THE HOUSING BANK FOR TRADE AND FINANCE
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - THE HASHEMITE KINGDOM OF JORDAN

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023 TOGETHER WITH THE AUDIT REPORT

THE HOUSING BANK FOR TRADE AND FINANCE
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - THE HASHEMITE KINGDOM OF JORDAN
DECEMBER 31, 2023

TABLE OF CONTENTS

Deloitte.

Deloitte & Touche (M.E.)
Jabal Amman, 5th Circle
190 Zahran Street
Amman, P.O. Box 248
Jordan

Tel: +962 (0) 6 550 2200
Fax: +962 (0) 6 550 2210
www.deloitte.com

Independent Audit Report

AM/ 010923

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

Report on the Audit of the Consolidated Financial statements

Opinion
We have audited the consolidated financial statements of The Housing Bank for Trade and Finance (A Public Shareholding Limited Company) (the "Bank") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at December 31, 2023, and the consolidated statements of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in owners' equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policies information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Bank as of December 31, 2023, and its consolidated financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS Accounting Standards) as adopted by the Central Bank of Jordan.

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

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

Key Audit Matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

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

Key Audit Matters	How our Audit Addressed the Key Audit Matter
1. Allowance Credit Losses on Credit Facilities As described in Note (11) to the consolidated financial statements, the Bank had direct credit facilities of JD 5.1 billion as at December 31, 2023 representing 57% of total assets. The expected credit loss (ECL) allowance was JD 450.9 million as at this date. The determination of the Bank's expected credit losses for credit facilities measured at amortized cost is a material and complex estimate requiring significant management judgement in the evaluation of the credit quality and the estimation of inherent losses in the portfolio. The financial statement risk arises from several aspects requiring substantial judgement of management, such as the estimation of probabilities of default and loss given defaults for various stages, the determination of significant increases in credit risk (SICR) and credit-impairment status (default), the use of different modelling techniques and consideration of manual adjustments. In calculating expected credit losses, the Bank considered credit quality indicators for each loan and portfolios, stratifies loans and advances by risk grades and estimates losses for each loan based upon their nature and risk profile. Auditing these complex judgements and assumptions involves especially challenging auditor judgement due to the nature and extent of audit evidence and effort required to address these matters. The Bank expected credit losses are calculated against credit exposures, according to the requirements of International Financial Reporting Standard 9 Financial Instruments (IFRS 9) as adopted by the Central Bank of Jordan. Credit exposures granted directly to the Jordanian Government as well as credit exposers guaranteed by Government are excluded from the determination of the allowance for expected credit losses. In addition, expected credit losses are also adjusted to take into consideration any special arrangements with the Central Bank of Jordan.	We established an audit approach which includes both testing the design and operating effectiveness of internal controls over the determination of expected credit losses and risk-based substantive audit procedures. Our procedures over internal controls focused on the governance over the process controls around the ECL methodology, completeness and accuracy of loan data used in the expected loss models, management review of outcomes, management validation and approval processes, the assignment of borrowers' risk classification, consistency of application of accounting policies and the process for calculating individual allowances. The primary substantive procedures which we performed to address this key audit matter included, but were not limited to, the following: • For a risk-based sample of individual loans, we performed a detailed credit review, assessed the appropriateness of information for evaluating the credit-worthiness and staging classification of individual borrowers and challenged the assumptions underlying the expected credit loss allowance calculations, such as estimated future cash flows, collateral valuations and estimates of recovery as well as considered the consistency of the Bank's application of its impairment policy. Further, we evaluated controls over approval, accuracy and completeness of impairment allowances and governance controls, including assessing key management and committee meetings that form part of the approval process for loan impairment allowances; • For loans not tested individually, we evaluated controls over the modelling process, including model monitoring, validation and approval. We tested controls over model outputs and the mathematical accuracy and computation of the expected credit losses by re-performing or independently calculating elements of the expected credit losses based on relevant source documents with the involvement of our modelling specialists. We challenged key assumptions, inspected the calculation methodology and traced a sample back to source data. We evaluated key assumptions such as thresholds used to determine SICR and forward looking macroeconomic scenarios including the related weighting; • We evaluated post model adjustments and management overlay in the context of key model and data limitations identified by the Bank in order to assess the reasonableness of these adjustments, focusing on PD and LGD used for corporate loans, and challenged their rational; • We assessed the amendments made by management by evaluating the model adjustments in relation to macroeconomic factors and the forward looking scenarios which were incorporated into the impairment calculations by utilizing our internal specialists to challenge the multiple economic scenarios chosen and weighting applied to capture non-linear losses; and • We determined if the amount recorded as the allowance for expected credit losses was determined in accordance with the instructions of the Central Bank of Jordan. • We tested, utilizing our internal IT specialists, the IT application used in the credit impairment process and verified the integrity of data used as input to the models including the transfer of data between source systems and the impairment models. We evaluated system-based and manual controls over the recognition and measurement of impairment allowances.

Key Audit Matters	How our Audit Addressed the Key Audit Matter
2. IT systems and controls over financial reporting We identified IT systems and controls over the Bank's financial reporting as an area of focus due to the extensive volume and variety of transactions which are processed daily by the Bank and rely on the effective operation of automated and IT dependent manual controls. There is a risk that automated accounting procedures and related internal controls are not accurately designed and operating effectively. In particular, the incorporated relevant controls are essential to limit the potential error as a result of change to an application or underlying data.	Our audit approach relies on automated controls and therefore the following procedures were designed to test access and control over IT systems: • We obtained an understanding of the applications relevant to financial reporting and the infrastructure supporting these applications. • We tested IT general controls relevant to automated controls and computer-generated information covering access security, program changes, data center and network operations. • We examined computer generated information used in financial reports from relevant applications and key controls over their report logics. • We performed testing on the key automated controls on significant IT systems relevant to business processes.

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

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

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements
Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS Accounting Standards) as adopted by the Central Bank of Jordan, and for such internal control as management determines necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements
The Bank maintains proper books of accounts, which are in agreement with the consolidated financial statements. We recommend that the General Assembly of Shareholders approve these consolidated financial statements.

Amman – The Hashemite Kingdom of Jordan
February 4, 2024

Deloitte & Touche (M.E.) – Jordan

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

THE HOUSING BANK FOR TRADE AND FINANCE
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - THE HASHEMITE KINGDOM OF JORDAN
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	December 31, 2023	December 31, 2022
Assets:		JD	JD
Cash and balances at central banks - net	5	553,689,927	693,967,771
Balances at banks and financial institutions - net	6	323,043,611	358,673,917
Deposits at banks and financial institutions - net	7	44,751,813	56,638,273
Financial assets at fair value through profit or loss	8	4,425,551	5,019,780
Financial assets at fair value through other comprehensive income	9	403,462,628	369,095,004
Direct credit facilities at fair value through profit or loss	10	31,496,582	61,967,403
Direct credit facilities at amortized cost - net	11	4,442,544,481	4,209,066,827
Financial assets at amortized cost - net	12	2,418,523,210	2,230,984,446
Property and equipment - net	13	159,245,811	162,799,067
Intangible assets – net	14	22,214,936	21,574,280
Right of use asset	20/a	21,364,626	21,723,075
Deferred tax assets	22/e	125,044,861	128,589,582
Other assets net	15	127,072,572	138,542,720
TOTAL ASSETS		**8,676,880,609**	**8,458,642,145**
LIABILITIES AND OWNERS' EQUITY:			
LIABILITIES:			
Banks and financial institutions deposits	16	716,654,103	870,020,537
Customers’ deposits	17	5,649,898,542	5,318,025,833
Cash margins	18	296,137,233	274,011,478
Borrowed funds	19	297,089,265	398,779,481
Sundry provisions	21	31,232,872	30,380,825
Income tax provision	22/a	61,676,475	53,415,161
Deferred tax liabilities	22/e	6,374,087	6,770,350
Lease liability	20/b	21,064,223	21,110,267
Other liabilities	23	268,891,814	227,066,340
TOTAL LIABILITIES		**7,349,018,614**	**7,199,580,272**
OWNERS' EQUITY:			
BANK’S SHAREHOLDERS' EQUITY:			
Authorized and paid-up capital	24	315,000,000	315,000,000
Share premium	24	328,147,537	328,147,537
Statutory reserve	25	296,295,588	274,745,075
Special reserve	25	11,743,708	11,553,745
Foreign currencies translation	26	(130,825,280)	(134,490,422)
Fair value reserve – net	27	(3,920,263)	(10,908,261)
Retained earnings	28	452,965,949	416,843,387
TOTAL BANK'S SHAREHOLDERS' EQUITY		**1,269,407,239**	**1,200,891,061**
Non-controlling interest		58,454,756	58,170,812
TOTAL OWNERS' EQUITY		**1,327,861,995**	**1,259,061,873**
TOTAL LIABILITIES AND OWNERS' EQUITY		**8,676,880,609**	**8,458,642,145**

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

THE HOUSING BANK FOR TRADE AND FINANCE
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - THE HASHEMITE KINGDOM OF JORDAN
CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Note	For the Year Ended December 31, 2023	2022
		JD	JD
Interest income	31	560,600,640	417,018,501
Interest expense	32	(184,035,744)	(97,979,534)
Net Interest Income		**376,564,896**	**319,038,967**
Net commission income	33	26,821,546	24,444,567
Net Interest and Commission Income		**403,386,442**	**343,483,534**
Gain from foreign currencies	34	9,107,078	8,648,967
Gain (Loss) from financial assets at fair value through profit or loss	35	1,622,217	(1,974,652)
Cash dividends from financial assets at fair value through other comprehensive income		390,080	196,943
Other income	36	23,514,489	27,607,719
Total Income		**438,020,306**	**377,962,511**
Expenses			
Employees' expenses	37	95,861,145	86,341,540
Depreciation and amortization	13,14& 20	25,864,076	24,500,876
Other expenses	38	62,516,157	62,746,855
Allowance for expected credit loss - net	39	35,673,006	6,355,442
Expense of sundry provisions - net		700,998	453,490
Total Expenses		**220,615,382**	**180,398,203**
Profit for the Year before Income Tax Expense		217,404,924	197,564,308
Income tax	22/b	(76,630,335)	(65,181,760)
Profit for the Year		**140,774,589**	**132,382,548**
Attributable to:			
Bank's Shareholders		**136,729,879**	**129,500,828**
Non-Controlling Interest		**4,044,710**	**2,881,720**
		140,774,589	**132,382,548**
		JD/Fils	**JD/Fils**
Basic and diluted earnings per share for the year attributable to the Bank's Shareholders	40	**0.434**	**0.411**

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

THE HOUSING BANK FOR TRADE AND FINANCE
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - THE HASHEMITE KINGDOM OF JORDAN
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	For the Year Ended December 31,	
	2023	**2022**
	JD	**JD**
Profit for the year	140,774,589	132,382,548
Other comprehensive income items which may be reclassified to profit or loss in the subsequent period		
Foreign currencies translation	3,165,799	(8,800,184)
Net change in valuation reserve of financial assets at fair value through comprehensive income after tax - debt instruments	5,762,114	(14,820,941)
Other comprehensive income items that will not be reclassified to profit or loss in the subsequent period		
Net change in valuation reserve of financial assets at fair value through comprehensive income after tax - equity instruments	1,274,811	112,264
Total Other Comprehensive Income Items for the Year after Tax	**10,202,724**	**(23,508,861)**
Total Comprehensive Income for the Year	**150,977,313**	**108,873,687**
Attributable to:		
Bank's Shareholders	147,383,019	108,767,816
Non-Controlling Interest	3,594,294	105,871
	150,977,313	**108,873,687**

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

THE HOUSING BANK FOR TRADE AND FINANCE
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - THE HASHEMITE KINGDOM OF JORDAN
CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY

	Authorized and Paid-up Capital	Share Premium	Statutory Reserve	Special Reserve	Foreign Currency Translation	Fair Value Reserve - Net	Retained Earnings	Total Shareholder's Equity	Non-Controlling Interest	Total Owners' Equity
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
For the Year Ended December 31, 2023										
Beginning balance for the year	315,000,000	328,147,537	274,745,075	11,553,745	(134,490,422)	(10,908,261)	416,843,387	**1,200,891,061**	**58,170,812**	**1,259,061,873**
Profit for the Year	-	-	-	-	-		136,729,879	**136,729,879**	**4,044,710**	**140,774,589**
Net change in valuation reserve of financial assets at fair value through other comprehensive income after tax - debt instruments	-	-	-	-	-	5,713,187	-	**5,713,187**	**48,927**	**5,762,114**
Net change in valuation reserve of financial assets at fair value through other comprehensive income after tax - equity instruments	-	-	-	-	-	1,274,811	-	**1,274,811**	**-**	**1,274,811**
Foreign currency translation	-	-	-	-	3,665,142	-	-	**3,665,142**	**(499,343)**	**3,165,799**
Total Comprehensive Income	**-**	**-**	**-**	**-**	**3,665,142**	**6,987,998**	**136,729,879**	**147,383,019**	**3,594,294**	**150,977,313**
The effect of the disposal of a Subsidiary	-	-	(18,288)	-	-	-	(98,553)	**(116,841)**	**-**	**(116,841)**
Dividends paid	-	-	-	-	-	-	(78,750,000)	**(78,750,000)**	**(3,310,350)**	**(82,060,350)**
Transferred to reserves	-	-	21,568,801	189,963	-	-	(21,758,764)	**-**	**-**	**-**
Ending Balance for the Year	**315,000,000**	**328,147,537**	**296,295,588**	**11,743,708**	**(130,825,280)**	**(3,920,263)**	**452,965,949**	**1,269,407,239**	**58,454,756**	**1,327,861,995**
For the Year Ended December 31, 2022										
Beginning balance for the year	315,000,000	328,147,537	257,997,671	11,459,758	(128,208,080)	3,542,409	367,183,950	**1,155,123,245**	**61,680,930**	**1,216,804,175**
Profit for the Year	-	-	-	-	-	-	129,500,828	**129,500,828**	**2,881,720**	**132,382,548**
Net change in valuation reserve of financial assets at fair value through other comprehensive income after tax - debt instruments	-	-	-	-	-	(14,562,934)	-	**(14,562,934)**	**(258,007)**	**(14,820,941)**
Net change in valuation reserve of financial assets at fair value through other comprehensive income after tax – equity instruments	-	-	-	-	-	112,264	-	**112,264**	-	**112,264**
Foreign currency translation	-	-	-	-	(6,282,342)	-	-	**(6,282,342)**	**(2,517,842)**	**(8,800,184)**
Total Comprehensive Income	-	-	-	-	**(6,282,342)**	**(14,450,670)**	**129,500,828**	**108,767,816**	**105,871**	**108,873,687**
Dividends paid	-	-	-	-	-	-	(63,000,000)	**(63,000,000)**	**(3,615,989)**	**(66,615,989)**
Transferred to reserves	-	-	16,747,404	93,987	-	-	(16,841,391)	-	-	-
Ending Balance for the Year	**315,000,000**	**328,147,537**	**274,745,075**	**11,553,745**	**(134,490,422)**	**(10,908,261)**	**416,843,387**	**1,200,891,061**	**58,170,812**	**1,259,061,873**

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

THE HOUSING BANK FOR TRADE AND FINANCE
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - THE HASHEMITE KINGDOM OF JORDAN
CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	For the Year Ended December 31, 2023	2022
		JD	JD
Operating Activities			
Profit before income tax		217,404,924	197,564,308
Adjustments for non-cash items:			
Depreciation and amortization	13,14&20	25,864,076	24,500,876
Provision for expected credit loss	39	35,673,006	6,355,442
Net unrealized losses from the valuation of direct credit facilities at fair value through profit or loss		(1,802,477)	2,403,761
Unrealized loss (gain) from hedging derivatives valuation		1,802,477	(2,403,761)
Net unrealized loss (gain) from the valuation of financial assets at fair value through profit or loss		429,926	(269,004)
Cash dividends from financial assets at fair value through other comprehensive income		(390,080)	(196,943)
Net accrued interest and commission income		10,446,960	9,590,961
Effect of the change in exchange rates on cash and cash equivalents		(6,094,996)	(5,426,773)
Provision for end-of-service indemnity expense		2,489,529	2,637,615
Premiums and discounts amortization		(4,572,536)	(2,053,520)
Sundry provisions		700,998	453,490
Others		5,039,884	3,964,565
Cash Flows from Operating Activities before Changes in Assets and Liabilities		**286,991,691**	**237,121,017**
Decrease (Increase) in Assets:			
Deposits at banks and financial institutions (maturing within more than 3 months)		11,940,433	(6,006,523)
Direct credit facilities		(235,325,377)	(355,037,895)
Financial assets at fair value through profit or loss		164,303	(119,968)
Other assets		11,776,397	(9,950,900)
Increase (Decrease) in Liabilities:			
Banks and financial institutions' deposits (maturing within more than 3 months)		(34,729,097)	39,250,462
Customers' deposits		345,853,359	113,332,911
Cash margins		23,130,498	3,139,547
Other liabilities		21,066,849	(14,044,971)
Sundry provisions		(1,747,874)	(609,826)
Net Cash Flows from Operating Activities before Income Tax		**429,121,182**	**7,073,854**
Income tax paid		(68,809,941)	(66,235,794)
Net Cash Flows from (used in) Operating Activities		**360,311,241**	**(59,161,940)**
Investing Activities			
(Purchase) of financial assets at fair value through comprehensive income		(101,909,454)	(142,780,341)
Sale of financial assets at fair value through other comprehensive income		80,291,355	126,294,889
Cash dividends from financial assets at fair value through other comprehensive income		390,080	196,943
(Purchase) of financial assets at amortized cost		(698,221,424)	(888,071,549)
Matured financial assets at amortized cost		514,173,029	652,617,134
(Purchase) of property and equipment	13	(13,212,157)	(12,385,606)
Proceeds from sale of property and equipment		173,051	40,543
(Purchase) of intangible assets	14	(7,318,776)	(7,847,643)
Net Cash Flows (used in) Investing Activities		**(225,634,296)**	**(271,935,630)**
Financing Activities			
Borrowed funds	19	139,743,704	189,938,501
Paid from borrowed funds	19	(241,433,920)	(153,424,868)
Dividends paid to shareholders		(75,017,338)	(60,021,135)
Paid for lease liabilities	20	(5,304,027)	(4,713,500)
Non-controlling interest		(3,310,350)	(3,615,989)
Net Cash Flows (used in) from Financing Activities		**(185,321,931)**	**(31,836,991)**
Net (Decrease) in Cash and Cash Equivalents		**(50,644,986)**	**(362,934,561)**
Effect of the change in exchange rates on cash and cash equivalents		(6,704,004)	11,663,536
Cash and cash equivalents - beginning of the year		302,075,135	653,346,160
Cash and Cash Equivalents - End of the Year	41	**244,726,145**	**302,075,135**

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

1. GENERAL

- The Housing Bank for Trade and Finance (''the Bank'') was established in 1973 and registered as a public shareholding limited company with its head quarter located in Amman – Jordan in accordance with the Jordanian Companies Law No. 12 of 1964.

- The Bank provides its banking and financing business activities through its headquarters in Amman – Jordan and through its branches in Jordan (106 branches); and abroad in Palestine and Bahrain (16 branches); and through its subsidiaries in Jordan, Syria, Algeria, and the United Kingdom.

- The Bank’s shares are traded on Amman Stock Exchange.

- The consolidated financial statements were approved by the Bank’s Board of Directors in their meeting held on January 25, 2024 and it is subject to the approval of the general assembly of shareholders.

2. Material Accounting Policies Information

Basis of Consolidated Financial Statements Preparation

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

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

a. Provisions for expected credit losses are calculated in accordance with the Central Bank of Jordan (CBJ) instructions No. (13/2018) “International Financial Reporting Standard (9) Implementation” dated June 6, 2018 and in accordance with the regulatory authorities instructions in the countries that the Bank operates whichever is more strict, the main significant differences are as follows:

   - Exclusion 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 calculation results in accordance to International Financial Reporting Standards (9) are compared with the calculation as per the instructions of the Central Bank of Jordan No. (47/2009) dated December 10, 2009 for each stage separately and the stricter results are recorded.

   - The Expected Credit Loss were adjusted to taking in the consideration the special arrangements with the Central Bank of Jordan (if any).

b. In accordance with the instructions of the Central Bank of Jordan and the instructions of the supervisory authorities in the countries in which the Bank operates, interest and commissions are suspended on non-performing credit facilities.

c. Assets seized by the Bank are recorded in the consolidated statement of financial position among other assets at seized value or at fair value, whichever is least. At the date of the consolidated financial statements seized assets are revalued individually at fair value; any impairment loss is recorded in the consolidated statement of profit or loss while any increase in the value is not recorded as revenue; any subsequent increase in value is recognized only to the extent of not exceeding the previously recorded impairment losses. In addition, according to the instructions of the Central Bank of Jordan, the Bank started booking gradual provisions against seized assets which violated the requirements of article number (48) of the Banking Law at an annual rate of (5%) from its net book value for the previous years and for the current year until October 10, 2022, where, Central Bank of Jordan issued new circular that cancelled the previous requirements, in relation to sized assets additional provisions, however, required maintaining the booked additional provisions and allowed reversing it only upon the disposal of the related asset.

d. Additional provisions are calculated in the consolidated financial statements against some of the Bank's foreign investments in some neighboring countries.

The consolidated financial statements have been prepared under the historical cost, except for certain financial instruments that have been measured at fair value at the end of each financial period, as described in the accounting policies below.

The reporting currency of the consolidated financial statements is the Jordanian Dinar, which is the functional currency of the Bank.

The accounting policies adopted in preparing the consolidated financial statements are consistent with those applied in the year ended December 31, 2022, except for the effect of the application of the new and revised standards applied on or after January 1, 2023 as stated in Note (3-a).

Basis of Consolidation

The consolidated financial statements include the financial statements of the Bank and its subsidiaries under its control. Moreover, control is achieved when the Bank has the power to govern the financial and operating policies of its subsidiaries in order to obtain benefits from their activities. Transactions, balances, income and expenses between the Bank and its subsidiaries are eliminated between the Bank and its subsidiaries.

As of December 31, 2023 the Bank owns the following subsidiaries:

a. Foreign subsidiaries

- International Bank for Trade and Finance / Syria (paid-up capital is Syrian Lira 8.4 billion, of which the Bank owns 49.063%). The Bank has the power to control the operating, financial and administrative policies of this bank. Therefore, its financial statements have been consolidated with the financial statements of the Bank. In this regard, the Bank's main objective is to conduct commercial banking activities, and ownership of this bank dates back to 2003. In addition, the International Bank for Trade and Finance has a subsidiary – The International Financial Center/ Syria with an ownership percentage of 85% of the company's capital amounting to 100 million Syrian Lira, whereas the Housing Bank for Trade and Finance owns a percentage of 5% of the company's capital.

- Housing Bank for Trade and Finance – Algeria: (ownership is 85% of the bank's capital of 20 billion Algerian dinars). The main objective of this bank is to conduct commercial banking activities, and ownership of this bank dates bank to 2002.

- Jordan International Bank / London: (ownership is 75% of paid-up capital, which amounts to 65 million pounds sterling (65 million shares). The bank conducts all banking activities.

b. Local subsidiaries

- International Financial Center Company / Jordan: (paid-up capital JD 5 million, of which the Bank owns 77.5%). The Company's main activity is financial brokerage in Amman Stock Exchange (ASE) and other exchange markets (Stock markets) in the Hashemite Kingdom of Jordan and outside Jordan, and it conducts purchase and sale transactions of financial instruments for customers and the company. The Bank's ownership in this company dates back to 1998.

- Specialized leasing Company / Jordan: of which the Bank owns 100% of paid- up capital of JD 30 million. The Company's main activity is to conduct finance leases for various types of equipment and machinery, in addition to real estate, land, vehicles, and other items purchased by the company for finance lease purposes. The Bank's ownership in this company dates back to 2005.

- Jordan Real Estate Investments Company (liquidated): The Company's General assembly approved the Company's liquidation on March 1, 2022. The liquidation procedures process were completed on November 2, 2023.

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

Control is achieved when the Bank:

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

The Bank reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control listed above.

When the Bank has less than the majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. In this regard, the Bank considers all relevant facts and circumstances in assessing whether or not the Bank's voting rights in an investee are sufficient to give it power, including:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, other vote holders, or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Bank has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

When the Bank loses control of a subsidiary, it performs the following:

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

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

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

Segment Information

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

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

Net Interest Income

Interest income and expense for all financial instruments are recognized in 'Net Interest Income' as 'Interest Income' and 'Interest Expense' in the statement of profit or loss using the effective interest method.

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

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

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

Net Fees and Commission Income

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

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

Contracts with customers that results in a recognition of financial instrument may be partially related to of IFRS 9 or IFRS 15. In this case, the commission related to IFRS 9 portion is recognized, and the remaining portion is recognized as per IFRS 15.

Net Trading Income

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

Net Income from Other Financial Instruments at Fair Value through Profit or Loss
Net income from other financial instruments at fair value through profit or loss includes all gains and losses from changes in the fair value of financial assets and financial liabilities at fair value through profit or loss. In addition to related dividend yields.

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

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

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

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

Financial Instruments
Initial Recognition and Measurement
Financial assets and financial liabilities are recognized in the Bank's consolidated statement of financial position when the Bank becomes a party to the contractual provisions of the instrument. Loans and advances to customers are recognized as soon as they are credited to the customer's account.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributed to the acquisition or the issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities as appropriate on initial recognition. Transaction costs directly attributed to the acquisition of financial assets or financial liabilities at fair value through the statement of profit or loss are recognized immediately in the statement of profit or loss.

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

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

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

Financial Assets

Initial Recognition

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

Subsequent Measurement

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

Specifically:

- Debt instruments held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI), are subsequently measured at amortized cost;
- Debt instruments held within a business model whose objective is both to collect the contractual cash flows and to sell the debt instruments, and that have contractual cash flows that are SPPI, are subsequently measured at fair value through other comprehensive income;
- All other debt instruments (e.g. debt instruments managed on a fair value basis, or held for sale) and equity investments are subsequently measured at fair value through profit or loss.

However, the Bank may irrevocably make the following selection / designation at initial recognition of a financial asset on an asset-by-asset basis:

- The Bank may irrevocably select to present subsequent changes in fair value of an equity investment that is neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies, in other comprehensive income; and
- The Bank may irrevocably designate a debt instrument that meets the amortized cost or fair value through other comprehensive income criteria as measured at fair value through the statement of income, if doing so eliminates or significantly reduces an accounting mismatch (referred to as the fair value option).

Debt Instruments at Amortized Cost or at Fair Value through Other Comprehensive Income

The Bank assesses the classification and measurement of a financial asset based on the contractual cash flow characteristics of the asset and the Bank's business model for managing the asset.

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

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

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

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

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

The Bank considers all relevant information available when making the business model assessment. However, this assessment is not performed based on scenarios that the Bank does not reasonably expect to occur, such as so-called 'worst case' or 'stress case' scenarios. The Bank considers all relevant evidence available such as:

- The stated policies and objectives of the portfolio and application of those policies whether the management strategy focuses on obtaining contractual revenues, maintaining specific profit rate matching the profit of financial assets with the period of financial liabilities that finance those assets.
- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way in which those risks are managed; and
- How the business managers are compensated (e.g. whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

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

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

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

Financial Assets at fair Value through Profit or Loss
Financial assets at fair value through profit or loss are:

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

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

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

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

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

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

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

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

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

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

No impairment loss is recognized on equity investments.

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

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

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

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

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

For financial guarantee contracts, the expected credit loss is the difference between the expected payments to reimburse the holder of the guaranteed debt instrument less any amounts that the Bank expects to receive from the holder, the client, or any other party.

The Bank measures expected credit loss on an individual basis, or on a collective basis for portfolios of loans that share similar economic risk characteristics. The measurement of the loss allowance is based on the present value of the asset's expected cash flows using the asset's original effective interest rate, regardless of whether it is measured on an individual basis or a collective basis.

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

- 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 calculation results in accordance to International Financial Reporting Standards (9) are compared with the calculation as per the instructions of the Central Bank of Jordan No. (47/2009) dated December 10, 2009 for each stage separately and the stricter results are recorded.

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

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

It may not be possible to identify a single discrete event. Instead, the combined effect of several events may have caused financial assets to become credit-impaired. The Bank assesses whether debt instruments that are financial assets measured at amortized cost or fair value through other comprehensive income are credit-impaired at each reporting date. To assess if corporate debt instruments are credit impaired, the Bank considers factors such as bond yields, credit ratings, and the ability of the borrower to praise funding.

A loan is considered credit-impaired when a concession is granted to the borrower due to a deterioration in the borrower's financial condition, unless there is evidence that as a result of granting the concession, the risk of not receiving the contractual cash flows has reduced significantly, and there are no other indicators of impairment. For financial assets where concessions are contemplated but not granted, the asset is deemed credit-impaired when there is observable evidence of credit-impairment including meeting the definition of default. The definition of *default* includes unlikeliness to pay indicators and a back- stop if amounts are overdue for 90 days or more. However, in cases where the assets impairment is not recognized after 90 days overdue are supported by reasonable information.

Purchased or Originated Credit-impaired (POCI) Financial Assets

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

Definition of Default

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

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

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

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

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

Significant Increase in Credit Risk

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

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

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

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

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

- The remaining lifetime probability of default at the reporting date; with
- The remaining lifetime probability of default for this point in time that was estimated based on facts and circumstances at the time of initial recognition of the exposure.

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

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

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

As a backstop when an asset becomes more than 30 days past due, the Bank considers that a significant increase in credit risk has occurred, and the asset is in stage 2 of the impairment model, i.e. the loss allowance is measured as the lifetime expected credit loss.

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

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

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

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

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

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

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

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

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

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

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

Write-off

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

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

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

- For financial assets measured at amortized cost: as a deduction from the gross carrying amount of the assets;
- For debt instruments measured at fair value through other comprehensive income;
- For loan commitments and financial guarantee contracts: as a provision; and
- Where a financial instrument includes both a drawn and an undrawn component, and the Bank cannot identify the expected credit loss on the loan commitment component separately from those on the drawn component: The Bank presents a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn component is presented as a provision.

Loans and Advances

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

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

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

Financial Liabilities and Equity

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

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

Equity Instruments

Paid up Capital

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

Treasury Shares

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

Compound Instruments

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

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

Financial Liabilities

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

Financial liabilities at Fair Value through Statement of Profit or Loss

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

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

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

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

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

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

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

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

Other Financial Liabilities

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

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

Derecognition of Financial Liabilities

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

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

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

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

A derivative with a positive fair value is recognized as a financial asset within other assets whereas derivative with a negative fair value is recognized as a financial liability within other liability.

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

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

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

Financial guarantee contracts issued by a group entity are initially measured at their fair values and, if not designated as at fair value through the statement of profit or loss and not arising from a transfer of a financial asset, are subsequently measured at the higher of:

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

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

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

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

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

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

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

Derivatives

Derivatives for Trading

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

Hedge Accounting

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Level inputs (1) inputs derived from quoted (unadjusted) prices of identical assets or liabilities in active markets that an enterprise can obtain on the measurement date;

Level inputs (2) inputs derived from data other than quoted prices used at level 1 and observable for assets or liabilities, either directly or indirectly;

Level inputs (3) are inputs to assets or liabilities that are not based on observable market prices.

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

Employees Benefits

Short term employee benefits

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

Other long-term employee benefits

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

Assets Seized by the Bank

Assets seized by the Bank are recorded in the consolidated statement of financial position among other assets at seized value or at fair value, whichever is least. At the date of the consolidated financial statements seized assets are revalued individually at fair value; any impairment loss is recorded in the consolidated statement of profit or loss while any increase in the value is not recorded as revenue; any subsequent increase in value is recognized only to the extent of not exceeding the previously recorded impairment losses. In addition, according to the instructions of the Central Bank of Jordan, the Bank started booking gradual provisions against seized assets which violated the requirements of article number (48) of the Banking Law at an annual rate of 5% from its net book value for the previous years and for the current year until October 10, 2022, where, Central Bank of Jordan issued new circular that cancelled the previous requirements, in relation to sized assets additional provisions, however, required maintaining the booked additional provisions and allowed reversing it only upon the disposal of the related asset.

Income Tax

Tax expense comprises of current tax and deferred taxes.

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

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

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

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

Mortgaged Financial Assets

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

Repurchase and Resale Agreements

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

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

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

The depreciation rates used are as follows:

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

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

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

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

Intangible Assets
Goodwill
Goodwill is initially measured at cost, being the excess of the cost of acquisition or purchase of investment in an associate or subsidiary company over the Bank's share in the net fair value of the identifiable assets at the date of acquisition. Goodwill arising from the investment in subsidiaries will be separately shown under intangible assets, while that arising from the investment in associates will be shown as part of investment in associates and subsequently adjusted for any impairment losses.

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

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

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

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

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

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

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

Impairment of Non-Financial Assets

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

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

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

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

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

Foreign Currencies

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

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

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

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

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

When foreign operations are disposed of (i.e. disposal of the Bank's entire share from foreign operations, or resulting from the loss of control of a subsidiary in foreign operations, or partial exclusion by its share in a joint arrangement, or an associate company of a foreign nature in which the share held is a financial asset), the net disposal is booked in the consolidated statement of profit or loss including foreign exchange differences.

In addition, in respect of the partial disposal of a subsidiary involving foreign operations that do not result in the Bank losing control of the subsidiary, its share of the accumulated exchange differences is credited to net comprehensive income at a rate that is derecognized and not recognized in the consolidated statement of profit or loss. For all other partial liquidation the net disposal is booked in the consolidated statement of profit or loss including foreign exchange differences

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

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

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

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

The lease payments included in the rental obligation measurement include:

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

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

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

The lease obligations (and a similar adjustment to the related right-to-use assets) are re-measured whenever:

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

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

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

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

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

<u>The Bank as a Lessor</u>
The Bank enters into lease contracts as a lessor in regard with some investment properties.

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

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

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

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

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

3. Adoption of new and revised Standards

a. New and amended IFRS Standards that are effective for the current year

The following new and revised IFRSs, which became effective for annual periods beginning on or after January 1, 2023, have been adopted in these consolidated financial statements. The application of these revised IFRSs has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

- Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors—Definition of Accounting Estimates.
- Amendments to IFRS 17 Insurance Contracts.
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements— Disclosure of Accounting Policies.
- Amendments to IAS 12 Income Taxes—Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to IAS 12 Income Taxes— International Tax Reform—Pillar Two Model Rules.

b. New IFRS Accounting Standards in issue but not yet effective

The Group has not applied the new and revised IFRS Accounting Standards that have been issued but are not yet effective, management is in the process of assessing the impact of the new requirements.

The new and revised (IFRS) for financial reporting preparation	Effective for annual periods beginning on or after.
Amendment to IFRS 16 Leases—Lease Liability in a Sale and Leaseback	January 1st, 2024
Amendments to IAS 1 Presentation of Financial Statements—Classification of Liabilities as Current or Non-current	January 1st, 2024
Amendments to IAS 1 Presentation of Financial Statements—Non-current Liabilities with Covenants	January 1st, 2024
Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures—Supplier Finance Arrangements	January 1st, 2024
Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures—Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	The effective date has been deferred indefinitely

The management anticipates adopting these new standards, interpretations, and amendments in the Group's consolidated financial statements during the initial application period. Furthermore, they expect that adopting these new standards, interpretations, and amendments will not have any significant impact on the Group's consolidated financial statements during the initial application period.

4. Significant Accounting Judgments and key Sources of Uncertainty Estimates

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

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

Critical Judgements in Applying the Bank’s Accounting Policies

The following are the critical judgements, apart from those involving estimations (which are disclosed below), that the managements have made in the process of applying the Bank’s accounting policies and that have the most significant effect on the amounts recognized in consolidated financial statements:

Evaluation of business model

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

Significant increase in credit risk

The expected credit loss is measured as an allowance equivalent to the expected credit loss of 12 months for the assets of the first stage, or the credit loss over the life of the assets of the second or third stage. The asset moves to the second stage if credit risk increases significantly since initial recognition. IFRS (9) does not specify what constitutes a significant increase in credit risk. In assessing whether the credit risk of any asset has increased significantly, the Bank takes into account reasonable and reliable quantitative and qualitative information. The estimates used by the Bank's management concerning the significant change in credit risk that result in a change in the classification within the three stages (1, 2 and 3) are shown in details in note (47).

Establish groups of assets with similar credit risk characteristics

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

Re-division of portfolios and movements between portfolios

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

Models and assumptions used

The Bank uses various models and assumptions in measuring the fair value of financial assets as well as in assessing the expected credit loss described in Note (47). The judgment is applied when determining the best models for each type of asset as well as for the assumptions used in those models, which include assumptions regarding the main drivers of credit risk.

a. Classification and measurement of financial assets and liabilities:

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

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

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

b. Fair value measurement:

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

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

   - The expected timing and probability of future cash flows on the instrument where such cash flows are generally subject to the terms of the instrument, although Management's judgment may be required where the counterparty's ability to repay the instrument in accordance with contractual terms is in doubt; and

   - An appropriate discount rate for the instrument. Management determines the instrument discount rate at a rate higher than the non-risk rate. In assessing the instrument by reference to comparative instruments, Management considers the maturity, structure, and degree of classification of the instrument based on the system in which the existing position is compared. When evaluating tools on a model basis using the fair value of the main components, Management also considers the need to make adjustments for a number of factors, such as bid differences, credit status, portfolio service costs, and uncertainty about the model.

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

Impairment of intangible assets with infinite life
Management is required to use significant judgments and estimates to determining whether intangible assets with indefinite life is impaired through estimation of the value in use of the cash-generating units to which has been allocated. The value in use calculation requires the Bank's Management to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Details of the estimates used to assess the impairment of goodwill are disclosed in Note 14.

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

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

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

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

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

Provision for expected credit losses
Management is required to use significant judgments and estimates to estimate the amounts and timing of future cash flows and assess the risks of a significant increase in credit risks for financial assets after initial recognition and future measurement information for the expected credit losses. The most important policies and estimates used by the Bank's management are detailed in Note (47).

Impairment of seized assets:
Impairment in seized assets is recognized based on recent real estate valuations by qualified independent evaluators for calculating the asset impairment, which is reviewed periodically.

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

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

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

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

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

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

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

5. Cash and Balances at Central Banks - Net

The details of this item are as follows:

	December 31, 2023	December 31, 2022
	JD	JD
Cash in hand and vault	95,538,393	127,247,953
Balances at central banks:		
Current accounts and demand deposits	156,580,071	299,794,431
Term and notice deposits	66,452,395	50,429,342
Statutory cash reserve	235,155,656	216,538,247
Total Balances at Central Banks	458,188,122	566,762,020
Total Cash and Balances at Central Banks	**553,726,515**	**694,009,973**
Provision for expected credit loss *	(36,588)	(42,202)
Net Cash and Balances at Central Banks	**553,689,927**	**693,967,771**

- There are no certificate of deposits purchased from the Central Bank of Jordan maturing within a period of three months as of December 31, 2023 and 2022.

- Except for the statutory cash reserve, there are no restricted balances as of December 31, 2023 and 2022.

- The movement on balances at central banks for the year ended December 31, 2023 and 2022 was as follows:

	2023			
	Stage (1) Individual	Stage (2) Individual	Stage (3)	Total
	JD	JD	JD	JD
Balance - beginning of the year	566,762,020	-	-	**566,762,020**
New balances during the year	458,188,122	-	-	**458,188,122**
Paid balances during the year	(566,762,020)	-	-	**(566,762,020)**
Balance - End of the Year	**458,188,122**	**-**	**-**	**458,188,122**

	2022			
	Stage (1) Individual	Stage (2) Individual	Stage (3)	Total
	JD	JD	JD	JD
Balance - beginning of the year	884,887,252	-	-	**884,887,252**
New balances during the year	566,762,020	-	-	**566,762,020**
Paid balances during the year	(884,887,252)	-	-	**(884,887,252)**
Balance - End of the Year	**566,762,020**	**-**	**-**	**566,762,020**

* This item represents the provision for expected credit loss for the balances of foreign Central Banks movement for the year ended December 31, 2023 and 2022:

	2023	2022
	JD	JD
Beginning balance	42,202	45,876
Expected credit losses during the year	(5,614)	(3,674)
Balance – End of the Year	**36,588**	**42,202**

6. Balances at Banks and Financial Institutions – Net

The details of this item are as follows:

Description	Local Banks and Financial Institutions December 31, 2023	Local Banks and Financial Institutions December 31, 2022	Foreign Banks and Financial Institutions December 31, 2023	Foreign Banks and Financial Institutions December 31, 2022	Total December 31, 2023	Total December 31, 2022
	JD	JD	JD	JD	JD	JD
Current accounts and demand accounts	1,886,490	12,350,963	131,420,838	143,776,077	**133,307,328**	**156,127,040**
Deposits maturing within or less than 3 months	18,137,629	32,954,255	171,831,200	169,897,731	**189,968,829**	**202,851,986**
Total	**20,024,119**	**45,305,218**	**303,252,038**	**313,673,808**	**323,276,157**	**358,979,026**
Provision for expected credit loss	(22,881)	(49,165)	(209,665)	(255,944)	**(232,546)**	**(305,109)**
Net	**20,001,238**	**45,256,053**	**303,042,373**	**313,417,864**	**323,043,611**	**358,673,917**

- The non-interest bearing balances at banks and financial institutions are amounted to JD 27.4 million as of December 31, 2023 (JD 29.1 million as of December 31, 2022).

- There were no restricted balances as of December 31, 2023 and 2022.

The following represents the movement on balances at banks and financial institutions for the year ended December 31, 2023 and 2022:

2023	Stage (1) Individual	Stage (2) Individual	Stage (3)	Total
	JD	JD	JD	JD
Balance - beginning of the year	358,979,026	-	-	**358,979,026**
New balances during the year	323,276,157	-	-	**323,276,157**
Paid balances during the year	(358,979,026)	-	-	**(358,979,026)**
Balance - End of the Year	**323,276,157**	**-**	**-**	**323,276,157**

2022	Stage (1) Individual	Stage (2) Individual	Stage (3)	Total
	JD	JD	JD	JD
Balance - beginning of the year	411,128,248	-	-	**411,128,248**
New balances during the year	358,979,026	-	-	**358,979,026**
Paid balances during the year	(411,128,248)	-	-	**(411,128,248)**
Balance - End of the Year	**358,979,026**	-	-	**358,979,026**

- The following represents the movement on the provision for expected credit losses for balances at banks and financial institutions during the year ended December 31, 2023 and 2022:

	2023			
	Stage (1) Individual	**Stage (2) Individual**	**Stage (3)**	**Total**
	JD	**JD**	**JD**	**JD**
Balance - beginning of the year	305,109	-	-	**305,109**
Impairment on new balances during the year	232,546	-	-	**232,546**
Reversed from impairment on paid balances	(305,109)	-	-	**(305,109)**
Balance - End of the Year	**232,546**	**-**	**-**	**232,546**

	2022			
	Stage (1) Individual	**Stage (2) Individual**	**Stage (3)**	**Total**
	JD	**JD**	**JD**	**JD**
Balance - beginning of the year	330,134	-	-	**330,134**
Impairment on new balances during the year	305,109	-	-	**305,109**
Reversed from impairment on paid balances	(330,134)	-	-	**(330,134)**
Balance - End of the Year	**305,109**	**-**	**-**	**305,109**

7. Deposits at Banks and Financial Institutions – Net

The details of this item are as follows:

	Local Banks and Financial Institutions		**Foreign Banks and Financial Institutions**		**Total**	
	December 31,		**December 31,**		**December 31,**	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**
Deposits mature during the period:	**JD**	**JD**	**JD**	**JD**	**JD**	**JD**
From 3 months to 6 months	30,000,000	30,000,000	11,427,972	13,342,604	**41,427,972**	**43,342,604**
From 6 months to 9 months	-	5,000,000	472,050	3,349,641	**472,050**	**8,349,641**
From 9 months to 12 months	-	-	3,027,587	5,175,797	**3,027,587**	**5,175,797**
Total	**30,000,000**	**35,000,000**	**14,927,609**	**21,868,042**	**44,927,609**	**56,868,042**
Provision for expected credit losses	-	(896)	(175,796)	(228,873)	**(175,796)**	**(229,769)**
Net	**30,000,000**	**34,999,104**	**14,751,813**	**21,639,169**	**44,751,813**	**56,638,273**

- There were no restriction on deposits as of December 31, 2023 and 2022.

- The following represents movement on deposits at banks and financial institutions for the year ended December 31, 2023 and 2022:

For the Year ended December 31, 2023	**Stage (1) Individual**	**Stage (2) Individual**	**Stage (3)**	**Total**
	JD	**JD**	**JD**	**JD**
Balance - beginning of the year	56,868,042	-	-	**56,868,042**
New balances during the year	44,927,609	-	-	**44,927,609**
Paid balances during the year	(56,868,042)	-	-	**(56,868,042)**
Balance - End of the Year	**44,927,609**	**-**	**-**	**44,927,609**

For the Year ended December 31, 2022	**Stage (1) Individual**	**Stage (2) Individual**	**Stage (3)**	**Total**
	JD	**JD**	**JD**	**JD**
Balance - beginning of the year	50,861,519	-	-	**50,861,519**
New balances during the year	56,868,042	-	-	**56,868,042**
Paid balances during the year	(50,861,519)	-	-	**(50,861,519)**
Balance - End of the Year	**56,868,042**	**-**	**-**	**56,868,042**

- The following represents the movement on the provision for expected credit losses for deposits at banks and financial institutions during the year ended December 31, 2023 and 2022:

For the Year ended December 31, 2023	**Stage (1) Individual**	**Stage (2) Individual**	**Stage (3)**	**Total**
	JD	**JD**	**JD**	**JD**
Balance - beginning of the year	229,769	-	-	**229,769**
Impairment on new balances during the year	175,796	-	-	**175,796**
Reversed from impairment on paid balances	(239,262)	-	-	**(239,262)**
Foreign currency translation difference	9,493	-	-	**9,493**
Balance - End of the Year	**175,796**	**-**	**-**	**175,796**

For the Year ended December 31, 2022	**Stage (1) Individual**	**Stage (2) Individual**	**Stage (3)**	**Total**
	JD	**JD**	**JD**	**JD**
Balance - beginning of the year	223,557	-	-	**223,557**
Impairment on new balances during the year	261,281	-	-	**261,281**
Reversed from impairment on paid balances	(223,557)	-	-	**(223,557)**
Foreign currency translation difference	(31,512)	-	-	**(31,512)**
Balance - End of the Year	**229,769**	**-**	**-**	**229,769**

8. Financial Assets at Fair Value through Profit or Loss

The details of this item are as follows:

	December 31,	
	2023	2022
Quoted Financial Assets	**JD**	**JD**
Companies shares and funds listed in financial markets	4,425,551	4,569,196
Total	**4,425,551**	**4,569,196**
Unquoted Financial Assets		
Companies shares not listed in financial markets	-	450,584
Total	**-**	**450,584**
Net	**4,425,551**	**5,019,780**

9. Financial Assets at Fair Value through Other Comprehensive Income

The details of this item are as follows:

	December 31,	
	2023	2022
	JD	**JD**
Shares with available market prices	5,794,878	-
Shares and funds with no available market prices	45,578,991	42,699,806
Total Shares	**51,373,869**	**42,699,806**
Jordanian treasury bonds	180,139,559	156,116,575
Jordanian government bills and bonds	37,348,952	36,634,173
Foreign governments bills and bonds	68,231,824	73,142,623
Corporate bonds	66,659,891	60,793,016
Total Bonds	**352,380,226**	**326,686,387**
Less: Provision of expected credit loss	(291,467)	(291,189)
Total Bonds – Net	**352,088,759**	**326,395,198**
Total	**403,462,628**	**369,095,004**

- The maturity dates for Bonds range from year 2024 to year 2036.

- Interest rates on bonds and treasury bills ranges from 1.4% to 7.67%.

The following represents the movement on shares at fair value through other comprehensive during the year ended December 31, 2023 and 2022:

	As of December 31,	
	2023	2022
	JD	**JD**
Fair value as of beginning of the year	42,699,806	26,347,895
New investments during the year	6,728,145	16,223,178
Changes in fair value during the year	1,990,783	128,733
Foreign currency translation difference	(44,865)	-
Balance – End of the Year	**51,373,869**	**42,699,806**

The following represents the movement on bonds at fair value through other comprehensive income during the year ended December 31, 2023 and 2022:

	2023			
	Stage (1) Individual	Stage (2) Individual	Stage (3)	Total
	JD	JD	JD	JD
Fair value – beginning of the year	323,781,644	2,904,743	-	**326,686,387**
New investments during the year	95,181,309	-	-	**95,181,309**
Matured investments during the year	(80,291,355)	-	-	**(80,291,355)**
Transferred to stage (2)	(5,889,206)	5,889,206	-	**-**
Change in fair value during the year	8,970,664	20,684	-	**8,991,348**
Amortization of premium/ discount	1,047,873	168,447	-	**1,216,320**
Adjustments resulted from changes in exchange rates	375,243	220,974	-	**596,217**
Balance – End of the Year	**343,176,172**	**9,204,054**	**-**	**352,380,226**

	2022			
	Stage (1) Individual	Stage (2) Individual	Stage (3)	Total
	JD	JD	JD	JD
Fair value – beginning of the year	346,858,682	3,325,213	-	**350,183,895**
New investments during the year	126,557,163	-	-	**126,557,163**
Matured investments during the year	(126,294,889)	-	-	**(126,294,889)**
Change in fair value during the year	(22,509,389)	(297,978)	-	**(22,807,367)**
Amortization of premium/ discount	(239,274)	(49,295)	-	**(288,569)**
Adjustments resulted from changes in exchange rates	(590,649)	(73,197)	-	**(663,846)**
Balance – End of the Year	**323,781,644**	**2,904,743**	**-**	**326,686,387**

The following represents the movement on the provision for expected credit losses during the year ended December 31, 2023 and 2022:

	2023			
	Stage (1) Individual	Stage (2) Individual	Stage (3)	Total
	JD	JD	JD	JD
Balance – beginning of the year	195,993	95,196	-	**291,189**
Expected credit losses for new investment during the year	10,364	-	-	**10,364**
Reversed from impairment on matured investment	(635)	-	-	**(635)**
Effect on provision due to adjustments between stages during the period	-	73,255	-	**73,255**
Effect on provision resulted from adjustments	(28,922)	(67,429)	-	**(96,351)**
Adjustments resulted from changes in exchange rates	13,333	312	-	**13,645**
Balance – End of the Year	**190,133**	**101,334**	**-**	**291,467**

	2022			
	Stage (1) Individual	Stage (2) Individual	Stage (3)	Total
	JD	JD	JD	JD
Balance – beginning of the year	244,415	88,997	-	**333,412**
Expected credit losses for new investment during the year	7,628	-	-	**7,628**
Reversed from impairment on matured investment	(17,860)	-	-	**(17,860)**
Effect on provision resulted from adjustments	(18,495)	15,704	-	**(2,791)**
Adjustments resulted from changes in exchange rates	(19,695)	(9,505)	-	**(29,200)**
Balance – End of the Year	**195,993**	**95,196**	**-**	**291,189**

10. Direct Credit Facilities at Fair Value through Profit or Loss

The details of this item are as follows:

The following represents the movement on direct credit facilities at fair value through profit or loss during the year:

	For the Year Ended December 31,	
	2023	2022
	JD	JD
Balance – beginning of the year	61,967,403	96,646,207
Paid credit facilities during the year	(32,641,948)	(33,011,991)
Effect of adjustments	368,650	736,948
Change in fair value during the year	1,802,477	(2,403,761)
Balance – End of the Year	**31,496,582**	**61,967,403**

11. Direct Credit Facilities at Amortized Cost - Net

The details of this item are as follows:

	December 31,	
	2023	2022
	JD	JD
Individuals (retail)		
Overdraft accounts	9,894,896	6,682,614
Loans and discounted bills *	1,021,291,763	1,013,188,951
Credit cards	26,592,656	21,758,620
Real estate loans	**1,403,494,485**	**1,339,598,002**
Includes Housing loans	838,630,863	823,105,737
Companies:		
Large		
Overdraft accounts	218,591,162	183,894,872
Loans and discounted bills *	1,299,797,498	1,286,913,983
Small and Medium		
Overdraft accounts	103,772,398	72,131,316
Loans and discounted bills *	345,959,026	305,107,960
Government and public sector	**620,198,707**	**554,693,620**
Total	**5,049,592,591**	**4,783,969,938**
Less: Provision of expected credit losses	(450,901,539)	(432,204,392)
Interest in suspense	(156,146,571)	(142,698,719)
Net Direct Credit Facilities	**4,442,544,481**	**4,209,066,827**

* Net after deducting interest and commission received in advance and unearned revenues of JD 25,225,416 as of December 31, 2023 (JD 25,360,666 as of December 31, 2022).

- Non-performing credit facilities amounted to JD 388,939,256 which is equivalent to 7.65% of total direct credit facilities (at amortized cost and at fair value) as of December 31, 2023 (JD 330,824,845 which is equivalent to 6.83% of total direct credit facilities (at amortized cost and at fair value) as of December 31, 2022).

- Non- performing credit facilities after deducting interest and commissions in suspense amounted to JD 265,332,134 which is equivalent to 5.39% of the total direct credit facilities balance (at amortized cost and at fair value) after deducting interest and commission in suspense as of December 31, 2023 (JD 213,045,163 which is equivalent to 4.53 % of the total credit facilities balance (at amortized cost and at fair value) after deducting interest and commission in suspense as of December 31, 2022).

- Non-performing credit facilities transferred to off-the consolidated statement of financial position amounted to JD 40,594,540 during the year 2023 (JD 38,872,186 during the year 2022). The off-balance sheet items balance is amounted to JD 478,218,410 as of December 31, 2023 (JD 439,638,170 as of December 31, 2022).

- Direct credit facilities granted to and guaranteed by the Government of the Hashemite Kingdom of Jordan amounted to JD 520,190,865 which is equivalent to 10.2% of total direct credit facilities (at amortized cost and at fair value) as of December 31, 2023 (JD 521,300,521 which is equivalent to 10.8 % as of December 31, 2022).

The following represents the movement on direct credit facilities during the year ended December 31, 2023 and 2022:

	2023					
	Stage (1)		Stage (2)			
	Individual	Collective	Individual	Collective	Stage (3)	Total
	JD	JD	JD	JD	JD	JD
Beginning of the Year	2,165,398,505	1,813,945,729	318,585,521	127,462,028	358,578,155	**4,783,969,938**
New credit facilities during the year	710,665,320	366,523,574	32,993,848	24,199,834	6,737,885	**1,141,120,461**
Paid credit facilities during the year	(364,078,631)	(251,005,946)	(35,010,658)	(12,337,645)	(11,855,728)	**(674,288,608)**
Transferred to stage (1)	30,516,697	29,704,018	(28,143,365)	(26,123,277)	(5,954,073)	**-**
Transferred to stage (2)	(63,075,279)	(47,750,236)	64,748,981	50,185,434	(4,108,900)	**-**
Transferred to stage (3)	(4,948,653)	(28,246,991)	(5,621,279)	(42,014,623)	80,831,546	**-**
Effect of adjustments	(112,894,589)	(59,281,703)	(2,363,447)	(3,737,055)	20,938,857	**(157,337,937)**
Credit facilities written off and transferred to off balance sheet items	-	-	-	-	(45,020,841)	**(45,020,841)**
Adjustments resulted from changes in exchange rates	2,832,279	4,054,310	554,745	(5,713)	(6,286,043)	**1,149,578**
Balance - End of the Year	**2,364,415,649**	**1,827,942,755**	**345,744,346**	**117,628,983**	**393,860,858**	**5,049,592,591**

	2022					
	Stage (1)		Stage (2)			
	Individual	Collective	Individual	Collective	Stage (3)	Total
	JD	JD	JD	JD	JD	JD
Balance - beginning of the year	1,804,380,052	1,703,704,617	422,857,459	116,766,703	388,877,961	**4,436,586,792**
Reclassification	29,864	(29,864)	336,130	(336,130)	-	**-**
Adjusted Balance - Beginning of the Year	**1,804,409,916**	**1,703,674,753**	**423,193,589**	**116,430,573**	**388,877,961**	**4,436,586,792**
New credit facilities during the year	685,852,827	507,180,360	34,626,797	19,735,002	5,415,523	**1,252,810,509**
Paid credit facilities during the year	(225,578,236)	(290,748,090)	(21,298,645)	(10,088,669)	(28,499,997)	**(576,213,637)**
Transferred to stage (1)	66,115,163	37,067,402	(65,123,444)	(31,928,755)	(6,130,366)	**-**
Transferred to stage (2)	(20,245,844)	(43,831,753)	27,136,509	48,197,714	(11,256,626)	**-**
Transferred to stage (3)	(1,671,909)	(9,237,331)	(24,205,812)	(14,719,262)	49,834,314	**-**
Effect of adjustments	(144,831,086)	(68,421,577)	(56,449,952)	873,384	13,303,815	**(255,525,416)**
Credit facilities written off and transferred to off balance sheet items	-	-	-	-	(52,507,701)	**(52,507,701)**
Adjustments resulted from changes in exchange rates	1,347,674	(21,738,035)	706,479	(1,037,959)	(458,768)	**(21,180,609)**
Balance - End of the Year	**2,165,398,505**	**1,813,945,729**	**318,585,521**	**127,462,028**	**358,578,155**	**4,783,969,938**

The following represents the movement on the provision for expected credit loss during the year ended December 31, 2023 and 2022:

For the Year ended December 31, 2023	Corporate	SME's	Retail	Real Estate	Governmental and Public	Total
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	208,433,406	43,270,920	43,114,322	137,305,942	79,802	**432,204,392**
Reclassification	85,182	(144,963)	19,252	40,529	-	**-**
Adjusted Beginning Balance of the Year	**208,518,588**	**43,125,957**	**43,133,574**	**137,346,471**	**79,802**	**432,204,392**
Impairment on new credit facilities during the year	8,369,543	5,068,351	4,444,245	7,100,671	133,657	**25,116,467**
Recovered from impairment on paid credit facilities	(5,264,325)	(5,613,445)	(2,944,076)	(6,242,112)	(5,605)	**(20,069,563)**
Transferred (from) to stage (1) – net	(435,790)	56,370	3,414,279	2,783,043	-	**5,817,902**
Transferred (from) to stage (2) – net	(398,796)	(119,332)	(4,197,742)	(4,312,331)	-	**(9,028,201)**
Transferred (from) to stage (3) – net	834,586	62,962	783,463	1,529,288	-	**3,210,299**
Effect on provision at the end of the year due to reclassification between stages	4,186,544	2,030,643	14,721,327	6,355,848	-	**27,294,362**
Effect resulted from to adjustments	4,662,134	3,238,145	1,187,375	(14,460,482)	8,236,224	**2,863,396**
Credit facilities written off and transferred to off balance sheet items	(13,300,992)	(1,162,439)	(1,346,479)	(728,512)	-	**(16,538,422)**
Adjustments resulted from changes in exchange rates	(64,277)	27,289	(149)	68,044	-	**30,907**
Balance at the End of the Year	**207,107,215**	**46,714,501**	**59,195,817**	**129,439,928**	**8,444,078**	**450,901,539**
Redistribution:						
Provision on an individual basis	206,292,014	46,076,081	48,190,456	102,299,981	8,444,078	411,302,610
Provision on a collective basis	815,201	638,420	11,005,361	27,139,947	-	39,598,929

For the Year ended December 31, 2022	Corporate	SME's	Retail	Real Estate	Governmental and Public	Total
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	236,260,062	49,939,793	45,059,443	122,135,952	76,858	**453,472,108**
Reclassification	1,368,143	(484,665)	16,335	(899,813)	-	**-**
Adjusted Beginning Balance of the Year	**237,628,205**	**49,455,128**	**45,075,778**	**121,236,139**	**76,858**	**453,472,108**
Impairment on new credit facilities during the year	6,565,196	5,583,089	3,633,544	6,532,747	15,486	**22,330,062**
Recovered from impairment on paid credit facilities	(10,764,193)	(5,743,874)	(4,615,403)	(5,911,843)	-	**(27,035,313)**
Transferred (from) to stage (1) – net	1,282,163	1,058,524	4,253,847	5,175,155	1,448	**11,771,137**
Transferred (from) to stage (2) – net	(5,826,998)	(2,911,844)	(4,375,961)	(5,312,204)	(1,448)	**(18,428,455)**
Transferred (from) to stage (3) – net	4,544,835	1,853,320	122,114	137,049	-	**6,657,318**
Effect on provision at the end of the year due to reclassification between stages	8,214,023	91,829	2,559,742	(20,084)	(1,117)	**10,844,393**
Effect resulted from to adjustments	(12,065,359)	261,174	(3,292,426)	16,337,304	(11,425)	**1,229,268**
Credit facilities written off and transferred to off balance sheet items	(21,054,336)	(6,433,312)	(246,749)	(836,395)	-	**(28,570,792)**
Adjustments resulted from changes in exchange rates	(90,130)	56,886	(164)	(31,926)	-	**(65,334)**
Balance at the End of the Year	**208,433,406**	**43,270,920**	**43,114,322**	**137,305,942**	**79,802**	**432,204,392**
Redistribution:						
Provision on an individual basis	207,478,053	42,581,054	31,839,939	108,930,162	79,802	**390,909,010**
Provision on a collective basis	955,353	689,866	11,274,383	28,375,780	-	**41,295,382**

Interest in Suspense

The following is the movement on interest in suspense:

For the Year Ended December 31, 2023	Corporate	SME's	Retail	Real Estate	Governmental and Public	Total
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	47,842,871	25,103,210	31,830,670	37,921,968	-	**142,698,719**
Reclassification	(40)	(12,414)	19,082	(6,628)	-	**-**
Adjusted Beginning Balance of the Year	**47,842,831**	**25,090,796**	**31,849,752**	**37,915,340**	**-**	**142,698,719**
Interest suspended on new exposure during the year	13,608	114,035	166,207	105,967	-	**399,817**
Interest in suspense transferred to income from exposure paid during the year	(1,754,799)	(223,845)	(435,258)	(733,007)	-	**(3,146,909)**
Effect on interest suspended due to reclassification between stages	274,892	88,590	616,380	2,120,106	-	**3,099,968**
Effect on interest in suspense due to adjustments	16,276,386	5,275,952	7,770,229	5,685,965	6,533,833	**41,542,365**
Credit facilities written off and transferred to off balance sheet items	(13,970,369)	(3,923,338)	(5,397,710)	(5,191,002)	-	**(28,482,419)**
Adjustments resulted from changes in exchange rates	(13,200)	47,713	153	364	-	**35,030**
Balance at the End of the Year	**48,669,349**	**26,469,903**	**34,569,753**	**39,903,733**	**6,533,833**	**156,146,571**

For the Year Ended December 31, 2022	Corporate	SME's	Retail	Real Estate	Governmental and Public	Total
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	41,236,413	31,527,946	27,680,494	32,403,684	-	**132,848,537**
Reclassification	10,022	(331,081)	48,658	272,401	-	**-**
Adjusted Beginning Balance of the Year	**41,246,435**	**31,196,865**	**27,729,152**	**32,676,085**	**-**	**132,848,537**
Interest suspended on new exposure during the year	793,300	91,809	46,320	99,612	-	**1,031,041**
Interest in suspense transferred to income from exposure paid during the year	(183,040)	(515,403)	(530,113)	(1,271,174)	-	**(2,499,730)**
Effect on interest suspended due to reclassification between stages	348,045	(45,912)	(334,841)	(517,194)	-	**(549,902)**
Effect on interest in suspense due to adjustments	16,496,733	5,156,662	5,953,162	8,170,552	-	**35,777,109**
Credit facilities written off and transferred to off balance sheet items	(10,849,119)	(10,818,429)	(1,033,132)	(1,236,229)	-	**(23,936,909)**
Adjustments resulted from changes in exchange rates	(9,483)	37,618	122	316	-	**28,573**
Balance at the End of the Year	**47,842,871**	**25,103,210**	**31,830,670**	**37,921,968**	**-**	**142,698,719**

- The following are the exposures according to IFRS (9) as of December 31, 2023 and 2022:

	2023									
	Stage (1)			Stage (2)			Stage (3)			
Item	Direct Credit Facilities	Provision for Expected Credit Loss	Interest in Suspense	Direct Credit Facilities	Provision for Expected Credit Loss	Interest in Suspense	Direct Credit Facilities	Provision for Expected Credit Loss	Interest in Suspense	Net
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Corporate entities	1,214,784,509	13,523,694	60,592	163,745,946	65,727,313	8,713,899	139,858,205	127,856,208	39,894,858	**1,262,612,096**
SME's	331,024,459	3,049,481	18,721	51,923,302	12,692,864	64,884	66,783,663	30,972,156	26,386,298	**376,547,020**
Retail	931,947,031	4,696,538	647	41,587,478	7,937,069	36,406	84,244,806	46,562,210	34,532,700	**964,013,745**
Real estate loans	1,094,403,698	22,906,417	2,361	206,116,603	70,249,877	16,707,244	102,974,184	36,283,634	23,194,128	**1,234,150,824**
Governmental and public	620,198,707	8,444,078	6,533,833	-	-	-	-	-	-	**605,220,796**
Total	**4,192,358,404**	**52,620,208**	**6,616,154**	**463,373,329**	**156,607,123**	**25,522,433**	**393,860,858**	**241,674,208**	**124,007,984**	**4,442,544,481**

	2022									
	Stage (1)			Stage (2)			Stage (3)			
Item	Direct Credit Facilities	Provision for Expected Credit Loss	Interest in Suspense	Direct Credit Facilities	Provision for Expected Credit Loss	Interest in Suspense	Direct Credit Facilities	Provision for Expected Credit Loss	Interest in Suspense	Net
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Corporate entities	1,178,248,391	7,461,094	26,872	134,929,302	57,392,180	6,897,265	157,631,162	143,580,132	40,918,734	**1,214,532,578**
SME's	258,473,247	2,261,436	34,021	53,915,535	10,813,810	54,140	64,850,494	30,195,674	25,015,049	**308,865,146**
Retail	929,727,782	4,965,680	5,454	43,191,705	7,780,817	67,087	68,710,698	30,367,825	31,758,129	**966,685,193**
Real estate loans	1,058,201,194	24,258,602	5,061	214,011,007	83,184,944	16,447,093	67,385,801	29,862,396	21,469,814	**1,164,370,092**
Governmental and public	554,693,620	79,802	-	-	-	-	-	-	-	**554,613,818**
Total	**3,979,344,234**	**39,026,614**	**71,408**	**446,047,549**	**159,171,751**	**23,465,585**	**358,578,155**	**234,006,027**	**119,161,726**	**4,209,066,827**

- The following represents the distribution of total credit facilities by internal credit rating for large corporates:

	December 31, 2023				2022
	Stage (1)	Stage (2)	Stage (3)	Total	Total
	JD	JD	JD	JD	JD
Credit rating categories based on the Bank's internal system:					
From (1) To (5)	1,121,098,940	45,414,460	-	**1,166,513,400**	**1,151,583,430**
From (6) To (7)	87,046,852	111,371,724	-	**198,418,576**	**152,622,626**
From (8) To (10)	-	-	133,189,135	**133,189,135**	**134,109,550**
Not rated	6,638,717	6,959,762	6,669,070	**20,267,549**	**32,493,249**
Total	**1,214,784,509**	**163,745,946**	**139,858,205**	**1,518,388,660**	**1,470,808,855**

- The following represents the movement on credit facilities for large corporates during the year ended December 31, 2023 and 2022:

	2023					
	Stage (1)		Stage (2)			
	Individual	Collective	Individual	Collective	Stage (3)	Total
	JD	JD	JD	JD	JD	JD
Balance - beginning of the year	1,171,175,788	7,072,603	124,818,137	10,111,165	157,631,162	**1,470,808,855**
Reclassification	4,431,224	399,206	-	-	-	**4,830,430**
Adjusted Balance - Beginning of the Year	**1,175,607,012**	**7,471,809**	**124,818,137**	**10,111,165**	**157,631,162**	**1,475,639,285**
New credit facilities during the year	359,819,062	2,771,848	16,818,699	86,792	202,950	**379,699,351**
Paid credit facilities	(239,645,508)	(1,745,032)	(17,067,795)	(1,222,759)	(288,552)	**(259,969,646)**
Transferred to stage (1)	16,992,043	-	(16,992,043)	-	-	**-**
Transferred to stage (2)	(49,061,640)	-	49,061,640	-	-	**-**
Transferred to stage (3)	(892,713)	-	(2,584,692)	(3,510)	3,480,915	**-**
Effect of adjustments	(58,114,250)	1,171,818	2,485,942	(1,504,505)	12,674,856	**(43,286,139)**
Credit facilities written off and transferred to off balance sheet items	-	-	-	-	(27,271,361)	**(27,271,361)**
Adjustments resulted from changes in exchange rates	1,295,307	(885,247)	246,292	(507,417)	(6,571,765)	**(6,422,830)**
Balance - End of the Year	**1,205,999,313**	**8,785,196**	**156,786,180**	**6,959,766**	**139,858,205**	**1,518,388,660**

	2022					
	Stage (1)		Stage (2)			
	Individual	Collective	Individual	Collective	Stage (3)	Total
	JD	JD	JD	JD	JD	JD
Balance - beginning of the year	1,071,368,164	13,331,238	185,626,196	14,474,366	170,712,926	**1,455,512,890**
Reclassification	5,274,646	(3,119,348)	(314,000)	(2,382,720)	4,416,937	**3,875,515**
Adjusted Balance - Beginning of the Year	**1,076,642,810**	**10,211,890**	**185,312,196**	**12,091,646**	**175,129,863**	**1,459,388,405**
New credit facilities during the year	365,104,950	452,085	7,419,159	1,697	3,609,816	**376,587,707**
Paid credit facilities	(139,721,848)	(2,495,021)	(6,346,069)	(916,102)	(13,004,273)	**(162,483,313)**
Transferred to stage (1)	39,186,139	1,207,141	(39,186,139)	(1,131,320)	(75,821)	**-**
Transferred to stage (2)	(11,061,058)	(580,767)	15,274,942	580,767	(4,213,884)	**-**
Transferred to stage (3)	-	-	(18,466,604)	(135,738)	18,602,342	**-**
Effect of adjustments	(159,853,665)	(1,632,380)	(19,534,061)	(264,177)	10,085,859	**(171,198,424)**
Credit facilities written off and transferred to off balance sheet items	-	-	-	-	(31,903,455)	**(31,903,455)**
Adjustments resulted from changes in exchange rates	878,460	(90,345)	344,713	(115,608)	(599,285)	**417,935**
Balance - End of the Year	**1,171,175,788**	**7,072,603**	**124,818,137**	**10,111,165**	**157,631,162**	**1,470,808,855**

- The following represents the movement on the provision for credit loss for large corporates credit facilities during the year ended December 31, 2023 and 2022:

	2023					
	Stage (1)		Stage (2)			
	Individual	Collective	Individual	Collective	Stage (3)	Total
	JD	JD	JD	JD	JD	JD
Balance - beginning of the year	7,250,383	210,711	56,647,538	744,642	143,580,132	**208,433,406**
Reclassification	78,470	6,712	-	-	-	**85,182**
Adjusted Balance Beginning of the Year	**7,328,853**	**217,423**	**56,647,538**	**744,642**	**143,580,132**	**208,518,588**
Impairment losses on new credit facilities during the year	2,208,132	16,592	5,989,436	1,141	154,242	**8,369,543**
Reversed from impairment losses on paid credit facilities	(717,283)	(28,769)	(4,331,254)	(57,851)	(129,168)	**(5,264,325)**
Transferred to stage (1)	297,104	-	(297,104)	-	-	**-**
Transferred to stage (2)	(717,934)	-	717,934	-	-	**-**
Transferred to stage (3)	(14,960)	-	(819,450)	(176)	834,586	**-**
Effect due to reclassification between stages	(14,258)	-	3,632,857	-	567,945	**4,186,544**
Effect of adjustments	5,107,854	(52,231)	3,407,748	132,849	(3,934,086)	**4,662,134**
Credit facilities written off and transferred to off balance sheet items	-	-	-	-	(13,300,992)	**(13,300,992)**
Adjustments resulted from changes in exchange rates	5,830	(112,659)	4,763	(45,760)	83,549	**(64,277)**
Balance - End of the Year	**13,483,338**	**40,356**	**64,952,468**	**774,845**	**127,856,208**	**207,107,215**

	2022					
	Stage (1)		Stage (2)			
	Individual	Collective	Individual	Collective	Stage (3)	Total
	JD	JD	JD	JD	JD	JD
Balance - beginning of the year	16,532,448	117,445	66,977,623	2,459,777	150,172,769	**236,260,062**
Reclassification	47,940	(28,859)	(76,387)	(520,385)	1,945,834	**1,368,143**
Adjusted Balance Beginning of the Year	**16,580,388**	**88,586**	**66,901,236**	**1,939,392**	**152,118,603**	**237,628,205**
Impairment losses on new credit facilities during the year	3,147,140	1,444	552,857	86	2,863,669	**6,565,196**
Reversed from impairment losses on paid credit facilities	(2,330,139)	(14,196)	(1,133,308)	(172,752)	(7,113,798)	**(10,764,193)**
Transferred to stage (1)	1,261,015	92,524	(1,261,015)	(87,104)	(5,420)	**-**
Transferred to stage (2)	(64,627)	(6,749)	2,858,943	6,749	(2,794,316)	**-**
Transferred to stage (3)	-	-	(7,334,127)	(10,444)	7,344,571	**-**
Effect due to reclassification between stages	(1,132,091)	(77,706)	1,554,957	10,557	7,858,306	**8,214,023**
Effect of adjustments	(10,226,019)	78,604	(5,500,346)	(853,627)	4,436,029	**(12,065,359)**
Credit facilities written off and transferred to off balance sheet items	-	-	-	-	(21,054,336)	**(21,054,336)**
Adjustments resulted from changes in exchange rates	14,716	48,204	8,341	(88,215)	(73,176)	**(90,130)**
Balance - End of the Year	**7,250,383**	**210,711**	**56,647,538**	**744,642**	**143,580,132**	**208,433,406**

- The following represents the distribution of total credit facilities by internal credit rating for SME's:
-

	December 31, 2023				2022
	Stage (1)	Stage (2)	Stage (3)	Total	Total
	JD	JD	JD	JD	JD
Credit rating categories based on the Bank's internal system:					
From (1) To (5)	242,968,001	5,908,097	-	**248,876,098**	**183,736,071**
From (6) To (7)	52,035,247	41,492,605	82,397	**93,610,249**	**84,443,748**
From (8) To (10)	-	-	55,542,037	**55,542,037**	**50,108,184**
Not rated	36,021,211	4,522,600	11,159,229	**51,703,040**	**58,951,273**
Total	**331,024,459**	**51,923,302**	**66,783,663**	**449,731,424**	**377,239,276**

- The following represents the movement on credit facilities for SME's during the year ended December 31, 2023 and 2022:

	2023					
	Stage (1)		Stage (2)			
	Individual	Collective	Individual	Collective	Stage (3)	Total
	JD	JD	JD	JD	JD	JD
Balance - beginning of the year	214,893,172	43,580,075	49,997,951	3,917,584	64,850,494	**377,239,276**
Reclassification	(6,313,837)	(399,206)	-	-	(12,941)	**(6,725,984)**
Adjusted Balance - Beginning of the Year	**208,579,335**	**43,180,869**	**49,997,951**	**3,917,584**	**64,837,553**	**370,513,292**
New credit facilities during the year	136,797,124	18,908,241	15,730,521	697,353	1,454,993	**173,588,232**
Paid credit facilities	(47,415,808)	(7,798,771)	(16,894,716)	(1,155,222)	(2,404,662)	**(75,669,179)**
Transferred to stage (1)-net	9,185,622	1,099,422	(9,170,224)	(1,004,358)	(110,462)	**-**
Transferred to stage (2)-net	(9,716,891)	(4,418,624)	10,591,118	4,665,452	(1,121,055)	**-**
Transferred to stage (3)-net	(2,184,741)	(1,046,821)	(2,061,365)	(860,847)	6,153,774	**-**
Effect of adjustments	(1,773,236)	(9,718,500)	(1,076,931)	(1,355,719)	2,784,200	**(11,140,186)**
Credit facilities written off and transferred to off balance sheet items	-	-	-	-	(5,085,777)	**(5,085,777)**
Adjustments resulted from changes in exchange rates	1,531,852	(4,184,614)	284,346	(381,641)	275,099	**(2,474,958)**
Balance - End of the Year	**295,003,257**	**36,021,202**	**47,400,700**	**4,522,602**	**66,783,663**	**449,731,424**

	2022					
	Stage (1)		Stage (2)			
	Individual	Collective	Individual	Collective	Stage (3)	Total
	JD	JD	JD	JD	JD	JD
Balance - beginning of the year	180,990,168	32,936,029	51,576,212	3,067,462	81,246,674	**349,816,545**
Reclassification	(19,753,561)	3,135,724	416,732	2,426,780	(1,162,164)	**(14,936,489)**
Adjusted Balance - Beginning of the Year	**161,236,607**	**36,071,753**	**51,992,944**	**5,494,242**	**80,084,510**	**334,880,056**
New credit facilities during the year	116,417,030	25,186,549	24,921,427	1,046,569	219,262	**167,790,837**
Paid credit facilities	(58,559,206)	(6,801,476)	(11,135,023)	(499,019)	(5,891,071)	**(82,885,795)**
Transferred to stage (1)-net	15,657,289	1,811,877	(15,527,384)	(1,542,095)	(399,687)	**-**
Transferred to stage (2)-net	(6,995,287)	(2,495,204)	9,178,567	2,737,913	(2,425,989)	**-**
Transferred to stage (3)-net	(858,746)	(862,166)	(4,770,913)	(2,289,156)	8,780,981	**-**
Effect of adjustments	(12,470,514)	(8,064,954)	(5,017,917)	(906,037)	1,601,467	**(24,857,955)**
Credit facilities written off and transferred to off balance sheet items	-	-	-	-	(17,251,741)	**(17,251,741)**
Adjustments resulted from changes in exchange rates	465,999	(1,266,304)	356,250	(124,833)	132,762	**(436,126)**
Balance - End of the Year	**214,893,172**	**43,580,075**	**49,997,951**	**3,917,584**	**64,850,494**	**377,239,276**

- The following represents the movement on the provision for credit loss for SME's credit facilities during the year ended December 31, 2023 and 2022:

	2023					
	Stage (1)		Stage (2)			
	Individual	**Collective**	**Individual**	**Collective**	**Stage (3)**	**Total**
	JD	**JD**	**JD**	**JD**	**JD**	**JD**
Balance - beginning of the year	1,954,362	307,074	10,431,018	382,792	30,195,674	**43,270,920**
Reclassification	(122,229)	(6,712)	-	-	(16,022)	**(144,963)**
Adjusted balance - Beginning of the Year	**1,832,133**	**300,362**	**10,431,018**	**382,792**	**30,179,652**	**43,125,957**
Impairment losses on new credit facilities during the year	1,139,450	132,617	3,130,724	30,917	634,643	**5,068,351**
Reversed from impairment losses on paid credit facilities	(280,293)	(62,721)	(3,871,949)	(92,871)	(1,305,611)	**(5,613,445)**
Transferred to stage (1)	304,513	108,061	(298,994)	(75,625)	(37,955)	**-**
Transferred to stage (2)	(326,157)	(21,391)	859,368	131,917	(643,737)	**-**
Transferred to stage (3)	(3,965)	(4,691)	(613,893)	(122,105)	744,654	**-**
Effect due to reclassification between stages	(196,817)	(101,093)	444,198	157,626	1,726,729	**2,030,643**
Effect of adjustments	308,963	41,870	2,225,353	1,632	660,327	**3,238,145**
Credit facilities written off and transferred to off balance sheet items	-	-	-	-	(1,162,439)	**(1,162,439)**
Adjustments resulted from changes in exchange rates	12,005	(133,365)	8,268	(35,512)	175,893	**27,289**
Balance - End of the Year	**2,789,832**	**259,649**	**12,314,093**	**378,771**	**30,972,156**	**46,714,501**

	2022					
	Stage (1)		Stage (2)			
	Individual	**Collective**	**Individual**	**Collective**	**Stage (3)**	**Total**
	JD	**JD**	**JD**	**JD**	**JD**	**JD**
Balance - beginning of the year	2,000,839	240,083	8,712,767	780,274	38,205,830	**49,939,793**
Reclassification	(61,373)	25,352	76,821	536,290	(1,061,755)	**(484,665)**
Adjusted balance - Beginning of the Year	**1,939,466**	**265,435**	**8,789,588**	**1,316,564**	**37,144,075**	**49,455,128**
Impairment losses on new credit facilities during the year	1,038,096	172,602	4,334,126	67,258	(28,993)	**5,583,089**
Reversed from impairment losses on paid credit facilities	(358,954)	(38,364)	(983,157)	(93,620)	(4,269,779)	**(5,743,874)**
Transferred to stage (1)	849,202	337,728	(811,141)	(260,686)	(115,103)	**-**
Transferred to stage (2)	(99,514)	(20,853)	1,121,635	109,599	(1,110,867)	**-**
Transferred to stage (3)	(4,208)	(3,831)	(2,339,878)	(731,373)	3,079,290	**-**
Effect due to reclassification between stages	(724,869)	(327,814)	(128,504)	84,833	1,188,183	**91,829**
Effect of adjustments	(687,921)	(63,214)	426,372	(100,170)	686,107	**261,174**
Credit facilities written off and transferred to off balance sheet items	-	-	-	-	(6,433,312)	**(6,433,312)**
Adjustments resulted from changes in exchange rates	3,064	(14,615)	21,977	(9,613)	56,073	**56,886**
Balance - End of the Year	**1,954,362**	**307,074**	**10,431,018**	**382,792**	**30,195,674**	**43,270,920**

- The following represents distribution of total credit facilities by internal credit rating for Retail:

	December 31, 2023				2022
	Stage (1)	Stage (2)	Stage (3)	Total	Total
	JD	JD	JD	JD	JD
Credit rating categories based on the Bank's internal system:					
From (1) To (5)	72,277,857	1,600,113	-	**73,877,970**	**58,672,926**
From (6) To (7)	1,541,638	742,008	-	**2,283,646**	**2,570**
From (8) To (10)	-	-	951,485	**951,485**	**2,631,083**
Not rated	858,127,536	39,245,357	83,293,321	**980,666,214**	**980,323,606**
Total	**931,947,031**	**41,587,478**	**84,244,806**	**1,057,779,315**	**1,041,630,185**

- The following represents the movement on credit facilities for individuals during the year ended December 31, 2023 and 2022:

	2023					
	Stage (1)		Stage (2)			
	Individual	Collective	Individual	Collective	Stage (3)	Total
	JD	JD	JD	JD	JD	JD
Balance - beginning of the year	56,227,858	873,499,924	2,595,155	40,596,550	68,710,698	**1,041,630,185**
Reclassification	-	(97,043)	-	22,373	21,154	**(53,516)**
Adjusted Balance - Beginning of the Year	**56,227,858**	**873,402,881**	**2,595,155**	**40,618,923**	**68,731,852**	**1,041,576,669**
New credit facilities during the year	40,801,163	200,841,527	22,109	7,145,268	3,001,045	**251,811,112**
Paid credit facilities	(17,309,240)	(130,979,611)	(608,289)	(5,478,943)	(2,627,885)	**(157,003,968)**
Transferred to stage (1)	462,825	15,537,938	(462,825)	(14,227,403)	(1,310,535)	**-**
Transferred to stage (2)	(992,721)	(21,283,651)	1,061,885	21,978,557	(764,070)	**-**
Transferred to stage (3)	(197,786)	(12,188,855)	(64,582)	(6,655,643)	19,106,866	**-**
Effect of adjustments	(5,172,603)	(66,754,139)	(150,220)	(4,171,857)	4,849,453	**(71,399,366)**
Credit facilities written off and transferred to off balance sheet items	-	-	-	-	(6,744,189)	**(6,744,189)**
Adjustments resulted from changes in exchange rates	-	(448,555)	-	(14,657)	2,269	**(460,943)**
Balance - End of the Year	**73,819,496**	**858,127,535**	**2,393,233**	**39,194,245**	**84,244,806**	**1,057,779,315**

	2022					
	Stage (1)		Stage (2)			
	Individual	Collective	Individual	Collective	Stage (3)	Total
	JD	JD	JD	JD	JD	JD
Balance - beginning of the year	48,706,745	797,021,986	2,062,780	35,229,566	60,310,699	**943,331,776**
Reclassification	135,512	(212,788)	-	(39,119)	78,299	**(38,096)**
Adjusted Balance - Beginning of the Year	**48,842,257**	**796,809,198**	**2,062,780**	**35,190,447**	**60,388,998**	**943,293,680**
New credit facilities during the year	30,771,476	320,775,763	972,229	11,298,660	810,355	**364,628,483**
Paid credit facilities	(18,349,721)	(180,898,147)	(38)	(6,003,691)	(2,135,775)	**(207,387,372)**
Transferred to stage (1)	1,033,778	12,313,278	(728,013)	(10,059,555)	(2,559,488)	**-**
Transferred to stage (2)	(517,549)	(17,387,142)	517,549	18,927,150	(1,540,008)	**-**
Transferred to stage (3)	(251,806)	(6,378,876)	(72,883)	(4,746,364)	11,449,929	**-**
Effect of adjustments	(5,300,907)	(51,621,403)	(156,525)	(4,002,791)	3,575,876	**(57,505,750)**
Credit facilities written off and transferred to off balance sheet items	-	-		-	(1,279,881)	**(1,279,881)**
Adjustments resulted from changes in exchange rates	330	(112,747)	56	(7,306)	692	**(118,975)**
Balance - End of the Year	**56,227,858**	**873,499,924**	**2,595,155**	**40,596,550**	**68,710,698**	**1,041,630,185**

- The following represents the movement on the provision for credit loss for retail credit facilities during the year ended December 31, 2023 and 2022:

	2023					
	Stage (1)		Stage (2)			
	Individual	Collective	Individual	Collective	Stage (3)	Total
	JD	JD	JD	JD	JD	JD
Balance - Beginning of the year	575,431	4,390,249	896,683	6,884,134	30,367,825	**43,114,322**
Reclassification	-	(265)	-	1,896	17,621	**19,252**
Adjusted balance - Beginning of the Year	**575,431**	**4,389,984**	**896,683**	**6,886,030**	**30,385,446**	**43,133,574**
Impairment losses on new facilities during the year	324,567	874,696	8,520	676,622	2,559,840	**4,444,245**
Reversed from impairment losses on matured facilities	(90,196)	(594,494)	(21,430)	(625,104)	(1,612,852)	**(2,944,076)**
Transferred to stage (1)	208,541	3,391,096	(208,541)	(2,750,356)	(640,740)	**-**
Transferred to stage (2)	(18,773)	(103,079)	43,627	480,219	(401,994)	**-**
Transferred to stage (3)	(2,707)	(60,799)	(18,956)	(1,743,735)	1,826,197	**-**
Effect due to reclassification between stages	(203,028)	(3,326,310)	131,276	4,172,874	13,946,515	**14,721,327**
Effect of adjustments	(173,728)	(494,252)	176,960	(167,060)	1,845,455	**1,187,375**
Credit facilities written off and transferred to off balance sheet items	-	-	-	-	(1,346,479)	**(1,346,479)**
Adjustments resulted from changes in exchange rates	-	(411)	-	(560)	822	**(149)**
Balance - End of the Year	**620,107**	**4,076,431**	**1,008,139**	**6,928,930**	**46,562,210**	**59,195,817**

	2022					
	Stage (1)		Stage (2)			
	Individual	Collective	Individual	Collective	Stage (3)	Total
	JD	JD	JD	JD	JD	JD
Balance - Beginning of the year	619,129	7,034,807	1,119,630	10,354,215	25,931,662	**45,059,443**
Reclassification	5,453	2,692	-	(15,100)	23,290	**16,335**
Adjusted balance - Beginning of the Year	**624,582**	**7,037,499**	**1,119,630**	**10,339,115**	**25,954,952**	**45,075,778**
Impairment losses on new facilities during the year	317,593	1,500,428	117,230	1,181,546	516,747	**3,633,544**
Reversed from impairment losses on matured facilities	(142,469)	(1,521,725)	(23)	(1,789,411)	(1,161,775)	**(4,615,403)**
Transferred to stage (1)	513,648	3,966,833	(329,203)	(2,958,118)	(1,193,160)	**-**
Transferred to stage (2)	(7,826)	(150,252)	7,826	894,991	(744,739)	**-**
Transferred to stage (3)	(9,858)	(58,698)	(29,249)	(1,962,208)	2,060,013	**-**
Effect due to reclassification between stages	(491,623)	(3,912,550)	40,878	2,977,040	3,945,997	**2,559,742**
Effect of adjustments	(228,616)	(2,470,973)	(30,443)	(1,798,309)	1,235,915	**(3,292,426)**
Credit facilities written off and transferred to off balance sheet items	-	-	-	-	(246,749)	**(246,749)**
Adjustments resulted from changes in exchange rates	-	(313)	37	(512)	624	**(164)**
Balance - End of the Year	**575,431**	**4,390,249**	**896,683**	**6,884,134**	**30,367,825**	**43,114,322**

- The following represents the distribution of total credit facilities by internal credit rating for Real Estate:
-

	December 31, 2023				2022
	Stage (1)	Stage (2)	Stage (3)	Total	Total
	JD	JD	JD	JD	JD
Credit rating categories based on the Bank's internal system:					
From (1) To (5)	167,219,464	13,909,827	1,778,221	**182,907,512**	**208,313,626**
From (6) To (7)	2,175,411	125,254,405	19,843	**127,449,659**	**107,472,784**
From (8) To (10)	-	-	26,604,920	**26,604,920**	**27,325,581**
Not rated	925,008,823	66,952,371	74,571,200	**1,066,532,394**	**996,486,011**
Total	**1,094,403,698**	**206,116,603**	**102,974,184**	**1,403,494,485**	**1,339,598,002**

- The following represents the movement on credit facilities for Real Estate during the year ended December 31, 2023 and 2022:

	2023					
	Stage (1)		Stage (2)			
	Individual	Collective	Individual	Collective	Stage (3)	Total
	JD	JD	JD	JD	JD	JD
Balance - beginning of the year	168,408,067	889,793,127	141,174,278	72,836,729	67,385,801	**1,339,598,002**
Reclassification	1,882,613	97,043	-	(22,373)	(8,213)	**1,949,070**
Adjusting Balance - Beginning of the Year	**170,290,680**	**889,890,170**	**141,174,278**	**72,814,356**	**67,377,588**	**1,341,547,072**
New credit facilities during the year	47,517,222	144,001,958	422,519	16,270,421	2,078,897	**210,291,017**
Paid credit facilities	(29,612,781)	(110,482,532)	(439,858)	(4,480,721)	(6,534,629)	**(151,550,521)**
Transferred to stage (1)	3,876,207	13,066,658	(1,518,273)	(10,891,516)	(4,533,076)	**-**
Transferred to stage (2)	(3,304,027)	(22,047,961)	4,034,338	23,541,425	(2,223,775)	**-**
Transferred to stage (3)	(1,673,413)	(15,011,315)	(910,640)	(34,494,623)	52,089,991	**-**
Effect of adjustments	(17,704,132)	16,019,118	(3,622,238)	3,295,026	630,348	**(1,381,878)**
Credit facilities written off and transferred to off balance sheet items	-	-	-	-	(5,919,514)	**(5,919,514)**
Adjustments resulted from changes in exchange rates	5,120	9,572,726	24,107	898,002	8,354	**10,508,309**
Balance - End of the Year	**169,394,876**	**925,008,822**	**139,164,233**	**66,952,370**	**102,974,184**	**1,403,494,485**

	2022					
	Stage (1)		Stage (2)			
	Individual	Collective	Individual	Collective	Stage (3)	Total
	JD	JD	JD	JD	JD	JD
Balance - beginning of the year	106,855,352	860,415,364	176,598,172	63,995,309	76,607,662	**1,284,471,859**
Reclassification	14,373,267	166,548	233,396	(341,071)	(3,333,072)	**11,099,068**
Adjusting Balance - Beginning of the Year	**121,228,619**	**860,581,912**	**176,831,568**	**63,654,238**	**73,274,590**	**1,295,570,927**
New credit facilities during the year	61,286,513	160,765,963	1,313,984	7,388,076	776,090	**231,530,626**
Paid credit facilities	(7,584,078)	(100,553,446)	(3,817,486)	(2,669,857)	(7,468,878)	**(122,093,745)**
Transferred to stage (1)	3,243,887	21,735,106	(2,687,838)	(19,195,785)	(3,095,370)	**-**
Transferred to stage (2)	(1,671,950)	(23,368,640)	2,165,451	25,951,884	(3,076,745)	**-**
Transferred to stage (3)	(561,357)	(1,996,289)	(895,412)	(7,548,004)	11,001,062	**-**
Effect of adjustments	(7,536,452)	(7,102,840)	(31,741,449)	6,046,389	(1,959,387)	**(42,293,739)**
Credit facilities written off and transferred to off balance sheet items	-	-	-	-	(2,072,624)	**(2,072,624)**
Adjustments resulted from changes in exchange rates	2,885	(20,268,639)	5,460	(790,212)	7,063	**(21,043,443)**
Balance - End of the Year	**168,408,067**	**889,793,127**	**141,174,278**	**72,836,729**	**67,385,801**	**1,339,598,002**

- The following represents the movement on the provision for credit loss for Real Estate credit facilities during the year ended December 31, 2023 and 2022:

	2023					
	Stage (1)		Stage (2)			
	Individual	collective	Individual	collective	Stage (3)	Total
	JD	JD	JD	JD	JD	JD
Balance - beginning of the year	5,353,217	18,905,386	73,714,549	9,470,394	29,862,396	**137,305,942**
Reclassification	43,759	265	-	(1,896)	(1,599)	**40,529**
Adjusted Balance - Beginning of the Year	**5,396,976**	**18,905,651**	**73,714,549**	**9,468,498**	**29,860,797**	**137,346,471**
Impairment losses on new facilities during the year	1,538,660	1,754,119	39,356	1,824,207	1,944,329	**7,100,671**
Reversed from impairment losses on matured facilities	(848,932)	(1,448,589)	(53,511)	(709,218)	(3,181,862)	**(6,242,112)**
Transferred to stage (1)	1,673,407	1,829,924	(727,922)	(1,413,457)	(1,361,952)	**-**
Transferred to stage (2)	(84,837)	(446,295)	435,622	998,281	(902,771)	**-**
Transferred to stage (3)	(42,545)	(146,611)	(216,397)	(3,388,458)	3,794,011	**-**
Effect resulted from reclassification between stages	(1,590,411)	(1,625,092)	(101,408)	2,237,254	7,435,505	**6,355,848**
Effect of adjustments	(1,056,053)	(905,624)	(12,062,592)	145,236	(581,449)	**(14,460,482)**
Credit facilities written off and transferred to off balance sheet items	-	-	-	-	(728,512)	**(728,512)**
Adjustments resulted from changes in exchange rates	73	2,596	2,312	57,525	5,538	**68,044**
Balance - End of the Year	**4,986,338**	**17,920,079**	**61,030,009**	**9,219,868**	**36,283,634**	**129,439,928**

	2022					
	Stage (1)		Stage (2)			
	Individual	collective	Individual	collective	Stage (3)	Total
	JD	JD	JD	JD	JD	JD
Balance - beginning of the year	2,591,947	4,167,151	72,358,809	10,827,155	32,190,890	**122,135,952**
Reclassification	8,012	783	5,802	(7,041)	(907,369)	**(899,813)**
Adjusted Balance - Beginning of the Year	**2,599,959**	**4,167,934**	**72,364,611**	**10,820,114**	**31,283,521**	**121,236,139**
Impairment losses on new facilities during the year	2,057,017	2,468,509	152,670	1,230,295	624,256	**6,532,747**
Reversed from impairment losses on matured facilities	(140,161)	(285,882)	(1,494,791)	(628,007)	(3,363,002)	**(5,911,843)**
Transferred to stage (1)	1,044,828	4,291,700	(839,471)	(3,555,088)	(941,969)	**-**
Transferred to stage (2)	(56,931)	(68,827)	306,694	921,442	(1,102,378)	**-**
Transferred to stage (3)	(20,699)	(14,916)	(492,892)	(1,652,889)	2,181,396	**-**
Effect resulted from reclassification between stages	(935,769)	(3,691,493)	64,084	1,373,607	3,169,487	**(20,084)**
Effect of adjustments	804,948	12,051,463	3,652,693	985,690	(1,157,490)	**16,337,304**
Credit facilities written off and transferred to off balance sheet items	-	-	-	-	(836,395)	**(836,395)**
Adjustments resulted from changes in exchange rates	25	(13,102)	951	(24,770)	4,970	**(31,926)**
Balance - End of the Year	**5,353,217**	**18,905,386**	**73,714,549**	**9,470,394**	**29,862,396**	**137,305,942**

- The following represents the distribution of total credit facilities by internal credit rating for Government and public sector:

	December 31, 2023				2022
	Stage (1)	Stage (2)	Stage (3)	Total	Total
	JD	JD	JD	JD	JD
Credit rating categories based on the Bank's internal system:					
From (1) To (5)	620,198,707	-	-	**620,198,707**	**554,693,620**
Total	**620,198,707**	-	-	**620,198,707**	**554,693,620**

- The following represents the movement on credit facilities for Government and Public Sector during the year ended December 31, 2023 and 2022:

	2023			
	Stage (1) Individual	**Stage (2) Individual**	**Stage (3)**	**Total**
	JD	**JD**	**JD**	**JD**
Balance - beginning of the year	554,693,620	-	-	**554,693,620**
New credit facilities during the year	125,730,749	-	-	**125,730,749**
Paid credit facilities	(30,095,294)	-	-	**(30,095,294)**
Effect of adjustments	(30,130,368)	-	-	**(30,130,368)**
Balance - End of the Year	**620,198,707**	**-**	**-**	**620,198,707**

	2022			
	Stage (1) Individual	**Stage (2) Individual**	**Stage (3)**	**Total**
	JD	**JD**	**JD**	**JD**
Balance - beginning of the year	396,459,623	6,994,099	-	**403,453,722**
New credit facilities during the year	112,272,858	-	-	**112,272,858**
Paid credit facilities	(1,363,383)	(29)	-	**(1,363,412)**
Transferred to stage 1	6,994,070	(6,994,070)	-	-
Effect of adjustments	40,330,452	-	-	**40,330,452**
Balance - End of the Year	**554,693,620**	-	-	**554,693,620**

- The following represents the movement on the provision for credit loss for Government and public sector credit facilities during the year ended December 31, 2023 and 2022:

	2023			
	Stage (1) Individual	**Stage (2) Individual**	**Stage (3)**	**Total**
	JD	**JD**	**JD**	**JD**
Balance - beginning of the year	79,802	-	-	**79,802**
Impairment losses on new facilities during the year	133,657	-	-	**133,657**
Reversed from impairment losses on matured facilities	(5,605)	-	-	**(5,605)**
Effect of adjustments	8,236,224	-	-	**8,236,224**
Balance - End of the Year	**8,444,078**	**-**	**-**	**8,444,078**

	2022			
	Stage (1) Individual	**Stage (2) Individual**	**Stage (3)**	**Total**
	JD	**JD**	**JD**	**JD**
Balance - beginning of the year	75,410	1,448	-	**76,858**
Impairment losses on new facilities during the year	15,486	-	-	**15,486**
Reversed from impairment losses on matured facilities	-	-	-	**-**
Transferred to stage 1	1,448	(1,448)	-	**-**
Effect resulted from reclassification between stages	(1,117)	-	-	**(1,117)**
Effect of adjustments	(11,425)	-	-	**(11,425)**
Balance - End of the Year	**79,802**	**-**	**-**	**79,802**

12. Financial Assets at Amortized Cost - Net

The details of this item are as follows:

	December 31,	
	2023	**2022**
	JD	**JD**
Quoted Financial Assets:		
Jordanian Treasury Bills	48,167,881	77,994,538
Jordanian treasury bonds	1,636,729,257	1,478,601,281
Governmental or guaranteed by government bonds	492,681,023	471,544,622
Foreign governments bonds	126,419,639	36,992,951
Corporate bonds and debentures	114,894,517	166,354,313
Total Quoted Financial Assets	**2,418,892,317**	**2,231,487,705**
Unquoted Financial Assets:		
Corporate bonds and debentures	3,000,001	3,000,001
Total Unquoted Financial Assets	**3,000,001**	**3,000,001**
Total	**2,421,892,318**	**2,234,487,706**
Less: Provision for excepted credit loss	(3,369,108)	(3,503,260)
Net	**2,418,523,210**	**2,230,984,446**
Bonds and Bills Analysis:		
At fixed rate	2,415,001,102	2,227,482,202
At floating rate	3,522,108	3,502,244
Total	**2,418,523,210**	**2,230,984,446**

- The maturity dates for Bonds range from year 2024 to year 2036.
- Interest rate on bonds and Treasury Bills ranges from 3% to 7.68%.
- The Bank did not enter into repurchase agreements with the Central Bank of Jordan against mortgaging treasury bonds as of December 31, 2023 (JD 46.9 Million as of December 31, 2022) as stated in Note (19).

- The following is the movement on the financial assets at amortized cost during the year ended December 31, 2023 and 2022:

	2023			
	Stage (1) Individual	Stage (2) Individual	Stage (3)	Total
	JD	JD	JD	JD
Balance - beginning of the year	2,231,487,705	-	3,000,001	**2,234,487,706**
New investments during the year	698,221,424	-	-	**698,221,424**
Matured investments	(514,173,029)	-	-	**(514,173,029)**
Amortization of premium/ discount	3,356,217	-	-	**3,356,217**
Balance - End of the Year	**2,418,892,317**	**-**	**3,000,001**	**2,421,892,318**

	2022			
	Stage (1) Individual	Stage (2) Individual	Stage (3)	Total
	JD	JD	JD	JD
Balance - beginning of the year	1,993,689,642	-	3,000,001	**1,996,689,643**
New investments during the year	888,071,549	-	-	**888,071,549**
Matured investments	(652,617,134)	-	-	**(652,617,134)**
Amortization of premium/ discount	2,342,089	-	-	**2,342,089**
Adjustments resulted from changes in exchange rates	1,559	-	-	**1,559**
Balance - End of the Year	**2,231,487,705**	**-**	**3,000,001**	**2,234,487,706**

The following is the movement on the provision for expected credit loss during the year ended December 31, 2023 and 2022:

	2023			
	Stage (1) Individual	Stage (2) Individual	Stage (3)	Total
	JD	JD	JD	JD
Balance - beginning of the year	503,260	-	3,000,000	**3,503,260**
Expected credit losses on new investments during the year	32,597	-	-	**32,597**
Expected credit losses on matured investments during the year	(79,291)	-	-	**(79,291)**
Effect of adjustments	(100,512)	-	-	**(100,512)**
Adjustments resulted from changes in exchange rates	13,054	-	-	**13,054**
Balance - End of the Year	**369,108**	**-**	**3,000,000**	**3,369,108**

	2022			
	Stage (1) Individual	Stage (2) Individual	Stage (3)	Total
	JD	JD	JD	JD
Balance - beginning of the year	1,421,581	-	3,000,000	**4,421,581**
Expected credit losses on new investments during the year	130,644	-	-	**130,644**
Expected credit losses on matured investments during the year	(54,231)	-	-	**(54,231)**
Effect of adjustments	(971,921)	-	-	**(971,921)**
Adjustments resulted from changes in exchange rates	(22,813)	-	-	**(22,813)**
Balance - End of the Year	**503,260**	**-**	**3,000,000**	**3,503,260**

13. Property and Equipment - Net

The details of this item are as follows:

	Lands	Buildings and Construction	Equipment, Furniture and Fixtures	Vehicles	Computers Hardware	Total
For the Year Ended December 31, 2023	**JD**	**JD**	**JD**	**JD**	**JD**	**JD**
Cost:						
Balance - beginning of the year	27,211,211	94,073,120	142,754,693	2,073,793	37,849,623	**303,962,440**
Additions	-	1,048,378	11,693,334	324,918	5,186,347	**18,252,977**
Disposals	-	(40,529)	(5,462,700)	(191,793)	(2,549,412)	**(8,244,434)**
Transferred to assets available for sale	(302,176)	(786,344)	(605,654)	(63,910)	-	**(1,758,084)**
Foreign currency exchange differences	(21,161)	(307,167)	(419,852)	(680)	(154,879)	**(903,739)**
Balance - End of the Year	**26,887,874**	**93,987,458**	**147,959,821**	**2,142,328**	**40,331,679**	**311,309,160**
Accumulated Depreciation:						
Balance - beginning of the year	-	15,689,702	105,635,921	1,974,901	23,829,445	**147,129,969**
Depreciation for the year	-	1,936,436	9,191,435	88,643	4,266,062	**15,482,576**
Disposals	-	(20,516)	(5,309,094)	(184,380)	(2,471,987)	**(7,985,977)**
Transferred to assets available for sale	-	(660,495)	(582,039)	(63,908)	-	**(1,306,442)**
Foreign currency exchange differences	-	(63,209)	(98,955)	(9,141)	(70,708)	**(242,013)**
Balance - End of the Year	**-**	**16,881,918**	**108,837,268**	**1,806,115**	**25,552,812**	**153,078,113**
Net book value of property and equipment	**26,887,874**	**77,105,540**	**39,122,553**	**336,213**	**14,778,867**	**158,231,047**
Payments on purchased property and equipment	-	-	64,151	-	-	**64,151**
Projects under construction	-	479,968	470,645	-	-	**950,613**
Net Book Value – End of the Year	**26,887,874**	**77,585,508**	**39,657,349**	**336,213**	**14,778,867**	**159,245,811**
For the Year Ended December 31, 2022						
Cost:						
Balance - beginning of the year	28,748,664	92,670,485	140,403,842	2,256,666	41,008,510	**305,088,167**
Additions	-	1,486,001	5,454,618	65,924	4,439,113	**11,445,656**
Disposals	-	-	(2,949,427)	(249,400)	(7,534,582)	**(10,733,409)**
Impairment during the year	(901,057)	-	-	-	-	**(901,057)**
Transferred to assets available for sale	(631,743)	-	-	-	-	**(631,743)**
Foreign currency exchange differences	(4,653)	(83,366)	(154,340)	603	(63,418)	**(305,174)**
Balance - End of the Year	**27,211,211**	**94,073,120**	**142,754,693**	**2,073,793**	**37,849,623**	**303,962,440**
Accumulated Depreciation:						
Balance - beginning of the year	-	13,791,799	99,852,890	2,124,596	27,291,333	**143,060,618**
Depreciation for the year	-	1,909,101	8,679,169	98,957	4,060,194	**14,747,421**
Disposals	-		(2,852,954)	(249,399)	(7,490,180)	**(10,592,533)**
Foreign currency exchange differences	-	(11,198)	(43,184)	747	(31,902)	**(85,537)**
Balance - End of the Year	-	**15,689,702**	**105,635,921**	**1,974,901**	**23,829,445**	**147,129,969**
Net book value of property and equipment	**27,211,211**	**78,383,418**	**37,118,772**	**98,892**	**14,020,178**	**156,832,471**
Payments on purchased property and equipment	-	-	5,676,656	-	67,128	**5,743,784**
Projects under construction	-	222,812	-	-	-	**222,812**
Net Book Value – End of the Year	**27,211,211**	**78,606,230**	**42,795,428**	**98,892**	**14,087,306**	**162,799,067**

- Property and equipment include fully depreciated assets of JD 94,212,662 as of December 31, 2023 compared with JD 89,553,327 as of December 31, 2022.
- Contractual commitments related to payments on purchases of property and equipment and projects under construction are stated in Note (51), and including the remaining estimated cost for projects under construction.

14. Intangible Assets - Net

The details of this item are as follows:

	Goodwill	Computer Software	Other *	Total
	JD	JD	JD	JD
For the Year Ended December 31, 2023				
Balance - beginning of the year	358,397	19,280,615	1,935,268	**21,574,280**
Additions	-	7,318,776	-	**7,318,776**
Amortization for the year	-	(6,678,120)	-	**(6,678,120)**
Balance - End of the Year	**358,397**	**19,921,271**	**1,935,268**	**22,214,936**
For the Year Ended December 31, 2022				
Balance - beginning of the year	358,397	17,637,537	1,935,268	**19,931,202**
Additions	-	7,847,643	-	**7,847,643**
Amortization for the year	-	(6,204,565)	-	**(6,204,565)**
Balance - End of the Year	**358,397**	**19,280,615**	**1,935,268**	**21,574,280**

* This item represents the license for conducting banking activities arising from the acquisition of Jordan International Bank / London with a shareholding value of 75%. The license for conducting business was identified as having an infinite life. This asset was tested for impairment and no impairment recognized as of December 2023 and 2022.

- The balance of computer system and software include payments on account for the purchase of computer software amounted to JD 3,770,609 as of December 31, 2023 compared with JD 4,257,288 as of December 31, 2022.

15. Other Assets - Net

The details of this item are as follows:

	December 31,	
	2023	2022
	JD	JD
Accrued revenues and interest	40,643,445	35,137,243
Prepaid expenses	5,511,636	4,541,139
Assets seized by the Bank *	58,261,619	63,489,483
Gain of hedging derivative valuation	950,459	3,056,240
Cheques under collection	10,898,152	18,412,462
Other	10,924,218	14,216,729
Total	**127,189,529**	**138,853,296**
Provision for expected credit loss **	(116,957)	(310,576)
Net	**127,072,572**	**138,542,720**

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

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

	For the Year Ended December 31,	
	2023	2022
	JD	JD
Balance - beginning of the year	63,489,483	64,750,491
Additions	17,550,732	8,874,175
Disposals	(19,169,821)	(8,629,226)
Impairment loss	(3,587,460)	(1,500,000)
Foreign currency exchange differences	(21,315)	(5,957)
Balance - End of the Year	**58,261,619**	**63,489,483**

The following is a summary of the movement on impairment provisions on assets seized by the bank:

	For the Year Ended December 31,	
	2023	2022
	JD	JD
Balance - beginning of the year	13,399,076	12,192,031
Impairment loss for the year	3,587,460	1,500,000
Disposals from provision resulted from sales	(7,082,109)	(292,955)
Balance - End of the Year	**9,904,427**	**13,399,076**

** The following is a summary of the movement on expected credit loss provision for the years 2023 and 2022:

	For the Year Ended December 31,	
	2023	2022
	JD	JD
Balance - beginning of the year	310,576	255,576
(Recovery) expense for the year	(20,333)	55,000
Provisions no longer needed	(173,286)	-
Balance - End of the Year	**116,957**	**310,576**

16. Bank and Financial Institutions Deposits

The details of this item are as follows:

	December 31, 2023			December 31, 2022		
	Inside Jordan	Outside Jordan	Total	Inside Jordan	Outside Jordan	Total
	JD	JD	JD	JD	JD	JD
Current accounts and demand deposits	15,484,653	64,033,834	**79,518,487**	104,282,715	99,749,241	**204,031,956**
Deposits due within 3 months	77,493,559	475,264,481	**552,758,040**	52,299,384	494,582,524	**546,881,908**
Deposits due within 3- 6 months	31,000,000	28,360,000	**59,360,000**	45,326,298	73,780,375	**119,106,673**
More than one year	17,927,576	7,090,000	**25,017,576**	-	-	-
	141,905,788	**574,748,315**	**716,654,103**	**201,908,397**	**668,112,140**	**870,020,537**

17. Customers' Deposits

The details of this item are as follows:

	Retail	Corporate	SMEs	Government and Public Sector	Total
	JD	JD	JD	JD	JD
December 31, 2023					
Current accounts and demand deposits	647,613,803	236,807,008	430,712,285	66,939,912	**1,382,073,008**
Saving deposits	1,671,351,743	1,311,191	56,381,184	633,401	**1,729,677,519**
Time and notice deposits	1,274,527,111	430,570,714	88,655,400	467,137,629	**2,260,890,854**
Certificates of deposit	232,032,528	44,802,038	375,377	-	**277,209,943**
Others	47,218	-	-	-	**47,218**
Total	**3,825,572,403**	**713,490,951**	**576,124,246**	**534,710,942**	**5,649,898,542**
December 31, 2022					
Current accounts and demand deposits	699,774,514	226,078,047	414,947,863	45,275,582	**1,386,076,006**
Saving deposits	1,870,038,572	648,136	38,977,231	2,568,460	**1,912,232,399**
Time and notice deposits	1,165,479,550	232,589,624	68,205,310	287,937,015	**1,754,211,499**
Certificates of deposit	229,389,380	35,186,258	882,873	-	**265,458,511**
Others	47,418	-	-	-	**47,418**
Total	**3,964,729,434**	**494,502,065**	**523,013,277**	**335,781,057**	**5,318,025,833**

- The deposits of the public sector and the Government of Jordan inside the Kingdom amounted to approximately JD 522.1 million, representing 9.2% of total deposits as of December 31, 2023 (approximately JD 317.8 million, representing 5.98% of total deposits as of December 31, 2022).

- Non-interest bearing deposits amounted to JD 1.48 billion, representing 26.1% of total deposits as of December 31, 2023 (JD 1.55 billion, representing 29.2% of total deposits as of December 31, 2022).

- Restricted deposits (Restricted withdrawal) amounted to JD 103.8 million, representing 1.8% of total deposits as of December 31, 2023 (JD 105.9 million, representing 2.0% of total deposits as of December 31, 2022).

- Dormant accounts amounted to JD 185.3 million, representing 3.3% of total deposits as of December 31, 2023 (JD 237.7 million, representing 4.5% of total deposits as of December 31, 2022).

18. Cash Margins

The details of this item are as follows:

	December 31,	
	2023	2022
	JD	JD
Margins against direct credit facilities	148,654,927	135,556,896
Margins against indirect credit facilities	133,018,772	121,783,742
Dealing margins	251,232	479,074
Other margins	14,212,302	16,191,766
	296,137,233	**274,011,478**

19. Borrowed Funds

The details of this item are as follows:

December 31, 2023	JD	Number of Total Payments	Number of Remaining Payments	Periodicity	Guarantee	Borrowing Interest Rate	Re-lending interest rate
Central Bank of Jordan loans:							
SME's Support programs	16,109,324	110	75	Semi Annual	Financial Solvency	2.5% to 6.9%	Guaranteed 6.0% to 9.85% Without Guarantee: 6.5% to 10.35%
Main Economical Sectors Support Programs	62,633,631	Based on the Periodicity of instalments due			On demand promissory note	Inside the capital city: 1% Outside the capital city: 0.5%	Inside the capital city: 3.75% as a minimum Outside the capital city: 3.25% as a minimum
National program to face COVID-19 pandemic	33,053,236	Based on the Periodicity of instalments due			On demand promissory note	0.00%	2.00%
Borrowing / local institutions	139,129,219	27	27				
Borrowing / foreign insinuations	46,163,855	99	97	Monthly/Semi annual	Financial Solvency / Mortgage	4.25% to 8%	8.5% to 11%
Total	**297,089,265**			Semi annual	Financial Solvency	6.06% to 6.97%	Based on interest rate at the bank

- The maturity dates of funds borrowed from the Central Bank of Jordan range from year 2024 to year 2039.
- Borrowed funds from local institutions includes an amount of JD 90 million that borrowed from Jordan Mortgage Refinance Co and The maturity dates of these borrowed funds range from year 2024 to year 2029.
- Borrowed funds with a fixed interest rate amounted to JD 252,133,133 and borrowed funds with a variable interest rate amounted to JD 44,956,132.
- The maturity dates of borrowed funds from foreign insinuations range from year 2024 to year 2028.
- Borrowed funds during 2023 amounted to JD 139,743,704 and settled borrowed funds amounted to JD 195,725,742 during 2023, excluding repurchase agreement.
- There were no renewed loans during the year 2023.

December 31, 2022	JD	Number of Total Payments	Number of Remaining Payments	Periodicity	Guarantee	Borrowing Interest Rate	Re-lending interest rate
Central Bank of Jordan loans:							
SME's Support programs	16,021,917	109	82	Semi Annual	Financial Solvency	2.5% to 5.69%	Guaranteed 6.0% to 9.14% Without Guarantee: 6.5% to 9.69%
Main Economical Sectors Support Programs	52,484,329	Based on the Periodicity of instalments due			On demand promissory note	Inside the capital city: 1% Outside the capital city: 0.5%	Inside the capital city: 3.75% as a minimum Outside the capital city: 3.25% as a minimum
National program to face COVID-19 pandemic	43,163,329	Based on the Periodicity of instalments due			On demand promissory note	0.00%	2.00%
Repurchase agreements	45,708,178	Based on each agreement			Government bonds	4.50% to 6.00%	-
Borrowing / local institutions	154,000,000	20	20	Monthly/Semi annual	Financial Solvency / Mortgage	4.25% to 6.35%	7.25% to 10.50%
Borrowing / foreign insinuations	87,401,728	160	160	Semi annual	Financial Solvency	4.14% to 6.65%	Based on interest rate at the bank
Total	**398,779,481**						

- The maturity dates of funds borrowed from the Central Bank of Jordan range from year 2023 to year 2039.
- The financial liabilities against repurchase agreements will due in 2023.
- Borrowed funds from local institutions includes an amount of JD 130 million that borrowed from Jordan Mortgage Refinance Co and the maturity dates of these borrowed funds range from year 2023 to year 2029.
- Borrowed funds with a fixed interest rate amounted to JD 307,529,045 and borrowed funds with a variable interest rate amounted to JD 91,250,436.
- The maturity dates of borrowed funds from foreign insinuations range from year 2023 to year 2028.
- Borrowed funds during 2022 amounted to JD 189,938,501 and settled borrowed funds amounted to JD 128,844,414 during 2022, excluding repurchase agreement.
- The renewed loans amounted to JD Nil during the year 2022.

20. Leases

a. Right of use assets

The Bank leases many assets, including lands and buildings, the average lease term is 8 years, and the following is the movement over the right to use assets during the year:

	For the Year Ended December 31	
	2023	2022
	JD	JD
Beginning balance	21,723,075	24,653,212
Add: additions during the year	4,039,685	1,591,428
Less: Depreciation for the year	(3,703,380)	(3,548,890)
Cancelled contracts	(668,284)	(708,203)
Exchange difference	(26,470)	(264,472)
Balance – End of the Year	**21,364,626**	**21,723,075**

Amounts that were recorded in the statement of profit or loss:

	For the Year Ended December 31	
	2023	2022
	JD	JD
Depreciation for the year	3,703,380	3,548,890
Interest for the year	1,472,285	1,463,175
Lease Expense during the Year	**5,175,665**	**5,012,065**

b. lease liabilities

	For the Year Ended December 31	
	2023	2022
	JD	JD
Beginning balance	21,110,267	23,680,698
Add: Additions during the year	4,031,299	1,591,428
Interest during the year	1,472,285	1,463,175
Less: Paid during the year	(5,304,027)	(4,713,500)
Cancelled contracts	(376,690)	(626,797)
Exchange difference	131,089	(284,737)
Balance – End of the Year	**21,064,223**	**21,110,267**

21. Sundry Provisions

The details of this item are as follows:

	Provision for End-of-Service Indemnity	Provision for Outstanding Lawsuits Against the Bank	Other Provisions	Total
For the Year Ended December 31, 2023	JD	JD	JD	JD
Balance - beginning of the year	10,068,431	7,703,536	12,608,858	**30,380,825**
Net provision for the year	2,489,529	662,909	38,089	**3,190,527**
Provision used during the year	(997,106)	(544,018)	(206,750)	**(1,747,874)**
Currency translation for the year	-	-	(590,606)	**(590,606)**
Balance - End of the Year	**11,560,854**	**7,822,427**	**11,849,591**	**31,232,872**

For the Year Ended December 31, 2022	Provision for End-of-Service Indemnity	Provision for Outstanding Lawsuits Against the Bank	Other Provisions	Total
	JD	JD	JD	JD
Balance - beginning of the year	7,349,252	7,218,126	13,531,804	**28,099,182**
Net provision for the year	2,637,615	744,463	(290,973)	**3,091,105**
Transfers during the year	410,000	15,000	(410,000)	**15,000**
Provision used during the year	(328,459)	(274,053)	(7,314)	**(609,826)**
Currency translation for the year	23	-	(214,659)	**(214,636)**
Balance - End of the Year	**10,068,431**	**7,703,536**	**12,608,858**	**30,380,825**

22. Income Tax

a. Income tax provision

The movement on the income tax provision is as follows:

	For the Year Ended December 31,	
	2023	2022
	JD	JD
Balance - beginning of the year	53,415,160	55,815,858
Income tax paid	(68,809,941)	(66,235,794)
Accrued income tax	74,370,593	63,002,549
Accrued income tax of distribution profits from a subsidiaries	2,813,347	867,382
Currency translation	(112,684)	(34,834)
Balance - End of the Year	**61,676,475**	**53,415,161**

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

	For the Year Ended December 31,	
	2023	2022
	JD	JD
Provision for income tax for the year	74,370,593	63,002,549
Deferred tax assets	(25,115,084)	(31,433,749)
Amortization of deferred tax assets	26,300,326	29,870,898
deferred tax liabilities	1,074,500	2,874,680
Amortization of deferred tax liabilities	(2,813,347)	-
Accrued income tax of distribution profits from a subsidiaries	2,813,347	867,382
Total	**76,630,335**	**65,181,760**

c. Reconciliation of the accounting profit with taxable profit:

	For the Year Ended December 31,	
	2023	2022
	JD	JD
Accounting profit for the year	217,404,924	197,564,308
Non-taxable income	(32,894,368)	(35,908,000)
Non-deductible expenses for tax purposes	32,428,762	19,683,109
Taxable Profit	**216,939,318**	**181,339,417**
Effective Income Tax Rate	**35.2%**	**33.0%**

- The legal income tax rate on banks in Jordan is 35% in addition to 3% national contribution. The tax rate on local subsidiaries ranges from 21% to 28%, whereas the legal income tax rates in the countries in which the Ban k operates range from 0% to 31%.

d. Tax Status

- The Bank reached a final settlement with the Income and Sale Tax Department in Jordan up to the year 2020. The Bank declared taxes were paid, and income tax returns for the years 2021 and 2022 were filed. The related income tax returns were not reviewed by the Income and Sale Tax Department in Jordan up to the date by which these consolidated financial statements were issued.

- A final settlement for income tax has been reached for Palestine branches up to the year 2021, income tax returns were filed and The Bank declared taxes were paid for the year 2022.

- The income tax for the International Bank for Trade and Finance /Syria was paid up to the year 2022.

- The income tax for the Housing Bank for Trade and Finance /Algeria was paid up to the year 2022.

- The income tax for Jordan International Bank/ London was paid up to the year 2022.

- A final settlement for income tax has been reached for International Financial Centre Company up to the year 2022.

- A final settlement for income tax has been reached for Specialized Leasing Company up to the year 2020, and declared taxes were paid and income tax returns were filed for the years 2021 and 2022.

e. Deferred Income Tax Assets / Liabilities

The details of this item are as follows:

	For the Year Ended December 31,2023				December 31	
					2023	2022
	Beginning Balance	Amounts Released	Amounts Added	Ending Balance	Deferred Tax	
Assets	JD	JD	JD	JD	JD	JD
Expected credit loss	269,250,058	(58,071,343)	54,215,556	265,394,271	**93,915,123**	**95,775,713**
Suspended interest	25,823,400	-	3,917,798	29,741,198	**10,389,434**	**9,132,394**
Provision for indemnities	6,844,769	(698,503)	1,331,031	7,477,297	**2,689,161**	**2,461,676**
Impairment of real estate	13,399,076	(7,082,109)	3,587,460	9,904,427	**3,562,062**	**4,818,889**
Other provisions	11,306,497	(706,207)	963,355	11,563,645	**4,158,789**	**4,066,307**
Financial assets valuation difference and accumulated losses	29,902,315	(7,291,954)	-	22,610,361	**5,837,761**	**8,292,347**
Goodwill impairment loss	2,452,420	-	-	2,452,420	**318,815**	**318,816**
Others	10,353,143	(7,220,905)	8,472,916	11,605,154	**4,173,716**	**3,723,440**
Total	**369,331,678**	**(81,071,021)**	**72,488,116**	**360,748,773**	**125,044,861**	**128,589,582**
Liabilities						
Difference valuation of financial assets	10,832,037	-	3,733,096	14,565,133	**5,238,254**	**3,895,671**
Undistributed earnings form subsidiaries	19,164,527	(18,755,650)	7,163,330	7,572,207	**1,135,833**	**2,874,679**
Total	**29,996,564**	**(18,755,650)**	**10,896,426**	**22,137,340**	**6,374,087**	**6,770,350**

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

	For the Year Ended December 31, 2023		For the Year Ended December 31, 2022	
	Assets	**Liabilities**	**Assets**	**Liabilities**
	JD	**JD**	**JD**	**JD**
Balance - beginning of the year	128,589,582	6,770,350	122,196,386	6,853,746
Additions	25,414,036	2,417,084	37,815,494	2,874,679
Disposals	(29,098,207)	(2,813,347)	(31,270,560)	(2,958,075)
Currency translation	139,450	-	(151,738)	-
Balance - End of the Year	**125,044,861**	**6,374,087**	**128,589,582**	**6,770,350**

* Deferred tax assets and liabilities for Jordan branches were calculated at a rate of 38% as of December 31, 2023 in accordance with the Income Tax Law in the Hashemite Kingdom of Jordan. The tax rates, for subsidiaries and foreign subsidiaries, according to which deferred tax assets have been calculated, ranges from 19% to 28%. We believe that the tax assets and liabilities will be realized during the future periods of the Bank.

23. Other Liabilities

The details of this item are as follows:

	December 31,	
	2023	**2022**
	JD	**JD**
Certified cheques	37,748,026	43,429,725
Provision for indirect facilities’ expected credit loss	36,127,209	35,377,288
Transfers in process	58,048,042	31,892,390
Accrued expenses	24,192,474	30,490,659
Accrued interest	38,105,289	22,057,845
Other payable accounts	24,487,533	20,978,117
Payments in process	16,948,019	11,132,513
Dividends payable to shareholders	11,183,336	7,454,441
Accounts payable	2,736,123	5,834,049
Interests and commissions received in advance	4,968,773	5,063,055
General management trusts	4,383,652	4,979,733
Unrealized loss / hedge derivatives	2,333,746	2,048,066
Prizes	1,768,836	1,616,818
Amounts payable to correspondent banks	1,438,673	1,407,285
Others	4,422,083	3,304,356
Total	**268,891,814**	**227,066,340**

The following is the movement on indirect facilities during the year:

	2023					
	Stage (1)		Stage (2)			
	Individual	Collective	Individual	Collective	Stage (3)	Total
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	970,690,613	68,557,365	29,294,851	5,708,465	20,792,613	**1,095,043,907**
New exposure during the year	527,837,885	19,043,923	1,942,789	164,985	48,814	**549,038,396**
Matured exposure during the year	(383,862,633)	(19,242,425)	(4,547,881)	(84,785)	(2,392,029)	**(410,129,753)**
Transferred to stage (1)	2,176,098	401,646	(2,148,398)	(397,146)	(32,200)	-
Transferred to stage (2)	(7,617,826)	(290,410)	8,646,376	308,410	(1,046,550)	-
Transferred to stage (3)	(120,000)	(86,000)	(175,500)	(2,000)	383,500	-
Effect of the reclassification	(37,982,052)	(11,620,614)	614,424	(431,179)	313,054	**(49,106,367)**
Adjustments resulted from changes in exchange rate	3,639,958	(1,802,738)	20,311	(679,298)	(339,936)	**838,297**
Balance at the End of the Year	**1,074,762,043**	**54,960,747**	**33,646,972**	**4,587,452**	**17,727,266**	**1,185,684,480**

	2022					
	Stage (1)		Stage (2)			
	Individual	Collective	Individual	Collective	Stage (3)	Total
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	879,962,296	65,193,881	70,044,694	6,345,472	19,401,318	**1,040,947,661**
New exposure during the year	467,475,609	13,932,253	3,270,513	77,948	86,234	**484,842,557**
Matured exposure during the year	(379,611,721)	(10,488,113)	(18,781,758)	(354,534)	(1,018,222)	**(410,254,348)**
Transferred to stage (1)	24,836,241	1,620,752	(24,810,241)	(1,488,258)	(158,494)	**-**
Transferred to stage (2)	(2,589,424)	(475,238)	2,978,374	476,238	(389,950)	**-**
Transferred to stage (3)	(31,000)	(76,200)	(2,129,527)	(1,000)	2,237,727	**-**
Effect of the reclassification	(18,564,972)	3,285,621	(1,278,421)	1,400,755	634,069	**(14,522,948)**
Adjustments resulted from changes in exchange rate	(786,416)	(4,435,591)	1,217	(748,156)	(69)	**(5,969,015)**
Balance at the End of the Year	**970,690,613**	**68,557,365**	**29,294,851**	**5,708,465**	**20,792,613**	**1,095,043,907**

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

	2023					
	Stage (1)		**Stage (2)**			
	Individual	**Collective**	**Individual**	**Collective**	**Stage (3)**	**Total**
	JD	**JD**	**JD**	**JD**	**JD**	**JD**
Balance at the beginning of the year	8,643,993	287,164	7,684,490	310,411	18,451,230	**35,377,288**
Impairment loss on new exposure during the year	5,690,688	87,425	82,141	15,830	20,230	**5,896,314**
Reversed impairment loss on matured exposure	(3,568,467)	(246,226)	(418,780)	(4,007)	(2,270,474)	**(6,507,954)**
Transferred to stage (1)	85,576	17,897	(69,919)	(17,897)	(15,657)	**-**
Transferred to stage (2)	(238,669)	(2,133)	919,823	7,667	(686,688)	**-**
Transferred to stage (3)	(1,435)	(529)	(54,072)	(105)	56,141	**-**
Effect on provision as of end of the year resulted from reclassification between the stages during the year	(75,914)	(15,449)	(632,140)	18,095	191,185	**(514,223)**
Effect of the adjustments	375,846	136,460	608,647	415,843	379,960	**1,916,756**
Adjustments resulted from changes in exchange rate	55,808	(8,611)	96	(71,525)	(16,740)	(**40,972**)
Balance at the End of the Year	**10,967,426**	**255,998**	**8,120,286**	**674,312**	**16,109,187**	**36,127,209**

	2022					
	Stage (1)		**Stage (2)**			
	Individual	**Collective**	**Individual**	**Collective**	**Stage (3)**	**Total**
	JD	**JD**	**JD**	**JD**	**JD**	**JD**
Balance at the beginning of the year	8,072,411	292,651	9,743,753	225,130	17,297,575	**35,631,520**
Impairment loss on new exposure during the year	3,286,571	128,289	110,912	3,299	15,577	**3,544,648**
Reversed impairment loss on matured exposure	(3,746,238)	(99,110)	(1,508,761)	(26,426)	(750,809)	(**6,131,344**)
Transferred to stage (1)	629,933	185,363	(618,765)	(120,396)	(76,135)	**-**
Transferred to stage (2)	(15,468)	(4,073)	231,994	4,073	(216,526)	**-**
Transferred to stage (3)	(171)	(698)	(372,958)	(517)	374,344	**-**
Effect on provision as of end of the year resulted from reclassification between the stages during the year	867,321	(139,957)	10,760	13,434	1,146,094	**1,897,652**
Effect of the adjustments	(435,204)	(60,584)	87,224	268,102	661,044	**520,582**
Adjustments resulted from changes in exchange rate	(15,162)	(14,717)	331	(56,288)	66	(**85,770**)
Balance at the End of the Year	**8,643,993**	**287,164**	**7,684,490**	**310,411**	**18,451,230**	**35,377,288**

24. Capital and share Premium

Authorized and paid up Capital

The authorized and paid up capital amounts to JD 315 million, divided into 315 million shares, with a nominal value of one dinar per share, as of December 31, 2023 and 2022.

Share premium

The share premium is JD 328,147,537 as of December 31, 2023 and 2022.

25. Reserves

Statutory reserve

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

Special reserve

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

The restricted reserves for disposal are as follows:

Name of the reserve	As of December 31, 2023	2022	Regulation
	JD	JD	
Statutory reserve	296,295,588	274,745,075	According to the applicable laws and regulations
Special reserve	11,743,708	11,553,745	According to the regulatory authorities regulations

26. Foreign Currency Translation Reserve

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

	For the Year Ended December 31, 2023	2022
	JD	JD
Balance at the beginning of the year	(134,490,422)	(128,208,080)
Net changes during the year	3,665,142	(6,282,342)
Balance at End of the Year	**(130,825,280)**	**(134,490,422)**

27. Fair Value Reserve - Net

The movement on the net fair value reserve is as follows:

	For the Year Ended December 31, 2023	2022
	JD	JD
Balance – beginning of the year	(10,908,261)	3,542,409
Unrealized (loss) - Debt instruments	8,916,680	(22,488,840)
Unrealized gain - Shares	1,990,783	185,022
Deferred tax assets	(2,576,882)	4,895,073
Deferred tax liabilities	(1,342,583)	2,958,075
Net change in the valuation reserve of financial assets at fair value through comprehensive income after tax	6,987,998	(14,450,670)
Balance at End of the Year	**(3,920,263)**	**(10,908,261)**

28 . Retained Earnings

The movement on retained earnings is as follows:

	For the Year Ended December 31,	
	2023	2022
	JD	JD
Balance – beginning of the year	416,843,387	367,183,950
Income for the year	136,729,879	129,500,828
Dividends distribution *	(78,750,000)	(63,000,000)
Transferred to reserve	(21,758,764)	(16,841,391)
The effect of the disposal of a subsidiary	(98,553)	-
Balance – End of the Year	**452,965,949**	**416,843,387**

- The Bank cannot use a restricted amount of JD 6,275,955 from retained earing which represents the financial assets revaluation differences in accordance with the instructions of Jordan Securities Commission.

- Retained earnings includes an amount of JD 628,167 which represents the effect of early implementation of the International Financial Reporting Standard No (9). This amount may not be used except for the amounts actually realized from sale.

- The Bank cannot use a restricted amount of JD 125,044,861 from retained earing which represents deferred tax assets which are restricted against capitalization or distribution only to the extent if actually recognized in accordance with the instructions of the Central Bank of Jordan and the Jordan Securities Commission.

- Retained earnings includes a restricted amount of JD 482,849 which represents the gain from the valuation of foreign currencies at the International Bank for Trade and Finance /Syria for the current year and the prior years.

* The distributed cash dividends during 2023 were 25% of the authorized and paid-up capital (equivalent to JD 78.750 million).

29 . Proposed Dividends

- The proposed cash dividends for the current year amounted to 25% of authorized and paid-in capital as of December 31, 2023 equivalent to JD 78,750 million and it’s subject to the approval of the General Assembly of shareholders.

30. Subsidiaries with Material Non-controlling Interest

First: Percentage owned by non-controlling interests

	As of December 31, 2023 and 2022		
	Country	Activity Sector	Non-controlling Interests
International Bank for Trade and Finance/Syria	Syria	Banking	50.937%
The Housing Bank for Trade and Finance/Algeria	Algeria	Banking	15%
Jordan International Bank London/UK	United Kingdom	Banking	25%
International Financial Centre Company/JOR	Jordan	Financial intermediation	22.5%

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

a. Condensed statement of financial position before elimination of inter-company transactions as of December 31, 2023 and 2022:

	As of December 31, 2023			
	International Bank for Trade and Finance/Syria	The Housing Bank for Trade and Finance/Algeria	Jordan International Bank London/UK	International Financial Centre Company
	JD	JD	JD	JD
Financial assets	121,542,317	434,760,664	393,526,479	6,744,709
Other assets	1,539,324	16,444,204	5,259,042	271,442
Total Assets	**123,081,641**	**451,204,868**	**398,785,521**	**7,016,151**
Financial Liabilities	80,753,483	268,402,777	309,678,375	-
Other Liabilities	6,497,327	63,288,321	9,529,647	588,908
Total Liabilities	**87,250,810**	**331,691,098**	**319,208,022**	**588,908**
Total Equity	**35,830,831**	**119,513,770**	**79,577,499**	**6,427,243**
Total Liabilities and Equity	**123,081,641**	**451,204,868**	**398,785,521**	**7,016,151**
Non-Controlling Interest	**18,252,225**	**17,927,065**	**19,894,375**	**1,446,130**

	As of December 31, 2022			
	International Bank for Trade and Finance/Syria	The Housing Bank for Trade and Finance/Algeria	Jordan International Bank London/UK	International Financial Centre Company
	JD	JD	JD	JD
Financial assets	151,045,649	393,836,113	358,969,413	7,101,086
Other assets	2,773,358	14,456,454	5,287,742	224,272
Total Assets	**153,819,007**	**408,292,567**	**364,257,155**	**7,325,358**
Financial Liabilities	111,778,253	227,395,324	286,262,778	-
Other Liabilities	5,814,764	50,986,998	6,377,568	1,141,619
Total Liabilities	**117,593,017**	**278,382,322**	**292,640,346**	**1,141,619**
Total Equity	**36,225,990**	**129,910,245**	**71,616,809**	**6,183,739**
Total Liabilities and Equity	**153,819,007**	**408,292,567**	**364,257,155**	**7,325,358**
Non-Controlling Interest	**18,453,519**	**19,486,537**	**17,904,202**	**1,391,341**

b. Condensed statement of profit or loss before elimination of inter-company transactions for the year ended December 31, 2023 and 2022:

	For the Year Ended December 31, 2023			
	International Bank for Trade and Finance/Syria	**The Housing Bank for Trade and Finance/Algeria**	**Jordan International Bank London/UK**	**International Financial Centre Company**
	JD	**JD**	**JD**	**JD**
Total revenue	6,733,197	24,149,615	17,718,101	748,457
Profit (loss) for the year	3,485,136	9,018,744	3,636,097	243,504
Total Comprehensive Income	**3,485,136**	**9,018,744**	**3,831,803**	**243,504**
Attributable to non-controlling interest	**1,775,328**	**1,352,812**	**957,951**	**54,788**

	For the Year Ended December 31, 2022			
	International Bank for Trade and Finance/Syria	**The Housing Bank for Trade and Finance/Algeria**	**Jordan International Bank London/UK**	**International Financial Centre Company**
	JD	**JD**	**JD**	**JD**
Total revenue	5,326,729	14,974,378	14,137,767	742,559
Profit (loss) for the year	1,846,586	6,816,144	3,158,170	250,256
Total Comprehensive Income	**1,846,586**	**6,816,144**	**2,126,141**	**250,256**
Attributable to non-controlling interest	**940,425**	**1,022,490**	**531,535**	**56,308**

c. Condensed statement of cash flows for material subsidiaries for the year ended December 31, 2023 and 2022:

	For the Year Ended December 31, 2023			
	International Bank for Trade and Finance/Syria	**The Housing Bank for Trade and Finance/Algeria**	**Jordan International Bank London/UK**	**International Financial Centre Company**
	JD	**JD**	**JD**	**JD**
Operating cash flows	2,486,252	(44,038,207)	(14,963,585)	(1,679,104)
Investing cash flows	34,619	(90,492,708)	11,600,798	(420)
Financing cash flows	-	(22,249,247)	-	-
Effect of change in exchange rates	(7,565,978)	5,568,636	(1,776,666)	-
Net Increase /(Decrease)	**(5,045,107)**	**(151,211,526)**	**(5,139,453)**	**(1,679,524)**

	For the Year Ended December 31, 2022			
	International Bank for Trade and Finance/Syria	**The Housing Bank for Trade and Finance/Algeria**	**Jordan International Bank London/UK**	**International Financial Centre Company**
	JD	**JD**	**JD**	**JD**
Operating cash flows	(6,070,690)	(48,170,163)	9,452,891	1,774,984
Investing cash flows	(830,616)	(26,381,016)	20,012,216	(3,420)
Financing cash flows	-	(6,988,525)	(10,381,499)	-
Effect of change in exchange rates	(2,383,167)	(270,827)	5,784,926	-
Net Increase /(Decrease)	**(9,284,473)**	**(81,810,531)**	**24,868,534**	**1,771,564**

d. The cash dividends from the subsidiaries (The Housing bank for Trade and Finance/ Algeria) amounted to JD 15.9 million after deducting the tax on cash dividends.

31. Interest Income

The details of this item are as follows:

	For the Year Ended December 31,	
	2023	2022
Direct Credit Facilities:	JD	JD
Individual retail customer:		
Overdraft	326,951	302,765
Loans and discounted bills	103,788,764	79,030,826
Credit cards	2,764,260	2,339,722
Real estate mortgages	**104,843,809**	**70,494,118**
Large corporates		
Overdraft	14,401,138	12,331,730
Loans and discounted bills	101,196,329	73,821,936
SME's		
Overdraft	7,137,405	4,674,684
Loans and discounted bills	25,261,054	21,954,908
Government and Public Sector	**35,780,097**	**27,459,999**
Balances at central banks	8,892,712	4,730,737
Balances and deposits at banks and financial institutions	18,416,700	7,469,659
Financial assets at fair value through other comprehensive income	16,033,308	13,367,455
Financial assets at amortized cost	121,758,113	99,039,962
Total	**560,600,640**	**417,018,501**

32. Interest Expense

The details of this item are as follows:

	For the Year Ended December 31,	
	2023	2022
	JD	JD
Banks and financial institutions deposits	42,449,480	17,228,002
Customers deposits:		
Current accounts and demand deposits	3,039,635	702,717
Saving deposits	4,911,729	4,675,379
Time and notice deposits	97,598,364	45,171,632
Certificates of deposit	11,633,213	6,782,626
Cash margin	4,336,832	2,462,667
Borrowed funds	13,885,032	12,651,650
Deposits insurance fees	4,709,174	6,841,686
Lease liability	1,472,285	1,463,175
Total	**184,035,744**	**97,979,534**

33. Net Commission Income

The details of this item are as follows:

	For the Year Ended December 31, 2023	For the Year Ended December 31, 2022
	JD	JD
Commission income:		
Direct credit facilities	10,854,769	11,174,029
Indirect credit facilities	16,091,191	13,501,528
Less: Commission expense	(124,414)	(230,990)
Net Commission Income	**26,821,546**	**24,444,567**

34. Net Gain from Foreign Currency Exchange

The details of this item are as follows:

	For the Year Ended December 31, 2023	For the Year Ended December 31, 2022
	JD	JD
From trading	3,012,082	3,222,194
From re-valuation	6,094,996	5,426,773
Total	**9,107,078**	**8,648,967**

35. Gain (Loss) from Financial Assets at Fair Value through Profit or Loss

The details of this item are as follows:

	Realized		Unrealized		Dividends	
	Gain	(Loss)	Gain	(Loss)	Received	Total
	JD	JD	JD	JD	JD	JD
For the Year 2023						
Corporate shares	61,178	-	-	(429,926)	188,488	**(180,260)**
Credit facilities	-	-	1,802,477	-	-	**1,802,477**
Total	**61,178**	**-**	**1,802,477**	**(429,926)**	**188,488**	**1,622,217**
For the Year 2022						
Corporate shares	-	(11,464)	269,004	-	171,569	**429,109**
Credit facilities	-	-	-	(2,403,761)	-	**(2,403,761)**
Total	**-**	**(11,464)**	**269,004**	**(2,403,761)**	**171,569**	**(1,974,652)**

36. Other Income

The details of this item are as follows:

	For the Year Ended December 31, 2023	For the Year Ended December 31, 2022
	JD	JD
Fees on salaries accounts	3,285,277	3,328,702
Credit cards income	6,190,735	5,830,719
Safety deposit box rental income	573,637	565,996
Commissions on returned checks	441,259	459,990
Customer account management fees	5,995,901	5,834,948
Net income from recovered loans	480,951	1,182,802
Brokerage services fees	481,284	521,500
Banking services fees	1,251,061	1,821,252
Income on transfers	3,221,792	3,606,230
Miscellaneous income	3,395,069	2,051,819
Unrealized (loss) gain / hedge derivatives	(1,802,477)	2,403,761
Total	**23,514,489**	**27,607,719**

37. Employees Expenses

The details of this item are as follows:

	For the Year Ended December 31,	
	2023	2022
	JD	JD
Salaries, benefits and allowances	76,118,744	68,163,314
Bank's contribution in social security	8,642,967	7,823,623
Bank's contribution in the saving fund	273,907	256,247
End-of-service indemnity	2,489,529	2,637,615
Medical expenses	4,726,791	4,486,425
Training expenses	863,425	627,031
Travel and transportation expenses	1,465,519	1,140,895
Others	1,280,263	1,206,390
Total	**95,861,145**	**86,341,540**

38. Other Expenses

The details of this item are as follows:

	For the Year Ended December 31,	
	2023	2022
	JD	JD
Information technology	15,842,777	13,512,297
Marketing and promotion	5,026,701	4,205,054
External and professional services	2,102,468	1,659,259
Workplace expenses	14,205,502	14,344,010
Financial institutions subscription fees	3,968,189	3,572,999
Stationery expenses	1,986,359	1,811,756
Fees on credit facilities processing	747,754	861,729
Other expenses	18,636,407	22,779,751
Total	**62,516,157**	**62,746,855**

39. Expected Credit Loss Expense – Net

The details of this item are as follows:

	For the Year Ended December 31,	
	2023	2022
	JD	JD
Balances at central banks	(5,614)	(3,674)
Balances banks and financial institutions	(72,563)	(25,025)
Deposits at banks and financial institutions	(63,466)	37,724
Financial assets at fair value through other comprehensive income	(13,367)	(13,023)
Financial assets at amortized cost	(147,206)	(895,508)
Direct credit facilities	35,204,662	7,368,410
Indirect credit facilities (commitments and contingent liabilities)	790,893	(168,462)
Other assets	(20,333)	55,000
Total	**35,673,006**	**6,355,442**

40. Earnings Per Share

The details of this item are as follows:

	For the Year Ended December 31,	
	2023	2022
	JD	JD
Profit for the year attributable to shareholders' (JD)	136,729,879	129,500,828
Weighted average number of shares (share)	315,000,000	315,000,000
Basic and diluted earnings per share attributable to shareholders of the Bank	**JD 0.434**	**JD 0.411**

41. Cash and Cash Equivalents

The details of this item are as follows:

	As of December 31,	
	2023	2022
	JD	JD
Cash and balances with central banks maturing within 3 months	553,726,515	694,009,973
Add: Balances with banks and financial institutions maturing within 3 months	323,276,157	358,979,026
Less: Banks and financial institutions deposits maturing within 3 months	(632,276,527)	(750,913,864)
	244,726,145	**302,075,135**

42. Financial Derivative Instruments

The details of this item are as follows:

	Positive Fair Value	Negative Fair Value	Nominal Value	Nominal Value per Maturity: Due in three Months	Due in 3 - 12 Months	More than 1 year
	JD	JD	JD	JD	JD	JD
For the Year 2023						
Traded Financial Derivatives:						
Forward foreign currency contracts	92,970	-	5,699,000	3,015,359	2,683,641	-
Interest rate option contracts	-	(173,391)	6,387,736	-	-	6,387,736
Hedge derivatives:						
Forward foreign currency contracts	516,394	(2,769,718)	312,382,799	282,041,331	30,341,468	-
Currency swap contracts	-	-	41,905,000	-	10,000,000	31,905,000
Interest rate swap contracts	777,068	-	31,905,000	-	31,905,000	-
Interest rate option contracts	173,391	-	6,387,736	-	-	6,387,736
For the Year 2022						
Traded Financial Derivatives:						
Forward foreign currency contracts	-	(136,421)	25,389,247	24,506,614	882,633	-
Interest rate option contracts	-	(297,305)	6,387,736	-	-	6,387,736
Hedge derivatives:						
Forward foreign currency contracts	500,038	(1,934,988)	256,141,404	240,568,562	15,572,842	-
Currency swap contracts	-	-	34,815,000	-	10,000,000	24,815,000
Interest rate swap contracts	2,579,545	-	63,810,000	-	31,905,000	31,905,000
Interest rate option contracts	297,305	-	6,387,736	-	-	6,387,736

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

43. Related Party Transactions

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

Company Name	Ownership	Investment Currency	Paid-up capital in the investing currency December 31, 2023	2022
			JD	JD
The Housing Bank for Trade and Finance / Algeria	%85	Algerian Dinar	20 Billion	20 Billion
International Bank for Trade and Finance / Syria	%49,063	Syrian Lira	10.5 Billion	8.4 Billion
International Financial Center	%77,5	Jordanian Dinar	5 Million	5 Million
Specialized Lease Finance Co.	%100	Jordanian Dinar	30 Million	30 Million
Jordan Real Estate Investment Co. (liquidated)	%100	Jordanian Dinar	-	40 thousand
Jordan International Bank / London	%75	Sterling Pound	65 Million	65 Million
International Financial Center / Syria	%46,704	Syrian Lira	100 Million	100 Million

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

The Bank entered into transactions with major shareholders, Board of Directors, and executive management in the course of its ordinary activities at commercial rates of interest and commissions. All facilities granted to related parties are performing, and no provisions have been taken.

b. Summary of related party transactions during the year:

	Related Party				Total as of December 31,	
	Major Shareholders	Subsidiaries	Board of Directors	Executive Management	2023	2022
	JD	JD	JD	JD	JD	JD
Financial Position Items:						
Total deposits with related parties	10,922,913	67,192,596	-	-	**78,115,509**	**113,000,105**
Total deposits form related parties	762,944,385	73,928,688	3,499,590	5,418,083	**845,790,746**	**713,064,255**
Loans and advances granted to related parties	37,833,057	290,440	1,050,098	1,970,428	**41,144,023**	**54,580,219**
Loans and facilities granted by related parties	-	2,151,329	-	-	**2,151,329**	**2,624,541**
Financial assets at fair value through other comprehensive income	6,829,762	-	-	-	**6,829,762**	
Items Off-statement of Financial Position						
Letters of guarantees and credits	14,021,963	3,005,106	-	-	**17,027,069**	**20,483,072**
Forward foreign currency contracts	51,323,442	-	-	-	**51,323,442**	**64,462,155**
Interest rate swap contracts	31,905,000	-	-	-	**31,905,000**	**63,810,000**

c. Summary of related party transactions during the year:

	Related Party				Total for the Year Ended December 31,	
	Major Shareholders	Subsidiaries	Board of Directors	Executive Management	2023	2022
	JD	JD	JD	JD	JD	JD
Statement of Profit or Loss Items						
Interest and commissions income	6,550,291	3,246,795	63,075	127,826	**9,987,987**	**2,266,196**
Interest and commissions expense	36,980,166	4,252,260	105,175	213,932	**41,551,533**	**16,714,147**
Consulting fees	42,518	-	-	-	**42,518**	**131,126**
Rent income	-	159,069	-	-	**159,069**	**147,069**

- Interest expense rates range from 0% to 16.5%.
- Interest income rates range from 0% to 11.25%.

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

	For the Year Ended December 31,	
	2023	2022
	JD	JD
Salaries, bonuses, and other benefits	3,777,420	3,398,595
Salaries, bonuses, and other benefits / subsidiaries	2,702,774	2,288,228

44. Information about the Bank Business Sectors

Information about the bank's activities:

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

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

Information of the Bank's business segment distributed according to operations is as follows:

	Retail Banking	Corporate	Corporate Finance	Treasury	Other	Elimination	Total For the Year Ended December 31, 2023	2022
	JD	JD	JD	JD	JD	JD	JD	JD
Gross Income	329,486,913	221,294,123	5,945,507	198,910,961	3,167,346	(136,748,800)	**622,056,050**	**475,942,045**
Expected credit loss for the year	(13,362,849)	(16,441,209)	(6,171,166)	302,218	-	-	**(35,673,006)**	**(6,355,442)**
Segment results	155,355,620	77,702,255	(4,450,530)	(1,598,571)	3,167,345	-	**230,176,119**	**215,841,607**
Unallocated expenses	-	-	-	-	-	-	**(12,771,195)**	**(18,277,299)**
Income before tax							**217,404,924**	**197,564,308**
Income Tax							**(76,630,335)**	**(65,181,760)**
Profit for the Year							**140,774,589**	**132,382,548**
Depreciation and amortization							**25,864,076**	**24,500,876**
Capital expenditures							**20,530,933**	**20,233,249**

	Retail Banking	Corporate	Corporate Finance	Treasury	Other	Elimination	December 31, 2023	2022
							JD	JD
Segment Assets	**4,520,091,066**	**2,706,199,247**	**74,863,133**	**3,818,082,978**	**1,407,443,617**	**-**	**12,526,680,041**	**12,263,076,661**
Elimination of assets between segments	(2,633,113,081)	-	-	(647,964,295)	(693,766,917)	-	**(3,974,844,293)**	**(3,933,024,098)**
Unallocated assets							**125,044,861**	**128,589,582**
Total Assets							**8,676,880,609**	**8,458,642,145**
Segment Liabilities	**4,371,417,911**	**2,771,316,305**	**78,589,151**	**3,772,394,578**	**323,770,875**		**11,317,488,820**	**11,125,834,020**
Elimination of liabilities between segments	-	(951,349,809)	(33,142,723)	(2,990,351,761)	-		**(3,974,844,293)**	**(3,933,024,098)**
Unallocated liabilities							**6,374,087**	**6,770,350**
Total Liabilities							**7,349,018,614**	**7,199,580,272**

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

	Inside Jordan		Outside Jordan		Total	
	2023	2022	2023	2022	2023	2022
	JD	JD	JD	JD	JD	JD
Gross income	501,183,084	397,380,049	120,872,966	78,561,996	**622,056,050**	**475,942,045**
Total assets	6,789,770,745	6,761,225,175	1,887,109,864	1,697,416,970	**8,676,880,609**	**8,458,642,145**
Capital expenditures	15,696,364	17,904,290	4,834,569	2,328,959	**20,530,933**	**20,233,249**

45. Capital Adequacy

The Bank aims to achieve the following goals through managing capital:

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

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

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

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

	December 31,	
	2023	2022
1. Common Equity Tier 1 Capital	**JD**	**JD**
Paid-in capital	**315,000,000**	**315,000,000**
Retained earnings after deducting the proposed dividends	**366,828,980**	**328,937,494**
Other comprehensive income items	**(134,745,543)**	**(145,398,683)**
Net fair value reserve	(3,920,263)	(10,908,261)
Foreign currency translation reserve	(130,825,280)	(134,490,422)
Share premium	**328,147,537**	**328,147,537**
Statutory reserve	**296,295,588**	**274,726,787**
Other reserve	**11,743,708**	**11,553,745**
Non-controlling Interest	**17,594,850**	**14,583,616**
Total capital of common stock	**1,200,865,120**	**1,127,550,496**
Regulatory amendments (Propositions of the capital)	(160,139,089)	(157,248,008)
Goodwill and other intangible assets	(22,214,936)	(21,574,280)
Deferred tax assets	(125,044,861)	(128,589,582)
Investments in capital of non-consolidated subsidiaries	-	(40,681)
Mutual fund investments in the capital of Banking, Financial and Insurance Entities (within CET1)	(12,879,292)	(7,043,465)
Total primary capital	**1,040,726,031**	**970,302,488**
2. Additional Paid – Up Capital		
Non-controlling Interest	3,104,974	2,573,579
Total additional capital	3,104,974	2,573,579
Net additional capital	**3,104,974**	**2,573,579**
Net additional capital Tier 1.	**1,043,831,005**	**972,876,067**
3. Tier 2		
General banking risk reserve		
Provision of credit loss for stage (1) not exceeding 1.25% of assets exposed to credit loss	64,261,410	49,234,104
Non-controlling Interest	4,139,964	3,431,439
Total supported capital	**68,401,374**	**52,665,543**
Regulatory amendments (Propositions of the capital)	**-**	**-**
Net additional capital Tier 2	**68,401,374**	**52,665,543**
Regulatory capital	**1,112,232,379**	**1,025,541,610**
Total weighted assets risk average.	**5,905,441,161**	**5,488,730,057**
Capital Adequacy ordinary shareholders (CETI)Ratio%	**17.62%**	**17.68%**
Capital Adequacy Tier 1 Ratio %	**17.68%**	**17.72%**
Capital Adequacy Ratio %	**18.83%**	**18.68%**

46. Fair Value of Financial Assets not Carried at Fair Value in the Financial Statements

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

	December 31, 2023		December 31, 2022	
	Book Value	Fair Value	Book Value	Fair Value
	JD	JD	JD	JD
Financial assets at amortized cost	2,418,523,210	2,421,892,318	2,230,984,446	2,234,487,706
Direct credit facilities – net	4,442,544,481	4,442,544,481	4,209,066,827	4,209,066,827

47. Risk Management

Banking risks are managed based on a comprehensive mitigation strategy where acceptable risks are defined along with ways to limit and confront such risks. Such a strategy allows the Bank to better manage its business while maintaining a certain level and type of risk the Bank is willing to bear and handle without affecting strategic goals and objectives. Meanwhile, the Bank minimizes the negative effects of internal and external incidents on the Bank's profitability, capitalization, market share and any other intangible factors such as reputation and goodwill.

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

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

The Group's Operations in Palestine

The war in the Gaza Strip during the last quarter of 2023 resulted in destruction of economic and service facilities. Furthermore, numerous economic and commercial sectors in the West Bank have been adversely impacted by recurrent restrictions and closures. These factors have significantly increased the potential risks associated with the Group's operations in Palestine. While there are no notable credit exposures in the Gaza Strip, the complete outcome of the conflict remains difficult to foresee. The management is diligently monitoring the situation and proactively addressing anticipated effects in compliance with best practices and regulatory standards.

Expected credit losses have been assessed based on a range of anticipated economic scenarios, taking into account impairment indicators for exposures in sectors potentially affected by the conflict. This evaluation includes the Bank management's estimates regarding the impact on specific sectors or customers. Management maintains confidence in the Group's ability to sustain operations in Palestine in the future.

Strategic objectives of risk management

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

Risks to the Bank

The Bank is exposed to the following major risks:

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

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

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

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

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

Credit risk
Credit risk is defined as the risk arising from the customer's inability or willingness to meet its obligations to the Bank within an agreed period of time or from a recession in a particular sector.

In this regard, customers’ credit concentration risks are defined as the risks to the Bank arising from the unequal distribution of credit customers or concentrations in facilities granted to economic sectors or in certain countries, which may lead to increased probability of losses.

Credit risk management
Credit risk is managed by:

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

Default and default tackling mechanism:

Default definition:

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

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

Default handling mechanism:

Under the instructions of the Central Bank of Jordan, and once debt is classified as non-performing, the Bank takes adequate provisions and carries out the necessary procedures for collecting its rights in accordance with the applicable laws and conceded all procedures to settle in accordance with the standards and principles stipulated by the Central Bank of Jordan and the regulatory authorities of the host countries.

The Bank's Internal Rating Systems:

Internal Rating System for Corporate Customers:

A system designed to assess and measure the risks of corporate customers in a comprehensive manner by extracting the customer's risk rating associated with the customer's probability of default (PD) based on the financial and objective data.

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

The Bank uses the Risk analysis system (Credit Lens/Moody's) System to measure the risk rating of customers within (7) grades for the performing accounts and three grades for the non-performing accounts. The probability of default (PD) increases as risk rating increases. Three segments are adopted at each grade - with the exception of grade (1).

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

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

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

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

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

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

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

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

Internal Rating System for Retail and Small Business Customers:

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

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

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

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

Funded Facilities :
To calculate of exposure at default by discounting the expected future cash flow for the facility using the contractual interest rate and then adding the discounted value by the expected percentage of facility utilization.

To reach the expected percentage of utilization from the granted limits (as over draft), a study was conducted on the percentage of utilization for the facilities defaulted during the last 5 years through analyzing the percentage of utilization for these facilities in the last year pre-default along with customer behavior. Based on this study the expected percentage of limit utilization was 42% for overdrafts and 34.4% for revolving loans.

The overdraft average maturity was considered 2.5 years, according to Basel regulations, A risk rating of (-5) has been applied to all unrated facilities.

Unfunded Facilities:
The exposure at default for Non-funded facilities is reached by multiplying the granted limit by the expected percentage of utilization and then compare it with the utilization balance and consider the higher value.

To reach the expected percentage of utilization, a study was conducted on the percentage of utilization and based on this study the expected percentage of utilization ranged from 42% to 46.1%

The expected future cash flows for non-funded facilities is discounted at the interest rate applied on such facilities when it gets liquidated. (10% for foreign currency facilities and 14% for Jordanian Dinar).

Loss Given Default (LGD):
The LGD is calculated and determined through the following:

- Analyzing the collections from the defaulted loans historically for the previous 10 years which includes (cash and executions on real-estate collaterals) to measure banks’ ability to collect from defaulted loans either with collateral or not in order to arrive to the actual percentage of LGD, hence the LGD that will be applied across all covered and uncovered portfolios in terms of collaterals.
- A calibration of LGD values according to the historical data with the PD to predict the expected LGD for the next five years according to the same economic macro factors applied in determining the PD in order to arrive to PIT LGD for loans in stage I and II
- Aging study for the defaulted loans to reach the percentage of LGD to be applied on the loans classified under stage III in terms of DPD to determine the LGD on the number of days of non payment.
- For collateralized facilities granted against Cash margin, Bank LGs and securities, the value of collateral is deducted from the exposure at default after applying haircut.

Probability of default (PD) :

Definition of default is summarized by the existence of payment dues on customer facilities for more than 90 days or a marked increase in customer's risk ratings in addition to any indications of the existence of a customer's probability of default (PD) including but not limited to :

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

The probability of default is determined through the following:

- Evaluating customer's behavior throughout the loan using Observed Default Rates which enables the Bank to evaluate the customer's behavior through using days past due and monitor the behavior for 1 year before and 1 year after each data point of the conducted study.

- Using the related Macroeconomic factors to predict the average Observed Default Rate for the coming years such as (GDP, Unemployment, Inflation, Price index), multiple scenarios are performed to test the economic appropriateness of all economic variables annually to reach the approved economic variable for the purposes of building tables of Probability of Default.

- Using Regression analysis to predict the average Observed Default Rates for the years from 2024 to 2029 through applying the liner equation (Y= a + bX) , as :

- Y : dependent variable
- a: intercept
- b: slope
- X : independent variable

- Analyzing the probability of default scenarios for the customers who postponed their instalments due to COVID-19 Pandemic.
- A calibration is applied between the predicted results and PDs according on the output of internal rating of customer's risk to convert PD over the life of the financial instrument to become as it is at present time.

Credit Portfolio (Retail Portfolio)

Exposure at Default (EAD):

This term represents the balance of each sub-portfolio as in the reporting period plus interest for stage (1) and (2) multiplied by the expected percentage of utilization (42%, 34.4% , 47.2% for overdrafts, revolving loans and credit cards respectively). As for facilities classified under Stage (3), the EAD represents the balance minus the interest in suspense and cash collateral (if any).

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

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

Determining the common elements in measuring the credit risk of the retail portfolio depending on their product type, as follows:

- High-risk Personal loans portfolio
- Low-risk Personal loans portfolio
- Car loans portfolio
- Real estate loans portfolio
- Credit cards portfolio
- Small enterprises portfolio for the exposures less the JD 250,000.

Funded Facilities:
The exposure at default is calculated by discounting the expected future cash flows depending on expected cash flow of the facilities for each portfolio.

Unutilized Ceilings:
The expected credit losses have been calculated on customers' balances in the calculation period, except for the loans treated as ceilings where the expected credit losses have been calculated on the ceilings after applying the expected percentage of utilization.

Loans Exceeding JD 250 thousand:
- Loans of more than JD 250 thousand have been excluded from the retail portfolio.
- The expected credit loss (ECL) is calculated in a manner similar to that applied to the corporate portfolio based on the Projected Cash Flows for each customer.
- A risk rate of (-5) has been applied for non-rated customers. Moreover, the expected credit loss has been calculated for 12 months, or for the lifetime of the loan, based on the customer's classification (Stage I / Stage II).

Loss Given Default (LGD):
The LGD is calculated and determined through the following:
- Analyzing the collections from the defaulted loans historically for the previous 10 years which includes (cash and executions on real-estate collaterals) to measure banks' ability to collect from defaulted loans either with collateral or not in order to arrive to the actual percentage of collections, hence the LGD that will be applied across all covered and uncovered portfolios in terms of collaterals.
- A calibration of LGD values according to the historical data with the PD to predict the expected LGD for the next five years according to the same economic macro factors applied in determining the PD in order to arrive to PIT LGD for loans in stage I and II
- Aging study for the defaulted loans stage III in terms of DPD to determine the LGD on the number of days of non payment.
- For collateralized facilities granted against Cash margin, Bank LGs and securities, the value of collateral is deducted from the exposure at default after applying haircut.

Probability of Default (PD):
- Historical data has been used to calculate the ODR at the level of each sub-portfolio.
- The Macro economic factors have been used to predict the ODR for the next five years.

Investment Portfolio
Probability of Default (PD):
The probability of default for 12 months (12-month PD) is extracted from Bloomberg system for the issuer and the country of risk, using the following functions:
- DRSK for public companies: The Accuracy Ratio is 92.43% for non-financial companies and 91.78% for financial companies.
- SRSK for countries: The Accuracy Ratio for countries is 89%.

The 12-month PDs extracted from DRSK and SRSK functions are based on structural models which consider several variables:
- The nature of the sector, the assets growth rates, and market fluctuations when calculating PD for corporates.
- The prevailing political situation, countries' financial and economic performance, GDP growth, and non-performing loans in the banking sector, foreign currency reserves, etc. according to the forecasts of the International Monetary Fund and World Bank when determining a sovereign PD. Therefore, the PD represents the current situation (Point-in-Time PD) and reflects only the corporates PD without considering the country of risk factor (Standalone PD).

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

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

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

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

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

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

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

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

<u>Calculating PD for Jordanian Companies in JD (if PD for the issuer is not available)</u>
Risk rating is calculated based on Moody's Credit rating and then mapped to the relevant assigned PD.

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

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

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

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

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

<u>Exposure at Default (EAD)</u>:
EAD = Accrued Interest to Date + Present Value (Face Value + Expected 1 Year Interest)

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

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

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

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

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

The expected credit loss (ECL) is calculated according to the following equation:
ECL = PD*LGD*Peak Exposure (EAD).
Key macroeconomic factors used by the Bank in calculating expected credit losses (ECL)

Corporate portfolio

Portfolio	Macroeconomic Factor
Large Corporates	Change in total government revenues (percentage of GDP) Lag 2 Volume of exports of goods and services (percentage change) Lag 5 Total investment - percentage growth rate (percentage of GDP) Lag 2
Medium Enterprises	Total government expenditures - (percentage of GDP) Lag 1 Annual change in inflation - rolling four-quarter average Lag 2

Retail portfolio

Pool name	macro factor used
Cars Loan	Quarterly percentage change in inflation - Lag 2 Total government expenditures - (percentage of total expenditures)
Mortgage	Gross Domestic Product at constant prices Total investment as a percentage of Gross Domestic Product
Personal high risk	Inflation rates Lag 4 Total government expenditures - (percentage of Gross Domestic Product) Lag1
Personal low risk	Inflation rate Total government expenditures - (percentage of Gross Domestic Product)
Small Business loans	Current account balance General revenues as a percentage of Gross Domestic Product Inflation rates
Credit cards	Annual percentage change in inflation - Lag 4 Total government expenditures - (percentage of Gross Domestic Product)

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

Classification	Standards
Stage I:	Accounts for which there has been no significant increase in credit risk or default indicators, as follows: – Performing accounts for which there are no dues or have dues for less than 30 days
Stage II:	Accounts whose credit risk has significantly increased and have signs of default, as follows: – Accounts with dues for 30 days or more and less than 90 days. – Accounts restructured twice during the year. – Accounts classified as watch list. – Any accounts that require classification at this stage according to the directives of Management and the regulatory bodies. – Accounts that have ratings (7+,7,7) according to the internal rating system
Stage III:	Accounts that have become in default, as follows: – All non-performing loans and facilities according to the definition of non-performing loans mentioned in the CBJ regulations No. 47/2009 dated 10/12/2009, which are 90 days or more past due. – Accounts whose risk rating is (8, 9, 10) according to the Bank's credit rating. – Accounts with a scheduling flag.

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

Investment portfolio

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

Governance of the application of IFRS requirements

Board of Directors

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

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

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

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

Approving the final results of ECL calculation.

Risk Management Committee / Board of Directors

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

Audit Committee:

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

Risk Department:

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

Incorporation of forward-looking information

The Management uses forward-looking information that is available without undue cost or effort in its assessment of significant increase of credit risk as well as in its measurement of ECL. The Bank uses external and internal information to generate a 'base case' scenario of future forecast of relevant economic variables along with a representative range of other possible forecast scenarios. The external information used includes economic data and forecasts published by governmental bodies and monetary authorities.

The Bank's Management applies probabilities to the forecast scenarios identified. The base case scenario is the single most-likely outcome and consists of information used by the Bank for strategic planning and budgeting. The Bank has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and, using a statistical analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses.

The Bank redeveloped macroeconomic models to address the deficiencies identified in the existing models. Using robust macroeconomic modelling methodology, Group identified and documented the key macroeconomic factors that drives the change in default rates of both portfolio direct and indirect credit facilities. Following macroeconomic data and forecasts published by governmental bodies and monetary authorities such as the Central Bank of Jordan a, IMF, and World Bank have been utilized by the Group to incorporate forward-looking information into the PD term structure of each of the scenario.

Predicted relationships between the key macroeconomic indicators and default rates of respective portfolios of financial assets have been developed based on analyzing historical data over the past 5 years. Models are reviewed and monitored for appropriateness at the end of each reporting period.

	2024	2025	2026	2027	2028
Total investment percentage of GDP					
Base scenario	16.42%	16.27%	16.04%	15.92%	15.95%
Adverse scenario	13.83%	13.68%	13.45%	13.33%	13.36%
Positive scenario	19.00%	18.86%	18.62%	18.50%	18.54%
Government expenditures					
Base scenario	3.51%	3.45%	3.42%	3.41%	3.40%
Adverse scenario	3.45%	3.39%	3.36%	3.35%	3.33%
Positive scenario	3.57%	3.51%	3.49%	3.47%	3.46%
Inflation					
Base scenario	2.51%	2.58%	2.47%	2.49%	2.49%
Adverse scenario	4.27%	4.33%	4.22%	4.24%	4.24%
Positive scenario	0.76%	0.83%	0.71%	0.73%	0.735%

1. Collateral held as security and other credit enhancements

The Bank holds collateral or other credit enhancements to mitigate credit risk associated with financial assets. The estimated value of collaterals held at end of the reporting period is JD 5,570,836,488 as of December 31, 2023 (JD 5,140,126,684 as of December 31, 2022). This value of the collateral is only considered to the extent that mitigates the credit risk. There was no change in the Bank's collateral policy during the year. The main types of collateral and the types of assets these are associated with are listed below:

For the Year 2023:		Collateral Fair Value									
	Total Exposure Value	**Cash Margin**	**Equity Shares**	**Accepted Bank Grantee**	**Real Estate**	**Vehicles**	**Jordanian government**	**Others**	**Total Collateral Value**	**Net Exposure**	**Expected Credit Loss**
	JD	**JD**	**JD**	**JD**	**JD**	**JD**	**JD**	**JD**	**JD**	**JD**	**JD**
Balances at central banks	458,188,122	-	-	-	-	-	-	-	-	458,188,122	**36,588**
Balances at banks and financial institutions	323,276,157	-	-	-	-	-	-	-	-	323,276,157	**232,546**
Deposits at banks and financial institutions	44,927,609	-	-	-	-	-	-	-	-	44,927,609	**175,796**
Credit facilities at amortized cost:											
Individual	1,057,779,315	57,673,669	5,911,707	2,568,139	97,943,957	51,022,267	-	22,121,254	237,240,993	820,538,322	**59,195,817**
Real estate mortgages	1,403,494,485	5,696,487	-	-	1,309,653,262	89,184	-	18,639,612	1,334,078,545	69,415,940	**129,439,928**
Large corporates	1,518,388,660	20,882,297	75,458,375	10,247,196	182,047,424	30,786,524	11,409,647	55,579,282	386,410,745	1,131,977,915	**207,107,215**
SME's	449,731,424	27,802,058	-	11,047,072	146,942,474	16,084,155	-	62,284,260	264,160,019	185,571,405	**46,714,501**
Government and Public Sector	620,198,707	-	-	-	19,118,472	-	476,643,949	-	495,762,421	124,436,286	**8,444,078**
Direct credit facilities at fair value through the profit or loss	31,496,582	-	-	-	-	-	31,496,582	-	31,496,582	-	**-**
Bonds and bills											
Within: Financial assets at fair value through other comprehensive income	352,380,226	-	-	-	-	-	217,488,511	-	217,488,511	134,891,715	**291,467**
Within: Financial assets at amortized cost	2,421,892,318	-	44,026,609	-	-	-	2,177,578,161	115,206,240	2,336,811,010	85,081,308	**3,369,108**
Total	**8,681,753,605**	**112,054,511**	**125,396,691**	**23,862,407**	**1,755,705,589**	**97,982,130**	**2,914,616,850**	**273,830,648**	**5,303,448,826**	**3,378,304,779**	**455,007,044**
Items Off-statement of Financial Position											
Letter of guarantees	**455,174,583**	**46,933,613**	**-**	**-**	**25,961,869**	**182,250**	**-**	**11,285,690**	**84,363,422**	**370,811,161**	**30,779,743**
Letter of credit	**652,451,631**	**81,397,771**	**-**	**-**	**1,329,268**	**-**	**98,912,094**	**528,058**	**182,167,191**	**470,284,440**	**3,947,855**
Other	**78,058,266**	**857,049**	**-**	**-**	**-**	**-**	**-**	**-**	**857,049**	**77,201,217**	**1,399,611**
Total	**9,867,438,085**	**241,242,944**	**125,396,691**	**23,862,407**	**1,782,996,726**	**98,164,380**	**3,013,528,944**	**285,644,396**	**5,570,836,488**	**4,296,601,597**	**491,134,253**

For the Year 2022:

	Total Exposure Value	Collateral Fair Value								Net Exposure	Expected Credit Loss
		Cash Margin	Equity Shares	Accepted Bank Grantee	Real Estate	Vehicles	Jordanian government	Others	Total Collateral Value		
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Balances at central banks	566,762,020	-	-	-	-	-	-	-	-	566,762,020	**42,202**
Balances at banks and financial institutions	358,979,026	-	-	-	-	-	-	-	-	358,979,026	**305,109**
Deposits at banks and financial institutions	56,868,042	-	-	-	-	-	-	-	-	56,868,042	**229,769**
Credit facilities at amortized cost:											
Individual	1,041,630,185	43,342,953	7,779,053	3,298,173	86,150,282	52,093,293	-	18,712,223	211,375,977	830,254,208	**43,114,322**
Real estate mortgages	1,339,598,002	9,195,064	-	-	1,245,702,821	42,906	-	9,541,088	1,264,481,879	75,116,123	**137,305,942**
Large corporates	1,470,808,855	22,917,596	113,692,326	10,789,474	173,911,144	32,228,864	22,819,105	72,486,802	448,845,311	1,021,963,544	**208,433,406**
SME's	377,239,276	24,095,537	-	7,259,771	112,085,083	12,855,104	-	58,098,882	214,394,377	162,844,899	**43,270,920**
Government and Public Sector	554,693,620	-	-	-	12,792,271	-	435,525,451	-	448,317,722	106,375,898	**79,802**
Direct credit facilities at fair value through the profit or loss	61,967,403	-	-	-	-	-	61,967,403	-	61,967,403	-	-
Bonds and bills											
Within: Financial assets at fair value through other comprehensive income	326,686,388	-	-	-	-	-	192,750,748	-	192,750,748	133,935,640	**291,189**
Within: Financial assets at amortized cost	2,234,487,706	-	6,026,500	-	-	-	2,028,140,441	-	2,034,166,941	200,320,765	**3,503,260**
Total	**8,389,720,523**	**99,551,150**	**127,497,879**	**21,347,418**	**1,630,641,601**	**97,220,167**	**2,741,203,148**	**158,838,995**	**4,876,300,358**	**3,513,420,165**	**436,575,921**
Items Off-statement of Financial Position											
Letter of guarantees	**436,654,137**	**47,180,232**	**-**	**-**	**27,399,836**	**34,741**	-	**11,708,263**	**86,323,072**	**350,331,065**	**31,032,621**
Letter of credit	**586,795,618**	**70,621,688**	**-**	**-**	**1,380,201**	-	**102,638,810**	**513,311**	**175,154,010**	**411,641,608**	**3,357,632**
Other	**71,594,152**	**2,349,244**	**-**	**-**	-	-	-	-	**2,349,244**	**69,244,908**	**987,035**
Total	**9,484,764,430**	**219,702,314**	**127,497,879**	**21,347,418**	**1,659,421,638**	**97,254,908**	**2,843,841,958**	**171,060,569**	**5,140,126,684**	**4,344,637,746**	**471,953,209**

2. Direct Credit facility Exposures Distributions (At amortized cost and at fair value):

		2023				
Internal Rating for the Bank	Category Classification According to (2009/47)	Total Exposure Value	Expected Credit Loss	Probability of Default	Exposure at Default	Average Loss on Default
		JD	JD	%	JD	%
1	Performing Loans	557,298,137	8,370,315	0.07%	600,360,101	42.6%
2	Performing Loans	163,771,181	50,399	0.09%	184,276,203	56.6%
+2	Performing Loans	1,147,899	3,954	0.07%	1,315,288	29.4%
-2	Performing Loans	84,871,541	172,394	0.76%	107,130,124	46.9%
3	Performing Loans	199,893,004	319,916	0.42%	230,296,452	51.1%
-3	Performing Loans	148,032,662	1,441,963	0.53%	155,161,543	53.5%
+3	Performing Loans	134,292,828	223,840	0.83%	142,115,566	42.8%
4	Performing Loans	93,340,765	415,150	1.31%	82,916,897	49.1%
-4	Performing Loans	163,336,616	1,577,441	2.30%	168,261,456	56.8%
+4	Performing Loans	108,870,361	329,998	1.14%	110,186,327	52.9%
5	Performing Loans	143,136,527	2,344,762	3.35%	153,800,351	59.5%
-5	Performing Loans	433,656,643	16,454,340	6.40%	330,853,215	57.1%
+5	Performing Loans	92,223,268	815,545	2.12%	91,848,019	49.2%
6	Performing Loans	156,949,681	56,854,407	42.03%	157,335,108	56.5%
-6	Performing Loans	119,595,529	36,913,584	32.77%	119,104,216	60.9%
+6	Performing Loans	59,804,864	1,659,467	5.72%	60,866,208	62.1%
7	Performing Loans	53,808,078	32,748,826	60.43%	53,544,532	61.2%
-7	Performing Loans	30,256,097	10,046,245	66.07%	29,306,501	57.2%
+7	Performing Loans	1,347,883	507,782	64.70%	1,312,406	51.7%
Unrated	Performing Loans	1,946,516,353	48,217,495	16.51%	1,980,921,843	37.1%
		4,692,149,917	**219,467,823**		**4,760,912,356**	
8	Substandard Debt	5,840,861	2,839,658	100%	5,714,191	58.7%
Unrated	Substandard Debt	28,039,108	7,845,481	100%	27,935,986	51.2%
9	Doubtful Debts	5,357,725	2,610,981	100%	5,308,398	54.9%
Unrated	Doubtful Debts	40,452,707	13,026,568	100%	40,424,582	51.8%
10	Bad Loans	205,048,744	122,169,457	100%	190,456,436	88.5%
Unrated	Bad Loans	104,200,111	82,941,571	100%	103,565,099	63.8%
		388,939,256	**231,433,716**		**373,404,692**	
Total		**5,081,089,173**	**450,901,539**		**5,134,317,048**	

The above exposures are not rated by external rating institutions.

2022						
Internal Rating for the Bank	**Category Classification According to (2009/47)**	**Total Exposure Value**	**Expected Credit Loss**	**Probability of Default**	**Exposure at Default**	**Average Loss on Default**
		JD	**JD**	**%**	**JD**	**%**
1	Performing Loans	538,290,292	45,130	0.06%	556,196,287	19.2%
2	Performing Loans	125,931,047	10,089	0.04%	129,098,146	55.6%
+2	Performing Loans	3,832,169	5,430	0.06%	5,230,866	48.6%
-2	Performing Loans	63,620,485	162,291	1.13%	75,611,597	42.3%
3	Performing Loans	229,505,397	224,625	0.24%	268,168,491	45.9%
-3	Performing Loans	80,092,463	140,400	1.02%	88,125,509	43.3%
+3	Performing Loans	130,442,075	72,542	0.25%	152,577,219	44.6%
4	Performing Loans	82,423,343	1,750,388	0.91%	95,379,034	51.4%
-4	Performing Loans	170,045,374	860,811	2.01%	179,382,741	43.4%
+4	Performing Loans	104,009,132	481,450	0.74%	110,114,358	52.5%
5	Performing Loans	181,144,227	2,546,027	3.99%	186,917,145	44.4%
-5	Performing Loans	371,239,021	9,821,829	5.06%	380,619,433	56.3%
+5	Performing Loans	140,140,164	18,487,377	5.54%	147,051,362	52.4%
6	Performing Loans	107,666,182	28,015,694	18.40%	111,437,531	55.0%
-6	Performing Loans	105,518,705	48,509,777	25.74%	105,743,426	51.3%
+6	Performing Loans	27,411,314	5,106,447	9.23%	29,062,860	51.4%
7	Performing Loans	34,890,680	21,822,814	55.97%	34,898,522	62.7%
-7	Performing Loans	67,947,352	26,597,627	47.56%	67,255,173	58.7%
+7	Performing Loans	1,107,492	477,668	63.00%	1,107,492	50.0%
8	Performing Loans	1,869,158	1,848,499	100.00%	1,848,499	60.5%
Unrated	Performing Loans	1,947,986,424	48,622,298	13.90%	1,976,390,543	40.4%
		4,515,112,496	**215,609,213**		**4,702,216,234**	
8	Substandard Debt	11,321,607	10,455,268	100%	10,893,802	63.1%
Unrated	Substandard Debt	8,078,442	2,933,625	100%	7,562,271	41.7%
9	Doubtful Debts	5,719,243	3,945,228	100%	5,158,872	58.5%
Unrated	Doubtful Debts	5,180,818	1,919,525	100%	4,540,090	54.0%
10	Bad Loans	194,993,291	117,833,234	100%	129,614,870	83.7%
Unrated	Bad Loans	105,531,444	79,508,299	100%	61,257,880	68.0%
		330,824,845	**216,595,179**		**219,027,785**	
Total		**4,845,937,341**	**432,204,392**		**4,921,244,019**	

3. Credit risk according to economic sectors:

a. Distributions according to financial instruments exposure:

	2023									
	Financial	**Industrial**	**Trading**	**Real Estate**	**Agriculture**	**Equities**	**Individuals**	**Government and Public**	**Other**	**Total**
	JD	**JD**	**JD**	**JD**	**JD**	**JD**	**JD**	**JD**	**JD**	**JD**
Balances at central banks	-	-	-	-	-	-	-	458,151,534	-	**458,151,534**
Balances at banks and financial institutions	323,043,611	-	-	-	-	-	-	-	-	**323,043,611**
Deposits at banks and financial institutions	44,751,813	-	-	-	-	-	-	-	-	**44,751,813**
Credit facilities at amortized cost	188,562,787	492,580,537	507,455,899	1,215,661,365	62,723,633	4,903,475	965,163,327	605,220,801	400,272,657	**4,442,544,481**
Credit facilities at fair value through profit or loss	-	31,496,582	-	-	-	-	-	-	-	**31,496,582**
Bonds and bills:										
Within: Financial assets at fair value through other comprehensive income	66,634,055	-	-	-	-	-	-	285,454,704	-	**352,088,759**
Within: Financial assets at amortized cost	106,135,246	-	-	-	-	-	-	2,303,777,407	8,610,557	**2,418,523,210**
Total for the Year	**729,127,512**	**524,077,119**	**507,455,899**	**1,215,661,365**	**62,723,633**	**4,903,475**	**965,163,327**	**3,652,604,446**	**408,883,214**	**8,070,599,990**
Letter of guarantees	-	-	424,394,841	-	-	-	-	-	-	**424,394,841**
Letter of credit	-	-	648,503,776	-	-	-	-	-	-	**648,503,776**
Other liabilities	-	-	76,658,654	-	-	-	-	-	-	**76,658,654**
Total	**729,127,512**	**524,077,119**	**1,657,013,170**	**1,215,661,365**	**62,723,633**	**4,903,475**	**965,163,327**	**3,652,604,446**	**408,883,214**	**9,220,157,261**

	2022									
	Financial	**Industrial**	**Trading**	**Real Estate**	**Agriculture**	**Equities**	**Individuals**	**Government and Public**	**Other**	**Total**
	JD	**JD**	**JD**	**JD**	**JD**	**JD**	**JD**	**JD**	**JD**	**JD**
Balances at central banks	-	-	-	-	-	-	-	566,719,818	-	**566,719,818**
Balances at banks and financial institutions	358,673,917	-	-	-	-	-	-	-	-	**358,673,917**
Deposits at banks and financial institutions	56,638,273	-	-	-	-	-	-	-	-	**56,638,273**
Credit facilities at amortized cost	208,613,406	350,488,660	454,123,695	1,219,952,485	50,114,788	3,559,718	968,655,200	554,613,819	398,945,056	**4,209,066,827**
Credit facilities at fair value through profit or loss	-	61,967,403	-	-	-	-	-	-	-	**61,967,403**
Bonds and bills:										
Within: Financial assets at fair value through other comprehensive income	60,501,827	-	-	-	-	-	-	265,893,371	-	**326,395,198**
Within: Financial assets at amortized cost	155,337,916	-	-	-	-	-	-	2,065,133,393	10,513,137	**2,230,984,446**
Total for the Year	**839,765,339**	**412,456,063**	**454,123,695**	**1,219,952,485**	**50,114,788**	**3,559,718**	**968,655,200**	**3,452,360,401**	**409,458,193**	**7,810,445,882**
Letter of guarantees	-	-	405,621,516	-	-	-	-	-	-	**405,621,516**
Letter of credit	-	-	583,437,986	-	-	-	-	-	-	**583,437,986**
Other liabilities	-	-	70,607,117	-	-	-	-	-	-	**70,607,117**
Total	**839,765,339**	**412,456,063**	**1,513,790,314**	**1,219,952,485**	**50,114,788**	**3,559,718**	**968,655,200**	**3,452,360,401**	**409,458,193**	**8,870,112,501**

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

	2023					
	Stage (1)		Stage (2)			
Item	Individual	Collective	Individual	Collective	Stage (3)	Total
	JD	JD	JD	JD	JD	JD
Financial	714,729,070	2,327,370	9,924,704	1,988,144	158,224	**729,127,512**
Industrial	478,909,806	11,315,324	29,166,810	2,345,761	2,339,418	**524,077,119**
Trading	1,474,374,515	88,616,462	65,249,661	23,418,672	5,353,860	**1,657,013,170**
Real-estate	199,719,969	898,730,267	48,856,180	49,537,160	18,817,789	**1,215,661,365**
Agriculture	58,345,603	657,697	2,926,610	145,239	648,484	**62,723,633**
Equity	-	4,849,221	45,053	-	9,201	**4,903,475**
Individual	95,806,238	843,491,525	2,524,799	21,781,987	1,558,778	**965,163,327**
Government and public sector	3,643,501,727	-	9,102,719	-	-	**3,652,604,446**
Other	344,839,260	10,360,141	47,802,242	4,970,577	910,994	**408,883,214**
Total	**7,010,226,188**	**1,860,348,007**	**215,598,778**	**104,187,540**	**29,796,748**	**9,220,157,261**

	2022					
	Stage (1)		Stage (2)			
Item	Individual	Collective	Individual	Collective	Stage (3)	Total
	JD	JD	JD	JD	JD	JD
Financial	824,637,505	2,805,649	9,819,630	2,404,203	98,352	**839,765,339**
Industrial	371,715,293	11,393,819	24,592,314	3,840,305	914,332	**412,456,063**
Trading	1,331,013,813	103,675,551	53,239,384	23,752,945	2,108,621	**1,513,790,314**
Real-estate	239,571,088	860,729,015	58,967,336	57,905,027	2,780,019	**1,219,952,485**
Agriculture	44,664,595	427,755	4,820,018	89,505	112,915	**50,114,788**
Equity	106	3,413,191	139,413	-	7,008	**3,559,718**
Individual	80,987,589	862,463,081	2,055,328	21,921,667	1,227,535	**968,655,200**
Government and public sector	3,449,550,855	-	2,809,546	-	-	**3,452,360,401**
Other	368,599,658	13,483,976	22,413,716	4,457,839	503,004	**409,458,193**
Total	**6,710,740,502**	**1,858,392,037**	**178,856,685**	**114,371,491**	**7,751,786**	**8,870,112,501**

4. **Exposure distribution according to geographical distribution**

a. Total exposure distribution according to geographic region:

	2023							
	Inside Jordan	**Other Middle Eastern Countries**	**Europe**	**Asia**	**Africa**	**America**	**Other Countries**	**Total**
	JD	**JD**	**JD**	**JD**	**JD**	**JD**	**JD**	**JD**
Balances at central banks	242,837,295	151,998,760	-	-	63,315,479	-	-	**458,151,534**
Balances at banks and financial institutions	20,001,238	34,366,372	134,913,701	602,189	4,881,293	128,278,818	-	**323,043,611**
Deposits at banks and financial institutions	30,000,000	-	10,506,163	4,245,650	-	-	-	**44,751,813**
Credit facilities at amortized cost	3,467,565,643	390,595,812	302,369,160	-	244,749,691	-	37,264,175	**4,442,544,481**
Credit facilities at fair value through profit or loss	31,496,582	-	-	-	-	-	-	**31,496,582**
Bonds and bills:								
Within: Financial assets at fair value through other comprehensive income	217,488,511	25,998,527	53,798,275	8,570,307	8,552,012	37,681,127	-	**352,088,759**
Within: Financial assets at amortized cost	2,239,445,751	55,206,975	4,742,602	-	115,206,240	1,801,845	2,119,797	**2,418,523,210**
Total for the year	**6,248,835,020**	**658,166,446**	**506,329,901**	**13,418,146**	**436,704,715**	**167,761,790**	**39,383,972**	**8,070,599,990**
Letter of guarantees	261,469,677	60,718,800	10,059,653	-	92,146,711	-	-	**424,394,841**
Letter of credit	484,826,523	34,477,149	5,389,107	2,767,529	121,043,468	-	-	**648,503,776**
Other liabilities	50,756,928	-	25,901,726	-	-	-	-	**76,658,654**
Total	**7,045,888,148**	**753,362,395**	**547,680,387**	**16,185,675**	**649,894,894**	**167,761,790**	**39,383,972**	**9,220,157,261**

	2022							
	Inside Jordan	**Other Middle Eastern Countries**	**Europe**	**Asia**	**Africa**	**America**	**Other Countries**	**Total**
	JD	**JD**	**JD**	**JD**	**JD**	**JD**	**JD**	**JD**
Balances at central banks	204,343,443	149,372,477	-	-	213,003,898	-	-	**566,719,818**
Balances at banks and financial institutions	45,256,053	67,955,494	106,761,125	679,418	4,887,493	133,134,334	-	**358,673,917**
Deposits at banks and financial institutions	34,999,104	11,070,651	10,568,518	-	-	-	-	**56,638,273**
Credit facilities at amortized cost	3,437,833,410	372,867,933	256,231,219	-	142,134,265	-	-	**4,209,066,827**
Credit facilities at fair value through profit or loss	61,967,403	-	-	-	-	-	-	**61,967,403**
Bonds and bills:								
Within: Financial assets at fair value through other comprehensive income	192,750,743	28,216,230	54,148,164	9,863,514	8,204,126	33,212,421	-	**326,395,198**
Within: Financial assets at amortized cost	2,135,878,756	56,520,079	3,510,601	-	25,808,686	5,367,274	3,899,050	**2,230,984,446**
Total for the year	**6,113,028,912**	**686,002,864**	**431,219,627**	**10,542,932**	**394,038,468**	**171,714,029**	**3,899,050**	**7,810,445,882**
Letter of guarantees	241,959,536	72,622,099	9,656,637	-	81,383,244	-	-	**405,621,516**
Letter of credit	492,670,460	31,312,389	5,958,065	3,225,207	50,271,865	-	-	**583,437,986**
Other liabilities	35,379,541	-	35,227,576	-	-	-	-	**70,607,117**
Total	**6,883,038,449**	**789,937,352**	**482,061,905**	**13,768,139**	**525,693,577**	**171,714,029**	**3,899,050**	**8,870,112,501**

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

	2023					
	Stage (1)		Stage (2)			
	Individual	Collective	Individual	Collective	Stage (3)	Total
	JD	JD	JD	JD	JD	JD
Inside Jordan	5,195,818,832	1,598,058,700	141,968,551	61,428,657	48,613,408	**7,045,888,148**
Other Middle Eastern countries	706,187,062	21,019,408	34,096,279	25,642,576	(33,582,930)	**753,362,395**
Europe	298,524,076	216,728,151	5,162,900	15,468,766	11,796,494	**547,680,387**
Asia	12,386,190	3,348,095	27,488	215,848	208,054	**16,185,675**
Africa	617,870,641	18	30,599,946	-	1,424,289	**649,894,894**
America	144,519,591	19,951,340	696,598	1,351,602	1,242,659	**167,761,790**
Other countries	34,919,796	1,242,295	3,047,016	80,091	94,774	**39,383,972**
Total	**7,010,226,188**	**1,860,348,007**	**215,598,778**	**104,187,540**	**29,796,748**	**9,220,157,261**

	2022					
	Stage (1)		Stage (2)			
	Individual	Collective	Individual	Collective	Stage (3)	Total
	JD	JD	JD	JD	JD	JD
Inside Jordan	5,025,471,054	1,626,759,239	119,620,093	71,938,565	39,249,498	**6,883,038,449**
Other Middle Eastern countries	723,078,642	47,031,954	28,390,571	24,656,908	(33,220,723)	**789,937,352**
Europe	294,703,694	165,027,925	6,210,873	15,875,774	243,639	**482,061,905**
Asia	12,485,910	1,126,908	52,658	102,457	206	**13,768,139**
Africa	499,867,202	59	24,353,602	9	1,472,705	**525,693,577**
America	153,428,511	16,451,297	211,334	1,616,426	6,461	**171,714,029**
Other countries	1,705,489	1,994,655	17,554	181,352	-	**3,899,050**
Total	**6,710,740,502**	**1,858,392,037**	**178,856,685**	**114,371,491**	**7,751,786**	**8,870,112,501**

5. Credit exposures that have been reclassified:

a. Total credit exposures that have been reclassified:

	2023					
	Stage (2)		Stage (3)			
	Total Exposures Amount	Exposures that have been Reclassified	Total Exposures Amount	Exposures that have been Reclassified	Total Exposures that have been Reclassified	Percentage of Exposures that have been Reclassified
	JD	JD	JD	JD	JD	%
Credit facilities	463,373,329	114,934,415	393,860,858	80,831,546	195,765,961	%3.9
Bonds and bills:						
Within: Financial assets at amortized cost	-	-	3,000,001	-	-	%0.0
Within: Financial assets at fair value through other comprehensive income	9,204,054	5,889,206	-	-	5,889,206	%8.8
Total	**472,577,383**	**120,823,621**	**396,860,859**	**80,831,546**	**201,655,167**	**%3.4**
Letter of guarantees	34,612,864	8,878,502	17,727,267	383,500	9,262,002	%2.0
Letter of credit	1,742,524	-	-	-	-	-
Other liabilities	1,879,036	76,284	-	-	76,284	%0.1
Total	**38,234,424**	**8,954,786**	**17,727,267**	**383,500**	**9,338,286**	**%0.8**
Total	**510,811,807**	**129,778,407**	**414,588,126**	**81,215,046**	**210,993,453**	**%2.9**

	2022					
	Stage (2)		Stage (3)			
	Total Exposures Amount	Exposures that have been Reclassified	Total Exposures Amount	Exposures that have been Reclassified	Total Exposures that have been Reclassified	Percentage of Exposures that have been Reclassified
	JD	JD	JD	JD	JD	%
Credit facilities	446,047,549	75,334,223	358,578,155	49,834,314	125,168,537	%2.6
Bonds and bills:						
Within: Financial assets at amortized cost	2,904,743	-	-	-	-	%0.0
Within: Financial assets at fair value through other comprehensive income	-	-	3,000,001	-	-	%0.0
Total	**448,952,292**	**75,334,223**	**361,578,156**	**49,834,314**	**125,168,537**	**%1.5**
Letter of guarantees	28,904,219	3,093,436	20,792,613	2,237,727	5,331,163	%1.2
Letter of credit	3,104,996	294,944	-	-	294,944	%0.1
Other liabilities	2,994,100	66,232	-	-	66,232	%0.1
Total	**35,003,315**	**3,454,612**	**20,792,613**	**2,237,727**	**5,692,339**	**%0.5**
Total	**483,955,607**	**78,788,835**	**382,370,769**	**52,072,041**	**130,860,876**	**%1.4**

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

2023

Description	Exposures that have been Reclassified			Expected Credit Loss due to Reclassified Exposures				
				Stage (2)		Stage (3)		
	Exposures Reclassified from Stage (2)	Exposures Reclassified from Stage (3)	Total	Individual	Collective	Individual	Collective	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Credit facilities	114,934,415	80,831,546	195,765,961	2,056,551	1,610,417	7,199,448	-	**10,866,416**
Within: Financial assets at fair value through other comprehensive income	5,889,206	-	5,889,206	-	-	-	-	**-**
Total	**120,823,621**	**80,831,546**	**201,655,167**	**2,056,551**	**1,610,417**	**7,199,448**	**-**	**10,866,416**
Letter of guarantees	8,878,502	383,500	9,262,002	899,578	7,249	56,141	-	**962,968**
Letter of credit	-	-	-	-	-	-	-	**-**
Other liabilities	76,284	-	76,284	20,245	418	-	-	**20,663**
Total	**8,954,786**	**383,500**	**9,338,286**	**919,823**	**7,667**	**56,141**	**-**	**983,631**
Total	**129,778,407**	**81,215,046**	**210,993,453**	**2,976,374**	**1,618,084**	**7,255,589**	**-**	**11,850,047**

2022

Description	Exposures that have been Reclassified			Expected Credit Loss due to Reclassified Exposures				
				Stage (2)		Stage (3)		
	Exposures Reclassified from Stage (2)	Exposures Reclassified from Stage (3)	Total	Individual	Collective	Individual	Collective	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Credit facilities	75,334,223	49,834,314	125,168,537	4,295,098	1,932,781	14,665,270	-	**20,893,149**
Total	**75,334,223**	**49,834,314**	**125,168,537**	**4,295,098**	**1,932,781**	**14,665,270**	**-**	**20,893,149**
Letter of guarantees	3,093,436	2,237,727	5,331,163	223,829	4,056	374,344	-	**602,229**
Letter of credit	294,944	-	294,944	606	-	-	-	**606**
Other liabilities	66,232	-	66,232	7,559	17	-	-	**7,576**
Total	**3,454,612**	**2,237,727**	**5,692,339**	**231,994**	**4,073**	**374,344**	**-**	**610,411**
Total	**78,788,835**	**52,072,041**	**130,860,876**	**4,527,092**	**1,936,854**	**15,039,614**	**-**	**21,503,560**

6. **Credit Risk Exposures (after provision for impairment, outstanding interest and before collateral and other risk mitigations):**

	December 31, 2023	December 31, 2022
	JD	**JD**
Financial Position Items		
Balances at central banks	458,151,534	566,719,818
Balances at banks and financial institutions	323,043,611	358,673,917
Deposits at banks and financial institutions	44,751,813	56,638,273
Credit facilities at amortized cost		
Individual	964,013,745	966,685,193
Real estate mortgages	1,234,150,824	1,164,370,092
Corporates		
Large corporates	1,262,612,096	1,214,532,578
SME's	376,547,020	308,865,146
Government and Public Sector	605,220,796	554,613,818
Direct credit facilities at fair value through profit or loss:		
Large corporates	31,496,582	61,967,403
Bonds and bills		
Within: Financial assets at amortized cost	2,418,523,210	2,230,984,446
Within: Financial assets at fair value through other comprehensive income	352,088,759	326,395,198
Total	**8,070,599,990**	**7,810,445,882**
Items Off-statement of Financial Position		
Letter of guarantees	424,394,841	405,621,516
Letter of credit	648,503,776	583,437,986
Un-utilized facilities ceilings	76,658,654	70,607,117
Total	**1,149,557,271**	**1,059,666,619**
Total	**9,220,157,261**	**8,870,112,501**

The above table represents the maximum credit exposure of the Bank as of December 31, 2023 and 2022 without considering collateral or other credit risk mitigations.

The relative distribution of exposures is as follows:

- 9.0% of total exposures are due to balances with central banks and banks and financial institutions (2022: 11.1%).
- 48.5% of the total exposure is due to loans and advances (2022: 48.2%).
- 30.1% of the total exposure resulted from investments in bonds, debentures, and funds (2022: 28.8%).
- 12.5% of total exposure resulted from off-balance sheet items and other items (2022: 11.9%).

7. Modified financial assets

Scheduled Debts:

These represent loans previously classified as non-performing and classified to under watch list or transferred to performing according to proper rescheduling during the year 2023. These loans amounted to JD 8.8 million for the year 2023 (JD 28.1 million for the year 2022).

The scheduled debt balance represents the rescheduled loans whether it’s still under watch list or transferred to performing. And it’s also includes loans that subsequently classified as non-performing these loans amounted to JD 2.85 million during the year 2023.

Restructured Debts:

Restructuring means re-arranging the status of operating credit facilities in terms of adjusting the premiums, prolonging the life of the credit facilities, postponing some of the installments or extending the grace period based on customer cash flows and helping them meet their obligations towards the Bank. The value of these loans amounted to about JD 246.1 million in 2023 against JD 453.1 million for the year 2022.

8. Debt Securities and Treasury Bills:

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

2023

Classification grade	Within specific financial assets at fair value through profit or loss statement	Among other financial assets through the statement of comprehensive income	Among other financial assets at amortized cost	Total
	JD	JD	JD	JD
AA-	-	8,544,638	-	**8,544,638**
A+	-	18,990,843	1,753,737	**20,744,580**
A	-	6,271,820	-	**6,271,820**
A-	-	23,960,632	-	**23,960,632**
BBB+	-	8,866,122	3,539,459	**12,405,581**
BBB	-	-	1,768,371	**1,768,371**
BB+	-	-	1,790,037	**1,790,037**
Unclassified	-	-	105,894,199	**105,894,199**
Governmental or guaranteed by the government	-	285,454,704	2,303,777,407	**2,589,232,111**
Total	**-**	**352,088,759**	**2,418,523,210**	**2,770,611,969**

2022

Classification grade	Within specific financial assets at fair value through profit or loss statement	Among other financial assets through the statement of comprehensive income	Among other financial assets at amortized cost	Total
	JD	JD	JD	JD
AA-	-	8,385,892	-	**8,385,892**
A+	-	17,183,652	1,748,571	**18,932,223**
A	-	5,682,349	3,541,780	**9,224,129**
A-	-	22,317,640	3,897,821	**26,215,461**
BBB+	-	6,932,294	3,546,462	**10,478,756**
BBB	-	-	1,753,673	**1,753,673**
BB+	-	-	1,810,162	**1,810,162**
Unclassified	-	-	149,765,642	**149,765,642**
Governmental or guaranteed by the government	-	265,893,371	2,064,920,335	**2,330,813,706**
Total	**-**	**326,395,198**	**2,230,984,446**	**2,557,379,644**

- Other financial assets through comprehensive income includes bonds amounted to JD 9,204,054 classified under stage (2).
- Other financial assets at amortized cost includes bonds amounted to JD 3,000,000 listed under "unclassified" and it is classified under stage (3). Noting that this bond is fully provisioned.

Market Risk
Market risk is defined as the risk of Losses from financial positions or from off-statement of Financial Position arising from changes in market prices, which are divided into four major categories: interest rate risks, foreign currency risks, equity instruments risks, and commodities risks.

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

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

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

1. **Interest rate risk:**
   This risk arises from changes in market interest rates. In this regard, the Bank manages interest rate risk by applying sensitivity analysis for the interest rate sensitive instruments designated at fair value through the profit or loss statement. The bank does not have a debt instruments classified at fair value through profit or loss as of December 31 2023 and 2022.

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

Currency	Effect of Increasing Exchange Rate Currency by 1% on the Statement of Profit or Loss	Effect of Decreasing Exchange Rate Currency by 1% on the Statement of Profit or Loss	Effect of Increasing Exchange Rate Currency by 1% on Equity	Effect of Decreasing Exchange Rate Currency by 1% on Equity
Sensitivity Analysis for 2023	**JD**	**JD**	**JD**	**JD**
Euro	85,722	(85,722)	55,548	(55,548)
Great Britain pound	543,295	(543,295)	352,055	(352,055)
Australian dollar	59	(59)	38	(38)
Swiss franc	302	(302)	196	(196)
Canadian dollar	192	(192)	125	(125)
Japanese yen	(1,168)	1,168	(757)	757
Syrian pound	22,047	(22,047)	14,286	(14,286)
Algerian dinar	1,395,966	(1,395,966)	904,586	(904,586)
Sensitivity Analysis for 2022				
Euro	71,838	(71,838)	48,131	(48,131)
Great Britain pound	(363,779)	363,779	(542,954)	542,954
Australian dollar	(43)	43	(29)	29
Swiss franc	227	(227)	152	(152)
Canadian dollar	243	(243)	163	(163)
Japanese yen	(1,168)	1,168	(782)	782
Syrian pound	21,500	(21,500)	14,405	(14,405)
Algerian dinar	1,399,194	(1,399,194)	937,460	(937,460)

3. **Equity Price Risk:**
   This risk arises from changes in the prices of equity instruments within the Bank's financial assets at fair value through profit or loss and/or financial assets at fair value through other comprehensive income. The Bank manages the share price risk by applying the VAR methodology calculated based on the historical prices of equity instruments for a confidence level of 99% for one day for each company separately. The VAR was then calculated for the Bank's portfolio.

	VAR	
	2023	**2022**
	JD	**JD**
Financial assets at fair value through profit or loss	(177,800)	(227,004)
Financial assets at fair value through other comprehensive income	(2,421,949)	(2,132,092)

Interest Rate Re-Pricing Gap:
Classification is done according to interest re-pricing or maturity, whichever is closer:

	2023							
	Interest Rate Re-Pricing Gap:							
	Up to 1 Month	1 to 3 Months	3 to 6 Months	6 Months to 1 Year	1 to 3 Years	Over 3 Years	Non-interest-Bearing Items	Total
For the Year 2023	**JD**	**JD**	**JD**	**JD**	**JD**	**JD**	**JD**	**JD**
Assets								
Cash and balances at central banks	128,452,395	-	-	-	-	-	425,237,532	**553,689,927**
Balances at banks and financial institutions	262,375,666	33,284,729	-	-	-	-	27,383,216	**323,043,611**
Deposits at banks and financial institutions	-	-	41,408,571	3,343,242	-	-	-	**44,751,813**
Financial assets through profit and loss	-	-	-	-	-	-	4,425,551	**4,425,551**
Financial assets at fair value through other comprehensive income	17,999,810	71,216,502	32,627,283	6,518,099	223,727,065	-	51,373,869	**403,462,628**
Direct credit facilities at amortized Cost – net	838,012,802	1,552,170,992	493,505,112	795,306,333	472,368,357	424,942,050	(133,761,165)	**4,442,544,481**
Direct credit facilities at fair value through the profit or loss	-	-	15,544,082	15,952,500	-	-	-	**31,496,582**
Financial assets at amortized cost	123,546,712	102,061,369	136,616,132	113,245,871	1,911,765,212	31,287,914	-	**2,418,523,210**
Property and equipment	-	-	-	-	-	-	159,245,811	**159,245,811**
Intangible assets	-	-	-	-	-	-	22,214,936	**22,214,936**
Right of use assets	-	-	-	-	-	-	21,364,626	**21,364,626**
Deferred tax assets	-	-	-	-	-	-	125,044,861	**125,044,861**
Other assets	1,706,830	-	-	604,091	586,881	-	124,174,770	**127,072,572**
Total Assets	**1,372,094,215**	**1,758,733,592**	**719,701,180**	**934,970,136**	**2,608,447,515**	**456,229,964**	**826,704,007**	**8,676,880,609**
Liabilities								
Banks and financial institutions Deposits	296,606,235	286,759,924	77,287,576	7,090,000	-	-	48,910,368	**716,654,103**
Customers' deposits	1,064,949,354	909,563,302	552,008,511	375,742,428	126,290,494	49,445,049	2,571,899,404	**5,649,898,542**
Margin accounts	69,933,531	31,984,033	34,569,276	41,617,382	29,506,584	2,926,221	85,600,206	**296,137,233**
Loans and borrowings	13,924,824	23,783,019	95,369,375	32,227,594	99,818,862	31,965,591	-	**297,089,265**
Sundry provisions	-	-	-	-	-	-	31,232,872	**31,232,872**
Income tax provision	-	-	-	-	--	-	61,676,475	**61,676,475**
Deferred tax liabilities	-	-	-	-	-	-	6,374,087	**6,374,087**
Lease Liability	-	-	-	1,881,702	3,175,806	16,006,715	-	**21,064,223**
Other liabilities	731,701	199,641	646,558	455,991	1,479,849	782,254	264,595,820	**268,891,814**
Total Liabilities	**1,446,145,645**	**1,252,289,919**	**759,881,296**	**459,015,097**	**260,271,595**	**101,125,830**	**3,070,289,232**	**7,349,018,614**
Interest rate re-pricing gap	**(74,051,430)**	**506,443,673**	**(40,180,116)**	**475,955,039**	**2,348,175,920**	**355,104,134**	**(2,243,585,225)**	**1,327,861,995**

2022

Interest Rate Re-Pricing Gap:

For the Year 2022	Up to 1 Month	1 to 3 Months	3 to 6 Months	6 Months to 1 Year	1 to 3 Years	Over 3 Years	Non-interest-Bearing Items	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Assets								
Cash and balances at central banks	82,929,343	-	-	-	-	-	611,038,428	**693,967,771**
Balances at banks and financial institutions	257,522,224	72,100,883	-	-	-	-	29,050,810	**358,673,917**
Deposits at banks and financial institutions	45,959	-	34,594,731	21,997,583	-	-	-	**56,638,273**
Financial assets through profit and loss	450,584	-	-	-	-	-	4,569,196	**5,019,780**
Financial assets at fair value through other comprehensive income	10,264,470	13,760,421	35,090,368	14,872,684	244,191,612	8,290,838	42,624,611	**369,095,004**
Direct credit facilities at amortized Cost – net	874,346,226	1,587,488,398	370,223,341	568,215,051	436,542,708	530,469,343	(158,218,240)	**4,209,066,827**
Direct credit facilities at fair value through the profit or loss	-	-	14,109,903	15,952,500	31,905,000	-	-	**61,967,403**
Financial assets at amortized cost	17,161,851	93,883,641	79,359,749	296,161,772	1,706,388,609	38,028,824	-	**2,230,984,446**
Property and equipment	-	-	-	-	-	-	162,799,067	**162,799,067**
Intangible assets	-	-	-	-	-	-	21,574,280	**21,574,280**
Right of use assets	-	-	-	-	-	-	21,723,075	**21,723,075**
Deferred tax assets	-	-	-	-	-	-	128,589,582	**128,589,582**
Other assets	298,008	-	-	-	-	-	138,244,712	**138,542,720**
Total Assets	**1,243,018,665**	**1,767,233,343**	**533,378,092**	**917,199,590**	**2,419,027,929**	**576,789,005**	**1,001,995,521**	**8,458,642,145**
Liabilities								
Banks and financial institutions Deposits	555,942,243	123,141,878	119,106,673	-	-	-	71,829,743	**870,020,537**
Customers' deposits	915,088,414	726,728,521	474,585,568	273,142,910	107,186,429	44,051,768	2,777,242,223	**5,318,025,833**
Margin accounts	77,437,336	24,252,170	34,663,379	37,184,630	12,309,857	19,717,142	68,446,964	**274,011,478**
Loans and borrowings	20,452,222	28,951,200	52,157,825	69,589,741	172,251,981	55,376,512	-	**398,779,481**
Sundry provisions	-	-	-	-	-	-	30,380,825	**30,380,825**
Income tax provision	-	-	-	-	-	-	53,415,161	**53,415,161**
Deferred tax liabilities	-	-	-	-	-	-	6,770,350	**6,770,350**
Lease Liability	-	-	-	2,316,018	4,863,801	13,930,448	-	**21,110,267**
Other liabilities	292,119	163,484	726,573	459,502	1,427,797	1,373,623	222,623,242	**227,066,340**
Total Liabilities	**1,569,212,334**	**903,237,253**	**681,240,018**	**382,692,801**	**298,039,865**	**134,449,493**	**3,230,708,508**	**7,199,580,272**
Interest rate re-pricing gap	**(326,193,669)**	**863,996,090**	**(147,861,926)**	**534,506,789**	**2,120,988,064**	**442,339,512**	**(2,228,712,987)**	**1,259,061,873**

Concentration of Foreign Currency Risk:

Items / Currency	US Dollar	Euro	Sterling Pound	Japanese Yen	Syrian Lira	Algerian Dinar	Other	Total
2023	**JD**	**JD**	**JD**	**JD**	**JD**	**JD**	**JD**	**JD**
Assets								
Cash and balances at central banks	144,488,534	17,472,003	245,535	156	8,241,809	47,980,874	96,816,417	**315,245,328**
Balances at banks and financial institutions	176,825,165	77,081,555	20,639,955	598,723	1,446,895	4,819,534	36,264,508	**317,676,335**
Deposits at banks and financial institutions	4,198,068	-	-	-		-	10,562,247	**14,760,315**
Financial assets at fair value through profit or loss	-	-	-	-	-	-	-	-
Direct credit facilities at amortized cost	697,392,819	55,381,879	259,886,061	10,103,118	6,213,813	243,688,107	179,771,387	**1,452,437,184**
Direct credit facilities at fair value through the profit or loss	31,496,582	-	-	-	-	-	-	**31,496,582**
Financial assets at fair value through other comprehensive income	146,841,980	7,307,614	17,858,256	-	14,168	-	5,794,878	**177,816,896**
Financial assets at amortized cost - net	544,624,034	-	-	-	-	115,206,240	9,403,200	**669,233,474**
Property and equipment - net	-	-	510,536	-	502,714	1,719,768	203,958	**2,936,976**
Intangible assets	-	-	2,637,124	-	13,950	1,554,232	697,166	**4,902,472**
Right of use asset	-	-	1,683,331	-	60,752	2,071,947	1,679,806	**5,495,836**
Deferred tax assets		-	1,956,710	-	-	1,577,389	-	**3,534,099**
Other assets	13,564,816	483,110	272,590	2,088	385,783	11,444,858	1,877,864	**28,031,109**
Total Assets	**1,759,431,998**	**157,726,161**	**305,690,098**	**10,704,085**	**16,879,884**	**430,062,949**	**343,071,431**	**3,023,566,606**
Liabilities								
Banks and financial institutions deposits	510,657,360	64,036,065	13,002,038	104,719	149,125	-	6,405,938	**594,355,245**
Customers' deposits	1,275,556,397	84,560,163	130,052,520	560,283	8,423,634	224,418,248	205,346,091	**1,928,917,336**
Margin accounts	84,212,106	6,765,395	-	261,217	1,730,847	29,479,729	47,923,305	**170,372,599**
Borrowed funds	46,163,855	-	-	-	-	-	-	**46,163,855**
Sundry provisions	12,828	20,350	-	-	7,570,465	-	306,556	**7,910,199**
Income tax provision	-	-	577,608	-	108,504	2,235,786	-	**2,921,898**
Deferred tax liability	-	-	-	-	-	1,135,833	-	**1,135,833**
Lease liability	-	-	1,683,331	-	4,660	1,544,833	1,773,810	**5,006,634**
Other liabilities	39,694,498	8,403,371	4,533,595	-	3,263,977	60,015,880	8,263,949	**124,175,270**
Total Liabilities	**1,956,297,044**	**163,785,344**	**149,849,092**	**926,219**	**21,251,212**	**318,830,309**	**270,019,649**	**2,880,958,869**
Net Financial Position Items	**(196,865,046)**	**(6,059,183)**	**155,841,006**	**9,777,866**	**(4,371,328)**	**111,232,640**	**73,051,782**	**142,607,737**
Off-financial position Contingent Liabilities	**890,749,231**	**136,234,561**	**27,403,068**	**3,032,353**	**1,889,129**	**79,840,554**	**127,573,270**	**1,266,722,166**
2022								
Total Assets	**1,807,078,894**	**162,048,875**	**255,871,055**	**683,877**	**40,135,435**	**377,985,384**	**308,856,910**	**2,952,660,430**
Total Liabilities	**2,042,825,798**	**153,846,570**	**145,553,254**	**1,014,023**	**43,889,588**	**257,762,934**	**248,178,526**	**2,893,070,693**
Net Financial Position Items	**(235,746,904)**	**8,202,305**	**110,317,801**	**(330,146)**	**(3,754,153)**	**120,222,450**	**60,678,384**	**59,589,737**
Off-financial Position Contingent Liabilities	**687,289,166**	**122,192,557**	**35,851,058**	**15,809,623**	**6,158,084**	**78,601,893**	**80,029,472**	**1,025,931,853**

Liquidity Risk

Liquidity risk is defined as the Bank's failure to provide the required funding to cover its obligations at their respective due dates.

Liquidity risk is managed through the following:
- Analyzing cash inflow for all assets and liabilities.
- Preparing stress scenarios for liquidity risk.
- Evaluating and monitoring concentration and fluctuation in financing sources.
- Assessing the Bank's ability to borrow and finance its activities.
- Monitoring the compliance with the approved policies and the instructions of the Central Bank of Jordan in this regard.
- Submitting periodic reports to higher management on the level of liquidity risk at the Bank.

Sources of Funds:
The Bank works to diversify its sources of funds including geographical sectors, currencies, customers, facilities, and conditions in order to attain financial flexibility and lower financing costs, in addition to maintaining stable financing sources. The Bank has a large customer base of individuals and corporations with varying deposit accounts.

The below schedule summaries the liabilities distributed (Non discounted) based on remaining contractual maturity period on the date of financial statements:

	Up to 1 Month	1 to 3 Months	3 to 6 Months	6 Months to 1 Year	1 to 3 Years	Over 3 Years	Non-interest-Bearing Items	Total
2023	JD	JD	JD	JD	JD	JD	JD	JD
Liabilities:								
Banks and financial institutions deposits	297,255,061	289,269,073	78,809,175	7,369,169	-	-	48,910,367	**721,612,845**
Customers' deposits	1,065,778,635	1,929,864,089	556,479,780	381,829,455	95,261,603	13,978,635	1,629,812,085	**5,673,004,282**
Margin accounts	69,978,405	32,066,125	34,768,914	42,098,063	30,415,387	3,061,412	85,600,207	**297,988,513**
Loans and borrowings	13,949,483	23,951,482	96,889,324	33,254,849	108,303,465	36,041,204	-	**312,389,807**
Sundry provisions	-	-	-	-	-	-	31,232,872	**31,232,872**
Income tax provision	14,000,000	-	38,417,363	9,259,112	-	-	-	**61,676,475**
Deferred tax liabilities	-	-	-	-	-	-	6,374,087	**6,374,087**
Lease liability	-	-	-	2,577,324	5,746,703	16,816,040	-	**25,140,067**
Other liabilities	731,701	199,641	646,558	455,991	1,479,849	782,254	264,595,820	**268,891,814**
Total Liabilities	**1,461,693,285**	**2,275,350,410**	**806,011,114**	**476,843,963**	**241,207,007**	**70,679,545**	**2,066,525,438**	**7,398,310,762**
TOTAL ASSETS (ACCORDING TO THEIR EXPECTED MATURITY)	**1,049,892,810**	**648,174,347**	**730,847,343**	**703,889,876**	**3,439,870,408**	**1,337,288,556**	**766,917,269**	**8,676,880,609**
2022								
Liabilities:								
Banks and financial institutions deposits	556,454,173	123,595,451	120,093,770	-	-	-	71,829,742	**871,973,136**
Customers' deposits	921,677,792	1,931,555,953	461,185,180	286,542,117	108,255,447	13,786,510	1,620,889,639	**5,343,892,638**
Margin accounts	77,466,052	24,288,144	34,779,068	37,432,837	12,528,972	20,243,590	68,446,965	**275,185,628**
Loans and borrowings	20,479,151	29,103,676	52,775,895	71,239,018	183,138,306	60,626,205	-	**417,362,251**
Sundry provisions	-	-	-	-	-	-	30,380,825	**30,380,825**
Income tax provision	8,163,738	-	39,631,425	5,619,998	-	-	-	**53,415,161**
Deferred tax liabilities	-	-	-	-	-	-	6,770,350	**6,770,350**
Lease liability	-	-	-	2,920,676	6,269,523	16,690,672	-	**25,880,871**
Other liabilities	292,119	163,484	726,573	459,502	1,427,797	1,373,623	222,623,242	**227,066,340**
Total Liabilities	**1,584,533,025**	**2,108,706,708**	**709,191,911**	**404,214,148**	**311,620,045**	**112,720,600**	**2,020,940,763**	**7,251,927,200**
TOTAL ASSETS (ACCORDING TO THEIR EXPECTED MATURITY)	**1,019,969,208**	**566,747,130**	**521,281,519**	**935,703,896**	**3,185,764,313**	**1,539,914,943**	**689,261,136**	**8,458,642,145**

Liquidity coverage Ratio (LCR):

The average liquidity coverage ratio for the year was 169% and 166.2% for Jordan Branches and the Banking Group respectively. The liquidity coverage ratio as of in December 31, 2023 was 186.7% and 179.7% for Jordan Branches and the Banking Group respectively.

Following are the details of the calculation as of December 31, 2023:

	Jordan Branches	Banking Group
	JD 000'	JD 000'
High qualified liquid assets before adjustments	2,424,876	2,545,549
High qualified liquid assets after adjustments	2,424,876	2,545,549
Net Cash outflow	**1,298,480**	**1,416,597**
Liquidity Coverage Ratio (LCR)	**186.7%**	**179.7%**

Off- statement of financial position to items:

	Up to 1 Year	1 - 5 Years	Over 5 Years	Total
2023	JD	JD	JD	JD
Letters of credit and acceptances	632,788,926	19,662,705	-	**652,451,631**
Un-utilized ceilings	774,933,607	-	-	**774,933,607**
Letters of guarantee	381,701,512	59,814,648	13,668,075	**455,184,235**
Total	**1,789,424,045**	**79,477,353**	**13,668,075**	**1,882,569,473**
2022				
Letters of credit and acceptances	483,941,323	102,854,295	-	**586,795,618**
Un-utilized ceilings	603,293,844	-	-	**603,293,844**
Letters of guarantee	374,762,456	48,955,079	12,946,253	**436,663,788**
Total	**1,461,997,623**	**151,809,374**	**12,946,253**	**1,626,753,250**

48. Fair Value Hierarchy

The following table analyzes the financial instruments recorded at fair value based on the valuation method, which is defined at different levels as follows:

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

Level 2: Information other than the stated price included in level 1, which is monitored for the asset or liability, either directly (such as prices) or indirectly (i.e., derived from the prices).

Level 3: Information on the asset or liability not based on those observed in the market (unobservable information).

	Level 1	Level 2	Level 3	Total
	JD	JD	JD	JD
December 31, 2023				
Financial assets:				
Financial assets at fair value through other comprehensive income	357,883,637	-	45,578,991	**403,462,628**
Financial assets at fair value through profit or loss	4,425,551	-	-	**4,425,551**
Direct credit facilities at fair value through the profit or loss	31,496,582	-	-	**31,496,582**
Total	**393,805,770**	**-**	**45,578,991**	**439,384,761**
December 31, 2022				
Financial assets				
Financial assets at fair value through other comprehensive income	326,395,198	-	42,699,806	**369,095,004**
Financial assets at fair value through profit or loss	4,569,196	-	450,584	**5,019,780**
Direct credit facilities at fair value through the profit or loss	61,967,403	-	-	**61,967,403**
Total	**392,931,797**	**-**	**43,150,390**	**436,082,187**

The below table shows the movement on level 3 financial assets:

	For the Year Ended	
	2023	**2022**
	JD	**JD**
Fair value as of beginning of the year	43,150,390	26,798,479
New investments during the year	2,523,582	16,223,178
Changes in fair value during the year	(50,116)	128,733
Foreign currency translation difference	(44,865)	-
Total	**45,578,991**	**43,150,390**

49. Fiduciary Accounts

Investment accounts managed on behalf of customers amounted to JD 452 thousand as of December 31, 2023 against JD 525 thousand as of December 31, 2022. These accounts are not included in the assets and liabilities of the Bank's financial statements. The fees and commissions for managing those accounts are shown in the consolidated profit or loss statement. The management's commissions and fees on these accounts JD 32,910 for 2023 (JD 84,229 for 2022) are recorded in the consolidated statement of profit or loss.

50. Assets and Liabilities Expected Maturities

The following table illustrates the assets and liabilities according to the expected maturity periods:

	Up to 1 Year	Over 1 Year	Total
2023	**JD**	**JD**	**JD**
Assets			
Cash and balances at central banks	407,178,859	146,511,068	**553,689,927**
Balances at banks and financial institutions	323,043,611	-	**323,043,611**
Deposits at banks and financial institutions	44,751,813	-	**44,751,813**
Financial assets at fair value through profit or loss	4,425,551	-	**4,425,551**
Credit facilities at amortized cost - net	1,676,857,509	2,765,686,972	**4,442,544,481**
Direct credit facilities at fair value through profit or loss	31,496,582	-	**31,496,582**
Financial assets at fair value through other comprehensive income	128,392,883	275,069,745	**403,462,628**
Financial assets at amortized cost	475,470,085	1,943,053,125	**2,418,523,210**
Property and equipment - net	-	159,245,811	**159,245,811**
Intangible assets	-	22,214,936	**22,214,936**
Right of use asset	-	21,364,626	**21,364,626**
Deferred tax assets	-	125,044,861	**125,044,861**
Other assets	41,187,483	85,885,089	**127,072,572**
Total Assets	**3,132,804,376**	**5,544,076,233**	**8,676,880,609**
Liabilities:			
Banks and financial institutions deposits	716,654,103	-	**716,654,103**
Customers' deposits	2,037,351,422	3,612,547,120	**5,649,898,542**
Margin accounts	185,162,547	110,974,686	**296,137,233**
Loans and borrowings	165,304,812	131,784,453	**297,089,265**
Sundry provisions	498,488	30,734,384	**31,232,872**
Income tax provision	61,676,475	-	**61,676,475**
Deferred tax liabilities	1,135,833	5,238,254	**6,374,087**
Lease liability	5,057,508	16,006,715	**21,064,223**
Other liabilities	155,569,498	113,322,316	**268,891,814**
Total Liabilities	**3,328,410,686**	**4,020,607,928**	**7,349,018,614**
Net	**(195,606,310)**	**1,523,468,305**	**1,327,861,995**

2022	Up to 1 Year	Over 1 Year	Total
	JD	JD	JD
Assets			
Cash and balances at central banks	553,925,667	140,042,104	**693,967,771**
Balances at banks and financial institutions	358,673,917	-	**358,673,917**
Deposits at banks and financial institutions	56,638,273	-	**56,638,273**
Financial assets at fair value through profit or loss	4,569,197	450,583	**5,019,780**
Credit facilities at amortized cost - net	1,406,257,537	2,802,809,290	**4,209,066,827**
Direct credit facilities at fair value through the profit or loss	30,062,403	31,905,000	**61,967,403**
Financial assets at fair value through other comprehensive income	73,987,943	295,107,061	**369,095,004**
Financial assets at amortized cost	486,567,011	1,744,417,435	**2,230,984,446**
Property and equipment - net	-	162,799,067	**162,799,067**
Intangible assets	-	21,574,280	**21,574,280**
Right of use asset	-	21,723,075	**21,723,075**
Deferred tax assets	-	128,589,582	**128,589,582**
Other assets	42,957,402	95,585,318	**138,542,720**
Total Assets	**3,013,639,350**	**5,445,002,795**	**8,458,642,145**
Liabilities:			
Banks and financial institutions deposits	870,020,537	-	**870,020,537**
Customers' deposits	1,788,603,812	3,529,422,021	**5,318,025,833**
Margin accounts	168,585,783	105,425,695	**274,011,478**
Loans and borrowings	171,150,989	227,628,492	**398,779,481**
Sundry provisions	456,317	29,924,508	**30,380,825**
Income tax provision	53,415,161	-	**53,415,161**
Deferred tax liabilities	2,874,680	3,895,670	**6,770,350**
Lease liability	2,603,546	18,506,721	**21,110,267**
Other liabilities	122,548,083	104,518,257	**227,066,340**
Total Liabilities	**3,180,258,908**	**4,019,321,364**	**7,199,580,272**
Net	**(166,619,558)**	**1,425,681,431**	**1,259,061,873**

51. Contractual Commitments and Contingent Liabilities

This item consists of the following:

a. Credit commitments and commitments:

	December,31	
	2023	2022
	JD	JD
Letters of credit	535,653,303	483,501,097
Acceptances	116,798,327	103,294,521
Letters of guarantee:		
– Payment	183,091,674	172,620,903
– Performance	203,335,170	189,606,793
– Other	68,757,390	74,436,092
Forward foreign currency contracts	318,081,799	281,530,651
Currency swap contracts	41,905,000	34,815,000
Unutilized direct credit facilities ceilings	774,933,607	603,293,844
Total	**2,242,556,270**	**1,943,098,901**

b. Contractual commitments:

	December,31	
	2023	2022
	JD	JD
Property and equipment purchase contracts	2,130,291	2,164,648
Construction projects contracts	2,244,769	3,773,721
Other procurement contracts	8,603,180	4,115,563
Total	**12,978,240**	**10,053,932**

52. Lawsuits Raised by and against the Bank

Lawsuits raised against the Bank amounted to JD 23.5 million as of December 31, 2023 (JD 32.4 million as of December 31, 2022). In the opinion of the Bank's management and legal advisor, no liabilities will arise therefrom that exceed the booked provision of JD 7.8 million as of December 31, 2023 (JD 7.7 million as of December 31, 2022).

the lawsuits raised by the Bank against others amounted to JD 670.6 million as of December 31, 2023 (JD 627.7 million as of December 31, 2022).