

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

CONDENSED CONSOLIDATED INTERIM FINANCIAL
INFORMATION FOR THE SIX-MONTH
PERIOD ENDED JUNE 30, 2023
TOGETHER WITH THE
REVIEW REPORT

BANK OF JORDAN
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN
CONDENSED CONSOLIDATED
INTERIM FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 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 consolidated interim statement of financial position of Bank of Jordan (A Public Shareholding Limited Company) as of June 30, 2023 and the related condensed consolidated interim statements of profit or loss and comprehensive income for the three and six months ended June 30, 2023, condensed consolidated interim statement of changes in owners' equity and cash flows for the six-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 Interim Financial Information performed by an Independent Auditor of the Entity". A review of 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 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
July 26, 2023


Deloitte & Touche (M.E) – Jordan
Deloitte & Touche (M.E.)
ديلويت آند توش (الشرق الأوسط)
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BANK OF JORDAN
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN
CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

	Note	June 30, 2023 (Reviewed Not Audited)	December 31, 2022 (Audited)
		JD	JD
<u>Assets</u>			
Cash and balances with central banks – Net	5	570,677,814	673,824,464
Balances with banks and financial institutions – Net	6	308,193,048	150,738,734
Deposits with banks and financial institutions - Net	7	544,907	939,947
Financial assets at fair value through profit or loss	8	325,963	15,317,000
Financial assets at fair value through comprehensive income	9	196,650,150	113,780,971
Direct credit facilities at amortized cost - Net	10	1,452,169,232	1,512,159,209
Financial assets at amortized cost - Net	11	196,942,480	236,660,430
Property and equipment – Net	12	57,964,406	57,559,384
Intangible assets - Net		7,221,824	7,482,126
Deferred tax assets	17/b	24,009,595	25,162,135
Other assets - Net	13	101,176,774	91,106,016
Total Assets		<u>2,915,876,193</u>	<u>2,884,730,416</u>
<u>Liabilities and Owners' Equity</u>			
Liabilities:			
Banks and financial institutions' deposits	14	61,137,767	86,313,839
Customers' deposits	15	2,080,333,026	2,016,295,791
Cash margins		116,153,494	109,623,086
Sundry provisions	16	4,422,759	4,235,340
Income tax provision	17/a	15,080,603	21,497,785
Deferred tax liabilities	17/c	112,298	107,367
Borrowed funds	18	55,550,610	57,674,763
Other liabilities	19	51,216,971	46,638,659
Total Liabilities		<u>2,384,007,528</u>	<u>2,342,386,630</u>
Owners' Equity:			
Paid-up capital		200,000,000	200,000,000
Statutory reserve	21	110,406,658	110,452,964
Voluntary reserve	21	40,057	86,363
General banking risks reserve	21	4,102,021	4,102,021
Special reserve	21	5,849,743	5,849,743
Foreign currency translation differences	20	(9,387,206)	(13,033,639)
Fair value reserve	22	47,934,584	48,495,968
Retained earnings	23	137,365,791	173,238,442
Profit for the period after tax		22,038,529	-
Total Equity Attributable to the Bank's Shareholders		<u>518,350,177</u>	<u>529,191,862</u>
Non-controlling interests		13,518,488	13,151,924
Total Owners' Equity		<u>531,868,665</u>	<u>542,343,786</u>
Total Liabilities and Owners' Equity		<u>2,915,876,193</u>	<u>2,884,730,416</u>

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

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

	Note	For the Three-Month Period		For the Six-Month Period	
		Ended June 30,		Ended June 30,	
		2023	2022	2023	2022
		JD	JD	JD	JD
Interest income	24	44,395,350	32,745,221	90,589,372	64,594,509
Less : Interest expense	25	11,851,983	6,474,063	21,850,991	11,286,281
Net Interest Income		32,543,367	26,271,158	68,738,381	53,308,228
Commissions income – Net		5,499,292	5,373,961	11,573,208	10,752,420
Net Interest and Commissions Income		38,042,659	31,645,119	80,311,589	64,060,648
Foreign currencies income		1,161,961	713,666	2,440,066	1,882,102
Gains from financial assets at fair value through profit or loss	26	4,170	113,191	12,670	102,458
Cash dividends from financial assets at fair value through other comprehensive income	9	641,178	604,116	716,378	664,116
Profits from the sale of financial assets at fair value through other comprehensive income - debt Instruments		3,545	-	3,545	-
Other income	27	475,187	946,943	1,138,641	2,257,978
Total Income		40,328,700	34,023,035	84,622,889	68,967,302
Employees expenses		8,834,247	8,910,065	18,180,379	16,632,427
Depreciation and amortization		2,824,589	2,624,398	5,450,248	5,383,390
Other expenses		9,404,805	8,774,332	17,968,443	16,667,291
Expected credit loss on financial assets	28	5,977,427	2,668,779	10,040,759	3,693,496
(Recovered from) provision for assets seized by the Bank	13	-	562,755	(25,484)	1,049,933
Sundry provisions	16	140,784	371,708	456,225	491,665
Total Expenses		27,181,852	23,912,037	52,070,570	43,918,202
Profit for the period before income tax		13,146,848	10,110,998	32,552,319	25,049,100
Less: Income tax	17	3,869,840	3,082,905	10,159,258	8,018,270
Profit for the Period		9,277,008	7,028,093	22,393,061	17,030,830
Attributable to:					
Bank's Shareholders		9,189,673	6,947,860	22,038,529	16,840,529
Non-Controlling Interest		87,335	80,233	354,532	19,301
		9,277,008	7,028,093	22,393,061	17,030,830
		Fils/Dinar	Fils/Dinar	Fils/Dinar	Fils/Dinar
Earnings per share for the period attributable to the (Banks' shareholders)	29	0.046	0.035	0.110	0.084

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Chairman of the Board of Director's

General Manager

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

	For the Three-Month Period		For the Six-Month Period	
	Ended June 30,		Ended June 30,	
	2023	2022	2023	2022
	JD	JD	JD	JD
Profit for the period	9,277,008	7,028,093	22,393,061	17,030,830
Other comprehensive income items:				
Items that may be reclassified subsequently to the condensed consolidated interim statement of profit or loss:				
Change in fair value of debt instruments classified as financial assets at fair value through other comprehensive income	(243,176)	-	(55,081)	-
Foreign currencies translation differences	42,628	118,064	3,693,202	118,064
	(200,548)	118,064	3,638,121	118,064
Items that will not be reclassified subsequently to the condensed consolidated interim statement of profit or loss:				
Change in fair value for equity instrument included in the financial assets at fair value through other comprehensive income - Net after tax	(703,608)	1,652,596	(506,303)	1,753,471
	(703,608)	1,652,596	(506,303)	1,753,471
Total Comprehensive Income for the period	8,372,852	8,798,753	25,524,879	18,902,365
Total Comprehensive Income Attributable to:				
Bank's Shareholders	8,271,743	8,663,726	25,158,315	18,657,270
Non-Controlling Interest	101,109	135,027	366,564	245,095
	8,372,852	8,798,753	25,524,879	18,902,365

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

	Authorized and Paid-up Capital		Reserves				Foreign Currency	Fair Value Reserve	Retained Earnings	Profit for the Period	Total Banks' Shareholders		Non-Controlling	Total Owner's Equity
	JD	JD	Statutory	Voluntary	General Banking Risks	Special					JD	JD		
For the Period Ended June 30, 2023														
Balance - beginning of the year	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 exchange differences	-	(46,306)	(46,306)	-	-	3,646,433	-	127,249	-	3,681,170	12,032	3,693,202		
Profit for the period	-	-	-	-	-	-	-	22,038,529	22,038,529	22,038,529	354,532	22,393,061		
Change in fair value debt instruments classified as financial assets at fair value through Other Comprehensive Income	-	-	-	-	-	-	(55,081)	-	-	(55,081)	-	(55,081)		
Change in fair value reserve in equity instruments classified as financial assets at fair value through other comprehensive income - net after tax	-	-	-	-	-	-	(506,303)	-	-	(506,303)	-	(506,303)		
Total Comprehensive Income	-	(46,306)	(46,306)	-	-	3,646,433	(561,384)	127,349	22,038,529	25,158,315	366,564	25,524,879		
Dividends distribution*	-	-	-	-	-	-	-	(36,000,000)	-	(36,000,000)	-	(36,000,000)		
Balance - End of the Period	200,000,000	110,406,658	40,057	4,102,021	5,849,743	(9,387,206)	47,934,584	137,365,791	22,038,529	518,350,177	13,518,488	531,868,665		
For the Period Ended June 30, 2022														
Balance - beginning of the year	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		
Foreign exchange differences	-	(5,256)	(5,256)	-	-	(7,209)	-	80,991	-	63,270	54,794	118,064		
Profit for the period	-	-	-	-	-	-	-	16,840,529	16,840,529	16,840,529	190,301	17,030,830		
Change in fair value reserve in equity instruments classified as financial assets at fair value through other comprehensive income - net after tax	-	-	-	-	-	-	1,753,471	-	-	1,753,471	-	1,753,471		
Total Comprehensive Income	-	(5,256)	(5,256)	-	-	(7,209)	1,753,471	80,991	16,840,529	18,657,270	245,095	18,902,365		
Dividends distribution*	-	-	-	-	-	-	-	(36,000,000)	-	(36,000,000)	-	(36,000,000)		
Balance - End of the Period	200,000,000	104,357,249	44,150	4,102,021	5,849,743	(13,016,894)	(2,225,853)	140,113,353	16,840,529	456,064,298	12,903,043	468,967,341		

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

According to the instructions of the regulatory bodies:

- The general banking risks reserve and special reserve cannot be utilized without prior approval from the Central Bank of Jordan and the Palestine Monetary Authority.
- Retained earnings include a restricted amount of JD 24,009,595 against deferred tax benefits as of June 30, 2023 (JD 25,162,135 as of December 31, 2022) that according to 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 June 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 June 30, 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
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
(REVIEWED NOT AUDITED)

	Note	For the Six-Month Period Ended June 30,	
		2023	2022
Cash Flows from Operating Activities:			
Profit for the period before tax		JD 32,552,319	JD 25,049,100
Adjustments for non cash items:			
Depreciation and amortization		5,450,248	5,383,390
Expected credit loss on financial assets	28	10,040,759	3,693,496
(Gains) from sale of property and equipment	27	(40,110)	(32,091)
(Gains) unrealized from financial assets at fair value through profit or loss	26	(8,963)	(80,978)
Effect of exchange rate fluctuations		(2,440,066)	(1,827,447)
Sundry provisions	16	456,225	491,665
(Recovered from) provision for assets seized by the Bank	13	(25,484)	1,049,933
Other-foreign currency differences		9,483,533	(359,970)
Profit before Changes in Assets and Liabilities		55,468,461	33,367,098
Changes in Assets and Liabilities:			
Decrease in restricted balances		16,869,403	7,134,203
Decrease (increase) in deposits with banks and financial institutions (maturing over 3 month)		395,000	(726,000)
Decrease (increase) in direct credit facilities at amortized cost		40,518,882	(23,462,533)
Decrease in financial assets at fair value through profit or loss		15,000,000	-
(Increase) in other assets		(10,163,737)	(4,299,869)
(Decrease) in deposits with banks and financial institutions (maturing in over three months)		(18,145,000)	(30,000)
Increase in customers deposits		64,037,235	51,790,797
Increase (decrease) in cash margins		6,530,408	(173,587)
(Decrease) in borrowed funds		(3,971,452)	(8,269,327)
Increase (decrease) in other liabilities		1,961,849	(262,417)
Net Change in Assets and Liabilities		113,032,588	21,701,267
Net Cash Flows from Operating Activities before Tax Payments to and End-of-Service Indemnity Paid Provision		168,501,049	55,068,365
Income Tax settled	17	(15,423,900)	(16,017,421)
End-of service indemnity provision and lawsuits provision settled	16	(264,894)	(387,957)
Net Cash Flows from Operating Activities		152,812,255	38,662,987
Cash Flows From Investing Activities:			
(Purchase) of financial assets at amortized cost		(3,754,573)	(44,667,254)
Maturity of financial assets at amortized cost		43,560,796	151,055,081
(Purchase) of financial assets at fair value through comprehensive income		(83,397,430)	-
(Purchase) financial derivatives		121,420	(1,074,295)
(Purchase) of property and equipment	12/a	(1,404,657)	(1,562,298)
Proceeds from sale of property and equipment		41,737	76,646
(Purchase) of intangible assets		(585,369)	(424,881)
Net Cash Flows (used in) from Investing Activities		(45,418,076)	103,402,999
Cash Flows From Financing Activities:			
Differences in foreign currency translation		3,693,202	118,064
Dividends distributed to shareholders		(35,464,323)	(35,507,823)
Net Cash Flows (used in) Financing Activities		(31,771,121)	(35,389,759)
Effect of exchange rate fluctuations on cash and cash equivalents		2,440,066	1,827,447
Net Increase in Cash and Cash Equivalents		78,063,124	108,503,674
Cash and cash equivalents – beginning of the period		629,766,566	365,192,576
Cash and Cash Equivalents – End of the Period	30	707,829,690	473,696,250

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BANK OF JORDAN
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
(REVIEWED NOT AUDITED)

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 allocated over 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, the Bank branch in the Kingdom of Bahrain, Iraq Branch, its subsidiaries in Syria and Jordan (Bank of Jordan - Syria, Excel for Financial Investments Company and Jordan Leasing Company).
- The accompanying condensed consolidated interim financial information were approved by the Board of directors in their meeting dated July 26, 2023.

2. Basis of Preparation of condensed consolidated 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 as it 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 in calculation 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 condensed consolidated interim 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 (10/3/13246) 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.10/3/16234 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 the condensed consolidated interim financial information against the bank's foreign investments in foreign countries within to the expected credit loss.

The net outcome of the differences between the Central Bank of Jordan instructions and the International Financial Reporting Standards is represented by the Bank booking 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 six months ended June 30, 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 June 30, 2023 in the same manner these would be conducted at the end of the fiscal year.
- Condensed consolidated 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 June 30, 2023:

Name of Subsidiary	Paid-up Capital	Bank's Ownership Percentage %	Subsidiary's Nature of Business	Place of Operation	Acquisition Date
Bank of Jordan – Syria*	3,000 Million Syrian – Lira (Investment amount 21,91 Million JD)	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 Condensed Consolidated 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 condensed consolidated interim statement of profit or loss up to the effective date of disposal which is the date on which the Bank losses 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 condensed consolidated interim financial information due to The Bank's power to govern the financial and operating policies and activities of the subsidiary.

3. Significant accounting policies

The accounting policies used in preparing the condensed consolidated interim financial information for the period ended June 30, 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:

	June 30, 2023 (Reviewed Not Audited) JD	December 31, 2022 (Audited) JD
Cash at vaults	86,087,113	80,763,969
Balances at Central Banks:		
- Current and on demand accounts	121,376,060	104,720,998
- Term and notice deposits	137,184,858	295,697,005
- Certificates of deposit	126,477,052	94,007,000
- Cash reserve required	99,649,751	98,842,399
Balances at Central Banks - Gross	484,687,721	593,267,402
<u>Less: Expected credit loss</u>	<u>(97,020)</u>	<u>(206,907)</u>
Balances at Central Banks - Net	484,590,701	593,060,495
Total	570,677,814	673,824,464

- Cash balances at central banks amounted to JD 484,687,721 as of June 30, 2023 (JD 593,267,402 as of December 31, 2022)

Item	As of June 30, 2023 (Reviewed Not Audited)			
	Stage One JD	Stage Two JD	Stage Three JD	Total JD
Balance at the beginning of the year	593,267,402	-	-	593,267,402
New balances during the period	2,106,041	-	-	2,106,041
Settled balances	<u>(131,278,526)</u>	<u>-</u>	<u>-</u>	<u>(131,278,526)</u>
	464,094,917	-	-	464,094,917
Transferred to stage one	-	-	-	-
Transferred to stage two	-	-	-	-
Transferred to stage three	-	-	-	-
Changes due to the adjustments	22,234,846	-	-	22,234,846
Adjustment due to exchange rates Fluctuations	<u>(1,642,042)</u>	<u>-</u>	<u>-</u>	<u>(1,642,042)</u>
Balance at the End of the Period	484,687,721	-	-	484,687,721
Balance as of December 31, 2022	593,267,402	-	-	593,267,402

Item	As of June 30, 2023 (Revised Not Audited)			
	Stage One	Stage Two	Stage Three	Total
	JD	JD	JD	JD
Balance at the beginning of the year	206,907	-	-	206,907
New balances during the period	-	-	-	-
Settled balances	(92,128)	-	-	(92,128)
	114,779	-	-	114,779
Transferred to stage one	-	-	-	-
Transferred to stage two	-	-	-	-
Transferred to stage three	-	-	-	-
Changes due to the adjustments	(28,009)	-	-	(28,009)
Adjustment due to exchange rates fluctuations	10,250	-	-	10,250
Balance at the End of the Period	97,020	-	-	97,020
Balance as of December 31, 2022	206,907	-	-	206,907

- Statutory reserve balance amounted to JD 99,649,751 as of June 30,2023 (98,842,399 as of December 31,2022)
- Except for the statutory cash reserve, restricted balances amounted to JD 2,217,431 as of June 30, 2023 (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 June 30, 2023 (10,635,000 as of December 31, 2022).
- Expected credit losses allowance was not calculated against Central Bank of Jordan balances as of June 30, 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	
	June 30, 2023 (Reviewed Not Audited) JD	December 31, 2022 (Audited) JD	June 30, 2023 (Reviewed Not Audited) JD	December 31, 2022 (Audited) JD	June 30, 2023 (Reviewed Not Audited) JD	December 31, 2022 (Audited) JD
Current accounts and demand deposits	-	-	35,213,677	56,901,613	35,213,677	56,901,613
Deposits maturing within 3 months or less	149,180,000	67,090,000	123,870,015	26,852,893	273,500,015	93,942,893
Gross Balance	149,180,000	67,090,000	159,083,692	83,754,506	308,263,692	150,844,506
Less: Expected credit loss	(441)	(189)	(70,203)	(105,583)	(70,644)	(105,772)
Net Balance	149,179,559	67,089,811	159,013,489	83,648,923	308,193,048	150,738,734

As of June 30, 2023 (Reviewed Not Audited)

Item	Stage One	Stage Two	Stage Three	Total
	JD	JD	JD	JD
Balance at the beginning of the year	150,745,728	-	98,778	150,844,506
New balances during the period	188,195,991	-	433	188,196,424
Settled balances	(27,874,548)	-	-	(27,874,548)
	311,067,171	-	99,211	311,166,382
Transferred to stage one	-	-	-	-
Transferred to stage two	-	-	-	-
Transferred to stage three	-	-	-	-
The impact as a result of changing the classification among the three phases during the period	-	-	-	-
Changes due to the adjustments	(2,740,406)	-	-	(2,740,406)
Adjustment due to exchange rates fluctuations	(162,114)	-	(170)	(162,284)
Total Balance at the End of the Period	308,164,651	-	99,041	308,263,692
Balance as of December 31, 2022	150,745,728	-	98,778	150,844,506

- The movement on the expected credit loss provision according to credit stages was as follows:

Item	As of June 30, 2023 (Reviewed Not Audited)			
	Stage One	Stage Two	Stage Three	Total
	JD	JD	JD	JD
Balance at the beginning of the year	6,995	-	98,777	105,772
Credit loss during the period	1,156	-	-	1,156
Recovered expected credit loss amount from settlement	(30)	-	(36,213)	(36,243)
	8,121	-	62,564	70,685
Transferred to stage one	-	-	-	-
Transferred to stage two	-	-	-	-
Transferred to stage three	-	-	-	-
The effect on the provision as at the end of the period as a result of changing the classification between the three phases during the period	-	-	-	-
Changes due to the adjustments	158	-	-	158
Adjustment due to exchange rates fluctuations	(28)	-	(171)	(199)
Total Balance at the End of the Period	8,251	-	62,393	70,644
Balance as of December 31, 2022	6,995	-	98,777	105,772

- Non-interest-bearing balances at banks and financial institutions amounted to JD 29,647,015 as of June 30, 2023 (JD 26,329,361 as of December 31, 2022).
- Restricted balances at banks and financial institutions amounted to JD 4,658,887 as of June 30, 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 June 30, 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	
	June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022
	(Reviewed Not Audited)	(Audited)	(Reviewed Not Audited)	(Audited)	(Reviewed Not Audited)	(Audited)
	JD	JD	JD	JD	JD	JD
Deposits maturing within 3 to 6 months	-	-	-	940,000	-	940,000
Deposits maturing within 6 to 9 months	-	-	-	-	-	-
Deposits maturing within 9 months to 1 year	-	-	545,000	-	545,000	-
Deposits maturing within more than 1 year	-	-	-	-	-	-
Gross Balance	-	-	545,000	940,000	545,000	940,000
Less: Expected credit loss	-	-	(93)	(53)	(93)	(53)
Net Balance	-	-	544,907	939,947	544,907	939,947

- Deposits with banks and financial institutions are distributed to credit stages according as follows:

Item	As of June 30, 2023 (Reviewed Not Audited)			
	Stage One	Stage Two	Stage Three	Total
	JD	JD	JD	JD
Balance at the beginning of the year	940,000	-	-	940,000
New balances during the period	327,000	-	-	327,000
Settled balances	(218,000)	-	-	(218,000)
	1,049,000	-	-	1,049,000
Transferred to stage one	-	-	-	-
Transferred to stage two	-	-	-	-
Transferred to stage three	-	-	-	-
Changes due to the adjustments	-	-	-	-
Adjustment due to exchange rates fluctuations	(504,000)	-	-	(504,000)
Balance at the End of the Period	545,000	-	-	545,000
Balance as of December 31, 2022	940,000	-	-	940,000

- The following is a summary of the movement on the provision for expected credit losses according to the credit stages:

Item	As of June 30, 2023 (Revised Not Audited)			
	Stage One	Stage Two	Stage Three	Total
	JD	JD	JD	JD
Balance at the beginning of the period	53	-	-	53
Credit loss during the period	74	-	-	74
Expected credit loss returned on settled balance	(6)	-	-	(6)
	121	-	-	121
Transferred to stage one	-	-	-	-
Transferred to stage two	-	-	-	-
Transferred to stage three	-	-	-	-
Changes due to the adjustments	-	-	-	-
Adjustment due to exchange rates fluctuations	(28)	-	-	(28)
Total Balance at the End of the Period	93	-	-	93
Balance as of December 31, 2022	53	-	-	53

There is no deposits with the banks and institutions in the Hashemite Kingdom of Jordan as of June 30, 2023 and December 31, 2022 and an amount of 545,000 JD deposits outside the Hashemite Kingdom of Jordan as of June 30, 2023 (JD 940,000 deposits outside Jordan as of December 31, 2022).

- The balances of banks and financial institutions are classified within the first stage in accordance with the requirements of IFRS 9 and there are no transfers between the (first, second and third) stages or written off balances during the period ending June 30, 2023.
- There are no restricted deposits as of June 30, 2023 and December 31, 2022.

8. Financial Assets at Fair Value through Profit for Loss

This item consists of the following:

	June 30, 2023 (Revised not audited)	December 31, 2022 (Audited)
	JD	JD
Shares listed in local active markets	108,152	90,167
Shares unlisted in local active markets	217,811	226,833
Right to receive financial assets at fair value *	-	15,000,000
	325,963	15,317,000

- * This item represents financial assets at fair value through profit or loss represented by a conditional right to receive financial assets that have been recognized by the bank in accordance with the International Accounting Standard No.(32) and to comply with the agreement signed on December 23, 2019, which is considered an extended part of it which is related to the sale of capitalized assets, these assets have been evaluated at it's fair value on the date of the standalone financial statements , which resulted in a valuation gain with the same amount for the year 2020 .Considering that the amount has been received during the half year of 2023.

9. Financial Assets at Fair Value through Other Comprehensive Income

This item consists of the following:

	June 30, 2023 (Revised not audited)	December 31, 2022 (Audited)
	JD	JD
Shares listed in local active markets	4,889,024	4,022,773
Shares unlisted in local active markets*	1,313,572	2,569,171
Shares listed in foreign active markets	9,033,167	9,162,150
Shares unlisted in foreign active markets*	98,016,957	98,026,877
Total of equity instruments	113,252,720	113,780,971
Bonds	83,397,430	-
Total	196,650,150	113,780,971

- Cash dividends from financial assets at fair value through comprehensive income amounted to JD 716,378 for the six-month period ended June 30, 2023 (JD 664,116 for the six-month period ended June 30, 2022).

- * The fair value of the unlisted investments is calculated based on the following :
- The Bank's share of the net assets method using the latest audited financial statements of the investee company.
 - According to the methods of multiples and discounted cash flows, which are considered among the third level methods in accordance with the requirements of International Financial Reporting Standard No. (13).
 - Using observable market inputs.

Financial assets at Fair Value through other comprehensive income are distributed to credit stages according as follows:

Item	As of June 30, 2023 (Revised Not Audited)			
	Stage One JD	Stage Two JD	Stage Three JD	Total JD
Balance at the beginning of the year	-	-	-	-
New balances during the period	83,397,430	-	-	83,397,430
Settled balances	-	-	-	-
	83,397,430	-	-	83,397,430
Transferred to stage one	-	-	-	-
Transferred to stage two	-	-	-	-
Transferred to stage three	-	-	-	-
Changes due to the adjustments	-	-	-	-
Adjustment due to exchange rates fluctuations	-	-	-	-
Balance at the End of the Period	83,397,430	-	-	83,397,430
Balance as of December 31, 2022	-	-	-	-

- The following is a summary of the movement on the provision for expected credit losses according to the credit stages:

Item	As of June 30, 2023 (Revised Not Audited)			
	Stage One JD	Stage Two JD	Stage Three JD	Total JD
Balance at the beginning of the year	-	-	-	-
Credit loss during the period	-	-	-	-
Expected credit loss reversal- settled balances	-	-	-	-
Transferred to stage one	-	-	-	-
Transferred to stage two	-	-	-	-
Transferred to stage three	-	-	-	-
Changes due to the adjustments	-	-	-	-
Adjustment due to exchange rates fluctuations	-	-	-	-
Total Balance at the End of the Period	-	-	-	-
Balance as of December 31, 2022	-	-	-	-

10. Direct Credit Facilities at Amortized Cost-Net

This item consists of the following:

	June 30, 2023	December 31, 2022
	(Reviewed Not Audited)	(Audited)
	JD	JD
Individuals (Retail Customers):	553,835,085	594,825,426
Overdraft accounts	15,464,239	15,485,838
Loans and discounted bills*	507,177,169	548,344,887
Credit cards	31,193,677	30,994,701
Real estate loans	250,789,343	271,477,666
Corporate:	629,582,154	598,406,763
Large corporate customers	406,817,111	355,062,498
Overdraft accounts	45,496,076	36,395,236
Loans and discounted bills*	361,321,035	318,667,262
SMEs	222,765,043	243,344,265
Overdraft accounts	47,886,264	48,341,025
Loans and discounted bills*	174,878,779	195,003,240
Government and public sector	207,973,626	225,239,281
Total	1,642,180,208	1,689,949,136
<u>Less: expected credit loss provision</u>	(172,192,924)	(162,402,875)
<u>Less: Interest in suspense</u>	(17,818,052)	(15,387,052)
Net Direct Credit Facilities at amortized cost	<u>1,452,169,232</u>	<u>1,512,159,209</u>

* Net of interest and commission received in advance amounting to JD13,669,243 as of June 30, 2023 (JD 13,168,373 as of December 31, 2022).

- Non-performing credit facilities amounted to JD 169,482,780 representing (10.3%) of the direct credit facilities balance as of June 30, 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 151,664,728 representing (9.3%) of direct credit facilities after deducting the suspended interest as of June 30, 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 1,350,187 representing (0.08%) of total direct credit facilities as of June 30, 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 33,943,789 as of June 30, 2023 (JD 41,115,210 as of December 31, 2022), Facilities granted to foreign governments amounted to JD 28,273,932 as of June 30, 2023 (JD 33,271,260 as of December 31, 2022).

- Total direct credit facilities distribution on stages during the period/year as follows:

For the period ended June 30, 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 year	693,455,209	759,905,629	55,478,241	31,829,258	149,280,799	1,689,949,136	
New facilities During the period	167,342,248	31,730,610	283,713	1,151,502	3,410,454	203,918,527	
Facilities settled	(190,113,083)	(63,249,805)	(682,089)	(2,278,472)	(4,439,275)	(260,762,724)	
Transfer to Stage One	670,684,374	728,386,434	55,079,865	30,702,288	148,251,978	1,633,104,939	
Transfer to Stage Two	13,261,305	18,602,392	(13,226,946)	(18,293,747)	(343,004)	-	
	(28,111,064)	(40,736,590)	28,535,549	41,630,902	(1,318,797)	-	
	(127,614)	(3,664,754)	(16,839,007)	(2,636,776)	23,268,151	-	
Transfer to Stage Three	(3,690,392)	(575,225)	(1,359,444)	(434,944)	(200,368)	(6,260,373)	
Effect on the allowance at the end of the year as a result of classification changes between the three stages during the period	57,065,793	(29,503,551)	(3,114,467)	(415,201)	631,252	24,663,826	
Changes due to adjustments	-	-	-	-	(47,144)	(47,144)	
Written off facilities transferred to off consolidated financial position items	(8,067,620)	(208,388)	(245,026)	(718)	(759,288)	(9,281,040)	
Adjustment due to exchange rates fluctuations	701,014,782	672,300,318	48,830,524	50,551,804	169,482,780	1,642,180,208	

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	642,867,467	793,216,435	101,390,851	29,144,971	139,922,012	1,706,541,736	
Transferred to Stage Two	26,203,243	23,883,822	(26,031,349)	(21,288,873)	(2,766,843)	-	
	(13,139,278)	(27,262,092)	15,022,060	28,123,679	(2,744,369)	-	
	(819,598)	(4,262,843)	(9,843,876)	(2,667,875)	17,594,192	-	
Transferred to Stage Three	(6,884,735)	(1,430,661)	(4,584,043)	(1,160,933)	199,750	(13,860,622)	
Effect on the allowance at the end of the year as a result of classification changes between the three stages during the year	46,756,171	(24,182,489)	(20,393,691)	(321,711)	(6,610)	1,851,670	
Changes due to adjustments	-	-	-	-	(1,912,569)	(1,912,569)	
Written off facilities transferred to off consolidated financial position items	(1,528,061)	(56,543)	(81,711)	-	(1,004,764)	(2,671,079)	
Adjustment due to exchange rates fluctuations	693,455,209	759,905,629	55,478,241	31,829,258	149,280,799	1,689,949,136	

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

For the period ended June 30, 2023 (Reviewed Not Audited)

Item	Stage One		Stage Two		Total	
	Individual Level	Collective Level	Individual Level	Collective Level		
	JD	JD	JD	JD		
Balance at the beginning of the year	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	136,140	187,326	448	1,086,777	4,503,325	5,914,016
Expected credit loss reversal on matured facilities	(228,724)	(227,057)	(55,177)	(74,043)	(4,232,260)	(4,817,261)
Transfer to Stage One	3,112,996	3,608,031	25,915,279	5,525,618	125,337,706	163,499,630
Transfer to Stage Two	628,119	854,089	(611,449)	(747,413)	(123,346)	-
Transfer to Stage Three	(130,307)	(188,230)	433,515	662,693	(777,671)	-
Effect on the allowance at the end of the year as a result of classification changes between the three stages during the period	(852)	(15,975)	(2,224,040)	(92,384)	2,333,251	-
Changes due to the adjustments	(357,529)	(612,266)	(174,432)	(69,166)	11,363,305	10,149,912
Written off facilities transferred to off consolidated financial position items	(71,253)	(590,776)	(157,473)	(22,550)	(214,560)	(1,056,612)
Adjustment due to exchange rates fluctuations	-	-	-	-	(40,909)	(40,909)
Balance at the End of the period	(14,636)	(2,284)	(3,164)	(502)	(338,511)	(359,097)
	3,166,538	3,052,589	23,178,236	5,256,296	137,539,265	172,192,924

For the year ended December 31, 2022 (Audited)

Item	Stage One		Stage Two		Total	
	Individual Level	Collective Level	Individual Level	Collective Level		
	JD	JD	JD	JD		
Balance at the beginning of the year	572,036	1,090,081	26,680,240	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)	(11,356,522)
Transferred to Stage One	706,257	1,690,406	27,700,808	3,600,567	120,963,842	154,661,880
Transferred to Stage Two	241,321	2,035,199	(86,039)	(144,405)	(2,046,076)	-
Transferred to Stage Three	(12,604)	(54,910)	1,618,737	605,699	(2,156,922)	-
Effect on the allowance at the end of the year as a result of classification changes between the three stages during the period	(546)	(6,886)	(56,781)	(24,479)	88,692	-
Changes due to the adjustments	(117,832)	(2,001,987)	(1,539,296)	432,781	10,801,839	7,575,505
Written off facilities transferred to off consolidated financial position items	2,391,645	1,986,417	(1,665,933)	42,721	(376,126)	2,378,724
Adjustment due to exchange rates fluctuations	-	-	-	-	(1,752,376)	(1,752,376)
Balance at the End of the Year	(2,661)	(477)	(1,488)	-	(456,232)	(460,858)
	3,205,580	3,647,762	25,970,008	4,512,884	125,066,641	162,402,875

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

For the period ended June 30, 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 year	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	3,777,341	720,645	242,642	1,173,388	-	5,914,016
Reversed from impairment loss of the settled balances	(1,022,356)	(554,553)	(1,565,899)	(1,669,645)	(4,808)	(4,817,261)
	52,682,678	7,529,305	61,301,221	41,792,514	193,912	163,499,630
Effect on the provision at the end of the period as a result of classification between three stages during the period	1,330,545	514,084	7,335,170	970,113	-	10,149,912
Changes due to the adjustments	(581,987)	(88,289)	(330,133)	(98,822)	42,619	(1,056,612)
Written-off balances transferred to off consolidated financial position items	(40,737)	-	-	(172)	-	(40,909)
Adjustment due to exchange rates fluctuations	(46,821)	(4,264)	(255,902)	(52,110)	-	(359,097)
Balance at the End of the period	53,343,678	7,950,836	68,050,356	42,611,523	236,531	172,192,924

Distributed as follow:

Provision on individual level	896,193	826,420	67,959,425	42,247,330	236,531	112,165,899
Provision on collective level	52,447,485	7,124,416	90,931	364,193	-	60,027,025
Balance at the End of the Period	53,343,678	7,950,836	68,050,356	42,611,523	236,531	172,192,924

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)
	45,274,661	8,112,610	65,117,002	35,895,897	261,710	154,661,880
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)
Balance at the End of the Year	49,927,693	7,363,213	62,624,478	42,288,771	198,720	162,402,875

Distributed as follow:

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
Balance at the End of the Year	49,927,693	7,363,213	62,624,478	42,288,771	198,720	162,402,875

Interest in Suspense:

The following is the movement on the interest in suspense:

For the period ended June 30, 2023 (Reviewed not Audited)	Corporates				
	Individual (Retail Customers)	Real Estate Loans	Large Corporate Customers	SMEs	Total
	JD	JD	JD	JD	JD
Balance at the Beginning of the year	2,421,522	2,183,241	4,799,075	5,983,214	15,387,052
<u>Add:</u> interest suspended during the Period	228,685	388,077	1,452,474	765,228	2,834,464
<u>Less:</u> interest in suspense reversed to revenue	(60,049)	(38,415)	(814)	(98,961)	(198,239)
Adjustments due to change in the exchange rate	(2,857)	(5,003)	(150,810)	(40,354)	(199,024)
Written off facilities transferred to off financial position items	(884)	-	-	(5,317)	(6,201)
Balance at the End of the Period	2,586,417	2,527,900	6,099,925	6,603,810	17,818,052

For the year ended December 31, 2022 (Audited)	Corporates				
	Individual (Retail Customers)	Real Estate Loans	Large Corporate Customers	SMEs	Total
	JD	JD	JD	JD	JD
Balance at the Beginning of the Year	2,280,404	2,013,231	3,598,390	5,548,249	13,440,274
<u>Add:</u> interest suspended during the year	322,835	506,362	1,362,171	1,169,817	3,361,185
<u>Less:</u> interest in suspense reversed to revenue	(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)
Balance at the End of the Year	2,421,522	2,183,241	4,799,075	5,983,214	15,387,052

Direct credit facilities are distributed in accordance with geographical distribution and economic sectors as following:

	Total			
	Inside the Kingdom	Outside the Kingdom	June 30, 2023	December 31, 2022
	JD	JD	JD	JD
Financial	11,180,535	-	11,180,535	25,560,090
Industrial	140,851,897	27,476,868	168,328,765	170,130,175
Trading	195,363,012	71,353,739	266,716,752	267,549,471
Real estate	226,811,392	23,977,951	250,789,343	271,477,666
Constructions	23,167,050	7,278,103	30,445,153	25,965,995
Agriculture	7,186,163	5,955,623	13,141,786	14,082,509
Tourism, restaurants and public facilities	78,108,642	50,120,819	128,229,461	81,457,123
Shares	13,422,149	-	13,422,149	14,757,319
Individuals	448,353,643	103,598,995	551,952,638	593,729,507
Government and public sector	145,755,905	62,217,721	207,973,626	225,239,281
Total	1,290,200,388	351,979,819	1,642,180,208	1,689,949,136

11. Financial Assets at Amortized Cost - Net

This item consists of the following:

	June 30, 2023	December 31, 2022
	(Reviewed Not Audited)	(Audited)
	JD	JD
Quoted Investments:		
Governmental treasury bonds and bills	129,001,149	145,357,652
Banks and corporates bonds	19,462,720	32,587,705
Foreign governments treasury bonds	10,701,341	17,780,250
Total quoted financial assets	159,165,210	195,725,607
Unquoted Investments		
Corporates bonds	36,307,000	41,307,000
Foreign governments treasury bills	1,754,174	-
Total unquoted financial assets	38,061,174	41,307,000
Total financial assets at amortized cost	197,226,384	237,032,607
<u>Less:</u> Provision for expected credit losses	(283,904)	(372,177)
Net financial assets at amortized cost	196,942,480	236,660,430

Analysis of bonds and treasury bills

	June 30, 2023	December 31, 2022
	(Reviewed Not Audited)	(Audited)
	JD	JD
Financial Assets with Fixed rate	197,226,384	232,032,607
Financial Assets with Variable Rate	-	5,000,000
	197,226,384	237,032,607

- Financial assets at amortized cost credit stages distribution was as follows:

As of June 30, 2023				
Item	Stage One	Stage Two	Stage Three	Total
	JD	JD	JD	JD
Balance – Beginning of the year	237,032,607	-	-	237,032,607
New investment during the period	3,754,683	-	-	3,754,683
Matured investments	(43,504,710)	-	-	(43,504,710)
	197,282,580	-	-	197,282,580
Transferred to stage one	-	-	-	-
Transferred to stage two	-	-	-	-
Transferred to stage three	-	-	-	-
Changes resulting from adjustments	(56,196)	-	-	(56,196)
Balance – End of the period	197,226,384	-	-	197,226,384
Balance as of December 31, 2022	237,032,607	-	-	237,032,607

- The movement on the expected credit loss provision was as follows:

As of June 30, 2023				
Item	Stage One	Stage Two	Stage Three	Total
Balance – Beginning of the year	372,177	-	-	372,177
Credit loss during the year	5,185	-	-	5,185
Expected credit loss reversal on matured investments	(24,606)	-	-	(24,606)
	352,756	-	-	352,756
Transferred to stage one	-	-	-	-
Transferred to stage two	-	-	-	-
Transferred to stage three	-	-	-	-
Effect as a result of classification changes between the three stages during the year	-	-	-	-
Changes due to adjustments	(68,852)	-	-	(68,852)
Balance – End of the period	283,904	-	-	283,904
Balance as of December 31, 2022	372,177	-	-	372,177

The maturities of financial assets at amortized cost are as follows:

As of June 30, 2023 (Reviewed not audited)

Up to 1 Month	1 Month and Up to 3 Months	3 Months and Up to 6 Months	6 Months and Up to 1 Year	1 Year and Up to 3 Years	Over 3 Years	Total
JD	JD	JD	JD	JD	JD	JD
-	6,754,174	29,999,675	28,657,733	43,470,955	88,343,847	197,226,384

As of December 31, 2022 (Audited)

Up to 1 Month	1 Month and Up to 3 Months	3 Months and Up to 6 Months	6 Months and Up to 1 Year	1 Year and Up to 3 Years	Over 3 Years	Total
JD	JD	JD	JD	JD	JD	JD
-	30,165,341	13,334,463	34,999,251	48,538,444	109,995,020	237,032,607

12. Property and Equipment

This item consists of the following:

	June 30, 2023 (Reviewed Not Audited)	December 31, 2022 (Audited)
	JD	JD
Property and equipment (A)	38,258,142	39,790,542
Right of use assets (B)	19,706,264	17,768,842
Net Balance	<u>57,964,406</u>	<u>57,559,384</u>

A. Additions to property and equipment during the period ended June 30, 2023 amounted to JD 1,404,657 (JD 1,562,298 during the period ended June 30, 2022); Depreciation expense for the period ended June 30, 2023 amounted to JD 2,714,980 (JD 2,934,928 for the period ended June 30, 2022).

B. Additions to right of use of assets during the period ended June 30, 2023 amounted to 3,830,653 (JD 2,714,371 during the period ended June 30, 2022); Depreciation expense for the period amounted to JD 1,903,012 June 30, 2023 (JD 1,724,772 for the period ended June 30, 2022).

13. Other Assets

This item consists of the following:

	June 30, 2023 (Reviewed Not Audited)	December 31, 2022 (Audited)
	JD	JD
Accrued interest income	10,290,221	9,017,407
Prepaid expenses	5,140,054	3,180,980
Assets seized by the Bank in repayment of non-performing debts*	68,063,111	66,643,289
Clearance cheques	2,331,336	368,898
Advance payments on the acquisition of lands and real estates	2,457,923	1,990,486
Paid guarantee	243,400	240,198
Prepaid tax expenses	6,700,846	4,502,953
Financial derivatives	-	118,463
Accounts receivables and other debit balances	5,949,883	5,043,342
	<u>101,176,774</u>	<u>91,106,016</u>

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

	Seized Assets	
	For the Six-Month Period Ended June 30, 2023 (Reviewed Not Audited)	For the Year Ended December 31, 2022 (Audited)
	JD	JD
Balance at the Beginning of the Year	76,212,320	73,140,691
Additions	1,570,164	5,245,099
Disposals	(175,826)	(2,173,470)
End of the period / year balance	77,606,658	76,212,320
Impairment provision of assets foreclosed by the Bank	(9,543,547)	(9,569,031)
Balance at the End of the period / year	<u>68,063,111</u>	<u>66,643,289</u>

- 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 (10/3/13246) 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.10/3/16234 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 .

- The movement on Provision for assets foreclosed by The Bank was as follow:

	For the Six- Month Period Ended on June 30, 2023	For the Year Ended on December 31, 2022
	JD	JD
Balance at the Beginning of the Year	9,569,031	9,729,988
(Recovered) during the Period/Year	(25,484)	(160,957)
Balance at the End of the Period/Year	9,543,547	9,569,031

14. Banks and Financial Institutions' Deposits

This item consists of the following:

	<u>June 30,2023 (Reviewed Not Audited)</u>			<u>December 31, 2022 (Audited)</u>		
	<u>Inside The kingdom</u>	<u>Outside The kingdom</u>	<u>Total</u>	<u>Inside The kingdom</u>	<u>Outside The kingdom</u>	<u>Total</u>
	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>
Current and demand accounts	-	12,634,767	12,634,767	-	9,658,839	9,658,839
Deposits maturing within 3 months	12,053,000	29,360,000	41,413,000	-	51,420,000	51,420,000
Deposits maturing within 3-6 months	-	-	-	-	235,000	235,000
Deposits maturing within 6-9 months	-	7,090,000	7,090,000	-	-	-
Deposits maturing within 9-12 months	-	-	-	-	-	-
Deposits maturing within more than a year	-	-	-	-	25,000,000	25,000,000
Total	<u>12,053,000</u>	<u>49,084,767</u>	<u>61,137,767</u>	<u>-</u>	<u>86,313,839</u>	<u>86,313,839</u>

15. Customer Deposits

Details of this item are as follows:

June 30, 2023 (Reviewed Not Audited)					
Description	Individuals	Corporations	SME's	Government and Public sector	Total
	JD	JD	JD	JD	JD
Current and demand accounts	356,666,207	45,076,249	88,876,677	5,100,216	495,719,349
Saving deposits	867,295,754	2,861	1,551,780	7,924	868,858,319
Term deposits	424,419,292	93,785,602	27,139,131	63,362,822	608,706,847
Certificates of deposits	106,564,260	-	484,251	-	107,048,511
Total	1,754,945,513	138,864,712	118,051,839	68,470,962	2,080,333,026

December 31, 2022 (Audited)					
Description	Individuals	Corporations	SME's	Government and Public sector	Total
	JD	JD	JD	JD	JD
Current accounts	353,362,755	53,345,674	99,132,184	8,285,614	514,126,227
Saving deposits	884,845,268	11,191	1,434,818	14,006	886,305,283
Term deposits	391,811,691	96,192,198	43,493,632	10,010,735	541,508,256
Certificates of deposits	74,246,025	-	110,000	-	74,356,025
Total	1,704,265,739	149,549,063	144,170,634	18,310,355	2,016,295,791

- * The Government of Jordan and the public sector deposits inside the Kingdom amounted JD 59,198,590 equivalent to 2.85% of total deposits as of June 30, 2023 (JD 9,227,915 equivalent to 0.46 % of total deposits as of December 31,2022).
- * Non-interest-bearing deposits amounted to JD 677,073,615 equivalent to 32.55% of total deposits as of June 30, 2023 (JD 713,861,240 equivalent to 35.40% of total deposits as of December 31,2022).
- * Restricted deposits amounted to JD 24,234,975 equivalent to 1.17% of total deposits as of June 30,2023 (JD 23,248,084 equivalent to 1.15% of total deposits as of December 31,2022).
- * Dormant deposits amounted to JD 55,690,408 as of June 30, 2023 (JD 55,325,971 as of December 31, 2022).

16. Sundry Provisions

The details of this item are as follows:

	Beginning balance of the year	Provision Created During the period/year	Provision Used During the period/year	Foreign Currencies Differences	Ending Balance of the period/year
	JD	JD	JD	JD	JD
For the six months period ended					
June 30, 2023					
Provision for end-of-service indemnity	3,870,675	405,905	(150,794)	50	4,125,836
Provision for lawsuits raised against the Bank	357,275	41,101	(114,100)	-	284,276
Sundry provisions	7,390	9,219	-	(3,962)	12,647
	4,235,340	456,225	(264,894)	(3,912)	4,422,759
For the year ended December 31, 2022					
Provision for end-of-service indemnity	4,382,980	526,067	(1,038,372)	-	3,870,675
Provision for lawsuits raised against the Bank	764,385	417,150	(824,260)	-	357,275
Sundry provisions	8,868	-	-	(1,478)	7,390
	5,156,233	943,217	(1,862,632)	(1,478)	4,235,340

17. Income Tax

a. Income tax provision

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

	June 30, 2023 (Reviewed Not Audited)	December 31, 2022 (Audited)
	JD	JD
Beginning balance of the year	21,497,785	20,055,494
Income tax paid	(15,423,900)	(19,413,712)
Accrued Income tax	9,006,718	20,856,003
Ending balance of the period/year	15,080,603	21,497,785

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

	For the Six-Month Period Ended on June 30,	
	2023 (Reviewed Not Audited)	2022 (Audited)
	JD	JD
Income tax on current period / year's profit	9,006,718	9,055,197
Prior years income tax	-	209,888
Deferred tax assets for the period / year	(602,077)	(2,536,138)
Amortization of deferred tax assets	1,754,617	1,289,323
	10,159,258	8,018,270

b. Deferred Tax Assets:

The details for this item are as follows:

	For the six months ended June 30, 2023 (Reviewed Not Audited)					2022 (Audited)	
	Beginning Balance of the period	Amounts released	Additions	Ending Balance of the period	Deferred Tax	Deferred Tax	
	JD	JD	JD	JD	JD	JD	
Accounts included							
Deferred Tax Assets							
Provision for non-performing loans	23,952,318	0	1,063,500	25,015,818	9,506,011	9,101,880	
Prior years' provision for non-performing loans	8,910,815	736,402	-	8,174,413	2,887,093	3,166,927	
Provision for end-of-service indemnity	3,775,500	140,884	383,521	4,018,137	1,164,446	1,091,384	
Interest in suspense	606,426	-	-	606,426	174,608	174,608	
Provision for lawsuits raised against Bank	357,275	114,100	41,100	284,275	98,818	119,837	
Provision for seized assets	9,569,031	25,484	-	9,543,547	3,385,579	3,395,263	
Impairment for assets available for sale	62,831	-	-	62,831	23,876	23,876	
Seized assets valuation	837,287	-	-	837,287	318,169	318,169	
Expected credit loss provision	21,463,443	3,849,722	245,109	17,858,830	6,450,995	7,770,191	
	69,534,926	4,866,592	1,733,230	66,401,564	24,009,595	25,162,135	
c. Deferred Tax Liabilities:							
Fair value reserve	1,107,985	44,108	91,514	1,155,391	112,298	107,367	

The movement on the deferred tax assets and liabilities accounts is as follows:

	Deferred tax assets		Deferred tax liabilities	
	June 30, 2023 Reviewed not (Audited)	December 31, 2022 (Audited)	June 30, 2023 Reviewed) (not audited)	December 31, 2022 (Audited)
	JD	JD	JD	JD
Balance - beginning of year	25,162,135	24,556,699	107,367	51,871
Addition during the period/year	602,077	1,929,810	9,121	55,496
Amortized during the period/year	(1,754,617)	(1,324,374)	(4,190)	-
Balance - End of Period/Year	24,009,595	25,162,135	112,298	107,367

* The rate used in calculating the deferred taxes is the effective unified rate in the countries where the Bank is located.

- The statutory income tax rate in Jordan is 38% for banks, noting 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 year 2018, the Bank has submitted its annual tax returns for the years 2019, 2020 ,2021 and 2022 and paid the required amounts according to the law. No final settlement was reached with the Income and Sales Tax Department for those years yet. In the opinion of management and its tax advisor the bank will not have any obligations in excess of the current booked provisions in the consolidated financial statements.
- 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, the bank submitted its annual tax returns for the year 2021 and 2022 and paid the related required payments according to the law. In the opinion of management and its tax advisor the bank the current booked provisions are sufficient to settle the tax liabilities.
- 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 years 2021,2022 and paid related taxes but noting that the return was not reviewed by the Income and Sales Tax Department yet. In the opinion of management and its tax advisor the current booked provisions in the consolidated financial statements are sufficient to settle the tax liabilities.
- 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. The company submitted its tax returns for the years 2021 and 2022 and paid related taxes noting that the return was not reviewed by the Income and Sales Tax Department yet. In the opinion of management and its tax advisor the current booked provisions in the consolidated financial statements are sufficient to settle the tax liabilities.
- Accrued taxes of the Bank, its subsidiaries and external branches has been calculated for the year ended June 30, 2023, and in the opinion of the management and its tax advisor the current booked provisions are sufficient to pay the tax obligations as of that date.

The following is a summary of the reconciliation between accounting profit and taxable profit:

	For the Six Months Ended June	
	2023	2022
	(Reviewed not audited)	(Reviewed not audited)
	JD	JD
Accounting income	32,552,319	25,049,100
Tax exempt income	(21,627,497)	(21,303,066)
Un-deductible tax expenses	17,988,761	24,178,623
Taxable profit	28,913,583	27,924,657
Income tax rate	31.2%	32.4%

18. Borrowed Funds

The details of this item are as follows:

June 30, 2023 (Reviewed Not Audited)	Amount	Number of Installments		Periodic Installments Maturity	Collaterals	Price of Borrowing Interest
		In Total	The Remaining			
	JD					
Borrowing from the Central Bank of Jordan*	21,326,645	24-108	2-96	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 ***	19,223,965	1099	605	Annual	None	Average 6,53%
Total	55,550,610					

December 31, 2022 (Audited)	Amount	Number of Installments		Periodic Installments Maturity	Collaterals	Price of Borrowing Interest
		In Total	The Remaining			
	JD					
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%
Total	57,674,763					

* 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 11,164,584 as of June 30, 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 :

	June 30, 2023 (Reviewed Not Audited)	December 31, 2022 (Audited)
	JD	JD
Maturity analysis - undiscounted contractual cash flows		
Less than one year	4,302,946	3,617,727
Year to five years	14,126,740	12,290,281
More than five years	6,511,120	7,231,831
Total undiscounted lease obligations	24,940,806	23,139,839
Discounted lease obligations included in the condensed consolidated interim statement of financial position		
	19,223,965	17,376,666
Within one year	2,767,431	1,716,420
More than one year	16,456,534	15,660,246

19. Other Liabilities

The details of this item are as follows:

	June 30, 2023 (Reviewed Not Audited)	December 31, 2022 (Audited)
	JD	JD
Accrued interest payable	10,729,620	8,019,551
Accepted deferred cheques	9,952,048	8,424,527
Temporary deposits	7,081,204	6,763,075
Dividends payable	3,274,930	2,739,253
Deposits on safe boxes	174,103	174,912
Margins against sold real estate	149,589	138,095
Derivative financial instruments	2,957	-
Expected credit loss provision against indirect credit facilities *	8,164,199	8,069,724
Other liabilities	11,688,321	12,309,522
	51,216,971	46,638,659

The details of other liabilities are as follows:

	June 30, 2023 (Reviewed Not Audited)	December 31, 2022 (Audited)
	JD	JD
Social security deposits	302,880	310,879
Income tax deposits	449,129	320,737
Accrued expenses	9,659,643	8,094,391
Incoming transfers	957,498	301,080
Board of Directors' members remuneration	55,000	55,000
Other credit balances	264,170	3,227,435
	11,688,321	12,309,522

* the movement on Indirect credit facilities balance (off balance sheet items) at the collective level during the period/year was as follows:

As of June 30, 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	101,877,279	5,650,456	185,107	806,309	49,619	108,568,770
Facilities settled	(52,461,994)	(4,244,465)	(755,217)	(1,126,178)	(145,739)	(58,733,593)
	445,391,647	65,471,636	11,133,059	14,543,510	10,606,946	574,146,798
Transferred to stage one	966,628	6,629,418	(956,628)	(6,629,418)	(10,000)	-
Transferred to stage two	(22,383,880)	(2,210,264)	22,383,880	2,210,264	-	-
Transferred to stage three	(12,606)	(123,424)	(953,018)	(87,158)	1,176,206	-
The effect of changes in classification between the three stages during the period	636,147	304,890	(12,972,113)	(108,553)	(894,944)	(13,034,573)
Changes due to the adjustments	(65,400,292)	2,163,613	(556,225)	360,258	-	(63,432,646)
()Adjustments due to exchange rates fluctuations	(3,008,355)	-	(574,044)	-	(47,011)	(3,629,410)
Balance at the End of the period	356,189,289	72,235,869	17,504,911	10,288,903	10,831,197	467,050,169

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)
	308,299,318	63,862,686	25,767,313	694,725	10,724,370	409,348,412
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	(640,868)	-	(189,795)	-	(15,553)	(846,216)
Fluctuations in foreign currency						
Balance at the End of the Year	395,976,362	64,065,645	11,703,169	14,863,379	10,703,066	497,311,621

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

As of June 30, 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	221,292	3,458	715	981	178,458	404,904
Impairment loss on accrued exposures	(78,732)	(2,823)	(2,506)	(2,402)	(124,200)	(210,663)
	837,893	44,205	370,528	27,821	6,983,518	8,263,965
Transferred to stage one	12,149	11,747	(5,308)	(11,747)	(6,841)	-
Transferred to stage two	(38,666)	(891)	38,666	891	-	-
Transferred to stage three	(110)	(118)	(10,397)	(543)	11,168	-
Effect on the provision at the end of the period – as a result of classification changes between the three stages during the period	(8,866)	(8,857)	(1,031)	4,504	176,111	161,861
Changes due to the adjustments	(222,060)	(2,697)	(34,628)	(2,742)	-	(262,127)
Adjustments due to exchange rates fluctuations	(1,000)	-	(1,202)	-	2,702	500
Balance at the End of the Period	579,340	43,389	356,628	18,184	7,166,658	8,164,199

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 on accrued exposures	(69,037)	(11,106)	(56,219)	(998)	(97,245)	(234,605)
	312,135	108,918	182,083	5,397	6,916,450	7,524,983
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)
Balance at the End of the Year	695,333	43,570	372,319	29,242	6,929,260	8,069,724

20. Foreign Currency Translation Differences

This item represents the differences resulting from the translation of net investment of the Bank upon consolidating the financial statements.

The movement on this item during the year is as follows:

	June 30, 2023 (Reviewed not audited)	December 31, 2022 (Audited)
	JD	JD
Balance at the Beginning of the Period / Year	(13,033,639)	(13,009,685)
Changes in the translation of net investment during the period / year	3,646,433	(23,954)
Balance at the End of the period / Year	(9,387,206)	(13,033,639)

21. Reserves

- Statutory Reserve

The amount accumulated in this account is transferred at 10% from the annual net income before tax during the year and previous years according to the Banks Law and Companies Law. This reserve cannot be distributed to shareholders.

- Voluntary Reserve

The amounts accumulated in this account are transferred at 10% from the annual net income before taxes during the previous years. This reserve will be used for the purposes approved by the Board of Directors. Moreover, the General Assembly of Shareholders has the right to capitalize or distribute the whole reserve or part thereof as dividends.

- General Banking Risks Reserve

This item represents the general banking risks reserve in line with the instructions of the Central Bank of Jordan. The balance of the general bank risk reserve has been transferred to retained earnings as of January 1ST 2018 based on Central Bank of Jordan Circular No. 1359/1/10 dated January 25, 2018 and Central Bank Instructions No. 13/2018 dated June 6, 2018 and other regulatory authorities.

- Special Reserve

This reserve represents the periodic fluctuation reserve calculated according to the instructions of the Palestinian Monetary Authority concerning the Bank's branches operating in Palestine.

The restricted reserves are as follows:

Reserve	Amount	Nature of Restriction
	JD	
Statutory reserve	110,406,658	Banking and corporate law
General banking risks reserve	4,102,021	Regulatory authorities
Special reserve	5,849,743	Regulatory authorities

22. Fair Value Reserve

The details of the fair value reserve are as follows:

	June 30, 2023	December 31, 2022
	(Reviewed not audited)	(Audited)
	JD	JD
Balance - Beginnings of the Period / Year	48,495,968	(3,979,324)
Unrealized gains – Equity instruments	(501,372)	51,879,948
Debt instruments at fair value through comprehensive income	(55,081)	-
Equity instruments at fair value through comprehensive income transferred to retained earnings as a result of sale	-	650,840
Deferred Tax Liabilities	(4,931)	(55,496)
Balance at the End of the Period / Year*	47,934,584	48,495,968

* Net after deferred tax that amounted to JD 112,298 as of June 30, 2023 (JD 107,367 as of December 31, 2022).

23. Retained Earnings

The details of this item are as follows:

	June 30, 2023 (Reviewed not audited)	December 31, 2022 (Audited)
	JD	JD
Balance at the Beginning of the Year	173,238,442	176,032,362
Dividends distributed to shareholders	(36,000,000)	(36,000,000)
Profit for the year	-	40,139,436
Transferred (to) reserves	-	(6,143,884)
(Losses) transferred as a result of sale of financial assets through comprehensive income*	-	(903,399)
Foreign currency translation differences	127,349	113,927
Balance at the End of the Period / Year	137,365,791	173,238,442

- Retained earnings include an amount of JD 24,009,595 restricted against deferred tax assets as of June 30, 2023 (JD 25,162,135 as of December 31, 2022).
- Retained earnings include an amount of JD 227,598 as of June 30, 2023, which represents the effect of early adoption of IFRS (9). These restricted amounts cannot be utilized unless realized as instructed by Jordan Securities Exchange Commission.
- Retained earnings include an amount of JD 813,437 as of June 30, 2023 that cannot be utilized by distribution or any purpose unless there is a formal approval from Central Bank of Jordan resulting from the application of Central Bank of Jordan circular No. 10/1/1359 dated January 25, 2018.

* The general assembly has decided in its meeting held on March 23, 2023 to distribute cash dividends to the shareholders of JD 36 million or 18% according to their percentage of shares.

24. Interest Income

The details of this item are as follows:

	For the six months ended June (Reviewed not audited)	
	2023	2022
	JD	JD
Direct Credit Facilities at amortized cost:		
Individual (retail customers):	27,764,956	23,540,667
Overdraft accounts	620,668	667,369
Loans and discounted bills	24,909,688	20,588,955
Credit cards	2,234,600	2,284,343
Real estate loans	10,789,850	8,441,784
Corporate Entities:	19,568,004	16,893,219
Large corporate customers:	12,425,423	8,907,217
Overdraft accounts	1,382,991	1,641,609
Loans and discounted bills	11,042,432	7,265,608
SMEs:	7,142,581	7,986,002
Overdraft accounts	1,222,196	1,505,269
Loans and discounted bills	5,920,385	6,480,733
Government and Public Sector	9,626,268	6,010,062
Balances with central banks	11,472,185	1,404,157
Balances and deposits with banks and financial institutions	4,971,286	2,136,045
Financial assets at amortized cost	6,012,812	6,168,575
Financial assets at fair value through other comprehensive income	384,011	-
Total	90,589,372	64,594,509

25. Interest Expense

The details of this item are as follows:

	For the six months ended June (Reviewed not audited)	
	2023	2022
	JD	JD
Banks and financial institution deposits	2,266,440	931,374
Customers' deposits:		
Current and demand deposits	3,538	1,827
Saving accounts	1,248,323	1,032,001
Time and notice deposits	12,929,660	5,382,165
Certificates of deposit	2,234,865	801,314
Borrowed funds	349,587	355,583
Cash margins	1,195,318	851,177
Deposits insurance fees	1,050,620	1,426,100
Interest on lease liabilities	572,640	504,740
	21,850,991	11,286,281

26. Gain from Financial Assets at Fair Value through Profit or Loss

The details of this item are as follows:

For the Six-Month Period Ended June 30, 2023 (Reviewed not audited)	Realized	Unrealized	Dividends	Total
	Gains	Gain		
	JD	JD	JD	JD
Shares	-	8,963	3,707	12,670
	-	8,963	3,707	12,670

For the Six-Month Period Ended June 30, 2022 (Reviewed not audited)	Realized	Unrealized	Dividends	Total
	Gains	Gain		
	JD	JD	JD	JD
Shares	-	80,978	21,480	102,458
	-	80,978	21,480	102,458

27. Other Income

The details of this item are as follows:

	For the Six-Month Period Ended on June 30,	
	2023	2022
	JD	JD
Revenue from written-off debts recovered	131,644	400,601
Gain from the sale of assets foreclosed by the Bank	65,495	561,102
Income from telephone, post and swift	126,873	190,606
Rents received from the Bank's real estate	117,835	105,098
Gains from the sale and disposal of property and equipment	40,110	32,091
Interest in suspense reversed to income	198,239	529,736
Other Income	458,444	438,744
	1,138,641	2,257,978

28. Expected Credit Loss on Financial Assets

The details of this item are as follows:

	For the Six-Month Period Ended June 30,	
	2023	2022
	(Reviewed Not Audited)	
	JD	JD
Cash at central banks	(120,137)	(5,397)
Balances with banks and financial institutions	(34,929)	3,498
Deposits at banks and financial institutions	68	(1,662)
Direct credit facilities at amortized cost	10,190,055	3,672,944
Financial assets at amortized cost	(88,273)	(55,257)
Off statement of financial position Items	93,975	79,370
	<u>10,040,759</u>	<u>3,693,496</u>

29. Earnings per Share from Profit for the Period

The details of this item are as follows:

	For the Six-Month Period Ended June 30,	
	2023	2022
	(Reviewed Not Audited)	
	JD	JD
Profit for the period (Bank's shareholders)	22,038,529	16,840,529
Weighted average number of shares	200,000,000	200,000,000
Earnings for the period/share (Bank's shareholders):		
Basic /Diluted	<u>0.110</u>	<u>0.084</u>

- 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 six months ended June 30, 2023 and 2022.

30. Cash and Cash Equivalents

The details of this item are as follows:

	As of June 30,	
	2023	2022
	(Reviewed Not Audited)	
	JD	JD
Cash and balances with central banks maturing within 3 months	560,139,834	471,012,458
<u>Add</u> : Balances with banks and other financial institutions maturing within 3 months	308,263,692	169,785,993
<u>Less</u> : Banks and financial institutions' deposits maturing within 3 months	(54,047,767)	(74,479,454)
Restricted balances	(106,526,069)	(92,622,747)
	<u>707,829,690</u>	<u>473,696,250</u>

31. Capital and Liquidity management

A. 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:

	In JD Thousands	
	June 30, 2023	December 31, 2022
<u>Regulatory capital for ordinary shareholders (CETI):</u>		
Subscribed and paid-up capital	200,000	200,000
Statutory reserve	110,407	110,453
Voluntary reserve	40	86
Other reserves	5,850	5,850
Fair value reserve	47,935	48,496
Retained earnings	136,325	136,197
Profit for the period	4,039	-
Non-controlling interest in the capital of subsidiaries	4,610	5,215
<u>Less: Regulatory capital adjustments</u>	<u>(40,619)</u>	<u>(45,678)</u>
Total Primary Capital for ordinary shareholders (CETI)	<u>468,586</u>	<u>460,619</u>
<u>Additional Capital Items</u>		
Provision balance against debt instruments included in (Stage 1) not exceeding 1.25% of total risk weighted assets	7,231	8,178
General banking risk reserve	4,102	4,102
Total additional capital	<u>11,333</u>	<u>12,280</u>
Total regulatory capital	<u>479,919</u>	<u>472,900</u>
Total risk weighted assets	<u>2,082,317</u>	<u>2,086,493</u>
Capital adequacy ratio (%)	23.05%	22.66%
Regulatory capital for ordinary shareholders (CETI) (%)	22.50%	22.08%
Capital adequacy for first layer (%)	22.50%	22.08%

b. liquidity Coverage Ratio:

The average liquidity coverage ratio reached 392,2% For the six-month period ended June 30, 2023 (175,3% as of December 31, 2022.), in-addition to The Actual liquidity coverage ratio reached 655.5% as of June 30, 2023 (227,3% as of December 31, 2022).

32. 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.

1. Information about the Bank business segments distributed in accordance with the activities is as follows:

							Total		
							For the three Months ended March 31,		
	Individual (Retail Customers)		Corporation		Treasury		Financial Brokerage		Other
	JD	JD	JD	JD	JD	JD	JD	2023	2022
Total Revenue	30,596,024	30,067,069	22,766,550	130,517	1,062,729	84,622,889	68,967,302		
(Expense) recovered from expected credit loss	(3,960,151)	(6,331,041)	184,925	93	65,415	(10,040,759)	(3,693,496)		
Segments operations results	26,635,873	23,736,028	22,951,475	130,610	1,128,144	74,582,130	65,273,806		
Other expenses	(23,228,560)	(10,084,255)	(2,134,574)	(86,876)	(6,495,546)	(42,029,811)	(40,224,706)		
Profit before tax	3,407,313	13,651,773	20,816,901	43,734	(5,367,402)	32,552,319	25,049,100		
Income tax	(651,135)	(3,817,634)	(6,374,206)	(38,542)	722,259	(10,159,258)	(8,018,270)		
Net profit for the period	2,756,178	9,834,139	14,442,695	5,192	(4,645,143)	22,393,061	17,030,830		
Other- information									
Capital Expenditures	547,907	313,140	1,070	-	542,540	1,404,657	1,562,298		
Depreciation and amortization	3,233,598	23,963	3,987	8,237	2,180,463	5,450,248	5,383,390		
Total Assets	733,110,515	743,128,707	1,283,327,326	1,993,694	154,315,951	2,915,876,193	2,884,730,416		
Total Liabilities	1,829,904,288	371,051,841	131,384,161	863,424	50,803,814	2,384,007,528	2,342,386,630		
						JD	JD		
								June 30, 2023 (Reviewed not Audited)	December 31, 2022 (Audited)

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:

	Inside the Kingdom		Outside the Kingdom		Total	
	June 2023		June 2023		June 2023	
	2023	2022	2023	2022	2023	2022
	(Reviewed Not Audited)		(Reviewed Not Audited)		(Reviewed Not Audited)	
	JD	JD	JD	JD	JD	JD
Total Revenue	86,679,120	63,125,407	20,544,037	17,647,894	107,223,157	80,773,301
Capital Expenditures	611,139	811,349	793,518	750,949	1,404,657	1,562,298

	Inside the Kingdom		Outside the Kingdom		Total	
	June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022
	(Reviewed Not Audited)	(Audited)	(Reviewed Not Audited)	(Audited)	(Reviewed Not Audited)	(Audited)
	JD	JD	JD	JD	JD	JD
Total Assets	2,055,599,800	2,070,906,578	860,276,393	813,823,838	2,915,876,193	2,884,730,416

3.3. Exposure/Credit Risk

A. Cross distribution exposures based on financial instruments:

Item	June 30, 2023 (Reviewed not audited)																			
	Financial		Industrial		Trading		Real Estate		Agriculture		General		Stock		Individuals		Government and Public Sector		Total	
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Balances with central banks	484,590,701	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	484,590,701
Balances with banks and financial institutions	308,193,048	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	308,193,048
Deposits with banks and financial institutions	544,907	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	544,907
Direct credit facilities at amortized cost	10,872,419	152,359,839	190,057,095	254,736,625	9,256,228	115,617,893	13,416,086	496,015,952	207,737,095	1,452,169,232	-	-	-	-	-	-	-	-	-	-
Bonds and Treasury Bills: Within financial assets at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Within financial assets at amortized cost	39,336,541	13,428,218	2,831,967	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	141,345,754
Total / for the current period	843,537,616	165,786,057	194,889,062	254,736,625	9,256,228	115,617,893	13,416,086	496,015,952	432,480,279	2,525,837,798	14,261,578	496,015,952	432,480,279	2,525,837,798	196,942,480	83,397,430	83,397,430	320,690,965	2,984,723,768	2,984,723,768
Financial Guarantees	18,142,445	6,641,641	22,277,982	13,305,871	144,770	11,356,757	46,888	2,475,529	-	75,095,883	-	-	-	-	-	-	-	-	-	-
Letters of Credit and acceptances	6,608,371	17,840,690	35,250,639	387,938	2,683,187	328,297	-	-	-	63,099,122	-	-	-	-	-	-	-	-	-	-
Unutilized balances	33,265,242	42,364,643	130,091,464	10,568,726	3,208,610	17,279,122	798,604	82,522,922	590,632	320,690,965	-	-	-	-	-	-	-	-	-	-
Total as of June 30, 2023	901,553,674	232,635,031	382,609,147	279,600,160	15,292,795	144,582,069	14,261,578	581,018,403	433,070,911	2,984,723,768	14,261,578	581,018,403	433,070,911	2,984,723,768	196,942,480	83,397,430	83,397,430	320,690,965	2,984,723,768	2,984,723,768
December 31, 2022	874,092,441	260,475,717	368,939,234	296,239,909	16,629,512	139,806,971	15,412,530	623,137,241	388,071,157	2,982,800,712	15,412,530	623,137,241	388,071,157	2,982,800,712	196,942,480	83,397,430	83,397,430	320,690,965	2,982,800,712	2,982,800,712

B. Exposure Distribution According to Stages Classification as Per IFRS (9) as adopted by the Central Bank of Jordan:

Item	June 30, 2023 (Reviewed not audited)													
	Stage One				Stage Two				Stage Three				Total	
	Individual Level	Collective Level	Individual Level	Collective Level	Individual Level	Collective Level	Individual Level	Collective Level	Individual Level	Collective Level	Individual Level	Collective Level	Individual Level	Collective Level
Financial	901,280,524	-	191,485	-	81,695	-	-	-	901,553,674	-	-	-	-	-
Industrial	225,394,464	152,597	6,220,718	-	867,252	-	-	232,635,031	-	-	-	-	-	
Trade	349955989	471,465	26,067,526	26,908	6,087,259	382,609,147	-	-	-	-	-	-	-	
Real estates	48,037,431	202,106,823	6,651,749	16,092,481	6,711,676	279,600,160	-	-	-	-	-	-	-	
Agriculture	14,677,185	79,185	628,114	-	8,311	15,392,795	-	-	-	-	-	-	-	
Tourism, restaurants and public facilities	137,137,163	3,510,930	2,921,485	426	1,012,065	144,582,069	-	-	-	-	-	-	-	
Stocks	14,261,578	-	-	-	-	14,261,578	-	-	-	-	-	-	-	
Individuals	3,274,866	535,119,209	119,524	39,446,412	3,058,392	581,018,403	-	-	-	-	-	-	-	
Government and Public Sector	433,070,911	-	-	-	-	433,070,911	-	-	-	-	-	-	-	
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total as of June 30, 2023	2,127,090,111	741,440,209	42,800,571	55,566,227	17,826,650	2,984,723,768	14,261,578	581,018,403	433,070,911	2,984,723,768	14,261,578	581,018,403	433,070,911	
December 31, 2022	2,066,930,263	820,279,942	40,839,083	42,150,511	12,600,913	2,982,800,712	15,412,530	623,137,241	388,071,157	2,982,800,712	15,412,530	623,137,241	388,071,157	

2. Concentration in credit exposure according to geographical distribution was as follows:

A. Gross Distribution Exposures Based on Geographic Areas:

Item	June 30, 2023 (Revised not audited)									
	Inside the Kingdom	Other Middle East Countries	Europe	Asia	Africa	America	Other Countries	Total		
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Balances at central banks	322,221,193	162,369,508	-	-	-	-	-	-	-	484,590,701
Balances at banks and financial institutions	149,179,559	89,321,964	51,129,530	2,425,876	-	16,136,119	-	-	-	308,193,048
Deposits at banks and financial institutions	-	544,907	-	-	-	-	-	-	-	544,907
Direct credit facilities	1,130,045,754	322,123,478	-	-	-	-	-	-	-	1,452,169,232
Bonds and Treasury Bills:										
Within financial assets at amortized cost	83,397,430	-	-	-	-	-	-	-	-	83,397,430
Within financial assets at fair value through comprehensive income - fair value	148,978,356	47,964,124	-	-	-	-	-	-	-	196,942,480
Total for the current period	1,833,822,292	622,323,981	51,129,530	2,425,876	-	16,136,119	-	-	-	2,525,837,798
Financial Guarantees	53,773,149	13,839,612	6,843,225	77,983	-	561,914	-	-	-	75,095,883
Letters of Credit and acceptances	41,969,896	19,888,715	-	1,240,511	-	-	-	-	-	63,099,122
Un-utilized balances	222,359,105	81,899,168	16,432,692	-	-	-	-	-	-	320,690,965
Total as of June 30, 2023	2,151,924,442	737,951,476	74,405,447	3,744,370	-	16,698,033	-	-	-	2,984,723,768
December 31, 2022	2,220,150,430	676,356,627	32,914,720	8,637,254	10,472,916	34,268,865	-	-	-	2,982,800,712

B. Exposure Distribution According to Stages Classification as Per IFRS (9) as adopted by the Central Bank of Jordan:

Item	June 30, 2023 (Revised not audited)									
	Stage One		Stage two		Stage Three		Total			
	Individual Level	Collective Level	Individual Level	Collective Level	Individual Level	Collective Level	Individual Level	Collective Level	JD	JD
Inside Jordan	1,434,937,491	614,797,099	40,635,061	45,593,093	15,961,698	2,151,924,442	-	-	2,151,924,442	-
Other middle east countries	597,304,770	126,643,110	2,165,510	9,973,134	1,864,952	737,951,476	-	-	737,951,476	-
Europe	74,405,447	-	-	-	-	74,405,447	-	-	74,405,447	-
Asia	3,744,370	-	-	-	-	3,744,370	-	-	3,744,370	-
Africa	-	-	-	-	-	-	-	-	-	-
America	16,698,033	-	-	-	-	16,698,033	-	-	16,698,033	-
Other Countries	-	-	-	-	-	-	-	-	-	-
Total as of June 30, 2023	2,127,090,111	741,440,209	42,800,571	55,566,227	17,826,650	2,984,723,768	-	-	2,984,723,768	-
December 31, 2022	2,066,930,263	820,279,942	40,839,083	42,150,511	12,600,913	2,982,800,712	-	-	2,982,800,712	-

3. Re-classified credit exposures
Gross Re-classified credit exposures :

Item	Stage Two		Stage Three		Total reclassified exposures	Percentage of Reclassified Exposures
	Total Exposure Value	Reclassified exposures	Total Exposure Value	Reclassified exposures		
Cash and balances at central banks	-	-	-	-	-	0%
Balances at banks and financial institutions	-	-	99,041	-	-	0%
Deposits at banks and financial institutions	-	-	-	-	-	0%
Direct credit facilities at amortized cost	99,382,328	17,375,587	169,482,780	21,405,982	38,781,569	14.42%
Bonds and Treasury Bills within financial assets at amortized cost	-	-	-	-	-	0%
Financial assets through amortized cost	-	-	-	-	-	0%
Total	99,382,328	17,375,587	169,581,821	21,405,982	38,781,569	14.42%
Letters of guarantees	4,548,967	(423,875)	10,831,197	271,260	(152,615)	-0.99%
Letters of credit	370	370	-	-	370	100.00%
Acceptances	2,980,444	2,880,050	-	-	2,880,050	96.60%
Un-utilized balances	20,264,033	430,711	-	2	430,713	2.10%
Total as of June 30, 2023	127,176,142	20,262,843	180,413,018	21,677,244	41,940,087	13.64%
December 31, 2022	113,874,047	(20,225,672)	160,082,643	12,276,979	(7,948,693)	-2.90%

B. Expected credit loss against reclassified exposures:

Item	Reclassified exposures				Expected credit loss for reclassified exposures			
	Reclassified Exposure from Stage Two	Gross Reclassified Exposure from Stage Three	Gross Reclassified Exposure	Individual Level	Stage Two Collective Level	Stage Three Individual Level	Stage Three Collective Level	Total
Cash and balances at central banks	-	-	-	-	-	-	-	-
Balances at banks and financial institutions	-	-	-	-	-	-	-	62,393
Deposits at banks and financial institutions	-	-	-	-	-	-	-	-
Direct credit facilities at amortized cost	(2,822,676)	12,795,539	9,972,863	23,178,236	5,256,296	137,539,265	-	165,973,797
Bonds and Treasury Bills within financial assets at amortized cost	-	-	-	-	-	-	-	-
Financial assets through Amortized Cost	-	-	-	-	-	-	-	-
Total	(2,822,676)	12,795,539	9,972,863	23,178,236	5,256,296	137,601,658	-	166,036,190
Letters of guarantees	(8,189)	180,438	172,249	152,761	-	7,166,658	-	7,319,419
Letters of credit	-	-	-	-	-	-	-	-
Acceptances	8,366	-	8,366	8,417	-	-	-	8,417
Un-utilized balances	14,858	-	14,858	195,450	18,184	-	-	213,634
Total as of June 30, 2023	(2,807,641)	12,975,977	10,168,336	23,534,864	5,274,480	144,768,316	-	173,577,660
December 31, 2022	833,658	6,705,670	7,539,328	26,342,327	4,542,126	131,995,901	-	162,880,354

34. Related parties Transactions

Within its normal activities, the Bank entered into transactions with its major shareholders, members of the Board of Directors, executive management and the associate Company at the commercial rates of interest and commission. Moreover, all loans and advances with related parties are performing, and no provision for probable credit losses has been taken thereon.

The following are summaries of balances and transactions with related parties during the period:

Condensed Consolidated Interim Statement of Financial Position Items	Related party						Total	
							June 30, 2023	December 31, 2022
	Subsidiaries* JD	Board of Directors Members JD	Executives Management JD	Staff Fund Provident JD	Other Parties JD	(Reviewed not Audited) JD	(Audited)	
Assets:								
Investments	45,415,294	-	-	-	-	45,415,294	45,415,294	
Direct Credit Facilities	-	2,756,829	515,198	-	1,271,598	4,543,625	4,337,282	
Deposits and current accounts	10	-	-	-	-	10	10	
Cash Margins	3,982,000	-	-	-	-	3,982,000	3,982,000	
Liabilities:								
Customer Deposits	20,698,693	1,231,738	4,780,771	1,664,368	38,137,590	66,513,160	51,396,574	
Bank Deposits	7,231,473	-	-	-	-	7,231,473	7,308,547	
Borrowed funds	3,224,782	-	-	-	-	3,224,782	3,297,469	
Off-Statement of financial position Items								
Letters of guarantee	509,256	-	50,000	-	64,180	623,436	606,708	
Letters of credits and Acceptances							-	
						Total		
						For the six month period ended June 30,	2022	
						(Reviewed Not Audited)	(Reviewed Not Audited)	
						JD	JD	
						168,878	170,117	
						1,579,060	669,545	

Consolidated Statement of Profit or Loss Items:

Credit interest and commission	-	95,977	18,456	-	54,445	170,117
Debit interest and commission	804,845	10,794	91,969	19,819	651,633	669,545

Interest rates:

- Credit interest rates against facilities in JD range from 1 % (represent the minimum price for interest margin against 100% cash margin) to 11.5 %.
 - No Credit interests in foreign currency.
 - Debit interest rates for JD range from 0.0025 % to 6.4 %.
 - Debit interest rates for foreign currency range from 2.934 % to 4.8 %.
- * Balances and transactions with subsidiary companies are excluded from the consolidated financial statements, but presented for clarification purposes only.
- Investment in subsidiary - Syria shown at cost, noting that the bank has accounted for this investment impairment in its records.
 - The number of related parties that have been granted facilities as of June 30, 2023 is 36 customers.

Bank's Executive Management Salaries and Remunerations Summary is as follows:

	For the six month period ended	
	2023 (Reviewed not Audited) JD	2022 (Reviewed not Audited) JD
Salaries and benefits	1,568,535	1,191,324
Transportation and board secretary	9,000	18,018
Board of directors membership, Transportation and bonuses	319,993	316,463
Total	1,897,528	1,525,805

35. 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
	June 30, 2023 (Reviewed Not Audited)	December 31, 2022 (Audited)				
Financial Assets at Fair Value	JD	JD				
Financial Assets at Fair Value Through Income Statement						
Quoted Shares	108,152	90,167	Level One	Stated Rates in financial markets	Not applicable	Not applicable
Unquoted Shares	217,811	226,833	Level Two	Financial Statements issued by companies		
Right to receive financial assets at fair value	-	15,000,000	Level One	Determined price	Not applicable	Not applicable
Total	325,963	15,317,000				
Financial Assets at Fair Value through Comprehensive Income						
Quoted Shares	13,922,191	14,508,170	Level One	Stated Rates in financial markets	Not applicable	Not applicable
Quoted Derivative	83,397,430	-				
Unquoted Shares	2,314,825	2,257,097	Level One	Stated Rates in financial markets	Not applicable	Not applicable
Unquoted Shares	97,015,704	97,015,704	Level Two	Financial Statements issued by companies	Not applicable	Not applicable
Total	196,650,150	113,780,971				
Forward foreign currency contracts	-	118,463	Level One	Stated Rates in financial markets	Not applicable	Not applicable
Total Financial Assets at Fair Value	196,976,113	129,216,434				
Financial Liabilities at Fair Value						
Forward foreign currency contracts	2,957	-	Level One	Stated Rates in financial markets	Not applicable	Not applicable
	2,957	-				

There was no transfers between level one and level two at the first half of year 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 financial statements of the Bank approximate their fair value, because the Bank management believes that the carrying value of the items is equivalent to the fair value, and this is due to either its short-term maturity or having interest rates that have been repriced during the year.

	June 30, 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)	
Financial Assets of non-specified Fair Value					
Balances at central banks	484,687,721	485,202,597	593,267,402	593,528,472	Level Two
Balances at banks and financial institutions	308,263,692	308,564,507	150,844,506	150,884,724	Level Two
Deposits at banks and financial institutions	545,000	550,189	940,000	985,226	Level Two
Loans, bills and other	1,458,107,649	1,462,957,181	1,511,593,525	1,516,827,987	Level Two
Financial assets at amortized cost	197,226,384	199,862,303	237,032,607	240,138,994	Level Two
Total Financial Assets of non-specified Fair Value	2,448,830,446	2,457,136,777	2,493,678,040	2,502,365,403	
Financial Liabilities of non-specified Fair Value					
Deposits at banks and financial institutions	61,137,767	61,966,733	86,313,839	86,639,359	Level Two
Customers' deposits	2,080,333,027	2,089,901,366	2,016,295,791	2,023,975,334	Level Two
Cash insurance	116,153,494	116,175,500	109,623,086	109,637,575	Level Two
Total Financial Liabilities of Non-specified Fair Value	2,257,624,288	2,268,043,599	2,212,232,716	2,220,252,268	

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:

	June 30, 2023		December 31, 2023		The Level of Fair Value
	Book Value	Fair Value	Book Value	Fair Value	
	(Reviewed Not Audited)	(Reviewed Not Audited)	(Audited)	(Audited)	
Other assets	JD	JD	JD	JD	JD
Other assets	77,606,658	122,191,078	76,212,320	120,394,071	Level Two
	77,606,658	122,191,078	76,212,320	120,394,071	

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.

36. Commitments and Contingent Liabilities

a. Contingent Liabilities:

	June 30, 2023 (Reviewed Not Audited)	December 31, 2022 (Audited)
	JD	JD
Letters of credit includes:	43,041,657	18,452,935
Acceptances	20,180,029	19,602,186
Letters of guarantee:		
-Payment	29,929,248	27,555,710
-Performance	31,861,807	30,766,779
-Other	20,791,033	20,560,963
Un-utilized direct and indirect credit facilities limits	321,246,395	380,373,048
Total	<u>467,050,169</u>	<u>497,311,621</u>

- The provision for expected credit losses on off-balance sheet items (unfunded) amounted to JD 8,164,199 as of June 30, 2023 (JD 8,069,724 as of December 31, 2022).

b. Contractual Obligations:

	June 30, 2023 (Reviewed Not Audited)	December 31, 2022 (Audited)
	JD	JD
Contracts for purchasing of property and equipment*	596,325	445,830
Contracts for operating and financing lease**	19,223,965	17,376,666
Total	<u>19,820,290</u>	<u>17,822,496</u>

* 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 9,800,983 as of June 30, 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 284,276 as of June 30, 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 condensed consolidated Statement of profit or loss or against the recorded provision when paid.