

**BANK OF JORDAN**  
**(PUBLIC SHAREHOLDING LIMITED COMPANY)**  
**AMMAN - JORDAN**

**CONDENSED CONSOLIDATED**  
**INTERIM FINANCIAL INFORMATION**  
**FOR THE THREE-MONTH**  
**PERIOD ENDED MARCH 31, 2023**  
**TOGETHER WITH THE**  
**REVIEW REPORT**

**BANK OF JORDAN**  
**(PUBLIC SHAREHOLDING LIMITED COMPANY)**  
**AMMAN – JORDAN**  
**CONDENSED CONSOLIDATED**  
**INTERIM FINANCIAL INFORMATION**  
**FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2023**

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## **Report on the Review of the Condensed Consolidated Interim Financial Information**

AM / 8572

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

### **Introduction**

We have reviewed the accompanying condensed interim statement of financial position of Bank of Jordan (A Public Shareholding Limited Company) as of March 31, 2023 and the related condensed consolidated interim statements of profit or loss and comprehensive income for the three months ended March 31, 2023, condensed consolidated interim statement of changes in owners' equity and cash flows for the three-month period then ended, and a summary of significant accounting policies and other explanatory information. Management is responsible for the preparation and fair presentation of this condensed consolidated interim financial information in accordance with International Accounting Standard No. (34) relating to interim financial reporting as adopted by the Central Bank of Jordan. Our responsibility is to express a conclusion on these condensed consolidated interim financial information based on our review.

### **Scope of Review**

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

### **Conclusion**

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

### **Other Matters**

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

**Amman – Jordan**  
**April 27, 2023**



**Deloitte & Touche (M.E) – Jordan**

**Deloitte & Touche (M.E.)**

ديلويت أند توش (الشرق الأوسط)

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**BANK OF JORDAN**  
**(PUBLIC SHAREHOLDING LIMITED COMPANY)**  
**AMMAN – JORDAN**  
**CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION**

	<u>Note</u>	<u>March 31, 2023</u> <u>(Reviewed Not</u> <u>Audited)</u>	<u>December 31,</u> <u>2022</u> <u>(Audited)</u>
		<u>JD</u>	<u>JD</u>
<b>Assets</b>			
Cash and balances with central banks – Net	5	692,916,688	673,824,464
Balances with banks and financial institutions – Net	6	213,720,089	150,738,734
Deposits with banks and financial institutions - Net	7	470,978	939,947
Financial assets at fair value through profit or loss		15,325,500	15,317,000
Financial assets at fair value through comprehensive income		164,185,209	113,780,971
Direct credit facilities at amortized cost - Net	8	1,445,518,629	1,512,159,209
Financial assets at amortized cost - Net	9	212,311,302	236,660,430
Property and equipment – Net	10	58,574,390	57,559,384
Intangible assets - Net		7,456,877	7,482,126
Deferred tax assets		22,862,070	25,162,135
Other assets	11	97,079,567	91,106,016
<b>Total Assets</b>		<b><u>2,930,421,299</u></b>	<b><u>2,884,730,416</u></b>
<b>Liabilities and Owners' Equity</b>			
<b>Liabilities:</b>			
Banks and financial institutions' deposits		122,693,253	86,313,839
Customers' deposits		2,013,096,827	2,016,295,791
Cash margins		134,225,310	109,623,086
Sundry provisions		4,425,946	4,235,340
Income tax provision	12	21,363,500	21,497,785
Deferred tax liabilities		131,205	107,367
Borrowed funds	13	57,495,724	57,674,763
Other liabilities	14	53,493,721	46,638,659
<b>Total Liabilities</b>		<b><u>2,406,925,486</u></b>	<b><u>2,342,386,630</u></b>
<b>Owners' Equity:</b>			
Paid-up capital		200,000,000	200,000,000
Statutory reserve		110,424,298	110,452,964
Voluntary reserve		57,697	86,363
General banking risks reserve		4,102,021	4,102,021
Special reserve		5,849,743	5,849,743
Foreign currency translation differences		(9,401,681)	(13,033,639)
Fair value reserve		48,881,368	48,495,968
Retained earnings		137,316,132	173,238,442
Profit for the period after tax		12,848,856	-
<b>Total Equity Attributable to the Bank's Shareholders</b>		<b><u>510,078,434</u></b>	<b><u>529,191,862</u></b>
Non-controlling interests		13,417,379	13,151,924
<b>Total Owners' Equity</b>		<b><u>523,495,813</u></b>	<b><u>542,343,786</u></b>
<b>Total Liabilities and Owners' Equity</b>		<b><u>2,930,421,299</u></b>	<b><u>2,884,730,416</u></b>

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

**BANK OF JORDAN**  
**(PUBLIC SHAREHOLDING LIMITED COMPANY)**  
**AMMAN - JORDAN**  
**CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS**  
**(REVIEWED NOT AUDITED)**

	Note	For the Three-Month Period Ended March 31,	
		2023 JD	2022 JD
Interest income		46,194,022	31,849,288
<u>Less: Interest expense</u>		<u>9,999,008</u>	<u>4,812,218</u>
<b>Net Interest Income</b>		<b>36,195,014</b>	<b>27,037,070</b>
Commission's income – Net		6,073,916	5,378,459
<b>Net Interest and Commissions Income</b>		<b>42,268,930</b>	<b>32,415,529</b>
Gain from foreign currencies		1,278,105	1,168,436
Gain (Losses) from financial assets at fair value through profit or loss		8,500	(10,733)
Cash Dividends from financial assets at fair value through comprehensive income		75,200	60,000
Other income		663,454	1,311,035
<b>Total income for the period</b>		<b>44,294,189</b>	<b>34,944,267</b>
Employees expenses		9,346,132	7,722,362
Depreciation and amortization		2,625,659	2,758,992
Other expenses		8,563,638	7,892,959
Expected credit loss on financial assets	15	4,063,332	1,024,717
(Recovered from) provision for assets seized by the Bank		(25,484)	487,178
Sundry provisions		315,441	119,957
<b>Total expenses</b>		<b>24,888,718</b>	<b>20,006,165</b>
<b>Profit for the period before Income Tax</b>		<b>19,405,471</b>	<b>14,938,102</b>
<u>Less: Income tax</u>	12	<u>6,289,418</u>	<u>4,935,365</u>
<b>Profit for the period</b>		<b>13,116,053</b>	<b>10,002,737</b>
<b>Attributable to:</b>			
Bank's Shareholders		12,848,856	9,892,669
Non–controlling Interest		267,197	110,068
		<b>13,116,053</b>	<b>10,002,737</b>
		<b>JD / Fils</b>	<b>JD / Fils</b>
<b>Earnings per share for the period attributable to the (Banks' shareholders) / Basic and diluted</b>	16	<b>0.064</b>	<b>0.049</b>

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**BANK OF JORDAN**  
**(PUBLIC SHAREHOLDING LIMITED COMPANY)**  
**AMMAN – JORDAN**  
**CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME**  
**(REVIEWED NOT AUDITED)**

	<b>For the Three-Month Period Ended March 31,</b>	
	<b>2023</b>	<b>2022</b>
	<b>JD</b>	<b>JD</b>
Profit for the Period	13,116,053	10,002,737
<b>Other Comprehensive Income items:</b>		
<b>Other comprehensive income items that may be reclassified subsequently to the condensed consolidated interim statements of profit or loss :</b>		
Change in fair value of financial instruments classified as financial assets at fair value through comprehensive income	188,095	-
Foreign currency translation differences	3,650,574	-
	<b>3,838,669</b>	-
<b>Items that will not be reclassified subsequently to condensed consolidated interim statement of profit or loss:</b>		
Change in fair value of equity instruments classified as financial assets through comprehensive income – Net after tax	197,305	100,875
	<b>197,305</b>	<b>100,875</b>
<b>Total Comprehensive Income for the period</b>	<b>17,152,027</b>	<b>10,103,612</b>
<b>Total Comprehensive Income Attributable to:</b>		
The Bank's Shareholders	16,886,572	9,993,544
Non-controlling Interest	265,455	110,068
	<b>17,152,027</b>	<b>10,103,612</b>

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**BANK OF JORDAN**  
**(PUBLIC SHAREHOLDING LIMITED COMPANY)**  
**AMMAN – JORDAN**  
**CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN OWNERS' EQUITY**  
**[REVIEWED NOT AUDITED]**

	Reserves											
	Authorized and Paid-up Capital	Statutory	Voluntary	General Banking Risks	Special	Foreign Currencies Translation Differences	Fair Value Reserve	Retained Earnings	Profit for the Period	Total Banks' Shareholders' Equity	Non-Controllers' Interest	Total Owner's Equity
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
<b>For the Period Ended March 31, 2023</b>												
Balance - Beginning of the Period	200,000,000	110,452,964	86,363	4,102,021	5,849,743	(13,033,639)	48,495,968	173,238,442	-	529,191,862	13,151,924	542,343,786
Foreign currency translation differences	-	(28,666)	(28,666)	-	-	3,631,958	-	77,690	-	3,652,316	(1,742)	3,650,574
Profit for the Period	-	-	-	-	-	-	-	-	12,848,856	12,848,856	267,197	13,116,053
Change in fair value of debt instruments classified as financial assets at fair value through other comprehensive income	-	-	-	-	-	-	188,095	-	-	188,095	-	188,095
Change in fair value of equity instruments classified as financial assets at fair value through comprehensive income - net of tax	-	-	-	-	-	-	197,305	-	-	197,305	-	197,305
Total Comprehensive Income	-	-	-	-	-	3,631,958	385,400	77,690	12,848,856	16,886,572	265,455	17,152,027
Distributed cash dividends*	-	(28,666)	(28,666)	-	-	-	-	(36,000,000)	-	(36,000,000)	-	(36,000,000)
<b>Balance - End of the Period</b>	<b>200,000,000</b>	<b>110,424,298</b>	<b>57,697</b>	<b>4,102,021</b>	<b>5,849,743</b>	<b>(9,401,681)</b>	<b>48,881,368</b>	<b>137,316,132</b>	<b>12,848,856</b>	<b>510,078,434</b>	<b>13,417,379</b>	<b>523,495,813</b>
<b>For the Period Ended March 31, 2022</b>												
Balance - Beginning of the Period	200,000,000	104,362,505	49,406	4,102,021	5,849,743	(13,009,685)	(3,979,324)	176,032,362	-	473,407,028	12,657,948	486,064,976
Profit for the Period	-	-	-	-	-	-	-	-	9,892,669	9,892,669	110,068	10,002,737
Change in fair value of equity instruments classified as financial assets at fair value through comprehensive income - net of tax	-	-	-	-	-	-	100,875	-	-	100,875	-	100,875
Total Comprehensive Income	-	-	-	-	-	-	100,875	-	9,892,669	9,993,544	110,068	10,103,612
Distributed cash dividends*	-	-	-	-	-	-	-	(36,000,000)	-	(36,000,000)	-	(36,000,000)
<b>Balance - End of the Period</b>	<b>200,000,000</b>	<b>104,362,505</b>	<b>49,406</b>	<b>4,102,021</b>	<b>5,849,743</b>	<b>(13,009,685)</b>	<b>(3,878,449)</b>	<b>140,032,362</b>	<b>9,892,669</b>	<b>447,400,572</b>	<b>12,768,016</b>	<b>460,168,588</b>

\* In accordance with the Ordinary General Assembly meeting held on March 23, 2023, the bank has decided to distribute Cash dividends at 18% of the Bank's capital which is equivalent to JOD 36,000,000.

**According to the instructions of the regulatory bodies:**

- The general banking risks reserve and the special reserve cannot be utilized without prior approval from Palestine Monetary Authority.
- Retained earnings include a restricted amount of JD 22,862,070 against deferred tax benefits as of March 31, 2023 (JD 25,162,135 as of December 31, 2022) in accordance with the Central Bank of Jordan instructions, this amount is restricted and cannot be utilized for capitalization or distribution unless actually realized.
- Retained earnings include an amount of JD 227,598 as of March 31, 2023, that represents the effect of early adoption of IFRS (9). These restricted amounts cannot be utilized unless realized through actual sale.
- The fair value reserve cannot be utilized for capitalization, distribution, write-off losses or any other commercial acts unless realized through actual sale as instructed by Central Bank of Jordan and Jordan Security Commission, the balance of retained earnings include an amount of JD 813,437 as of March 31, 2023 which cannot be utilized through dividends distribution to the shareholders or use for any other purposes, without prior approval of Central Bank of Jordan, this amount has resulted from the application of Central Bank of Jordan circular No. 10/1/1359 on January 25, 2018, and Central Bank of Jordan circular No. 13/2018 dated June 6, 2018.

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**BANK OF JORDAN**  
**(PUBLIC SHAREHOLDING LIMITED COMPANY)**  
**AMMAN – JORDAN**  
**CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASHFLOWS**  
**(REVIEWED NOT AUDITED)**

	Note	For the Three-Month Period Ended March 31,	
		2023 JD	2022 JD
<b>Cash Flows from Operating Activities:</b>			
Profit for the period before tax		19,405,471	14,938,102
<b>Adjustments for non-cash items:</b>			
Depreciation and amortization		2,625,659	2,758,992
Expected credit loss on financial assets	15	4,063,332	1,024,717
(Gain) from sale of property and equipment		(25,039)	(15,468)
(Gain) loss from financial assets at fair value through profit or loss		(8,500)	10,733
Sundry provisions		315,441	119,957
Effect of exchange rate fluctuations		(1,300,246)	(1,143,549)
(Recovered from) provision for assets seized by the Bank		(25,484)	487,178
Foreign currency translation		5,933,851	-
<b>Profit before Changes in Assets and Liabilities</b>		<b>30,984,485</b>	<b>18,180,662</b>
<b>Changes in Assets and Liabilities:</b>			
Decrease in deposits in banks and financial institutions (maturing over 3 months)		469,000	-
Decrease in restricted balances		18,693,753	2,241,942
Decrease (Increase) in direct credit facilities at amortized cost		56,952,383	(88,045,405)
(Increase) in other assets		(6,056,544)	(7,907,475)
Increase (Decrease) in deposits in banks financial institutions (maturing over 3 months)		10,215,000	(282,000)
(Decrease) in customers deposits		(3,198,964)	(13,455,333)
Increase in cash margins		24,602,224	1,339,694
(Decrease) in borrowed funds		(1,217,882)	(2,672,777)
Increase (Decrease) in other liabilities		2,029,155	(2,090,176)
<b>Net change in Assets and Liabilities</b>		<b>102,488,125</b>	<b>(110,871,530)</b>
<b>Net Cash from (Used in) Operating Activities before Paid Taxes and End-of-Service Indemnity Provision</b>		<b>133,472,610</b>	<b>(92,690,868)</b>
End-of-service indemnity provision and lawsuits provision settled		(122,403)	(183,397)
Income tax settled	12	(4,123,638)	(5,679,945)
<b>Net Cash Flows (Used in) Operating Activities</b>		<b>129,226,569</b>	<b>(98,554,210)</b>
<b>Cash Flows from Investing Activities</b>			
(Purchase) of financial assets at fair value through comprehensive income		(50,011,660)	-
(Purchase) of financial assets at amortized cost		(5,818,331)	-
Maturity of financial assets at amortized cost		30,234,458	59,247,210
Maturity (Purchase) of financial derivatives		108,477	(688,612)
(Purchase) of property and equipment		(1,188,870)	(975,616)
Proceeds from sale of property and equipment		25,533	44,295
(Purchase) of intangible assets		(345,155)	(224,042)
<b>Net Cash Flows from (Used in) Investing Activities</b>		<b>(26,995,548)</b>	<b>(57,403,235)</b>
<b>Cash Flows from Financing Activities</b>			
Differences in Foreign currency translation		3,650,574	-
Dividends distributed to shareholder		(32,592,562)	(27,517)
<b>Net Cash Flows (Used in) Financing Activities</b>		<b>(28,941,988)</b>	<b>(27,517)</b>
Effect of exchange rate fluctuations on cash and cash equivalents		1,300,246	1,143,549
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>		<b>74,589,279</b>	<b>(40,034,943)</b>
Cash and cash equivalents - Beginning of the period		629,766,566	365,192,576
<b>Cash and Cash Equivalents - End of the period</b>	17	<b>704,355,845</b>	<b>325,157,633</b>

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**BANK OF JORDAN,**  
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**AMMAN – JORDAN**  
**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION**  
**(REVIEWED NOT AUDITED)**

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**1. General**

Bank of Jordan is a public shareholding company with headquarters in Amman – Jordan. It was registered under number (1983) On March 3, 1960, according to the Companies Law No. 33 for the Year 1962 with an authorized capital of JD 350,000 represented by 70,000 shares at a par value of JD 5 per share. The Bank's authorized and paid-up capital was increased in several stages, the last of which took place in accordance to the resolution of the general assembly in their extraordinary meeting held on April 9, 2016 where the Bank's capital was increased from JD 155.1 million to become JD 200 million and for which all the legal procedures related to this decision were completed on April 19, 2016.

The Bank provides all financial and banking services within its scope of activities. Those services are offered through its (83) branches and (18) branches in Palestine and the Bank branch in the Kingdom of Bahrain and Iraq Branch and its subsidiaries in Syria and Jordan (Bank of Jordan - Syria, Excel for Financial Investments Company and Jordan Leasing Company).

The accompanying consolidated condensed interim financial information were approved by the Board of directors in their meeting dated 27 April 2023.

**2. Basis of Preparation of consolidated condensed interim financial information**

- The accompanying condensed consolidated interim financial information have been prepared in accordance with the International Accounting Standard No. (34) "Interim Financial Reporting" as adopted by the Central Bank of Jordan.

The main differences between IFRS that should be applied and what have been adopted by the Central Bank of Jordan are as follow:

- When calculating credit losses against credit exposures, the calculation results in accordance with International Financial Reporting Standards (9) are compared with the calculation as per the instructions of the Central Bank of Jordan. for each stage separately and the stricter results are recorded, the main differences are:
  - Exclusion of the Debt instruments issued or guaranteed by the Jordanian Government, so that credit exposures issued or guaranteed by the Jordanian Government are treated with no credit losses
  - When calculating credit losses against credit exposures, the results of the calculation are compared in accordance with International Financial Reporting Standard No. (9) with the instructions of the Central Bank of Jordan No. (47/2009) dated December 10, 2009 for each stage separately, and the stricter results are recorded
- Interests, returns and commissions shall be suspended on non-performing credit facilities and funds granted to clients in accordance with the instructions of the Central Bank of Jordan and other related authorities in the countries the bank operates.

- Assets seized by Bank are shown in the condensed consolidated interim statement of financial position among other assets at their current value when seized to by Bank, or at their fair value, whichever is lower. Furthermore, they are re-evaluated on the date of the consolidated interim condensed financial information and any decline in their value is recorded as a loss in the profit or loss statement and the consolidated comprehensive income, and the increase is not recorded as revenue, as the subsequent increase is taken to the statement of profit or loss and consolidated comprehensive income to the extent that it does not exceed the decline recorded before. A gradual provision has been taken for real estate acquired in exchange for debts according to the Central Bank of Jordan's generalization (10/1/16239) dated September 2, 2021, which is 5% of the total book value of these real estate from the year of 2022 until the required percentage is reached (50% of these properties by the end of the year 2030). And that's according to the circular of Central Bank of Jordan No.10/3/13246 dated October 10, 2022, a gradual provision for seized assets was held against debt with stipulation on the allocated provisions for seized assets which violates the bank's law, and that only the allocated provision is released for any of or the violated seized assets when disposed of these assets.
- Additional provisions have been calculated in consolidated condensed interim financial information against the bank's foreign investments in foreign countries according to the expected credit loss.
- The net outcome of the differences between the Central Bank of Jordan instructions and the International Financial Reporting Standards represented by having the Bank to book additional provisions to comply with these instructions.
- The condensed consolidated interim financial information is prepared in accordance with the historical cost principle, except for financial assets which are stated at fair value through profit or loss, financial assets through other comprehensive income and other financial derivatives which are stated in fair value at the date of the condensed consolidated interim financial information. As the financial assets and liabilities are stated in fair value which were hedged for the risk in fair value changed.
- The reporting currency of the condensed consolidated interim financial information is the Jordanian Dinar, which is the functional currency of the Bank.
- The condensed consolidated interim financial information does not include all notes and information presented in the annual financial statements which were prepared according to the international financial reporting standards as adopted by the Central Bank of Jordan. The results of the three months ended March 31, 2023 do not indicate the expected results for the fiscal year ending December 31, 2023, and needed to be read in the same way as December 31, 2022, Furthermore, provisions have not been made on the period's profit as of March 31, 2023 in the same manner these would be conducted at the end of the fiscal year.
- consolidated condensed interim financial information includes the financial statements of the Bank and the subsidiary companies controlled by the Bank. Control is achieved when the Bank has the power to govern the financial and operating policies of the subsidiaries to obtain benefits from their activities. All intra-group transactions, balances, income, and expenses are eliminated.

The Bank has the following subsidiary companies as of March 31, 2023:

<b>Name of Subsidiary</b>	<b>Paid-up Capital</b>	<b>Bank's Ownership Percentage %</b>	<b>Subsidiary's Nature of Business</b>	<b>Place of Operation</b>	<b>Acquisition Date</b>
Bank of Jordan – Syria*	3,000 Million Syrian – Lira (Investment amount 21,91 Million JOD)	49	Banking Activities	Syria	May 17, 2008
Jordan Leasing Company	JD 20 Million	100	Finance Lease	Amman	October 24, 2011
Excel for Financial Investments Company	JD 3.5 Million	100	Financial Brokerage	Amman	March 23, 2006

### **Basis of Consolidated Condensed Interim Financial Statements**

- The condensed consolidated interim financial information for the bank and its subsidiaries under its control. Control is achieved when the Bank has the ability to control the financial and operational policies of subsidiaries in order to obtain benefits from their activities. Transactions, balances, revenue and expenses between the Bank and its subsidiaries are eliminated.
  - The subsidiaries' financial information are prepared under the same accounting policies adopted by the Bank. If the subsidiaries apply different accounting policies than those used by the Bank, the necessary modifications shall be made to the subsidiaries' financial information ensure compliance with the accounting policies used by the Bank.
  - The results of the subsidiary companies are incorporated into the condensed consolidated interim statement of profit or loss from the effective date of acquisition, which is the date when the Bank assumes actual control over the subsidiary. Moreover, the operating results of the disposed subsidiary are incorporated into the consolidated condensed interim statement of profit or loss up to the effective date of disposal which is the date on which the Bank loses control over the subsidiaries companies.
  - Non-controlling interest represents the portion of equity not held by the Bank in the subsidiary.
- \* The results of Bank of Jordan – Syria have been incorporated in the consolidated condensed interim financial information due to The Bank's power to govern the financial and operating policies of the subsidiary.

### **3. Significant accounting policies**

The accounting policies used in preparing the condensed consolidated interim financial information for the period ending on March 31, 2023 are identical with the accounting policies that were followed in preparing the consolidated financial information for the year ended December 31, 2022. However, it has adopted a set of the following amendments and interpretations that are effective for the first time in 2023 in the preparation condensed consolidated financial statement , which has no impact on the Bank's condensed consolidated interim financial information, knowing that it may affect future periods accounting treatment and future arrangement.

#### **IFRS 17 Insurance Contracts**

IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts.

IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach.

The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees.

In June 2020, the Board issued Amendments to IFRS 17 to address concerns and implementation challenges that were identified after IFRS 17 was published. The amendments defer the date of initial application of IFRS 17 (incorporating the amendments) to annual reporting periods beginning on or after January 1, 2023. At the same time, the Board issued Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4) that extends the fixed expiry date of the temporary exemption from applying IFRS 9 in IFRS 4 to annual reporting periods beginning on or after January 1, 2023.

In December 2021, the IASB issued Initial Application of IFRS 17 and IFRS 9—Comparative Information (Amendment to IFRS 17) to address implementation challenges that were identified after IFRS 17 was published. The amendment addresses challenges in the presentation of comparative information.

For the purpose of the transition requirements, the date of initial application is the start of the annual reporting period in which the entity first applies the Standard, and the transition date is the beginning of the period immediately preceding the date of initial application.

#### **Amendments to IAS 1 – Classification of Liabilities as Current or Non-current**

The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or noncurrent is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

#### **Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements - Disclosure of Accounting Policies**

The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The Board has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2 retrospectively.

## **Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates**

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”.

The definition of a change in accounting estimates was deleted. However, the Board retained the concept of changes in accounting estimates in the Standard with the following clarifications:

- A change in accounting estimate that results from new information or new developments is not the correction of an error
- The effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors

The IASB added two examples (Examples 4-5) to the Guidance on implementing IAS 8, which accompanies the Standard. The IASB has deleted one example (Example 3) as it could cause confusion in light of the amendments.

## **Amendments to IAS 12 Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction**

The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences.

Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting nor taxable profit. For example, this may arise upon recognition of a lease liability and the corresponding right-of-use asset applying IFRS 16 at the commencement date of a lease.

Following the amendments to IAS 12, an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12.

The Board also adds an illustrative example to IAS 12 that explains how the amendments are applied.

The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period an entity recognises:

- A deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary differences associated with:
  - Right-of-use assets and lease liabilities.
  - Decommissioning, restoration and similar liabilities and the corresponding amounts recognised as part of the cost of the related asset.

The cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date.

#### **4. Significant Accounting Judgments and key Sources of Uncertainty Estimates**

Preparation of the condensed consolidated interim financial information and application of the accounting policies require management to make judgments, estimates, and assumptions that affect the amounts of financial assets and financial liabilities and to disclose potential liabilities. Moreover, these estimates and judgments affect revenue, expenses, provisions, in general, expected credit losses, as well as changes in fair value that appear in the condensed consolidated interim statement of comprehensive income and within shareholders' equity. In particular, the Bank's management requires judgments to be made to estimate the amounts and timing of future cash flows. These estimates are necessarily based on multiple hypotheses and factors with varying degrees of estimation and uncertainty. Meanwhile, the actual results may differ from estimates due to the changes arising from the conditions and circumstances of those estimates in the future.

We believe that the estimates used in the preparation of these condensed consolidated interim financial information are consistent with those used in the annual consolidated financial statements for the year ended December 31, 2022

#### **5. Cash and Balances with Central Banks-Net**

This item consists of the following:

	<b>March 31, 2023 (Reviewed Not Audited) JD</b>	<b>December31, 2022 (Audited) JD</b>
Cash at vaults	75,438,201	80,763,969
Balances at Central Banks:		
- Current and on demand accounts	93,532,230	104,720,998
- Term and notice deposits	309,841,219	295,697,005
- Certificates of deposit	116,442,045	94,007,000
- Cash reserve required	97,854,665	98,842,399
<b>Balances at Central Banks - Gross</b>	<b>617,670,159</b>	<b>593,267,402</b>
<u>Less: Expected credit loss</u>	<u>(191,672)</u>	<u>(206,907)</u>
<b>Balances at Central Banks - Net</b>	<b>617,478,487</b>	<b>593,060,495</b>
<b>Total</b>	<b>692,916,688</b>	<b>673,824,464</b>

- Cash balances at Central Bank of Jordan amounted to JD 617,670,159 as of March 31, 2023 (JD 593,267,402 as of December 31, 2022)
- Statutory cash reserve amounted to JD 97,854,665 as of March 31, 2023 (JD 98,842,399 As of December 31, 2022).
- Except for the statutory cash reserve, restricted balances amounted to JD 2,218,488 as of March 31, 2023 (JD 19,951,005 as of December 31, 2022).
- Time and notice deposit include JD 10,635,000 maturing within a period exceeding three months as of March 31, 2023 (JD 10,635,000As of December 31, 2022).
- Expected credit losses allowance was not calculated against Central Bank Jordan balances as of March 31, 2023 and December 31, 2022 in accordance with the Central Bank of Jordan Instructions No.13/2018 on June 6,2018 regarding the implementation of International Financial Reporting Standard No. (9).

## **6. Balances with Banks and Financial Institutions-Net**

This item consists of the following:

	Local Banks and Financial Institutions		Foreign Banks and Financial Institutions		Total	
	March 31, 2023 (Reviewed Not Audited) JD	December 31, 2022 (Audited) JD	March 31, 2023 (Reviewed Not Audited) JD	December 31, 2022 (Audited) JD	March 31, 2023 (Reviewed Not Audited) JD	December 31, 2022 (Audited) JD
Current accounts and demand deposits		-	39,784,468	56,901,613	39,784,468	56,901,613
Deposits maturing within 3 months or less	122,540,000	67,090,000	51,502,989	26,852,893	174,042,989	93,942,893
<b>Gross Balance</b>	<b>122,540,000</b>	<b>67,090,000</b>	<b>91,287,457</b>	<b>83,754,506</b>	<b>213,827,457</b>	<b>150,844,506</b>
Less: Expected credit loss	(530)	(189)	(106,838)	(105,583)	(107,368)	(105,772)
<b>Net Balance</b>	<b>122,539,470</b>	<b>67,089,811</b>	<b>91,180,619</b>	<b>83,648,923</b>	<b>213,720,089</b>	<b>150,738,734</b>

- Non-interest-bearing balances at banks and financial institutions amounted to JD 21,941,300 as of March 31, 2023 (JD 26,329,361 as of December 31, 2022).
- Restricted balances at banks and financial institutions amounted to JD 4,628,566 as of March 31, 2023 (JD 4,602,068 as of December 31, 2022).
- The balances of banks and financial institutions are classified within the first and third phase in accordance with the requirements of IFRS 9 and there are no transfers between the (first, second and third) stages or non-existent balances during the period ending March 31, 2023.

## **7. Deposits with banks and financial institutions-Net**

This item consists of the following:

	Local Banks and Financial Institutions		Foreign Banks and Financial Institutions		Total	
	March 31, 2023 (Reviewed Not Audited) JD	December 31, 2022 (Audited) JD	March 31, 2023 (Reviewed Not Audited) JD	December 31, 2022 (Audited) JD	March 31, 2023 (Reviewed Not Audited) JD	December 31, 2022 (Audited) JD
Deposits maturing within 3 to 6 months	-	-	471,000	940,000	471,000	940,000
Deposits maturing within 6 to 9 months	-	-	-	-	-	-
Deposits maturing within 9 months to 1 year	-	-	-	-	-	-
Deposits maturing within more than 1 year	-	-	-	-	-	-
<b>Gross Balance</b>	-	-	<b>471,000</b>	<b>940,000</b>	<b>471,000</b>	<b>940,000</b>
Less: Expected credit loss	-	-	(22)	(53)	(22)	(53)
<b>Net Balance</b>	-	-	<b>470,978</b>	<b>939,947</b>	<b>470,978</b>	<b>939,947</b>

- The balances of banks and financial institutions are classified within the first phase in accordance with the requirements of IFRS No.9 and there are no transfers between the (first, second and third) stages or non-existent balances during the period ending March 31, 2023.
- There are no restricted deposits as of March 31, 2023 and December 31, 2022.

## **8. Direct Credit Facilities at Amortized Cost-Net**

This item consists of the following:

	<b>March 31, 2023 (Reviewed Not Audited)</b>	<b>December 31, 2022 (Audited)</b>
	<b>JD</b>	<b>JD</b>
<b>Individual (Retail Customers):</b>	<b>571,329,096</b>	<b>594,825,426</b>
Overdraft accounts	15,879,673	15,485,838
Loans and discounted bills*	524,172,857	548,344,887
Credit cards	31,276,566	30,994,701
<b>Real estate loans</b>	<b>259,182,768</b>	<b>271,477,666</b>
<b>Corporate:</b>	<b>576,447,236</b>	<b>598,406,763</b>
Large corporate customers	369,668,831	355,062,498
Overdraft accounts	38,281,662	36,395,236
Loans and discounted bills*	331,387,169	318,667,262
SMEs	206,778,405	243,344,265
Overdraft accounts	45,827,645	48,341,025
Loans and discounted bills*	160,950,760	195,003,240
<b>Government and public sector</b>	<b>220,852,377</b>	<b>225,239,281</b>
<b>Total</b>	<b>1,627,811,477</b>	<b>1,689,949,136</b>
<u>Less: expected credit loss provision</u>	(166,131,760)	(162,402,875)
<u>Less: Interest in suspense</u>	(16,161,088)	(15,387,052)
<b>Net Direct Credit Facilities at amortized cost</b>	<b>1,445,518,629</b>	<b>1,512,159,209</b>

\* Net of interest and commission received in advance amounting to JD 13,173,764 as of March 31, 2022 (JD 13,168,373 as of December 31, 2022).

- Non-performing credit facilities amounted to JD 165,291,517 representing (10.2%) of the direct credit facilities balance as of March 31, 2023 (JD 149,280,799 representing (8.8%)) as of December 31, 2022).
- Non-performing credit facilities after deducting the suspended interest amounted to JD 149,130,429 representing (9.3%) of direct credit facilities after deducting the suspended interest as of March 31, 2023 (JD 133,893,747 representing (8.0%)) as of December 31, 2022).
- Credit facilities granted to and guaranteed by the Jordanian Government amounted to JD 6,509,494 representing (40.0%) of total direct credit facilities as of March 31, 2023 (JD 1,742,800 representing (0.14%)) as of December 31, 2022), Moreover, credit facilities granted to the public sector in Palestine amounted to JD 40,965,852 as of March 31, 2023 (JD 41,115,210 as of December 31, 2022), Facilities granted to foreign governments amounted to JD 28,311,341 as of March 31, 2023 (JD 33,271,260 as of December 31, 2022).



- The movement on the expected credit loss provision at collective level during the period/year was as follows:

**For the period ended March 31, 2023 (Reviewed Not Audited)**

Item	Stage One		Stage Two		Stage Three		Total
	Individual Level	Collective Level	Individual Level	Collective Level	Individual Level	Collective Level	
	JD	JD	JD	JD	JD	JD	
Balance at the beginning of the period	693,455,209	759,905,629	55,478,241	31,829,258	149,280,799	1,689,949,136	
New facilities During the period	45,249,619	17,564,205	479	149,861	2,133,715	65,097,879	
Facilities settled	(61,479,383)	(38,090,843)	(593,836)	(1,533,247)	(2,466,386)	(104,163,695)	
Transfer to Stage One	<b>677,225,445</b>	<b>739,378,991</b>	<b>54,884,884</b>	<b>30,445,872</b>	<b>148,948,128</b>	<b>1,650,883,320</b>	
Transfer to Stage Two	11,913,650	17,153,293	(11,913,650)	(16,947,895)	(205,398)	-	
Transfer to Stage Three	(16,754,040)	(42,011,456)	16,810,926	43,105,819	(1,151,249)	-	
Effect on the allowance at the end of the year as a result of classification changes between the three stages during the period	(127,613)	(1,734,499)	(15,087,961)	(1,219,997)	18,170,070	-	
Changes due to adjustments	(3,652,436)	(178,654)	(165,807)	(12,168)	(23,540)	(4,032,605)	
Written off facilities transferred to off consolidated financial position items	2,646,297	(13,494,230)	(2,100,720)	(368,720)	50,748	(13,266,625)	
Adjustment due to exchange rates fluctuations	-	-	-	-	(27,208)	(27,208)	
	(4,994,241)	(129,002)	(151,684)	(444)	(470,034)	(5,745,405)	
<b>Balance at the end of the Period</b>	<b>666,257,062</b>	<b>698,984,443</b>	<b>42,275,988</b>	<b>55,002,467</b>	<b>165,291,517</b>	<b>1,627,811,477</b>	

**For the year ended December 31, 2022 (Audited)**

Item	Stage One		Stage Two		Stage Three		Total
	Individual Level	Collective Level	Individual Level	Collective Level	Individual Level	Collective Level	
	JD	JD	JD	JD	JD	JD	
Balance at the beginning of the year	611,018,680	760,840,231	112,095,288	29,919,114	144,312,640	1,658,185,953	
New facilities during the year	119,155,621	114,503,415	3,075,520	1,564,105	4,338,495	242,637,156	
Facilities settled	(87,306,834)	(82,127,211)	(13,779,957)	(2,338,248)	(8,729,123)	(194,281,373)	
Transferred to Stage One	<b>642,867,467</b>	<b>793,216,435</b>	<b>101,390,851</b>	<b>29,144,971</b>	<b>139,922,012</b>	<b>1,706,541,736</b>	
Transferred to Stage Two	26,203,243	23,883,822	(26,031,349)	(21,288,873)	(2,766,843)	-	
Transferred to Stage Three	(13,139,278)	(27,262,092)	15,022,060	28,123,679	(2,744,369)	-	
Effect on the allowance at the end of the year as a result of classification changes between the three stages during the year	(819,598)	(4,262,843)	(9,843,876)	(2,667,875)	17,594,192	-	
Changes due to adjustments	(6,884,735)	(1,430,661)	(4,584,043)	(1,160,933)	199,750	(13,860,622)	
Written off facilities transferred to off consolidated financial position items	46,756,171	(24,182,489)	(20,393,691)	(321,711)	(6,610)	1,851,670	
Adjustment due to exchange rates fluctuations	-	-	-	-	(1,912,569)	(1,912,569)	
	(1,528,061)	(56,543)	(81,711)	-	(1,004,764)	(2,671,079)	
<b>Balance at the end of the Year</b>	<b>693,455,209</b>	<b>759,905,629</b>	<b>55,478,241</b>	<b>31,829,258</b>	<b>149,280,799</b>	<b>1,689,949,136</b>	

- The movement on the expected credit loss provision on collective basis during the period/year was as follows:

**For the period ended March 31, 2023 (Reviewed Not Audited)**

Item	Stage One		Stage Two		Stage Three		Total
	Individual Level	Collective Level	Individual Level	Collective Level	Individual Level	Collective Level	
	JD	JD	JD	JD	JD	JD	
Balance at the beginning of the period	3,205,580	3,647,762	25,970,008	4,512,884	125,066,641	162,402,875	
Credit loss on new balances during the period	61,600	121,859	4	1,065,789	2,876,777	4,126,029	
Expected credit loss reversal on matured facilities	(176,395)	(131,862)	(38,690)	(41,584)	(2,191,819)	(2,580,350)	
<b>3,090,785</b>	<b>3,637,759</b>	<b>25,931,322</b>	<b>5,537,089</b>	<b>125,751,599</b>	<b>163,948,554</b>		
Transfer to Stage One	609,352	791,960	(609,352)	(764,882)	(27,078)	-	
Transfer to Stage Two	(54,050)	(170,711)	81,557	659,740	(516,536)	-	
Transfer to Stage Three	(852)	(5,253)	(2,142,930)	(41,869)	2,190,904	-	
Effect on the allowance at the end of the year as a result of classification changes between the three stages during the year	(231,500)	(526,037)	10,434	(306,367)	4,731,905	3,678,435	
Changes due to the adjustments	(99,102)	(282,164)	(674,604)	(70,512)	(154,940)	(1,281,322)	
Written off facilities transferred to off consolidated financial position items	-	-	-	-	(21,664)	(21,664)	
Adjustment due to exchange rates fluctuations	(9,059)	(1,414)	(1,959)	(311)	(179,500)	(192,243)	
<b>Balance at the End of the period</b>	<b>3,305,574</b>	<b>3,444,140</b>	<b>22,594,468</b>	<b>5,012,888</b>	<b>131,774,690</b>	<b>166,131,760</b>	

**For the year ended December 31, 2022 (Audited)**

Item	Stage One		Stage Two		Stage Three		Total
	Individual Level	Collective Level	Individual Level	Collective Level	Individual Level	Collective Level	
	JD	JD	JD	JD	JD	JD	
Balance at the beginning of the year	572,036	1,090,081	28,680,240	3,330,053	124,958,576	158,630,986	
Credit loss on new balances during the year	219,061	718,034	481,782	1,784,795	4,183,794	7,387,466	
Expected credit loss reversal of matured facilities	(84,840)	(117,709)	(1,461,214)	(1,514,281)	(8,178,528)	(11,356,572)	
<b>706,257</b>	<b>1,690,406</b>	<b>27,700,808</b>	<b>3,600,567</b>	<b>120,963,842</b>	<b>154,661,880</b>		
Transferred to Stage One	241,321	2,035,199	(86,039)	(144,405)	(2,046,076)	-	
Transferred to Stage Two	(12,604)	(54,910)	1,618,737	605,699	(2,156,922)	-	
Transferred to Stage Three	(546)	(6,886)	(56,781)	(24,479)	88,692	-	
Effect on the allowance at the end of the year as a result of classification changes between the three stages during the year	(117,832)	(2,001,987)	(1,539,296)	432,781	10,801,839	7,575,505	
Changes due to the adjustments	2,391,645	1,986,417	(1,665,933)	42,721	(376,126)	2,378,724	
Written off- Balances	-	-	-	-	(1,752,376)	(1,752,376)	
Adjustment due to exchange rates fluctuations	(2,661)	(477)	(1,488)	-	(456,232)	(460,858)	
<b>Balance at the End of the Year</b>	<b>3,205,580</b>	<b>3,647,762</b>	<b>25,970,008</b>	<b>4,512,884</b>	<b>125,066,641</b>	<b>162,402,875</b>	

The following is the movement on the expected credit loss provision against direct credit facilities according to the business sector:

For the period ended March 31, 2023 (Reviewed not Audited)	Corporates					Total
	Individual (Retail Customers)	Real Estate Loans	Large Corporate Customers	SMEs	Government and Public sector	
	JD	JD	JD	JD	JD	
Balance at the beginning of the Period	49,927,693	7,363,213	62,624,478	42,288,771	198,720	162,402,875
Impairment loss of new facilities during the period	2,968,072	161,974	166,637	829,346	-	4,126,029
Reversed from impairment loss of the settled balances	(542,735)	(166,543)	(775,453)	(1,095,619)	-	(2,580,350)
	<b>52,353,030</b>	<b>7,358,644</b>	<b>62,015,662</b>	<b>42,022,498</b>	<b>198,720</b>	<b>163,948,554</b>
Effect on the provision at the end of the period as a result of classification between three stages during the period	4,877	89,709	2,749,346	834,503	-	3,678,435
Changes due to the adjustments	(309,229)	(94,258)	(269,044)	(635,516)	26,725	(1,281,322)
Written-off balances transferred to off consolidated financial position items	(21,664)	-	-	-	-	(21,664)
Adjustment due to exchange rates fluctuations	(9,369)	(2,681)	(138,864)	(41,329)	-	(192,243)
<b>Balance at the End of the period</b>	<b>52,017,645</b>	<b>7,351,414</b>	<b>64,357,100</b>	<b>42,180,156</b>	<b>225,445</b>	<b>166,131,760</b>
<b>Distributed as follow:</b>						
Provision on individual level	898,942	928,292	64,265,251	41,803,487	225,445	108,121,417
Provision on collective level	51,118,703	6,423,122	91,849	376,669	-	58,010,343
<b>Balance at the End of the Period</b>	<b>52,017,645</b>	<b>7,351,414</b>	<b>64,357,100</b>	<b>42,180,156</b>	<b>225,445</b>	<b>166,131,760</b>

For the year ended December 31, 2022 (Audited)	Corporates					Total
	Individual (Retail Customers)	Real Estate Loans	Large Corporate Customers	SMEs	Government and Public sector	
	JD	JD	JD	JD	JD	
Balance – Beginning of the year	44,206,303	9,037,978	66,446,361	38,768,162	172,182	158,630,986
Impairment loss of new facilities during the year	4,745,387	674,791	958,300	915,992	92,996	7,387,466
Reversed from impairment loss of the (settled) balances	(3,677,029)	(1,600,159)	(2,287,659)	(3,788,257)	(3,468)	(11,356,572)
	<b>45,274,661</b>	<b>8,112,610</b>	<b>65,117,002</b>	<b>35,895,897</b>	<b>261,710</b>	<b>154,661,880</b>
Effect on the allowance at the end of the year as a result of classification changes between the three stages during the year	2,719,714	(971,289)	(74,105)	5,901,185	-	7,575,505
Changes due to the adjustments	2,040,868	223,768	(673,129)	850,207	(62,990)	2,378,724
Written-off balances transferred to off consolidated financial position items	(71,194)	-	(1,663,398)	(17,784)	-	(1,752,376)
Adjustment due to exchange rates fluctuations	(36,356)	(1,876)	(81,892)	(340,734)	-	(460,858)
<b>Balance at the End of the Year</b>	<b>49,927,693</b>	<b>7,363,213</b>	<b>62,624,478</b>	<b>42,288,771</b>	<b>198,720</b>	<b>162,402,875</b>
<b>Distributed as follow:</b>						
Allowance on individual level	154,609	930,917	62,527,064	41,891,618	198,720	105,702,928
Allowance on collective level	49,773,084	6,432,296	97,414	397,153	-	56,699,947
<b>Balance at the End of the Year</b>	<b>49,927,693</b>	<b>7,363,213</b>	<b>62,624,478</b>	<b>42,288,771</b>	<b>198,720</b>	<b>162,402,875</b>

**Interest in Suspense:**

The following is the movement on the interest in suspense:

	Corporates				
	Individual (Retail Customers)	Real Estate Loans	Large Corporate Customers	SMEs	Total
	JD	JD	JD	JD	JD
<b>For the period ended March 31, 2023 (Reviewed not Audited)</b>					
Balance at the Beginning of the Period	2,421,522	2,183,241	4,799,075	5,983,214	15,387,052
<u>Add: Interest suspended during the Period</u>	141,852	207,207	389,117	302,614	1,040,790
<u>Less: Interest in suspense reversed to revenue</u>	(72,350)	-	(813)	(67,233)	(140,396)
Adjustments due to change in the exchange rate	(904)	(3,097)	(93,358)	(23,455)	(120,814)
Written off facilities transferred to off financial position items	(5,544)	-	-	-	(5,544)
<b>Balance at the End of the Period</b>	<b>2,484,576</b>	<b>2,387,351</b>	<b>5,094,021</b>	<b>6,195,140</b>	<b>16,161,088</b>
			<b>Corporates</b>		
<b>For the year ended December 31, 2022 (Audited)</b>					
Balance at the Beginning of the Year	2,280,404	2,013,231	3,598,390	5,548,249	13,440,274
<u>Add: Interest suspended during the year</u>	322,835	506,362	1,362,171	1,169,817	3,361,185
<u>Less: Interest in suspense reversed to revenue</u>	(169,168)	(334,207)	(116,483)	(486,195)	(1,106,053)
Translation differences	3,045	(2,145)	(45,003)	(104,058)	(148,161)
Written off facilities transferred to off financial position items	(15,594)	-	-	(144,599)	(160,193)
<b>Balance at the End of the Year</b>	<b>2,421,522</b>	<b>2,183,241</b>	<b>4,799,075</b>	<b>5,983,214</b>	<b>15,387,052</b>

## **9. Financial Assets at Amortized Cost - Net**

This item consists of the following:

	<b>March 31, 2023</b>	<b>December 31, 2022</b>
	<b>(Reviewed Not Audited)</b>	<b>(Audited)</b>
	<b>JD</b>	<b>JD</b>
<b>Quoted Investments</b>		
Governmental treasury bonds	140,443,987	145,357,652
Banks and corporates bonds	19,493,830	32,587,705
Foreign governments treasury bonds	10,714,825	17,780,250
<b>Total quoted investments</b>	<b>170,652,642</b>	<b>195,725,607</b>
<b>Unquoted Investments</b>		
Corporate bonds	36,307,000	41,307,000
Foreign governments treasury bills	5,656,838	-
<b>Total unquoted investments</b>	<b>41,963,838</b>	<b>41,307,000</b>
<b>Gross financial assets at amortized cost</b>	<b>212,616,480</b>	<b>237,032,607</b>
<u>Less:</u> Provision for expected credit losses	(305,178)	(372,177)
<b>Net financial assets at amortized cost</b>	<b>212,311,302</b>	<b>236,660,430</b>

### **Analysis of bonds and treasury bills**

	<b>March 31, 2023</b>	<b>December 31, 2022</b>
	<b>(Reviewed Not Audited)</b>	<b>(Audited)</b>
	<b>JD</b>	<b>JD</b>
Financial Assets with Fixed rate	212,616,480	232,032,607
Financial Assets with Variable Rate	-	5,000,000
	<b>212,616,480</b>	<b>237,032,607</b>

## **10. Property and Equipment**

This item consists of the following:

	<b>March 31, 2023 (Reviewed Not Audited)</b>	<b>December 31, 2022 (Audited)</b>
	<b>JD</b>	<b>JD</b>
Property and equipment (A)	39,490,389	39,790,542
Right of use assets (B)	19,084,001	17,768,842
<b>Net Balance</b>	<b><u>58,574,390</u></b>	<b><u>57,559,384</u></b>

- a. Additions to property and equipment during the period ended March 31, 2023 amounted to JD 1,188,870 (JD 975,616 during the period ended March 31, 2022); Depreciation expense for the period amounted to JD 1,905,461 March 31, 2023 (JD 1,539,075 for the period ended March 31, 2022).
- b. Additions to right of use during the period ended March 31, 2023 amounted to 2,241,799 (JD 1,905,461 during the period ended March 31, 2022); Depreciation expense for the period amounted to JD 920,060 March 31, 2023 (JD 857,559 for the period ended March 31, 2022).

## **11. Other Assets**

This item consists of the following:

	<b>March 31, 2023 (Reviewed Not Audited)</b>	<b>December 31, 2022 (Audited)</b>
	<b>JD</b>	<b>JD</b>
Accrued interest income	7,521,080	9,017,407
Prepaid expenses	6,082,042	3,180,980
Assets seized by the Bank in repayment of non-performing debts*	66,881,579	66,643,289
Clearance cheques	1,719,166	368,898
Advance payments on the acquisition of lands and real estates	2,291,110	1,990,486
Paid margins	240,195	240,198
Prepaid tax expenses	6,683,428	4,502,953
Financial derivatives	9,986	118,463
Accounts receivables and other debit balances	5,650,981	5,043,342
	<b><u>97,079,567</u></b>	<b><u>91,106,016</u></b>

- \* The following is the movement on assets seized by the Bank in repayment of non-performing debts:

	<b>Seized Assets</b>	
	<b>For the Three- Month Period Ended March 31, 2023 (Reviewed Not Audited)</b>	<b>For the Year Ended December 31, 2022 (Audited)</b>
	<b>JD</b>	<b>JD</b>
Balance at the Beginning of the Year	<b>76,212,320</b>	73,140,691
Additions	298,956	5,245,099
Disposals	(86,150)	(2,173,470)
End of the year balance	76,425,126	<b>76,212,320</b>
Impairment provision of assets foreclosed by the Bank	(9,543,547)	(9,569,031)
<b>Balance at the End of the Year</b>	<b><u>66,881,579</u></b>	<b><u>66,643,289</u></b>

- According to the Jordanian Banks' Law, buildings and plots of lands seized by the Bank in repayment of debts from clients should be sold within two years from the foreclosure date. However, the Central Bank of Jordan may extend this period for two more years in exceptional cases.
- Assets seized by Bank are shown in the condensed consolidated interim statement of financial position among other assets at their current value when seized to by Bank, or at their fair value, whichever is lower.

Furthermore, they are re-evaluated on the date of the consolidated interim condensed financial information and any decline in their value is recorded as a loss in the profit or loss statement and the consolidated comprehensive income, and the increase is not recorded as revenue, as the subsequent increase is taken to the statement of profit or loss and consolidated comprehensive income to the extent that it does not exceed the decline recorded before. A gradual provision has been taken for real estate acquired in exchange for debts according to the Central Bank of Jordan's generalization (10/1/16239) dated September 2, 2021, which is 5% of the total book value of these real estate from the year of 2022 until the required percentage is reached (50% of these properties by the end of the year 2030). And that's according to the circular of Central Bank of Jordan No.10/3/13246 dated October 10, 2022, a gradual provision for seized assets was held against debt with stipulation on the allocated provisions for seized assets which violates the bank's law , and that only the allocated provision is released for any of or the violated seized assets when disposed of these assets .

## **12. Income Tax**

### a. Income tax provision

The movement on the income tax profit or loss provision is as follows:

	<b>March 31, 2023 (Reviewed Not Audited)</b>	<b>December 31, 2022 (Audited)</b>
	<b>JD</b>	<b>JD</b>
Balance - Beginning of the Period / Year	21,497,785	20,055,494
Income tax paid	(4,123,638)	(19,413,712)
Accrued Income tax	3,989,353	20,856,003
<b>Balance - End of the Period / Year</b>	<b>21,363,500</b>	<b>21,497,785</b>

Income tax in the condensed consolidated interim statement of profit or loss represents the following:

	<b>For the Three-Month Period Ended on March 31,</b>	
	<b>2023 (Reviewed Not Audited)</b>	<b>2022 (Audited)</b>
	<b>JD</b>	<b>JD</b>
Income tax on current period's profit	3,989,353	4,694,945
Income tax on prior periods	-	121,688
Deferred tax assets for the period-addition	(538,852)	(495,753)
Amortization of deferred tax assets	2,838,917	614,485
	<b>6,289,418</b>	<b>4,935,365</b>

The legal income tax rate in Jordan is 38% for banks, knowing that the legal income tax rate in Palestine in which the bank has investments and branches is 15%, and in Syria (a subsidiary company) 25% and subsidiaries in Jordan 28%.

- A final settlement was reached with the Income and Sales Tax Department in Jordan up to the end of 2018, and the bank submitted its annual tax returns for the years 2019, 2020, 2021 and paid the required amounts according to the law, however no final settlement was reached with the Income and Sales Tax Department for those years yet. In the opinion of management and its legal and tax advisors, the bank will not have any obligations in excess of the provisions that were booked in the condensed consolidated interim financial information.
- A final settlement was reached with the Income tax and VAT departments on the results of the bank's operations in Palestine until the end of the year 2020, in addition to that the bank submitted a self-assessment about tax returned for 2021, and paid the amount required by law. In the opinion of management and its tax advisor current booked provisions are sufficient to pay the tax obligations.
- A final settlement was reached with the Income and Sales Tax Department in Jordan with regard to Excel for Financial Investments Company (Subsidiary) until the end of year 2020. The company submitted its tax return for the year 2021 and paid related taxes but still not reviewed by the Income and Sales Tax Department Yet, In the opinion of management and its tax advisor current booked provisions are sufficient to pay the tax obligations.
- A final settlement was reached with the Income and Sales Tax Department in Jordan with regard to Jordan Leasing Company (Subsidiary) until the end of year 2020 except the year 2019,in-addition the company submitted its tax return for the years 2019 and 2021 and paid related taxes but still not reviewed by the Income and Sales Tax Department Yet, In the opinion of management and its tax advisor current booked provisions are sufficient to pay the tax obligations.
- The Bank calculated the accrued income tax for the year ended March 31, 2023 for the Bank and its subsidiary Companies and external branches in its condensed consolidated interim financial statement. In the opinion of the management and its tax consultant, the balance is sufficient to meet the tax commitments as of that date.



### 13. Borrowed Funds

The details of this item are as follows:

<b>March 31, 2023 (Reviewed Not Audited)</b>	<b>Amount</b>	<b>Number of Installments</b>		<b>Periodic Installments Maturity</b>	<b>Collaterals</b>	<b>Price of Borrowing Interest</b>
		<b>In Total</b>	<b>The Remaining</b>			
	<b>JD</b>					
Borrowing from the Central Bank of Jordan*	24,080,215	24-108	5-96	Monthly	Treasury Bonds and bills	Zero -1%
Borrowing from Jordan Mortgage Refinance Company **	15,000,000	1	1	One payment	Assigning real estate loans mortgage certificates in favour of the company	4.15%
Lease Liabilities ***	18,415,509	1078	611	Annual	None	Average 6,48%
<b>Total</b>	<b><u>57,495,724</u></b>					

<b>December 31, 2022 (Audited)</b>	<b>Amount</b>	<b>Number of Installments</b>		<b>Periodic Installments Maturity</b>	<b>Collaterals</b>	<b>Price of Borrowing Interest</b>
		<b>In Total</b>	<b>The Remaining</b>			
	<b>JD</b>					
Borrowing from the Central Bank of Jordan*	25,298,097	24-108	1-60	Monthly	Treasury Bonds and bills	Zero -1%
Borrowing from Jordan mortgage Refinance company**	15,000,000	1	1	One payment	Assigning mortgage bounds for the company	4.15%
Lease liabilities ***	17,376,666	953	513	Annually	None	Average 6,28%
<b>Total</b>	<b><u>57,674,763</u></b>					

\* The above amounts were re-financed to the bank's customers within the SME and large corporates at interest rates ranging from 2% to 6,83%.

- This balance is borrowed at a fixed interest rate, and there is no borrowing at floating interest rates, zero interest borrowings related to loans issued by the Central Bank of Jordan amounted to 14,436,569 as of March 31, 2023 (JD 16,506,116 as of December 31, 2022).

\*\* This item represents borrowing from Jordan Mortgage Refinance Company which is due in one payment on December 29, 2023.

\*\*\* Lease liabilities against right of use of assets :

	<b>March 31, 2023 (Reviewed Not Audited)</b>	<b>December 31, 2022 (Audited)</b>
	<b>JD</b>	<b>JD</b>
<b>Maturity analysis - undiscounted contractual cash flows</b>		
Less than one year	3,983,818	3,617,727
Year to five years	13,228,250	12,290,281
More than five years	6,988,038	7,231,831
<b>Total undiscounted lease obligations</b>	<b><u>24,200,106</u></b>	<b><u>23,139,839</u></b>
<b>Discounted lease obligations included in the consolidated condensed interim statement of financial position</b>		
Within one year	18,415,509	17,376,666
More than one year	2,626,564	1,716,420
	15,788,945	15,660,246

#### 14. Other Liabilities

The details of this item are as follows:

	<b>March 31, 2023 (Reviewed Not Audited)</b>	<b>December 31, 2022 (Audited)</b>
	<b>JD</b>	<b>JD</b>
Accrued interest payable	9,353,449	8,019,551
Accepted deferred cheques	8,523,109	8,424,527
Temporary deposits	7,573,864	6,763,075
Dividends payable	6,146,691	2,739,253
Deposits on safe boxes	174,713	174,912
Margins against sold real estate	139,795	138,095
Expected credit loss provision against indirect credit facilities *	8,285,237	8,069,724
Other liabilities	13,296,863	12,309,522
	<b>53,493,721</b>	<b>46,638,659</b>

\* Indirect credit facilities balance movement at the collective level during the period/year was as follows:

##### As of March 31, 2023 (Reviewed not Audited)

Item	Stage One		Stage Two		Stage Three	Total
	Individual JD	Collective JD	Individual JD	Collective JD	JD	JD
Balance at the Beginning of the period	395,976,362	64,065,645	11,703,169	14,863,379	10,703,066	497,311,621
New facilities during the period	80,193,857	3,304,067	422,812	514,549	30,811	84,466,096
Facilities paid	(32,151,472)	(25,422,165)	(68,229)	(4,129,326)	(96,124)	(61,867,316)
	<b>444,018,747</b>	<b>41,947,547</b>	<b>12,057,752</b>	<b>11,248,602</b>	<b>10,637,753</b>	<b>519,910,401</b>
Transferred to stage one	1,842,614	4,299,199	(1,842,614)	(4,299,199)	-	-
Transferred to stage two	(6,801,207)	(1,035,199)	6,801,207	1,035,199	-	-
Transferred to stage three	(12,606)	(16,061)	(854,431)	(65,221)	948,319	-
The effect of changes in classification between the three stages during the period	(262,745)	(43,412)	(4,183,121)	(119,545)	(728,139)	(5,336,962)
Changes due to the adjustments	(10,361,720)	(1,178,428)	371,019	(84,554)	-	(11,253,683)
Adjustments due to exchange rates fluctuations	(1,862,316)	-	(355,361)	-	(29,102)	(2,246,779)
<b>Balance at the End of the period</b>	<b>426,560,767</b>	<b>43,973,646</b>	<b>11,994,451</b>	<b>7,715,282</b>	<b>10,828,831</b>	<b>501,072,977</b>

##### As of December 31, 2022 (Audited)

Item	Stage One		Stage Two		Stage Three	Total
	Individual JD	Collective JD	Individual JD	Collective JD	JD	JD
Balance at the Beginning of the Year	352,723,215	63,088,221	28,348,138	726,223	10,980,895	455,866,692
New exposures during the year	38,327,337	5,814,598	939,544	83,912	9,918	45,175,309
Accrued exposures	(82,751,234)	(5,040,133)	(3,520,369)	(115,410)	(266,443)	(91,693,589)
	<b>308,299,318</b>	<b>63,862,686</b>	<b>25,767,313</b>	<b>694,725</b>	<b>10,724,370</b>	<b>409,348,412</b>
Transferred to stage one	12,509,640	302,613	(12,507,640)	(302,613)	(2,000)	-
Transferred to stage two	(10,583,184)	(12,821,401)	10,619,084	12,821,401	(35,900)	-
Transferred to stage three	(61,839)	(127,036)	(1,756,677)	(59,121)	2,004,673	-
Effect as a result of classification changes between the three stages during the year	2,816,571	290,693	(8,262,723)	1,653,827	(1,972,524)	(5,474,156)
Changes due to the adjustments	83,636,724	12,558,090	(1,966,393)	55,160	-	94,283,581
Adjustments due to exchange rates Fluctuations in foreign currency	(640,868)	-	(189,795)	-	(15,553)	(846,216)
<b>Balance at the End of the Year</b>	<b>395,976,362</b>	<b>64,065,645</b>	<b>11,703,169</b>	<b>14,863,379</b>	<b>10,703,066</b>	<b>497,311,621</b>

\* Expected credit loss provision movement against indirect credit facilities during the period / year was as follows:

**As of March 31, 2023 (Reviewed not Audited)**

Item	Stage One		Stage Two		Stage Three	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD		
Balance at the Beginning of the period	695,333	43,570	372,319	29,242	6,929,260	8,069,724
Credit loss on new exposures during the Period	165,120	1,917	1,582	695	132,279	301,593
Impairment loss over accrued exposures	(63,671)	(13,456)	(626)	(8,313)	(56,073)	(142,139)
	796,782	32,031	373,275	21,624	7,005,466	8,229,178
Transferred to stage one	5,431	8,410	(5,431)	(8,410)	-	-
Transferred to stage two	(21,151)	(514)	21,151	514	-	-
Transferred to stage three	(110)	(15)	(2,615)	(491)	3,231	-
Effect on the provision at the end of the period – as a result of classification changes between the three stages during the period	248	(6,773)	(880)	1,141	143,555	137,291
Changes due to the adjustments	(135,263)	(3,302)	59,690	(3,577)	-	(82,452)
Adjustments due to exchange rates fluctuations	(620)	-	(744)	-	2,584	1,220
<b>Balance at the End of the Period</b>	<b>645,317</b>	<b>29,837</b>	<b>444,446</b>	<b>10,801</b>	<b>7,154,836</b>	<b>8,285,237</b>

**As of December 31, 2022 (Audited)**

Item	Stage One		Stage Two		Stage Three	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD		
Balance at the Beginning of the year	322,299	116,345	236,313	6,274	7,013,695	7,694,926
Credit loss on new exposures during the year	58,873	3,679	1,989	121	-	64,662
Impairment loss over accrued exposures	(69,037)	(11,106)	(56,219)	(998)	(97,245)	(234,605)
	<b>312,135</b>	<b>108,918</b>	<b>182,083</b>	<b>5,397</b>	<b>6,916,450</b>	<b>7,524,983</b>
Transferred to stage one	60,458	2,613	(60,458)	(2,613)	-	-
Transferred to stage two	(13,662)	(23,643)	13,662	23,643	-	-
Transferred to stage three	(35)	(234)	(9,512)	(511)	10,292	-
Effect on the provision at the end of the year – as a result of classification changes between the three stages during the period	9,129	(2,215)	60,133	3,097	7,845	59,731
Changes due to the adjustments	345,712	(41,869)	186,809	229	-	490,881
Adjustment due to exchange rates fluctuations	(146)	-	(398)	-	(5,327)	(5,871)
<b>Balance at the End of the Year</b>	<b>695,333</b>	<b>43,570</b>	<b>372,319</b>	<b>29,242</b>	<b>6,929,260</b>	<b>8,069,724</b>

### **15. Expected Credit Loss on Financial Assets**

The details of this item are as follows:

	<b>For the Three-Month Period Ended March 31,</b>	
	<b>2023</b>	<b>2022</b>
	<b>(Reviewed Not Audited)</b>	
	<b>JD</b>	<b>JD</b>
Cash at central banks	(25,937)	(17,489)
Balances with banks and financial institutions	(789)	125
Deposits at banks and financial institutions	(28)	(2,201)
Direct credit facilities at amortized cost	3,942,792	1,202,898
Financial assets at amortized cost	(66,999)	(42,901)
Off Balance sheet Items	214,293	(115,715)
	<b><u>4,063,332</u></b>	<b><u>1,024,717</u></b>

### **16. Earnings per Share from Profit for the Period**

The details of this item are as follows:

	<b>For the Three-Month Period Ended March 31,</b>	
	<b>2023</b>	<b>2022</b>
	<b>(Reviewed Not Audited)</b>	
	<b>JD</b>	<b>JD</b>
Profit for the year (Bank's shareholders)	12,848,856	9,892,669
<b>Weighted average number of shares</b>	<b><u>200,000,000</u></b>	<b><u>200,000,000</u></b>
Net income for the period/share (Bank's shareholders):		
<b>Basic /Diluted</b>	<b><u>0,064</u></b>	<b><u>0.049</u></b>

- The weighted average number of shares per share of the basic and diluted profit attributable to the Bank's shareholders was calculated based on the number of shares authorized for the three months ended March 31, 2023 and 2022.

### **17. Cash and Cash Equivalents**

The details of this item are as follows:

	<b>As of March 31,</b>	
	<b>2023</b>	<b>2022</b>
	<b>(Reviewed Not Audited)</b>	
	<b>JD</b>	<b>JD</b>
Cash and balances with central banks maturing within 3 months	682,473,360	381,666,864
<u>Add</u> : Balances with banks and other financial institutions maturing within 3 months	213,827,457	81,165,205
<u>Less</u> : Banks and financial institutions' deposits maturing within 3 months	(87,243,253)	(40,159,428)
Restricted balances	(104,701,719)	(97,515,008)
	<b><u>704,355,845</u></b>	<b><u>325,157,633</u></b>

## **18. Capital and Liquidity management**

### **Capital Management**

#### **Capital Components:**

- Paid-up Capital:  
The paid-up capital of Bank of Jordan consists of (200) million ordinary shares at a nominal value of 1 JD per share. The Bank maintains capital, statutory reserves, and retained earnings to meet the growth in its operations and the requirements of branching locally and regionally.
  
- Regulatory Capital:  
Regulatory capital is considered a control tool according to the requirements of regulatory authorities and Basel (III) for the purposes of achieving control over the adequacy of capital and the ratio of regulatory capital to risky and weighted assets and market risk. Regulatory capital consists of:
  - (Paid-up capital, legal reserve, voluntary reserve, and retained earnings).
  - (Undisclosed reserves, general banking risks reserve, special reserve subordinated debts, and the positive fair value reserve at 100% and deduct regulatory adjustments according Basel III).
  - Foreign currency translation differences.
  
- Regulatory Authorities' Requirements:  
The regulatory authorities' instructions entail that the minimum capital shall be JD (100) million and the capital adequacy ratio not less than 12% in accordance with the central bank of Jordan and For the purposes of classifying the bank in the first category, the capital adequacy ratio must not be less than 14% and if the bank is classified as a D-SIBS bank, the capital adequacy ratio should not be less than (14% + the capital required of locally important banks by the category to which the bank belongs), The ratio of owners' equity to total assets (financial leverage ratios) must not be less than 4% (for CETI)
  
- Achieving the Objectives of Capital Management:  
The Bank's management aims at achieving the capital management objectives through developing (enhancing) the Bank's activities, achieving a surplus in operating profits and revenue, and optimally investing available funds. All of this is geared towards reaching the targeted growth in owners' equity through the increase in the compulsory reserve at 10% of the profits earned, voluntary reserve at 20%, and retained earnings.

The regulatory capital and capital adequacy ratio according to the standard approach was as follows:

	<b>In JD Thousands</b>	
	<b>March 31, 2023</b>	<b>December 31, 2022</b>
<b><u>Regulatory capital for ordinary shares holders (CETI):</u></b>		
Subscribed and paid-up capital	200,000	200,000
Statutory reserve	110,424	110,453
Voluntary reserve	58	86
Other reserves	5,850	5,850
Fair value reserve	48,881	48,496
Retained earnings	133,204	136,197
Profit for the period	12,849	-
Non-controlling interest in the capital of subsidiaries	5,801	5,215
<u>Less: Regulatory capital adjustments</u>	<u>(39,721)</u>	<u>(45,678)</u>
<b>Total Primary Capital for ordinary shareholders (CETI)</b>	<b>477,346</b>	<b>460,619</b>
<b><u>Additional Capital Items</u></b>		
Provision balance against debt instruments included in (Stage 1) not exceeding 1.25% of total risk weighted assets	7,914	8,178
General banking risk reserve	4,102	4,102
<b>Total additional capital</b>	<b>12,016</b>	<b>12,280</b>
<b>Total regulatory capital</b>	<b>489,363</b>	<b>472,900</b>
<b>Total risk weighted assets</b>	<b>2,070,784</b>	<b>2,086,493</b>
<b>Capital adequacy ratio (%)</b>	<b>23,63%</b>	<b>22,66%</b>
<b>Regulatory capital for ordinary shareholders (CETI) (%)</b>	<b>23,05%</b>	<b>22,08%</b>
<b>Capital adequacy for first layer (%)</b>	<b>23,05%</b>	<b>22,08%</b>

**b. liquidity Coverage Ratio:**

The average liquidity coverage ratio reached 298,5% For the three-month period ended March 31 ,2023 (in comparison to 218% as of December 31, 2022.), in-addition to The Actual liquidity coverage ratio reached 342% as Of March 31, 2023 in comparison to 277,3% as of December 31, 2022.

**19. Information on the Bank's Business Segments**

**1. The Bank's business segments are:**

The Bank is organized for management purposes in a manner that allows measurement of its segments according to reports used by its Chief Executive Officer and main decision-makers through the following main segments:

- Retail Banking: includes following up on individual customers' accounts, granting them loans, credit, credit cards, and other services.
- Corporate Banking: includes following up on deposits, credit facilities, and other banking services pertinent to corporate customers.
- Treasury: includes providing dealing and treasury services and management of the Bank's funds.
- Financial Brokerage Services: includes providing purchase and sale of customers' portfolios on their behalf, custody of investments, financial consultations, custody service, and management of initial public offerings.



## **2. Information about Geographical Distribution:**

This item represents the geographical distribution of the Bank's activities. The Bank conducts its activities mainly in Jordan, representing local activities. Additionally, the Bank performs international activities in Middle East, Europe, Asia, United States, Far East, which represent, international operation.

The following is the geographical distribution of the Bank's revenue, assets, and capital expenses according to geographical location:

	<b>Inside the Kingdom</b>		<b>Outside the Kingdom</b>		<b>Total</b>	
	<b>March 31</b>		<b>March 31</b>		<b>March 31</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>(Reviewed Not Audited)</b>		<b>(Reviewed Not Audited)</b>		<b>(Reviewed Not Audited)</b>	
	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>
Total Revenue	43,506,279	31,378,610	11,159,173	8,655,895	54,665,452	40,034,505
Capital Expenditures	448,083	482,433	740,787	493,183	1,188,870	975,616

	<b>Inside the Kingdom</b>		<b>Outside the Kingdom</b>		<b>Total</b>	
	<b>March 31, 2023</b>	<b>December 31, 2022</b>	<b>March 31, 2023</b>	<b>December 31, 2022</b>	<b>March 31, 2023</b>	<b>December 31, 2022</b>
	<b>(Reviewed Not Audited)</b>		<b>(Reviewed Not Audited)</b>		<b>(Reviewed Not Audited)</b>	
	<b>(Audited)</b>		<b>(Audited)</b>		<b>(Audited)</b>	
	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>
Total Assets	2,129,727,479	2,070,906,578	800,693,820	813,823,838	2,930,421,299	2,884,730,416





## 21. Fair Value Hierarchy

### a. The fair value of financial assets and financial liabilities of the Bank specified at fair value on an ongoing basis:

Some financial assets and liabilities of the Bank are evaluated at fair value at the end of each fiscal period, the following table shows the information about how to determine the fair value of these financial assets and liabilities (evaluation methods and inputs used).

Financial Assets/Financial Liabilities	Fair Value		The Level of Fair Value	Evaluation Method and Inputs Used	Important Intangible Inputs	The Relationship Between Fair Value and the Important Intangible Inputs
	March 31, 2023 (Reviewed Not Audited)	December 31, 2022 (Audited)				
<b>Financial Assets at Fair Value</b>	<b>JD</b>	<b>JD</b>				
<b>Financial Assets at Fair Value Through Profit or Loss</b>						
Shares that have an available market price	98,667	90,167	Level One	Stated Rates in financial markets	Does Not Apply	Does Not Apply
Shares that do not have an available market price	226,833	226,833	Level Two	Financial Statements issued by companies		
Right to receive at fair value	15,000,000	15,000,000	Level One	Determined price	Does Not Apply	Does Not Apply
<b>Total</b>	<b>15,325,500</b>	<b>15,317,000</b>				
<b>Financial Assets at Fair Value through Comprehensive Income</b>						
Shares that have available market price	14,699,097	14,508,170	Level One	Stated Rates in financial markets	Does Not Apply	Does Not Apply
Debt instruments that have available market price	50,219,500	-	Level One	Stated Rates in financial markets	Does Not Apply	Does Not Apply
Shares that do not have available market price	2,250,813	2,257,097	Level Two	Statements issued by companies	Does Not Apply	Does Not Apply
Shares that do not have available market price	97,015,799	97,015,704	Level Three	methods using inputs that are not	Apply	Apply
<b>Total</b>	<b>164,185,209</b>	<b>113,780,971</b>				
Forward Contracts (Foreign Currency)	9,986	118,463	Level One	Stated Rates in financial markets	Does Not Apply	Does Not Apply
<b>Total Financial Assets at Fair Value</b>	<b>179,520,695</b>	<b>129,216,434</b>				

There were no transfers between level 1 and level 2 during the first quarter of 2023.

### b. The fair value of financial assets and financial liabilities of the Bank (non-specific fair value on an ongoing basis):

Except as detailed in the table below, we believe that the carrying amount of financial assets and liabilities shown in the consolidated condensed interim financial information of the Bank approximate their fair value, because the Bank's management believes that the carrying value of the items is equivalent to the fair value, and this is due to either short-term maturity interest rates that have been repricing during the year.

Financial Assets of non-specified Fair Value	March 31, 2023		December 31, 2022		The Level of Fair Value
	Book Value	Fair Value	Book Value	Fair Value	
	(Reviewed Not Audited)	(Reviewed Not Audited)	(Audited)	(Audited)	
Balances at central banks	617,670,159	617,900,840	593,267,402	593,528,472	Level Two
Balances at banks and financial institutions	213,827,457	213,953,000	150,844,506	150,884,724	Level Two
Deposits at banks and financial institutions	471,000	515,571	940,000	985,226	Level Two
Loans, bills and other	1,453,983,721	1,458,930,421	1,511,593,525	1,516,827,987	Level Two
Financial assets at amortized cost	212,616,480	214,300,722	237,032,607	240,138,994	Level Two
<b>Total Financial Assets of non-specified Fair Value</b>	<b>2,498,568,817</b>	<b>2,505,600,554</b>	<b>2,493,678,040</b>	<b>2,502,365,403</b>	
<b>Financial Liabilities of non-specified Fair Value</b>					
Deposits at banks and financial institutions	122,693,253	123,235,650	86,313,839	86,639,359	Level Two
Customers' deposits	2,013,096,827	2,021,733,204	2,016,295,791	2,023,975,334	Level Two
Cash insurance	134,225,310	134,243,126	109,623,086	109,637,575	Level Two
<b>Total Financial Liabilities of Non-specified Fair Value</b>	<b>2,270,015,390</b>	<b>2,279,211,980</b>	<b>2,212,232,716</b>	<b>2,220,252,268</b>	

The fair value for the financial assets and liabilities for the level 2 and level 3 were determined in accordance to agreed pricing models, which reflects the credit risk of the parties that are dealing with it.

### c. Non-Financial Assets and Liabilities not Measured at Fair Value but its in fair Value disclosed in the Consolidated Condensed Interim Financial Statements:

	March 31, 2023		December 31, 2023		The Level of Fair Value
	(Reviewed Not Audited)	(Reviewed Not Audited)	(Audited)	(Audited)	
	Book Value	Fair Value	Book Value	Fair Value	
	JD	JD	JD	JD	JD
Other assets	76,425,126	120,638,798	76,212,320	120,394,071	Level Two
	<b>76,425,126</b>	<b>120,638,798</b>	<b>76,212,320</b>	<b>120,394,071</b>	

The above items set out the fair value of non-financial assets that are determined on the basis of prices of similar instruments in an inactive market.

## **22. Commitments and Contingent Liabilities**

### **a. Contingent Liabilities:**

	<b>March 31, 2023 (Reviewed Not Audited)</b>	<b>December 31, 2022 (Audited)</b>
	<b>JD</b>	<b>JD</b>
Letters of credit includes:	23,597,288	18,452,935
Acceptances	39,027,636	19,602,186
Letters of guarantee:		
Payment	28,812,760	27,555,710
Performance	31,819,405	30,766,779
Other	18,597,803	20,560,963
Un-utilized direct and indirect credit facilities limits	359,218,085	380,373,048
Total	<b><u>501,072,977</u></b>	<b><u>497,311,621</u></b>

- The provision for expected credit losses on off-balance sheet items (unfunded) amounted to JD 8,285,237 as of March 31, 2023 (JD 8,069,724 as of December 31, 2022).

### **b. Contractual Obligations:**

	<b>March 31, 2023 (Reviewed Not Audited)</b>	<b>December 31, 2022 (Audited)</b>
	<b>JD</b>	<b>JD</b>
Contracts for purchasing of property and equipment*	547,255	445,830
Contracts for operating and financing lease**	18,415,509	17,376,666
Total	<b><u>18,962,764</u></b>	<b><u>17,822,496</u></b>

\* These commitments mature in less than 1 year.

\*\* These commitments mature between 1 year to 10 years.

### **c. Lawsuits Raised Against the Bank**

The Bank is a defendant in lawsuits demanding cancellation of the Bank's claims against others, lifting of real estate mortgages, compensation for damages, and non-cashing of cheques. These lawsuits amounted to JD 9,392,427 as of March 31, 2023 (JD 9,531,994 as of December 31, 2022). In the opinion of the management and legal counsel, no material financial liability is likely to be incurred as a result of these lawsuits in excess of provision recorded which amounted to JD 339,361 as of March 31, 2023 (JD 357,275 as of December 31, 2022). However, amounts that will probably be paid by the Bank as a result of dismissal or amicable settlement of these lawsuits will be taken to the consolidated Statement of profit or loss or against the recorded provision when paid.