

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

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

THE HOUSING BANK FOR TRADE AND FINANCE  
(PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN - THE HASHEMITE KINGDOM OF JORDAN  
JUNE 30, 2023

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditor's Review Report	1
Condensed Consolidated Interim Statement of Financial Position	2
Condensed Consolidated Interim Statement of Profit or Loss	3
Condensed Consolidated Interim Statement of Comprehensive Income	4
Condensed Consolidated Interim Statement of Changes in Owners' Equity	5
Condensed Consolidated Interim Statement of Cash Flows	6
Notes to the Condensed Consolidated Interim Financial Information	7 - 41

## **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 June 30, 2023 and the related condensed consolidated interim statements of profit or loss and other comprehensive income for the three and six-months ended June 30, 2023, and condensed consolidated interim statements of changes in owners' equity and cash flows for the six-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  
July 26, 2023

**Deloitte & Touche (M.E.) – Jordan**  
**Deloitte & Touche (M.E.)**  
ديلويت التوش (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**

		<b>June 30, 2023</b>	<b>December 31, 2022</b>
	<b>Note</b>	<b>(Reviewed)</b>	<b>(Audited)</b>
<b>Assets:</b>		<b>JD</b>	<b>JD</b>
Cash and balances at central banks – net	5	597,648,016	693,967,771
Balances at banks and financial institutions – net	6	235,464,093	358,673,917
Deposits at banks and financial institutions – net	7	49,313,286	56,638,273
Financial assets at fair value through profit or loss	8	4,799,722	5,019,780
Financial assets at fair value through other comprehensive income	9	383,407,441	369,095,004
Direct credit facilities at fair value through profit or loss	10	46,700,299	61,967,403
Direct credit facilities at amortized cost - net	11	4,533,632,137	4,209,066,827
Financial assets at amortized cost – net	12	2,338,898,476	2,230,984,446
Property and equipment – net		161,830,332	162,799,067
Intangible assets – net		21,501,011	21,574,280
Right of use asset		21,776,463	21,723,075
Deferred tax assets		127,637,786	128,589,582
Other assets – net	13	134,205,511	138,542,720
<b>TOTAL ASSETS</b>		<b><u>8,656,814,573</u></b>	<b><u>8,458,642,145</u></b>
<b>LIABILITIES AND OWNERS' EQUITY:</b>			
<b>LIABILITIES:</b>			
Banks and financial institutions deposits		790,638,827	870,020,537
Customers' deposits	14	5,656,864,283	5,318,025,833
Cash margins		280,167,067	274,011,478
Borrowed funds	15	333,113,141	398,779,481
Sundry provisions		30,486,726	30,380,825
Income tax provision	16/a	41,859,085	53,415,161
Deferred tax liabilities		4,297,192	6,770,350
Lease liability		20,947,229	21,110,267
Other liabilities	17	238,615,189	227,066,340
<b>TOTAL LIABILITIES</b>		<b><u>7,396,988,739</u></b>	<b><u>7,199,580,272</u></b>
<b>OWNERS' EQUITY:</b>			
<b>BANK'S SHAREHOLDERS' EQUITY:</b>			
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		(130,848,314)	(134,490,422)
Fair value reserve – net	19	(8,711,006)	(10,908,261)
Retained earnings	20	338,093,387	416,843,387
Profit for the period		74,621,791	-
<b>TOTAL BANK'S SHAREHOLDERS' EQUITY</b>		<b><u>1,202,602,215</u></b>	<b><u>1,200,891,061</u></b>
Non-controlling interest		57,223,619	58,170,812
<b>TOTAL OWNERS' EQUITY</b>		<b><u>1,259,825,834</u></b>	<b><u>1,259,061,873</u></b>
<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b><u>8,656,814,573</u></b>	<b><u>8,458,642,145</u></b>

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

**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 June 30,		For the Six Months Ended June 30,	
		2023	2022	2023	2022
		(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)
		JD	JD	JD	JD
Interest income	21	141,903,336	98,703,080	276,371,793	192,753,519
Interest expense	22	(45,183,346)	(20,386,424)	(84,483,471)	(37,620,453)
<b>Net Interest Income</b>		<b>96,719,990</b>	<b>78,316,656</b>	<b>191,888,322</b>	<b>155,133,066</b>
Net commission income		6,308,517	6,374,837	13,302,853	13,212,847
<b>Net Interest and Commission Income</b>		<b>103,028,507</b>	<b>84,691,493</b>	<b>205,191,175</b>	<b>168,345,913</b>
Gain from foreign currencies		2,307,679	2,465,434	4,363,049	4,574,473
Gain (loss) from financial assets at fair value through profit or loss	23	350,827	(303,727)	1,118,790	(1,816,730)
Cash dividends from financial assets at fair value through other comprehensive income		140,459	-	381,341	196,388
Other revenue		6,025,297	7,048,729	13,448,508	15,725,837
<b>Total Income</b>		<b>111,852,769</b>	<b>93,901,929</b>	<b>224,502,863</b>	<b>187,025,881</b>
<b>Expenses:</b>					
Employees' expenses		23,768,246	21,403,961	48,290,893	42,754,828
Depreciation and amortization		6,398,818	6,181,369	12,614,759	12,242,276
Other expenses		14,733,137	12,373,232	28,647,823	26,018,736
Allowance for expected credit losses - net	18	5,524,406	(1,513,516)	18,815,287	10,105,215
Expense (recovery) of sundry provisions		(97,271)	4,448,009	28,773	4,463,854
<b>Total Expenses</b>		<b>50,327,336</b>	<b>42,893,055</b>	<b>108,397,535</b>	<b>95,584,909</b>
Profit for the period before income tax expense		61,525,433	51,008,874	116,105,328	91,440,972
Income tax expense	16/b	(21,072,454)	(17,282,016)	(39,439,686)	(27,621,951)
<b>Profit for the Period</b>		<b>40,452,979</b>	<b>33,726,858</b>	<b>76,665,642</b>	<b>63,819,021</b>
Attributable to:					
Bank's Shareholders		39,369,066	34,186,868	74,621,791	63,518,107
Non-Controlling Interest		1,083,913	(460,010)	2,043,851	300,914
		<b>40,452,979</b>	<b>33,726,858</b>	<b>76,665,642</b>	<b>63,819,021</b>
Basic and diluted earnings per share for the period attributable to the Bank's shareholders	24	<b>0.125</b>	<b>0.109</b>	<b>0.237</b>	<b>0.202</b>

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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**

	<b>For the Three Months Ended June 30,</b>		<b>For the Six Months Ended June 30,</b>	
	<b>2023 (Reviewed)</b>	<b>2022 (Reviewed)</b>	<b>2023 (Reviewed)</b>	<b>2022 (Reviewed)</b>
	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>
Profit for the period	40,452,979	33,726,858	76,665,642	63,819,021
<b><u>Other comprehensive income items which may be reclassified to profit or loss in the subsequent period</u></b>				
Foreign currencies translation	2,013,234	(9,677,786)	3,954,248	(15,435,730)
Net change in valuation reserve of financial assets at fair value through other comprehensive income after tax - debt instruments	1,930,763	(7,746,933)	2,183,213	(13,750,838)
<b><u>Other comprehensive income items that will not be reclassified to profit or loss in the subsequent period</u></b>				
Net change in valuation reserve of financial assets at fair value through other comprehensive income after tax - equity instruments	21,208	32,307	21,208	32,307
<b>Total other comprehensive income items for the period after tax</b>	<b>3,965,205</b>	<b>(17,392,412)</b>	<b>6,158,669</b>	<b>(29,154,261)</b>
<b>Total Comprehensive Income for the Period</b>	<b>44,418,184</b>	<b>16,334,446</b>	<b>82,824,311</b>	<b>34,664,760</b>
Attributable to:				
Bank's shareholders	43,163,341	19,188,385	80,461,154	38,043,734
Non-controlling interest	1,254,843	(2,853,939)	2,363,157	(3,378,974)
	<b>44,418,184</b>	<b>16,334,446</b>	<b>82,824,311</b>	<b>34,664,760</b>

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**THE HOUSING BANK FOR TRADE AND FINANCE**  
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**AMMAN - THE HASHEMITE KINGDOM OF JORDAN**  
**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN OWNERS' EQUITY**

	Bank's Shareholders Equity										Total Owners' Equity
	Reserves				Foreign Currency Translation	Fair Value Reserve - Net	Retained Earnings	Profit for the Period	Total Shareholder's Equity	Non-controlling Interest	
	Authorized and Paid-up Capital	Share Premium	Statutory	Special Reserve							
	JD	JD	JD	JD							
<b>For the Six Months Ended June 30, 2023</b>											
<b>(Reviewed)</b>											
<b>Beginning Balance for the Period (Audited)</b>	<b>315,000,000</b>	<b>328,147,537</b>	<b>274,745,075</b>	<b>11,553,745</b>	<b>(134,490,422)</b>	<b>(10,908,261)</b>	<b>416,843,387</b>	-	<b>1,200,891,061</b>	<b>58,170,812</b>	<b>1,259,061,873</b>
Profit for the period	-	-	-	-	-	-	-	74,621,791	<b>74,621,791</b>	<b>2,043,851</b>	<b>76,665,642</b>
Net change in valuation reserve of financial assets at fair value through other comprehensive income – debit instruments	-	-	-	-	-	2,176,047	-	-	<b>2,176,047</b>	<b>7,166</b>	<b>2,183,213</b>
Net change in valuation reserve of financial assets at fair value through other comprehensive income – equity instruments	-	-	-	-	-	21,208	-	-	<b>21,208</b>	-	<b>21,208</b>
Foreign currencies translation	-	-	-	-	3,642,108	-	-	-	<b>3,642,108</b>	<b>312,140</b>	<b>3,954,248</b>
<b>Total comprehensive income for the period</b>	-	-	-	-	<b>3,642,108</b>	<b>2,197,255</b>	-	<b>74,621,791</b>	<b>80,461,154</b>	<b>2,363,157</b>	<b>82,824,311</b>
Dividends paid	-	-	-	-	-	-	(78,750,000)	-	<b>(78,750,000)</b>	<b>(3,310,350)</b>	<b>(82,060,350)</b>
<b>Ending Balance for the Period (Reviewed)</b>	<b>315,000,000</b>	<b>328,147,537</b>	<b>274,745,075</b>	<b>11,553,745</b>	<b>(130,848,314)</b>	<b>(8,711,006)</b>	<b>338,093,387</b>	<b>74,621,791</b>	<b>1,202,602,215</b>	<b>57,223,619</b>	<b>1,259,825,834</b>
<b>For the Six Months Ended June 30, 2022</b>											
<b>(Reviewed)</b>											
<b>Beginning Balance for the Period (Audited)</b>	<b>315,000,000</b>	<b>328,147,537</b>	<b>257,997,671</b>	<b>11,459,758</b>	<b>(128,208,080)</b>	<b>3,542,409</b>	<b>367,183,950</b>	-	<b>1,155,123,245</b>	<b>61,680,930</b>	<b>1,216,804,175</b>
Profit for the period	-	-	-	-	-	-	-	63,518,107	<b>63,518,107</b>	<b>300,914</b>	<b>63,819,021</b>
Net change in valuation reserve of financial assets at fair value through other comprehensive income – debit instruments	-	-	-	-	-	(13,432,509)	-	-	<b>(13,432,509)</b>	<b>(318,329)</b>	<b>(13,750,838)</b>
Net change in valuation reserve of financial assets at fair value through other comprehensive income – equity instruments	-	-	-	-	-	32,307	-	-	<b>32,307</b>	-	<b>32,307</b>
Foreign currencies translation	-	-	-	-	(12,074,171)	-	-	-	<b>(12,074,171)</b>	<b>(3,361,559)</b>	<b>(15,435,730)</b>
<b>Total comprehensive income for the period</b>	-	-	-	-	<b>(12,074,171)</b>	<b>(13,400,202)</b>	-	<b>63,518,107</b>	<b>38,043,734</b>	<b>(3,378,974)</b>	<b>34,664,760</b>
Transferred from/to reserves	-	-	(377,687)	(4,807)	-	-	382,494	-	-	-	-
Dividends paid	-	-	-	-	-	-	(63,000,000)	-	<b>(63,000,000)</b>	<b>(3,615,988)</b>	<b>(66,615,988)</b>
<b>Ending Balance for the Period (Reviewed)</b>	<b>315,000,000</b>	<b>328,147,537</b>	<b>257,619,984</b>	<b>11,454,951</b>	<b>(140,282,251)</b>	<b>(9,857,793)</b>	<b>304,566,444</b>	<b>63,518,107</b>	<b>1,130,166,979</b>	<b>54,685,968</b>	<b>1,184,852,947</b>

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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**

	<b>Note</b>	<b>For the Six Months Ended June 30,</b>	
		<b>2023</b>	<b>2022</b>
		<b>(Reviewed)</b>	<b>(Reviewed)</b>
<b>Operating Activities</b>		<b>JD</b>	<b>JD</b>
Profit for the period before income tax		116,105,328	91,440,972
Adjustments for non-cash items:			
Depreciation and amortization		12,614,759	12,242,276
Provision for expected credit losses		18,815,287	10,105,215
Net unrealized gain from the valuation of financial assets at fair value through profit or loss		25,432	(166,979)
Cash dividends from financial assets at fair value through other comprehensive income		(381,341)	(196,388)
Net unrealized loss (gain) from valuation of credit facilities at fair value through profit and loss		(876,677)	2,144,288
Unrealized (gain) loss from valuation of derivatives		876,678	(2,144,288)
Net accrued interest and commission income		5,806,738	1,271,430
Effect of the change in exchange rates on cash and cash equivalents		(2,744,097)	(2,701,799)
Provision for end of service indemnity expense		1,327,543	1,782,333
Premiums and discounts amortization		(2,332,390)	(211,983)
Sundry provisions		28,773	4,463,854
Others		1,896,791	993,421
<b>Cash flows from operating activities before changes in assets and liabilities</b>		<b>151,162,824</b>	<b>119,022,352</b>
<b>Decrease (Increase) in Assets:</b>			
Deposits at banks and financial institutions (maturing within more than 3 months)		7,436,548	(8,159,647)
Direct credit facilities		(327,134,835)	(421,004,469)
Financial assets at fair value through profit or loss		194,626	(56,094)
Other assets		3,555,728	(10,112,777)
<b>Increase (Decrease) in Liabilities:</b>			
Banks and financial institutions' deposits (maturing within more than 3 months)		(70,478,906)	14,571,348
Customers' deposits		343,775,793	111,740,998
Cash margins		6,605,901	17,023,618
Other liabilities		3,063,431	299,380
Sundry provisions		(786,900)	(291,567)
<b>Net Cash Flow from (used in) Operating Activities Before Income Tax</b>		<b>117,394,210</b>	<b>(176,966,858)</b>
Income tax paid	16	(53,602,640)	(54,356,870)
<b>Net Cash Flow from (used in) Operating Activities</b>		<b>63,791,570</b>	<b>(231,323,728)</b>
<b>Investing Activities</b>			
(Purchase) of financial assets at fair value through other comprehensive income		(70,425,677)	(98,968,116)
Selling / matured financial assets at fair value through other comprehensive income		59,580,130	94,024,973
Cash dividends from financial assets at fair value through other comprehensive income		381,341	196,388
(Purchase) of financial assets at amortized cost		(298,762,686)	(517,626,523)
Matured financial assets at amortized cost		192,656,614	538,162,388
(Purchase) of property and equipment		(6,625,680)	(5,348,343)
Proceeds from sale of property and equipment		20,447	54,967
(Purchase) of intangible assets		(3,197,820)	(4,108,460)
<b>Net Cash Flow (used in) from Investing Activities</b>		<b>(126,373,331)</b>	<b>6,387,274</b>
<b>Financing Activities</b>			
Borrowed funds		(65,666,340)	62,505,553
Dividends paid to shareholders		(74,914,521)	(59,901,300)
Non-controlling interest		(3,310,350)	(3,615,988)
Paid lease liability		(2,628,835)	(2,541,734)
<b>Net Cash Flow (used in) Financing Activities</b>		<b>(146,520,046)</b>	<b>(3,553,469)</b>
<b>Net (Decrease) in Cash and Cash Equivalent</b>		<b>(209,101,807)</b>	<b>(228,489,923)</b>
Effect of the change in exchange rates on cash and cash equivalents		(1,679,056)	(2,565,259)
<b>Cash and cash equivalents - beginning of the period</b>		<b>302,075,135</b>	<b>653,346,160</b>
<b>Cash and Cash Equivalents - End of the Period</b>	25	<b>91,294,272</b>	<b>422,290,978</b>

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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

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**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 (107 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 July 20, 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 six months ended June 30, 2023 do not indicate the expected results for the year ended December 31, 2023. There was no appropriation of the profit of the six months ended June 30, 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 June 30, 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 June 30, 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 from Bank's 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:

	<b>June 30, 2023 (Reviewed)</b>	<b>December 31, 2022 (Audited)</b>
	<b>JD</b>	<b>JD</b>
Cash in hand and vault	110,051,243	127,247,953
<b>Balance at central banks :</b>		
Current accounts and demand deposits	130,618,320	299,794,431
Term and notice deposits	62,729,806	50,429,342
Statutory cash reserve	231,285,932	216,538,247
Certificate of deposit	63,000,000	-
Total Balances at Central Banks	487,634,058	566,762,020
<b>Total Cash and Balances at Central Banks</b>	<b>597,685,301</b>	<b>694,009,973</b>
<u>Less:</u> Provision for expected credit losses	(37,285)	(42,202)
<b>Net</b>	<b>597,648,016</b>	<b>693,967,771</b>

- The certificates of deposits are maturing within a period less than 3 months.
- Except for the statutory cash reserve, there are no restrictions balances as of June 30, 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 six months period ended June 30, 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:

<b>Description:</b>	<b>Local Banks and Financial Institutions</b>		<b>Foreign Banks and Financial Institutions</b>		<b>Total</b>	
	<b>June 30, 2023 (Reviewed)</b>	<b>December 31, 2022 (Audited)</b>	<b>June 30, 2023 (Reviewed)</b>	<b>December 31, 2022 (Audited)</b>	<b>June 30, 2023 (Reviewed)</b>	<b>December 31, 2022 (Audited)</b>
	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>
Current and demand accounts	2,072,629	12,350,963	97,047,659	143,776,077	<b>99,120,288</b>	<b>156,127,040</b>
Deposits maturing within or less than 3 months	18,633,996	32,954,255	117,865,747	169,897,731	<b>136,499,743</b>	<b>202,851,986</b>
<b>Total</b>	<b>20,706,625</b>	<b>45,305,218</b>	<b>214,913,406</b>	<b>313,673,808</b>	<b>235,620,031</b>	<b>358,979,026</b>
Provision for expected credit losses	(26,375)	(49,165)	(129,563)	(255,944)	<b>(155,938)</b>	<b>(305,109)</b>
<b>Net</b>	<b>20,680,250</b>	<b>45,256,053</b>	<b>214,783,843</b>	<b>313,417,864</b>	<b>235,464,093</b>	<b>358,673,917</b>

- The non-interest bearing balances at banks and financial institutions are amounted to JD 21 million as of June 30, 2023 (JD 29.1 million as of December 31, 2022).
- There were no restricted balances as of June 30, 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 six months period ended June 30, 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:

	<b>Local Banks and Financial Institutions</b>		<b>Foreign Banks and Financial Institutions</b>		<b>Total</b>	
	<b>June 30, 2023 (Reviewed)</b>	<b>December 31, 2022 (Audited)</b>	<b>June 30, 2023 (Reviewed)</b>	<b>December 31, 2022 (Audited)</b>	<b>June 30, 2023 (Reviewed)</b>	<b>December 31, 2022 (Audited)</b>
	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>
<b>Deposits mature during the period:</b>						
From 3 months to 6 months	-	30,000,000	8,882,318	13,342,604	<b>8,882,318</b>	<b>43,342,604</b>
From 6 months to 9 months	-	5,000,000	1,282,919	3,349,641	<b>1,282,919</b>	<b>8,349,641</b>
From 9 months to 12 months	30,000,000	-	9,266,256	5,175,797	<b>39,266,256</b>	<b>5,175,797</b>
<b>Total</b>	<b>30,000,000</b>	<b>35,000,000</b>	<b>19,431,493</b>	<b>21,868,042</b>	<b>49,431,493</b>	<b>56,868,042</b>
Provision for expected credit losses	(247)	(896)	(117,960)	(228,873)	<b>(118,207)</b>	<b>(229,769)</b>
<b>Net</b>	<b>29,999,753</b>	<b>34,999,104</b>	<b>19,313,533</b>	<b>21,639,169</b>	<b>49,313,286</b>	<b>56,638,273</b>

- There were no restrictions on deposits as of June 30, 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 six months period ended June 30, 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:

	<b>June 30, 2023 (Reviewed)</b>	<b>December 31, 2022 (Audited)</b>
	<b>JD</b>	<b>JD</b>
<b>Quoted Financial Assets:</b>		
Companies shares and funds listed in financial markets	4,349,138	4,569,196
<b>Total</b>	<b>4,349,138</b>	<b>4,569,196</b>
<b>Unquoted Financial Assets:</b>		
Companies shares not listed in financial markets	450,584	450,584
<b>Total</b>	<b>450,584</b>	<b>450,584</b>
<b>Grand Total</b>	<b>4,799,722</b>	<b>5,019,780</b>

**9. Financial Assets at Fair Value through Other Comprehensive Income**

The details of this item are as follows:

	<b>June 30, 2023 (Reviewed)</b>	<b>December 31, 2022 (Audited)</b>
	<b>JD</b>	<b>JD</b>
Shares and funds with no available market prices	42,701,147	42,699,806
<b>Total Shares</b>	<b>42,701,147</b>	<b>42,699,806</b>
Jordanian treasury bonds	173,530,269	156,116,575
Jordanian government bills and bonds	36,738,737	36,634,173
Foreign governments bills and bonds	67,037,687	73,142,623
Corporate bonds	63,661,219	60,793,016
<b>Total Bonds</b>	<b>340,967,912</b>	<b>326,686,387</b>
<u>Less:</u> Provision of expected credit losses	(261,618)	(291,189)
<b>Total Bonds – Net</b>	<b>340,706,294</b>	<b>326,395,198</b>
<b>Total</b>	<b>383,407,441</b>	<b>369,095,004</b>

- 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:

	<b>June 30, 2023 (Reviewed)</b>	<b>December 31, 2022 (Audited)</b>
	<b>JD</b>	<b>JD</b>
Fair value - beginning balance period / year	42,699,806	26,347,895
New investments during the period / year	-	16,223,178
Change in fair value during the period / year	32,508	128,733
Adjustments resulted from change in exchange rates	(31,167)	-
<b>Balance – End of the Period/Year</b>	<b>42,701,147</b>	<b>42,699,806</b>

The following represents the movement on financial assets 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
<b>For the Six Months Period</b>				
<b>Ended June 30, 2023 (Reviewed)</b>				
Fair value – beginning of the period (Audited)	323,781,644	2,904,743	-	<b>326,686,387</b>
New investments during the period	70,425,677	-	-	<b>70,425,677</b>
Matured investments during the period	(59,580,130)	-	-	<b>(59,580,130)</b>
Change in fair value during the period	3,545,941	(144,443)	-	<b>3,401,498</b>
Amortization of premium / discount	489,145	103,627	-	<b>592,772</b>
Adjustments resulted from change in exchange rates	(592,192)	33,900	-	<b>(558,292)</b>
<b>Balance – End of the Period (Reviewed)</b>	<b>338,070,085</b>	<b>2,897,827</b>	<b>-</b>	<b>340,967,912</b>
<b>For the Year Ended</b>				
<b>December 31, 2022 (Audited)</b>				
Fair value – beginning of the year	346,858,682	3,325,213	-	<b>350,183,895</b>
New investments during the year	126,557,163	-	-	<b>126,557,163</b>
Matured investments during the year	(126,294,889)	-	-	<b>(126,294,889)</b>
Change in fair value during the year	(22,509,389)	(297,978)	-	<b>(22,807,367)</b>
Amortization of premium / discount	(239,274)	(49,295)	-	<b>(288,569)</b>
Adjustments resulted from change in exchange rates	(590,649)	(73,197)	-	<b>(663,846)</b>
<b>Balance – End of the Year</b>	<b>323,781,644</b>	<b>2,904,743</b>	<b>-</b>	<b>326,686,387</b>

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
<b>For the Six Months Period</b>				
<b>Ended June 30, 2023 (Reviewed)</b>				
Balance – beginning of the period (Audited)	195,993	95,196	-	<b>291,189</b>
Expected credit loss for new investments during the period	208	-	-	<b>208</b>
Reversed from impairment losses on matured investments	(412)	-	-	<b>(412)</b>
Effect on provision resulted from adjustments	(13,708)	(30,525)	-	<b>(44,233)</b>
Adjustments resulted from change in exchange rates	14,491	375	-	<b>14,866</b>
<b>Balance – End of the Period (Reviewed)</b>	<b>196,572</b>	<b>65,046</b>	<b>-</b>	<b>261,618</b>
<b>For the Year Ended</b>				
<b>December 31, 2022 (Audited)</b>				
Balance – beginning of the year	244,415	88,997	-	<b>333,412</b>
Expected credit loss for new investments during the year	7,628	-	-	<b>7,628</b>
Reversed from impairment losses on matured investments	(17,860)	-	-	<b>(17,860)</b>
Effect on provision resulted from adjustments	(18,495)	15,704	-	<b>(2,791)</b>
Adjustments resulted from change in exchange rates	(19,695)	(9,505)	-	<b>(29,200)</b>
<b>Balance – End of the Year</b>	<b>195,993</b>	<b>95,196</b>	<b>-</b>	<b>291,189</b>

#### **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:

	June 30, 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	(16,689,448)	(33,011,991)
Effect of adjustments	545,667	736,948
Change in fair value during the period / year	876,677	(2,403,761)
<b>Balance – End of the Period/Year</b>	<b>46,700,299</b>	<b>61,967,403</b>



**11. Direct Credit Facilities at Amortized Cost – Net**

The details of this item are as follows:

	<b>June 30, 2023 (Reviewed)</b>	<b>December 31, 2022 (Audited)</b>
	<b>JD</b>	<b>JD</b>
<b>Individuals (retail)</b>		
Overdraft accounts	7,133,423	6,682,614
Loans and discounted bills *	1,026,483,725	1,013,188,951
Credit cards	22,492,472	21,758,620
<b>Real estate loans</b>	<b>1,404,509,117</b>	<b>1,339,598,002</b>
Includes Housing loans	843,146,650	823,105,737
<b>Companies</b>		
<b>Large</b>		
Overdraft accounts	221,267,279	183,894,872
Loans and discounted bills *	1,343,845,355	1,286,913,983
<b>Small and Medium</b>		
Overdraft accounts	78,887,976	72,131,316
Loans and discounted bills *	345,026,938	305,107,960
<b>Government and public sector</b>	<b>681,617,719</b>	<b>554,693,620</b>
<b>Total</b>	<b>5,131,264,004</b>	<b>4,783,969,938</b>
<u>Less:</u> Provision of expected credit losses	(446,670,756)	(432,204,392)
Interest in suspense	(150,961,111)	(142,698,719)
<b>Net Direct Credit Facilities</b>	<b>4,533,632,137</b>	<b>4,209,066,827</b>

- \* Net after deducting interest and commission received in advance of JD 22,912,973 as of June 30, 2023 (JD 25,360,666 as of December 31, 2022).
- Non-performing credit facilities amounted to JD 364,322,524 which is equivalent to 7.04% of total direct credit facilities (at amortized cost and at fair value) as of June 30, 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 236,792,054 which is equivalent to 4.71% of total direct credit facilities balance (at amortized cost and at fair value) after deducting interest and commission in suspense as of June 30, 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 11,143,610 during the six months period ended June 30, 2023 (JD 38,872,186 during the year 2022), the off-balance sheet item balance is amounted to JD 448,501,293 as of June 30, 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 615,781,070 which is equivalent to 11.9% of total direct credit facilities (at amortized cost and at fair value) as of June 30, 2023 (JD 521,300,521 which is equivalent to 10.8% as of December 31, 2022).
  - Loans rescheduled are amounted to JD 6.2 million during the period ended June 30, 2023 against JD 28.1 million during the year 2022.
  - Loans restructured are amounted to JD 99.2 million during the period ended June 30, 2023 against JD 453.1 million during the year 2022.

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

Item	Stage (1)		Stage (2)		Stage (3)	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD	JD	JD
<b><u>For the Six Months Period</u></b>						
<b><u>Ended June 30, 2023 (Reviewed)</u></b>						
Balance - beginning of the period (Audited)	2,165,398,505	1,813,945,729	318,585,521	127,462,028	358,578,155	<b>4,783,969,938</b>
New credit facilities during the period	460,149,096	223,005,718	14,066,723	10,456,369	2,410,986	<b>710,088,892</b>
Paid credit facilities during the period	(231,889,373)	(133,155,694)	(15,042,294)	(8,643,099)	(6,276,829)	<b>(395,007,289)</b>
Transferred (from) to stage (1) – net	19,322,241	30,501,004	(19,296,436)	(28,534,759)	(1,992,050)	-
Transferred (from) to stage (2) – net	(19,829,153)	(28,706,910)	23,256,172	31,571,706	(6,291,815)	-
Transferred (from) to stage (3) – net	(715,754)	(11,677,056)	(3,697,457)	(24,559,184)	40,649,451	-
Changes resulted from adjustments	66,655,705	(31,873,673)	530,800	(2,426,915)	8,392,746	<b>41,278,663</b>
Credit facilities written off and transferred to off balance sheet items	-	-	-	-	(12,501,238)	<b>(12,501,238)</b>
Adjustments resulting from change in exchange rates	1,444,825	5,974,783	282,670	273,022	(4,540,262)	<b>3,435,038</b>
<b>Balance - End of the Period (Reviewed)</b>	<b><u>2,460,536,092</u></b>	<b><u>1,868,013,901</u></b>	<b><u>318,685,699</u></b>	<b><u>105,599,168</u></b>	<b><u>378,429,144</u></b>	<b><u>5,131,264,004</u></b>
<b><u>For the Year Ended</u></b>						
<b><u>December 31, 2022 (Audited)</u></b>						
Balance - beginning of the year	1,804,380,052	1,703,704,617	422,857,459	116,766,703	388,877,961	<b>4,436,586,792</b>
Reclassification impact	29,864	(29,864)	336,130	(336,130)	-	-
<b>Adjusted balance – beginning of the year</b>	<b><u>1,804,409,916</u></b>	<b><u>1,703,674,753</u></b>	<b><u>423,193,589</u></b>	<b><u>116,430,573</u></b>	<b><u>388,877,961</u></b>	<b><u>4,436,586,792</u></b>
New credit facilities during the year	685,852,827	507,180,360	34,626,797	19,735,002	5,415,523	<b>1,252,810,509</b>
Paid credit facilities during the year	(225,578,236)	(290,748,090)	(21,298,645)	(10,088,669)	(28,499,997)	<b>(576,213,637)</b>
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 resulted from adjustments	(144,831,086)	(68,421,577)	(56,449,952)	873,384	13,303,815	<b>(255,525,416)</b>
Credit facilities written off and transferred to off balance sheet items	-	-	-	-	(52,507,701)	<b>(52,507,701)</b>
Adjustments resulting from change in exchange rates	1,347,674	(21,738,035)	706,479	(1,037,959)	(458,768)	<b>(21,180,609)</b>
<b>Balance - End of the Year</b>	<b><u>2,165,398,505</u></b>	<b><u>1,813,945,729</u></b>	<b><u>318,585,521</u></b>	<b><u>127,462,028</u></b>	<b><u>358,578,155</u></b>	<b><u>4,783,969,938</u></b>

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
<b>For the Six Months Ended June 30, 2023 (Reviewed)</b>						
Balance - beginning of the period (Audited)	208,433,406	43,270,920	43,114,322	137,305,942	79,802	<b>432,204,392</b>
Reclassification impact	(153,398)	130,409	(17,281)	40,270	-	-
<b>Adjusted Beginning Balance (Reviewed)</b>	<b>208,280,008</b>	<b>43,401,329</b>	<b>43,097,041</b>	<b>137,346,212</b>	<b>79,802</b>	<b>432,204,392</b>
Impairment loss on new facilities during the period	1,533,502	1,321,666	1,396,312	4,627,137	117	<b>8,878,734</b>
Reversed from impairment loss on paid facilities	(828,532)	(882,816)	(1,607,750)	(3,023,329)	(220)	<b>(6,342,647)</b>
Transferred (from) to stage (1)	(85,159)	120,135	3,332,232	1,556,580	-	<b>4,923,788</b>
Transferred (from) to stage (2)	(734,291)	9,145	(3,578,643)	(2,693,689)	-	<b>(6,997,478)</b>
Transferred (from) to stage (3)	819,450	(129,280)	246,411	1,137,109	-	<b>2,073,690</b>
Effect on the provision as of the end of the period resulting from reclassification between three stages during the period	494,827	526,733	7,008,795	2,304,650	-	<b>10,335,005</b>
Effect resulted from to adjustments	(224,001)	2,284,442	4,157,144	2,529,674	(6,223)	<b>8,741,036</b>
Credit facilities written off and transferred to off balance sheet items	(5,748,076)	(414,196)	(487,714)	(24,896)	-	<b>(6,674,882)</b>
Adjustments resulted from change in exchange rates	(353,521)	(140,759)	(486)	23,884	-	<b>(470,882)</b>
<b>Balance - End of the Period (Reviewed)</b>	<b>203,154,207</b>	<b>46,096,399</b>	<b>53,563,342</b>	<b>143,783,332</b>	<b>73,476</b>	<b>446,670,756</b>
<b>Redistribution based on portfolio:</b>						
Provisions on an individual level	202,365,165	45,154,009	40,147,604	116,087,759	73,476	<b>403,828,013</b>
Provisions on a collective level	789,042	942,390	13,415,738	27,695,573	-	<b>42,842,743</b>
	<b>203,154,207</b>	<b>46,096,399</b>	<b>53,563,342</b>	<b>143,783,332</b>	<b>73,476</b>	<b>446,670,756</b>
<b>Redistribution based on stages:</b>						
Stage (1)	7,600,214	2,573,833	5,480,556	24,392,925	73,476	<b>40,121,004</b>
Stage (2)	60,878,191	14,093,934	9,960,151	88,219,823	-	<b>173,152,099</b>
Stage (3)	134,675,802	29,428,632	38,122,635	31,170,584	-	<b>233,397,653</b>
	<b>203,154,207</b>	<b>46,096,399</b>	<b>53,563,342</b>	<b>143,783,332</b>	<b>73,476</b>	<b>446,670,756</b>

	Corporate JD	SME's JD	Retail JD	Real Estate JD	Governmental and Public JD	Total JD
<b>For the Year Ended December 31, 2022 (Audited)</b>						
Balance - beginning of the year	236,260,062	49,939,793	45,059,443	122,135,952	76,858	<b>453,472,108</b>
Reclassification impact	1,368,143	(484,665)	16,335	(899,813)	-	-
<b>Adjusted Beginning Balance</b>	<b>237,628,205</b>	<b>49,455,128</b>	<b>45,075,778</b>	<b>121,236,139</b>	<b>76,858</b>	<b>453,472,108</b>
Impairment loss on new facilities during the year	6,565,196	5,583,089	3,633,544	6,532,747	15,486	<b>22,330,062</b>
Reversed from impairment loss on paid facilities	(10,764,193)	(5,743,874)	(4,615,403)	(5,911,843)	-	<b>(27,035,313)</b>
Transferred (from) to stage (1)	1,282,163	1,058,524	4,253,847	5,175,155	1,448	<b>11,771,137</b>
Transferred (from) to stage (2)	(5,826,998)	(2,911,844)	(4,375,961)	(5,312,204)	(1,448)	<b>(18,428,455)</b>
Transferred (from) to stage (3)	4,544,835	1,853,320	122,114	137,049	-	<b>6,657,318</b>
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)	<b>10,844,393</b>
Effect resulted from to adjustments	(12,065,359)	261,174	(3,292,426)	16,337,304	(11,425)	<b>1,229,268</b>
Credit facilities written off and transferred to off balance sheet items	(21,054,336)	(6,433,312)	(246,749)	(836,395)	-	<b>(28,570,792)</b>
Adjustments resulting from change in exchange rates	(90,130)	56,886	(164)	(31,926)	-	<b>(65,334)</b>
<b>Balance - End of the Year</b>	<b>208,433,406</b>	<b>43,270,920</b>	<b>43,114,322</b>	<b>137,305,942</b>	<b>79,802</b>	<b>432,204,392</b>
<b>Redistribution based on portfolio:</b>						
Provisions on an individual level	207,478,053	42,581,054	31,839,939	108,930,162	79,802	<b>390,909,010</b>
Provisions on a collective level	955,353	689,866	11,274,383	28,375,780	-	<b>41,295,382</b>
	<b>208,433,406</b>	<b>43,270,920</b>	<b>43,114,322</b>	<b>137,305,942</b>	<b>79,802</b>	<b>432,204,392</b>
<b>Redistribution based on stages:</b>						
Stage (1)	7,461,094	2,261,436	4,965,680	24,258,602	79,802	<b>39,026,614</b>
Stage (2)	57,392,180	10,813,810	7,780,817	83,184,944	-	<b>159,171,751</b>
Stage (3)	143,580,132	30,195,674	30,367,825	29,862,396	-	<b>234,006,027</b>
	<b>208,433,406</b>	<b>43,270,920</b>	<b>43,114,322</b>	<b>137,305,942</b>	<b>79,802</b>	<b>432,204,392</b>

### **Interest in Suspense**

The following is the movement on interest in suspense:

	<b>Corporate Entities</b>				<b>Government and Public Sector</b>	
	<b>Corporate</b>	<b>SME's</b>	<b>Retail</b>	<b>Real Estate loans</b>		<b>Total</b>
	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>
<b><u>For the Six Months Ended June 30, 2023 (Reviewed)</u></b>						
Balance – beginning of the period (Audited)	47,842,871	25,103,210	31,830,670	37,921,968	-	<b>142,698,719</b>
Reclassification impact	(50,668)	56,606	690	(6,628)	-	<b>-</b>
<b>Adjusted Beginning Balance</b>	<b>47,792,203</b>	<b>25,159,816</b>	<b>31,831,360</b>	<b>37,915,340</b>	-	<b>142,698,719</b>
Interest suspended on new exposure during the period	15,662	53,425	47,487	714	-	<b>117,288</b>
Interest in suspense transferred to income from exposure paid during the period	(2,858,619)	(76,388)	(227,736)	(190,646)	-	<b>(3,353,389)</b>
Effect on interest suspended due to reclassification between stages	118,085	(26,582)	(125,104)	702,316	-	<b>668,715</b>
Effect on interest in suspense due to adjustments	7,997,248	2,472,680	3,782,787	2,404,897	-	<b>16,657,612</b>
Credit facilities written off and transferred to off balance sheet items	(4,410,035)	(599,051)	(534,376)	(282,894)	-	<b>(5,826,356)</b>
Adjustments resulted from change in exchange rates	(13,177)	11,722	(235)	212	-	<b>(1,478)</b>
<b>Balance – End of the Period (Reviewed)</b>	<b>48,641,367</b>	<b>26,995,622</b>	<b>34,774,183</b>	<b>40,549,939</b>	-	<b>150,961,111</b>
<b><u>For the Year Ended December 31, 2022 (Audited)</u></b>						
Balance at the beginning of the year	41,236,413	31,527,946	27,680,494	32,403,684	-	<b>132,848,537</b>
Reclassification	10,022	(331,081)	48,658	272,401	-	<b>-</b>
<b>Adjusted Beginning Balance of the Year</b>	<b>41,246,435</b>	<b>31,196,865</b>	<b>27,729,152</b>	<b>32,676,085</b>	-	<b>132,848,537</b>
Interest suspended on new exposure during the year	793,300	91,809	46,320	99,612	-	<b>1,031,041</b>
Interest in suspense transferred to income from exposure paid during the year	(183,040)	(515,403)	(530,113)	(1,271,174)	-	<b>(2,499,730)</b>
Effect on interest suspended due to reclassification between stages	348,045	(45,912)	(334,841)	(517,194)	-	<b>(549,902)</b>
Effect on interest in suspense due to adjustments	16,496,733	5,156,662	5,953,162	8,170,552	-	<b>35,777,109</b>
Credit facilities written off and transferred to off balance sheet items	(10,849,119)	(10,818,429)	(1,033,132)	(1,236,229)	-	<b>(23,936,909)</b>
Adjustments resulted from changes in exchange rates	(9,483)	37,618	122	316	-	<b>28,573</b>
<b>Balance at the End of the Year</b>	<b>47,842,871</b>	<b>25,103,210</b>	<b>31,830,670</b>	<b>37,921,968</b>	-	<b>142,698,719</b>

- The following table shows the total credit facilities classified by economic sector and geographic distribution:

<b>Economic Sector</b>	<b>June 30, 2023 (Reviewed)</b>			<b>December 31, 2022 (Audited)</b>
	<b>Inside Jordan</b>	<b>Outside Jordan</b>	<b>Total</b>	<b>Total</b>
	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>
Financial	113,818,996	97,173,174	<b>210,992,170</b>	<b>216,589,727</b>
Industrial	418,749,684	181,977,297	<b>600,726,981</b>	<b>483,251,654</b>
Trading	346,353,608	267,194,825	<b>613,548,433</b>	<b>564,773,932</b>
Real estate	1,028,254,443	358,436,718	<b>1,386,691,161</b>	<b>1,374,829,284</b>
Agriculture	44,862,126	25,817,152	<b>70,679,278</b>	<b>60,302,392</b>
Shares	6,528,262	-	<b>6,528,262</b>	<b>12,119,202</b>
Individuals	1,027,205,413	33,115,078	<b>1,060,320,491</b>	<b>1,045,418,423</b>
Government and public sector	599,525,773	82,091,946	<b>681,617,719</b>	<b>554,693,620</b>
Other	426,759,542	73,399,967	<b>500,159,509</b>	<b>471,991,704</b>
<b>Total</b>	<b>4,012,057,847</b>	<b>1,119,206,157</b>	<b>5,131,264,004</b>	<b>4,783,969,938</b>

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

The details of this item are as follows:

	<b>June 30, 2023 (Reviewed)</b>	<b>December 31, 2022 (Audited)</b>
	<b>JD</b>	<b>JD</b>
<b>Quoted Financial Assets:</b>		
Jordanian treasury bills	63,586,387	77,994,538
Jordanian treasury bonds *	1,495,507,790	1,478,601,281
Governmental or guaranteed by Government bonds	471,558,444	471,544,622
Foreign governments bonds	154,786,984	36,992,951
Corporate bonds and debentures	153,928,774	166,354,313
<b>Total Quoted Financial Assets</b>	<b>2,339,368,379</b>	<b>2,231,487,705</b>
<b>Unquoted Financial Assets:</b>		
Corporate bonds and debentures	3,000,001	3,000,001
<b>Total Unquoted Financial Assets</b>	<b>3,000,001</b>	<b>3,000,001</b>
<b>Total</b>	<b>2,342,368,380</b>	<b>2,234,487,706</b>
<u>Less:</u> Provision for excepted credit losses	(3,469,904)	(3,503,260)
<b>Net</b>	<b>2,338,898,476</b>	<b>2,230,984,446</b>
<b>Bonds and Bills Analysis:</b>		
At fixed rate	2,338,898,476	2,230,984,446
At floating rate	-	-
<b>Total</b>	<b>2,338,898,476</b>	<b>2,230,984,446</b>

- 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 did not enter into repurchase agreements with the Central Bank of Jordan against mortgaging treasury bonds as of June 30, 2023 (Repurchase agreements with the Central Bank of Jordan against mortgaging treasury bonds amounted to JD 46.9 million as of December 31, 2022 as stated in Note (15)).

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

	Stage (1) Individual	Stage (2) Individual	Stage (3)	Total
	JD	JD	JD	JD
<b><u>For the Six Months Ended June 30, 2023 (Reviewed)</u></b>				
Balance – beginning of the period (Audited)	2,231,487,705	-	3,000,001	<b>2,234,487,706</b>
New investments during the period	298,762,686	-	-	<b>298,762,686</b>
Matured investments during the period	(192,656,614)	-	-	<b>(192,656,614)</b>
Amortization of premium / discount	1,739,618	-	-	<b>1,739,618</b>
Adjustments resulted from changes in exchange rates	34,984	-	-	<b>34,984</b>
<b>Balance – End of the Period (Reviewed)</b>	<b><u>2,339,368,379</u></b>	<b><u>-</u></b>	<b><u>3,000,001</u></b>	<b><u>2,342,368,380</u></b>
<b><u>For the Year Ended December 31, 2022 (Audited)</u></b>				
Balance – beginning of the year (Audited)	1,993,689,642	-	3,000,001	<b>1,996,689,643</b>
New investments during the year	888,071,549	-	-	<b>888,071,549</b>
Matured investments during the year	(652,617,134)	-	-	<b>(652,617,134)</b>
Amortization of premium / discount	2,342,089	-	-	<b>2,342,089</b>
Adjustments resulted from changes in exchange rates	1,559	-	-	<b>1,559</b>
<b>Balance – End of the Year</b>	<b><u>2,231,487,705</u></b>	<b><u>-</u></b>	<b><u>3,000,001</u></b>	<b><u>2,234,487,706</u></b>

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
<b><u>For the Six Months Ended June 30, 2023 (Reviewed)</u></b>				
Balance – beginning of the period (Audited)	503,260	-	3,000,000	<b>3,503,260</b>
Expected credit loss for new investments during the period	48,909	-	-	<b>48,909</b>
Expected credit loss for matured investments during the period	(22,445)	-	-	<b>(22,445)</b>
The effect on the provision resulting from the adjustments	(73,467)	-	-	<b>(73,467)</b>
Adjustments resulted from changes in exchange rates	13,647	-	-	<b>13,647</b>
<b>Balance – End of the Period (Reviewed)</b>	<b><u>469,904</u></b>	<b><u>-</u></b>	<b><u>3,000,000</u></b>	<b><u>3,469,904</u></b>
<b><u>For the Year Ended December 31, 2022 (Audited)</u></b>				
Balance – beginning of the year (Audited)	1,421,581	-	3,000,000	<b>4,421,581</b>
Expected credit loss for new investments during the year	130,644	-	-	<b>130,644</b>
Expected credit loss for matured investments during the year	(54,231)	-	-	<b>(54,231)</b>
The effect on the provision resulting from the adjustments	(971,921)	-	-	<b>(971,921)</b>
Adjustments resulted from changes in exchange rates	(22,813)	-	-	<b>(22,813)</b>
<b>Balance – End of the Year</b>	<b><u>503,260</u></b>	<b><u>-</u></b>	<b><u>3,000,000</u></b>	<b><u>3,503,260</u></b>

### 13. Other Assets - Net

The details of this item are as follows:

	June 30, 2023 (Reviewed)	December 31, 2022 (Audited)
	JD	JD
Accrued revenues and interest	36,404,152	35,137,243
Prepaid expenses	7,362,281	4,541,139
Assets seized by the Bank *	55,825,432	63,489,483
Revaluation gain / Hedge derivatives	2,262,116	3,056,240
Cheques under collection	20,262,604	18,412,462
Other	12,214,179	14,216,729
<b>Total</b>	<b>134,330,764</b>	<b>138,853,296</b>
Provision for expected credit loss	(125,253)	(310,576)
<b>Net</b>	<b>134,205,511</b>	<b>138,542,720</b>

- \* 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 Six Months Period Ended June 30, 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	10,783,236	8,874,175
Disposals during the period / year	(17,178,575)	(8,629,226)
Impairment loss during the period / year	(1,254,083)	(1,500,000)
Foreign currencies translation difference during the period / year	(14,629)	(5,957)
<b>Balance – Ending of the Period / Year</b>	<b>55,825,432</b>	<b>63,489,483</b>

### 14. Customers' Deposits

The details of this item are as follows:

	Retail JD	Corporate JD	SME's JD	Governmental and Public JD	Total JD
<b>June 30, 2023 (Reviewed)</b>					
Current accounts and demand deposits	665,335,428	216,341,781	421,165,517	35,461,751	<b>1,338,304,477</b>
Saving deposits	1,806,229,835	1,017,986	59,433,785	540,624	<b>1,867,222,230</b>
Time and notice deposits	1,254,031,245	429,648,520	88,048,231	397,116,162	<b>2,168,844,158</b>
Certificates of deposit	241,518,076	40,557,028	371,046	-	<b>282,446,150</b>
Others	47,268	-	-	-	<b>47,268</b>
<b>Total</b>	<b>3,967,161,852</b>	<b>687,565,315</b>	<b>569,018,579</b>	<b>433,118,537</b>	<b>5,656,864,283</b>
<b>December 31, 2022 (Audited)</b>					
Current accounts and demand deposits	699,774,514	226,078,047	414,947,863	45,275,582	<b>1,386,076,006</b>
Saving deposits	1,870,038,572	648,136	38,977,231	2,568,460	<b>1,912,232,399</b>
Time and notice deposits	1,165,479,550	232,589,624	68,205,310	287,937,015	<b>1,754,211,499</b>
Certificates of deposit	229,389,380	35,186,258	882,873	-	<b>265,458,511</b>
Others	47,418	-	-	-	<b>47,418</b>
<b>Total</b>	<b>3,964,729,434</b>	<b>494,502,065</b>	<b>523,013,277</b>	<b>335,781,057</b>	<b>5,318,025,833</b>

- The deposits of the public sector and the Government of Jordan inside the Kingdom amounted to approximately JD 414.9 million representing 7.3% of total deposits as of June 30, 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 1.51 billion, representing 26.7% of total deposits as of June 30, 2023 (around JD 1.55 billion, representing 29.2% of total deposits as of December 31, 2022).
- Restricted deposits (Restricted withdrawal) amounted to JD 104.1 million, representing 1.8% of total deposits as of June 30, 2023 (JD 105.9 million, representing 2.0% of total deposits as of December 31, 2022).
- Dormant accounts amounted to JD 208.2 million, representing 3.7% of total deposits as of June 30, 2023 (JD 237.7 million, representing 4.5% of total deposits as of December 31, 2022).



## 15. Borrowed Funds

<b>June 30, 2023 (Reviewed)</b>	<b>Amount JD</b>	<b>Number of Total Payments</b>	<b>Number of Remaining Payments</b>	<b>Periodicity</b>	<b>Guarantee</b>	<b>Borrowing Interest Rate</b>	<b>Re-lending interest rate</b>
<b>Central Bank of Jordan loans:</b>							
SME's Support programs.	15,962,809	109	76	Semi Annual	Financial Solvency	2.5% to 6.9%	Guaranteed 6.0% to 9.85% Without Guarantee: 6.5% to 10.3%
Main Economic Sectors Support Programs	60,083,251	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	41,180,297	Based on the Periodicity of instalments due			On demand promissory note	0.00%	2.00%
<b>Borrowing / local institutions</b>	162,113,581	28	28	Monthly/Semi annual	Financial Solvency / Mortgage	4.25% to 7.75%	7.25% to 10.50%
<b>Borrowing / foreign insinuations</b>	53,773,203	118	108	Quarterly/Semi annual	Financial Solvency	5.8% to 6.7%	Based on interest rate at the bank
<b>Total</b>	<b><u>333,113,141</u></b>						

- The maturity dates of funds borrowed from the Central Bank of Jordan range from year 2023 to year 2039.
- Borrowed funds from local institutions includes an amount of JD 125 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 284,051,018 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 amounted to JD 89,967,409 and settled borrowed funds amounted to JD 109,925,571 during the period ended in June 30, 2023, excluding repurchase agreements.
- There were no renewed loans during the period ended in June 30, 2023.

<b>December 31, 2022</b>	<b>Amount JD</b>	<b>Number of Total Payments</b>	<b>Number of Remaining Payments</b>	<b>Periodicity</b>	<b>Guarantee</b>	<b>Borrowing Interest Rate</b>	<b>Re-lending interest rate</b>
<b>Central Bank of Jordan loans:</b>							
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%	-
<b>Borrowing / local institutions</b>	154,000,000	20	20	Monthly/Semi annual	Financial Solvency / Mortgage	4.25% to 6.35%	7.25% to 10.50%
<b>Borrowing / foreign insinuations</b>	87,401,728	160	160	Quarterly / semi annual	Financial Solvency	4.14% to 6.65%	Based on interest rate at the bank
<b>Total</b>	<b><u>398,779,481</u></b>						

- 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 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 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:

	<b>June 30, 2023</b>	<b>December 31, 2022</b>
	<b>(Reviewed)</b>	<b>(Audited)</b>
	<b>JD</b>	<b>JD</b>
Balance – beginning of the period / year	53,415,161	55,815,858
Income tax paid	(53,602,640)	(66,235,794)
Accrued income tax	39,244,096	63,002,549
Accrued income tax of distribution profits from a subsidiary	2,813,347	867,382
Currency translation	(10,879)	(34,834)
<b>Balance – Ending of the Period / Year</b>	<b>41,859,085</b>	<b>53,415,161</b>

- 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 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 condensed consolidated interim financial information were issued.
- A final settlement for income tax has been reached for Palestine branches up to the year 2021.
- The income tax for the Housing Bank for Trade and Finance / Algeria was paid up to 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 Jordan International Bank / London was paid up to the year 2022.
- A final settlement for income tax has been reached for the International Financial Centre Company up to the year 2021.
- 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 for the years 2021 and 2022 were filed.

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

	<b>For the Six Months</b>	
	<b>Ended June 30,</b>	
	<b>2023</b>	<b>2022</b>
	<b>(Reviewed)</b>	<b>(Reviewed)</b>
	<b>JD</b>	<b>JD</b>
Provision for income tax for the period	39,244,096	29,782,314
Deferred tax assets for the period	(15,361,552)	(21,995,714)
Amortization of deferred tax assets	15,557,142	18,967,969
Amortization of deferred tax liabilities	(2,813,347)	-
Income tax due on subsidiaries dividend's distribution	2,813,347	867,382
<b>Total</b>	<b>39,439,686</b>	<b>27,621,951</b>

**17. Other Liabilities**

The details for this item are as follows:

	<b>June 30, 2023 (Reviewed)</b>	<b>December 31, 2022 (Audited)</b>
	<b>JD</b>	<b>JD</b>
Accrued interest	28,963,062	22,057,845
Interests and commissions received in advance	5,231,485	5,063,055
Accrued expenses	18,657,354	30,490,659
Certified cheques	45,119,253	43,429,725
Transfers in process	41,362,511	31,892,390
Payment in process	17,000,951	11,132,513
Prizes	1,205,839	1,616,818
Amounts payable to correspondent banks	1,526,653	1,407,285
General management trusts	4,647,288	4,979,733
Dividends payable to shareholders	11,287,252	7,454,441
Accounts payable	3,169,380	5,834,049
Unrealized loss / hedge derivatives	2,057,187	2,048,066
Other payable accounts	20,481,653	20,978,117
Provision for indirect facilities' expected credit loss	32,993,843	35,377,288
Others	4,911,478	3,304,356
<b>Total</b>	<b>238,615,189</b>	<b>227,066,340</b>

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

	<b>Stage (1)</b>		<b>Stage (2)</b>		<b>Stage (3)</b>	<b>Total</b>
	<b>Individual</b>	<b>Collective</b>	<b>Individual</b>	<b>Collective</b>	<b>JD</b>	<b>JD</b>
	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>		
<b>For the Six Months Period June 30, 2023 (Reviewed)</b>						
Balance at the beginning of the period (Audited)	970,690,613	68,557,365	29,294,851	5,708,465	20,792,613	<b>1,095,043,907</b>
New exposures during the period	355,218,202	17,664,450	1,239,722	24,950	138,000	<b>374,285,324</b>
Matured exposures during the period	(294,862,642)	(13,191,556)	(3,550,368)	(66,848)	(2,243,721)	<b>(313,915,135)</b>
Transferred (from) to stage (1)	593,673	394,270	(536,623)	(394,270)	(57,050)	-
Transferred (from) to stage (2)	(5,015,614)	(1,109,660)	5,055,814	1,113,660	(44,200)	-
Transferred (from) to stage (3)	-	(41,489)	(18,300)	(2,000)	61,789	-
Effect of the reclassification	(33,769,423)	(4,083,616)	425,357	(885,561)	264,222	<b>(38,049,021)</b>
Adjustments resulted from changes in exchange rate	1,638,867	(858,506)	10,714	(431,739)	(236,613)	<b>122,723</b>
<b>Balance at the Ending of the Period (Reviewed)</b>	<b>994,493,676</b>	<b>67,331,258</b>	<b>31,921,167</b>	<b>5,066,657</b>	<b>18,675,040</b>	<b>1,117,487,798</b>
<b>For the Year Ended December 31, 2022 (Audited)</b>						
Balance at the beginning of the year	879,962,296	65,193,881	70,044,694	6,345,472	19,401,318	<b>1,040,947,661</b>
New exposure during the year	467,475,609	13,932,253	3,270,513	77,948	86,234	<b>484,842,557</b>
Matured exposure during the year	(379,611,721)	(10,488,113)	(18,781,758)	(354,534)	(1,018,222)	<b>(410,254,348)</b>
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	<b>(14,522,948)</b>
Adjustments resulted from changes in exchange rate	(786,416)	(4,435,591)	1,217	(748,156)	(69)	<b>(5,969,015)</b>
<b>Balance at the End of the Year</b>	<b>970,690,613</b>	<b>68,557,365</b>	<b>29,294,851</b>	<b>5,708,465</b>	<b>20,792,613</b>	<b>1,095,043,907</b>

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

	<b>Stage (1)</b>		<b>Stage (2)</b>		<b>Stage (3)</b>	<b>Total</b>
	<b>Individual</b>	<b>Collective</b>	<b>Individual</b>	<b>Collective</b>	<b>JD</b>	<b>JD</b>
	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>		
<b><u>For the Six Months Period June 30, 2023 (Reviewed)</u></b>						
Balance at the beginning of the period (Audited)	8,643,993	287,164	7,684,490	310,411	18,451,230	<b>35,377,288</b>
Impairment loss on the new facilities	2,189,723	54,896	6,253	3,086	61,103	<b>2,315,061</b>
Reversed from impairment loss on the matured facilities	(1,752,905)	(104,453)	(390,926)	(3,577)	(2,173,232)	<b>(4,425,093)</b>
Transferred (from) to stage (1)	54,506	17,852	(29,701)	(17,852)	(24,805)	-
Transferred (from) to stage (2)	(115,524)	(17,294)	121,269	17,294	(5,745)	-
Transferred (from) to stage (3)	-	(297)	(5,825)	(105)	6,227	-
Effect on provision as end of the period resulted from reclassification between the three stages during the period	(47,548)	(15,382)	(36,390)	(15,878)	22,473	<b>(92,725)</b>
Effect of the adjustments	(1,310,100)	11,508	734,212	83,178	253,803	<b>(227,399)</b>
Adjustments resulted from changes in exchange rate	123,779	(9,639)	196	(39,493)	(28,132)	<b>46,711</b>
<b>Balance at the Ending of the Period (Reviewed)</b>	<b>7,785,924</b>	<b>224,355</b>	<b>8,083,578</b>	<b>337,064</b>	<b>16,562,922</b>	<b>32,993,843</b>
<b><u>For the Year Ended December 31, 2022 (Audited)</u></b>						
Balance at the beginning of the year	8,072,411	292,651	9,743,753	225,130	17,297,575	<b>35,631,520</b>
Impairment loss on the new facilities during the year	3,286,571	128,289	110,912	3,299	15,577	<b>3,544,648</b>
Reversed from impairment loss on the matured facilities	(3,746,238)	(99,110)	(1,508,761)	(26,426)	(750,809)	<b>(6,131,344)</b>
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	<b>1,897,652</b>
Effect of the adjustments	(435,204)	(60,584)	87,224	268,102	661,044	<b>520,582</b>
Adjustments resulted from changes in exchange rate	(15,162)	(14,717)	331	(56,288)	66	<b>(85,770)</b>
<b>Balance at the Ending of the Year</b>	<b>8,643,993</b>	<b>287,164</b>	<b>7,684,490</b>	<b>310,411</b>	<b>18,451,230</b>	<b>35,377,288</b>

**18. Expected Credit Losses Expense**

The details of this item is as follows:

	<b>For the Six Months Ended June 30,</b>	
	<b>2023 (Reviewed)</b>	<b>2022 (Reviewed)</b>
	<b>JD</b>	<b>JD</b>
Balances and deposits at banks and financial institutions	(275,428)	27,242
Financial assets at fair value through other comprehensive income	(44,437)	(58,580)
Financial assets at amortized cost	(47,003)	1,004,496
Direct credit facilities	21,612,128	7,317,047
Commitments and contingent liabilities	(2,430,156)	1,742,010
Other assets	183	73,000
	<b>18,815,287</b>	<b>10,105,215</b>

**19. Fair Value Reserve – Net**

The details of this item is as follows:

	<b>For the Six Months Ended June 30, 2023 (Reviewed)</b>	<b>For the Year Ended December 31, 2022 (Audited)</b>
	<b>JD</b>	<b>JD</b>
Balance – beginning of the period / year	(10,908,261)	3,542,409
Unrealized gain (losses) - debt instrument	3,392,277	(22,488,840)
Unrealized gain – equity instrument	33,119	185,022
Deferred tax assets	(887,952)	4,895,073
Deferred tax liabilities	(340,189)	2,958,075
Net change in valuation reserve of financial assets at fair value through comprehensive income after tax	2,197,255	(14,450,670)
<b>Balance at the End of the Period/Year</b>	<b>(8,711,006)</b>	<b>(10,908,261)</b>

**20. Retained Earnings**

The movement on retained earnings is as follows:

	<b>For the Six Months Ended June 30, 2023 (Reviewed)</b>	<b>For the Year Ended December 31, 2022 (Audited)</b>
	<b>JD</b>	<b>JD</b>
Balance – beginning of the period / year	416,843,387	367,183,950
Income for the year	-	129,500,828
Dividends distribution *	(78,750,000)	(63,000,000)
Transferred (to) reserves	-	(16,841,391)
<b>Balance – End of the Period / Year</b>	<b>338,093,387</b>	<b>416,843,387</b>

\* The Shareholders General Assembly, at its ordinary meeting held on April 27, 2023, resolved to distribute cash dividends to shareholders for the year of 2022 at a rate of 25% of the subscribed and paid-up capital, equivalent to JD 78.75 million.

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 631,354 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 127,637,786 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 928,884 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 Six Months Ended June 30,	
	2023 (Reviewed)	2022 (Reviewed)
	JD	JD
Direct Credit Facilities:		
<b>Individual retail customer:</b>		
Overdraft	146,335	149,207
Loans and discounted bills	52,533,600	36,060,492
Credit cards	1,251,945	1,078,365
Real estate loans	50,157,491	32,293,524
<b>Large corporates</b>		
Overdraft	7,196,800	5,740,794
Loans and discounted bills	53,687,222	35,889,736
<b>SME's</b>		
Overdraft	3,047,511	2,357,454
Loans and discounted bills	11,985,946	9,700,718
Government and public sector	17,512,995	11,834,029
Balances at Central Banks	4,295,650	2,155,040
Balances and deposits at banks and financial institutions	8,334,705	1,664,620
Financial assets at amortized cost	58,454,193	47,363,302
Financial assets at fair value through other comprehensive income	7,767,400	6,466,238
	<b>276,371,793</b>	<b>192,753,519</b>

**22. Interest Expense**

The details of this item are as follows:

	For the Six Months Ended June 30,	
	2023 (Reviewed)	2022 (Reviewed)
	JD	JD
Banks and financial institutions deposits	20,476,312	4,126,266
<b>Customers deposits :</b>		
Current accounts and demand deposits	1,108,991	314,935
Saving deposits	2,013,600	2,287,170
Time and notice deposits	43,498,653	17,356,603
Certificates of deposits	5,389,162	2,826,818
Cash margins	1,905,944	953,627
Borrowed funds	7,110,311	5,544,302
Deposits insurance fees	2,317,345	3,412,344
Other	663,153	798,388
	<b>84,483,471</b>	<b>37,620,453</b>



**23. Gains (Losses) from Financial Assets at Fair Value Through Profit or Loss**

The details of this item are as follows:

	Realized		Unrealized		Dividends	Total
	Gains	(Losses)	Gains	(Losses)	Received	
	JD	JD	JD	JD	JD	JD
<b>For the Six Months Period Ended June 30, 2023 (Reviewed)</b>						
Corporate shares	79,057	-	-	(25,432)	188,488	242,113
Direct credit facilities	-	-	876,677	-	-	876,677
<b>Total</b>	<b>79,057</b>	<b>-</b>	<b>876,677</b>	<b>(25,432)</b>	<b>188,488</b>	<b>1,118,790</b>

**For the Six Months Period****Ended June 30, 2022****(Reviewed)**

Corporate shares	25	-	166,979	-	160,554	327,558
Direct credit facilities	-	-	-	(2,144,288)	-	(2,144,288)
<b>Total</b>	<b>25</b>	<b>-</b>	<b>166,979</b>	<b>(2,144,288)</b>	<b>160,554</b>	<b>(1,816,730)</b>

**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 June 30,		For the Six Months Ended June 30,	
	2023	2022	2023	2022
	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)
	JD	JD	JD	JD
Profit for the period attributable to shareholders'	39,369,066	34,186,868	74,621,791	63,518,107
Weighted average number of shares	315,000,000	315,000,000	315,000,000	315,000,000
<b>Basic and diluted Earnings Per Share Attributable to the Shareholders of the Bank</b>	<b>JD 0.125</b>	<b>JD 0.109</b>	<b>JD 0.237</b>	<b>JD 0.202</b>

**25. Cash and Cash Equivalents**

This item consists of the following:

	As of June 30,	
	2023	2022
	(Reviewed)	(Reviewed)
	JD	JD
Cash and balances with central banks maturing within 3 months	597,685,301	824,969,939
<u>Add:</u> Balances with banks and financial institutions maturing within 3 months	235,620,031	283,172,601
<u>(Less):</u> Banks and financial institutions deposits maturing within 3 months	(742,011,060)	(685,851,562)
	<b>91,294,272</b>	<b>422,290,978</b>

## 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:

	June 30, 2023 (Reviewed) JD	December 31, 2022 (Audited) JD
<b>Common Equity Tier 1 Capital</b>		
Authorized and (paid-in) capital	315,000,000	315,000,000
Retained earnings	329,695,287	328,937,494
Other comprehensive income items	(139,559,320)	(145,398,683)
Net fair value reserve	(8,711,006)	(10,908,261)
Foreign currency translation reserve	(130,848,314)	(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	16,787,809	14,583,616
Condensed gains after tax and expected distribution value	27,371,791	-
<b>Total capital for ordinary shares</b>	<b>1,163,723,636</b>	<b>1,127,550,496</b>
<b>Regulatory amendments (Propositions of the capital)</b>	<b>(156,224,773)</b>	<b>(157,248,008)</b>
Goodwill and intangible assets	(21,501,011)	(21,574,280)
Deferred tax assets	(127,637,786)	(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	(7,045,295)	(7,043,465)
<b>Net ordinary shareholder's equity</b>	<b>1,007,498,863</b>	<b>970,302,488</b>
Non-controlling Interest	2,962,555	2,573,579
Total additional capital	2,962,555	2,573,579
<b>Net Additional Capital</b>	<b>2,962,555</b>	<b>2,573,579</b>
<b>Net additional capital Tier 1</b>	<b>1,010,461,418</b>	<b>972,876,067</b>
<b>Tier 2 Capital</b>		
Expected credit losses provision for the first stage – does not exceed 1.25% of the assets weighted credit risks	49,109,189	49,234,104
Non-controlling interest	3,950,073	3,431,439
<b>Total Capital</b>	<b>53,059,262</b>	<b>52,665,543</b>
<b>Regulatory amendments (Propositions of the capital)</b>	-	-
Investments in the capital of non-consolidated subsidiaries with the bank	-	-
<b>Net additional capital Tier 2</b>	<b>53,059,262</b>	<b>52,665,543</b>
<b>Regulatory capital</b>	<b>1,063,520,680</b>	<b>1,025,541,610</b>
<b>Total Risk weighted assets</b>	<b>5,827,050,790</b>	<b>5,488,730,057</b>
Capital Adequacy ordinary shareholders (CET1) Ratio %	17.29%	17.68%
Capital Adequacy Tier 1 Ratio %	17.34%	17.72%
Capital Adequacy Ratio %	18.25%	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	Executive Management	June 30,	December 31,
					2023	2022 (Audited)
					(Reviewed)	
	JD	JD	JD	JD	JD	JD
<b>Financial position items:</b>						
Total deposits with related parties	14,846,074	65,591,267	-	-	80,437,341	113,000,105
Total deposits from related parties	687,729,335	75,615,787	2,646,668	4,928,580	770,920,370	713,064,255
Loans and advances granted to related parties	53,046,624	902,873	961,272	2,014,428	56,925,197	54,580,219
Loans and advances granted from related parties	-	2,252,945	-	-	2,252,945	2,624,541
Financial assets at fair value through other comprehensive income	6,765,491	-	-	-	6,765,491	6,706,608
<b>Items off-statement of Financial position:</b>						
Letters of guarantees and credits	11,938,375	1,747,441	-	-	13,685,816	20,483,072
Forward foreign currency contracts	77,079,443	-	-	-	77,079,443	45,703,668
Interest swap contracts	47,857,500	-	-	-	47,857,500	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	For the Six Months Ended June 30,	
					2023	2022
					(Reviewed)	(Reviewed)
	JD	JD	JD	JD	JD	JD
<b>Statement of Profit or Loss items:</b>						
Interest and commissions income	3,168,605	1,481,707	27,560	64,338	4,742,210	613,127
Interest and commissions expense	17,660,377	1,928,129	33,697	97,126	19,719,329	4,352,780
Consulting fees	-	-	-	-	-	3,648
Rent income	-	78,500	-	-	78,500	68,569

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

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

	For the Six Months Ended June 30,	
	2023	2022
	(Reviewed)	(Reviewed)
	JD	JD
Salaries, bonuses, and other benefits	2,560,556	2,183,918
Salaries, bonuses, and other benefits / Subsidiaries	1,285,153	913,380

## 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 Six Months	
							Period Ended June 30,	
	JD	JD	JD	JD	JD	JD	2023 (Reviewed)	2022 (Reviewed)
<b>Gross Income</b>	161,586,444	108,936,841	2,953,862	98,789,882	1,999,379	(65,280,074)	308,986,334	224,646,334
Allowance for expected credit loss for the period	(12,905,353)	(1,744,794)	(4,532,008)	366,868	-	-	(18,815,287)	(10,105,215)
<b>Segment results</b>	<b>71,250,831</b>	<b>44,470,959</b>	<b>(3,228,727)</b>	<b>7,897,741</b>	<b>1,999,379</b>	<b>-</b>	<b>122,390,183</b>	<b>97,346,796</b>
Unallocated expenses							(6,284,855)	(5,905,824)
<b>Income before Tax</b>							<b>116,105,328</b>	<b>91,440,972</b>
Income tax							(39,439,686)	(27,621,951)
<b>Profit for the Period</b>							<b>76,665,642</b>	<b>63,819,021</b>
							<b>June 30, 2023 (Reviewed)</b>	<b>December 31, 2022 (Audited)</b>
Segment Assets	4,597,312,751	2,790,657,341	79,124,376	3,659,003,613	1,469,243,563	-	<b>12,595,341,644</b>	<b>12,263,076,661</b>
Elimination of assets between segments	(2,691,338,667)	-	-	(625,164,318)	(749,661,872)	-	<b>(4,066,164,857)</b>	<b>(3,933,024,098)</b>
Unallocated assets on segments							<b>127,637,786</b>	<b>128,589,582</b>
<b>Total Assets</b>							<b>8,656,814,573</b>	<b>8,458,642,145</b>
Segment Liabilities	4,524,193,867	2,952,982,088	82,411,828	3,611,302,697	287,965,924	-	<b>11,458,856,404</b>	<b>11,125,834,020</b>
Elimination of liabilities between segments		(1,166,678,487)	(50,960,909)	(2,848,525,461)		-	<b>(4,066,164,857)</b>	<b>(3,933,024,098)</b>
Unallocated liabilities							<b>4,297,192</b>	<b>6,770,350</b>
<b>Total Liabilities</b>							<b>7,396,988,739</b>	<b>7,199,580,272</b>
							<b>For the Six Months Ended June 30,</b>	
							<b>2023 (Reviewed)</b>	<b>2022 (Reviewed)</b>
Capital expenditures							<b>9,823,500</b>	<b>9,456,803</b>
Depreciation and amortization							<b>12,614,759</b>	<b>12,242,276</b>

## 29. 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 Bank's risk management policies for the six-month period ended June 30, 2023 are identical to the policies followed for the year ended December 31, 2022, which are disclosed in the Bank's annual report as of December 31, 2022.

### 1- Distributed according to economic sector is as follows:

#### A- Distributions According to Financial Instruments Exposure:

	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	-	-	-	-	-	-	-	487,596,773	-	487,596,773
Balances at banks and financial institutions	235,464,093	-	-	-	-	-	-	-	-	235,464,093
Deposits at banks and financial institutions	49,313,286	-	-	-	-	-	-	-	-	49,313,286
Credit facilities at amortized cost	198,320,463	471,723,310	503,144,614	1,210,846,196	57,634,184	4,182,503	970,725,466	681,544,248	435,511,153	4,533,632,137
Credit Facilities at fair value through profit or loss	-	46,700,299	-	-	-	-	-	-	-	46,700,299
Bonds and bills:										
<u>Within:</u> Financial assets at fair value through other comprehensive income	63,722,634	-	-	-	-	-	-	276,983,660	-	340,706,294
<u>Within:</u> Financial assets at amortized cost	221,126,394	-	-	-	-	-	-	2,114,185,276	3,586,806	2,338,898,476
<b>Total for the Period</b>	<b>767,946,870</b>	<b>518,423,609</b>	<b>503,144,614</b>	<b>1,210,846,196</b>	<b>57,634,184</b>	<b>4,182,503</b>	<b>970,725,466</b>	<b>3,560,309,957</b>	<b>439,097,959</b>	<b>8,032,311,358</b>
Letter of guarantees	-	-	424,453,069	-	-	-	-	-	-	424,453,069
Letter of credit	-	-	585,926,264	-	-	-	-	-	-	585,926,264
Other liabilities	-	-	74,114,622	-	-	-	-	-	-	74,114,622
<b>Total</b>	<b>767,946,870</b>	<b>518,423,609</b>	<b>1,587,638,569</b>	<b>1,210,846,196</b>	<b>57,634,184</b>	<b>4,182,503</b>	<b>970,725,466</b>	<b>3,560,309,957</b>	<b>439,097,959</b>	<b>9,116,805,313</b>
<b>Prior Year Total</b>	<b>839,765,339</b>	<b>412,456,063</b>	<b>1,513,790,314</b>	<b>1,219,952,485</b>	<b>50,114,788</b>	<b>3,559,718</b>	<b>968,655,200</b>	<b>3,452,360,401</b>	<b>409,458,193</b>	<b>8,870,112,501</b>

**b. Distribution of exposures as staging according to International Financial Reporting Standard (9):**

Item	Stage (1)		Stage (2)		Stage (3)	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD	JD	JD
Financial	753,494,350	2,783,692	9,656,560	1,780,044	232,224	<b>767,946,870</b>
Industrial	472,358,517	11,538,668	30,106,298	2,251,287	2,168,839	<b>518,423,609</b>
Trading	1,405,420,369	102,442,545	53,512,238	21,993,754	4,269,666	<b>1,587,638,569</b>
Real-estate	196,939,621	910,456,674	48,129,721	44,902,615	10,417,565	<b>1,210,846,196</b>
Agriculture	53,211,705	729,396	3,158,288	112,239	422,556	<b>57,634,184</b>
Equity	-	3,910,836	258,324	-	13,343	<b>4,182,503</b>
Individual	87,971,301	865,129,283	1,449,739	15,458,164	716,979	<b>970,725,466</b>
Government and public sector	3,557,477,095	82	2,832,780	-	-	<b>3,560,309,957</b>
Other	399,820,635	14,338,463	19,597,228	4,724,526	617,105	<b>439,079,959</b>
<b>Total</b>	<b>6,926,693,593</b>	<b>1,911,329,638</b>	<b>168,701,176</b>	<b>91,222,629</b>	<b>18,858,277</b>	<b>9,116,805,313</b>
<b>Prior Year Total</b>	<b>6,710,740,502</b>	<b>1,858,392,037</b>	<b>178,856,685</b>	<b>114,371,491</b>	<b>7,751,786</b>	<b>8,870,112,501</b>

## 2- Total Exposure Distribution According to Geographic Region:

### A. Total distribution of exposures by geographical regions:

	Inside Jordan	Other Middle East Countries	Europe	Asia	Africa	America	Other Countries	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Balances at central banks	274,571,841	149,528,883	-	-	63,496,049	-	-	<b>487,596,773</b>
Balances at banks and financial institutions	20,680,250	35,732,403	104,675,087	2,125,234	2,030,718	70,220,401	-	<b>235,464,093</b>
Deposits at banks and financial institutions	29,999,753	4,141,930	15,171,603	-	-	-	-	<b>49,313,286</b>
Credit facilities at amortized cost	3,607,886,794	422,429,188	306,237,004	-	197,079,151	-	-	<b>4,533,632,137</b>
Credit Facilities at fair value through profit or loss	46,700,299	-	-	-	-	-	-	<b>46,700,299</b>
Bonds and Bills:								
Financial assets at fair value through other comprehensive income	210,241,751	25,836,560	53,019,570	8,461,404	7,572,402	35,574,607	-	<b>340,706,294</b>
Financial assets at amortized cost	2,134,972,794	52,938,969	3,502,931	-	143,550,330	1,813,654	2,119,798	<b>2,338,898,476</b>
<b>Total for the Period</b>	<b>6,325,053,482</b>	<b>690,607,933</b>	<b>482,606,195</b>	<b>10,586,638</b>	<b>413,728,650</b>	<b>107,608,662</b>	<b>2,119,798</b>	<b>8,032,311,358</b>
Letter of guarantee	284,247,378	44,691,116	10,320,801	10,815,314	74,378,460	-	-	<b>424,453,069</b>
Letter of credit	516,055,084	8,726,374	6,691,898	3,278,510	51,174,398	-	-	<b>585,926,264</b>
Other liabilities	38,232,355	-	35,882,267	-	-	-	-	<b>74,114,622</b>
<b>Total</b>	<b>7,163,588,299</b>	<b>744,025,423</b>	<b>535,501,161</b>	<b>24,680,462</b>	<b>539,281,508</b>	<b>107,608,662</b>	<b>2,119,798</b>	<b>9,116,805,313</b>
<b>Prior Year Total</b>	<b>6,883,038,449</b>	<b>789,937,352</b>	<b>482,061,905</b>	<b>13,768,139</b>	<b>525,693,577</b>	<b>171,714,029</b>	<b>3,899,050</b>	<b>8,870,112,501</b>

**b. Exposure distribution as staging according to International Financial Reporting Standard (9):**

	Stage (1)		Stage (2)		Stage (3)	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD		
Inside Jordan	5,306,553,405	1,644,276,940	113,963,977	47,540,714	51,253,263	<b>7,163,588,299</b>
Other Middle Eastern countries	698,783,796	28,412,490	26,230,430	24,309,987	(33,711,280)	<b>744,025,423</b>
Europe	289,863,823	221,071,868	6,524,361	17,849,883	191,226	<b>535,501,161</b>
Asia	21,724,375	825,777	2,063,578	66,532	200	<b>24,680,462</b>
Africa	518,526,772	27	19,637,422	3	1,117,284	<b>539,281,508</b>
America	90,461,557	15,510,947	272,295	1,356,279	7,584	<b>107,608,662</b>
Other countries	779,865	1,231,589	9,113	99,231	-	<b>2,119,798</b>
<b>Total</b>	<b>6,926,693,593</b>	<b>1,911,329,638</b>	<b>168,701,176</b>	<b>91,222,629</b>	<b>18,858,277</b>	<b>9,116,805,313</b>
<b>Prior Year Total</b>	<b>6,710,740,502</b>	<b>1,858,392,037</b>	<b>178,856,685</b>	<b>114,371,491</b>	<b>7,751,786</b>	<b>8,870,112,501</b>

**3. Credit exposures that have been reclassified:**

**A. Total credit exposures that have been reclassified:**

	Stage (2)		Stage (3)		Total Exposures that have been Reclassified	Percentage of Exposures that have been Reclassified
	Total Exposures Amount	Exposures that have been Reclassified	Total Exposures Amount	Exposures that have been Reclassified		
	JD	JD	JD	JD		
Credit facilities at amortized cost	424,284,867	54,827,878	378,429,144	40,649,451	95,477,329	<b>1.9%</b>
<b>Bonds and bills</b>						
<u>Within:</u> Financial assets at amortized cost	-	-	3,000,001	-	-	<b>0.0%</b>
<u>Within:</u> Financial assets at fair value through other comprehensive income	2,897,827	-	-	-	-	<b>0.0%</b>
<b>Total</b>	<b>427,182,694</b>	<b>54,827,878</b>	<b>381,429,145</b>	<b>40,649,451</b>	<b>95,477,329</b>	<b>1.1%</b>
Letter of guarantees	34,339,656	6,163,067	18,675,040	61,789	6,224,856	
Letter of credit	1,039,767	-	-	-	-	<b>0.0%</b>
Other	1,608,401	6,407	-	-	6,407	<b>0.0%</b>
<b>Total</b>	<b>36,987,824</b>	<b>6,169,474</b>	<b>18,675,040</b>	<b>61,789</b>	<b>6,231,263</b>	<b>0.6%</b>
<b>Grand Total</b>	<b>464,170,518</b>	<b>60,997,352</b>	<b>400,104,185</b>	<b>40,711,240</b>	<b>101,708,592</b>	<b>1.0%</b>
<b>Prior Year Grand Total</b>	<b>483,955,607</b>	<b>78,788,835</b>	<b>382,370,769</b>	<b>52,072,041</b>	<b>130,860,876</b>	<b>1.4 %</b>



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

Description	Exposures that have been Reclassified			Expected Credit Loss due to Reclassified Exposures			
	Exposures Reclassified from Stage (2)	Exposures Reclassified from Stage (3)	Total	Stage (2)		Stage (3)	Total
	JD	JD	JD	JD	JD	JD	JD
Credit facilities at amortized cost	54,827,878	40,649,451	95,477,329	1,931,473	1,563,207	5,192,837	8,687,517
<b>Bonds and Bills</b>							
<b>Total</b>	<b>54,827,878</b>	<b>40,649,451</b>	<b>95,477,329</b>	<b>1,931,473</b>	<b>1,563,207</b>	<b>5,192,837</b>	<b>8,687,517</b>
Letter of guarantees	6,163,067	61,789	6,224,856	115,926	17,278	6,227	139,431
Letter of credit	-	-	-	-	-	-	-
Other	6,407	-	6,407	5,343	16	-	5,359
<b>Total</b>	<b>6,169,474</b>	<b>61,789</b>	<b>6,231,263</b>	<b>121,269</b>	<b>17,294</b>	<b>6,227</b>	<b>144,790</b>
<b>Grand Total</b>	<b>60,997,352</b>	<b>40,711,240</b>	<b>101,708,592</b>	<b>2,052,742</b>	<b>1,580,501</b>	<b>5,199,064</b>	<b>8,832,307</b>
<b>Prior Year Grand Total</b>	<b>78,788,835</b>	<b>52,072,041</b>	<b>130,860,876</b>	<b>4,527,092</b>	<b>1,936,854</b>	<b>15,039,614</b>	<b>21,503,560</b>

#### 4. Liquidity coverage Ratio (LCR):

The average liquidity coverage ratio for the six months period ended in June 30, 2023 was 162.3% and 162.1% for Jordan Branches and the Banking Group respectively. The liquidity coverage ratio as of June 30, 2023 was 168.7% and 162.1% for Jordan Branches and the Banking Group respectively.

Following are the details of the calculation as of June 30, 2023:

	<b>Jordan Branches</b> <b>JD 000'</b>	<b>Banking Group</b> <b>JD 000'</b>
High qualified liquid assets before adjustments	2,557,739	2,659,755
High qualified liquid assets after adjustments	2,557,739	2,659,755
Net cash outflow	1,515,850	1,641,053
<b>Liquidity Coverage Ratio</b>	<b>168.7%</b>	<b>162.1%</b>

#### **30. Commitments and Contingent Liabilities**

This item consists of the following:

	<b>June 30, 2023</b> <b>(Reviewed)</b> <b>JD</b>	<b>December 31,</b> <b>2022 (Audited)</b> <b>JD</b>
Letters of credit	471,966,935	483,501,097
Acceptances	117,358,798	103,294,521
<b>Guarantees:</b>		
- Payment	198,491,931	172,620,903
- Performance bonds	189,258,624	189,606,793
- Other	65,760,178	74,436,092
Forward foreign currency contracts	319,564,177	281,530,651
Currency swap contracts	34,815,000	34,815,000
Un-utilized direct credit facilities ceilings	509,218,055	603,293,844
<b>Total</b>	<b>1,906,433,698</b>	<b>1,943,098,901</b>

#### **31. Lawsuits Raised Against the Bank and Lawsuits Raised by the Bank Against Others**

Lawsuits raised against the Bank amounted to approximately JD 23.9 million as of June 30, 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 7.7 million as of June 30, 2023 (JD 7.7 as of December 31, 2022).

The lawsuits raised by the Bank against others amounted to approximately JD 663 million as of June 30, 2023 (approximately JD 627.7 million as of December 31, 2022).

### **32. 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).

	<b>Level (1)</b>	<b>Level (2)</b>	<b>Level (3)</b>	<b>Total</b>
<b><u>June 30, 2023 (Reviewed)</u></b>	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>
<b>Financial assets:</b>				
Financial assets at fair value through other comprehensive income	340,706,294	-	42,701,147	<b>383,407,441</b>
Financial assets at fair value through profit or loss	4,349,138	-	450,584	<b>4,799,722</b>
Direct credit facilities at fair value through profit or loss	46,700,299	-	-	<b>46,700,299</b>
<b>Total</b>	<b>391,755,731</b>	<b>-</b>	<b>43,151,731</b>	<b>434,907,462</b>

#### **December 31, 2022 (Audited)**

##### **Financial assets:**

Financial assets at fair value through other comprehensive income	326,395,198	-	42,699,806	<b>369,095,004</b>
Financial assets at fair value through profit or loss	4,569,196	-	450,584	<b>5,019,780</b>
Direct credit facilities at fair value through profit or loss	61,967,403	-	-	<b>61,967,403</b>
<b>Total</b>	<b>392,931,797</b>	<b>-</b>	<b>43,150,390</b>	<b>436,082,187</b>