

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

CONDENSED CONSOLIDATED INTERIM FINANCIAL
INFORMATION FOR THE
THREE MONTHS ENDED MARCH 31, 2023
TOGETHER WITH THE REVIEW REPORT

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

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Review Report on the Condensed Consolidated Interim Financial Information

AM/ 010923

H.E. The Chairman and Board of Directors Members
The Housing Bank for Trade and Finance
(Public Shareholding Limited Company)
Amman – The Hashemite Kingdom of Jordan

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of The Housing Bank for Trade and Finance (Public Shareholding Limited Company) as of March 31, 2023 and the related condensed consolidated interim statements of profit or loss and other comprehensive income and changes in owners' equity and cash flows for the three-months then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these condensed consolidated interim financial information in accordance with the international accounting standard No.(34) "Interim Financial Reporting" as adopted by the Central Bank of Jordan. Our responsibility is to express a conclusion on these condensed consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements No.2410, "Review of Condensed Interim Financial Information Performed by the Independent Auditor". A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters in the Bank, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

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

Other Matter

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

Amman – Jordan
April 27, 2023

Deloitte & Touche (M.E.) – Jordan

ديلويت أند توش (الشرق الأوسط)
010103

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

		March 31, 2023	December 31, 2022
	Note	(Reviewed)	(Audited)
<u>Assets:</u>		JD	JD
Cash and balances at central banks – net	5	632,179,265	693,967,771
Balances at banks and financial institutions – net	6	348,303,248	358,673,917
Deposits at banks and financial institutions – net	7	9,659,843	56,638,273
Financial assets at fair value through profit or loss	8	5,192,087	5,019,780
Financial assets at fair value through other comprehensive income	9	389,027,042	369,095,004
Direct credit facilities at fair value through profit or loss	10	63,393,202	61,967,403
Direct credit facilities at amortized cost - net	11	4,458,826,435	4,209,066,827
Financial assets at amortized cost – net	12	2,260,990,546	2,230,984,446
Property and equipment – net		162,205,043	162,799,067
Intangible assets – net		21,835,420	21,574,280
Right of use asset		21,974,647	21,723,075
Deferred tax assets		127,227,613	128,589,582
Other assets – net	13	130,912,688	138,542,720
TOTAL ASSETS		8,631,727,079	8,458,642,145
<u>LIABILITIES AND OWNERS' EQUITY:</u>			
<u>LIABILITIES:</u>			
Banks and financial institutions deposits		823,635,848	870,020,537
Customers' deposits	14	5,558,931,102	5,318,025,833
Cash margins		263,178,842	274,011,478
Borrowed funds	15	350,906,152	398,779,481
Sundry provisions		30,491,906	30,380,825
Income tax provision	16/a	60,515,911	53,415,161
Deferred tax liabilities		4,067,094	6,770,350
Lease liability		21,038,107	21,110,267
Other liabilities	17	224,804,467	227,066,340
TOTAL LIABILITIES		7,337,569,429	7,199,580,272
<u>OWNERS' EQUITY:</u>			
<u>BANK'S SHAREHOLDERS' EQUITY:</u>			
Authorized and paid-up capital		315,000,000	315,000,000
Share premium		328,147,537	328,147,537
Statutory reserve		274,745,075	274,745,075
Special reserve		11,553,745	11,553,745
Foreign currencies translation		(132,685,174)	(134,490,422)
Fair value reserve – net	19	(10,668,421)	(10,908,261)
Retained earnings	20	416,843,387	416,843,387
Profit for the period		35,252,725	-
TOTAL BANK'S SHAREHOLDERS' EQUITY		1,238,188,874	1,200,891,061
Non-controlling interest		55,968,776	58,170,812
TOTAL OWNERS' EQUITY		1,294,157,650	1,259,061,873
TOTAL LIABILITIES AND OWNERS' EQUITY		8,631,727,079	8,458,642,145

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

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

	Note	For the Three Months Ended March 31,	
		2023	2022
		(Reviewed)	(Reviewed)
		JD	JD
Interest income	21	134,468,457	94,050,439
Interest expense	22	(39,300,125)	(17,234,029)
Net Interest Income		95,168,332	76,816,410
Net commission income		6,994,336	6,838,010
Net Interest and Commission Income		102,162,668	83,654,420
Gain from foreign currencies		2,055,370	2,109,039
Gain (losses) from financial assets at fair value through profit or loss	23	767,963	(1,513,003)
Cash dividends from financial assets at fair value through other comprehensive income		240,882	196,388
Other income		7,423,211	8,677,108
Total Income		112,650,094	93,123,952
Expenses			
Employees' expenses		24,522,647	21,350,867
Depreciation and amortization		6,215,941	6,060,907
Other expenses		13,914,686	13,645,504
Allowance for expected credit loss	18	13,290,881	11,618,731
Sundry provisions		126,044	15,845
Total Expenses		58,070,199	52,691,854
Profit for the period before income tax expense		54,579,895	40,432,098
Income tax expense	16/b	(18,367,232)	(10,339,935)
Profit for the Period		36,212,663	30,092,163
Attributable to:			
Bank's Shareholders		35,252,725	29,331,239
Non-Controlling Interest		959,938	760,924
		36,212,663	30,092,163
Basic and diluted earnings per share for the period attributable to the Bank's Shareholders	24	0.112	0.093

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

	For the Three Months Ended March 31,	
	2023	2022
	(Reviewed)	(Reviewed)
	JD	JD
Profit for the period	36,212,663	30,092,163
<u>Other comprehensive income items which may be reclassified to profit or loss in the subsequent period</u>		
Foreign currencies translation	1,941,014	(5,757,944)
Net change in valuation reserve of financial assets at fair value through comprehensive income after tax – debt instrument	252,450	(6,003,905)
Total other comprehensive income for the period after tax	2,193,464	(11,761,849)
Total Comprehensive Income for the Period	38,406,127	18,330,314
Attributable to:		
Bank's shareholders	37,297,813	18,855,349
Non-controlling interest	1,108,314	(525,035)
	38,406,127	18,330,314

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

	Bank's Shareholders Equity										
	Reserves				Foreign Currency Translation	Fair Value Reserve – Net	Retained Earnings	Profit for the Period	Total Shareholder's Equity	Non- controlling Interest	Total Owners' Equity
	Paid-up Capital	Share Premium	Statutory	Special Reserve							
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
For the Three Months Ended March 31, 2023 (Reviewed)											
Beginning Balance for the Period (Audited)	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 period	-	-	-	-	-	-	-	35,252,725	35,252,725	959,938	36,212,663
Net change in valuation reserve of financial assets at fair value through other comprehensive income after tax– debit instruments	-	-	-	-	-	239,840	-	-	239,840	12,610	252,450
Foreign currencies translation	-	-	-	-	1,805,248	-	-	-	1,805,248	135,766	1,941,014
Total comprehensive income for the period	-	-	-	-	1,805,248	239,840	-	35,252,725	37,297,813	1,108,314	38,406,127
Dividends	-	-	-	-	-	-	-	-	-	(3,310,350)	(3,310,350)
Ending Balance for the Period (Reviewed)	<u>315,000,000</u>	<u>328,147,537</u>	<u>274,745,075</u>	<u>11,553,745</u>	<u>(132,685,174)</u>	<u>(10,668,421)</u>	<u>416,843,387</u>	<u>35,252,725</u>	<u>1,238,188,874</u>	<u>55,968,776</u>	<u>1,294,157,650</u>
For the Three Months Ended March 31, 2022 (Reviewed)											
Beginning Balance for the Period (Audited)	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 period	-	-	-	-	-	-	-	29,331,239	29,331,239	760,924	30,092,163
Net change in valuation reserve of financial assets at fair value through other comprehensive income after tax– debit instruments	-	-	-	-	-	(5,837,335)	-	-	(5,837,335)	(166,570)	(6,003,905)
Foreign currencies translation	-	-	-	-	(4,638,555)	-	-	-	(4,638,555)	(1,119,389)	(5,757,944)
Total comprehensive income for the period	-	-	-	-	(4,638,555)	(5,837,335)	-	29,331,239	18,855,349	(525,035)	18,330,314
Transferred to/from reserves	-	-	(377,687)	(4,807)	-	-	382,494	-	-	-	-
Dividends	-	-	-	-	-	-	(63,000,000)	-	(63,000,000)	-	(63,000,000)
Ending Balance for the Period (Reviewed)	<u>315,000,000</u>	<u>328,147,537</u>	<u>257,619,984</u>	<u>11,454,951</u>	<u>(132,846,635)</u>	<u>(2,294,926)</u>	<u>304,566,444</u>	<u>29,331,239</u>	<u>1,110,978,594</u>	<u>61,155,895</u>	<u>1,172,134,489</u>

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

		For the Three Months Ended March 31,	
	Note	2023 (Reviewed) JD	2022 (Reviewed) JD
<u>OPERATING ACTIVITIES</u>			
Profit for the period before income tax		54,579,895	40,432,098
<u>Adjustments for non-cash items:</u>			
Depreciation and amortization		6,215,941	6,060,907
Provision for expected credit losses		13,290,881	11,618,731
Net unrealized gain from valuation of financial assets at fair value through profit or loss		(187,168)	(140,910)
Cash dividends from financial assets at fair value through other comprehensive income		(240,882)	(196,388)
Net unrealized (gain) loss from valuation of direct credit facilities at fair value through profit		(564,597)	1,675,785
Unrealized loss (gain) from valuation of derivatives		564,597	(2,005,879)
Net accrued interest and commission income		2,637,823	3,031,364
Effect of the change in exchange rates on cash and cash equivalents		(1,276,664)	(1,157,200)
Provision for end of service indemnity expense		860,530	913,368
Premiums and discounts amortization		(1,096,704)	(86,349)
Sundry provisions		126,044	15,845
Others		325,931	604,622
Cash flows from operating activities before changes in assets and liabilities		75,235,627	60,765,994
<u>Decrease (Increase) in Assets:</u>			
Deposits at banks and financial institutions (maturing within more than 3 months)		47,048,205	5,055,675
Direct credit facilities		(263,652,180)	(235,016,500)
Financial assets at fair value through profit or loss		14,861	-
Other assets		9,060,657	(10,350,638)
<u>Increase (Decrease) in Liabilities:</u>			
Banks and financial institutions' deposits (maturing within more than 3 months)		(7,612,704)	56,161,323
Customers' deposits		241,428,753	21,962,350
Cash margins		(10,933,633)	36,380,245
Other liabilities		(6,802,320)	(9,054,647)
Sundry provisions		(660,857)	(50,742)
Net Cash Flow from (used in) Operating Activities Before Income Tax		83,126,409	(74,146,940)
Income tax paid	16	(12,671,440)	(19,765,704)
Net Cash Flow from (used in) Operating Activities		70,454,969	(93,912,644)
<u>INVESTING ACTIVITIES</u>			
(Purchase) of financial assets at fair value through comprehensive income		(46,652,547)	(85,362,184)
Selling/ Matured financial assets at fair value through comprehensive income		27,440,079	74,276,349
Cash dividends from financial assets at fair value through other comprehensive income		240,882	196,388
(Purchase) of financial assets at amortized cost		(142,117,507)	(352,028,321)
Matured financial assets at amortized cost		112,909,066	279,256,389
(Purchase) of property and equipment		(3,113,850)	(1,266,124)
Proceeds from sale of property and equipment		17,971	55,236
(Purchase) of intangible assets		(1,889,960)	(1,578,924)
Net Cash Flow (used in) Investing Activities		(53,165,866)	(86,451,191)
<u>FINANCING ACTIVITIES</u>			
Borrowed funds		(47,873,329)	68,374,096
Dividends paid to shareholders		(27,351)	(16,551)
Non-controlling Interest		(3,310,350)	-
Paid for lease liabilities		(1,546,881)	(1,355,056)
Net Cash Flows (used in) from Financing Activities		(52,757,911)	67,002,489
Net (Decrease) in Cash and Cash Equivalent		(35,468,808)	(113,361,346)
Effect of the change in exchange rates on cash and cash equivalents		1,982,051	(760,545)
Cash and cash equivalents - beginning of the period		302,075,136	653,346,160
Cash and Cash Equivalents - End of the Period	25	268,588,379	539,224,269

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THE HOUSING BANK FOR TRADE AND FINANCE
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - THE HASHEMITE KINGDOM OF JORDAN
NOTES TO THE CONDENSED CONSOLIDATED INTERIM
FINANCIAL INFORMATION

1. Incorporation and Activities

- The Housing Bank for Trade and Finance ("the Bank") was established in 1973 and registered as a public shareholding limited company in accordance with the Jordanian Companies Law No. (12) of 1964.
- The Bank provides its banking and financing business activities through its headquarter in Amman – Jordan and through its branches in Jordan (108 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 condensed consolidated interim financial information were approved by the Bank's Board of Directors on April 27, 2023.

2. Basis of Preparation of the Condensed Consolidated Interim Financial Information

- The accompanying condensed consolidated interim financial information have been prepared in accordance with the International Accounting Standard No. (34) "Interim Financial Reporting", as adopted by the Central Bank of Jordan.
- The condensed consolidated interim financial information are prepared in accordance with the historical cost principle, except for financial assets and financial liabilities which are stated at fair value at the date of the condensed consolidated interim financial information.
- The reporting currency of the condensed consolidated interim financial information is the Jordanian Dinar, which is the functional currency of the Bank.
- The condensed consolidated interim financial information do not include all notes and information presented in the annual financial statements which is prepared in accordance with the international financial reporting standards as adopted by the Central Bank of Jordan and should be read with the Bank's annual report for the year ended December 31, 2022. The results of the three months ended March 31, 2023 do not indicate the expected results for the year ended December 31, 2023. There was no appropriation of the profit of the three months ended March 31, 2023 which is usually performed at year end.
- The condensed consolidated interim financial information includes the condensed interim financial information of the Bank and its subsidiaries under its control. Control is achieved when the Bank has the ability to control the financial and operational policies of subsidiaries in order to obtain benefits from their activities. Transactions, balances, revenue and expenses between the Bank and its subsidiaries are eliminated.

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

a. Foreign subsidiaries:

- International Bank for Trade and Finance / Syria : paid-in capital is Syrian Lira 8.4 billion, of which the Bank owns 49.063%. The Bank has the power to control the administrative and financial 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 SYL, 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 : the 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 back to 2002.
- Jordan International Bank / London: the Bank ownership is 75% of paid-up capital, which amounts to 65 million pound sterling (65 million shares). The main objective of this Bank is to conduct banking activities.

b. Local subsidiaries:

- International Financial Center Company- Jordan : the Bank ownership is 77.5% of paid-up capital, which amounted to JD 5 million. The Company's main activity is financial brokerage in local and foreign markets, 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 Lease Finance Company – Jordan : the Bank owns 100% of paid- in capital of JD 30 million (30 million shares). 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 – Jordan (under liquidation): the Bank owns 100% of the Company's paid- up capital of JD 40,000. The Bank's ownership in this Company dates back to 1997. The Company's General assembly approved the Company's liquidation on March 1, 2022.

3. Significant Accounting Policies

The accounting policies used in the preparation of the condensed consolidated interim financial information for the period ended on March 31, 2023 are consistent with those used in the preparation of the annual consolidated financial statement for the year ended December 31, 2022. However, the Group has adopted the following amendments and interpretations that apply for the first time in 2023 and have not materially affected the amounts and disclosures in the condensed consolidated interim financial information for the period and prior years, which may have an impact on the accounting treatment of future transactions and arrangements:

IFRS 17 Insurance Contracts

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

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

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

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

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

For the purpose of transition requirements, the initial application date is the start of the period in which the entity first applies the standard for annual reporting, and the transition date is the beginning of the immediately preceding period to the initial application date. Amendments are retrospectively applied, unless impractical, and in this case, a modified retrospective approach or fair value approach is used.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

4. Significant Accounting Judgments and key Sources of Uncertainty Estimates:

Preparation of the condensed consolidated interim financial information and application of the accounting policies require management to make judgments, estimates, and assumptions that affect the amounts of financial assets and financial liabilities, and to disclose potential liabilities. Moreover, these estimates and judgments affect revenues, expenses, provisions, in general, expected credit losses, as well as changes in fair value that appear in the condensed consolidated interim statement of comprehensive income and within shareholders' equity. In particular, the Bank's management requires judgments to be made to estimate the amounts and timing of future cash flows. These estimates are necessarily based on multiple assumptions 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.

The critical judgements and estimates used in the preparation of these condensed consolidated interim financial information are reasonable and consistent with those used in the preparation of the Bank's annual consolidated financial statements for the year ended 2022.

5. Cash and Balances at Central Banks - Net

The details of this item are as follows:

	March 31, 2023 (Reviewed)	December 31, 2022 (Audited)
	JD	JD
Cash in hand and vault	99,767,464	127,247,953
Balance at central banks :		
Current accounts and demand deposits	222,507,592	299,794,431
Term and notice deposits	73,466,030	50,429,342
Statutory cash reserve	219,978,015	216,538,247
Certificate of deposit	16,500,000	-
Total Balances at Central Banks	532,451,637	566,762,020
Total Cash and Balances at Central Banks	632,219,101	694,009,973
<u>Less:</u> Provision for expected credit losses	(39,836)	(42,202)
Net	632,179,265	693,967,771

- The certificates of deposits are maturing with in a period less than 3 months.
- Except for the statutory cash reserve, there are no restrictions balances as of March 31, 2023 and December 31, 2022.
- The above balances are classified under stage 1. There were no transfers between stages (1, 2 and 3) for the balances and expected loss provision or written off balances during the three months period ended March 31, 2023 and for the year ended December 31, 2022.

6. Balances at Banks and Financial Institutions - Net

The details of this item are as follows:

Description:	Local Banks and Financial Institutions		Foreign Banks and Financial Institutions		Total	
	March 31, 2023 (Reviewed)	December 31, 2022 (Audited)	March 31, 2023 (Reviewed)	December 31, 2022 (Audited)	March 31, 2023 (Reviewed)	December 31, 2022 (Audited)
	JD	JD	JD	JD	JD	JD
Current and demand accounts	1,854,513	12,350,963	81,649,837	143,776,077	83,504,350	156,127,040
Deposits maturing within or less than 3 months	49,126,473	32,954,255	215,880,334	169,897,731	265,006,807	202,851,986
Total	50,980,986	45,305,218	297,530,171	313,673,808	348,511,157	358,979,026
Provision for expected credit losses	(28,078)	(49,165)	(179,831)	(255,944)	(207,909)	(305,109)
Net	50,952,908	45,256,053	297,350,340	313,417,864	348,303,248	358,673,917

- The non-interest bearing balances at banks and financial institutions are amounted to JD 35.9 million as of March 31, 2023 (JD 29.1 million as of December 31, 2022).
- There were no restricted balances as of March 31, 2023 and December 31, 2022.
- The above balances are classified under stage 1. There were no transfers between stages (1, 2 and 3) for balances and expected credit loss provision or written off balances during the three months period ended March 31, 2023 and for the year ended December 31, 2022.

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	
	March 31, 2023 (Reviewed)	December 31, 2022 (Audited)	March 31, 2023 (Reviewed)	December 31, 2022 (Audited)	March 31, 2023 (Reviewed)	December 31, 2022 (Audited)
	JD	JD	JD	JD	JD	JD
Deposits mature during the period:						
From 3 months to 6 months	-	30,000,000	3,379,051	13,342,604	3,379,051	43,342,604
From 6 months to 9 months	-	5,000,000	5,145,278	3,349,641	5,145,278	8,349,641
From 9 months to 12 months	-	-	1,295,508	5,175,797	1,295,508	5,175,797
Total	-	35,000,000	9,819,837	21,868,042	9,819,837	56,868,042
Provision for expected credit losses	-	(896)	(159,994)	(228,873)	(159,994)	(229,769)
Net	-	34,999,104	9,659,843	21,639,169	9,659,843	56,638,273

- There were no restrictions on deposits as of March 31, 2023 and December 31, 2022.
- The above balances are classified under stage 1. There were no transfers between stages (1,2 and 3) for balances and expected loss provision or written off balances during the three months period ended March 31, 2023 and for the year ended December 31, 2022.

8. Financial Assets at Fair Value through Profit or Loss

The details of this item are as follows:

	March 31, 2023 (Reviewed)	December 31, 2022 (Audited)
	JD	JD
Quoted Financial Assets:		
Companies shares and funds listed in financial markets	4,741,503	4,569,196
Total	4,741,503	4,569,196
Unquoted Financial Assets:		
Companies shares not listed in financial markets	450,584	450,584
Total	450,584	450,584
Grand Total	5,192,087	5,019,780

9. Financial Assets at Fair Value through Other Comprehensive Income

The details of this item are as follows:

	March 31, 2023 (Reviewed)	December 31, 2022 (Audited)
	JD	JD
Shares and funds with no available market prices	42,680,155	42,699,806
Total Shares	42,680,155	42,699,806
Jordanian treasury bonds	172,231,110	156,116,575
Jordanian government bills and bonds	36,387,579	36,634,173
Foreign governments bills and bonds	74,132,889	73,142,623
Corporate bonds	63,902,204	60,793,016
Total Bonds	346,653,782	326,686,387
<u>Less:</u> Provision of expected credit losses	(306,895)	(291,189)
Total Bonds – Net	346,346,887	326,395,198
Total	389,027,042	369,095,004

- The maturity dates for Bonds range from year 2023 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 income for shares during the period/year:

	March 31, 2023 (Reviewed)	December 31, 2022 (Audited)
	JD	JD
Fair value - beginning balance period / year	42,699,806	26,129,906
New investments during the period / year	-	684,443
Change in fair value during the period / year	-	(466,454)
Adjustments resulted from change in exchange rates	(19,651)	-
Balance – End of the Period/Year	42,680,155	26,347,895

The following represents the movement on bonds at fair value through other comprehensive income for bonds during the period / year:

	Stage (1) Individual JD	Stage (2) Individual JD	Stage (3) JD	Total JD
For the Three Months Period				
Ended March 31, 2023 (Reviewed)				
Fair value – beginning of the period (Audited)	323,781,644	2,904,743	-	326,686,387
New investments during the period	46,652,547	-	-	46,652,547
Matured investments during the period	(27,440,079)	-	-	(27,440,079)
Change in fair value during the period	504,900	(127,375)	-	377,525
Amortization of premium/ discount	248,854	(34,856)	-	213,998
Adjustments resulted from change in exchange rates	138,383	25,021	-	163,404
Balance – End of the Period (Reviewed)	343,886,249	2,767,533	-	346,653,782

For the Year Ended				
December 31, 2022 (Audited)				
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 change 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 expected credit losses during the period / year:

	Stage (1) Individual JD	Stage (2) Individual JD	Stage (3) JD	Total JD
For the Three Months Period				
Ended March 31, 2023 (Reviewed)				
Balance – beginning of the period (Audited)	195,993	95,196	-	291,189
Expected credit loss for new investments during the period	1,070	-	-	1,070
Reversed from impairment losses on matured investments	(175)	-	-	(175)
Effect on provision resulted from adjustments	9,298	(1,173)	-	8,125
Adjustments resulted from change in exchange rates	6,686	-	-	6,686
Balance – End of the Period (Reviewed)	212,872	94,023	-	306,895

For the Year Ended				
December 31, 2022 (Audited)				
Balance – beginning of the year	244,415	88,997	-	333,412
Expected credit loss for new investments during the year	7,628	-	-	7,628
Reversed from impairment losses on matured investments	(17,860)	-	-	(17,860)
Effect on provision resulted from adjustments	(18,495)	15,704	-	(2,791)
Adjustments resulted from change 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 following represents the movement on direct credit facilities at fair value through profit or loss during the period / year:

	March 31, 2023 (Reviewed) JD	December 31, 2022 (Audited) JD
Balance – beginning of the period / year	61,967,403	96,646,207
Paid credit facilities during the period / year	-	(33,011,991)
Effect of adjustments	861,202	736,948
Change in fair value during the period / year	564,597	(2,403,761)
Balance – End of the Period/Year	63,393,202	61,967,403

11. Direct Credit Facilities at Amortized Cost – Net

The details of this item are as follows:

	March 31, 2023 (Reviewed)	December 31, 2022 (Audited)
	JD	JD
Individuals (retail):		
Overdraft accounts	6,882,385	6,682,614
Loans and discounted bills *	1,028,176,655	1,013,188,951
Credit cards	22,644,759	21,758,620
Real estate loans	1,370,762,483	1,339,598,002
Includes Housing loans	839,626,630	823,105,737
Companies:		
Large		
Overdraft accounts	206,369,784	183,894,872
Loans and discounted bills *	1,406,750,996	1,286,913,983
Small and Medium		
Overdraft accounts	74,310,434	72,131,316
Loans and discounted bills *	320,921,545	305,107,960
Government and public sector	607,051,965	554,693,620
Total	5,043,871,006	4,783,969,938
<u>Less:</u> Provision of expected credit losses	(441,834,367)	(432,204,392)
Interest in suspense	(143,210,204)	(142,698,719)
Net Direct Credit Facilities	4,458,826,435	4,209,066,827

- * Net after deducting interest and commission received in advance of JD 23,987,946 as of March 31, 2023 (JD 25,360,666 as of December 31, 2022).
- Non-performing credit facilities amounted to JD 333,436,982 which is equivalent to 6.53% of total direct credit facilities (at amortized cost and at fair value) as of March 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 215,082,939 which is equivalent to 4.33% of total direct credit facilities balance (at amortized cost and at fair value) after deducting interest and commission in suspense as of March 31, 2023 (JD 213,045,163 which is equivalent to 4.53% of 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 statement of financial position amounted to JD 8,686,201 during the three months period ended March 31, 2023 (JD 38,872,186 during the year 2022), the off-balance sheet item balance is amounted to JD 447,901,297 as of March 31, 2023 (JD 439,638,170 as of December 31, 2022). These debts are fully covered with provisions and interest in suspense.
 - Direct credit facilities granted to and guaranteed by the Government of Jordan amounted to JD 574,215,546 which is equivalent to 11.2% of total direct credit facilities as of March 31, 2023 (JD 521,300,521 which is equivalent to 10.8% as of December 31, 2022).
 - Loans rescheduled are amounted to JD 3.6 million during the period ended March 31, 2023 against JD 28.1 million during the year 2022.
 - Loans restructured are amounted to JD 45.2 million during the period ended March 31, 2023 against JD 453.1 million during the year 2022.

The following represents the movement on direct credit facilities during the period / year:

	Stage (1)		Stage (2)		Stage (3)	Total
	Individual	Collective	Individual	Collective	JD	JD
	JD	JD	JD	JD	JD	JD
<u>For the Three Months Period</u>						
<u>Ended March 31, 2023 (Reviewed)</u>						
Balance - beginning of the period (Audited)	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 period	297,597,918	133,731,900	7,107,996	6,330,662	3,294,890	448,063,366
Paid credit facilities during the period	(91,576,030)	(81,317,483)	(13,132,827)	(5,143,237)	(3,351,650)	(194,521,227)
Transferred (from) to stage (1) – net	14,091,057	24,029,495	(14,091,057)	(24,029,495)	-	-
Transferred (from) to stage (2) – net	(9,712,014)	(19,130,656)	10,732,218	21,869,329	(3,758,877)	-
Transferred (from) to stage (3) – net	(156,543)	(686,793)	(1,465,227)	(6,044,042)	8,352,605	-
Changes resulted from adjustments	30,786,896	(13,565,403)	(2,970,749)	(817,078)	2,234,877	15,668,543
Credit facilities written off and transferred to off balance sheet items	-	-	-	-	(9,571,058)	(9,571,058)
Adjustments resulting from change in exchange rates	1,347,839	(622,129)	266,491	(62,846)	(667,911)	261,444
Balance - End of the Period (Reviewed)	<u>2,407,777,628</u>	<u>1,856,384,660</u>	<u>305,032,366</u>	<u>119,565,321</u>	<u>355,111,031</u>	<u>5,043,871,006</u>
<u>For the Year Ended</u>						
<u>December 31, 2022 (Audited)</u>						
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 impact	29,864	(29,864)	336,130	(336,130)	-	-
Adjusted balance – beginning of the year	<u>1,804,409,916</u>	<u>1,703,674,753</u>	<u>423,193,589</u>	<u>116,430,573</u>	<u>388,877,961</u>	<u>4,436,586,792</u>
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 (from) to stage (1) – net	66,115,163	37,067,402	(65,123,444)	(31,928,755)	(6,130,366)	-
Transferred (from) to stage (2) – net	(20,245,844)	(43,831,753)	27,136,509	48,197,714	(11,256,626)	-
Transferred (from) to stage (3) – net	(1,671,909)	(9,237,331)	(24,205,812)	(14,719,262)	49,834,314	-
Changes resulting from 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 resulting from change in exchange rates	1,347,674	(21,738,035)	706,479	(1,037,959)	(458,768)	(21,180,609)
Balance - End of the Year	<u>2,165,398,505</u>	<u>1,813,945,729</u>	<u>318,585,521</u>	<u>127,462,028</u>	<u>358,578,155</u>	<u>4,783,969,938</u>

The following represents the movement on the provision of expected credit loss during the period / year:

	Corporate JD	SME's JD	Retail JD	Real Estate JD	Governmental and Public JD	Total JD
For the Three Months Ended March 31, 2023 (Reviewed)						
Balance - beginning of the period (Audited)	208,433,406	43,270,920	43,114,322	137,305,942	79,802	432,204,392
Reclassification impact	(148,562)	106,320	3,336	38,906	-	-
Adjusted Beginning Balance (Reviewed)	208,284,844	43,377,240	43,117,658	137,344,848	79,802	432,204,392
Impairment loss on new facilities during the period	2,663,181	441,493	912,402	2,542,092	8,277	6,567,445
Reversed from impairment loss on paid facilities	(697,106)	(538,207)	(1,040,499)	(1,630,562)	(3)	(3,906,377)
Transferred (from) to stage (1)	(73,972)	137,951	2,920,962	1,344,142	-	4,329,083
Transferred (from) to stage (2)	(157,956)	(224,349)	(3,123,025)	(1,458,115)	-	(4,963,445)
Transferred (from) to stage (3)	231,928	86,398	202,063	113,973	-	634,362
Effect on the provision as of the end of the period resulting from reclassification between three stages during the period	230,844	193,627	(68,234)	(510,851)	-	(154,614)
Effect resulted from to adjustments	5,849,852	(766,479)	2,090,496	3,570,390	(12,350)	10,731,909
Credit facilities written off and transferred to off balance sheet items	(3,194,629)	(414,196)	(11,279)	(20,916)	-	(3,641,020)
Adjustments resulted from change in exchange rates	18,478	9,607	(68)	4,615	-	32,632
Balance - End of the Period (Reviewed)	213,155,464	42,303,085	45,000,476	141,299,616	75,726	441,834,367
Redistribution based on portfolio:						
Provisions on an individual level	212,175,711	41,670,126	32,368,973	107,868,080	75,726	394,158,616
Provisions on a collective level	979,753	632,959	12,631,503	33,431,536	-	47,675,751
	213,155,464	42,303,085	45,000,476	141,299,616	75,726	441,834,367
Redistribution based on stages:						
Stage (1)	8,261,950	2,314,857	7,347,885	29,628,453	75,726	47,628,871
Stage (2)	63,030,952	10,564,744	6,817,769	82,994,995	-	163,408,460
Stage (3)	141,862,562	29,423,484	30,834,822	28,676,168	-	230,797,036
	213,155,464	42,303,085	45,000,476	141,299,616	75,726	441,834,367

	Corporate	SME's	Retail	Real Estate	Governmental and Public	Total
	JD	JD	JD	JD	JD	JD
For the Year Ended December 31, 2022 (Audited)						
Balance - beginning of the year	236,260,062	49,939,793	45,059,443	122,135,952	76,858	453,472,108
Reclassification impact	1,368,143	(484,665)	16,335	(899,813)	-	-
Adjusted Beginning Balance	237,628,205	49,455,128	45,075,778	121,236,139	76,858	453,472,108
Impairment loss on new facilities during the year	6,565,196	5,583,089	3,633,544	6,532,747	15,486	22,330,062
Reversed from impairment loss on paid facilities	(10,764,193)	(5,743,874)	(4,615,403)	(5,911,843)	-	(27,035,313)
Transferred (from) to stage (1)	1,282,163	1,058,524	4,253,847	5,175,155	1,448	11,771,137
Transferred (from) to stage (2)	(5,826,998)	(2,911,844)	(4,375,961)	(5,312,204)	(1,448)	(18,428,455)
Transferred (from) to stage (3)	4,544,835	1,853,320	122,114	137,049	-	6,657,318
Effect on the provision as of the end of the year resulting from reclassification between three stages during the year	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 resulting from change in exchange rates	(90,130)	56,886	(164)	(31,926)	-	(65,334)
Balance - End of the Year	208,433,406	43,270,920	43,114,322	137,305,942	79,802	432,204,392
Redistribution based on portfolio:						
Provisions on an individual level	207,478,053	42,581,054	31,839,939	108,930,162	79,802	390,909,010
Provisions on a collective level	955,353	689,866	11,274,383	28,375,780	-	41,295,382
	208,433,406	43,270,920	43,114,322	137,305,942	79,802	432,204,392
Redistribution based on stages:						
Stage (1)	7,461,094	2,261,436	4,965,680	24,258,602	79,802	39,026,614
Stage (2)	57,392,180	10,813,810	7,780,817	83,184,944	-	159,171,751
Stage (3)	143,580,132	30,195,674	30,367,825	29,862,396	-	234,006,027
	208,433,406	43,270,920	43,114,322	137,305,942	79,802	432,204,392

Interest in Suspense

The following is the movement on interest in suspense:

	Corporate Entities				Government and Public Sector	
	Corporate	SME's	Retail	Real Estate loans		Total
	JD	JD	JD	JD	JD	JD
<u>For the Three Months Ended March 31, 2023 (Reviewed)</u>						
Balance – beginning of the period (Audited)	47,842,871	25,103,210	31,830,670	37,921,968	-	142,698,719
Reclassification impact	(28,786)	50,645	(15,249)	(6,610)	-	-
Adjusted Beginning Balance (Reviewed)	47,814,085	25,153,855	31,815,421	37,915,358	-	142,698,719
Interest suspended on new exposure during the period	27,580	356	40,348	23	-	68,307
Interest in suspense transferred to income from exposure paid during the period	(1,775,510)	(565,921)	(127,630)	(131,744)	-	(2,600,805)
Effect on interest suspended due to reclassification between stages	18,018	19,513	(100,043)	56,329	-	(6,183)
Effect on interest in suspense due to adjustments	4,107,805	1,704,120	1,780,490	1,365,969	-	8,958,384
Credit facilities written off and transferred to off balance sheet items	(5,032,330)	(560,428)	(190,909)	(146,371)	-	(5,930,038)
Adjustments resulted from change in exchange rates	(5,156)	26,848	159	(31)	-	21,820
Balance – End of the Period (Reviewed)	45,154,492	25,778,343	33,217,836	39,059,533	-	143,210,204
<u>For the year ended December 31, 2022 (Audited)</u>						
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 table shows the total credit facilities classified by economic sector and geographic distribution:

Economic Sector	March 31, 2023 (Reviewed)			December 31, 2022 (Audited)
	Inside Jordan	Outside Jordan	Total	Total
	JD	JD	JD	JD
Financial	140,203,888	97,592,665	237,796,553	216,589,727
Industrial	423,382,868	156,909,280	580,292,148	483,251,654
Trading	335,013,040	257,056,845	592,069,885	564,773,932
Real estate	1,076,319,190	322,097,649	1,398,416,839	1,374,829,284
Agriculture	37,628,273	24,484,455	62,112,728	60,302,392
Shares	12,653,324	-	12,653,324	12,119,202
Individuals	1,027,042,909	33,443,104	1,060,486,013	1,045,418,423
Government and public sector	526,022,739	81,029,226	607,051,965	554,693,620
Other	426,659,484	66,332,067	492,991,551	471,991,704
	4,004,925,715	1,038,945,291	5,043,871,006	4,783,969,938

12. Financial Assets at Amortized Cost - Net

The details of this item are as follows:

	March 31, 2023 (Reviewed)	December 31, 2022 (Audited)
	JD	JD
Quoted Financial Assets:		
Jordanian treasury bills	78,345,874	77,994,538
Jordanian treasury bonds *	1,434,993,784	1,478,601,281
Governmental or guaranteed by Government bonds	471,535,503	471,544,622
Foreign governments bonds	115,647,812	36,992,951
Corporate bonds and debentures	160,999,791	166,354,313
Total Quoted Financial Assets	2,261,522,764	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	2,264,522,765	2,234,487,706
<u>Less:</u> Provision for excepted credit losses	(3,532,219)	(3,503,260)
Net	2,260,990,546	2,230,984,446
Bonds and Bills Analysis:		
At fixed rate	2,260,990,546	2,230,984,446
At floating rate	-	-
Total	2,260,990,546	2,230,984,446

- The maturity dates for Bonds range from year 2023 to year 2036.
- Interest rate on bonds and Treasury Bills ranges from 1.39% to 7.68%.
- * The Bank has entered into repurchase agreements with the Central Bank of Jordan as stated in Note (15) against mortgaging treasury bonds with a nominal value of JD 15.5 million (JD 46.9 million as of December 31, 2022).

The following is the movement on financial assets at amortized cost during the period / year:

	Stage (1) Individual	Stage (2) Individual	Stage (3) Individual	Total
	JD	JD	JD	JD
<u>For the Three Months Ended March 31, 2023 (Reviewed)</u>				
Balance – beginning of the period (Audited)	2,231,487,705	-	3,000,001	2,234,487,706
New investments during the period	142,117,507	-	-	142,117,507
Matured investments during the period	(112,909,066)	-	-	(112,909,066)
Amortization of premium/ discount	882,706	-	-	882,706
Adjustments resulted from changes in exchange rates	(56,088)	-	-	(56,088)
Balance – End of the Period (Reviewed)	<u>2,261,522,764</u>	<u>-</u>	<u>3,000,001</u>	<u>2,264,522,765</u>
<u>For the Year Ended December 31, 2022 (Audited)</u>				
Balance – beginning of the year (Audited)	1,993,689,642	-	3,000,001	1,996,689,643
New investments during the year	888,071,549	-	-	888,071,549
Matured investments during the year	(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	<u>2,231,487,705</u>	<u>-</u>	<u>3,000,001</u>	<u>2,234,487,706</u>

The following is the movement on provision for expected credit losses during the period / year:

	Stage (1) Individual	Stage (2) Individual	Stage (3)	Total
	JD	JD	JD	JD
<u>For the Three Months Ended March 31, 2023 (Reviewed)</u>				
Balance – beginning of the period (Audited)	503,260	-	3,000,000	3,503,260
Expected credit loss for new investments during the period	49,709	-	-	49,709
Expected credit loss for matured investments during the period	(1,045)	-	-	(1,045)
The effect on the provision resulting from the adjustments	(25,790)	-	-	(25,790)
Adjustments resulted from changes in exchange rates	6,085	-	-	6,085
Balance – End of the Period (Reviewed)	<u>532,219</u>	<u>-</u>	<u>3,000,000</u>	<u>3,532,219</u>
<u>For the Year Ended December 31, 2022 (Audited)</u>				
Balance – beginning of the year (Audited)	1,421,581	-	3,000,000	4,421,581
Expected credit loss for new investments during the year	130,644	-	-	130,644
Expected credit loss for matured investments during the year	(54,231)	-	-	(54,231)
The effect on the provision resulting from the adjustments	(971,921)	-	-	(971,921)
Adjustments resulted from changes in exchange rates	(22,813)	-	-	(22,813)
Balance – End of the Year	<u>503,260</u>	<u>-</u>	<u>3,000,000</u>	<u>3,503,260</u>

13. Other Assets - Net

The details of this item are as follows:

	March 31, 2023 (Reviewed)	December 31, 2022 (Audited)
	JD	JD
Accrued revenues and interest	37,136,520	35,137,243
Prepaid expenses	8,927,392	4,541,139
Assets seized by the Bank *	54,725,591	63,489,483
Revaluation gain / Hedge derivatives	2,525,453	3,056,240
Cheques under collection	14,062,611	18,412,462
Other	13,666,590	14,216,729
Total	131,044,157	138,853,296
Provision for expected credit loss	(131,469)	(310,576)
Net	130,912,688	138,542,720

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

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

	For the Three Months Period Ended March 31, 2023 (Reviewed)	For the Year Ended December 31, 2022 (Audited)
	JD	JD
Beginning balance period/ year	63,489,483	64,750,491
Additions during the period / year	3,598,675	8,874,175
Disposals during the period / year	(12,352,693)	(8,629,226)
Impairment loss during the period / year	-	(1,500,000)
Foreign currencies translation difference during the period / year	(9,874)	(5,957)
Balance – Ending of the Period / Year	54,725,591	63,489,483

14. Customers' Deposits

The details of this item are as follows:

	Retail JD	Corporate JD	SME's JD	Governmental and Public JD	Total JD
March 31, 2023 (Reviewed)					
Current accounts and demand deposits	692,995,225	224,473,975	404,205,759	71,529,262	1,393,204,221
Saving deposits	1,819,950,369	1,141,332	58,351,497	1,612,265	1,881,055,463
Time and notice deposits	1,215,664,687	364,535,944	76,595,040	343,568,005	2,000,363,676
Certificates of deposit	242,107,600	41,259,570	893,304	-	284,260,474
Others	47,268	-	-	-	47,268
Total	3,970,765,149	631,410,821	540,045,600	416,709,532	5,558,931,102
December 31, 2022 (Audited)					
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 390.4 million representing 7.0% of total deposits as of March 31, 2023 (approximately JD 317.8 million, representing 5.98% of total deposits as of December 31, 2022).
- Non-interest bearing deposits are amounted to JD 1.57 billion, representing 28.2% of total deposits as of March 31, 2023 (around JD 1.55 billion, representing 29.2% of total deposits as of December 31, 2022).
- Restricted deposits (Restricted withdrawal) amounted to JD 100.4 million, representing 1.8% of total deposits as of March 31, 2023 (JD 105.9 million, representing 2.0% of total deposits as of December 31, 2022).
- Dormant accounts amounted to JD 216.7 million, representing 3.9% of total deposits as of March 31, 2023 (JD 237.7 million, representing 4.5% of total deposits as of December 31, 2022).

15. Borrowed funds:

This item consists of the following:

March 31, 2023 (Reviewed)	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.	15,337,412	109	78	Semi Annual	Financial Solvency	2.5% to 6.9%	Guaranteed 6.0% to 9.85% Without Guarantee: 6.5% to 10.35%
Main Economic Sectors Support Programs	55,725,611	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	44,132,366	Based on the Periodicity of instalments due			On demand promissory note	0.00%	2.00%
Repurchase agreements	15,160,103	Based on each agreement			Government bonds	6.00%	-
Borrowing / local institutions	160,000,000	26	26	Monthly/Semi annual	Financial Solvency / Mortgage	4.25% to 6.75%	7.25% to 10.50%
Borrowing / foreign insinuations	60,550,660	116	112	Quarter/ Semi annual	Financial Solvency	0.87% to 6.65%	Based on interest rate at the bank
Total	<u>350,906,152</u>						

- 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 during year 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 301,844,029 and borrowed funds with a variable interest rate amounted to JD 49,062,123.
- The maturity dates of borrowed funds from foreign insinuations range from year 2023 to year 2028.
- Borrowed funds during the period ended in March 31, 2023, amounted to JD 44,745,448 and settled borrowed funds amounted to JD 62,070,702 during the same period, excluding repurchase agreement.
- There were no renewed loans during the period ended in March 31, 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%
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%	Without Guarantee: 6.5% to 9.69% 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	<u>398,779,481</u>						

- The maturity dates of funds borrowed from the Central Bank of Jordan range from year 2022 to year 2039.
- The financial liabilities against repurchase agreements will due during year 2022.
- 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 2022 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 2022 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.
- There were no renewed loans during the year 2022.

16. Income Tax**a. Income tax provision**

The movement on the income tax provision is as follows:

	March 31, 2023	December 31, 2022
	(Reviewed)	(Audited)
	JD	JD
Balance – beginning of the period / year	53,415,161	55,815,858
Income tax paid	(12,671,440)	(66,235,794)
Accrued income tax	16,960,899	63,002,549
Accrued income tax of distribution profits from a subsidiary	2,813,347	867,382
Currency translation	(2,056)	(34,834)
Balance – Ending of the Period / Year	60,515,911	53,415,161

- Income tax rate for Banks in Jordan is 35% and a 3% for the national contribution account. In addition, the income tax rates in the countries in which the Bank has investments range from 0% to 31%.
- The Bank has reached a final settlement with the Income and Sale Tax Department in Jordan up to the year 2020, and declared taxes have been paid and have filed the tax returns for the year 2021.
- A final settlement has been reached for Palestine branches on income tax up to the year 2021.
- The income tax for the Housing Bank for Trade and Finance /Algeria was paid up to the year 2021.
- The income tax for the International Bank for Trade and Finance /Syria was paid up to the year 2021.
- The income tax for Jordan International Bank/ London was paid up to the year 2021.
- A final settlement has been reached for the International Financial Centre Company on income tax up to the year 2021, except for the year 2018.
- The income tax for the Specialized Leasing Company was paid up to the year 2020, and a final settlement has been reached up to the year 2021.

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

	For the Three Months	
	Ended March 31,	
	2023	2022
	(Reviewed)	(Reviewed)
	JD	JD
Provision for income tax for the period	16,960,899	13,674,338
Deferred tax assets for the period	(10,755,513)	(19,408,803)
Amortization of deferred tax assets	12,161,846	16,074,400
Amortization of deferred tax liabilities	(2,813,347)	-
Income tax due on subsidiaries dividend's distribution	2,813,347	-
Total	18,367,232	10,339,935

17. Other Liabilities

The details for this item are as follows:

	March 31, 2023 (Reviewed)	December 31, 2022 (Audited)
	JD	JD
Accrued interest	26,439,214	22,057,845
Interests and commissions received in advance	5,318,786	5,063,055
Accrued expenses	15,976,991	30,490,659
Certified cheques	35,023,237	43,429,725
Transfers in process	36,961,804	31,892,390
Payment in process	11,345,016	11,132,513
Prizes	847,562	1,616,818
Amounts payable to correspondent banks	1,484,093	1,407,285
General management trusts	4,846,818	4,979,733
Dividends payable to shareholders	7,425,440	7,454,441
Accounts payable	3,375,916	5,834,049
Unrealized loss / hedge derivatives	1,780,532	2,048,066
Other payable accounts	32,637,863	20,978,117
Provision for indirect facilities' expected credit loss	35,578,256	35,377,288
Others	5,762,939	3,304,356
Total	224,804,467	227,066,340

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

	Stage (1)		Stage (2)		Stage (3)	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD	JD	JD
For the Three Months Period March 31, 2023 (Reviewed)						
Balance at the beginning of the period (Audited)	970,690,613	68,557,365	29,294,851	5,708,465	20,792,613	1,095,043,907
New exposures during the period	199,120,127	4,899,255	2,918,609	194,060	42,877	207,174,928
Matured exposures during the period	(203,313,050)	(3,566,451)	(3,031,981)	(52,531)	(2,023,721)	(211,987,734)
Transferred (from) to stage (1)	193,809	358,300	(193,809)	(354,300)	(4,000)	-
Transferred (from) to stage (2)	(4,991,345)	(23,581)	5,078,395	23,581	(87,050)	-
Transferred (from) to stage (3)	-	(30,000)	(17,800)	-	47,800	-
Effect of the reclassification	(56,742,967)	47,215	176,313	(208,924)	268,568	(56,459,795)
Adjustments resulted from changes in exchange rate	170,075	(1,258,516)	(3,074)	(399,550)	(190,022)	(1,681,087)
Balance at the Ending of the Period (Reviewed)	905,127,262	68,983,587	34,221,504	4,910,801	18,847,065	1,032,090,219

	Stage (1)		Stage (2)		Stage (3)	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD	JD	JD
For the Year Ended December 31, 2022 (Audited)						
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 (from) to stage (1)	24,836,241	1,620,752	(24,810,241)	(1,488,258)	(158,494)	-
Transferred (from) to stage (2)	(2,589,424)	(475,238)	2,978,374	476,238	(389,950)	-
Transferred (from) 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 period / year:

	Stage (1)		Stage (2)		Stage (3)	Total
	Individual	Collective	Individual	Collective	JD	JD
	JD	JD	JD	JD		
<u>For the Three Months Period March 31, 2023 (Reviewed)</u>						
Balance at the beginning of the period (Audited)	8,643,993	287,164	7,684,490	310,411	18,451,230	35,377,288
Impairment loss on the new facilities	1,966,361	38,018	1,695,199	20,591	-	3,720,169
Reversed from impairment loss on the matured facilities	(1,205,435)	(31,151)	(61,694)	(3,482)	(1,970,640)	(3,272,402)
Transferred (from) to stage (1)	18,643	16,142	(18,643)	(16,142)	-	-
Transferred (from) to stage (2)	(146,221)	(1,059)	171,970	1,059	(25,749)	-
Transferred (from) to stage (3)	-	(212)	(5,825)	-	6,037	-
Effect on provision as end of the period resulted from reclassification between the three stages during the period	(13,021)	(12,854)	(61,946)	4,071	17,761	(65,989)
Effect of the adjustments	(894,165)	(22,284)	507,913	(29,437)	256,083	(181,890)
Adjustments resulted from changes in exchange rate	4,567	(2,349)	(923)	3,245	(3,460)	1,080
Balance at the Ending of the Period (Reviewed)	8,374,722	271,415	9,910,541	290,316	16,731,262	35,578,256
<u>For the Year Ended December 31, 2022 (Audited)</u>						
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 the new facilities during the year	3,286,571	128,289	110,912	3,299	15,577	3,544,648
Reversed from impairment loss on the matured facilities	(3,746,238)	(99,110)	(1,508,761)	(26,426)	(750,809)	(6,131,344)
Transferred (from) to stage (1)	629,933	185,363	(618,765)	(120,396)	(76,135)	-
Transferred (from) to stage (2)	(15,468)	(4,073)	231,994	4,073	(216,526)	-
Transferred (from) to stage (3)	(171)	(698)	(372,958)	(517)	374,344	-
Effect on provision as of the end of year resulted from reclassification between the three 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 Ending of the Year	8,643,993	287,164	7,684,490	310,411	18,451,230	35,377,288

18. Expected Credit Losses Expense

The details of this item is as follows:

	For the Three Months Ended March 31,	
	2023 (Reviewed)	2022 (Reviewed)
	JD	JD
Balances and deposits at banks and financial institutions	(173,445)	(27,123)
Financial assets at fair value through other comprehensive income	9,020	(49,922)
Financial assets at amortized cost	22,874	1,065,324
Direct credit facilities	13,238,363	7,559,349
Commitments and contingent liabilities	199,888	2,998,103
Other assets	(5,819)	73,000
	13,290,881	11,618,731

19. Fair Value Reserve – Net

The details of this item is as follows:

	For the Three Months Ended March 31, 2023 (Reviewed)	For the Year Ended December 31, 2022 (Audited)
	JD	JD
Balance – beginning of the period/ year	(10,908,261)	3,542,409
Unrealized (losses) - debt instrument	361,956	(22,488,840)
Unrealized gain – equity instrument	-	185,022
Deferred tax assets	(12,025)	4,895,073
Deferred tax liabilities	(110,091)	2,958,075
Net change in valuation reserve of financial assets at fair value through comprehensive income after tax	239,840	(14,450,670)
Balance at the End of the Period/Year	(10,668,421)	(10,908,261)

20. Retained Earnings

The movement on retained earnings is as follows:

	For the Three Months Ended March 31, 2023 (Reviewed)	For the Year Ended December 31, 2022 (Audited)
	JD	JD
Balance – beginning of the period / year	416,843,387	367,183,950
Income for the year	-	129,500,828
Dividends distribution	-	(63,000,000)
Transferred (to) reserves	-	(16,841,391)
Balance – End of the Period / Year	416,843,387	416,843,387

- The Bank cannot use a restricted amount of JD 6,275,955 from retained earnings which represents the financial assets revaluation differences in accordance with the instructions of the Jordan Securities Commission.
- Retained earnings includes an amount of JD 633,225 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 127,227,613 from retained earnings 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 1,342,216 which represents the gain from the valuation of foreign currencies at the International Bank for Trade and Finance /Syria for the current period and the prior years.
- Retained earnings includes a restricted amount of JD 465,000 which represents general banking risk reserve for Palestine branches

21. Interest Income

The details of this item are as follows:

For the Three Months Ended March 31,		
	2023 (Reviewed)	2022 (Reviewed)
	JD	JD
Direct Credit Facilities:		
Individual retail customer:		
Overdraft	77,075	72,992
Loans and discounted bills	25,464,806	17,583,611
Credit cards	628,839	529,381
Real estate loans	24,183,938	16,371,635
Large corporates		
Overdraft	3,721,247	3,002,771
Loans and discounted bills	25,736,431	16,382,752
SME's		
Overdraft	1,461,546	1,070,384
Loans and discounted bills	5,645,761	4,927,095
Government and Public Sector	9,437,441	5,340,797
Balances at central banks	1,150,499	1,076,594
Balances and deposits at banks and financial institutions	4,216,187	641,517
Financial assets at amortized cost	28,912,249	24,102,021
Financial assets at fair value through other comprehensive income	3,832,438	2,948,889
	134,468,457	94,050,439

22. Interest Expense

The details of this item are as follows:

For the Three Months Ended March 31,		
	2023 (Reviewed)	2022 (Reviewed)
	JD	JD
Banks and financial institutions deposits	10,801,023	1,661,135
Customers deposits :		
Current accounts and demand deposits	480,769	155,432
Saving deposits	828,351	896,613
Time and notice deposits	18,692,522	8,028,529
Certificates of deposits	2,560,766	1,396,889
Cash margins	911,711	450,424
Borrowed funds	3,520,011	2,523,286
Deposits insurance fees	1,161,070	1,711,863
Lease liability	343,902	409,858
	39,300,125	17,234,029

23. 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
<u>For the Three Months Period Ended March 31, 2023 (Reviewed)</u>						
Corporate shares	-	(6,590)	187,168	-	22,788	203,366
Direct credit facilities	-	-	564,597	-	-	564,597
Total	-	(6,590)	751,765	-	22,788	767,963

For the Three Months Period Ended March 31, 2022 (Reviewed)

Corporate shares	-	-	140,910	-	21,872	162,782
Direct credit facilities	-	-	-	(1,675,785)	-	(1,675,785)
Total	-	-	140,910	(1,675,785)	21,872	(1,513,003)

24. Earnings Per Share Attributable to the Shareholders of the Bank / Basic - Diluted

The details of this item are as follows:

	For the Three Months Ended March 31,	
	2023 (Reviewed) JD	2022 (Reviewed) JD
Profit for the period attributable to shareholders'	35,252,725	29,331,239
Weighted average number of shares	315,000,000	315,000,000
Basic and diluted earnings per share attributable to shareholders of the Bank	0.112	0.093

25. Cash and Cash Equivalents

This item consists of the following:

	As of March 31,	
	2023 (Reviewed) JD	2022 (Reviewed) JD
Cash and balances with central banks maturing within 3 months	632,219,101	775,192,055
<u>Add:</u> Balances with banks and financial institutions maturing within 3 months	348,511,157	364,173,752
<u>(Less):</u> Banks and financial institutions deposits maturing within 3 months	(712,141,879)	(600,141,538)
	268,588,379	539,224,269

26. Capital Adequacy

The capital adequacy calculated according to the instructions of the Central Bank of Jordan, based on the instructions of Basel Committee, and the following the capital adequacy ratio:

	March 31, 2023 (Reviewed) JD	December 31, 2022 (Audited) JD
Common Equity Tier 1 Capital		
Paid-in capital	315,000,000	315,000,000
Retained earnings	329,281,133	328,937,494
Other comprehensive income items	(143,353,595)	(145,398,683)
Net fair value reserve	(10,668,421)	(10,908,261)
Foreign currency translation reserve	(132,685,174)	(134,490,422)
Share premium	328,147,537	328,147,537
Statutory reserve	274,726,787	274,726,787
Other reserve	11,553,745	11,553,745
Non-controlling interest	15,288,913	14,583,616
Condensed gains after tax and expected distribution Value	11,627,725	-
Total capital for ordinary shares	1,142,272,245	1,127,550,496
Regulatory amendments (Propositions of the capital)	(156,183,040)	(157,248,008)
Goodwill and intangible assets	(21,835,420)	(21,574,280)
Deferred tax assets	(127,227,613)	(128,589,582)
Investments in the capital of non-consolidated subsidiaries with the Bank	(40,681)	(40,681)
Mutual investments in banks' capital, financial companies, and insurance companies Within the CET1	(7,079,326)	(7,043,465)
Net ordinary shareholder's equity	986,089,205	970,302,488
Non-controlling Interest	2,698,044	2,573,579
Total additional capital	2,698,044	2,573,579
Net Additional Capital	2,698,044	2,573,579
Net additional capital Tier 1	988,787,249	972,876,067
Tier 2 Capital		
General banking risk reserve		
Expected credit losses provision for the first stage – does not exceed 1.25% of the assets weighted credit risks	57,427,838	49,234,104
Non-controlling interest	3,597,391	3,431,439
Total Capital	61,025,229	52,665,543
Regulatory amendments (Propositions of the capital)	-	-
Investments in the capital of non-consolidated subsidiaries with the bank	-	-
Net additional capital Tier 2	61,025,229	52,665,543
Regulatory capital	1,049,812,478	1,025,541,610
Total Risk weighted assets	5,743,097,204	5,488,730,057
Capital Adequacy ordinary shareholders (CET1) Ratio %	17.17%	17.68%
Capital Adequacy Tier 1 Ratio %	17.22%	17.72%
Capital Adequacy Ratio %	18.28%	18.68%

27. Related Party Transactions

- a. 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 balances during the period/year:

	Related Party				Total	
	Major Shareholders	Subsidiaries	Board of Directors and their related	Executive Management and their related	March 31, 2023	December 31, 2022 (Audited)
	JD	JD	JD	JD	(Reviewed) JD	JD
Financial position items						
Total deposits with related parties	21,376,434	69,276,817	-	-	90,653,251	113,000,105
Total deposits from related parties	626,379,673	75,630,727	3,000,144	2,910,354	707,920,898	713,064,255
Loans and advances granted to related parties	53,155,714	1,297,948	188,629	1,182,787	55,825,078	54,580,219
Loans and advances granted from related parties	-	2,442,450	-	-	2,442,450	2,624,541
Items off-statement of Financial position						
Letters of guarantees and credits	19,303,784	1,668,685	-	-	20,972,469	20,483,072
Forward foreign currency contracts	45,703,668	-	-	-	45,703,668	45,703,668
Interest swap contracts	63,810,000	-	-	-	63,810,000	63,810,000

- c. Summary of related party transactions during the period:

	Related Party				Total	
	Major Shareholders	Subsidiaries	Board of Directors and their related	Executive Management and their related	For the Three Months Ended March 31,	
	JD	JD	JD	JD	2023 (Reviewed) JD	2022 (Reviewed) JD
Statement of Profit or Loss items						
Interest and commissions income	1,570,637	665,593	3,401	12,963	2,252,594	321,936
Interest and commissions expense	7,673,472	890,479	19,902	21,461	8,605,314	1,822,558
Consulting fees	3,648	-	-	-	3,648	-
Rent income	-	56,432	-	-	56,432	27,250

- Interest income rates ranges from 0% to 11%.
- Interest expense rates ranges from 0% to 10%.

- d. The Bank's executive management remuneration were as follows:

	For the Three Months Ended March 31,	
	2023 (Reviewed) JD	2022 (Reviewed) JD
Salaries, bonuses, and other benefits	1,919,803	1,579,505
Salaries, bonuses, and other benefits/ Subsidiaries	948,276	930,946

28. Segment Analysis

Information on the Bank Activities:

For management purposes, the Bank is divided into four major business segments according to reports sent to the chief operating officer:

- Retail Banking: Principally handling individual customers' and small businesses' deposits and providing loans, overdrafts, credit cards and other services.
- Corporate Banking: Principally handling deposits, credit facilities, and other financial services for corporate and institutional customers.
- Corporate Finance: Principally arranging structured finance and providing services relating to privatizations, IPO's, mergers and acquisitions.
- Treasury: Principally 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	Corporate	Corporate Finance	Treasury	Others	Elimination	Total	
							For the Three Months	
							Period Ended March 31,	
	JD	JD	JD	JD	JD	JD	2023 (Reviewed)	2022 (Reviewed)
Gross Income	78,334,136	55,549,413	1,322,178	47,125,281	943,996	(31,324,785)	151,950,219	110,357,981
Allowance for expected credit loss for the period	(1,204,782)	(11,825,763)	(401,887)	141,551	-	-	(13,290,881)	(11,618,731)
Segment results	39,316,645	13,134,729	106,905	4,173,270	943,996	-	57,675,545	43,804,488
Unallocated expenses	-	-	-	-	-	-	(3,095,650)	(3,372,390)
Income before Tax	-	-	-	-	-	-	54,579,895	40,432,098
Income Tax	-	-	-	-	-	-	(18,367,232)	(10,339,935)
Profit for the Period							36,212,663	30,092,163
							March 31, 2023	December 31,
							(Reviewed)	2022 (Audited)
Segment Assets	4,578,481,592	2,725,401,207	78,810,230	3,637,100,704	1,522,050,109	-	12,541,843,842	12,263,076,661
Elimination of assets between segments	(2,680,000,414)	-	-	(539,800,869)	(817,543,093)	-	(4,037,344,376)	(3,933,024,098)
Unallocated assets on segments	-	-	-	-	-	-	127,227,613	128,589,582
Total Assets							8,631,727,079	8,458,642,145
Segment Liabilities	4,535,084,147	2,861,417,683	78,733,096	3,596,312,718	299,299,067	-	11,370,846,711	11,125,834,020
Elimination of liabilities between segments	-	(1,242,542,059)	(32,795,954)	(2,762,006,363)	-	-	(4,037,344,376)	(3,933,024,098)
Unallocated liabilities	-	-	-	-	-	-	4,067,094	6,770,350
Total Liabilities							7,337,569,429	7,199,580,272
							For the Three Months	
							Ended March 31,	
							2023 (Reviewed)	2022 (Reviewed)
Capital expenditures							5,003,810	2,845,048
Depreciation and amortization							6,215,941	6,060,907

- Distributed according to economic sector is as follows:

	Government and									
	Financial	Industrial	Trading	Real Estate	Agriculture	Shares	Individuals	Public	Other	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Cash at central banks	-	-	-	-	-	-	-	532,411,801	-	532,411,801
Balances at banks and financial institutions	348,303,248	-	-	-	-	-	-	-	-	348,303,248
Deposits at banks and financial institutions	9,659,843									9,659,843
Credit facilities at amortized cost	226,652,346	448,828,680	493,466,826	1,230,798,242	51,716,612	3,975,352	972,660,175	606,976,240	423,751,962	4,458,826,435
Credit facilities at fair value through profit or loss	-	63,393,202	-	-	-	-	-	-	-	63,393,202
Bonds and bills:										
Within Financial assets at fair value through other comprehensive income	63,595,308	-	-	-	-	-	-	282,751,578	-	346,346,886
Within Financial assets at amortized cost	258,518,188							1,996,784,072	5,688,286	2,260,990,546
Total for the Period	906,728,933	512,221,882	493,466,826	1,230,798,242	51,716,612	3,975,352	972,660,175	3,418,923,691	429,440,248	8,019,931,961
Letter of guarantees	-	-	420,124,861	-	-	-	-	-	-	420,124,861
Letter of credit	-	-	508,840,150	-	-	-	-	-	-	508,840,150
Other liabilities	-	-	67,546,953	-	-	-	-	-	-	67,546,953
Total	906,728,933	512,221,882	1,489,978,790	1,230,798,242	51,716,612	3,975,352	972,660,175	3,418,923,691	429,440,248	9,016,443,925
Prior Year 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

- Total Exposure Distribution According to Geographic Region:

	Inside Jordan	Other Middle East Countries	Europe	Asia	Africa	America	Other Countries	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Cash and balances at central banks	232,380,849	161,597,220	-	-	138,433,732	-	-	532,411,801
Balances at banks and financial institutions	50,952,908	53,158,103	186,313,910	845,207	7,471,181	49,561,939	-	348,303,248
Deposits at banks and financial institutions		6,496,789	3,163,054	-	-	-	-	9,659,843
Credit facilities at amortized cost	3,616,406,922	408,289,616	274,886,806	-	159,243,091	-	-	4,458,826,435
Credit Facilities at fair value through profit or loss	63,393,202	-	-	-	-	-	-	63,393,202
Bonds and Bills:								
Within Financial assets at fair value through other comprehensive income	208,618,688	25,878,281	57,799,099	11,017,398	7,494,407	35,539,013		346,346,886
Within Financial assets at amortized cost	2,096,658,015	52,474,142	3,502,931	-	104,422,007	1,813,654	2,119,797	2,260,990,546
Total for the Period	6,268,410,584	707,894,151	525,665,800	11,862,605	417,064,418	86,914,606	2,119,797	8,019,931,961
Letter of guarantee	261,300,319	61,746,060	9,670,166	-	87,408,316	-	-	420,124,861
Letter of credit	456,248,166	12,672,858	5,815,845	2,470,907	31,632,374	-	-	508,840,150
Other liabilities	32,055,659	-	35,491,294	-	-	-	-	67,546,953
Total	7,018,014,728	782,313,069	576,643,105	14,333,512	536,105,108	86,914,606	2,119,797	9,016,443,925
Previous Year 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

29. Commitments and Contingent Liabilities:

This item consists of the following:

	March 31, 2023 (Reviewed)	December 31, 2022 (Audited)
	JD	JD
Letters of credit	418,288,780	483,501,097
Acceptances	95,778,040	103,294,521
Guarantees:		
- Payment	188,705,875	172,620,903
- Performance bonds	191,255,465	189,606,793
- Other	69,697,207	74,436,092
Forward foreign currency contracts	295,950,675	281,530,651
Currency swap contracts	34,815,000	34,815,000
Un-utilized direct credit facilities ceilings	522,911,467	603,293,844
Total	1,817,402,509	1,943,098,901

30. Lawsuits Raised Against the Bank and Lawsuits Raised by the Bank Against Others

Lawsuits raised against the Bank amounted to approximately JD 24.7 million as of March 31, 2023 (approximately 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 7.6 million as of March 31, 2023 (JD 7.7 as of December 31, 2022).

The lawsuits raised by the Bank against others amounted to approximately JD 657.3 million as of March 31, 2023 (approximately JD 627.7 million as of December 31, 2022).

31. 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
March 31, 2023 (Reviewed)				
Financial assets:				
Financial assets at fair value through other comprehensive income	346,346,887	-	42,680,155	389,027,042
Direct credit facilities at fair value through profit or loss	4,741,503	-	450,584	5,192,087
Financial assets at fair value through profit or loss	63,393,202	-	-	63,393,202
Total	414,481,592	-	43,130,739	457,612,331
December 31, 2022 (Audited)				
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 profit or loss	61,967,403	-	-	61,967,403
Total	392,931,797	-	43,150,390	436,082,187