ARAB BANK GROUP
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Reviewed not Audited)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2019
TOGETHER WITH REVIEW REPORT ON INTERIM FINANCIAL STATEMENTS

ARAB BANK GROUP
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2019

CONTENTS

Ernst & Young Jordan
P.O.Box 1140
Amman 11118
Jordan
Tel : 00 962 6580 0777/00 962 6552 6111
Fax: 00 962 6553 8300
www.ey.com/me

Building a better working world

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
TO THE BOARD OF DIRECTORS
ARAB BANK GROUP
AMMAN - JORDAN

We have reviewed the accompanying interim condensed consolidated financial statements of Arab Bank Group as of 31 March 2019, comprising of the interim consolidated statement of financial position as of 31 March 2019 and the related interim consolidated income statement, the interim consolidated statement of comprehensive income, the interim consolidated statement of changes in equity and the interim consolidated statement of cash flows for the three-month period then ended and explanatory notes. The Board of Directors is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34 - Interim Financial Reporting ("IAS 34"). 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 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 prepared, in all material respects, in accordance with International Accounting Standard 34.

Amman – Jordan
28 April 2019

Ernst + Young

ARAB BANK GROUP

CONDENSED CONSOLIDATED INTERIM

STATEMENT OF FINANCIAL POSITION

	Notes	31 March 2019 (Reviewed not Audited)	31 December 2018 (Audited)
ASSETS		**USD '000**	**USD '000**
Cash and balances with central banks	4	7 664 363	7 974 014
Balances with banks and financial institutions	5	3 156 409	3 197 643
Deposits with banks and financial institutions	6	334 458	323 443
Financial assets at fair value through profit or loss	7	341 973	439 829
Financial derivatives - positive fair value		65 246	63 963
Direct credit facilities at amortized cost	9	23 691 566	23 785 542
Financial assets at fair value through other comprehensive income	8	368 188	371 010
Other financial assets at amortized cost	10	8 409 700	8 507 847
Investments in associates		3 383 279	3 298 251
Fixed assets	11	459 390	455 719
Other assets	12	745 022	613 418
Deferred tax assets		135 392	131 946
Total Assets		**48 754 986**	**49 162 625**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Banks and financial institutions' deposits		4 259 674	4 266 590
Customers' deposits	13	30 818 852	31 430 913
Cash margin		2 885 713	2 913 471
Financial derivatives - negative fair value		48 989	51 523
Borrowed funds	14	270 621	281 479
Provision for income tax	15	322 449	321 490
Other provisions		212 328	210 303
Other liabilities	16	1 467 061	1 014 057
Deferred tax liabilities		8 157	8 210
Total Liabilities		**40 293 844**	**40 498 036**
Share capital	17	926 615	926 615
Share premium		1 225 747	1 225 747
Statutory reserve	17	919 507	919 507
Voluntary reserve		977 315	977 315
General reserve		1 141 824	1 141 824
General banking risks reserve		237 124	237 124
Reserves with associates		1 540 896	1 540 896
Foreign currency translation reserve		(277 142)	(264 651)
Investments revaluation reserve		(310 541)	(322 831)
Retained earnings	18	1 988 870	2 192 006
Total Equity Attributable to the Shareholders of the Bank		**8 370 215**	**8 573 552**
Non-controlling interests		90 927	91 037
Total Shareholders' Equity		**8 461 142**	**8 664 589**
Total Liabilities and Shareholders' Equity		**48 754 986**	**49 162 625**

The accompanying notes from (1) to (34) are an integral part of these condensed consolidated interim financial statements and should be read with them.

ARAB BANK GROUP
CONDENSED CONSOLIDATED INTERIM STATEMENT OF INCOME
(REVIEWED NOT AUDITED)

	Notes	For the Three-Months Period Ended 31 March 2019 USD '000	2018 USD '000
REVENUE			
Interest income	19	602 331	525 802
Less: interest expense	20	269 915	214 252
Net Interest Income		**332 416**	**311 550**
Net commission income	21	71 405	74 488
Net Interest and Commission Income		**403 821**	**386 038**
Foreign exchange differences		31 054	29 687
Gain from financial assets at fair value through profit or loss	22	1 787	1 022
Dividends from financial assets at fair value through other comprehensive income		3 554	3 815
Group's share of profits of associates		107 602	91 670
Other revenue, net	23	10 833	14 062
Total Income		**558 651**	**526 294**
EXPENSES			
Employees' expenses		122 264	118 831
Other expenses		72 396	64 506
Depreciation and amortization		14 454	14 264
Provision for impairment - ECL		31 894	47 812
Other provisions		4 857	(5 900)
Total Expenses		**245 865**	**239 513**
Profit for the Period before Income Tax		**312 786**	**286 781**
Less: Income tax expense	15	81 016	66 498
Profit for the Period		**231 770**	**220 283**
Attributable to :			
- Bank's shareholders		230 212	217 128
- Non-controlling interests		1 558	3 155
Total		**231 770**	**220 283**
Earnings per share attributable to the Bank's shareholders			
- Basic and Diluted (US Dollars)	30	**0.36**	**0.34**

The accompanying notes from (1) to (34) are an integral part of these condensed consolidated interim financial statements and should be read with them.

ARAB BANK GROUP

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

(REVIEWED NOT AUDITED)

	For the Three-Months Period Ended 31 March	
	2019	2018
	USD '000	USD '000
Profit for the period	**231 770**	**220 283**
Add: Other comprehensive income items - after tax		
Items that will be subsequently transferred to the statement of Income		
Exchange differences arising on the translation of foreign operations	(13 629)	(6 200)
Items that will not be subsequently transferred to the statement of Income		
Net change in fair value of financial assets at fair value through other comprehensive income	**10 910**	**3 079**
Change in fair value of financial assets at fair value through other comprehensive income	11 760	3 234
(Loss) from sale of financial assets at fair value through the statement of comprehensive income	(850)	(155)
Total Other Comprehensive Income Items - after Tax	**(2 719)**	**(3 121)**
Total Comprehensive Income for the Period	**229 051**	**217 162**
Attributable to :		
- Bank's shareholders	229 161	213 605
- Non-controlling interests	(110)	3 557
Total	**229 051**	**217 162**

The accompanying notes from (1) to (34) are an integral part of these condensed consolidated interim financial statements and should be read with them.

ARAB BANK GROUP

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(REVIEWED NOT AUDITED)

	Notes	Share Capital	Share Premium	Statutory Reserve	Voluntary Reserve	General Reserve	General Banking Risks Reserve	Reserves with Associates	Foreign Currency Translation Reserve	Investments revaluation reserve	Retained Earnings *	Total Equity Attributable to the Shareholders of the Bank	Non-Controlling Interests	Total Shareholders' Equity
For the Three-Months Period Ended March 31, 2019		USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000
Balance at the beginning of the Period		926 615	1 225 747	919 507	977 315	1 141 824	237 124	1 540 896	(264 651)	(322 831)	2 192 006	8 573 552	91 037	8 664 589
Effect of IFRS (16) adoption (note 3)		-	-	-	-	-	-	-	-	-	(6 074)	(6 074)	-	(6 074)
Restated Balance at the beginning of the year		926 615	1 225 747	919 507	977 315	1 141 824	237 124	1 540 896	(264 651)	(322 831)	2 185 932	8 567 478	91 037	8 658 515
Profit for the period		-	-	-	-	-	-	-	-	-	230 212	230 212	1 558	231 770
Other comprehensive income for the period		-	-	-	-	-	-	-	(12 491)	11 440	-	(1 051)	(1 668)	(2 719)
Total Comprehensive Income for the Period		-	-	-	-	-	-	-	(12 491)	11 440	230 212	229 161	(110)	229 051
Transferred from investments revaluation reserve to retained earnings	18	-	-	-	-	-	-	-	-	850	(850)	-	-	-
Dividends	18	-	-	-	-	-	-	-	-	-	(417 997)	(417 997)		(417 997)
Changes in associates equity ***		-	-	-	-	-	-	-	-	-	(8 427)	(8 427)	-	(8 427)
Balance at the End of the Period		926 615	1 225 747	919 507	977 315	1 141 824	237 124	1 540 896	(277 142)	(310 541)	1 988 870	8 370 215	90 927	8 461 142
For the Three-Months Period Ended March 31, 2018														
Balance at the beginning of the period		926 615	1 225 747	841 359	977 315	1 141 824	395 828	1 540 896	(350 550)	(313 438)	1 904 663	8 290 259	119 013	8 409 272
Effect of IFRS (9) adoption		-	-	-	-	-	-	-	-	-	(93 978)	(93 978)	(5 393)	(99 371)
Restated Balance at the beginning of the year		926 615	1 225 747	841 359	977 315	1 141 824	395 828	1 540 896	(350 550)	(313 438)	1 810 685	8 196 281	113 620	8 309 901
Profit for the period		-	-	-	-	-	-	-	-	-	217 128	217 128	3 155	220 283
Other comprehensive income for the period		-	-	-	-	-	-	-	(6 990)	3 467	-	(3 523)	402	(3 121)
Total Comprehensive Income for the Period		-	-	-	-	-	-	-	(6 990)	3 467	217 128	213 605	3 557	217 162
Transferred from investments revaluation reserve to retained earnings **		-	-	-	-	-	-	-	-	155	(155)	-	-	-
Transferred from general banking risk reserve		-	-	-	-	-	(163 724)	-	-	-	163 724	-	-	-
Dividends	18	-	-	-	-	-	-	-	-	-	(368 911)	(368 911)		(368 911)
Balance at the End of the Period		926 615	1 225 747	841 359	977 315	1 141 824	232 104	1 540 896	(357 540)	(309 816)	1 822 471	8 040 975	117 177	8 158 152

* The retained earnings include restricted deferred tax assets in the amount of USD 135.4 million, as well as, Restricted retained earnings that cannot be distributed or otherwise utilized except only under certain circumstances as a result of the adoption of certain Accounting Standards amounted to USD 2.8 million as of March 31, 2019.

* The Bank cannot use a restricted amount of USD (310.5) million which represents the negative investments revaluation reserve in accordance with the instructions of the Jordan Securities Commission and Central Bank of Jordan as of March 31, 2019.

** The Central Bank of Jordan issued a new regulations No. 13/2018 dated 6 June 2018, in which it requested the transfer of the general banking risk reserve balance (calculated in accordance with the Central Bank of Jordan's regulations) to the retained earnings to offset the effect of IFRS 9 on the opening balance of the retained earnings account as of 1 January 2018. The regulations also instructs that the balance of the general banking risk reserve should be restricted and may not be distributed as dividends to the shareholders or used for any other purposes without prior approval from the Central Bank of Jordan.

*** Changes in associates equity represents the Group's share from the changes in the associates equities which resulted from the adoption of IFRS 16.

The accompanying notes from (1) to (34) are an integral part of these condensed consolidated interim financial statements and should be read with them.

ARAB BANK GROUP

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

(REVIEWED NOT AUDITED)

	Notes	For the Three-Months Period Ended 31 March 2019	For the Three-Months Period Ended 31 March 2018
		USD '000	USD '000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the period before tax		**312 786**	**286 781**
Adjustments for:			
Group's share of profits of associates		(107 602)	(91 670)
Depreciation and amortization		14 454	14 264
Provision for impairment - ECL		31 894	47 812
Net accrued interest		15 586	(25 173)
(Gains) from sale of fixed assets		(850)	(83)
Dividends on financial assets at fair value through other comprehensive income		(3 554)	(3 815)
(Gains) from revaluation of financial assets at fair value through profit or loss	22	(459)	(615)
Other provisions		4 857	(5 900)
Total		**267 112**	**221 601**
(Increase) Decrease in Assets:			
Balances with central banks (maturing after 3 months)		(42 062)	-
Deposits with banks and financial institutions (maturing after 3 months)		(11 006)	769 348
Direct credit facilities at amortized cost		60 215	(321 789)
Financial assets at fair value through profit or loss		98 315	(7 999)
Other assets and financial derivatives		(131 669)	(101 294)
Increase (Decrease) in Liabilities:			
Banks' and financial institutions' deposits (maturing after 3 months)		832 960	247 438
Customer's deposits		(612 061)	(285 728)
Cash margin		(27 758)	(138 738)
Other liabilities and financial derivatives		(7 302)	(240 357)
Net Cash Flows Generated by Operating Activities before Income Tax		**426 744**	**142 482**
Income tax paid	15	(82 685)	(60 142)
Net Cash Flows Generated by Operating Activities		**344 059**	**82 340**
CASH FLOWS FROM INVESTING ACTIVITIES			
Sale (Purchase) of financial assets at fair value through other comprehensive income		13 732	(17 908)
Maturity (Purchase) of other financial assets at amortized cost		103 954	(238 914)
(Increase) of investments in associates		(600)	(620)
Dividends received from associates		25 417	25 380
Dividends received from financial assets at fair value through other comprehensive income		3 554	3 815
(Increase) in fixed assets - net		(17 275)	(6 691)
Net Cash Flows Generated by (Used in) Investing Activities		**128 782**	**(234 938)**
CASH FLOWS FROM FINANCING ACTIVITIES			
(Paid) borrowed funds		(10 858)	6 745
Dividends paid to shareholders		(622)	(753)
Net Cash Flows (Used in) by Financing Activities		**(11 480)**	**5 992**
Net Increase (Decrease) in cash and cash equivalents		461 361	(146 606)
Exchange differences - change in foreign exchange rates		(12 491)	(6 990)
Cash and cash equivalents at the beginning of the Year		7 367 430	7 354 955
Cash and Cash Equivalents at the End of the Period	31	**7 816 300**	**7 201 359**
Operational Cash Flows form Interest			
Interest Paid		249 665	220 745
Interest Received		597 667	507 122

The accompanying notes from (1) to (34) are an integral part of these condensed consolidated interim financial statements and should be read with them.

1. GENERAL INFORMATION

- Arab Bank was established in 1930, and is registered as a Jordanian public shareholding limited company. The Head Office of the Bank is domiciled in Amman - Hashemite Kingdom of Jordan and the Bank operates worldwide through its 79 branches in Jordan and 126 branches abroad. Also, the Bank operates through its subsidiaries and Arab Bank (Switzerland) limited.
- Arab Bank Plc shares are traded on Amman Stock Exchange. The share of Arab Bank represents the Bank's share in all entities of Arab Bank Group except for Arab Bank (Switzerland) Limited, the shares of which are stapled with Arab Bank shares and are traded at the same time.
- The accompanying interim condensed consolidated financial statements was approved by the Board of Directors in its meeting Number (3) on 25 April 2019.

2. BASIS OF CONSOLIDATION OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

- The accompanying interim condensed consolidated financial statements of Arab Bank Group, presented in US dollars, comprise the financial statements of Arab Bank plc, Arab Bank (Switzerland) Limited and the following key subsidiaries:

Company Name	Percentage of ownership%		Date of acquisition	Principal Activity	Place of Incorporation	Paid up capital
	31 March 2019	31 December 2018				
Europe Arab Bank plc	100.00	100.00	2006	Banking	United Kingdom	€ 570m
Arab Bank Australia Limited	100.00	100.00	1994	Banking	Australia	AUD 119.3m
Islamic International Arab Bank plc	100.00	100.00	1997	Banking	Jordan	JD 100m
Arab National Leasing Company LLC	100.00	100.00	1996	Financial Leasing	Jordan	JD 50m
Al-Arabi Investment Group LLC	100.00	100.00	1996	Brokerage and Financial Services	Jordan	JD 14m
Arab Sudanese Bank Limited	100.00	100.00	2008	Banking	Sudan	SDG 117.5m
Al Arabi Investment Group / Palestine	100.00	100.00	2009	Brokerage and Financial Services	Palestine	JD 1.7m
Arab Tunisian Bank	64.24	64.24	1982	Banking	Tunisia	TND 100m
Arab Bank Syria	51.29	51.29	2005	Banking	Syria	SYP 5.05b
Al Nisr Al Arabi Insurance Company	50.00	50.00	2006	Insurance	Jordan	JD 10m

- The interim condensed consolidated financial statements comprise the financial statements of the Bank and its subsidiaries where the Bank holds control over the subsidiaries. The control exists when the Bank controls the subsidiaries significant and relevant activities and is exposed, or has rights, to variable returns from its involvement with the subsidiaries and has the ability to affect those returns through its power over the subsidiaries.

- The interim condensed consolidated financial statements of subsidiaries is prepared using the same accounting policies used by the Group. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group.

- The results of operations of the subsidiaries are included in the interim condensed consolidated statement of income effective from the acquisition date, which is the date of transfer of control over the subsidiary by the Group. The results of operations of subsidiaries disposed are included in the Interim Condensed Consolidated statement of income up to the effective date of disposal, which is the date of loss of control over the subsidiary.

- Upon consolidation of the Interim Condensed Consolidated financial statements, inter-Group transactions and balances between Arab Bank plc and Arab Bank (Switzerland) Limited and other subsidiaries are eliminated. Non-controlling interests (the interest not owned by the Group in the equity of subsidiaries) are stated separately within shareholders' equity in the Interim Condensed Consolidated statement of financial position.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND POLICIES

Basis of preparation of the Interim Condensed Consolidated Financial Statements

- The accompanying Interim Condensed Consolidated financial statements has been prepared in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting".

- The Interim Condensed Consolidated financial statements are prepared in accordance with the historical cost principle, except for financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income and financial derivatives, which are stated at fair value as of the date of the interim condensed consolidated financial statements.

- The accompanying Interim Condensed Consolidated financial statements do not include all the information and disclosures required for the annual financial statements, which are prepared in accordance with the International Financial Reporting Standards and must be read with the consolidated financial statements of the Group as of 31 December 2018. In addition, the results of the Group's operations for the three months ended 31 March 2019 do not necessarily represent indications of the expected results for the year ending 31 December 2019, and do not contain the appropriation of the profit of the current period, which is usually performed at year end.

The accounting policies adopted in the preparation of the Interim Condensed Consolidated financial statements are consistent with those adopted for the year ended 31 December 2018, except for the adoption of new standards and amendments effective as of 1 January 2019:

IFRS 16 Leases

IFRS 16 supersedes IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for most leases under a single on-balance sheet model.

Lessor accounting under IFRS 16 is substantially unchanged from IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in IAS 17. Therefore, IFRS 16 did not have an impact for leases where the Group is the lessor.

The Group adopted IFRS 16 using the modified retrospective approach with the date of initial application of 1 January 2019 accordingly, prior year financial statements were not restated. The Group elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 at the date of initial application. The Group also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option ('short-term leases'), and lease contracts for which the underlying asset is of low value ('low-value assets').

The effect of adoption IFRS 16 is as follows:

Impact on the interim condensed consolidated statement of financial position as at 1 January 2019:

	2019 USD (Unaudited)
Assets	
Right of use assets	**105,313**
Liabilities	
Operating lease liabilities	**103,205**
Less: Prepaid rent	**(8,182)**
Total equity	**(6,074)**

a) Nature of the effect of adoption of IFRS 16

The Group has lease contracts for various items of property and equipment. Before the adoption of IFRS 16, the Group classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. A lease was classified as a finance lease if it transferred substantially all of the risks and rewards incidental to ownership of the leased asset to the Group; otherwise it was classified as an operating lease. Finance leases were capitalized at the commencement of the lease at the inception date at the fair value of the leased property or, if lower, at the present value of the minimum lease payments.

Lease payments were apportioned between interest (recognized as finance costs) and reduction of the lease liability. In an operating lease, the leased property was not capitalized and the lease payments were recognized as rent expense in profit or loss on a straight-line basis over the lease term. Any prepaid rent and accrued rent were recognized under Prepayments and Trade and other payables, respectively.

Upon adoption of IFRS 16, the Group applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The standard provides specific transition requirements and practical expedients, which has been applied by the Group.

• *Leases previously classified as finance leases*

The Group did not change the initial carrying amounts of recognized assets and liabilities at the date of initial application for leases previously classified as finance leases (i.e., the right-of-use assets and lease liabilities equal the lease assets and liabilities recognized under IAS 17). The requirements of IFRS 16 was applied to these leases from 1 January 2019.

• *Leases previously accounted for as operating leases*

The Group recognised right-of-use assets and operating lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for most leases were recognised based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. In some leases, the right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Group also applied the available practical expedients wherein it:

• Used a single discount rate to a portfolio of leases with reasonably similar characteristics

• Relied on its assessment of whether leases are onerous immediately before the date of initial application

• Applied the short-term leases exemptions to leases with lease term that ends within 12 months at the date of initial application

• Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application

• Used hindsight in determining the lease term where the contract contains options to extend or terminate the lease

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to some of its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Significant judgement in determining the lease term of contracts with renewal options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has the option, under some of its leases to lease the assets for additional terms. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew.

That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy).

IFRIC Interpretation 23 Uncertainty over Income Tax Treatment

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12 and does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. An entity must determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The interpretation is effective for annual reporting periods beginning on or after 1January 2019, but certain transition reliefs are available.

These amendments do not have any impact on the Group's interim condensed consolidated financial statements.

Amendments to IFRS 9: Prepayment Features with Negative Compensation

Under IFRS 9, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to IFRS 9 clarify that a financial asset passes the SPPI criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract.

These amendments do not have any impact on the Group's interim condensed consolidated financial statements.

Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture

The amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that the gain or loss resulting from the sale or contribution of assets that constitute a business, as defined in IFRS 3, between an investor and its associate or joint venture, is recognised in full. Any gain or loss resulting from the sale or contribution of assets that do not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture. The IASB has deferred the effective date of these amendments indefinitely, but an entity that early adopts the amendments must apply them prospectively.

These amendments do not have any impact on the Group's interim condensed consolidated financial statements.

Amendments to IAS 28: Long-term interests in associates and joint ventures

The amendments clarify that an entity applies IFRS 9 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in IFRS 9 applies to such long-term interests.

The amendments also clarified that, in applying IFRS 9, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognised as adjustments to the net investment in the associate or joint venture that arise from applying IAS 28 Investments in Associates and Joint Ventures.

These amendments do not have any impact on the Group's interim condensed consolidated financial statements.

Accounting Estimates

- The accounting estimates adopted in the preparation of the Interim Condensed Consolidated financial statements are reasonable and consistent with those adopted for the year ended 31 December 2018, except for ECL as mentioned below.

  Use of estimate

  Provision for impairment - ECL

  In determining impairment of financial assets, judgement is required in the estimation of the amount and timing of future cash flows as well as an assessment of whether the credit risk on the financial asset has increased significantly since initial recognition and incorporation of forward-looking information in the measurement of ECL.

  The Group computes the provision for impairment of financial assets according to the International Financial Reporting Standards (IFRSs) which are in line with Central Bank of Jordan regulations.

Inputs, assumptions and techniques used for ECL calculation – IFRS9 Methodology

Key concepts in IFRS 9 that have the most significant impact and require a high level of judgment, as considered by the Group while determining the impact assessment, are:

- **Assessment of Significant Increase in Credit Risk**

To assess whether the credit risk on a financial asset has increased significantly since origination, the Group compares the risk of default occurring over the expected life of the financial asset at the reporting date to the corresponding risk of default at origination, using key risk indicators that are used in the Group's existing risk management processes.

Our assessment of significant increases in credit risk will be performed at least quarterly for each individual exposure based on three factors. If any of the following factors indicates that a significant increase in credit risk has occurred, the instrument will be moved from Stage 1 to Stage 2:

1. We have established thresholds for significant increases in credit risk based on movement in PDs relative to initial recognition.
2. Additional qualitative reviews will be performed to assess the staging results and make adjustments, as necessary, to better reflect the positions which have significantly increased in risk.
3. Instruments which are 45 days past due have experienced a significant increase in credit risk. Central Bank of Jordan in its instructions requested to apply 60 days past due for significant increase in credit risk which is subject to decrease to 30 days in 3 years. Arab Bank applies 45 days past due in this regard.

Movements between Stage 2 and Stage 3 are based on whether financial assets are credit-impaired as at the reporting date. The determination of credit-impairment under IFRS 9 will be similar to the individual assessment of financial assets for objective evidence of impairment under IAS 39, as mentioned in the "Definition of default" below.

- **Macroeconomic Factors, Forward Looking Information (FLI) and Multiple Scenarios**

The measurement of expected credit losses for each stage and the assessment of significant increases in credit risk must consider information about past events and current conditions as well as reasonable and supportable forecasts of future events and economic conditions. The estimation and application of forward-looking information will require significant judgment.

PD, Loss Given Default (LGD) and Exposure At Default (EAD) inputs used to estimate Stage 1 and Stage 2 credit loss allowances are modelled based on the macroeconomic variables (or changes in macroeconomic variables) that are most closely correlated with credit losses in the relevant portfolio.

Each macroeconomic scenario used in our expected credit loss calculation will have forecasts of the relevant macroeconomic variables.

The estimation of expected credit losses in Stage 1 and Stage 2 will be a discounted probability-weighted estimate that considers a minimum of three future macroeconomic scenarios.

The base case scenario will be based on macroeconomic forecasts (e.g.: GDP, inflation, interest rate...). Upside and downside scenarios will be set relative to our base case scenario based on reasonably possible alternative macroeconomic conditions. Scenario design, including the identification of additional downside scenarios will occur on at least an annual basis and more frequently if conditions warrant.

Scenarios will be probability-weighted according to the best estimate of their relative likelihood based on historical frequency and current trends and conditions. Probability weights will be updated on a quarterly basis. All scenarios considered will be applied to all portfolios subject to expected credit losses with the same probabilities.

- **Definition of default**

The definition of default used in the measurement of expected credit losses and the assessment to determine movement between stages will be consistent with the definition of default used for internal credit risk management purposes. IFRS 9 does not define default, but contains a rebuttable presumption that default has occurred when an exposure is greater than 90 days past due.

The Group has set out the definition of default where a default is considered to have occurred when either or both of the two following events have taken place:

- The obligor is considered unlikely to pay its credit obligations in full
- The obligor is past due for 90 days or more on any material credit obligation.

- **Expected Life**

When measuring ECL, the Group must consider the maximum contractual period over which the Bank is exposed to credit risk. All contractual terms should be considered when determining the expected life, including prepayment options and extension and rollover options. For certain revolving credit facilities that do not have a fixed maturity, the expected life is estimated based on the period over which the Group is exposed to credit risk and where the credit losses would not be mitigated by management actions.

4. CASH AND BALANCES WITH CENTRAL BANKS

The details of this item are as follows:

	31 March 2019 (Reviewed not Audited)	31 December 2018 (Audited)
	USD '000	USD '000
Cash on hand	470 389	452 637
Balances with central banks:		
Current accounts	2 289 779	2 484 344
Time and notice	2 671 585	2 879 087
Mandatory cash reserve	1 659 156	1 543 327
Certificates of deposit	576 655	616 365
Less: Net ECL Charges	(3 201)	(1 746)
Total	**7 664 363**	**7 974 014**

- Except for the mandatory cash reserve, there are no restricted balances at Central Banks.
- Balances and certificates of deposits maturing after three months amounted to USD 80.7 million as of 31 March 2019 (USD 38.6 million as of 31 December 2018).

The movement of ECL charges on Balances with Central Banks is as follows:

	31 March 2019 (Reviewed not Audited)				31 December 2018 (Audited)
	USD '000	USD '000	USD '000	USD '000	USD '000
	Stage 1	Stage 2	Stage 3	Total	Total
Balance at the beginning of the period \ year	1 746	-	-	1 746	2 560
Net ECL Charges for the period	1 457	-	-	1 457	(669)
Adjustments during the period and Translation adjustments	(2)	-	-	(2)	(145)
Balance at the end of the period \ Year	3 201	-	-	3 201	1 746

5. BALANCES WITH BANKS AND FINANCIAL INSTITUTIONS

The details of this item are as follows:

Local banks and financial institutions	31 March 2019 (Reviewed not Audited)	31 December 2018 (Audited)
	USD '000	USD '000
Current Accounts	269	1 171
Time deposits maturing within 3 months	85 540	167 598
Total	85 809	168 769

Banks and financial institutions abroad	31 March 2019 (Reviewed not Audited)	31 December 2018 (Audited)
	USD '000	USD '000
Current accounts	1 319 937	1 511 127
Time deposits maturing within 3 months	1 657 272	1 519 297
Certificates of deposit	95 425	-
Total	3 072 634	3 030 424
Less: Net ECL Charges	(2 034)	(1 550)
Total balances with banks and financial institutions local and abroad	3 156 409	3 197 643

- There are no non-interest bearing balances as of 31 March 2019 and 31 December 2018.
- There are no restricted balances as of 31 March 2019 and 31 December 2018.

The movement of ECL charges on Balances with Banks & Financial Institutions is as follows:

	31 March 2019 (Reviewed not Audited)				31 December 2018 (Audited)
	USD '000	USD '000	USD '000	USD '000	USD '000
	Stage 1	Stage 2	Stage 3	Total	Total
Balance at the beginning of the Period \ year	1 550	-	-	1 550	1 810
Net ECL Charges for the period	465	-	-	465	(241)
Adjustments during the period and Translation adjustments	19	-	-	19	(19)
Balance at the end of the period \ year	2 034	-	-	2 034	1 550

6. DEPOSITS WITH BANKS AND FINANCIAL INSTITUTIONS

The details of this item are as follows:

Deposits with Local Banks and Financial Institutions:	31 March 2019 (Reviewed not Audited)	31 December 2018 (Audited)
	USD '000	USD '000
Time deposits maturing after 3 months and before 6 months	8 441	6 090
Time deposits maturing after one year	167 727	167 726
Total	176 168	173 816

Deposits with Banks and Financial Institutions Abroad:	31 March 2019 (Reviewed not Audited)	31 December 2018 (Audited)
	USD '000	USD '000
Time deposits maturing after 3 months and before 6 months	101 309	148 817
Time deposits maturing after 6 months and before 9 months	3 333	-
Time deposits maturing after 9 months and before a year	-	3 327
Certificates of Deposits after 9 months and before a year	56 133	-
Total	160 775	152 144
Less: Net ECL Charges	(2 485)	(2 517)
Total deposits with banks and financial institutions Local and Abroad	334 458	323 443

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

The movement of ECL charges on Deposits with Banks & Financial Institutions is as follows:

	31 March 2019 (Reviewed not Audited)				31 December 2018 (Audited)
	USD '000	USD '000	USD '000	USD '000	USD '000
	Stage 1	Stage 2	Stage 3	Total	Total
Balance at the beginning of the Period \ year	2 517	-	-	2 517	1 726
Net ECL Charges for the period	10	-	-	10	781
Adjustments during the period and Translation adjustments	(42)	-	-	(42)	10
Balance at the end of the period \ year	2 485	-	-	2 485	2 517

7- FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The details of this item are as follows:

	31 March 2019 (Reviewed not Audited)	31 December 2018 (Audited)
	USD '000	USD '000
Treasury bills and Governmental bonds	16 302	96 878
Corporate bonds	272 634	289 808
Loans and advances	29 624	29 624
Corporate shares	1 840	1 845
Mutual funds	21 573	21 674
Total	**341 973**	**439 829**

8- FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

The details of this item are as follows:

	31 March 2019 (Reviewed not Audited)	31 December 2018 (Audited)
	USD '000	USD '000
Quoted shares	193 010	194 134
Unquoted shares	175 178	176 876
Total	**368 188**	**371 010**

- Cash dividends from investments above amounted to USD 3.6 million for the three-month period ended 31 March 2019 (USD 3.8 millions for the three-month period ended 31 March 2018).

- Realized losses that were transferred from investments revaluation reserve to retained earnings amounted to USD (850) thousands for the three-month period ended 31 March 2019 and USD (155) thousand for the three-month period ended 31 March 2018.

9- DIRECT CREDIT FACILITIES AT AMORTIZED COST

The details of this item are as follows:

	31 March 2019 (Reviewed not Audited)					
	Consumer Banking	Corporates		Banks and Financial Institutions	Government and Public Sector	Total
		Small and Medium	Large			
	USD '000	**USD '000**	**USD '000**	**USD '000**	**USD '000**	**USD '000**
Discounted bills *	76 574	133 093	552 729	42 939	2 285	**807 620**
Overdrafts *	99 036	1 225 993	3 642 857	5 051	279 120	**5 252 057**
Loans and advances *	3 165 153	1 813 491	11 305 829	53 997	729 165	**17 067 635**
Real-estate loans	2 189 855	145 486	135 533	-	-	**2 470 874**
Credit cards	178 686	-	-	-	-	**178 686**
Total	**5 709 304**	**3 318 063**	**15 636 948**	**101 987**	**1 010 570**	**25 776 872**
Less: Interest and commission in suspense	72 577	104 039	292 682	8 417	-	**477 715**
Provision for impairment - ECL	161 961	185 432	1 252 998	4 027	3 173	**1 607 591**
Total	**234 538**	**289 471**	**1 545 680**	**12 444**	**3 173**	**2 085 306**
Net Direct Credit Facilities At Amortized Cost	**5 474 766**	**3 028 592**	**14 091 268**	**89 543**	**1 007 397**	**23 691 566**

* Net of interest and commission received in advance which amounted to USD 137.7 million as of 31 March 2019.

- Rescheduled loans during the three months period ended 31 March 2019 amounted to USD 710.6 million .
- Restructured loans (transferred from non performing to watch list loans) during the three-month period ended 31 March 2019 amounted to USD 1.4 million.
- Direct credit facilities granted to and guaranteed by the Government of Jordan amounted to USD 98.7 million, or 0.38% of total direct credit facilities as of 31 March 2019.
- Non-performing direct credit facilities amounted to USD 1793.7 million, or 7.0% of total direct credit facilities as of 31 March 2019.
- Non-performing direct credit facilities net of interest and commission in suspense amounted to USD 1334.8 million, or 5.3% of direct credit facilities after deducting interest and commission in suspense as of 31 March 2019.

31 December 2018
(Audited)

	Consumer Banking	Corporates		Banks and Financial Institutions	Government and Public Sector	Total
		Small and Medium	Large			
	USD '000	**USD '000**	**USD '000**	**USD '000**	**USD '000**	**USD '000**
Discounted bills *	76 150	141 571	575 281	65 946	2 519	861 467
Overdrafts *	114 302	1 289 711	3 576 415	5 083	284 498	5 270 009
Loans and advances *	3 103 539	1 698 771	11 445 370	45 835	768 636	17 062 151
Real-estate loans	2 197 746	157 954	87 985	-	-	2 443 685
Credit cards	176 099	-	-	-	-	176 099
Total	**5 667 836**	**3 288 007**	**15 685 051**	**116 864**	**1 055 653**	**25 813 411**
Less: Interest and commission in suspense	73 128	98 914	273 939	7 955	-	453 936
Provision for impairment - direct credit facilities at amortized cost	163 495	171 933	1 232 759	505	5 241	1 573 933
Total	**236 623**	**270 847**	**1 506 698**	**8 460**	**5 241**	**2 027 869**
Net Direct Credit Facilities at Amortized Cost	**5 431 213**	**3 017 160**	**14 178 353**	**108 404**	**1 050 412**	**23 785 542**

* Net of interest and commission received in advance, which amounted to USD 137.3 million as of 31 December 2018.

- Rescheduled loans during the year ended 31 December 2018 amounted to USD 428.3 million.
- Restructured loans (transferred from non performing to watch list loans) during the year ended 31 December 2018 amounted to USD 3.3 million.
- Direct credit facilities granted to and guaranteed by the government of Jordan as of 31 December 2018 amounted to USD 31.9 million, or 0.12% of total direct credit facilities.
- Non-performing direct credit facilities as of 31 December 2018 amounted to USD 1742.1 million, or 6.7% of total direct credit facilities.
- Non-performing direct credit facilities net of interest and commission in suspense as of 31 December 2018 amounted to USD 1302.9 million, or 5.1 % of direct credit facilities, after deducting interest and commission in suspense.

The details of movement on the provision for impairment of the ECL as of 31 March 2019 are as follows:

	31 March 2019 (Reviewed not Audited)			
	USD '000	USD '000	USD '000	USD '000
	Stage 1	Stage 2	Stage 3	Total
Balance at the beginning of the year	86 435	302 549	1 184 949	1 573 933
Transferred to Stage 1	2 555	(2 588)	33	-
Transferred to Stage 2	(1 139)	1 104	35	-
Transferred to Stage 3	(34)	(1 533)	1 567	-
Used from provision (written off or transferred to off condensed consolidated interim statement of financial position)	-	-	(3 660)	(3 660)
Impact on ECL caused by transfers between stages during the period	7 137	9 231	6 945	23 313
ECL Charges for the period (within the same stage)	98	656	9 694	10 448
Adjustments during the period and Translation Adjustments	(372)	1 219	2 710	3 557
Balance at the end of the period	94 680	310 638	1 202 273	1 607 591

The details of movement on the provision for ECL of the direct credit facilities at amortized cost as of 31 December 2018 are as follows:

	31 December 2018 (Audited)			
	USD '000	USD '000	USD '000	USD '000
	Stage 1	Stage 2	Stage 3	Total
Balance at the beginning of the year	85 661	297 203	1 010 050	1 392 914
Transferred to Stage 1	5 092	(4 632)	(460)	-
Transferred to Stage 2	(10 392)	12 531	(2 139)	-
Transferred to Stage 3	(330)	(13 206)	13 536	-
Impact on year-end ECL caused by transfers between stages during the year	6 261	20 917	32 301	59 479
Used from provision (written off or transferred to off consolidated statement of financial position)	-	-	(35 182)	(35 182)
ECL Charges for the year (within the same stage)	310	(1 743)	173 822	172 389
Adjustments during the period and Translation Adjustments	(167)	(8 521)	(6 979)	(15 667)
Balance at the end of the period	86 435	302 549	1 184 949	1 573 933

- There are no provisions no longer required as a result of settlement or repayment, transferred to other non-performing direct credit facilities as of 31 March 2019 and 31 December 2018.

- Impairment is assessed based on individual customer accounts.

* Non-performing loans transferred to off condensed consolidated interim statement of financial position amounted to USD 0.7 million as of 31 March 2019 (USD 5 million as of 31 December 2018) noting that these non-performing direct credit facilities are fully covered by set provisions and suspended interest.

The details of movement on interest and commission in suspense are as follows:

	31 March 2019 (Reviewed not Audited)					
	Consumer Banking	Corporates		Banks and Financial Institutions	Government and Public Sector	Total
		Small & Medium	Large			
	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000
Balance at the beginning of the period	73 128	98 914	273 939	7 955	-	453 936
Interest and commissions suspended during the period	4 098	4 119	20 741	405	-	29 363
Interest and commissions in suspense settled / written off or transferred to off condensed consolidated interim statement of financial position	(1 559)	(1 077)	(67)	-	-	(2 703)
Recoveries	(1 309)	(594)	(811)	-	-	(2 714)
Adjustments during the period	(1 339)	3 192	(903)	57	-	1 007
Translation adjustments	(442)	(515)	(217)	-	-	(1 174)
Balance at the End of the Period	72 577	104 039	292 682	8 417	-	477 715

	31 December 2018 (Audited)					
	Consumer Banking	Corporates		Banks and Financial Institutions	Government and Public Sector	Total
		Small & Medium	Large			
	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000
Balance at the beginning of the year	64 406	94 150	213 160	6 545	-	378 261
Interest and commissions suspended during the year	16 531	12 119	78 100	1 410	-	108 160
Interest and commissions in suspense settled / written off or transferred to off consolidated statement of financial position	(2 350)	(4 878)	(4 376)	-	-	(11 604)
Recoveries	(3 587)	(797)	(2 440)	-	-	(6 824)
Adjustment during the year	-	-	(8 669)	-	-	(8 669)
Translation adjustments	(1 872)	(1 680)	(1 836)	-	-	(5 388)
Balance at the End of the Year	73 128	98 914	273 939	7 955	-	453 936

Classification of direct credit facilities at amortized cost based on the geographical and economic sectors as follows:

	Inside Jordan	Outside Jordan	31 March 2019 (Reviewed not Audited)	31 December 2018 (Audited)
Economic Sector	USD '000	USD '000	USD '000	USD '000
Consumer Banking	3 014 307	2 460 459	5 474 766	5 431 213
Industry and mining	1 587 202	3 133 515	4 720 717	4 796 276
Constructions	438 545	1 591 169	2 029 714	2 047 525
Real - Estates	385 847	1 554 094	1 939 941	1 860 580
Trade	1 139 749	3 183 984	4 323 733	4 244 561
Agriculture	170 380	143 813	314 193	329 476
Tourism and Hotels	212 223	440 694	652 917	645 659
Transportations	117 602	265 902	383 504	361 788
Shares		11 985	11 985	11 985
General Services	777 896	1 965 260	2 743 156	2 897 663
Banks and Financial Institutions	12 481	77 062	89 543	108 404
Government and Public Sector	183 516	823 881	1 007 397	1 050 412
Net Direct Credit Facilities at amortized Cost	8 039 748	15 651 818	23 691 566	23 785 542

10- OTHER FINANCIAL ASSETS AT AMOTIZED COST

The details of this item are as follows:

	31 March 2019 (Reviewed not Audited)	31 December 2018 (Audited)
	USD '000	USD '000
Treasury bills	2 613 894	2 619 749
Governmental bonds and bonds guaranteed by the government	4 376 713	4 513 903
Corporate bonds	1 453 872	1 414 711
Less: Net ECL Charges	(34 779)	(40 516)
Total	8 409 700	8 507 847

Analysis of bonds based on interest nature:

	31 March 2019 (Reviewed not Audited)	31 December 2018 (Audited)
	USD '000	USD '000
Floating interest rate	523 617	524 708
Fixed interest rate	7 920 862	8 023 655
Less: Net ECL Charges	(34 779)	(40 516)
Total	8 409 700	8 507 847

Analysis of financial assets based on market quotation:

	31 March 2019 (Reviewed not Audited)	31 December 2018 (Audited)
Financial assets quoted in the market:	USD '000	USD '000
Treasury bills	771 463	789 039
Governmental bonds and bonds guaranteed by the government	869 751	832 774
Corporate bonds	1 325 816	1 315 893
Total	2 967 030	2 937 706

	31 March 2019 (Reviewed not Audited)	31 December 2018 (Audited)
Financial assets unquoted in the market:	USD '000	USD '000
Treasury bills	1 842 431	1 830 710
Governmental bonds and bonds guaranteed by the government	3 506 962	3 681 129
Corporate bonds	128 056	98 818
Total	5 477 449	5 610 657
Less: Net ECL Charges	(34 779)	(40 516)
Grand Total	8 409 700	8 507 847

The movement of ECL charges on Other Financial Assets at Amortized Cost is as follows:

	31 March 2019 (Reviewed not Audited)				31 December 2018 (Audited)
	USD '000	USD '000	USD '000	USD '000	USD '000
	Stage 1	Stage 2	Stage 3	Total	Total
Balance at the beginning of the period / year	18 175	17 565	4 776	40 516	53 028
Transfer to Stage (1)	1	(1)	-	-	-
Transfer to Stage (2)	(331)	331	-	-	-
Transfer to Stage (2)	-	-	-	-	-
Net ECL Charges for the period	(7 325)	1 518		(5 807)	(2 312)
Adjustments during the period and translation adjustments	(23)	93		70	(10 200)
Balance at the end of the period \ Year	10 497	19 506	4 776	34 779	40 516

During the three months period ended 31 March 2019 certain financial assets at amortized cost with a total amount of USD 8.3 million were sold (USD 183.2 million during the year ended 31 December 2018).

11- FIXED ASSETS

The additions to and disposals of fixed assets during the three-month period ended 31 March 2019 amounted to USD 17.3 million and USD 4.2 million respectively (USD 13.4 million and USD 6.6 million for the three-month period ended 31 March 2018).

The cost of fully depreciated fixed assets amounted to USD 257.1 million as of 31 March 2019 (USD 256.7 million as of 31 December 2018)

12- OTHER ASSETS

The details of this item are as follows:

	31 March 2019 (Reviewed not Audited)	31 December 2018 (Audited)
	USD '000	USD '000
Accrued interest receivable	210 840	206 176
Prepaid expenses	143 018	116 949
Foreclosed assets *	88 046	88 344
Intangible assets	22 123	22 587
Right-of-use Assets, net	104 542	-
Other miscellaneous assets	176 453	179 362
Total	**745 022**	**613 418**

* Central Bank of Jordan instructions require disposal of these assets during a maximum period of two years from the date of foreclosure.

13- CUSTOMERS' DEPOSITS

The details of this item are as follows:

	31 March 2019 (Reviewed not Audited)				
	Consumer Banking	Corporates		Government and Public Sector	Total
		Small & Medium	Large		
	USD '000	USD '000	USD '000	USD '000	USD '000
Current and demand	7 547 576	2 037 225	1 909 184	244 840	11 738 825
Savings	3 005 901	115 573	16 106	4 182	3 141 762
Time and notice	8 747 013	987 607	3 676 477	2 046 258	15 457 355
Certificates of deposit	352 668	24 933	47 651	55 658	480 910
Total	**19 653 158**	**3 165 338**	**5 649 418**	**2 350 938**	**30 818 852**

	31 December 2018 (Audited)				
	Consumer Banking	Corporates		Government and Public Sector	Total
		Small & Medium	Large		
	USD '000	USD '000	USD '000	USD '000	USD '000
Current and demand	7 494 375	2 130 174	1 961 191	308 044	11 893 784
Savings	2 984 797	124 049	20 775	3 449	3 133 070
Time and notice	8 475 548	1 106 333	3 883 541	2 525 223	15 990 645
Certificates of deposit	308 169	17 117	40 913	47 215	413 414
Total	**19 262 889**	**3 377 673**	**5 906 420**	**2 883 931**	**31 430 913**

- Total Government of Jordan and Jordanian public sector deposits amounted to USD 543.4 millions, or 1.8% of total customer's deposits as of 31 March 2019 (USD 769.3 million, or 2.5% of total customer's deposits as of 31 December 2018).
- Non-interest bearing deposits amounted to USD 10544.1 million, or 34.2% of total customer's deposits as of 31 March 2019 (USD 10677.8 million, or 34% of total customer's deposits as of 31 December 2018).
- Blocked deposits amounted to USD 147.8 million, or 0.5% of total customer's deposits as of 31 March 2019 (USD 162.8 million, or 0.5% of total customer's deposits as of 31 December 2018).
- Dormant deposits amounted to USD 346.8 million, or 1.1% of total customer's deposits as of 31 March 2019 (USD 371.3 million, or 1.2% of total customer's deposits as of 31 December 2018).

14- BORROWED FUNDS

The details of this item are as follows:

	31 March 2019 (Reviewed not Audited)	31 December 2018 (Audited)
	USD '000	USD '000
From Central Banks	85 509	78 341
From banks and financial institutions	185 112	203 138
Total	**270 621**	**281 479**

Analysis of borrowed funds according to interest nature is as follows:

	31 March 2019 (Reviewed not Audited)	31 December 2018 (Audited)
	USD '000	USD '000
Floating interest rate	126 356	141 987
Fixed interest rate	144 265	139 492
Total	**270 621**	**281 479**

15- PROVISION FOR INCOME TAX

The details of this item are as follows:

	31 March 2019 (Reviewed not Audited)	31 December 2018 (Audited)
	USD '000	USD '000
Balance at the beginning of the year	321 490	272 205
Income tax expense	83 644	314 657
Income tax paid	(82 685)	(265 372)
Balance at the end of the period / year	**322 449**	**321 490**

Income tax expense charged to the condensed consolidated interim statement of income consists of the following:

	For the Three-Months	
	31 March 2019 (Reviewed not Audited)	31 March 2018 (Reviewed not Audited)
	USD '000	USD '000
Income tax expense for the period	83 644	68 943
Effect of deferred tax	(2 628)	(2 445)
Total	**81 016**	**66 498**

- The income tax expense for the three-month period ended 31 March 2019 for Arab Bank in Jordan was calculated in accordance with Income Tax Law No. (38) of 2018, while it was calculated in accordance with Income Tax Law No. (34) of 2014 for the period ended 31 March 2018.
- The income tax rate in Jordan is 38%, while the income tax rate in the countries where the Group has investments and branches ranges from zero to 38% as of 31 March 2019 and 31 December 2018. the acutal tax rate for the Group is 25.9% as 31 March 2019 and 23.2% as of 31 March 2018.
- The subsidiaries and branches of Arab Bank Group have reached recent tax settlements ranging between 2017 such as Arab Bank United Arab Emirates and 2012 such as Arab Bank Qatar and Arab Bank Syria.

16. OTHER LIABILITIES

The details of this item are as follows:

	31 March 2019 (Reviewed not Audited)	31 December 2018 (Audited)
	USD '000	USD '000
Accrued interest payable	201 898	181 648
Notes payable	140 985	127 704
Interest and commission received in advance	94 000	101 512
Accrued expenses	68 058	68 017
Dividends payable to shareholders	423 234	17 268
Provision for impairment - ECL of the indirect credit facilities*	79 623	77 358
Lease Contracts Liability	101 978	-
Other miscellaneous liabilities	357 285	440 550
Total	**1 467 061**	**1 014 057**

*The details of movement on the provision for impairment of the ECL of the indirect credit facilities are as follows:

	31 March 2019 (Reviewed not Audited)				31 December 2018 (Audited)
	USD '000	USD '000	USD '000	USD '000	USD '000
	Stage 1	Stage 2	Stage 3	Total	Total
Balance at the beginning of the period \ year	35 481	30 398	11 479	77 358	42 855
Transferred to Stage 1	790	(790)	-	-	-
Transferred to Stage 2	(128)	128	-	-	-
Transferred to Stage 3	0	(1)	1	-	-
Impact on ECL caused by transfers between stages during the Period	(321)	121	-	(200)	1 928
Net ECL Charges for the period	2 002	206	-	2 208	19 976
Adjsutments during the period and Translation Adjustments	327	119	(189)	257	12 599
Balance at the End of the period / year	**38 151**	**30 181**	**11 291**	**79 623**	**77 358**

17. SHARE CAPITAL AND RESERVES

A. Share Capital amounted to USD 926.6 million distributed to 640.8 million shares as of 31 March 2019 and 31 December 2018.

B. The Group did not make any appropriation to the legal reserves, in accordance with companies law, in the interim financial information as such appropriations are performed at year end.

18- RETAINED EARNINGS

The details of movement on the retained earnings are as follows:

	31 March 2019 (Reviewed not Audited)	31 December 2018 (Audited)
	USD '000	USD '000
Balance at the beginning of the period \ year	**2 192 006**	**1 904 663**
Profit for the period/year attributable to the shareholders of the bank	230 212	820 649
Transferred from investment revaluation reserve to retained earnings	(850)	(1 959)
Dividends *	(417 997)	(368 911)
Transferred to statutory reserve	-	(78 148)
Transferred from general banking risk reserve **	-	158 704
Changes in associates equity	-	(82 038)
Effect of IFRS (9) adoption **	-	(164 205)
Effect of IFRS (16) adoption	(6 074)	-
Changes in associates equity	(8 427)	-
Adjustment during the period/ year	-	3 251
Balance at the End of the Period / Year	**1 988 870**	**2 192 006**

* The General Assembly of the Arab Bank plc in its meeting held on 28 March 2019 approved the recommendation of the Bank's Board of Directors to distribute 45% of par value as cash dividends for the year 2018 equivalent to USD 406.6 million (The General Assembly of Arab Bank plc in its meeting held on 29 March 2018 approved the recommendation of the Bank's Board of Directors to distribute 40% of par value as cash dividends for the year 2017 equivalent to USD 361.4 million).

** The Central Bank of Jordan issued a new regulations No. 13/2018 dated 6 June 2018, in which it requested the transfer of the general banking risk reserve balance (calculated in accordance with the Central Bank of Jordan's regulations) to the retained earnings to offset the effect of IFRS 9 on the opening balance of the retained earnings account as of 1 January 2018. The regulations also instructs that the balance of the general banking risk reserve should be restricted and may not be distributed as dividends to the shareholders or used for any other purposes without prior approval from the Central Bank of Jordan.

19- INTEREST INCOME

The details of this item are as follows:

	31 March 2019 (Reviewed not Audited)	31 March 2018 (Reviewed not Audited)
	USD '000	USD '000
Direct credit facilities at amortized cost	421 606	385 639
Balances with central banks	25 690	19 710
Balances and deposits with banks and financial institutions	22 353	12 997
Financial assets at fair value through profit or loss	4 551	4 482
Other financial assets at amortized cost	128 131	102 974
Total	**602 331**	**525 802**

20- INTEREST EXPENSE

The details of this item are as follows:

	31 March 2019 (Reviewed not Audited)	31 March 2018 (Reviewed not Audited)
	USD '000	USD '000
Customer deposits	219 043	178 427
Banks and financial institutions deposits	27 291	18 374
Cash margins	14 785	9 680
Borrowed funds	2 518	1 453
Deposit insurance fees	6 278	6 318
Total	**269 915**	**214 252**

21- NET COMMISSION INCOME

The details of this item are as follows:

	31 March 2019 (Reviewed not Audited)	31 March 2018 (Reviewed not Audited)
	USD '000	USD '000
Commission income:		
Direct credit facilities at amortized cost	21 494	22 812
Indirect credit facilities	30 091	29 996
Assets Under Management	4 539	3 529
Other	26 400	26 391
Less: commission expense	(11 119)	(8 240)
Net Commission Income	71 405	74 488

22- GAIN FROM FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The details of this item are as follows:

	31 March 2019 (Reviewed not Audited)			31 March 2018 (Reviewed not Audited)
	Realized Gains	Unrealized Gains	Total	Total
	USD '000	USD '000	USD '000	USD '000
Treasury bills and bonds	1 328	145	1,473	1 003
Corporate shares	-	5	5	84
Mutual funds	-	309	309	(65)
Total	1 328	459	1,787	1 022

23- OTHER REVENUE

The details of this item are as follows:

	31 March 2019 (Reviewed not Audited)	31 March 2018 (Reviewed not Audited)
	USD '000	USD '000
Revenue from customer services	3 290	3 545
Safe box and other rentals	1 072	1 085
(Loss) Gain from derivatives	(413)	4
Miscellaneous revenue	6 884	9 428
Total	10 833	14 062

24. Business Segments

The Group has an integrated group of products and services dedicated to serve the Group's customers and constantly developed in response to the ongoing changes in the banking business environment, and related state-of-the-art tools used by the executive management in the group.

The following is a summary of these groups' activities stating their business nature and future plans:

1. Corporate and Institutional Banking

This group provides banking services and finances with the following: corporate sector, private projects, foreign trading, small and medium sized projects, and banks and financial institutions.

2. Treasury

This group is considered as a source of financing for the Group, in general, and for the strategic business units, in particular. It steers the financing of the Group and manages both the Group's cash liquidity and market risks.

Moreover, this group is responsible for the management of the Group's assets and liabilities within the frame set by the Assets and Liabilities Committee.

This group is considered the main source in determining the internal transfer prices within the Group's departments, in addition to being a central unit for the financial organization and main dealing in the following:

- Foreign exchange.
- Foreign exchange derivatives.
- Money markets.
- Certificates of deposit.
- Interest rate swaps.
- Other various derivatives.

3. Consumer Banking

This group provides banking services to individuals and high-net worth elite customers, and endeavors to meet their financial service needs using the best methods, through effective distribution channels, and a variety of product services. Moreover, this group is in direct and close contact with the customers in order to provide them with timely and continuous services through different electronic channels such as direct phone calls, ATMs, the internet and text messaging via cellular phones.

Information about the Group's Business Segments

	31 March 2019 (Reviewed not Audited)						31 March 2018 (Reviewed not Audited)
	Corporate and Institutional Banking	Treasury	Consumer Banking		Other	Total	Total
			Elite	Retail Banking			
	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000
Total income	245 254	174 526	(41 285)	61 974	118 182	558 651	526 294
Net inter-segment interest income	(42 976)	(101 627)	103 448	41 155	-	-	-
Less :Provision for impairment - ECL	34 086	(4 218)	(90)	2 116	-	31 894	47 812
Other provisions	2 012	523	406	1 916	-	4 857	(5 900)
Direct administrative expenses	32 833	6 324	9 542	40 686	3 164	92 549	86 966
Result of Operations of Segments	**133 347**	**70 270**	**52 305**	**58 411**	**115 018**	**429 351**	**397 416**
Less :Indirect expenses on segments	50 256	14 808	13 479	37 444	578	116 565	110 635
Profit for the Period before Income Tax	**83 091**	**55 462**	**38 826**	**20 967**	**114 440**	**312 786**	**286 781**
Income tax expense	20 280	15 415	10 856	7 440	27 025	81 016	66 498
Profit for the Period	**62 811**	**40 047**	**27 970**	**13 527**	**87 415**	**231 770**	**220 283**
Depreciation and Amortization	4 467	1 148	1 294	7 545	-	14 454	14 264

	31 March 2019 (Reviewed not Audited)						31 December 2018 (Audited)
Other Information	Corporate and Institutional Banking	Treasury	Consumer Banking		Other	Total	Total
			Elite	Retail Banking			
	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000
Segment assets	18 297 702	18 242 654	3 286 445	4 467 307	1 077 599	45 371 707	45 864 374
Inter-segment assets	-	-	11 362 424	2 854 797	5 330 421	-	-
Investments in associates	-	-	-	-	3 383 279	3 383 279	3 298 251
Total Assets	**18 297 702**	**18 242 654**	**14 648 869**	**7 322 104**	**9 791 299**	**48 754 986**	**49 162 625**
Segment liabilities	13 793 197	3 199 517	14 648 869	7 322 104	1 330 157	40 293 844	40 498 036
Shareholders' Equity	-	-	-	-	8 461 142	8 461 142	8 664 589
Inter-segment liabilities	4 504 505	15 043 137	-	-	-	-	-
Total Liabilities and Shareholders' Equity	**18 297 702**	**18 242 654**	**14 648 869**	**7 322 104**	**9 791 299**	**48 754 986**	**49 162 625**

25- CONTRACTUAL MATURITY OF THE CONTINGENT LIABILITIES AND COMMITMENTS

The table below details the maturity of expected liabilities and commitments on the basis of contractual maturity:

	31 March 2019 (Reviewed not Audited)			
	Within 1 Year	**From 1 Year and up to 5 Years**	**More than 5 Years**	**Total**
	USD '000	**USD '000**	**USD '000**	**USD '000**
Letters of credit	1 734 668	39 607	761	1 775 036
Acceptances	791 343	5 932	-	797 275
Letters of guarantees:				
- Payment guarantees	989 533	30 751	17 819	1 038 103
- Performance guarantees	4 175 678	1 342 746	349 236	5 867 660
- Other guarantees	2 752 160	859 150	61 356	3 672 666
Unutilized credit facilities	4 162 739	448 705	27 793	4 639 237
Total	**14 606 121**	**2 726 891**	**456 965**	**17 789 977**
Construction projects contracts	2 250	10 322	-	12 572
Procurement contracts	6 155	979	2 252	9 386
Total	**8 405**	**11 301**	**2 252**	**21 958**

	31 December 2018 (Audited)			
	Within 1 Year	**From 1 Year and up to 5 Years**	**More than 5 Years**	**Total**
	USD '000	**USD '000**	**USD '000**	**USD '000**
Letters of credit	1 781 377	33 312	766	1 815 455
Acceptances	814 634	16 271	-	830 905
Letters of guarantees:				
- Payment guarantees	1 020 651	51 737	20 309	1 092 697
- Performance guarantees	4 188 910	1 416 457	250 689	5 856 056
- Other guarantees	2 855 962	672 003	19 086	3 547 051
Unutilized credit facilities	4 631 092	297 868	26 532	4 955 492
Total	**15 292 626**	**2 487 648**	**317 382**	**18 097 656**
Construction projects contracts	2 740	10 409	-	13 149
Procurement contracts	6 861	1 744	2 252	10 857
Operating lease contracts	3 870	12 515	26 124	42 509
Total	**13 471**	**24 668**	**28 376**	**66 515**

26. CREDIT EXPOSURE FOR ASSETS CATEGORIZED BY GEOGRAPHICAL REGION:

The details for this items are as follows:

	31 March 2019 (Reviewed not Audited)						
	Jordan	**Other Arab Countries**	**Asia ***	**Europe**	**America**	**Rest of the World**	**Total**
	USD '000	**USD '000**	**USD '000**	**USD '000**	**USD '000**	**USD '000**	**USD '000**
Balances with central banks	2 628 825	3 138 635	228	1 411 989	-	14 297	7 193 974
Balances and deposits with banks and financial institutions	260 513	1 084 572	337 311	1 312 005	367 803	128 663	3 490 867
Financial assets at fair value through profit or loss	-	91 674	19 924	200 114	-	6 848	318 560
Direct credit facilities at amortized cost	8 039 748	13 486 866	332 243	1 110 446	55 235	667 028	23 691 566
Consumer Banking	3 014 307	2 023 926	25	135 522	5 174	295 812	5 474 766
Small and Medium Corporates	831 902	1 697 117	53 813	324 207	21 394	100 159	3 028 592
Large Corporates	3 997 542	8 910 327	278 405	605 270	28 667	271 057	14 091 268
Banks and Financial Institutions	12 481	61 766	-	15 296	-	-	89 543
Government and Public Sector	183 516	793 730	-	30 151	-	-	1 007 397
Other financial assets at amortized cost	3 335 637	4 024 619	106 462	540 038	145 221	257 723	8 409 700
Other assets and financial derivatives - positive fair value	75 354	237 925	572	95 936	382	8 935	419 104
Total	**14 340 077**	**22 064 291**	**796 740**	**4 670 528**	**568 641**	**1 083 494**	**43 523 771**
Total as of 31 December 2018 (Audited)	**14 478 064**	**21 648 345**	**937 132**	**5 201 814**	**834 500**	**1 039 395**	**44 139 250**

* Excluding Arab Countries.

27. CREDIT EXPOSURE FOR ASSETS CATEGORIZED BY ECONOMIC SECTOR

The details for this items are as follows:

31 March 2019
(Reviewed not Audited)

	Consumer Banking	Corporations									Banks and Financial Institutions	Government and Public Sector	Total
		Industry and Mining	Constructions	Real Estate	Trade	Agriculture	Tourism and Hotels	Transportation	Shares	General Services			
	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000
Balances with central banks	-	-	-	-	-	-	-	-	-	-	-	7 193 974	7 193 974
Balances and deposits with banks and financial institutions	-	-	-	-	-	-	-	-	-	-	3 490 867	-	3 490 867
Financial assets at fair value through profit or loss	-	-	-	-	-	-	-	29 624	-	-	272 634	16 302	318 560
Direct credit facilities at amortized cost	5 474 766	4 720 717	2 029 714	1 939 941	4 323 733	314 193	652 917	383 504	11 985	2 743 156	89 543	1 007 397	23 691 566
Other financial assets at amortized cost	-	90 075	-	19 972	-	-	-	-	-	130 967	1 189 486	6 979 200	8 409 700
Other assets and financial derivatives - positive fair value	28 407	30 853	19 461	7 972	33 979	1 336	2 807	5 625	-	53 021	69 065	166 578	419 104
Total	**5 503 173**	**4 841 645**	**2 049 175**	**1 967 885**	**4 357 712**	**315 529**	**655 724**	**418 753**	**11 985**	**2 927 144**	**5 111 595**	**15 363 451**	**43 523 771**
Total as of 31 December 2018 (Audited)	**5 447 156**	**4 913 605**	**2 058 717**	**1 868 126**	**4 300 092**	**330 849**	**648 581**	**396 112**	**11 985**	**3 093 478**	**5 150 291**	**15 920 258**	**44 139 250**

28- CAPITAL MANAGEMENT

The Group manages its capital to safeguard its ability to continue its operating activities while maximizing the return to shareholders. The composition of the regulatory capital, as defined by Basel III standards is as follows:

	31 March 2019 (Reviewed not Audited)	31 December 2018 (Audited)
	USD '000	USD '000
Common Equity Tier 1	8 076 522	7 963 395
Regulatory Adjustments (Deductions from Common Equity Tier 1)	(2 896 718)	(2 791 745)
Additional Tier 1	498	8 528
Supplementary Capital	392 518	398 172
Regulatory Capital	**5 572 820**	**5 578 350**
Risk-weighted assets (RWA)	**35 852 161**	**35 662 164**
Common Equity Tier 1 Ratio	**14.45%**	**14.50%**
Tier 1 Capital Ratio	**14.45%**	**14.53%**
Capital Adequacy Ratio	**15.54%**	**15.64%**

- The Board of Directors performs an overall review of the capital structure of the Group on a quarterly basis. As part of this review, the Board takes into consideration matters such as cost and risks of capital as integral factors in managing capital through setting dividend policies and capitalization of reserves.

29. Fair Value Hierarchy

Financial Instruments are either financial assets or financial liabilities

The Group uses the following methods and alternatives of valuating and presenting the fair value of financial instruments:

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

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

A. Fair Value of the Group financial assets and financial liabilities measured at fair value on a recurring basis.

Some financial assets and financial liabilities are measured at fair value at the end of each reporting period, the following note illustrates how the fair value is determined (Valuation techniques and key inputs)

Financial Assets /Financial Liabilities	Fair Value as at 31 March 2019 (Reviewed not Audited)	31 December 2018 (Audited)	Fair Value Hierarchy	Valuation techniques and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value
	USD '000	USD '000				
Financial Assets at Fair Value						
Financial assets at fair value through profit or loss:						
Treasuring bills and Bonds	16 302	96 878	Level 1	Quoted Shares	Not Applicable	Not Applicable
Corporate Bonds	272 634	289 808	Level 1	Quoted Shares	Not Applicable	Not Applicable
Loans and Advances	29 624	29 624	Level 2	Through Comparison of similar financial instruments	Not Applicable	Not Applicable
Shares and mutual funds	23 413	23 519	Level 1	Quoted Shares	Not Applicable	Not Applicable
Total Financial Assets at Fair Value through Profit or Loss	341 973	439 829				
Financial derivatives - positive fair value	65 246	63 963	Level 2	Through Comparison of similar financial instruments	Not Applicable	Not Applicable
Financial assets at fair value through other comprehensive income:						
Quoted shares	193 010	194 134	Level 1	Quoted Shares	Not Applicable	Not Applicable
Unquoted shares	175 178	176 876	Level 2	Through using the index sector in the market	Not Applicable	Not Applicable
Total financial assets at fair value through other comprehensive income	368 188	371 010				
Total Financial Assets at Fair Value	775 407	874 802				
Financial Liabilities at Fair Value						
Financial derivatives - negative fair value	48 989	51 523	Level 2	Through Comparison of similar financial instruments	Not Applicable	Not Applicable
Total Financial Liabilities at Fair Value	48 989	51 523				

There were no transfers between Level 1 and 2 during the three months period ended March 3, 2019 and the year 2018.

B. Fair value of the Group financial assets and financial liabilities that are not measured at fair value on a recurring basis.

Except as detailed in the following table, we believe that the carrying amounts of financial assets and financial liabilities recognized in the banks financial statements approximate their fair values:

	31 March 2019 (Reviewed not Audited)		31 December 2018 (Audited)		
	Book value	Fair value	Book value	Fair value	Fair Value Hierarchy
	USD '000	USD '000	USD '000	USD '000	
Financial assets not calculated at fair value					
Mandatory cash reserve, Time and notice balances and Certificates of deposit with central banks	4 904 195	4 912 384	5 037 033	5 038 895	Level 2
Balances and deposits with banks and financial institutions	3 490 867	3 495 534	3 521 086	3 525 427	Level 2
Direct credit facilities at amortized cost	23 691 566	23 781 656	23 785 542	23 871 686	Level 2
Other financial assets at amortized cost	8 409 700	8 480 588	8 507 847	8 596 806	Level 1 & 2
Total financial assets not calculated at fair value	40 496 328	40 670 162	40 851 508	41 032 814	
Financial liabilities not calculated at fair value					
Banks' and financial institutions' deposits	4 259 674	4 275 800	4 266 590	4 284 245	Level 2
Customer deposits	30 818 852	30 950 613	31 430 913	31 553 011	Level 2
Cash margin	2 885 713	2 900 167	2 913 471	2 925 635	Level 2
Borrowed funds	270 621	272 358	281 479	284 080	Level 2
Total financial liabilities not calculated at fair value	38 234 860	38 398 938	38 892 453	39 046 971	

The fair values of the financial assets and financial liabilities included in level 2 categories above have been determined in accordance with the generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

30- EARNINGS PER SHARE ATTRIBUTALE TO THE BANK'S SHAREHOLDERS

The details of this item are as follows:

	For the Three-Months Period Ended 31 March	
	2019	**2018**
	USD '000	**USD '000**
Profit for the period attributable to the Bank's shareholders	230 212	217 128
	Thousand / Shares	
Average number of shares	640 800	640 800
	USD / Share	
Earnings Per Share for the period (Basic and diluted)	**0.36**	**0.34**

31- CASH AND CASH EQUIVALENTS

The details of this item are as follows:

	31 March 2019 (Reviewed not Audited)	31 March 2018 (Reviewed not Audited)
	USD '000	**USD '000**
Cash and balances with central banks maturing within 3 months	7 586 894	7 590 517
Add: Balances with banks and financial institutions maturing within 3 months	3 158 443	3 034 394
Less: Banks and financial institutions deposits maturing within 3 months	2 929 037	3 423 552
Total	**7 816 300**	**7 201 359**

32. RELATED PARTIES TRANSACTIONS

The details of the balances with related parties are as follows:

	31 March 2019 (Reviewed not Audited)			
	Deposits owed from Related Parties	Direct Credit Facilities at Amortized Cost	Deposits owed to Related Parties	LCs, LGs, Unutilized Credit Facilities and Acceptances
	USD '000	**USD '000**	**USD '000**	**USD '000**
Associated Companies	93 327	-	70 288	87 259
Major Shareholders and Members of the Board of Directors	-	279 379	388 343	155 504
Total	**93 327**	**279 379**	**458 631**	**242 763**

	31 December 2018 (Audited)			
	Deposits owed from Related Parties	Direct Credit Facilities at Amortized Cost	Deposits owed to Related Parties	LCs, LGs, Unutilized Credit Facilities and Acceptances
	USD '000	**USD '000**	**USD '000**	**USD '000**
Associated Companies	138 980	-	96 987	90 118
Major Shareholders and Members of the Board of Directors	-	299 103	668 829	89 388
Total	**138 980**	**299 103**	**765 816**	**179 506**

- All facilities granted to related parties are performing loans in accordance with the internal credit rating of the Group. Moreover, no provisions for the period have been recorded in relation to impairment in value.

The details of transactions with related parties are as follows:

	31 March 2019 (Reviewed not Audited)	
	Interest Income	Interest Expense
	USD '000	**USD '000**
Associated Companies	**658**	**207**

	31 March 2018 (Reviewed not Audited)	
	Interest Income	Interest Expense
	USD '000	**USD '000**
Associated Companies	**209**	**603**

- Direct credit facilitates granted to top management personnel amounted to USD 1.2 million and indirect credit facilities amounted to USD 14.1 thousand as of 31 March 2019 (USD 1.6 million direct credit facilities and USD 14.1 thousand indirect credit facilities as of 31 December 2018).
- Interest on credit facilities granted to major shareholders and members of the Board of Directors is recorded at arm's length.

- Deposits of key management personnel amounted to USD 3.3 million as of 31 March 2019 (USD 3.1 million as of 31 December 2018).
- The salaries and other fringe benefits of the Group's top management personnel, inside and outside Jordan, amounted to USD 19.5 million for the three months period ended 31 March 2019 (USD 16.9 million for the three months period ended 31 March 2018).

33. Legal Cases

There are lawsuits filed against the Group totaling USD 120.5 million as of 31 March 2019, (USD 117.5 million as of 31 December 2018). In the opinion of the management and the lawyers representing the Group in the litigation at issue, the Group will not be held liable for any amount in excess of the amount of provisions taken in connection with the lawsuits totaling USD 5.6 million as of 31 March 2019 (USD 5.2 million as of 31 December 2018).

34. Comparative Figures

Some of the comparative figures for the year 2018 have been reclassified to correspond with the period ended 31 March 2019 presentation, with no effect on profit and equity for the year 2018.