

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, 2022
TOGETHER WITH THE REVIEW REPORT

THE HOUSING BANK FOR TRADE AND FINANCE
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - THE HASHEMITE KINGDOM OF JORDAN
JUNE 30, 2022

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Review Report on the Condensed Consolidated Interim Financial Information

AM/ 010923

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

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of The Housing Bank for Trade and Finance (Public Shareholding Limited Company) as of June 30, 2022 and the related condensed consolidated interim statements of profit or loss and comprehensive income for the three and six months ended on June 30, 2022, and 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 statements in the Arabic language to which reference is to be made.

Amman – Jordan
July 30, 2022

Deloitte & Touche (M.E.) – Jordan

Deloitte & Touche (M.E.)

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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 FINANCIAL POSITION

	Note	June 30, 2022 (Reviewed)	December 31, 2021 (Audited)
Assets:		JD	JD
Cash and balances at central banks - net	5	824,927,996	1,006,941,503
Balances at banks and financial institutions - net	6	282,918,433	410,798,114
Deposits at banks and financial institutions - net	7	58,716,347	50,637,962
Financial assets at fair value through profit or loss	8	4,853,878	4,630,805
Financial assets at fair value through other comprehensive income	9	358,173,107	376,198,378
Direct credit facilities at fair value through profit or loss	10	78,301,365	96,646,207
Direct credit facilities at amortized cost - net	11	4,251,428,305	3,850,266,147
Financial assets at amortized cost - net	12	1,971,414,867	1,992,268,062
Property and equipment - net		164,458,124	167,054,195
Intangible assets - net		20,946,704	19,931,202
Right of use asset		23,272,569	24,653,213
Deferred tax assets		129,855,128	122,196,386
Other assets - net	13	138,081,264	123,060,092
TOTAL ASSETS		8,307,348,087	8,245,282,266
LIABILITIES AND OWNERS' EQUITY:			
LIABILITIES:			
Banks and financial institutions deposits		780,279,121	844,625,678
Customers' deposits	14	5,308,988,443	5,213,190,466
Cash margins		286,374,200	270,741,937
Borrowed funds	15	424,771,401	362,265,848
Sundry provisions	16	33,920,556	28,099,182
Income tax provision	17/a	32,034,207	55,815,858
Deferred tax liabilities		4,296,895	6,853,746
Lease liability		22,414,873	23,680,698
Other liabilities	18	229,415,444	223,204,678
TOTAL LIABILITIES		7,122,495,140	7,028,478,091
OWNERS' EQUITY:			
BANK'S SHAREHOLDERS' EQUITY:			
Authorized and paid-up capital		315,000,000	315,000,000
Share premium		328,147,537	328,147,537
Statutory reserve		257,619,984	257,997,671
Special reserve		11,454,951	11,459,758
Foreign currencies translation		(140,282,251)	(128,208,080)
Fair value reserve - net	20	(9,857,793)	3,542,409
Retained earnings	21	304,566,444	367,183,950
Profit for the period		63,518,107	-
TOTAL BANK'S SHAREHOLDERS' EQUITY		1,130,166,979	1,155,123,245
Non-controlling interest		54,685,968	61,680,930
TOTAL OWNERS' EQUITY		1,184,852,947	1,216,804,175
TOTAL LIABILITIES AND OWNERS' EQUITY		8,307,348,087	8,245,282,266

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONSOLIDATED
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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 PROFIT OR LOSS

	Note	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
		2022	2021	2022	2021
		(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)
		JD	JD	JD	JD
Interest income	22	98,703,080	90,578,740	192,753,519	184,566,195
Interest expense	23	(20,386,424)	(17,860,180)	(37,620,453)	(37,048,620)
Net Interest Income		78,316,656	72,718,560	155,133,066	147,517,575
Net commission income		6,374,837	5,476,617	13,212,847	11,341,248
Net Interest and Commission Income		84,691,493	78,195,177	168,345,913	158,858,823
Gain from foreign currencies		2,465,434	2,424,196	4,574,473	4,459,881
(Loss) from financial assets at fair value through profit or loss	24	(303,727)	(51,349)	(1,816,730)	(442,453)
Cash dividends from financial assets at fair value through other comprehensive income		-	169,027	196,388	169,027
Other revenue		7,048,729	6,692,191	15,725,837	13,494,966
Total Income		93,901,929	87,429,242	187,025,881	176,540,244
Expenses					
Employees' expenses		21,403,961	19,189,708	42,754,828	37,255,486
Depreciation and amortization		6,181,369	6,221,891	12,242,276	12,358,966
Other expenses		12,373,232	15,267,831	26,018,736	28,050,225
Allowance for expected credit losses - net	19	(1,513,516)	24,020,266	10,105,215	36,652,266
Expense (recovery) of sundry provisions	16	4,448,009	(16,182,343)	4,463,854	(15,897,581)
Total Expenses		42,893,055	48,517,353	95,584,909	98,419,362
Profit for the period before income tax expense		51,008,874	38,911,889	91,440,972	78,120,882
Income tax expense	17/b	(17,282,016)	(11,623,764)	(27,621,951)	(25,466,070)
Profit for the Period		33,726,858	27,288,125	63,819,021	52,654,812
Attributable to:					
Bank's Shareholders		34,186,868	25,155,857	63,518,107	49,436,234
Non-Controlling Interest		(460,010)	2,132,268	300,914	3,218,578
		33,726,858	27,288,125	63,819,021	52,654,812
Basic and diluted earnings per share for the period attributable to the Bank's shareholders	25	0.109	0.080	0.202	0.157

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

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2022	2021	2022	2021
	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)
	JD	JD	JD	JD
Profit for the period	33,726,858	27,288,125	63,819,021	52,654,812
<u>Other comprehensive income items which may be reclassified to profit or loss in the subsequent period</u>				
Foreign currencies translation	(9,677,786)	(2,086,064)	(15,435,730)	(3,329,884)
Net change in valuation reserve of financial assets at fair value through other comprehensive income after tax - debt instruments	(7,746,933)	(340,488)	(13,750,838)	(2,932,885)
<u>Other comprehensive income items that will not be reclassified to profit or loss in the subsequent period</u>				
Net change in valuation reserve of financial assets at fair value through other comprehensive income after tax - equity instruments	32,307	(5,527)	32,307	(5,527)
Total other comprehensive income items for the period after tax	(17,392,412)	(2,432,079)	(29,154,261)	(6,268,296)
Total Comprehensive Income for the Period	16,334,446	24,856,046	34,664,760	46,386,516
Attributable to:				
Bank's shareholders	19,188,385	23,694,390	38,043,734	44,446,828
Non-controlling interest	(2,853,939)	1,161,656	(3,378,974)	1,939,688
	16,334,446	24,856,046	34,664,760	46,386,516

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

	Bank's Shareholders Equity										
	Paid-up Capital	Share Premium	Reserves		Foreign Currency Translation	Fair Value Reserve - Net	Retained Earnings	Profit for the Period	Total Shareholder's Equity	Non-controlling Interest	Total Owners' Equity
			Statutory	Special Reserve							
JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	
For the Six Months Ended June 30, 2022											
(Reviewed)											
Beginning Balance for the Period (Audited)	315,000,000	328,147,537	257,997,671	11,459,758	(128,208,080)	3,542,409	367,183,950	-	1,155,123,245	61,680,930	1,216,804,175
Profit for the period	-	-	-	-	-	-	-	63,518,107	63,518,107	300,914	63,819,021
Net change in valuation reserve of financial assets at fair value through other comprehensive income – debit instruments	-	-	-	-	-	(13,432,509)	-	-	(13,432,509)	(318,329)	(13,750,838)
Net change in valuation reserve of financial assets at fair value through other comprehensive income – equity instruments	-	-	-	-	-	32,307	-	-	32,307	-	32,307
Foreign currencies translation	-	-	-	-	(12,074,171)	-	-	-	(12,074,171)	(3,361,559)	(15,435,730)
Total comprehensive income for the period	-	-	-	-	(12,074,171)	(13,400,202)	-	63,518,107	38,043,734	(3,378,974)	34,664,760
Transferred from/to reserves	-	-	(377,687)	(4,807)	-	-	382,494	-	-	-	-
Dividends paid	-	-	-	-	-	-	(63,000,000)	-	(63,000,000)	(3,615,988)	(66,615,988)
Ending Balance for the Period (Reviewed)	315,000,000	328,147,537	257,619,984	11,454,951	(140,282,251)	(9,857,793)	304,566,444	63,518,107	1,130,166,979	54,685,968	1,184,852,947
For the Six Months Ended June 30, 2021											
(Reviewed)											
Beginning Balance for the Period (Audited)	315,000,000	328,147,537	243,461,008	11,433,336	(120,824,117)	9,654,188	313,925,834	-	1,100,797,786	61,059,722	1,161,857,508
Profit for the period	-	-	-	-	-	-	-	49,436,234	49,436,234	3,218,578	52,654,812
Net change in valuation reserve of financial assets at fair value through other comprehensive income – debit instruments	-	-	-	-	-	(3,091,969)	-	-	(3,091,969)	159,084	(2,932,885)
Net change in valuation reserve of financial assets at fair value through other comprehensive income – equity instruments	-	-	-	-	-	(5,527)	-	-	(5,527)	-	(5,527)
Foreign currencies translation	-	-	-	-	(1,891,910)	-	-	-	(1,891,910)	(1,437,974)	(3,329,884)
Total comprehensive income for the period	-	-	-	-	(1,891,910)	(3,097,496)	-	49,436,234	44,446,828	1,939,688	46,386,516
Transferred from/to reserves	-	-	(38)	13,016	-	-	(12,978)	-	-	-	-
Dividends paid	-	-	-	-	-	-	(37,800,000)	-	(37,800,000)	(1,186,988)	(38,986,988)
Ending Balance for the Period (Reviewed)	315,000,000	328,147,537	243,460,970	11,446,352	(122,716,027)	6,556,692	276,112,856	49,436,234	1,107,444,614	61,812,422	1,169,257,036

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

	For the Six Months Ended June 30,	
	2022	2021
	Note	(Reviewed)
	JD	JD
Operating Activities		
Profit for the period before income tax	91,440,972	78,120,882
Adjustments for non-cash items:		
Depreciation and amortization	12,242,276	12,358,966
Provision for expected credit losses	10,105,215	36,652,266
Net unrealized loss from valuation of credit facilities at fair value through profit and loss	2,144,288	910,821
Unrealized (gain) from valuation of derivatives	(2,144,288)	(910,821)
Cash dividends from financial assets at fair value through other comprehensive income	(196,388)	(169,027)
Net unrealized (gain) from the valuation of financial assets at fair value through profit or loss	(166,979)	(356,132)
Net accrued interest and commission income	1,271,430	(2,189,098)
Effect of the change in exchange rates on cash and cash equivalents	(2,701,799)	(2,736,309)
Provision for end of service indemnity expense	1,782,333	953,217
Premiums and discounts amortization	(211,983)	(404,270)
Sundry provisions	4,463,854	(15,897,581)
Others	993,421	2,725,389
Cash flows from operating activities before changes in assets and liabilities	119,022,352	109,058,303
Decrease (Increase) in Assets:		
Deposits at banks and financial institutions (maturing within more than 3 months)	(8,159,647)	3,884,275
Direct credit facilities	(421,004,469)	(169,757,927)
Financial assets at fair value through profit or loss	(56,094)	57,945
Other assets	(10,112,777)	(7,265,772)
Increase (Decrease) in Liabilities:		
Banks and financial institutions' deposits (maturing within more than 3 months)	14,571,348	18,417,787
Customers' deposits	111,740,998	(104,860,420)
Cash margins	17,023,618	22,472,806
Other liabilities	299,380	9,995,210
Sundry provisions	(291,567)	(1,282,811)
Net Cash Flow (Used in) Operating Activities Before Income Tax	(176,966,858)	(119,280,604)
Income tax paid	(54,356,870)	(45,771,449)
Net Cash Flow (Used in) Operating Activities	(231,323,728)	(165,052,053)
Investing Activities		
(Purchase) of financial assets at fair value through other comprehensive income	(98,968,116)	(91,786,069)
Selling / matured financial assets at fair value through other comprehensive income	94,024,973	78,105,296
Cash dividends from financial assets at fair value through other comprehensive income	196,388	169,027
(Purchase) of financial assets at amortized cost	(517,626,523)	(229,533,966)
Matured financial assets at amortized cost	538,162,388	105,587,100
(Purchase) of property and equipment	(5,348,343)	(1,117,080)
Proceeds from sale of property and equipment	54,967	(54,696)
(Purchase) of intangible assets	(4,108,460)	(3,723,461)
Net Cash Flow from (Used in) Investing Activities	6,387,274	(142,353,849)
Financing Activities		
Borrowed funds	62,505,553	40,675,791
Dividends paid to shareholders	(59,901,300)	(34,725,452)
Non-controlling interest	(3,615,988)	(1,186,988)
Paid Lease liability	(2,541,734)	(2,735,194)
Net Cash Flow (Used in) from Financing Activities	(3,553,469)	2,028,157
Net (Decrease) in Cash and Cash Equivalent	(228,489,923)	(305,377,745)
Effect of the change in exchange rates on cash and cash equivalents	(2,565,259)	(21,275,726)
Cash and cash equivalents - beginning of the period	653,346,160	771,041,221
Cash and Cash Equivalents - End of the Period	422,290,978	444,387,750

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

1. Incorporation and Activities

- The Housing Bank for Trade and Finance ("the Bank") was established in 1973 and registered as a public shareholding limited company with its head quarter located in Amman – The Hashmiate Kingdom of Jordan, 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 (111 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 29, 2022.

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 is 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 main 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, 2021. The results of the six months ended June 30, 2022 do not necessarily indicate the expected results for the year ended December 31, 2022. There was no appropriation of the profit of the six months ended June 30, 2022 which is usually performed at the end of the financial year.
- 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, 2022, 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 administrative and financial policies of this bank. Therefore, its accounts 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 bank to 2002.
- Jordan International Bank / London : The Bank ownership is 75% of paid-up capital, which amounts to 65 million pounds 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 financial 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 financial leasing 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 this company's paid- in capital of JD 40,000. The Bank's ownership in this company dates back to 1997. The Company's General assembly approved the Company's liquidation on March 1, 2022.

3. Significant Accounting Policies

The accounting policies used in the preparation of the condensed consolidated interim financial information for the period ended on March 31, 2021 are consistent with those used in the preparation of the annual consolidated financial statements for the year ended December 31, 2020. However, the Bank has adopted the following amendments and interpretations that apply for the first time in 2021 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:

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

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

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

Amendments to IFRS 3 – Reference to the Conceptual Framework

The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date.

Finally, the amendments add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

Amendments to IAS 37 – Onerous Contracts—Cost of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated. Instead, the entity shall recognise 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 the date of initial application.

Amendments to IAS 16 – Property, Plant and Equipment—Proceeds before Intended Use

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognises such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2 Inventories.

The amendments also clarify the meaning of 'testing whether an asset is functioning properly'. IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes.

If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity's ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost.

The amendments are applied retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments.

The entity shall recognise 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 the beginning of that earliest period presented.

IFRS Financial Enhancements 2018-2020

IFRS 1 First-time Adoption of International Financial Reporting Standards

The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. As a result of the amendment, a subsidiary that uses the exemption in IFRS 1:D16 (a) can now also elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to IFRS Standards, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. A similar election is available to an associate or joint venture that uses the exemption in IFRS 1:D16 (a).

IFRS 9 Financial Instruments

The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognise a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

The amendment is applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendment.

IAS 41 Agriculture

The amendment removes the requirement in IAS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in IAS 41 with the requirements of IFRS 13 Fair Value Measurement to use internally consistent cash flows and discount rates and enables preparers to determine whether to use pretax or post-tax cash flows and discount rates for the most appropriate fair value measurement.

The amendment is applied prospectively, i.e. for fair value measurements on or after the date an entity initially applies the amendment.

Standards issued but not effective

At the date of authorization of these condensed consolidated interim financial information, the Group has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

New and revised IFRSs	Effective date
<p>IFRS 17 Insurance Contracts (including the June 2020 amendments to IFRS 17)</p> <p>IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>For the purpose of the transition requirements, the date of initial application is the start of the annual reporting period in which the entity first applies the Standard, and the transition date is the beginning of the period immediately preceding the date of initial application.</p>	<p>The amendments are applied retrospectively for annual periods beginning on or after January 1, 2023, unless impracticable, in which case the modified retrospective approach or the fair value approach is applied.</p>
<p>Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</p> <p>The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.</p> <p>The directors of the Company anticipate that the application of these amendments may have an impact on the Group's consolidated financial statements in future periods should such transactions arise.</p>	<p>The effective date is yet to be set. Earlier application is permitted.</p>

New and revised IFRSs

Effective date

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.

The amendments are applied retrospectively for annual periods beginning on or after January 1, 2023, with early application permitted.

Amendments to IAS 1 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.

January 1, 2023, with earlier application permitted and are applied prospectively.

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.

New and revised IFRSs

Effective date
January 1, 2023,
with earlier
application
permitted

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

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

January 1, 2023,
with earlier
application
permitted

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.

Management anticipates that these new standards, interpretations and amendments will be adopted in the Group’s consolidated financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments, may have no material impact on the consolidated financial statements of the Group in the period of initial application.

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

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

The critical judgements and estimates used in the preparation of these condensed consolidated interim financial information are consistent with those used in the preparation of the Bank's annual financial statements for the year ended 2021.

5. Cash and Balances at Central Banks – Net

The details of this item are as follows:

	June 30, 2022 (Reviewed)	December 31, 2021 (Audited)
	JD	JD
Cash on hand and treasury	136,786,758	122,100,127
Balance at central banks:		
Current accounts and demand deposits	404,307,538	634,102,683
Term and notice deposits	76,903,613	48,433,251
Statutory cash reserve	206,972,030	202,351,318
Total Balances at Central Banks	688,183,181	884,887,252
Total Cash and Balances at Central Banks	824,969,939	1,006,987,379
Less: Provision for expected credit losses	(41,943)	(45,876)
Net	824,927,996	1,006,941,503

- There are no certificate of deposits purchased from the Central Bank of Jordan as of June 30, 2022 and December 31, 2021.
- Except for the statutory cash reserve, there are no restricted balances as of June 30, 2022 and December 31, 2021.
- 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, 2022 and for the year ended December 31, 2021.

6. Balances at Banks and Financial Institutions - Net

The details of this item are as follows:

	Local Banks and Financial Institutions		Foreign Banks and Financial Institutions		Total	
	June 30, 2022 (Reviewed)	December 31, 2021 (Audited)	June 30, 2022 (Reviewed)	December 31, 2021 (Audited)	June 30, 2022 (Reviewed)	December 31, 2021 (Audited)
	JD	JD	JD	JD	JD	JD
Current and under demand accounts	22,611,469	21,514,080	108,813,205	181,578,674	131,424,674	203,092,754
Deposits maturing during six months or less	39,146,766	32,629,765	112,601,161	175,405,729	151,747,927	208,035,494
Total	61,758,235	54,143,845	221,414,366	356,984,403	283,172,601	411,128,248
Provision for expected credit losses	(77,576)	(69,959)	(176,592)	(260,175)	(254,168)	(330,134)
Net	61,680,659	54,073,886	221,237,774	356,724,228	282,918,433	410,798,114

- Non-interest-bearing balances at banks and financial institutions amounted to JD 30,275,455 as of June 30, 2022 (JD 44,905,096 as of December 31, 2021).
- There are no restricted balances as of June 30, 2022 and December 31, 2021.
- There is no transfers between stages (1, 2 and 3) or written off balances during the six months period ended June 30, 2022 and for the year ended December 31, 2021.

7. Deposits at Banks and Financial Institutions - Net

The details of this item are as follows:

	Local Banks and Financial Institutions		Foreign Banks and Financial Institutions		Total	
	June 30, 2022 (Reviewed)	December 31, 2021 (Audited)	June 30, 2022 (Reviewed)	December 31, 2021 (Audited)	June 30, 2022 (Reviewed)	December 31, 2021 (Audited)
	JD	JD	JD	JD	JD	JD
Deposits mature during the period:						
From 3 months to 6 months	-	30,000,000	1,254,748	4,844,778	1,254,748	34,844,778
From 6 months to 9 months	-	5,000,000	19,629,958	9,649,603	19,629,958	14,649,603
From 9 months to 12 months	30,000,000	-	8,136,461	1,367,138	38,136,461	1,367,138
Total	30,000,000	35,000,000	29,021,166	15,861,519	59,021,166	50,861,519
Provision for expected credit losses	(333)	(796)	(304,486)	(222,761)	(304,819)	(223,557)
Net	29,999,667	34,999,204	28,716,680	15,638,758	58,716,347	50,637,962

- There are no restricted deposits as of June 30, 2022 and December 31, 2021.
- 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, 2022 and the year ended December 31, 2021.

8. Financial Assets at Fair Value through Profit or Loss

The details of this item are as follows:

	June 30, 2022 (Reviewed)	December 31, 2021 (Audited)
	JD	JD
Quoted Financial Assets:		
Companies shares and funds listed in financial markets	4,403,294	4,180,221
Total	4,403,294	4,180,221
Unquoted Financial Assets:		
Companies shares not listed in financial markets	450,584	450,584
Total	450,584	450,584
Grand Total	4,853,878	4,630,805

9. Financial Assets at Fair Value through Other Comprehensive Income

The details of this item are as follows:

	June 30, 2022 (Reviewed)	December 31, 2021 (Audited)
	JD	JD
Shares and funds with no available market prices	27,546,132	26,347,895
Total Shares	27,546,132	26,347,895
Jordanian Treasury bonds	163,795,463	155,629,181
Foreign governments bills and bonds	33,765,879	40,038,806
Treasury Bills	75,022,372	81,660,210
Corporate bonds	58,291,141	72,855,698
Total Bonds	330,874,855	350,183,895
<u>Less:</u> Provision of expected credit loss	(247,880)	(333,412)
Total Bonds – Net	330,626,975	349,850,483
Total	358,173,107	376,198,378

- The maturity dates for Bonds range from year 2022 to year 2036.
- Interest rates on bonds and treasury bills ranges from 0.02% to 7%.

The movement on financial assets at fair value through other comprehensive income for shares and funds during the period/year was as follow:

	June 30, 2022 (Reviewed)	December 31, 2021 (Audited)
	JD	JD
Fair value - beginning balance period / year	26,347,895	26,129,906
New investments during the period / year	1,194,450	684,443
Change in fair value during the period / year	3,787	(466,454)
Balance – End of the Period / Year	27,546,132	26,347,895

The movement on financial assets at fair value through other comprehensive income for bonds during the period / year was as follow:

	Stage (1) Individual	Stage (2) Individual	Stage (3)	Total
	JD	JD	JD	JD
For the Six Months Period				
Ended June 30, 2022 (Reviewed)				
Fair value-beginning of the period (Audited)	346,858,682	3,325,213	-	350,183,895
New investments during the period	97,773,666	-	-	97,773,666
Matured investments during the period	(94,024,973)	-	-	(94,024,973)
Change in fair value during the period	(20,524,231)	(533,034)	-	(21,057,265)
Amortize premium/ discount	(368,576)	4,254	-	(364,322)
Adjustments resulted from change in change rates	(1,534,254)	(101,892)	-	(1,636,146)
Balance – End of the Period (Reviewed)	328,180,314	2,694,541	-	330,874,855

	Stage (1) Individual	Stage (2) Individual	Stage (3)	Total
	JD	JD	JD	JD
<u>For the Year Ended</u>				
<u>December 31, 2021 (Audited)</u>				
Fair value – beginning of the year	346,259,956	-	-	346,259,956
New investments during the year	114,516,625	-	-	114,516,625
Matured investments during the year	(99,316,676)	-	-	(99,316,676)
Transferred to stage 2	(3,752,742)	3,752,742	-	-
Change in fair value during the year	(8,400,918)	(285,454)	-	(8,686,372)
Amortize premium/ discount	(849,920)	9,284	-	(840,636)
Adjustments resulted from change in change rates	(1,597,643)	(151,359)	-	(1,749,002)
Balance – End of the Year	<u>346,858,682</u>	<u>3,325,213</u>	<u>-</u>	<u>350,183,895</u>

- The movement on expected credit losses during the period / year were as follow:

	Stage (1) Individual	Stage (2) Individual	Stage (3)	Total
	JD	JD	JD	JD
<u>For the Six Months Period</u>				
<u>Ended June 30, 2022 (Reviewed)</u>				
Balance – beginning of the period (Audited)	244,415	88,997	-	333,412
Expected credit losses for new investment during the period	1,578	-	-	1,578
Reversed from impairment losses on matured Investments	(884)	-	-	(884)
Changes resulting from adjustments	(59,274)	-	-	(59,274)
Effect resulting from change in exchange rates	(21,917)	(5,035)	-	(26,952)
Balance – End of the Period (Reviewed)	<u>163,918</u>	<u>83,962</u>	<u>-</u>	<u>247,880</u>

<u>For the Year Ended</u>				
<u>December 31, 2021 (Audited)</u>				
Balance – beginning of the year	507,262	-	-	507,262
Expected credit losses for new investment during the year	217	-	-	217
Reversed from impairment on matured investment	(28,770)	-	-	(28,770)
Transferred to stage 2	(56,004)	56,004	-	-
Effect on provision due to adjustments between stages	-	32,993	-	32,993
Effect on provision due to adjustments	(175,453)	-	-	(175,453)
Effect resulting from change in exchange rates	(2,837)	-	-	(2,837)
Balance – End of the Year	<u>244,415</u>	<u>88,997</u>	<u>-</u>	<u>333,412</u>

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

The movement on direct credit facilities at fair value through profit or loss during the period / year were as follow:

	June 30, 2022 (Reviewed)	December 31, 2021 (Audited)
	JD	JD
Balance – beginning of the period / year	96,646,207	130,690,360
Paid facilities during the period / year	(17,109,273)	(33,378,382)
Effect of adjustments	908,719	1,106,991
Change in fair value during the period / year	(2,144,288)	(1,772,762)
Balance End of Period / Year	<u>78,301,365</u>	<u>96,646,207</u>

11. Direct Credit Facilities at Amortized Cost – Net

The details of this item are as follows:

	June 30, 2022 (Reviewed)	December 31, 2021 (Audited)
	JD	JD
Individuals (retail):		
Overdraft accounts	7,958,282	7,181,458
Loans and discounted bills *	989,952,511	917,931,394
Credit cards	19,770,789	18,218,924
Real estate loans	1,294,606,711	1,284,471,859
Includes Housing loans	794,549,284	788,721,239
Companies:		
Large		
Overdraft accounts	236,920,018	253,663,310
Loans and discounted bills *	1,369,599,461	1,201,849,580
Small and Medium		
Overdraft accounts	69,666,949	61,759,508
Loans and discounted bills *	328,880,705	288,057,037
Government and public sector	524,019,576	403,453,722
Total	4,841,375,002	4,436,586,792
<u>Less:</u> Provision of expected credit losses	(448,772,063)	(453,472,108)
Interest in suspense	(141,174,634)	(132,848,537)
Net Direct Credit Facilities	4,251,428,305	3,850,266,147

* Net after deducting interest and commission received in advance of JD 24,373,463 as of June 30, 2022 (JD 25,453,532 as of December 31, 2021).

- Non-performing credit facilities amounted to JD 344,943,203 which is equivalent to 7.01% of total credit facilities (at amortized cost and at fair value) as of June 30, 2022 (JD 338,061,574 which is equivalent to 7.46 % of total credit facilities (at amortized cost and at fair value) as of December 31, 2021).
- Non-performing credit facilities after deducting interest and commissions in suspense amounted to JD 222,327,787 which is equivalent to 4.65% of total direct credit facilities balance (at amortized cost and at fair value) after deducting interest and commission in suspense as of June 30, 2022 (JD 224,012,870 which is equivalent to 5.1% of total credit facilities balance (at amortized cost and at fair value) after deducting interest and commission in suspense as of December 31, 2021).
- Non-performing credit facilities transferred to off-the consolidated statement of financial position amounted to JD 5,098,004 during the six months period ended June 30, 2022 (JD 41,543,206 during the year 2021), the off-balance sheet item balance is amounted to JD 422,230,614 as of June 30, 2022 (JD 419,000,731 as of December 31, 2021). 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 526,129,091 which is equivalent to 10.7% of total direct credit facilities (at amortized cost and at fair value) as of June 30, 2022 (JD 423,550,934 which is equivalent to 9.3% as of December 31, 2021).
- Rescheduled loans amounted to JD 17.7 million during the period ended June 30, 2022 against JD 54.8 million during the year 2021.
- Restructured loans amounted to JD 234.9 million during the period ended June 30, 2022 against JD 409.2 million during the year 2021.

The movement on Direct credit facilities during the period / year were as follow:

	Stage (1)		Stage (2)		Stage (3)	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD		
<u>For the Six Months Period</u>						
<u>Ended June 30, 2022 (Reviewed)</u>						
Balance - beginning of the period (Audited)	1,804,380,052	1,703,704,617	422,857,459	116,766,703	388,877,961	4,436,586,792
Reclassification impact	94,103	(94,104)	127,702	(127,701)	-	-
Adjusted balance – beginning of the period	1,804,474,155	1,703,610,513	422,985,161	116,639,002	388,877,961	4,436,586,792
New credit facilities during the period	449,103,205	294,194,621	13,737,980	9,051,095	3,531,991	769,618,892
Paid credit facilities during the period	(97,583,278)	(152,306,205)	(17,504,551)	(4,651,041)	(20,029,620)	(292,074,695)
Transferred (from) to stage (1) - net	31,752,394	27,733,227	(32,632,621)	(24,520,149)	(2,332,851)	-
Transferred (from) to stage (2) - net	(23,589,217)	(21,418,421)	29,683,630	25,227,008	(9,903,000)	-
Transferred (from) to stage (3) - net	(388,586)	(3,648,866)	(10,334,756)	(7,444,877)	21,817,085	-
Changes resulted from adjustments	33,191,178	(34,626,216)	(22,583,212)	(6,022,289)	3,651,776	(26,388,763)
Written off / transferred to off-the statement of financial position	-	-	-	-	(16,472,590)	(16,472,590)
Adjustments resulting from change in exchange rates	(5,248,853)	(19,823,685)	(3,477,531)	(167,583)	(1,176,982)	(29,894,634)
Balance - End of the Period (Reviewed)	2,191,710,998	1,793,714,968	379,874,100	108,111,166	367,963,770	4,841,375,002
<u>For the Year Ended</u>						
<u>December 31, 2021 (Audited)</u>						
Balance - beginning of the year	2,029,419,235	1,620,627,677	338,844,132	94,476,568	439,715,239	4,523,082,851
Reclassification impact	127,476	(30,518,645)	-	30,391,169	-	-
Adjusted balance – beginning of the year	2,029,546,711	1,590,109,032	338,844,132	124,867,737	439,715,239	4,523,082,851
New credit facilities during the year	402,150,806	478,353,658	20,633,146	15,656,982	3,298,290	920,092,882
Paid credit facilities during the year	(312,842,489)	(286,691,998)	(13,290,508)	(10,977,286)	(18,875,463)	(642,677,744)
Transferred (from) to stage (1) - net	29,440,246	43,330,206	(27,514,719)	(33,819,929)	(11,435,804)	-
Transferred (from) to stage (2) - net	(137,506,241)	(33,243,666)	145,686,661	33,728,244	(8,664,998)	-
Transferred (from) to stage (3) - net	(8,503,977)	(4,965,582)	(15,769,183)	(4,529,601)	33,768,343	-
Changes resulted from adjustments	(190,236,748)	(79,038,906)	(23,995,604)	(4,678,618)	4,496,325	(293,453,551)
Written off / transferred to off-the statement of financial position	-	-	-	-	(46,874,115)	(46,874,115)
Adjustments resulting from change in exchange rates	(7,668,256)	(4,148,127)	(1,736,466)	(3,480,826)	(6,549,856)	(23,583,531)
Balance - End of the Year	1,804,380,052	1,703,704,617	422,857,459	116,766,703	388,877,961	4,436,586,792

The movement on the provision of expected credit loss during the period / year were as follows:

	<u>Corporate</u> JD	<u>SME's</u> JD	<u>Retail</u> JD	<u>Real Estate</u> JD	<u>Governmental and Public</u> JD	<u>Total</u> JD
For the Six Months Ended June 30, 2022 (Reviewed)						
Balance - beginning of the period (Audited)	236,260,062	49,939,793	45,059,443	122,135,952	76,858	453,472,108
Reclassification impact	(8,782,319)	(2,373,143)	7,022	11,148,440	-	-
Adjusted Beginning Balance (Reviewed)	227,477,743	47,566,650	45,066,465	133,284,392	76,858	453,472,108
Impairment loss on new facilities during the period	5,019,063	2,103,089	2,978,009	2,145,655	15,354	12,261,170
Reversed from impairment loss on paid facilities	(7,125,980)	(2,943,201)	(2,271,803)	(4,289,515)	-	(16,630,499)
Transferred (from) to stage (1) - net	694,647	579,512	3,050,772	3,321,367	111	7,646,409
Transferred (from) to stage (2) - net	(2,554,338)	(1,787,735)	(3,436,720)	(2,424,815)	(111)	(10,203,719)
Transferred (from) to stage (3) - net	1,859,691	1,208,223	385,948	(896,552)	-	2,557,310
Effect on the provision as of the end of the period resulting from reclassification between the three stages during the period	412,727	(237,007)	2,725,906	(248,124)	(60)	2,653,442
Changes resulting from adjustment	1,268,261	(285,022)	2,653,929	5,394,249	1,517	9,032,934
Written off / transferred to off-the statement of financial position	(10,175,497)	(875,278)	(25,171)	(60,102)	-	(11,136,048)
Adjustments resulting from change in exchange rates	(302,005)	(507,813)	(4,430)	(66,796)	-	(881,044)
Balance - End of the Period (Reviewed)	216,574,312	44,821,418	51,122,905	136,159,759	93,669	448,772,063
Redistribution based on portfolio:						
Provisions on an individual level	215,486,895	43,418,882	31,749,266	116,690,859	93,669	407,439,571
Provisions on a collective level	1,087,417	1,402,536	19,373,639	19,468,900	-	41,332,492
	216,574,312	44,821,418	51,122,905	136,159,759	93,669	448,772,063
Redistribution based on stages:						
Stage (1)	13,304,152	2,913,729	9,259,364	11,006,701	91,249	36,575,195
Stage (2)	69,728,657	8,696,341	12,558,643	85,365,180	2,420	176,351,241
Stage (3)	133,541,503	33,211,348	29,304,898	39,787,878	-	235,845,627
	216,574,312	44,821,418	51,122,905	136,159,759	93,669	448,772,063

	Corporate	SME's	Retail	Real Estate	Governmental and Public	Total
	JD	JD	JD	JD	JD	JD
For the Year Ended December 31, 2021 (Audited)						
Balance - beginning of the year	217,494,102	47,931,630	36,517,290	129,214,695	74,404	431,232,121
Reclassification impact	1,513,060	313,205	(67,056)	(1,759,209)	-	-
Adjusted Beginning Balance	219,007,162	48,244,835	36,450,234	127,455,486	74,404	431,232,121
Impairment loss on new facilities during the year	4,374,319	3,656,042	6,323,756	2,429,946	8,590	16,792,653
Reversed from impairment loss on paid facilities	(3,885,838)	(2,624,413)	(4,371,061)	(5,009,267)	-	(15,890,579)
Transferred (from) to stage (1) - net	(8,670,846)	(466,482)	4,795,123	(859,219)	(7,890)	(5,209,314)
Transferred (from) to stage (2) - net	4,643,255	(1,107,688)	(2,123,927)	(199,556)	7,890	1,219,974
Transferred (from) to stage (3) - net	4,027,591	1,574,170	(2,671,196)	1,058,775	-	3,989,340
Effect on the provision as of the end of the year resulting from reclassification between the three stages during the year	8,514,777	4,170,108	(98,403)	132,771	(6,484)	12,712,769
Changes resulting from adjustment	26,977,512	3,149,717	6,942,054	377,666	348	37,447,297
Written off / transferred to off-the statement of financial position	(17,019,477)	(6,080,995)	(180,796)	(3,226,466)	-	(26,507,734)
Adjustments resulting from change in exchange rates	(1,708,393)	(575,501)	(6,341)	(24,184)	-	(2,314,419)
Balance - End of the Year	236,260,062	49,939,793	45,059,443	122,135,952	76,858	453,472,108
Redistribution based on portfolio:						
Provisions on an individual level	233,682,840	48,919,436	27,670,421	107,141,646	76,858	417,491,201
Provisions on a collective level	2,577,222	1,020,357	17,389,022	14,994,306	-	35,980,907
	236,260,062	49,939,793	45,059,443	122,135,952	76,858	453,472,108
Redistribution based on stages:						
Stage (1)	16,649,893	2,240,922	7,653,936	6,759,098	75,410	33,379,259
Stage (2)	69,437,400	9,493,041	11,473,845	83,185,964	1,448	173,591,698
Stage (3)	150,172,769	38,205,830	25,931,662	32,190,890	-	246,501,151
	236,260,062	49,939,793	45,059,443	122,135,952	76,858	453,472,108

Interest in Suspense

The following is the movement on interest in suspense :

	<u>Corporate Entities</u>				<u>Government and Public Sector</u>	<u>Total</u>
	<u>Corporate</u>	<u>SME's</u>	<u>Retail</u>	<u>Real Estate loans</u>		
	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>		
<u>For the Six Months Ended June 30, 2022 (Reviewed)</u>						
Balance – beginning of the period (Audited)	41,236,413	31,527,946	27,680,494	32,403,684	-	132,848,537
Reclassification impact	(4,983,974)	(2,697,812)	17,768	7,664,018	-	-
Adjusted Beginning Balance (Reviewed)	36,252,439	28,830,134	27,698,262	40,067,702	-	132,848,537
Suspended interest on new exposures during the period	114,264	45,193	48,849	275,264	-	483,570
Suspended interest on settled exposures transferred to revenue during the period	(103,395)	(295,146)	(297,477)	(945,723)	-	(1,641,741)
Total effect on the suspended interest resulting from reclassification between the three stages	(141,512)	(142,519)	(225,395)	(426,174)	-	(935,600)
Total effect on the suspended interest resulting from adjustments	6,212,672	2,647,447	2,673,520	4,510,543	-	16,044,182
Written off interest in suspense / transferred to off-the statement of financial position	(3,315,244)	(1,268,252)	(339,555)	(413,491)	-	(5,336,542)
Adjustments resulting from changes in exchange rate	(81,094)	(202,155)	(3,492)	(1,031)	-	(287,772)
Balance – End of the Period (Reviewed)	38,938,130	29,614,702	29,554,712	43,067,090	-	141,174,634
<u>For the year ended December 31, 2021 (Audited)</u>						
Balance – beginning of the year	43,690,566	27,118,474	24,910,177	19,387,741	-	115,106,958
Reclassification impact	1,582	21,134	(44,608)	21,892	-	-
Adjusted beginning balance	43,692,148	27,139,608	24,865,569	19,409,633	-	115,106,958
Suspended interest on new exposures during the year	7,070	206,307	222,105	94,544	-	530,026
Suspended interest on settled exposures transferred to revenue during the year	(667,701)	(227,582)	(283,702)	(901,340)	-	(2,080,325)
Total effect on the suspended interest resulting from reclassification between the three stages	295,699	34,468	(631,338)	(442,941)	-	(744,112)
Total effect on the suspended interest resulting from adjustments	14,079,147	6,404,964	4,445,815	16,504,593	-	41,434,519
Written off interest in suspense / transferred to off-the statement of financial position	(15,373,146)	(1,803,156)	(930,045)	(2,260,034)	-	(20,366,381)
Adjustments resulting from change in exchange rates	(796,804)	(226,663)	(7,910)	(771)	-	(1,032,148)
Balance – End of the Year	41,236,413	31,527,946	27,680,494	32,403,684	-	132,848,537

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

Economic Sector	June 30, 2022 (Reviewed)			December 31, 2021 (Audited)
	Inside Jordan	Outside Jordan	Total	Total
	JD	JD	JD	JD
Financial	159,627,010	72,835,827	232,462,837	169,615,461
Industrial	355,019,954	147,241,036	502,260,990	459,216,480
Trading	385,404,907	216,583,396	601,988,303	539,357,668
Real estate	1,083,077,585	286,847,005	1,369,924,590	1,335,283,277
Agriculture	20,790,150	24,500,866	45,291,016	22,694,027
Shares	8,209,347	-	8,209,347	6,975,900
Individuals	986,641,079	34,451,410	1,021,092,489	943,963,002
Government and public sector	444,356,888	79,662,688	524,019,576	403,453,722
Other	485,627,122	50,498,732	536,125,854	556,027,255
	3,928,754,042	912,620,960	4,841,375,002	4,436,586,792

12. Financial Assets at Amortized Cost - Net

The details of this item are as follows:

	June 30, 2022 (Reviewed)	December 31, 2021 (Audited)
	JD	JD
Quoted Financial Assets:		
Jordanian Treasury Bills	43,899,085	40,907,441
Jordanian treasury bonds *	1,229,050,716	1,224,498,891
Governmental or guaranteed by government bonds	506,535,180	542,402,385
Foreign governments bonds	24,343,932	24,349,118
Corporate bonds and debentures	169,872,186	161,531,807
Total Quoted Financial Assets	1,973,701,099	1,993,689,642
Unquoted Financial Assets:		
Corporate bonds and debentures	3,000,001	3,000,001
Total Unquoted Financial Assets	3,000,001	3,000,001
Total	1,976,701,100	1,996,689,643
<u>Less: Provision for excepted credit losses</u>	<u>(5,286,233)</u>	<u>(4,421,581)</u>
Net	1,971,414,867	1,992,268,062
Bonds and Bills Analysis:		
at fixed rate	1,971,414,867	1,992,268,062
at floating rate	-	-
Total	1,971,414,867	1,992,268,062

- The maturity dates for Bonds range from year 2022 to year 2036.
- Interest rate on bonds and Treasury Bills ranges from 0.82% to 6.74%.

* The Bank has entered into repurchase agreements with the Central Bank of Jordan as stated in Note (15) against mortgaging treasury bonds with a nominal value of JD 69 million as of June 30, 2022 (JD 64.7 million as of December 31, 2021).

- 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
<u>For the Six Months Ended June 30, 2022 (Reviewed)</u>				
Balance – beginning of the period (Audited)	1,993,689,642	-	3,000,001	1,996,689,643
New investments during the period	517,626,523	-	-	517,626,523
Matured investments during the period	(538,162,388)	-	-	(538,162,388)
Transferred to stage (3)	(1,778,575)	-	1,778,575	-
Amortization of premium / discount	587,499	-	(11,194)	576,305
Adjustments resulting from changes in exchange rates	(28,983)	-	-	(28,983)
Balance – End of the Period (Reviewed)	<u>1,971,933,718</u>	<u>-</u>	<u>4,767,382</u>	<u>1,976,701,100</u>
<u>For the Year Ended December 31, 2021 (Audited)</u>				
Balance – beginning of the year (Audited)	1,836,019,926	-	3,000,001	1,839,019,927
New investments during the year	438,523,685	-	-	438,523,685
Matured investments during the year	(281,207,968)	-	-	(281,207,968)
Amortization of premium / discount	614,322	-	-	614,322
Adjustments resulting from changes in exchange rates	(260,323)	-	-	(260,323)
Balance – End of the Year	<u>1,993,689,642</u>	<u>-</u>	<u>3,000,001</u>	<u>1,996,689,643</u>

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

	Stage (1) Individual	Stage (2) Individual	Stage (3)	Total
	JD	JD	JD	JD
<u>For the Six Months Ended June 30, 2022 (Reviewed)</u>				
Balance – beginning of the period (Audited)	1,421,581	-	3,000,000	4,421,581
Expected credit loss for new investments during the period	136,985	-	-	136,985
Expected credit loss for matured investments during the period	(52,163)	-	-	(52,163)
Transferred to stage (3)	(1,524)	-	1,524	-
Effect on provision due to adjustments between stages	-	-	1,884,684	1,884,684
The effect on the provision resulting from the adjustments	(965,010)	-	-	(965,010)
Adjustments resulting from changes in exchange rates	(21,017)	-	(118,827)	(139,844)
Balance – End of the Period (Reviewed)	<u>518,852</u>	<u>-</u>	<u>4,767,381</u>	<u>5,286,233</u>
<u>For the Year Ended December 31, 2021 (Audited)</u>				
Balance – beginning of the year (Audited)	2,177,632	-	3,000,000	5,177,632
Expected credit loss for new investments during the year	150,056	-	-	150,056
Expected credit loss for matured investments during the year	(60,967)	-	-	(60,967)
The effect on the provision resulting from the adjustments	(842,314)	-	-	(842,314)
Adjustments resulting from changes in exchange rates	(2,826)	-	-	(2,826)
Balance – End of the Year	<u>1,421,581</u>	<u>-</u>	<u>3,000,000</u>	<u>4,421,581</u>

13. Other Assets – Net

The details of this item are as follows:

	June 30, 2022 (Reviewed)	December 31, 2021 (Audited)
	JD	JD
Accrued revenues and interest	31,220,698	31,053,695
Prepaid expenses	9,117,327	3,903,941
Assets seized by the Bank *	65,339,113	64,750,491
Revaluation gain / Hedge derivatives	5,830,599	766,208
Cheques under collection	11,929,920	11,362,918
Other	14,972,183	11,478,415
Total	138,409,840	123,315,668
Provision for expected credit loss **	(328,576)	(255,576)
Net	138,081,264	123,060,092

* The regulations of Central Bank of Jordan require the Bank 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, 2022 (Reviewed)	For the Year Ended December 31, 2021 (Audited)
	JD	JD
Beginning balance of the period / year	64,750,491	66,579,286
Additions	5,144,900	15,295,999
Disposals	(4,302,467)	(13,514,652)
Impairment loss	(250,000)	(3,600,000)
Foreign currencies translation difference	(3,811)	(10,142)
Balance – Ending of the Period / Year	65,339,113	64,750,491

** The following is a summary of the movement on expected credit loss provision:

	For the Six Months Period Ended June 30, 2022 (Reviewed)	For the Year Ended December 31, 2021 (Audited)
	JD	JD
Balance - beginning of the period / year	255,576	453,608
Expected credit loss for the period / year	73,000	(92,155)
Provisions no longer needed	-	(105,877)
Balance – Ending of the Period / Year	328,576	255,576

14. CUSTOMERS' DEPOSITS

The details of this item are as follows:

	Retail	Corporate	SME's	Governmental and Public	Total
	JD	JD	JD	JD	JD
<u>June 30, 2022</u>					
<u>(Reviewed)</u>					
Current accounts and demand deposits	715,896,971	246,231,178	385,730,242	28,656,073	1,376,514,464
Saving deposits	2,046,936,720	1,272,950	17,561,605	543,798	2,066,315,073
Time and notice deposits	1,079,754,153	223,258,077	66,659,565	281,880,259	1,651,552,054
Certificates of deposit	193,009,587	20,454,418	833,283	-	214,297,288
Others	309,564	-	-	-	309,564
Total	<u>4,035,906,995</u>	<u>491,216,623</u>	<u>470,784,695</u>	<u>311,080,130</u>	<u>5,308,988,443</u>
<u>December 31, 2021</u>					
<u>(Audited)</u>					
Current accounts and demand deposits	729,353,852	189,171,350	348,874,343	28,946,430	1,296,345,975
Saving deposits	2,056,002,278	982,252	19,545,032	558,149	2,077,087,711
Time and notice deposits	1,109,204,379	273,186,282	53,154,762	182,383,184	1,617,928,607
Certificates of deposit	201,350,102	19,195,118	872,818	-	221,418,038
Others	410,135	-	-	-	410,135
Total	<u>4,096,320,746</u>	<u>482,535,002</u>	<u>422,446,955</u>	<u>211,887,763</u>	<u>5,213,190,466</u>

- The deposits of the public sector and the Government of Jordan inside the Kingdom amounted to approximately JD 291.4 million representing 5.5% of total deposits as of June 30, 2022 (approximately JD 205.2 million, representing 3.94% of total deposits as of December 31, 2021).
- Non-interest-bearing deposits amounted to JD 1.47 billion, representing 27.6% of total deposits as of June 30, 2022 (against around JD 1.39 billion, representing 26.7% of total deposits as of December 31, 2021).
- Restricted deposits (Restricted withdrawal) amounted to JD 97.4 million, representing 1.8 % of total deposits as of June 30, 2022 (against JD 150.3 million, representing 2.9% of total deposits as of December 31, 2021).
- Dormant accounts amounted to JD 267.7 million, representing 5.0% of total deposits as of June 30, 2022 (against JD 296.7 million, representing 5.7% of total deposits as of December 31, 2021).

15. Borrowed funds:

June 30, 2022 (Reviewed)	JD	Number of Total Payments	Number of Remaining Payments	Periodicity	Guarantee	Borrowing Interest Rate	Re-lending interest rate
Central Bank of Jordan loans:							
SME's Support programs.	15,960,580	109	86	Semi Annual	Financial Solvency	2.5% to 3%	Guaranteed 5.98% to 6.5% Without Guarantee: 6.5% to 7.5%
Main Economical Sectors Support Programs	53,062,573	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	35,949,565	Based on the Periodicity of instalments due			On demand promissory note	0.00%	2%
Repurchase agreements	69,001,084	Based on each agreement			Government bonds	2.00% - 2.75%	-
Borrowing / local institutions	161,000,036	27	27	Monthly/Semi annual	Financial Solvency / Mortgage	4.25% to 6.35%	5.75% to 10.5%
Borrowing / foreign insinuations	89,797,563	29	29	Semi annual	Financial Solvency	0.84% to 2.6 %	Based on interest rate at the bank
Total	<u>424,771,401</u>						

- The maturity dates of funds borrowed from the Central Bank of Jordan range from year 2022 to year 2039.
- The financial liabilities against repurchase agreements will due in 2022.
- Borrowed funds from local institutions includes an amount of JD 115 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 332,972,185 and borrowed funds with a variable interest rate amounted to JD 91,799,180.
- The maturity dates of borrowed funds from foreign insinuations range from year 2022 to year 2028.
- Borrowed funds during the period ended in June 30th 2022, amounted to JD 143,746,562 and settled borrowed funds amounted to JD 79,953,497 during the same period, excluding repurchase agreement.
- The renewed loans amounted to JD Nil during the period ended in June 30 , 2022.

December 31, 2021(Audited)	JD	Number of Total Payments	Number of Remaining Payments	Periodicity	Guarantee	Borrowing Interest Rate	Re-lending interest rate
Central Bank of Jordan loans:							
SME's Support programs.	16,754,324	109	89	Semi Annual	Financial Solvency	1.95% to 3%	Guaranteed 5.59% to 6.5% Without Guarantee: 6.5% to 7.5%
Main Economical Sectors Support Programs	52,478,298	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	27,734,055	Based on the Periodicity of instalments due			On demand promissory note	0.00%	2%
Repurchase agreements	70,288,632	Based on each agreement			Government bonds	2%	-
Borrowing / local institutions	148,000,018	22	22	Monthly/Semi annual	Financial Solvency / Mortgage	3.5% to 6.5%	5.75% to 10.5%
Borrowing / foreign insinuations	47,010,521	11	11	Semi annual	Financial Solvency	0.84% to 1.1%	Based on interest rate at the bank
Total	<u>362,265,848</u>						

- The maturity dates of funds borrowed from the Central Bank of Jordan range from year 2022 to year 2039.
- The financial liabilities against repurchase agreements will due in 2022.
- Borrowed funds from local institutions includes an amount of JD 120 million that borrowed from Jordan Mortgage Refinance Co and the maturity dates of these borrowed funds range from year 2022 to year 2024.
- Borrowed funds with a fixed interest rate amounted to JD 309,047,616 and borrowed funds with a variable interest rate amounted to JD 53,218,214.
- The maturity dates of borrowed funds from foreign insinuations range from year 2022 to year 2027.
- Borrowed funds during 2021 amounted to JD 120,015,382 and settled borrowed funds amounted to JD 87,901,383 during 2021, excluding repurchase agreement.
- The renewed loans amounted to JD 5,000,000 during 2021.

16. Sundry Provisions

The details of this item are as follows:

	Provision for End-of- Service Indemnity	Provision for Outstanding Lawsuits Against the Bank	Other Provisions	Total
<u>For the Six Months Ended June 30, 2022 (Reviewed)</u>	JD	JD	JD	JD
Balance – beginning of the period (Audited)	7,349,252	7,218,126	13,531,804	28,099,182
Provision for the period	1,782,333	4,519,807	(55,953)	6,246,187
Transferred from other liabilities	-	15,000	-	15,000
Provision used during the period	(129,994)	(155,123)	(6,450)	(291,567)
Currency translation difference for the period	-	(413)	(147,833)	(148,246)
Balance - End of the Period (Reviewed)	<u>9,001,591</u>	<u>11,597,397</u>	<u>13,321,568</u>	<u>33,920,556</u>
<u>For the Year Ended December 31, 2021 (Audited)</u>				
Balance – beginning of the year (Audited)	6,440,425	24,224,789	10,907,819	41,573,033
Provision for the year	1,698,983	1,407,988	2,484,894	5,591,865
Transfers from / to provisions	-	-	631,894	631,894
Provision used during the year	(177,524)	(1,268,133)	-	(1,445,657)
Reverse to revenue	(608,878)	(16,794,431)	-	(17,403,309)
Currency translation difference for the year	(3,754)	(352,087)	(492,803)	(848,644)
Balance - End of the Year	<u>7,349,252</u>	<u>7,218,126</u>	<u>13,531,804</u>	<u>28,099,182</u>

17. Income Tax

a. Income tax provision

The movement on the income tax provision is as follows:

	June 30, 2022	December 31, 2021
	(Reviewed)	(Audited)
	JD	JD
Balance – beginning of the period / year	55,815,858	48,515,568
Income tax paid	(54,356,870)	(61,423,324)
Accrued income tax	29,782,314	68,244,851
Accrued Income tax of distribution profit from a subsidiary	867,382	1,008,939
Currency translation	(74,477)	(530,176)
Balance – Ending of the Period / Year	32,034,207	55,815,858

- Income tax rate for Banks in Jordan is 35% and a 3% for the national contribution account. In addition, the average income tax rate in the countries in which the Bank has investments range from 0% to 31%.
- The Bank has reached a final settlement with the Income and Sales Tax Department in Jordan up to the year 2020, and declared taxes have been paid and have filed the tax returns for the year 2021.
- Taxes due on Palestine branches were cleared up to 2020, and declared taxes have been paid up to the year 2021.
- The income tax for the International Bank for Trade and Finance /Syria was paid up to the year 2021.
- The income tax for the Housing Bank for Trade and Finance /Algeria was paid up to the year 2021.
- The income tax for Jordan International Bank/ London was paid up to the year 2021.
- The income tax for the International Financial Centre Company was paid up to the year 2021. Moreover, a final settlement has been reached for all years except for the year 2018.
- The income tax for the Specialized Leasing Company was paid up to the year 2021, and a final settlement has been reached up to the year 2019.

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

	For the Six Months	
	Ended June 30,	
	2022	2021
	(Reviewed)	(Reviewed)
	JD	JD
Provision for income tax for the period	29,782,314	35,106,896
Deferred tax assets for the period	(21,995,714)	(29,946,994)
Amortization of deferred tax assets	18,967,969	19,297,229
Income tax due on dividend's distribution from subsidiaries	867,382	1,008,939
Total	27,621,951	25,466,070

18. Other Liabilities

The details for this item are as follows:

	June 30, 2022 (Reviewed)	December 31, 2021 (Audited)
	JD	JD
Accrued interest	11,565,119	9,755,660
Interests and commissions received in advance	3,319,705	3,690,731
Accrued expenses	18,303,939	20,964,710
Certified cheques	55,164,127	26,489,133
Transfers in process	29,857,422	33,638,348
Payments in process	11,408,749	7,461,245
Prizes	1,251,817	547,109
Amounts payable to correspondent banks	1,574,827	1,281,254
General management trusts	5,032,997	5,092,032
Dividends payable to shareholders	7,574,634	4,476,573
Accounts payable	3,983,359	5,182,854
Unrealized loss / hedge derivatives	258,237	610,353
Other payable accounts	38,327,653	64,501,938
Provision for indirect facilities' expected credit losses	37,316,798	35,631,520
Other	4,476,061	3,881,218
Total	229,415,444	223,204,678

Below is the movement on indirect facilities during the period / year:

	<u>Stage (1)</u>		<u>Stage (2)</u>		<u>Stage (3)</u>	<u>Total</u>
	<u>Individual</u>	<u>Collective</u>	<u>Individual</u>	<u>Collective</u>		
	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>		
<u>For the Six Months Period ended June 30, 2022</u>						
<u>(Reviewed)</u>						
Balance at the beginning of the period (Audited)	879,962,296	65,193,881	70,044,694	6,345,472	19,401,318	1,040,947,661
New exposures during the period	311,558,748	10,138,107	7,299,528	50,392	41,612	329,088,387
Matured exposures during the period	(267,832,334)	(5,212,118)	(15,015,685)	(165,066)	(744,265)	(288,969,468)
Transferred to stage (1)	26,579,640	1,448,090	(26,523,090)	(1,446,090)	(58,550)	-
Transferred to stage (2)	(6,300,268)	(531,460)	6,381,268	612,460	(162,000)	-
Transferred to stage (3)	(30,000)	(122,227)	(1,220,672)	(54,691)	1,427,590	-
Changes resulting from adjustment	1,592,926	96,013	(1,582,643)	1,197	(326,460)	(218,967)
Adjustments resulting from changes in exchange rate	(741,377)	(3,990,054)	-	(566,787)	(1,966)	(5,300,184)
Balance at the Ending of the Period (Reviewed)	<u>944,789,631</u>	<u>67,020,232</u>	<u>39,383,400</u>	<u>4,776,887</u>	<u>19,577,279</u>	<u>1,075,547,429</u>
<u>For the year ended December 31, 2021 (Audited)</u>						
Balance at the beginning of the year	692,194,446	64,259,589	39,957,175	4,312,028	19,027,488	819,750,726
New exposures during the year	418,041,181	14,820,855	15,698,120	285,654	104,950	448,950,760
Matured exposures during the year	(276,660,576)	(9,338,816)	(8,122,512)	(1,002,365)	(346,623)	(295,470,892)
Transferred to stage (1)	5,248,637	(2,769,693)	(5,248,637)	2,851,493	(81,800)	-
Transferred to stage (2)	(28,311,680)	(185,425)	28,333,668	239,125	(75,688)	-
Transferred to stage (3)	(1,108,737)	(60,000)	(407,291)	(3,500)	1,579,528	-
Changes resulting from adjustment	71,402,102	(136,891)	(162,472)	1,287,829	(788,138)	71,602,430
Adjustments resulting from changes in exchange rate	(843,077)	(1,395,738)	(3,357)	(1,624,792)	(18,399)	(3,885,363)
Balance at the Ending of the Year	<u>879,962,296</u>	<u>65,193,881</u>	<u>70,044,694</u>	<u>6,345,472</u>	<u>19,401,318</u>	<u>1,040,947,661</u>

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

	<u>Stage (1)</u>		<u>Stage (2)</u>		<u>Stage (3)</u>	<u>Total</u>
	<u>Individual</u>	<u>Collective</u>	<u>Individual</u>	<u>Collective</u>		
	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>		
<u>For the Six Months Period ended June 30, 2022 (Reviewed)</u>						
Balance at the beginning of the period (Audited)	8,072,411	292,651	9,743,753	225,130	17,297,575	35,631,520
Impairment loss on the new facilities	4,242,924	83,553	86,249	8,198	15,304	4,436,228
Reversed from impairment loss on the matured facilities	(2,450,023)	(50,853)	(871,950)	(14,226)	(502,548)	(3,889,600)
Transferred to stage (1)	1,000,527	97,742	(976,329)	(97,742)	(24,198)	-
Transferred to stage (2)	(210,307)	(6,155)	251,165	35,880	(70,583)	-
Transferred to stage (3)	(170)	(475)	(197,258)	(638)	198,541	-
Effect on provision as of the end of the period resulting from reclassification between the three stages during the period	787,514	(53,195)	184,233	32,614	653,816	1,604,982
Changes resulting from adjustment	(504,144)	(28,877)	(94,452)	193,276	24,597	(409,600)
Adjustments resulting from changes in exchange rate	(2,541)	(17,097)	-	(35,003)	(2,091)	(56,732)
Balance at the Ending of the Period (Reviewed)	<u>10,936,191</u>	<u>317,294</u>	<u>8,125,411</u>	<u>347,489</u>	<u>17,590,413</u>	<u>37,316,798</u>
<u>For the Year Ended December 31, 2021 (Audited)</u>						
Balance at the beginning of the year	11,290,253	353,830	8,328,900	303,588	15,603,577	35,880,148
Impairment loss on new exposure during the year	4,092,789	117,347	810,066	21,698	58,606	5,100,506
Reversed impairment loss on matured exposure	(5,691,496)	(91,354)	(1,436,592)	(36,544)	(167,049)	(7,423,035)
Transferred to stage (1)	319,943	153,009	(319,943)	(123,381)	(29,628)	-
Transferred to stage (2)	(1,138,775)	(5,025)	1,152,442	20,347	(28,989)	-
Transferred to stage (3)	(27,318)	(1,160)	(36,173)	-	64,651	-
Effect on provision as of the end of the year resulting from reclassification between the three stages during the year	(301,360)	(137,148)	136,044	15,671	605,001	318,208
Changes resulting from adjustment	(423,362)	(96,522)	1,109,085	23,751	1,192,560	1,805,512
Adjustments resulting from changes in exchange rate	(48,263)	(326)	(76)	-	(1,154)	(49,819)
Balance at the End of the Year	<u>8,072,411</u>	<u>292,651</u>	<u>9,743,753</u>	<u>225,130</u>	<u>17,297,575</u>	<u>35,631,520</u>

19. Expected Credit Loss Expense - Net

The details of this item are as follows:

	For the Six Months Ended June 30,	
	2022 (Reviewed)	2021 (Reviewed)
	JD	JD
Balances and deposits at banks and financial institutions	27,242	17,934
Financial assets at fair value through other comprehensive income	(58,580)	279,744
Financial assets at amortized cost	1,004,496	(951,429)
Direct credit facilities	7,317,047	39,375,825
Commitments and contingent liabilities	1,742,010	(2,077,348)
Other assets	73,000	7,540
Total	10,105,215	36,652,266

20. Fair Value Reserve - Net

The details of this item are as follows:

	For the Six Months Ended June 30, 2022 (Reviewed)	For the Year Ended December 31, 2021 (Audited)
	JD	JD
	Balance - beginning of the period/year	3,542,409
Unrealized (losses) - debt instrument	(20,664,266)	(8,899,814)
Unrealized gain (losses) - equity instrument	33,616	(450,679)
Deferred tax assets	4,673,597	1,111,266
Deferred tax liabilities	2,556,851	2,127,448
Net change in valuation reserve of financial assets at fair value through comprehensive income after tax	(13,400,202)	(6,111,779)
Balance at the End of the Period/Year	(9,857,793)	3,542,409

21. Retained Earnings

The movement on retained earnings is as follows:

	For the Six Months Ended June 30, 2022 (Reviewed)	For the Year Ended December 31, 2021 (Audited)
	JD	JD
Balance – beginning of the period / year	367,183,950	313,925,834
Income for the year	-	105,621,201
Transferred from (to) reserves **	382,494	(14,563,085)
Dividends distribution *	(63,000,000)	(37,800,000)
Balance – End of the Period / Year	304,566,444	367,183,950

- * The Shareholders General Assembly, at its ordinary meeting held on March 24, 2022, resolved to distribute cash dividends to shareholders at a rate of 20% of the subscribed and paid-up capital, equivalent to JD 63 million.
- ** The amounts transferred from reserves for the period ended June 30, 2022 represents adjustments on subsidiaries financial statements that were recorded after the issuance of the Group consolidated financial statements for the year 2021.
- The Bank cannot use a restricted amount of JD 6,275,955 from retained earnings which represents the financial assets unrealized gain in accordance with the instructions of the Central Bank of Jordan and the Jordan Securities Commission.
 - Retained earnings includes an amount of JD 609,506 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 129,855,128 from retained earnings which represents deferred tax assets which are restricted against capitalization or distribution only to the extent if actually realized in accordance with the instructions of the Central Bank of Jordan and the Jordan Securities Commission.
 - Retained earnings includes a restricted amount of JD 2,157,408 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 periods.

22. Interest Income

The details of this item are as follows:

	For the Six Months Ended June 30,	
	2022 (Reviewed)	2021 (Reviewed)
	JD	JD
Direct Credit Facilities		
Individual (retail) customer:		
Overdraft	149,207	125,291
Loans and promissory bills	36,060,492	33,090,644
Credit cards	1,078,365	1,048,702
Real estate loans	32,293,524	28,125,757
Large corporates		
Overdraft	5,740,794	8,769,148
Loans and promissory bills	35,889,736	31,077,464
SME's		
Overdraft	2,357,454	3,743,157
Loans and promissory bills	9,700,718	6,932,769
Government and Public Sector	11,834,029	15,540,965
Balances at central banks	2,155,040	1,794,385
Balances and deposits at banks and financial institutions	1,664,620	1,014,620
Financial assets at amortized cost	47,363,302	47,741,537
Financial assets at fair value through other comprehensive income	6,466,238	5,561,756
	192,753,519	184,566,195

23. Interest Expense

The details of this item are as follows:

	For the Six Months Ended June 30,	
	2022 (Reviewed)	2021 (Reviewed)
	JD	JD
Banks and financial institutions deposits	4,126,266	3,076,000
Customers deposits:		
Current accounts and demand deposits	314,935	256,842
Saving deposits	2,287,170	2,092,817
Time and notice deposits	17,356,603	17,826,538
Certificates of deposit	2,826,818	3,917,685
Cash margins	953,627	933,717
Borrowed funds	5,544,302	4,724,145
Deposits insurance fees	3,412,344	3,400,183
Lease liability	798,388	820,693
	37,620,453	37,048,620

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

The details of this item are as follows:

	Realized		Unrealized		Dividends	Total
	Gain	(Loss)	Gain	(Loss)	Received	
	JD	JD	JD	JD	JD	
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)
Total	25	-	166,979	(2,144,288)	160,554	(1,816,730)
For the Six Months						
Period Ended June 30,						
2021 (Reviewed)						
Corporate shares	3,533	-	356,132	-	108,703	468,368
Direct Credit Facilities	-	-	-	(910,821)	-	(910,821)
Total	3,533	-	356,132	(910,821)	108,703	(442,453)

25. 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,	
	2022 (Reviewed)	2021 (Reviewed)	2022 (Reviewed)	2021 (Reviewed)
	JD	JD	JD	JD
Profit for the period attributable to shareholders'	34,186,868	25,155,857	63,518,107	49,436,234
Weighted average number of shares	315,000,000	315,000,000	315,000,000	315,000,000
Basic and diluted Earnings Per Share Attributable to the Shareholders of the Bank	0.109	0.080	0.202	0.157

26. Cash and Cash Equivalents

This item consists of the following:

	As of June 30,	
	2022 (Reviewed)	2021 (Reviewed)
	JD	JD
Cash and balances with central banks maturing within 3 months	824,969,939	797,514,525
<u>Add</u> : Balances with banks and financial institutions maturing within 3 months	283,172,601	366,536,674
<u>(Less)</u> : Banks and financial institutions deposits maturing within 3 months	(685,851,562)	(719,663,449)
	422,290,978	444,387,750

27. Capital Adequacy

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

	June 30, 2022 (Reviewed)	December 31, 2021 (Audited)
	JD	JD
Common Equity Tier 1 Capital		
Paid-in capital	315,000,000	315,000,000
Retained earnings	295,430,403	294,806,752
Other comprehensive income items	(150,140,044)	(124,665,671)
Net fair value reserve	(9,857,793)	3,542,409
Foreign currency translation	(140,282,251)	(128,208,080)
Share premium	328,147,537	328,147,537
Statutory reserve	257,601,697	257,979,383
Other reserve	11,454,951	11,459,758
Non-controlling Interest	14,336,371	17,339,180
Condensed gains after tax and expected distribution Value	24,143,106	-
Total capital for ordinary shares	1,095,974,021	1,100,066,939
Regulatory amendments (Propositions of the capital)	(157,858,064)	(149,174,146)
Goodwill and intangible assets	(20,946,704)	(19,931,202)
Deferred tax assets	(129,855,128)	(122,196,386)
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	(7,015,551)	(7,005,877)
Net ordinary shareholder's equity	938,115,957	950,892,793
Additional Tier 1		
Non-controlling Interest	2,529,948	3,059,855
Total additional capital	2,529,948	3,059,855
Regulatory amendments (Propositions of the capital)	-	-
Net Additional Capital	2,529,948	3,059,855
Net additional capital Tier 1	940,645,905	953,952,648
Tier 2 Capital		
Expected credit losses provision for the first stage – does not exceed 1.25% of the assets weighted credit risks	49,112,380	44,009,884
Non-controlling Interest	3,373,264	4,079,807
Total Tier 2 Capital	52,485,644	48,089,691
Regulatory amendments (Propositions of the capital)	-	-
Investments in capital of non-consolidated subsidiaries with the bank	-	-
Net additional capital Tier 2	52,485,644	48,089,691
Regulatory capital	993,131,549	1,002,042,339
Total Risk weighted assets	5,557,620,416	5,972,550,043
Capital Adequacy ordinary shareholders (CETI) Ratio %	16.88%	15.92%
Capital Adequacy Tier 1 Ratio %	16.93%	15.97%
Capital Adequacy Ratio %	17.87%	16.78%

28. Related Party Transactions

- a. The Bank entered into transactions with major shareholders, Board of Directors, and executive management in the course of its ordinary activities at commercial rates of interest and commissions. All facilities granted to related parties are performing and no provisions have been taken.
- b. Summary of related party balances during the period/year:

	Related Party				Total	
	Major Shareholders	Subsidiaries	Board of Directors and their Related	Executive Management and their Related	June 30, 2022 (Reviewed)	December 31, 2021 (Audited)
	JD	JD	JD	JD	JD	JD
Financial position items						
Total deposits with related parties	53,062,080	69,644,071	-	-	122,706,151	101,666,136
Total deposits from related parties	655,332,658	75,632,947	2,907,620	2,334,610	736,207,835	622,107,515
Loans and advances granted to related parties	25,939,616	268,425	201,925	1,124,215	27,534,181	27,061,866
Loans and facilities granted to related parties	-	2,968,879	-	-	2,968,879	3,207,422
Items off-statement of Financial position						
Letters of credits and guarantees	17,685,705	2,166,874	-	-	19,852,579	19,626,589
Forward foreign currency contracts	47,476,168	-	-	-	47,476,168	49,150,826
Interest rate swap contracts	79,762,500	-	-	-	79,762,500	95,715,000

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

	Related Party				Total	
	Major Shareholders	Subsidiaries	Board of Directors and their Related	Executive Management and their Related	For the Six Months Ended June 30, 2022 (Reviewed)	2021 (Reviewed)
	JD	JD	JD	JD	JD	JD
Statement of Profit or Loss items						
Interest and commissions income	322,903	266,831	3,688	19,705	613,127	269,976
Interest and commissions Expense	3,276,044	1,052,550	12,474	11,712	4,352,780	2,481,161

- Interest income rates range from 0% to 7%.
- Interest expense rates range from 0% to 7%.

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

	For the Six Months Ended June 30,	
	2022 (Reviewed)	2021 (Reviewed)
	JD	JD
Salaries, bonuses, and other benefits	2,183,918	1,466,272
Salaries, bonuses, and other benefits/ Subsidiaries	913,380	1,298,150

29. 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 JD	Corporate JD	Corporate Finance JD	Treasury JD	Others JD	Elimination JD	Total	
							For the Six Months Period Ended June 30,	
							2022 (Reviewed) JD	2021 (Reviewed) JD
Gross Income	96,529,636	82,481,723	1,665,066	72,729,959	1,283,817	(30,043,865)	224,646,334	213,588,864
Allowance expected credit loss	(10,347,568)	(1,124,167)	2,339,679	(973,159)	-	-	(10,105,215)	(36,652,266)
Segment results	27,993,702	37,702,781	3,286,957	27,079,539	1,283,817	-	97,346,796	83,078,535
Unallocated expenses							(5,905,824)	(4,957,653)
Income before Tax							91,440,972	78,120,882
Income Tax							(27,621,951)	(25,466,070)
Profit for the Period							63,819,021	52,654,812
							June 30, 2022 (Reviewed)	December 31, 2021 (Audited)
Segment Assets	4,587,561,873	2,674,335,886	-	3,488,374,935	1,398,807,004	-	12,149,079,698	12,136,386,854
Elimination of assets between segments	(2,733,532,495)	-	-	(564,679,580)	(673,374,664)	-	(3,971,586,739)	(4,013,300,974)
Unallocated assets on segments							129,855,128	122,196,386
Total Assets							8,307,348,087	8,245,282,266
Segment Liabilities	4,558,325,345	2,785,585,082	-	3,434,683,036	311,191,521	-	11,089,784,984	11,034,925,319
Elimination of liabilities between segments	-	(1,396,619,154)	-	(2,574,967,585)		-	(3,971,586,739)	(4,013,300,974)
Unallocated liabilities							4,296,895	6,853,746
Total Liabilities							7,122,495,140	7,028,478,091
							2022 (Reviewed)	2021 (Reviewed)
Capital expenditures							9,456,803	4,840,541
Depreciation and amortization							12,242,276	12,358,966

30. 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, 2022 are identical to the policies followed for the year ended December 31, 2021, which are disclosed in the Bank's annual report as of December 31, 2021.

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	-	-	-	-	-	-	-	688,141,238	-	688,141,238
Balances at banks and financial institutions	282,918,433	-	-	-	-	-	-	-	-	282,918,433
Deposits at banks and financial institutions	58,716,347	-	-	-	-	-	-	-	-	58,716,347
Credit facilities at amortized cost	215,755,484	366,862,740	494,487,496	1,211,041,945	38,560,197	7,666,098	934,815,696	523,925,898	458,312,751	4,251,428,305
Credit Facilities at fair value through profit or loss	-	78,301,365	-	-	-	-	-	-	-	78,301,365
Bonds and bills:										
<u>Within:</u> Financial assets at fair value through other comprehensive income	58,044,699	-	-	-	-	-	-	272,582,276	-	330,626,975
<u>Within:</u> Financial assets at amortized cost	156,774,798	-	-	-	-	-	-	1,803,828,913	10,811,156	1,971,414,867
Total for the Period	772,209,761	445,164,105	494,487,496	1,211,041,945	38,560,197	7,666,098	934,815,696	3,288,478,325	469,123,907	7,661,547,530
Letter of guarantees	-	-	392,483,999	-	-	-	-	-	-	392,483,999
Letter of credit	-	-	567,700,066	-	-	-	-	-	-	567,700,066
Other liabilities	-	-	78,046,566	-	-	-	-	-	-	78,046,566
Total	772,209,761	445,164,105	1,532,718,127	1,211,041,945	38,560,197	7,666,098	934,815,696	3,288,478,325	469,123,907	8,699,778,161
Prior Year Total	833,197,930	433,033,636	1,382,847,425	1,187,906,936	17,164,296	4,599,075	867,099,145	3,397,722,153	448,121,062	8,571,691,658

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	761,813,034	2,986,480	4,610,239	2,555,472	244,536	772,209,761
Industrial	386,447,251	10,087,581	44,121,140	3,733,952	774,181	445,164,105
Trading	1,327,152,913	107,232,148	73,639,032	22,707,308	1,986,726	1,532,718,127
Real-estate	231,093,548	865,794,844	66,973,091	41,985,833	5,194,629	1,211,041,945
Agriculture	34,652,782	379,046	3,253,969	145,054	129,346	38,560,197
Equity	2,457,100	5,206,820	-	-	2,178	7,666,098
Individual	76,829,469	846,148,726	750,335	10,364,533	722,633	934,815,696
Government and public sector	3,279,209,363	-	9,268,962	-	-	3,288,478,325
Other	410,623,722	8,765,392	46,254,863	3,082,299	397,631	469,123,907
Total	6,510,279,182	1,846,601,037	248,871,631	84,574,451	9,451,860	8,699,778,161
Prior Year Total	6,370,414,533	1,756,976,804	319,999,630	98,437,274	25,863,417	8,571,691,658

2- Total Exposure Distribution According to Geographic Region:

A. Total distribution of exposures by geographical regions:

	Other Middle East						Other	
	Inside Jordan	Countries	Europe	Asia	Africa	America	Countries	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Balances at central banks	336,314,999	168,331,128	-	-	183,495,111	-	-	688,141,238
Balances at banks and financial institutions	61,680,659	96,313,134	21,231,517	903,415	23,606,432	79,183,276	-	282,918,433
Deposits at banks and financial institutions	29,999,667	26,454,413	2,262,267	-	-	-	-	58,716,347
Credit facilities at amortized cost	3,453,934,136	438,309,349	218,014,338	-	141,170,482	-	-	4,251,428,305
Credit Facilities at fair value through profit or loss	78,301,365	-	-	-	-	-	-	78,301,365
Bonds and Bills:	-	-	-	-	-	-	-	-
Financial assets at fair value through other comprehensive income	198,268,057	31,209,775	40,444,192	8,808,998	9,627,802	42,268,151	-	330,626,975
Financial assets at amortized cost	1,893,690,431	57,708,205	6,612,838	2,048,649	-	7,480,767	3,873,977	1,971,414,867
Total for the Period	6,052,189,314	818,326,004	288,565,152	11,761,062	357,899,827	128,932,194	3,873,977	7,661,547,530
Letter of guarantee	227,240,968	54,823,320	14,746,679	168,990	95,504,042	-	-	392,483,999
Letter of credit	499,023,250	25,004,675	4,929,911	2,821,096	35,036,386	884,748	-	567,700,066
Other liabilities	43,869,360	(117,074)	34,311,647	-	(17,367)	-	-	78,046,566
Total	6,822,322,892	898,036,925	342,553,389	14,751,148	488,422,888	129,816,942	3,873,977	8,699,778,161
Prior Year Total	6,559,845,574	798,603,835	438,595,131	26,469,160	556,963,902	187,311,547	3,902,509	8,571,691,658

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	4,976,196,514	1,594,248,901	158,824,019	54,474,573	38,578,885	6,822,322,892
Other Middle Eastern countries	830,376,878	52,798,912	19,476,996	25,615,559	(30,231,420)	898,036,925
Europe	160,117,957	171,347,159	6,235,299	4,362,399	490,575	342,553,389
Asia	12,481,260	2,172,074	76,083	19,656	2,075	14,751,148
Africa	423,445,499	1,109,740	63,276,639	10	591,000	488,422,888
America	105,898,000	22,889,800	906,143	102,254	20,745	129,816,942
Other countries	1,763,074	2,034,451	76,452	-	-	3,873,977
Total	6,510,279,182	1,846,601,037	248,871,631	84,574,451	9,451,860	8,699,778,161
Prior Year Total	6,370,414,533	1,756,976,804	319,999,630	98,437,274	25,863,417	8,571,691,658

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	487,985,266	54,910,638	367,963,770	21,817,085	76,727,723	1.6%
Bonds and bills:						
<u>Within:</u> Financial assets at amortized cost	-	-	4,767,382	1,778,575	1,778,575	0.1%
<u>Within:</u> Financial assets at fair value through other comprehensive income	2,694,541	-	-	-	-	-
Total	490,679,807	54,910,638	372,731,152	23,595,660	78,506,298	1.0%
Letter of guarantees	31,546,946	4,066,490	19,543,367	1,427,590	5,494,080	1.3%
Letter of credit	9,685,540	2,879,738	33,913	-	2,879,738	0.5%
Other	2,927,796	47,500	-	-	47,500	0.1%
Total	44,160,282	6,993,728	19,577,280	1,427,590	8,421,318	0.8%
Sub Total	534,840,089	61,904,366	392,308,432	25,023,250	86,927,616	0.9%
Prior Year Sub Total	612,917,891	207,987,698	411,279,279	35,347,871	243,335,569	2.6%

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)			Total
	JD	JD	JD	Individual JD	Collective JD	Stage (3) JD	JD
Credit facilities at amortized cost	54,910,638	21,817,085	76,727,723	4,146,076	1,554,490	8,505,659	14,206,225
Bonds and Bills:							
Within: Financial assets at amortized cost	-	1,778,575	1,778,575	-	-	1,767,381	1,767,381
Total	54,910,638	23,595,660	78,506,298	4,146,076	1,554,490	10,273,040	14,206,225
Letter of guarantees	4,066,490	1,427,590	5,494,080	248,184	35,146	198,541	481,871
Letter of credit	2,879,738	-	2,879,738	2,133	-	-	2,133
Other	47,500	-	47,500	848	734	-	1,582
Total	6,993,728	1,427,590	8,421,318	251,165	35,880	198,541	485,586
Sub Total	61,904,366	25,023,250	86,927,616	4,397,241	1,590,370	10,471,581	14,691,811
Prior Year Sub Total	207,987,698	35,347,871	243,335,569	15,246,214	2,731,497	11,413,668	29,391,379

4. Liquidity coverage Ratio (LCR):

The average liquidity coverage ratio for the six months period ended in June 30, 2022 was 160.3% and 170.3% for Jordan Branches and the Banking Group respectively. The liquidity coverage ratio as of June 30, 2022 was 161.3% and 176.7% for Jordan Branches and the Banking Group respectively.

Following are the details of the calculation as of June 30, 2022:

	<u>Jordan Branches</u>	<u>Banking Group</u>
	JD 000'	JD 000'
High qualified liquid assets before adjustments	2,323,277	2,396,712
High qualified liquid assets after adjustments	2,323,277	2,396,712
Net cash outflow	1,615,463	1,615,477
Liquidity Coverage Ratio (LCR)	143.8%	148.4%

31. Commitments and Contingent Liabilities:

This item consists of the following:

	<u>June 30, 2022</u>	<u>December 31,</u>
	<u>(Reviewed)</u>	<u>2021 (Audited)</u>
	JD	JD
Letters of credit	670,780,912	622,808,264
Acceptances	154,808,996	130,515,192
Guarantees:		
- Payment guarantees	104,126,572	107,431,378
- Performance bonds	169,735,594	181,346,794
- Other	149,241,577	146,096,011
Forward foreign currency contracts	304,628,654	288,753,278
Currency swap contracts	14,180,000	14,180,000
Un-utilized direct credit facilities ceilings	522,602,578	525,281,052
Total	2,090,104,883	2,016,411,969

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

Lawsuits raised against the Bank amounted to approximately JD 31.5 million as of June 30, 2022 (approximately JD 34.3 million as of December 31, 2021). In the opinion of the Bank's management and legal advisor, no liabilities will arise therefrom that exceed the booked provision of JD 7.4 million as of June 30, 2022 (JD 7.2 million as of December 31, 2021).

Other than the above-mentioned lawsuits, during the year 2019, the inspectors of the Central Bank of Algeria visited the management of the Housing Bank for Trade and Finance Algeria (a subsidiary company) and cited reports of violations attributed to the Bank related to violating some banking procedures in the Republic of Algeria. In this connection, an appealable preliminary decision by the Court of First Instance in Algeria was issued. The said decision imposed a fine of DZD 6.3 billion (Equivalent to JD 30.7 million as of June 30, 2022) on the Housing Bank for Trade and Finance / Algeria (a subsidiary company) for one of the violations. The subsidiary company appealed on the preliminary decision, and the decision of the Algiers Judicial Council was issued on May 25, 2021, which acquitted the subsidiary of all charges against it in the civil and criminal lawsuit. And, In the opinion of both the management and the legal advisor, the Bank has a strong legal position in the discrimination phase.

On the other hand, the lawsuits raised by the Bank against others amounted to approximately JD 606,1 million as of June 30, 2022 (approximately JD 574.4 million as of December 31, 2021).

33. Fair Value Hierarchy

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

- Level (1): List prices (unadjusted) for identical assets or liabilities in active markets.
- Level (2): Information other than the stated price included in level 1, which is monitored for the asset or liability, either directly (such as prices) or indirectly (i.e., derived from the prices).
- Level (3): Information on the asset or liability not based on those observed in the market (unobservable information).

	Level (1)	Level (2)	Level (3)	Total
	JD	JD	JD	JD
<u>June 30, 2022 (Reviewed)</u>				
Financial assets:				
Financial assets at fair value through other comprehensive income	330,626,975	-	27,546,132	358,173,107
Financial assets at fair value through profit or loss	4,403,294	-	450,584	4,853,878
Direct credit facilities at fair value through profit or loss	78,301,365	-	-	78,301,365
Total	<u>413,331,634</u>	<u>-</u>	<u>27,996,716</u>	<u>441,328,350</u>
<u>December 31, 2021 (Audited)</u>				
Financial assets:				
Financial assets at fair value through other comprehensive income	349,850,483	-	26,347,895	376,198,378
Financial assets at fair value through profit or loss	4,180,221	-	450,584	4,630,805
Direct credit facilities at fair value through profit or loss	96,646,207	-	-	96,646,207
Total	<u>450,676,911</u>	<u>-</u>	<u>26,798,479</u>	<u>477,475,390</u>