

JORDAN COMMERCIAL BANK

(PUBLIC SHAREHOLDING LIMITED COMPANY)

INTERIM CONDENSED FINANCIAL STATEMENTS (REVIEWED NOT AUDITED)

31 MARCH 2024

**REPORT ON REVIEW OF THE INTERIM CONDENSED FINANCIAL STATEMENTS
TO THE BOARD OF DIRECTORS OF JORDAN COMMERCIAL BANK
AMMAN - JORDAN**

Introduction

We have reviewed the accompanying interim condensed financial statements of Jordan Commercial Bank (a Public Shareholding Limited Company) (the “Bank”) as at 31 March 2024, comprising the interim condensed statement of financial position as at 31 March 2024 and the related interim condensed income statement, interim condensed statement of comprehensive income, interim condensed statement of changes in equity, and interim condensed statement of cash flows for the three months then ended and explanatory notes. The management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with the basis of preparation as disclosed in note (2-1) to the interim condensed financial statements. Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements (2410), “Review of Interim Financial Information Performed by the Independent Auditor of the Entity.” A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, 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 interim condensed financial statements are not prepared, in all material respects, in accordance with the basis of preparation as disclosed in note (2-1) to the interim condensed financial statements.

Amman – Jordan
29 April 2024

ERNST & YOUNG
Amman - Jordan

JORDAN COMMERCIAL BANK
(PUBLIC SHAREHOLDING LIMITED COMPANY)
INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2024

	Notes	31 March 2024 JD (Reviewed not audited)	31 December 2023 JD (Audited)
<u>ASSETS</u>			
Cash and balances at Central Bank of Jordan	4	95,749,410	68,319,687
Balances and deposits at banks and financial institutions, net	5	71,549,058	68,716,784
Direct credit facilities, net	6	719,790,122	732,427,089
Financial assets at fair value through income statement	7	1,391,202	1,372,783
Financial assets at fair value through statement of other comprehensive income	8	49,784,652	50,322,563
Financial assets at amortized cost, net	9	337,027,336	343,210,421
Property and equipment, net		21,897,962	22,321,642
Intangible assets, net		2,855,290	2,858,126
Right of use assets		5,889,041	6,041,037
Deferred tax assets		9,946,837	10,551,901
Other assets	10	71,335,750	71,537,058
Total Assets		1,387,216,660	1,377,679,091
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>			
LIABILITIES			
Banks' and financial institutions' deposits		72,197,838	48,428,024
Customers' deposits	11	956,835,554	967,495,655
Cash margins		39,504,348	40,213,578
Borrowed funds	12	88,944,010	91,667,450
Income tax provision	13/a	4,515,523	5,303,391
Sundry provisions	14	1,241,500	1,237,500
Deferred tax liabilities		687,137	698,411
Lease liabilities		5,748,752	5,800,708
Other liabilities	15	47,051,889	47,925,393
Total Liabilities		1,216,726,551	1,208,770,110
SHAREHOLDERS' EQUITY			
BANK SHAREHOLDERS' EQUITY			
Authorized and paid-in capital	1	120,000,000	120,000,000
Statutory reserve	16	20,705,562	20,705,562
Fair value reserve, net	17	3,504,472	3,924,952
Retained earnings	18	24,264,390	24,278,467
Profit for the period		2,015,685	-
Total Bank Shareholders' Equity		170,490,109	168,908,981
Total Liabilities and Shareholders' Equity		1,387,216,660	1,377,679,091

The accompanying notes from 1 to 25 form part of these interim condensed financial statements

JORDAN COMMERCIAL BANK
(PUBLIC SHAREHOLDING LIMITED COMPANY)
INTERIM CONDENSED INCOME STATEMENT
FOR THE THREE MONTHS ENDED 31 MARCH 2024 (REVIEWED NOT AUDITED)

	<u>Notes</u>	<u>2024</u>	<u>2023</u>
		<u>JD</u>	<u>JD</u>
Interest income		23,351,853	22,486,372
<u>Less:</u> interest expense		<u>(11,892,779)</u>	<u>(9,991,890)</u>
Net interest income		11,459,074	12,494,482
Net commission income		854,040	820,245
Net interest and commission income		12,313,114	13,314,727
Foreign exchange income, net		310,433	310,126
Gains (losses) from financial assets at fair value through income statement	7	26,854	(92,428)
Dividends from financial assets at fair value through statement of other comprehensive income	8	75,000	93,750
Other income		700,456	1,102,968
Gross income		13,425,857	14,729,143
Employees' expenses		4,316,221	3,824,922
Depreciation and amortization		1,017,318	903,799
Provision for expected credit losses, net	19	1,924,550	4,265,134
Sundry provisions	14	50,984	191,240
Provision for assets seized by the Bank against due debts	10	2,530	28,641
Other expenses		2,891,351	3,211,200
Total expenses		10,202,954	12,424,936
Profit for the period before income tax		3,222,903	2,304,207
Income tax expense for the period	13/b	(1,207,218)	(478,220)
Profit for the period		2,015,685	1,825,987
Earnings per share for the period attributable to the Bank's shareholders		<u>JD/Fils</u>	<u>JD/Fils</u>
Basic and diluted		<u>0/017</u>	<u>0/015</u>

The accompanying notes from 1 to 25 form part of these interim condensed financial statements

JORDAN COMMERCIAL BANK
(PUBLIC SHAREHOLDING LIMITED COMPANY)
INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED 31 MARCH 2024 (REVIEWED NOT AUDITED)

	<u>2024</u> JD	<u>2023</u> JD
Profit for the period		
<u>Other comprehensive income items:</u>	2,015,685	1,825,987
Other comprehensive income items that will not be reclassified to the income statement in subsequent periods		
Change in fair value reserve of financial assets through other comprehensive income after tax	<u>(434,557)</u>	<u>1,501,113</u>
Total comprehensive income for the period	<u>1,581,128</u>	<u>3,327,100</u>

The accompanying notes from 1 to 25 form part of these interim condensed financial statements

JORDAN COMMERCIAL BANK
(PUBLIC SHAREHOLDING LIMITED COMPANY)
INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED 31 MARCH 2024 (REVIEWED NOT AUDITED)

	Authorized and paid in capital	Reserves				Total shareholders' equity
	JD	Statutory	Fair value, net	Retained earnings	Profit for the period	JD
	JD	JD	JD	JD	JD	JD
For the three months ended 31 March 2024						
Balance as at the beginning of the period	120,000,000	20,705,562	3,924,952	24,278,467	-	168,908,981
Profit for the period	-	-	-	-	2,015,685	2,015,685
Other comprehensive income items	-	-	(434,557)	-	-	(434,557)
Total comprehensive income for the period	-	-	(434,557)	-	2,015,685	1,581,128
Fair value reserve released from sale of financial assets at fair value through statement of other comprehensive income	-	-	14,077	(14,077)	-	-
Balance as at 31 March 2024	<u>120,000,000</u>	<u>20,705,562</u>	<u>3,504,472</u>	<u>24,264,390</u>	<u>2,015,685</u>	<u>170,490,109</u>
For the three months ended 31 March 2023						
Balance as at the beginning of the period	120,000,000	19,011,405	2,621,695	20,483,016	-	162,116,116
Profit for the period	-	-	-	-	1,825,987	1,825,987
Other comprehensive income items	-	-	1,501,113	-	-	1,501,113
Total comprehensive income for the period	-	-	1,501,113	-	1,825,987	3,327,100
Balance as at 31 March 2023	<u>120,000,000</u>	<u>19,011,405</u>	<u>4,122,808</u>	<u>20,483,016</u>	<u>1,825,987</u>	<u>165,443,216</u>

- According to the instructions of Jordan Securities Commission and Central Bank of Jordan, the retained earnings balance includes JD 9,946,837 restricted against deferred tax assets as at 31 March 2024 (JD 10,551,901 as at 31 December 2023).
- According to the instructions of Jordan Securities Commission and Central Bank of Jordan, the retained earnings balance includes JD 3,504,472 restricted against the credit balance of the fair value of financial assets reserve as at 31 March 2024 (credit balance of JD 3,924,952 as at 31 December 2023 (including JD 311,112 against the implementation of International Financial Reporting Standard No (9)).
- According to the instructions of Jordan Securities Commission and Central Bank of Jordan, the retained earnings balance includes JD 597,490 restricted against the unrealized gain of financial assets through income statement as at 31 March 2024 (JD 537,044 as at 31 December 2023).

The accompanying notes from 1 to 25 form part of these interim condensed financial statements

JORDAN COMMERCIAL BANK
(PUBLIC SHAREHOLDING LIMITED COMPANY)
INTERIM CONDENSED STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS ENDED 31 MARCH 2024 (REVIEWED NOT AUDITED)

		For the three months ended 31 March	
	Notes	2024	2023
Operating Activities		JD	JD
Profit for the period before income tax		3,222,903	2,304,207
Adjustments:			
Depreciation and amortization		1,017,318	903,799
Provision for expected credit losses, net	19	1,924,550	4,265,134
(Gains) losses from valuation of financial assets at fair value through income statement	7	(26,674)	92,428
Sundry provisions	14	50,984	191,240
Provision for assets seized by the bank against due debts	10	2,530	28,641
Interest expense on lease liabilities		40,392	40,095
Losses (gains) from sale of property and equipment		8,326	(5,194)
Dividends from financial assets at fair value through statement of other comprehensive income	8	(75,000)	(93,750)
Dividends from financial assets at fair value through income statement	7	(1,350)	-
Effect of exchange rate fluctuations on cash and cash equivalents		(86,422)	(77,870)
Income from prior year income tax adjustments		-	(421,602)
Cash flow from operating activities before changes in net assets		6,077,557	7,227,128
Decrease in restricted balances at Central Bank of Jordan		5,000,000	-
Decrease in banks and financial institutions' deposits maturing within more than three months		-	(25,000,000)
Decrease in direct credit facilities		10,653,635	278,667
Decrease in financial assets at fair value through income statement		8,255	-
Decrease in other assets		222,148	15,152,762
Decrease in customers' deposits		(10,660,101)	(7,517,065)
(Decrease) increase in cash margins		(709,230)	246,503
(Decrease) increase in other liabilities		(838,642)	27,575,863
Net cash flow from operating activities before income tax and provisions paid		9,753,622	17,963,858
Income tax paid	13/a	(1,367,051)	(1,720,182)
Sundry provisions paid	14	(46,984)	-
Net cash flow from operating activities		8,339,587	16,243,676
Investing activities			
Decrease (increase) in financial assets at fair value through other comprehensive income		69,109	(934)
Decrease in financial assets at amortized cost		6,183,199	6,394,440
Purchase of property and equipment and intangible assets		(322,930)	(961,399)
Proceeds from sale of property and equipment		4,150	5,685
Dividends from financial assets at fair value through income statement		1,350	-
Dividends from financial assets at fair value through other comprehensive income		75,000	93,750
Net cash flow from investing activities		6,009,878	5,531,542
Financing activities			
Decrease in borrowed funds		(2,723,440)	(41,077,791)
Lease liabilities paid		(220,700)	(256,100)
Net cash flow used in financing activities		(2,944,140)	(41,333,891)
Effect of exchange rate fluctuations on cash and cash equivalents		86,422	77,870
Net increase (decrease) in cash and cash equivalents		11,491,747	(19,480,803)
Cash and cash equivalents at the beginning of the period		83,610,228	60,586,278
Cash and cash equivalents at the end of the period	20	95,101,975	41,105,475

The accompanying notes from 1 to 25 form part of these interim condensed financial statements

JORDAN COMMERCIAL BANK
(PUBLIC SHAREHOLDING LIMITED COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
31 MARCH 2024 (REVIEWED NOT AUDITED)

(1) GENERAL

Jordan Commercial Bank (the "Bank") was established as a Jordanian Public Limited Shareholding Company under registration number of (113) on 3 May 1977 in accordance with the Jordanian Companies Law No. (12) for the year 1964 with paid-in capital of JD 5 million divided into 5 million shares at par value of one Jordanian Dinar per share. The Bank's Head Office address is Amman, P.O. Box 9989, Amman 11191 - The Hashemite Kingdom of Jordan.

During the year 1993, Al Mashrek Bank (Jordan branches) was merged into Jordan and Gulf Bank. Consequently, Jordan and Gulf Bank replaced Al Mashrek Bank (Jordan branches) in terms of all of its rights and obligations.

At the beginning of the year 2004, the Bank was restructured after taking the necessary measures specified by the concerned legal parties and on 28 June 2004, procedures relating to changing the Bank's name from Jordan and Gulf Bank to Jordan Commercial Bank were completed.

The Bank's capital was increased gradually, and the last increase was during 2017, where the General Assembly in its extraordinary meeting held on 30 April 2017, resolved to approve the increase in the Bank's capital by JD 7.125 million/ share, so that the authorized and paid-in capital would become JD 120 million/ share, the increase was through capitalizing part of the retained earnings and distributing the capitalized amount to shareholders as stock dividends. The procedures for the capital increase were completed on 7 June 2017.

The Bank is engaged in banking and related financial operations through its branches totalling (36) inside Jordan.

Jordan Commercial Bank shares are listed and being traded on Amman Stock Exchange.

The interim condensed financial statements have been approved by the Bank's Board of Directors in their meeting held on 28 April 2024.

(2-1) BASIS OF PREPARATION OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

The interim condensed financial statements have been prepared in accordance with International Accounting Standard (34) Interim Financial Reporting taking into consideration the amendments on the International Accounting Standards in accordance with the instructions of Central Bank of Jordan.

The interim condensed financial statements are prepared on a historical cost basis, except for financial assets at fair value through the income statement and financial assets at fair value through other comprehensive income, which are presented fair value as of the date of the interim condensed financial statements.

The interim condensed financial statements are presented in Jordanian Dinars ("JD"), which is the functional currency of the Bank.

The interim condensed financial statements do not contain all information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards as adopted by the Central Bank of Jordan and should be read in conjunction with the Bank's annual report as at 31 December 2023. In addition, results for the three months ended 31 March 2024 do not necessarily indicate the expected results for the year ending 31 December 2024. No appropriation of the profit has been made for the three months ended 31 March 2024 as it is made at the end of the financial year.

(2-2) CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Bank's financial statements for the year ended 31 December 2023, except for the adoption of the following amendments effective as at 1 January 2024:

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The transition rules clarify that an entity is not required to provide the disclosures in any interim periods in the year of initial application of the amendments. Thus, the amendments had no impact on the Bank's interim condensed financial statements.

Amendments to IFRS 16: Lease Liability in a Sale and Leaseback

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognize any amount of the gain or loss that relates to the right of use it retains.

The amendments had no impact on the Bank's interim condensed financial statements.

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

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, a requirement has been introduced whereby an entity must disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments had no impact on the Bank's interim condensed financial statements.

(3) USE OF ESTIMATES

Preparation of the condensed interim financial statements and application of the accounting policies require the 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 interim statement of comprehensive income and within shareholders' equity. In particular, the Bank's management requires judgments to be made to estimate the amounts and timing of future cash flows. These estimates are necessarily based on multiple hypotheses and factors with varying degrees of estimation and uncertainty. Meanwhile, the actual results may differ from estimates due to the changes arising from the condition and circumstances of those estimates in the future.

Management believes that critical judgements and estimates used in the preparation of these interim condensed financial information are consistent with those used in the preparation of the Bank's financial statements for the year 2023.

Management believes that its estimates in the interim condensed financial statements are reasonable. The details are as follows:

Extension and termination options in lease contracts

Extension and termination options are included in a number of the leasing contracts, these options are used to increase the operational flexibility in terms of contracts management, most of the extension and termination options are exercisable by both the Bank and the lessor.

In determining the lease term, management considers all facts and circumstance that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension option (or periods after termination option) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The evaluation is reviewed in case of occurrence of an important event or significant change in the circumstances that affect this evaluation and that are under the control of the lessee.

Discounting of lease payment

The lease payments are discounted using the Bank's Incremental Borrowing Rate ("IBR"). Management has applied judgments and estimates to determine the IBR at the commencement of lease.

Impairment of seized properties

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

Useful lives of tangible assets and intangible assets

The Bank estimates the productive life of properties, machines, equipment, and intangible assets for the purposes of calculating depreciation and amortization, taking into account the expected use of the assets. Management reviews the residual values and useful lives annually, and future depreciation and amortization expense are adjusted if management believes that the useful lives differ from previous estimates.

Income tax

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

Provision of expected credit losses

Expected credit loss is measured as a 12-months expected credit loss for assets classified as stage 1, or as a lifetime expected credit loss for stage 2 or stage 3 classified assets.

Macroeconomic Factors, Forward Looking Information (FLI) and Multiple Scenarios

The measurement of expected credit losses for each stage and the assessment of significant increases in credit risk must consider information about past events and current conditions as well as reasonable and supportable forecasts of future events and economic conditions, The estimation and application of forward-looking information will require significant judgment from the bank's management.

JORDAN COMMERCIAL BANK
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31 MARCH 2024 (REVIEWED NOT AUDITED)

PD, Loss Given Default (LGD) and Exposure at Default (EAD) inputs used to estimate Stage 1 and Stage 2 expected credit losses are modelled based on the macroeconomic variables (or changes in macroeconomic variables) that are most closely correlated with credit losses in the relevant portfolio, each macroeconomic scenario used in our expected credit loss calculation will have forecasts of the relevant macroeconomic variables.

Each macroeconomic scenario used in calculating the expected credit losses is linked to changing macroeconomic factors.

Our estimates are used to calculate expected credit losses for stage 1 and stage 2 using discounted weighted scenarios that include future macroeconomic information for the next three years.

- The Bank uses the following macroeconomic indicators when performing futuristic forecasts for the countries that it operates in:
 - 1- Gross Domestic Product
 - 2- Unemployment rate
 - 3- Stock market index price
 - 4- Inflation rate

Litigations provision

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

(4) CASH AND BALANCES AT CENTRAL BANK OF JORDAN

- Total statutory cash reserve is amounted to JD 32,400,814 as at 31 March 2024 (JD 33,090,712 as at 31 December 2023).
- Total restricted cash balances are amounted to JD 32,400,814 as at 31 March 2024 (JD 38,090,712 as at 31 December 2023).
- There are no balances maturing within a period of more than three months as at 31 March 2024 and 31 December 2023.
- There are no certificates of deposits as at 31 March 2024 and 31 December 2023.

JORDAN COMMERCIAL BANK
(PUBLIC SHAREHOLDING LIMITED COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
31 MARCH 2024 (REVIEWED NOT AUDITED)

(5) BALANCES AND DEPOSITS AT BANKS AND FINANCIAL INSTITUTIONS, NET

Item	Banks and financial institutions				Total	
	Inside Jordan		Outside Jordan			
	31 March 2024	31 December 2023	31 March 2024	31 December 2023	31 March 2024	31 December 2023
	JD (Reviewed not audited)	JD (Audited)	JD (Reviewed not audited)	JD (Audited)	JD (Reviewed not audited)	JD (Audited)
Current and call accounts	-	-	7,074,807	9,736,311	7,074,807	9,736,311
Deposits maturing within a period of three months or less	32,845,400	26,138,000	1,630,196	2,844,254	34,475,596	28,982,254
Deposits maturing within a period of more than three months	-	-	30,000,000	30,000,000	30,000,000	30,000,000
Total	32,845,400	26,138,000	38,705,003	42,580,565	71,550,403	68,718,565
<u>Less:</u> Provision for expected credit losses*	(1,034)	(1,278)	(311)	(503)	(1,345)	(1,781)
	<u>32,844,366</u>	<u>26,136,722</u>	<u>38,704,692</u>	<u>42,580,062</u>	<u>71,549,058</u>	<u>68,716,784</u>

- The non-interest-bearing balances and deposits at banks and financial institutions amounted to JD 7,074,807 as at 31 March 2024 (JD 9,736,311 as at 31 December 2023).

- There are no restricted balances as at 31 March 2024 and 31 December 2023.

* Set out below is the movement in the provision for expected credit losses (ECL) for balances and deposits at banks and financial institutions during the three months ended 31 March 2024 and the year ended 31 December 2023:

	31 March 2024 (Reviewed not audited)			
	Stage 1	Stage 2	Stage 3	Total
	JD	JD	JD	JD
Balance at the beginning of the period	1,781	-	-	1,781
ECL for new balances and deposits during the period	337	-	-	337
Recoveries from ECL related to paid balances and deposits	(218)	-	-	(218)
Changes resulting from adjustments	(555)	-	-	(555)
Balance at the end of the period	<u>1,345</u>	<u>-</u>	<u>-</u>	<u>1,345</u>

	31 December 2023 (Audited)			
	Stage 1	Stage 2	Stage 3	Total
	JD	JD	JD	JD
Balance at the beginning of the year	412	-	-	412
ECL for new balances and deposits during the year	1,077	-	-	1,077
Recoveries from ECL related to paid balances and deposits	(115)	-	-	(115)
Changes resulting from adjustments	407	-	-	407
Balance at the end of the year	<u>1,781</u>	<u>-</u>	<u>-</u>	<u>1,781</u>

JORDAN COMMERCIAL BANK
(PUBLIC SHAREHOLDING LIMITED COMPANY)
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31 MARCH 2024 (REVIEWED NOT AUDITED)

(6) DIRECT CREDIT FACILITIES, NET

	31 March 2024 JD (Reviewed not audited)	31 December 2023 JD (Audited)
Individuals (Retail):		
Overdraft accounts	745,933	769,411
Loans and promissory notes *	182,066,932	185,042,272
Credit cards	6,459,190	6,535,516
Real Estate Loans	102,154,304	101,555,641
Companies:		
A- Large:		
Overdraft accounts	73,266,198	82,453,705
Loans and promissory notes *	370,785,849	365,895,832
B- Small and Medium Enterprises "SMEs":		
Overdraft accounts	15,459,223	15,496,576
Loans and promissory notes *	41,113,815	40,679,607
Government and Public Sector	18,123,026	20,488,783
Total	810,174,470	818,917,343
(Less): Provision for expected credit losses **	(65,230,958)	(63,314,138)
Interest in suspense	(25,153,390)	(23,176,116)
Net direct credit facilities	719,790,122	732,427,089

* Net after deducting interest and commissions received in advance amounted to JD 257,700 as at 31 March 2024 (JD 174,861 as at 31 December 2023).

- During the three months ended as at 31 March 2024, direct credit facilities amounted to JD 120,659 were written-off, with interest in suspense of JD 54,147 and the provision against them JD 66,512.
- Credit facilities classified as stage 3 amounted to JD 92,393,239 representing 11.40% of total direct credit facilities as at 31 March 2024 (JD 88,426,795 representing 10.80% of total direct credit facilities as at 31 December 2023).
- Credit facilities classified as stage 3, net of interest and commissions in suspense amounted to JD 67,239,849 representing 8.57% of total direct credit facilities balance as at 31 March 2024 (JD 65,250,679 representing 8.20% of total direct credit facilities as at 31 December 2023).
- Direct credit facilities of JD 161,608,445 as at 31 March 2024, were listed in regulatory accounts off the statement of financial position according to the Board of Directors' decisions (JD 165,994,550 as at 31 December 2023) as these accounts are fully covered with the provisions and interest in suspense.
- Direct credit facilities include facilities guaranteed by the Government of Jordan amounted to JD 7,500,000 as at 31 March 2024 (JD 11,250,000 as at 31 December 2023).

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31 MARCH 2024 (REVIEWED NOT AUDITED)

** Set out below is the movement in the provision for expected credit losses for the three months ended 31 March 2024 and the year ended 31 December 2023:

Item	31 March 2024 (Reviewed not audited)					
	Retail	Real estate	Large corporations	SMEs	Government and public sector	Total
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the period	16,737,148	3,964,388	35,748,449	6,843,302	20,851	63,314,138
ECL for new facilities during the period	51,633	260	19,679	1,608	-	73,180
Recoveries from ECL related to settled facilities during the period	(111,368)	(51,595)	(979)	(25,743)	-	(189,685)
Transferred to stage 1	(32,766)	(24,067)	(87,356)	52,053	-	(92,136)
Transferred to stage 2	(250,649)	(9,050)	87,356	(65,371)	-	(237,714)
Transferred to stage 3	283,415	33,117	-	13,318	-	329,850
Effect on provision resulting from reclassification among the three stages	432,517	61,215	361,951	(23,333)	-	832,350
Changes resulting from adjustments	498,612	183,983	332,508	255,562	(3,178)	1,267,487
Written-off credit facilities	(17,979)	(42,361)	-	(6,172)	-	(66,512)
Balance at the end of the period	<u>17,590,563</u>	<u>4,115,890</u>	<u>36,461,608</u>	<u>7,045,224</u>	<u>17,673</u>	<u>65,230,958</u>
Re-allocation:						
Provisions on an individual basis	<u>17,590,563</u>	<u>4,115,890</u>	<u>36,461,608</u>	<u>7,045,224</u>	<u>17,673</u>	<u>65,230,958</u>
Total	<u>17,590,563</u>	<u>4,115,890</u>	<u>36,461,608</u>	<u>7,045,224</u>	<u>17,673</u>	<u>65,230,958</u>

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	Retail	Real estate	Large corporations	SME's	Government and public sector	Total
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	14,369,317	3,409,049	28,044,907	6,180,871	26,594	52,030,738
ECL for new facilities during the year	257,065	12,580	109,761	28,648	-	408,054
Recoveries from ECL related to settled facilities	(336,324)	(20,398)	(16,185)	(10,803)	-	(383,710)
Transferred to stage 1	(33,862)	(2,224)	(231,424)	(4,480)	-	(271,990)
Transferred to stage 2	(162,917)	(49,707)	(47,353)	9,551	-	(250,426)
Transferred to stage 3	196,779	51,931	278,777	(5,071)	-	522,416
Effect on provision resulting from reclassification among the three stages	2,209,516	847,636	2,759,190	253,196	-	6,069,538
Changes resulting from adjustments	302,190	(276,838)	4,850,776	823,482	(5,743)	5,693,867
Written-off credit facilities	(64,616)	(7,641)	-	(432,092)	-	(504,349)
Balance at the end of the year	<u>16,737,148</u>	<u>3,964,388</u>	<u>35,748,449</u>	<u>6,843,302</u>	<u>20,851</u>	<u>63,314,138</u>
Re-allocation:						
Provision on an individual basis	<u>16,737,148</u>	<u>3,964,388</u>	<u>35,748,449</u>	<u>6,843,302</u>	<u>20,851</u>	<u>63,314,138</u>
Total	<u>16,737,148</u>	<u>3,964,388</u>	<u>35,748,449</u>	<u>6,843,302</u>	<u>20,851</u>	<u>63,314,138</u>

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Interest in suspense

The movement on interest in suspense for the three months ended 31 March 2024 and the year ended 31 December 2023 is as follows:

<u>For the three months ended 31 March 2024</u> <u>(Reviewed not audited)</u>	Companies					Government and public sector	Total
	Retail	Real estate loans	Large	SMEs			
	JD	JD	JD	JD	JD		
Balance at the beginning of the period	5,737,187	2,485,669	11,197,598	3,755,662	-		23,176,116
Add: interest in suspense for the period	744,926	262,934	819,428	319,122	-		2,146,410
Less: interest transferred to revenues for the period	(80,927)	(18,193)	-	(15,869)	-		(114,989)
Interests in suspense written-off	(17,421)	(35,080)	-	(1,646)	-		(54,147)
Balance at the end of the period	6,383,765	2,695,330	12,017,026	4,057,269	-		25,153,390

<u>For the year ended 31 December 2023</u> <u>(Audited)</u>	Companies					Government and public sector	Total
	Retail	Real estate loans	Large	SMEs			
	JD	JD	JD	JD	JD		
Balance at the beginning of the year	4,004,947	1,778,328	8,099,619	3,069,365	-		16,952,259
Add: interest in suspense for the year	2,142,415	765,680	3,193,142	1,181,723	-		7,282,960
Less: interest transferred to revenues for the year	(377,413)	(42,966)	(95,163)	(106,612)	-		(622,154)
Interests in suspense written-off	(32,762)	(15,373)	-	(388,814)	-		(436,949)
Balance at the end of the year	5,737,187	2,485,669	11,197,598	3,755,662	-		23,176,116

(7) FINANCIAL ASSETS AT FAIR VALUE THROUGH INCOME STATEMENT

	31 March 2024	31 December 2023
	JD	JD
	(Reviewed not audited)	(Audited)
Quoted shares in active markets	1,391,202	1,372,783

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Set out below are the details of losses from financial assets at fair value through interim condensed income statement:

	Realized losses JD	Unrealized gains (losses) JD	Dividends distributed JD	Total JD
31 March 2024				
Quoted shares in active markets	<u>(1,170)</u>	<u>26,674</u>	<u>1,350</u>	<u>26,854</u>
31 March 2023				
Quoted shares in active markets	<u>-</u>	<u>(92,428)</u>	<u>-</u>	<u>(92,428)</u>

(8) FINANCIAL ASSETS AT FAIR VALUE THROUGH STATEMENT OF OTHER COMPREHENSIVE INCOME

	31 March 2024 JD (Reviewed not audited)	31 December 2023 JD (Audited)
Quoted shares in active markets *	31,522,822	32,236,542
Unquoted shares in active markets	<u>18,261,830</u>	<u>18,086,021</u>
	<u>49,784,652</u>	<u>50,322,563</u>

- The realized losses from sale of shares at fair value through statement of other comprehensive income amounted to JD 14,077 for the period ended 31 March 2024 recorded in retained earnings within shareholders' equity (unrealized gains of JD 4,824 for the year ended 31 December 2023).
- Cash dividends for the above investments amounted to JD 75,000 for the period ended 31 March 2024 (JD 93,750 for the period ended 31 March 2023).
- * A memorandum of understanding was signed during December 2022 to sell Jordan Commercial Bank's shares in National Bank – Palestine. Sale agreement execution and transfer of shares ownership procedures have not been finalized as the final approvals from the regulatory authorities were not obtained up to the date of the interim condensed financial statements preparation as at 31 March 2024.

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(9) FINANCIAL ASSETS AT AMORTIZED COST, NET

	31 March 2024	31 December 2023
	JD (Reviewed not audited)	JD (Audited)
Treasury bonds and bills	333,290,530	339,473,730
Companies' bonds and debentures	4,223,864	4,193,093
	<u>337,514,394</u>	<u>343,666,823</u>
<u>Less:</u> Provision for expected credit losses *	(379,194)	(379,308)
Interests in suspense	<u>(107,864)</u>	<u>(77,094)</u>
Financial assets at amortized cost, net	<u>337,027,336</u>	<u>343,210,421</u>

* Set out below is the movement in the provision for expected credit losses of financial assets at amortized cost for the three months ended 31 March 2024 and the year ended 31 December 2023:

	31 March 2024 (Reviewed not audited)			
	Stage 1	Stage 2	Stage 3	Total
	JD	JD	JD	JD
Balance at the beginning of the period	23,205	-	356,103	379,308
Changes resulting from adjustments	(114)	-	-	(114)
Balance at the end of the period	<u>23,091</u>	<u>-</u>	<u>356,103</u>	<u>379,194</u>

	31 December 2023 (Audited)			
	Stage 1	Stage 2	Stage 3	Total
	JD	JD	JD	JD
Balance at the beginning of the year	17,181	-	356,103	373,284
Changes resulting from adjustments	6,024	-	-	6,024
Balance at the end of the year	<u>23,205</u>	<u>-</u>	<u>356,103</u>	<u>379,308</u>

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(10) OTHER ASSETS

	31 March 2024	31 December 2023
	JD (Reviewed not audited)	JD (Audited)
Assets seized by the Bank against due debts - net *	44,388,640	46,083,302
Accrued interest and revenues	18,228,121	16,310,943
Purchase of withdrawals and letters of credit – net **	-	2,966,630
Prepaid expenses	2,852,854	1,411,130
Refundable deposits	1,354,349	1,101,033
Clearing cheques	1,037,340	9,420
Others	3,474,446	3,654,600
	<u>71,335,750</u>	<u>71,537,058</u>

* Set out below is the movement in the assets seized by the Bank against due debts for the three months ended 31 March 2024 and the year ended 31 December 2023:

	31 March 2024 (Reviewed not audited)				31 December 2023 (Audited)
	Seized properties	Seized properties sold on installments	Seized shares	Total	Total
	JD	JD	JD	JD	JD
Balance at beginning of the period / year - net	44,107,251	1,449,166	526,885	46,083,302	55,682,898
Additions during the period/year	-	-	-	-	5,730,409
Disposals during the period/year - net	(1,472,283)	(219,849)	-	(1,692,132)	(15,306,916)
Sold properties on installments	(270,852)	270,852	-	-	-
Losses on valuation of seized shares	-	-	(456,542)	(456,542)	(142,211)
Recovery effect for the period/year	7,618	(10,148)	456,542	454,012	119,122
Balance at the end of the period/year - net	<u>42,371,734</u>	<u>1,490,021</u>	<u>526,885</u>	<u>44,388,640</u>	<u>46,083,302</u>

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- Set out below is the movement in the impairment loss and provision for breached assets seized by the Bank against due debts for the three months ended 31 March 2024 and the year ended 31 December 2023:

	31 March 2024 (Reviewed not audited)				31 December 2023 (Audited)
	Seized properties	Seized properties sold on installments	Seized shares	Total	Total
	JD	JD	JD	JD	JD
Balance at beginning of the period/year	5,663,889	146,676	1,478,759	7,289,324	8,427,285
Provision during the period/year	7,203	10,148	-	17,351	108,198
Released from provision during the period/year	(14,821)	-	(456,542)	(471,363)	(227,320)
Properties sold on installments	(1,673)	1,673	-	-	-
Utilized from provision	(18,294)	(10,148)	-	(28,442)	(1,018,839)
Balance at end of the period/year	<u>5,636,304</u>	<u>148,349</u>	<u>1,022,217</u>	<u>6,806,870</u>	<u>7,289,324</u>

- According to the banking law, the properties and shares seized by the Bank against past-due customer debts should be disposed of within two years from their acquisition date. For exceptional cases, Central Bank of Jordan may extend this period for a maximum of two additional consecutive years.

** Set out below is the movement in the purchased withdrawals and letters of credit for the three months ended 31 March 2024 and the year ended 31 December 2023:

	31 March 2024 (Reviewed not audited)				31 December 2023 (Audited)
	Stage 1	Stage 2	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Balance at the beginning of the period/year	2,990,000	-	-	2,990,000	2,507,988
Settled balances	(2,990,000)	-	-	(2,990,000)	(2,507,988)
New exposures	-	-	-	-	2,990,000
Balance at the end of the period/year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,990,000</u>

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- Set out below is the movement in the expected credit losses provision of purchased withdrawals and letters of credit for the three months ended 31 March 2024 and the year ended 31 December 2023:

	31 March 2024 (Reviewed not audited)			
	Stage 1	Stage 2	Stage 3	Total
	JD	JD	JD	JD
Balance at the beginning of the period	23,370	-	-	23,370
Settled balances	(23,370)	-	-	(23,370)
Balance at the end of the period	-	-	-	-

	31 December 2023 (Audited)			
	Stage 1	Stage 2	Stage 3	Total
	JD	JD	JD	JD
Balance at the beginning of the year	105,030	-	-	105,030
New exposures	23,370	-	-	23,370
Settled balances	(105,030)	-	-	(105,030)
Balance at the end of the year	23,370	-	-	23,370

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(11) CUSTOMERS' DEPOSITS

31 March 2024 (Reviewed not audited)					
	Retail	Corporate	SME's	Government and public sector	Total
	JD	JD	JD	JD	JD
Current and call accounts	29,743,288	47,516,665	32,676,651	16,430,576	126,367,180
Saving deposits	196,826,722	128,019	1,416,529	518,295	198,889,565
Certificates of deposits	35,578,612	-	26,000	-	35,604,612
Time deposits, and at notice	397,167,816	45,955,921	83,691,566	69,158,894	595,974,197
	<u>659,316,438</u>	<u>93,600,605</u>	<u>117,810,746</u>	<u>86,107,765</u>	<u>956,835,554</u>

31 December 2023 (Audited)					
	Retail	Corporate	SME's	Government and public sector	Total
	JD	JD	JD	JD	JD
Current and call accounts	34,746,380	43,550,414	34,468,710	12,767,989	125,533,493
Savings deposits	195,807,541	150,448	1,593,306	584,869	198,136,164
Certificates of deposit	34,986,846	-	26,000	-	35,012,846
Time deposits, and at notice	395,250,217	55,139,961	83,380,636	75,042,338	608,813,152
	<u>660,790,984</u>	<u>98,840,823</u>	<u>119,468,652</u>	<u>88,395,196</u>	<u>967,495,655</u>

- The Government of Jordan and the public sector's deposits amounted to JD 86,107,765 representing 8.99% of total deposits as at 31 March 2024 (JD 88,395,196 representing 9.14% of total deposits as at 31 December 2023).
- Non-interest-bearing deposits amounted to JD 122,524,102 representing 12.81% of total deposits as at 31 March 2024 (JD 122,827,540 representing 12.70% of total deposits as at 31 December 2023).
- Reserved deposits (restricted withdrawals) amounted to JD 3,584,699 representing 0.37% of total deposits as at 31 March 2024 (JD 3,557,903 representing 0.37% of total deposits as at 31 December 2023).
- Dormant deposits amounted to JD 9,842,967 representing 1.03% of total deposits as at 31 March 2024 (JD 9,313,965 as at 31 December 2023 representing 0.96% of total deposits).

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(12) BORROWED FUNDS

<u>31 March 2024 (Reviewed not audited)</u>	<u>Loan amount</u> JD	<u>Utilized</u> JD	<u>Repayment method</u>	<u>Guarantees</u>	<u>Interest rate</u> %
World Bank loan	2,000,000	700,000	20 years, including a 5 years grace period; to be settled in semi-annual installments	-	7,11
Arab Monetary Fund loan	2,100,000	191,369	10 years, including a 3 years grace period; to be settled in semi-annual installments	-	2,5
Advances from the Central Bank of Jordan	43,797,800	43,797,800	Various installments	-	0-1
Jordan Mortgage Refinance Company	10,000,000	10,000,000	Bullet payment dated 16/08/2028	Property mortgage	5,1
Jordan Mortgage Refinance Company	10,000,000	10,000,000	Bullet payment dated 26/09/2024	Property mortgage	4,55
International Fund for Agricultural Development	750,000	633,576	18 years, including a 3 years grace period; to be settled in semi-annual installments	-	5,18
International Fund for Agricultural Development	617,000	613,506	15 years, including a 2 years grace period; to be settled in semi-annual installments	-	5,36
European Investment Bank	23,007,759	23,007,759	7 years, including 2 years grace period to be settled in semi-annual installments	-	6,9
		<u>88,944,010</u>			

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<u>31 December 2023 (Audited)</u>	Loan amount JD	Utilized JD	Repayment method	Guarantees	Interest rate %
World Bank loan	2,000,000	800,000	20 years, including a 5 years grace period; to be settled in semi-annual installments	-	7,11
Arab Monetary Fund loan	2,100,000	189,000	10 years, including a 3 years grace period; to be settled in semi-annual installments	-	2,5
Advances from the Central Bank of Jordan	36,439,751	36,439,751	Various installments	-	0-1
Jordan Mortgage Refinance Company	10,000,000	10,000,000	Bullet payment dated 5/2/2024	Property mortgage	8,65
Jordan Mortgage Refinance Company	10,000,000	10,000,000	Bullet payment dated 16/08/2028	Property mortgage	5,1
Jordan Mortgage Refinance Company	10,000,000	10,000,000	Bullet payment dated 26/9/2024	Property mortgage	4,55
International Fund for Agricultural Development	750,000	613,940	18 years, including a 3-year grace period; to be settled in semi-annual installments	-	5,18
International Fund for Agricultural Development	617,000	617,000	15 years, including a 2-years grace period to be settled in semi-annual installments	-	5,36
European Investment Bank	23,007,759	<u>23,007,759</u> <u>91,667,450</u>	7 years, including 2 years grace period to be settled in semi-annual installments	-	6,9

The re-loaned funds balance amounted to JD 45,630,095 as at 31 March 2024 (JD 39,179,628 as at 31 December 2023). The interest rates ranged between 2% and 13,5 % as at 31 March 2024 (2% and 12% as at 31 December 2023).

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(13) INCOME TAX

A. INCOME TAX PROVISION

Set out below is the movement in the income tax provision for the three months ended 31 March 2024 and the year ended 31 December 2023:

	31 March 2024	31 December 2023
	JD	JD
	(Reviewed not audited)	(Audited)
Balance at the beginning of the period / year	5,303,391	5,417,035
Income tax incurred on current period / year profits	579,183	6,512,113
Prior years income tax adjustments	-	(233,808)
Income tax paid	(1,367,051)	(6,391,949)
Balance at the end of the period / year	<u>4,515,523</u>	<u>5,303,391</u>

B. INCOME TAX EXPENSE

Set out below is the income tax expense shown in the interim condensed income statement:

	For the three months ended 31 March	
	2024	2023
	JD	JD
	(Reviewed not audited)	(Reviewed not audited)
Income tax incurred on current period profits	579,183	831,661
Prior years income tax expense	-	191,605
Deferred tax assets	605,064	(509,923)
Deferred tax liabilities	22,971	(35,123)
	<u>1,207,218</u>	<u>478,220</u>

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C. TAX STATUS:

The Bank has reached a final settlement with the Income and Sales Tax Department until the end of year 2018.

Regarding the years 2019, 2020, 2021, 2022 and 2023, the income tax returns were submitted within the legal period, but it has not been reviewed by the Income and Sales Tax Department up to the date of the interim condensed financial statements preparation.

In the opinion of the management and the Bank's tax consultant, no liabilities in excess of the provision booked and the advance payments made by the Bank will arise as of the date of the interim condensed financial statements.

	31 March 2024 (Reviewed not audited)	31 December 2023 (Audited)
Statutory income tax rate	38%	38%
Effective income tax rate	37%	38%

(14) SUNDRY PROVISIONS

Set out below is the movement in this item for the three months ended 31 March 2024 and the year ended 31 December 2023:

For the three months ended 31 March 2023 (Reviewed not audited)				
	Balance at the beginning of the period	Expense for the period	Paid during the period	Balance at the end of the period
	JD	JD	JD	JD
Provision for lawsuits against the Bank	622,500	50,984	(46,984)	626,500
Other provisions	615,000	-	-	615,000
	<u>1,237,500</u>	<u>50,984</u>	<u>(46,984)</u>	<u>1,241,500</u>
For the year ended 31 December 2023 (Audited)				
	Balance at the beginning of the year	Expense for the year	Paid during the year	Balance at the end of the year
	JD	JD	JD	JD
Provision for lawsuits against the Bank	266,000	663,071	(306,571)	622,500
Provision for end of services indemnity	359	1,771	(2,130)	-
Other provisions	615,000	-	-	615,000
	<u>881,359</u>	<u>664,842</u>	<u>(308,701)</u>	<u>1,237,500</u>

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(15) OTHER LIABILITIES

	31 March 2024	31 December 2023
	JD	JD
	(Reviewed not audited)	(Audited)
Refundable and various deposits	31,653,001	29,649,698
Accrued unpaid interests	7,661,752	7,138,127
Acceptable checks	2,900,015	2,824,431
Expected credit losses on indirect facilities and unutilized limits *	1,349,906	1,384,768
Received amounts on the sale of seized properties	1,019,439	1,058,339
Accrued unpaid expenses	437,748	1,645,807
Income tax and social security deposits	410,405	412,659
Transactions in transit among branches	6,210	2,092,742
Safe deposits boxes	103,081	102,474
Shareholders' deposits	51,929	82,879
Board of Directors' remunerations	55,000	55,000
Others	1,403,403	1,478,469
	<u>47,051,889</u>	<u>47,925,393</u>

* Set out below is the movement in provision for expected credit losses for indirect facilities and unutilized limits for the three months ended 31 March 2024 and the year ended 31 December 2023:

	31 March 2024 (Reviewed not audited)			
	Stage 1	Stage 2	Stage 3	Total
	JD	JD	JD	JD
Balance at the beginning of the period	575,718	19,479	789,571	1,384,768
ECL on new exposures during the period	8,804	134	145	9,083
Recoveries from ECL during the period	(3,200)	(91)	(198)	(3,489)
Transferred to stage 1	1,949	(1,949)	-	-
Transferred to stage 2	(6,849)	6,852	(3)	-
Transferred to stage 3	(3)	(2)	5	-
Effect on provision due to reclassification among the three stages	-	(391)	227	(164)
Changes resulting from adjustments	(45,428)	1,858	3,278	(40,292)
Balance at the end of the period	<u>530,991</u>	<u>25,890</u>	<u>793,025</u>	<u>1,349,906</u>

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	31 December 2023 (Audited)			
	Stage 1	Stage 2	Stage 3	Total
	JD	JD	JD	JD
Balance at the beginning of the year	637,620	41,403	800,379	1,479,402
ECL on new exposures during the year	54,827	134	95	55,056
Recovered from ECL during the year	(21,377)	(9,169)	(39,374)	(69,920)
Transferred to stage (1)	28,607	(28,591)	(16)	-
Transferred to stage (2)	(7,999)	8,124	(125)	-
Transferred to stage (3)	(21)	(1,791)	1,812	-
Effect on provision due to reclassification among the three stages	-	10,005	2,886	12,891
Changes resulting from adjustments	(115,939)	(636)	23,914	(92,661)
Balance at the end of the year	<u>575,718</u>	<u>19,479</u>	<u>789,571</u>	<u>1,384,768</u>

(16) STATUTORY RESERVES

The Bank has not deducted the statutory reserve according to the Jordanian Companies Law given that these financial statements are interim and condensed. The statutory reserve is deducted at the end of the year.

(17) FAIR VALUE RESERVE, NET

Set out below is the movement in this item for the three months ended 31 March 2024 and the year ended 31 December 2023:

	31 March 2024	31 December 2023
	JD	JD
	(Reviewed not audited)	(Audited)
Balance at the beginning of the period / year	3,924,952	2,621,695
Unrealized (losses) gains – net	(434,557)	1,308,081
Released from selling financial assets at fair value through other comprehensive income	<u>14,077</u>	<u>(4,824)</u>
Balance at the end of the period / year	<u>3,504,472</u>	<u>3,924,952</u>

The fair value reserve includes JD 311,112 as at 31 March 2024 and 31 December 2023 as an impact related to the implementation of the International Financial Reporting Standard No. (9).

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(18) RETAINED EARNINGS

	31 March 2024	31 December 2023
	JD	JD
	(Reviewed not audited)	(Audited)
Balance at the beginning of the period / year	24,278,467	20,483,016
Profit for the year	-	11,484,784
Dividends distributed to shareholders *	-	(6,000,000)
Transferred to statutory reserve	-	(1,694,157)
Realized (losses) gains from selling financial assets at fair value through other comprehensive income	(14,077)	4,824
Balance at the end of the period / year	24,264,390	24,278,467

- According to the instructions of the Jordan Securities Commission and Central Bank of Jordan, the retained earnings balance includes JD 9,946,837 restricted against deferred tax assets as at 31 March 2024 (JD 10,551,901 as at 31 December 2023).
- According to the instructions of the Jordan Securities Commission and Central Bank of Jordan, the retained earning balance includes JD 3,504,472 restricted against the credit balance of financial assets reserve as at 31 March 2024 (credit balance of JD 3,924,952 as at 31 December 2023) (including JD 311,112 against the implementation of International Financial Reporting Standard No (9)).
- According to the instructions of Jordan Securities Commission and Central Bank of Jordan, the retained earnings balances include JD 597,490 restricted against the unrealized gain of financial assets through income statement as of 31 March 2024 (JD 537,044 as at 31 December 2023).
- * The Bank's General Assembly approved in its meeting held on 13 April 2023 the recommendation of the Board of Directors to distribute 5% of the capital as cash dividends to the shareholders, which is equivalent to JD 6 million for the year 2022.
- Subsequent to the date of the interim condensed financial statements, the Bank's General Assembly approved in its meeting held on 29 April 2024 the recommendation of the Board of Directors to distribute 5% of the capital as cash dividends to the shareholders, which is equivalent to JD 6 million for the year 2023.

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(19) PROVISION FOR EXPECTED CREDIT LOSSES, NET

	For the three months ended 31 March	
	2024	2023
	JD	JD
	(Reviewed not audited)	(Reviewed not audited)
Balances and deposits at banks and financial institutions	(436)	157
Direct credit facilities	1,983,332	4,103,688
Financial assets at amortized cost	(114)	1,241
Indirect credit facilities and other commitments	(34,862)	(80,700)
Purchased withdrawals and credits	(23,370)	240,748
	<u>1,924,550</u>	<u>4,265,134</u>

(20) CASH AND CASH EQUIVALENTS

	For the three months ended 31 March	
	2024	2023
	JD	JD
	(Reviewed not audited)	(Reviewed not audited)
Balances at Central Bank of Jordan due within three months	95,749,410	69,248,140
<u>Add:</u> Balances and deposits at banks and financial institutions due within three months	41,550,403	20,986,028
<u>Less:</u> Banks' and financial institutions' deposits due within three months	(42,197,838)	(49,128,693)
	<u>95,101,975</u>	<u>41,105,475</u>

(21) SEGMENT INFORMATION

1- Information on Bank activities

The Bank is organized for managerial purposes through the following five major operating segments:

- Individual accounts: includes following up on individual customers deposits and granting them credit facilities, credit cards and other services.
- Small and medium enterprise "SMEs": This sector includes "SMEs" transactions on loans credit facilities and deposits and facilities in accordance with the instructions and policies existing in the Bank and commensurate with the instructions of the regulatory authorities.
- Corporate accounts: This sector includes corporate transactions on loans credit facilities and deposits, that are classified according to the volume of deposits and facilities in accordance with the instructions and policies existing in the Bank and commensurate with the instructions of the regulatory authorities.
- Treasury: This sector includes providing trading services, treasury, managing the Bank's funds, and long-term investments at amortized cost and held to collect contractual cash flows.
- Others: This sector includes all non-listed accounts not included in the above sectors, for example shareholders equity, property and equipment, general management, and support management.

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The following table represents information on the Bank's segments according to its' activities:

	Individuals	Corporate	Treasury	Others	Total for the three months ended 31 March	
	JD	JD	JD	JD	2024 JD (Reviewed not audited)	2023 JD (Reviewed not audited)
Gross income for the period	4,612,231	7,650,148	1,144,031	19,447	13,425,857	14,729,143
<u>Less:</u> Expected credit losses	<u>(981,651)</u>	<u>(1,001,681)</u>	<u>58,782</u>	<u>-</u>	<u>(1,924,550)</u>	<u>(4,265,134)</u>
Segment results	3,630,580	6,648,467	1,202,813	19,447	11,501,307	10,464,009
<u>Less:</u> Distributed segment expenses	<u>(4,934,934)</u>	<u>(2,467,467)</u>	<u>(822,489)</u>	<u>(53,514)</u>	<u>(8,278,404)</u>	<u>(8,159,802)</u>
Profit for the period before income tax	(1,304,354)	4,181,000	380,324	(34,067)	3,222,903	2,304,207
<u>Less:</u> Income tax for the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,207,218)</u>	<u>(1,207,218)</u>	<u>(478,220)</u>
Profit for the period	<u>(1,304,354)</u>	<u>4,181,000</u>	<u>380,324</u>	<u>(1,241,285)</u>	<u>2,015,685</u>	<u>1,825,987</u>

Other information

Capital expenditures	322,930	961,399
Depreciation and amortization	1,017,318	903,799

	Individuals	Corporate	Treasury	Others	31 March 2024 JD (Reviewed not audited)	31 December 2023 JD (Audited)
	JD	JD	JD	JD		
Total assets	<u>245,648,282</u>	<u>544,534,993</u>	<u>504,411,864</u>	<u>92,621,521</u>	<u>1,387,216,660</u>	<u>1,377,679,091</u>
Total liabilities	<u>692,378,074</u>	<u>381,130,800</u>	<u>125,757,682</u>	<u>17,459,995</u>	<u>1,216,726,551</u>	<u>1,208,770,110</u>

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2- Geographical distribution information

This segment represents the geographical distribution of the Banks operation, The Bank operates mainly in Jordan.

The following table shows the distribution of the Bank's income, assets and capital expenditures by geographical area segment:

	Inside Jordan		Outside Jordan		Total	
	For the three months ended 31 March		For the three months ended 31 March		For the three months ended 31 March	
	2024	2023	2024	2023	2024	2023
	JD	JD	JD	JD	JD	JD
	(Reviewed not audited)	(Reviewed not audited)	(Reviewed not audited)	(Reviewed not audited)	(Reviewed not audited)	(Reviewed not audited)
Gross income	14,020,982	15,211,256	(595,125)	(482,113)	13,425,857	14,729,143
Capital Expenditures	322,930	961,399	-	-	322,930	961,399
	31 March	31 December	31 March	31 December	31 March	31 December
	2024	2023	2024	2023	2024	2023
	JD	JD	JD	JD	JD	JD
	(Reviewed not audited)	(Audited)	(Reviewed not audited)	(Audited)	(Reviewed not audited)	(Audited)
Total assets	1,319,518,517	1,308,987,040	67,698,143	68,692,051	1,387,216,660	1,377,679,091

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(22) BALANCES AND TRANSACTIONS WITH RELATED PARTIES

The Bank entered transactions with the members of the Board of Directors and related parties and companies represented by the members of the Board of Directors and executive management within the normal banking practice and according to the normal interest rates and trading commissions. All the credit facilities granted to related parties are considered as performing facilities. The provision for expected credit losses on those facilities was calculated in accordance with IFRS (9) requirements.

Financial statements include balances and transactions with related parties as follows:

	Companies represented				Total	
	BODs	by the	Employees	Others	31 March	31 December
	members	BODs			2024	2023
	JD	JD			JD	JD
					(Reviewed not audited)	(Audited)
<u>Interim condensed statement of financial position Items:</u>						
Deposits at the Bank	22,719,047	2,435,602	680,771	30,652,004	56,487,424	60,486,041
Direct credit facilities	1,240,213	21,814,873	1,705,651	5,378,028	30,138,765	29,217,858
Deposits with others	-	-	-	30,000,000	30,000,000	30,000,000
Cash margins	-	689,791	-	-	689,791	527,546
<u>Off-statement interim condensed statement of financial position items:</u>						
Letters of guarantee	5,000	2,349,442	-	354,500	2,708,942	1,991,380
Letters of credit	-	813,223	-	-	813,223	813,223
					For the three months ended	
					31 March	
					2024	2023
					JD	JD
					(Reviewed not audited)	(Reviewed not audited)
<u>Interim condensed income statements items:</u>						
Interest and commission income *	28,637	478,346	43,796	179,786	730,565	667,237
Interest and commission expense **	241,420	2,361	2,549	234,300	480,630	242,733

* Credit interest rate ranges from 2% to 21%

** Debit interest rate ranges from 0% to 6.30%

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(23) FAIR VALUE MEASUREMENT

A. Fair value of financial assets and financial liabilities that are measured at fair value on a recurring basis:

Some of the financial assets and financial liabilities are measured at fair value at the end of each reporting period, and the following table gives information about how the fair value of these financial asset and financial liabilities are determined (valuation techniques & key inputs):

	Fair value		Fair value hierarchy	Valuation techniques and key inputs
	31 March 2024	31 December 2023		
Financial Assets	JD (Reviewed not audited)	JD (Audited)		
<u>Financial assets at fair value through income statement:</u>				
Quoted shares	<u>1,391,202</u>	<u>1,372,783</u>	Level 1	Quoted prices
<u>Financial assets at fair value through other comprehensive income:</u>				
Quoted shares	31,522,822	32,236,542	Level 1 & Level 2	Quoted prices
Unquoted shares	<u>18,261,830</u>	<u>18,086,021</u>	Level 3	Through equity method and latest available financial information
	<u>49,784,652</u>	<u>50,322,563</u>		

There were no transfers between level 1 and level 2 and level 3 during the period.

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- B. Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis:

	31 March 2023 (Reviewed not audited)		31 December 2023 (Audited)		Fair value hierarchy
	Book value	Fair value	Book value	Fair value	
Financial assets not measured at fair value	JD	JD	JD	JD	
Deposits at central bank of Jordan	71,418,686	71,418,686	45,374,392	45,374,392	Level 2
Balances and deposits at banks and financial institutions – net	71,549,058	72,565,731	68,716,784	69,668,289	Level 2
Direct credit facilities – net	719,790,122	732,552,396	732,427,089	744,478,772	Level 2
Financial assets at amortized cost – net	337,027,336	341,399,890	343,210,421	346,517,906	Level 2
Total financial assets not measured at fair value	<u>1,199,785,202</u>	<u>1,217,936,703</u>	<u>1,189,728,686</u>	<u>1,206,039,359</u>	
Financial liabilities not measured at fair value					
Banks and financial institutions' deposits	72,197,838	75,319,395	48,428,024	51,930,109	Level 2
Customers' deposits	956,835,554	960,482,839	967,495,655	970,581,616	Level 2
Cash margins	39,504,348	39,689,876	40,213,578	40,507,340	Level 2
Borrowed funds	88,944,010	89,651,396	91,667,450	91,923,772	Level 2
Total financial liabilities not measured at fair value	<u>1,157,481,750</u>	<u>1,165,143,506</u>	<u>1,147,804,707</u>	<u>1,154,942,837</u>	

For the items listed above, the fair value of the financial assets and liabilities classified as level one and level two have been determined in accordance with generally accepted pricing models that reflect the credit risk of counterparties.

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(24) COMMITMENTS AND CONTINGENT LIABILITIES

	31 March 2024	31 December 2023
	JD (Reviewed not audited)	JD (Audited)
Letters of credit	9,670,683	5,361,560
Enhanced incoming letters of credit	2,857,924	700,380
Acceptances	9,155,771	10,496,534
Letter of guarantees		
Payment	24,552,468	23,530,804
Performance	51,770,970	47,344,093
Others	72,443,717	73,110,459
Unutilized direct credit facilities ceilings	86,973,112	68,030,338
Total	<u>257,424,645</u>	<u>228,574,168</u>

(25) LAWSUITS AGAINST THE BANK

Lawsuits raised against the Bank amounted to JD 17,843,636 as at 31 March 2024 (31 December 2023: JD 17,980,216). In the opinion of the Bank's management and the legal advisor, no further liabilities exceeding the provision of JD 626,500 is required as at 31 March 2024 (31 December 2023: JD 622,500).