	174,326	(559,003)	1,599,414	426,894	1,641,631
Used during the period (Witten-off)	(35,323)	(1,221)	(5)	(3,177)	(39,726)
Balance at year end	14,436,592	2,525,551	17,236,988	6,698,078	40,897,209
(Audited)					
31 December 2018					
Balance at 1 January	8,760,188	1,928,136	14,036,357	5,747,071	30,471,752
Effect for adoption of IFRS 9	2,968,806	2,323,795	2,970,201	750,857	9,013,659
Provision charge (surplus) for the year	2,770,015	(1,065,444)	(1,240,149)	158,072	622,494
Used during the year (Witten-off)	(201,420)	(100,712)	(128,830)	(381,639)	(812,601)
Balance at year end	14,297,589	3,085,775	15,637,579	6,274,361	39,295,304

- **Interest in suspense**

The movement on interest in suspense was as follows:

	Individuals (Retail) JD	Real estate loans JD	Companies		Total JD
			Corporate JD	Medium and Small JD	
(Unaudited)					
31 March 2019					
Balance at 1 January	2,824,945	1,068,026	4,272,271	2,192,679	10,357,921
Interest in suspense for the period	336,621	94,691	271,735	199,340	902,387
Interest transferred to revenues	(75,842)	(96,012)	(105,111)	(59,906)	(336,871)
Interest in suspense written-off	(12,413)	(28,773)	(1)	(12,422)	(53,609)
Balance at the end of period	3,073,311	1,037,932	4,438,894	2,319,691	10,869,828
(Audited)					
31 December 2018					
Balance at 1 January	2,398,534	768,331	3,069,296	1,646,254	7,882,415
Interest in suspense for the year	1,130,589	435,581	1,286,871	690,794	3,543,835
Interest transferred to revenue	(137,885)	(120,072)	(80,315)	(87,350)	(425,622)
Interest in suspense written-off*	(566,293)	(15,814)	(3,581)	(57,019)	(642,707)
Balance at the end of the year	2,824,945	1,068,026	4,272,271	2,192,679	10,357,921

- According to the board of directors resolution, the senior management of the subsidiaries, the non performing credit facilities with their related interest in suspense have been written off amounted to of JD 93,335 during the period ended 31 March 2019 against JD 1,455,308 for the year ended 31 December 2018.

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(8) OTHER ASSETS

Other assets include the following:

	31 March 2019	31 December 2018
	JD (Unaudited)	JD (Audited)
Accrued interest and revenue	1,572,199	1,903,345
Prepaid expenses *	3,935,007	2,994,711
Assets seized by the Bank **	44,239,405	41,617,299
Refundable deposits	394,025	407,251
Post-dated cheques	87,456	80,585
Balances related to fraudulent transactions - Net ***	1,039,200	1,039,200
Purchased acceptances	863,773	863,652
Right of use assets	4,077,303	-
Others	7,041,105	5,111,794
	<u>63,249,473</u>	<u>54,017,837</u>

* Prepaid expenses include JD 1.5 million which represent the rent of the new branch for the bank in Abdoun Area for 18 years that are paid in advance.

** The Central Bank of Jordan's instructions require disposal of assets seized by the bank during a maximum period of two years from the date of foreclosure and the Central Bank of Jordan can extend that period for a maximum of another two consecutive years. The balance is presented net of related impairment provision for the amount of JD 29,660 as of 31 March 2019 and 31 December 2018, and provision for assets seized for more than four years for the amounts of JD 1,451,140 as of 31 March 2019 and 31 December 2018.

*** The bank was exposed to manipulation activities in the year 2012 in its cash accounts at other banks and financial institutions resulted in a loss of around JD 12.9 Million which is mainly due to the probability of collusion between some of bank's employees. The necessary legal procedures were taken by the bank's management and a provision of JD 10.4 Million as of 31 March 2019 and 31 December 2018 excluding the estimated recoverable amount and foreclosed assets, less the recoverable amounts from the insurance company with the amount of around JD 1.5 Million. Furthermore, the case is still being looked by the General Attorney.

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(9) BORROWED FUNDS

The details of this item are as follows:

	Amount JD	Number of instalments		Frequency of instalments JD	Guarantees JD	Loan interest rate JD
		Total JD	Remaining JD			
31 March 2019 (Unaudited)						
Borrowed loans from the central bank of Jordan	1,142,350	70	46	Monthly	Discounted bills	1.75%
Borrowed loans from banks/ Local institution	107,906,021	2,269	1,395	Monthly, Quarterly, Semi Annually and on maturity date	Mortgage gurantee/cash collaterals/ Tools and equipment gurantee and promissory notes	4.6% to 8.75%
Borrowed loans from foreign institution	4,254,000	3	3	One installment on maturity date	_*	6.6% to 7.2%
Total	113,302,371					
31 December 2018 (Audited)						
Borrowed loans from the central bank of Jordan	1,215,268	70	49	Monthly	Discounted bills	1.75%
Borrowed loans from banks/ Local institution	109,501,949	2,224	1,415	Monthly, Quarterly, Semi Annually and on maturity date	Mortgage gurantee/ cash collaterals/Tools and equipment gurantee and promissory notes	4.6% to 8.75%
Borrowed loans from foreign institution	4,254,000	3	3	One installment on maturity date	_*	6.6% to 7.2%
Total	114,971,217					

- Borrowed funds from Central Bank of Jordan amounting JD 1,142,350 represents funds borrowed to refinance customers' facilities through medium term financing programs.
- Borrowed funds represents credit facilities from local banks amounted to JD 77,406,021 and in form of overdraft accounts and revolving loans granted to the subsidiary companies (Tamkeen Leasing Company, Al-Istehmar Letamweel Selselat Al Imdad, Jordan Trade Facilities Company and Bindar for Trade and Investments).
- Borrowed funds also contains credit facilities granted from Jordan Mortgage refinancing company amounted to JD 30,500,000 and bank refinance an housing loans for interest rate of 8.5%.
- The borrowed funds include borrowed amounts from external institutions amounting to JD 4,254,000, which are loans granted by the Sanad Fund for Micro and Microenterprise Financing for the subsidiary companies (Al-Istehmar Letamweel Selselat Al Imdad Company and Jordan Trade Facilities Company).
- Fixed interest loans amounted to JD 61,280,561 and JD 52,021,809 loans at floating interest rates as of 31 March 2019 against JD 64,140,031 fixed interest loans and 50,831,186 at floating interest rates as of 31 December 2018.

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- Part of the collaterals of the due instalments and finance lease contract related to Jordan Trade Facilities Company with an amount of JD 18,059,206 as of 31 March 2019 against JD 15,318,946 (Cheques and promissory notes) as of 31 December 2018 were deposited as collaterals against the loans and overdraft of the company.
- * Reassurance book issued by the Bank.

(10) BONDS

Subsidiary	Value of issued bonds	Interest rate	Total instalments	Remaining Instalments	Periodical dues for instalments	Collaterals	Issuance date	due date
31 December 2019								
Al- Istethmari Latemweel Selselat Al Imdad Company	3,000,000	7.25%	1	1	One instalment on due date	None	13 June 2018	7 June 2019
Tamkeen Leasing Company	3,000,000	7%	1	1	One instalment on due date	None	10 June 2018	5 June 2019
Bindar Trading & Investment Company	1,200,000	10.92% *	3	1	30% in third and fourth year and 40% in fifth year	Promissory notes	10 March 2015	10 March 2020
Bindar Trading & Investment Company	5,000,000	7.25%	1	1	One instalment on due date	None	12 June 2018	6 June 2019
	<u>12,200,000</u>							
31 December 2018								
Al- Istethmari Latemweel Selselat Al Imdad Company	3,000,000	7.25%	1	1	One instalment on due date	None	13 June 2018	7 June 2019
Tamkeen Leasing Company	3,000,000	7%	1	1	One instalment on due date	None	10 June 2018	5 June 2019
Jordan Trade Facility Company	3,000,000	6.75%	1	1	One instalment on due date	None	9 February 2018	3 February 2019
Bindar Trading & Investment Company	2,100,000	10.67% *	3	2	30% in third and fourth year and 40% in fifth year	Promissory notes	10 March 2015	10 March 2020
Bindar Trading & Investment Company	5,000,000	7.25%	1	1	One instalment on due date	None	12 June 2018	6 June 2019
	<u>16,100,000</u>							

* The bonds were issued on March 10, 2015 at an interest rate of 8.9% per annum for the first two years and variable every six months for the remaining period according to the average lending rate for the best customers at the reference banks plus a margin of 1%.

(11) INCOME TAX

Tax status of the Bank

The Bank has reached to a final settlement with the Income and Sales Tax Department up to the end of the year 2015.

The Bank provided its tax declaration for the years 2016 and 2017 on the period specified legally and Sales Tax Department are reviewing records of 2016 and 2017, and did not issue their report until the date of preparation of these financial statements.

As per the opinion of the Banks' management and its tax consultant, the Bank will not have any tax liabilities exceeding the booked provision as of 31 March 2019.

Tax status of Al Mawared for Financial Brokerage Company (Subsidiary Company)

The Company has reached to a final settlement with the income and sales tax department for the period since inception on 5 June 2006 till the end of the year 2014. Moreover, Income and sales tax department accepted years 2012, 2013 and 2014 tax returns without any amendments.

The Company has submitted the Income Tax report for the years 2015 and 2016 upon legal due date and the Income and Sales Tax Department have not yet reviewed it yet until date of preparation of these financial statements.

The company has submitted the Income Tax report for the years 2017 and Income and sales tax department accepted the 2017 tax returns without any amendments.

As per the opinion of the company' management and its tax consultant, the company will not have any tax liabilities exceeding the booked provision as of 31 March 2019.

Tax status of Tamkeen Leasing Company (Subsidiary Company)

The Company has not submitted its tax return for the period since inception on 31 October 2006 to 31 December 2009 as it did not operate during those years.

The Company has reached to a final settlement with the income and sales tax department for the years 2010 to 2015.

The Company has submitted the Income Tax report for the years 2016 and 2017 upon legal due date and the Income and Sales Tax Department have not yet reviewed it.

The company has submitted the Income Tax report for sales upon legal due date, and the Income and Sales Tax Department has reviewed the report for the period until 31 August 2015.

As per the opinion of the company's management and its tax consultant, the company will not have any tax liabilities exceeding the booked provision as of 31 March 2019.

Tax status of Al Istethmari Letamweel Selselet Al Imdad Company (Subsidiary Company)

The company has reached to a final settlement with the income and sales tax department until the end of the year 2010.

The company has submitted the Income tax report for the years 2011 till 2014 upon legal due date and has settled all announced outstanding liabilities within the legal due dates. Tax reports have been accepted by the Income and sales tax department without any amendments.

The company has submitted the Income tax report for the years 2015 and 2016 upon legal due date and the Income and Sales Tax Department are reviewing them and did not issue the tax report until the date of preparation of these financial statements.

The Company has submitted the Income Tax report for the year 2017 upon legal due date and the Income and Sales Tax Department have not yet reviewed it.

The company has submitted the Sales tax report upon legal due date and no deferred tax liabilities were applicable until date of preparation of these financial statements.

As per the opinion of the company's management and its tax consultant, the company will not have any tax liabilities exceeding the booked provision as of 31 March 2019.

Tax status of Jordan Trade Facilities Company (Subsidiary Company)

A final clearance was made with the Income and Sales Tax Department until the end of 2014.

The Company has submitted the Income tax report for the years 2015 and 2016 upon legal due date and the Income and Sales Tax Department have not yet reviewed it up till date of preparation of these financial statements.

The company has submitted the Income Tax report for the years 2017 and Income and sales tax department accepted the 2017 tax returns without any amendments.

The Company has submitted the Sales tax report upon legal due date, and the sales and income tax department had reviewed the tax reports submitted over the years from 2009 to 2013.

The subsidiary (Trade Facilities for Finance Leasing Company) submitted the self-assessment statements until the end of 2017 and was accepted by the Income and Sales Tax Department without any amendments.

The subsidiary (Trade Facilities for Finance Leasing Company) has submitted the general sales tax returns on time. The income and sales tax department has audited the statements submitted up to 2013.

As per the opinion of the company' management and its tax consultant, the company and its subsidiary will not have any tax liabilities exceeding the booked provision as of 31 March 2019.

Tax status of Bindar Trade and Investment Company (Subsidiary Company)

The Company has reached to a final settlement with the income and sales tax department until the end of the year 2015.

The Company's tax return for the years 2016 and 2017 has been submitted in accordance with the due date and the law has not been audited by the Income and Sales Tax Department until the date of preparation of these financial statements.

The general sales tax returns were audited by the end of 2015, and the subsequent declarations were submitted on time and the related tax was paid up to the date of preparation of these financial statements.

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The subsidiary (Bindar Leasing Company) has entered into a final agreement with the Income and Sales Tax Department of the Company until the end of 2016. The tax return for 2017 was submitted and the Company has no tax liabilities until the date of preparation of these financial statements.

The subsidiary (Bindar Leasing Company) has registered the sales tax as of 1 January 2017. The tax returns and tax payments have been submitted up to the date of preparation of these financial statements.

The subsidiary (Robou Al Sharq Real Estate) made a final clearance with the income and sales tax department of the company until the end of 2017. The tax was paid upon legal specified date.

The subsidiary (Rakeen Real Estate Company) made a final clearance with the Company's Income and Sales Tax Department until the end of 2017. The tax was paid upon legal specified date.

As per the opinion of the company' management and its tax consultant, the company and its subsidiary will not have any tax liabilities exceeding the booked provision as of 31 March 2019.

(12) RETAINED EARNINGS

The movement on retained earnings is as follows:

	31 March 2019
	JD (Unaudited)
Balance of retained earnings 1 January	33,486,650
Loss on sale of financial assets at fair value through other comprehensive income	<u>(73,874)</u>
Balance at the end of the period	<u>33,412,776</u>
 Impact of applying IFRS (9) on retained earnings:-	
	31 December 2018
	JD (Audited)
Balance of retained earnings 31 December 2017	30,033,210
Expected credit loss of assets due to implementation of IFRS 9	(9,710,064)
Implementation of IFRS (9) effect on deferred tax assets/ liabilities	2,827,731
Transfer of general banking risk reserve balance	6,365,000
Implementation of IFRS (9) effect (Reclassification of financial assets)	<u>1,115,030</u>
Balance of retained earnings (opening balance) as of 1 January	30,630,907
Profit for the year	15,479,714
Loss on sale of financial assets at fair value through statement of comprehensive income	(365,259)
Transferred to reserves	(2,258,712)
Dividends	<u>(10,000,000)</u>
Balance at end of the year	<u>33,486,650</u>

- Included in retained earnings an amount of JD 11,802,624 as of 31 March 2019 restricted by the instructions of Central Bank of Jordan for deferred tax assets against JD 11,309,801 as of 31 December 2018.
- Included in the retained earnings a restricted amount of JD 1,039,200 as of 31 March 2019 and 31 December 2018 based on Central Bank of Jordan request, which represents the remaining balance of illegal transactions.
- Included in the retained earnings a restricted amount of JD 415,199 as of 31 March 2019 and 31 December 2018, which represents the effect of the early adoption of IFRS (9). Such amount is restricted and cannot be utilized unless realized through actual sale as instructed by Jordan Securities Commission.
- Retained earnings balance does not include gain of revaluation of financial assets at fair value through statement of income as of 31 March 2019 and 31 December 2018.

(13) PROPOSED DIVIDENDS

The board of directors recommended to the general assembly of shareholders to distribute JD 11 Million for the year 2018 during 2019 which is equivalent to 11% of the Bank's capital and it is subject to the approval of the general assembly of shareholder. The general assembly of shareholders decided to distribute JD 10 Million for the year 2017 which is equivalent to 10% of the Bank's capital in their meeting held on 25 April 2018.

(14) SEGMENT INFORMATION

(a) Information on the Bank's and subsidiaries' Activities:

The Bank is organized, for managerial purposes, into three major segments that are measured according to the reports used by the General Manager and the bank's decision makers. Moreover, the Bank owns three subsidiaries: Al- Mawared for Financial Brokerage Company is specialized in financial brokerage, Tamkeen Leasing Company is specialized in financial leasing, Al Imdad Company is specialized in the bonded stores management and operation, and Jordan Trade facilities company which is specialized in retail financing.

- **Individuals accounts (Retail)**

Include following up on individual customers accounts, and granting credit facilities, credit cards and other services.

- **Corporate accounts**

Include following up on deposits, credit facilities and other banking services related to corporate customers.

- **Treasury**

Include providing dealing services, treasury and management of the Bank's funds.

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* All those amounts and transactions are eliminated in the consolidated financial statements and are shown for explanatory purpose only.

Maximum credit interest rate in Jordanian Dinars 21%	Minimum credit interest rate in Jordanian Dinars 2.25%
Maximum credit interest rate in Other Currencies 12%	Minimum credit interest rate in Other Currencies 6,715%
Maximum Debit interest rate in Jordanian Dinars 6.25%	Minimum credit interest rate in Jordanian Dinars 0%
Maximum Debit interest rate in Other Currencies 1.5%	Minimum credit interest rate in Other Currencies 0%
Maximum Credit Commission rate 1%	Minimum debit commission rate 0%

Credit Interest rates over amortized financial assets in JOD average between 10.71% to 10.92%.

The executive management salaries and benefits for the bank and its subsidiaries amounted to JD 688,195 for the three months ended 31 March 2019 against JD 721,497 in the same period in 2018.

(16) CASH AND CASH EQUIVALENTS

The details of this item are as follows:

	As of 31 March	
	2019	2018
	JD (Unaudited)	JD (Unaudited)
Cash and balances at Central Bank mature within 3 months	174,540,096	98,900,953
Add: Balances at banks and financial institutions mature within 3 months	56,409,179	48,607,617
Less: Deposits at banks and financial institutions due within 3 months	4,482,196	8,030,670
	<u>226,467,079</u>	<u>139,477,900</u>

(17) FAIR VALUE HIERARCHY

The table below analyses the financial instruments carried at fair value based on valuation method. Different levels are defined according to the following:

Level 1: Quoted prices (unadjusted) in active markets for assets or liabilities.

Level 2: Quoted prices in active markets for similar financial assets or liabilities or other valuation techniques for which all material inputs are based on market information.

Level 3: Pricing techniques according to which all material inputs are not based on observable market data.

	Level 1 JD	Level 2 JD	Level 3 JD	Total JD
(Unaudited)				
31 March 2019				
Financial assets at fair value through profit or loss	715,245	-	-	715,245
Financial assets at fair value through other comprehensive income	41,156,473	-	5,934,553	47,091,026
	<u>41,871,718</u>	<u>-</u>	<u>5,934,553</u>	<u>47,806,271</u>
	Level 1 JD	Level 2 JD	Level 3 JD	Total JD
(Audited)				
31 December 2018				
Financial assets at fair value through profit or loss	1,887,883	-	-	1,887,883
Financial assets at fair value through other comprehensive income	37,496,625	-	5,327,710	42,824,335
	<u>39,384,508</u>	<u>-</u>	<u>5,327,710</u>	<u>44,712,218</u>

(18) FAIR VALUE OF FINANCIAL INSTRUMENTS

There were no material differences between the fair value of financial instruments and their carrying value recognized in the financial statements. Moreover, there were no material differences between the fair value and the carrying value of the direct credit facilities, financial assets at amortized cost, banks and financial institutions deposits, customer deposits, cash margins and borrowed funds stated at amortized costs in the interim condensed consolidated financial statements, due to the immaterial difference in the market interest rates for similar financial instruments of the contractual prices and due to the short terms of maturity of the banks and financial institutions deposits. The fair value of financial assets at amortized cost is determined through the quoted prices if available or through the valuation models used for fixed price bonds.

(19) EARNINGS PER SHARE FOR THE PERIOD

The details of this item are as follows:

	As of 31 March	
	2019	2018
	JD	JD
	(Unaudited)	(Unaudited)
Attributable to the bank's Shareholders	4,421,826	2,892,422
Weighted average number of shares	100,000,000	100,000,000
Basic and diluted earnings per share from the profit for the period	0,044	0,029

Earnings per share from net income for the year equal diluted per share noting that the bank did not issue any financial asset that would impact earnings per share.

(20) CONTINGENT LIABILITIES

	31 March	31 December
	2019	2018
	JD	JD
	(Unaudited)	(Audited)
Letters of credit	5,493,627	8,175,702
Acceptances	4,827,149	7,801,957
Letters of guarantee:		
Payments	30,441,168	32,745,295
Performance	41,427,767	41,525,524
Others	16,173,673	16,071,330
Unutilized direct credit facilities limits	20,270,389	35,644,588
Total	118,633,773	141,964,396

(21) LAWSUITS HELD AGAINST THE BANK AND ITS SUBSIDIARIES

The Bank is a defendant in lawsuits amounting to JD 4,604,068 as of 31 March 2019 against JD 4,603,300 as of 31 December 2018. The total provision booked against these lawsuits amounted to JD 323,473 as of 31 March 2019 against JD 52,570 as of 31 December 2018. As per the estimate of the management and the bank's lawyer, no addition liabilities would arise against these lawsuits.

There were no lawsuits against the subsidiary companies: Al Mawared for financial brokerage, Tamkeen for Finance leasing and Jordan Company for factoring as of 31 March 2019 and 31 December 2018.

The lawsuits against Jordan Trade Facilities amounted to 226,935 as of 31 March 2019 against JD 258,494 as of 31 December 2018. Based on the estimations of the management and the company's lawyer no provision is needed at this level.

Lawsuits raised against Trade Facilities for Financial Leasing (Subsidiary of the Bank) amounted to JD 21,046 as of 31 March 2019 against JD 22,046 as of 31 December 2018, Based on the estimations of the management and the company's lawyer no provision is needed at this level.

Lawsuits raised against Bindar Trading and Investment Company (Subsidiary of the company) amounted to JD 114,725 as of 31 March 2019 and 31 December 2018 .The total provision booked against these lawsuits amounted to JD 61,725 as of 31 March 2019 against JD 28,885 as of 31 December 2018. As per the estimate of the management and the bank's lawyer, no addition liabilities would arise against these lawsuits.

No lawsuits were raised against Bindar for Financial Leasing, Robou Al Sharq for real estate Company and Raken for real estate Company (Subsidiaries of Bindar for Trading and Investments) as of 31 March 2019 and 31 December 2018.