

BANK OF JORDAN
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN

CONDENSED CONSOLIDATED
INTERIM FINANCIAL INFORMATION
FOR THE SIX-MONTH
PERIOD ENDED JUNE 30, 2022
TOGETHER WITH THE
INDEPENDENT AUDITOR'S REVIEW REPORT

BANK OF JORDAN
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN
CONDENSED CONSOLIDATED
INTERIM FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2022

Table of contents

Review Report	
Condensed Consolidated Interim Statement of Financial Position	2
Condensed Consolidated Interim Statement of Profit or Loss	3
Condensed Consolidated Interim Statement of Comprehensive Income	4
Condensed Consolidated Interim Statement of Owners' Equity	5
Condensed Consolidated Interim Statement of Cash Flows	6
Notes to the Condensed Consolidated Interim Financial Information	<u>Page</u> 7 - 50

Report on the Review of the Condensed Consolidated Interim Financial Information

AM / 8572

To the Chairman and Members of the Board of Directors
Bank of Jordan
(A Public Shareholding Limited Company)
Amman – The Hashemite Kingdom of Jordan

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Bank of Jordan (A 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 Six months ended June 30, 2021, condensed consolidated interim statement of changes in owners' equity and cash flows for the three-month period then ended, and a summary of significant accounting policies and other explanatory information. Management is responsible for the preparation and fair presentation of this condensed consolidated interim financial information in accordance with International Accounting Standard No. (34) relating to 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 Engagement 2410 "Review of Condensed Interim Financial Information performed by an Independent Auditor of the Entity". A review of condensed consolidated interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, 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 is not prepared, in all material aspects, in accordance with International Accounting Standards No. (34) relating to condensed interim financial reporting as adopted by the Central Bank of Jordan.

Other Matters

- The consolidated financial statements of the Bank for the year ended December 31, 2021 and the interim financial information for the six and three months period ended June 30, 2021 which appears for comparison purposes were audited and reviewed by another auditor who expressed an unmodified opinion and unmodified conclusion on those statements and this information on February 10, 2022 and July 28, 2021 respectively.
- The accompanying condensed consolidated interim financial information are a translation of the condensed consolidated interim financial information in the Arabic language to which reference is to be made.

Amman – Jordan
July 27, 2022


Deloitte & Touche (M.E.) – Jordan
Deloitte & Touche (M.E.)
ديلويت أند توش (الشرق الأوسط)
010101

BANK OF JORDAN
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN
CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

		June 30, 2022 (Reviewed not Audited)	December 31, 2021 (Audited)
	Note	JD	JD
<u>Assets</u>			
Cash and balances with central banks - Net	5	481,539,136	382,035,460
Balances with banks and financial institutions - Net	6	169,777,843	136,002,180
Deposits with banks and financial institutions - Net	7	89,977,141	89,249,477
Financial assets at fair value through profit or loss	8	15,315,401	15,234,423
Financial assets at fair value through comprehensive income	9	63,921,450	62,163,227
Direct credit facilities at amortized cost - Net	10	1,506,300,839	1,486,114,693
Financial assets at amortized cost - Net	11	277,497,550	383,830,120
Property and equipment	12	59,162,814	59,663,986
Intangible assets - Net		7,711,470	8,012,000
Deferred tax assets	17/B	25,803,514	24,556,699
Other assets	13	97,539,278	93,342,183
Total Assets		2,794,546,436	2,740,204,448
<u>Liabilities and Owners' Equity</u>			
Liabilities:			
Banks and financial institutions' deposits	14	125,669,321	93,795,838
Customers' deposits	15	1,959,821,437	1,908,030,640
Cash margins		112,485,489	112,659,076
Sundry provisions	16	5,258,997	5,156,233
Income tax provision	17/A	13,181,470	20,055,494
Deferred tax liabilities	17/C	63,023	51,871
Borrowed funds	18	64,898,887	72,139,327
Other liabilities	19	44,200,471	42,250,993
Total Liabilities		2,325,579,095	2,254,139,472
Owners' Equity			
Equity Attributable to the Bank's Shareholders			
Authorized and Paid-up capital	1	200,000,000	200,000,000
Statutory reserve	23	104,357,249	104,362,505
Voluntary reserve	23	44,150	49,406
General banking risks reserve	23	4,102,021	4,102,021
Special reserve	23	5,849,743	5,849,743
Foreign currency translation differences	22	(13,016,894)	(13,009,685)
Fair value reserve	20	(2,225,853)	(3,878,449)
Retained earnings	21	140,113,353	140,032,362
Profit for the period after tax		16,840,529	9,892,669
Total Owners' Equity Attributable to the Bank's Shareholders		456,064,298	447,400,572
Non-controlling interests		12,903,043	12,768,016
Total Owners' Equity		468,967,341	460,168,588
Total Liabilities and Owners' Equity		2,794,546,436	2,729,656,955

Board of Director's Chairman

Chief Executive Officer

THE ACCOMPANYING NOTES FROM (1) TO (37) ARE AN INTEGRAL PART
OF THESE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION
AND SHOULD BE READ WITH THEM AND WITH THE ACCOMPANYING REVIEW REPORT.

BANK OF JORDAN
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN
CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
(REVIEWED NOT AUDITED)

		For the Three-Month Period Ended June 30,		For the Six-Month Period Ended June 30,	
	Note	2022 JD	2021 JD	2022 JD	2021 JD
Interest income	24	32,745,221	32,239,565	64,594,509	64,395,856
Less : Interest expense	25	6,474,063	5,351,358	11,286,281	10,635,549
Net Interest Income		26,271,158	26,888,207	53,308,228	53,760,307
Commissions income – Net		5,373,961	4,962,774	10,752,420	9,987,908
Net Interest and Commissions Income		31,645,119	31,850,981	64,060,648	63,748,215
Foreign currencies income		713,666	705,464	1,882,102	1,386,317
Gains from financial assets at fair value through profit or loss	26	113,191	47,881	102,458	87,364
Cash dividends from financial assets at fair value through other comprehensive income	9	604,116	504,199	664,116	504,199
Profits from the sale of financial assets at fair value through other comprehensive income - debt instruments		-	-	-	975,577
Other income	27	946,943	883,419	2,257,978	2,040,091
Total Income		34,023,035	33,991,944	68,967,302	68,741,763
Employees expenses		8,910,065	7,615,203	16,632,427	15,084,622
Depreciation and amortization		2,624,398	2,751,939	5,383,390	5,171,390
Other expenses		8,774,332	7,357,149	16,667,291	14,060,558
Expected credit loss on financial assets	28	2,668,779	2,439,534	3,693,496	11,409,813
provision (Reversal from) impairment of assets foreclosed by the Bank	13	562,755	(15,294)	1,049,933	(32,191)
Micellaneous provisions	16	371,708	103,068	491,665	181,699
Total Expenses		23,912,037	20,251,599	43,918,202	45,875,891
Profit for the period before income tax		10,110,998	13,740,345	25,049,100	22,865,872
Less: Income tax	17/a	3,082,905	4,470,373	8,018,270	6,525,621
Profit for the Period		7,028,093	9,269,972	17,030,830	16,340,251
Attributable to:					
Bank's Shareholders		6,947,860	9,234,223	16,840,529	16,190,824
Non-Controlling Interest		80,233	35,749	19,301	149,427
		7,028,093	9,269,972	17,030,830	16,340,251
		Fils/Dinar	Fils/Dinar	Fils/Dinar	Fils/Dinar
Earnings per share for the period attributable to the Banks' shareholders	29	0.035	0.046	0.084	0.081

THE ACCOMPANYING NOTES FROM (1) TO (37) ARE AN INTEGRAL PART
OF THESE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
AND SHOULD BE READ WITH THEM AND WITH THE ACCOMPANYING REVIEW REPORT.

Board of Director's Chairman

General Manager

BANK OF JORDAN
(PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
(REVIEWED NOT AUDITED)

	For the Three-Month Period		For the Six-Month Period	
	Ended June 30,		Ended June 30,	
	2022	2021	2022	2021
	JD	JD	JD	JD
Profit for the period	7,028,093	9,269,972	17,030,830	16,340,251
Other comprehensive income items that may be reclassified subsequently to the consolidated condensed interim statement of profit or loss:				
Profits realized from the sale of debt instruments classified as financial assets at fair value through other comprehensive income		-		(618,992)
Change in fair value of debt instruments classified as financial assets at fair value through other comprehensive income	-	-	-	-
Foreign currencies translation differences	118,064	1,432,105	118,064	1,432,105
	118,064	1,432,105	118,064	813,113
Items that will not be reclassified subsequently to the consolidated condensed interim statement of profit or loss:				
(Losses) from sales of financial assets at fair value through other comprehensive income		-		-
Change in fair value for equity instrument included in the financial assets at fair value through other comprehensive income - Net after tax	1,652,596	2,064,952	1,753,471	1,813,574
	1,652,596	2,064,952	1,753,471	1,813,574
Total Consolidated Condensed Interim Comprehensive Income - Statement (D)	8,798,753	12,767,029	18,902,365	18,966,838
Total Comprehensive Income Attributable to:				
Bank's Shareholders	8,663,726	12,001,242	18,657,270	18,087,473
Non-Controlling Interest	135,027	765,787	245,095	879,465
	8,798,753	12,767,029	18,902,365	18,966,938

THE ACCOMPANYING NOTES FROM (1) TO (37) ARE AN INTEGRAL PART OF THESE CONSOLIDATED CONDENSED
INTERIM FINANCIAL INFORMATION AND SHOULD BE READ WITH THEM AND WITH THE ACCOMPANYING REVIEW REPORT.

BANK OF JORDAN
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN OWNERS' EQUITY
(REVIEWED NOT AUDITED)

Item	Reserves					Foreign Currency Translation Differences	Fair Value Reserve	Retained Earnings	Profit for the Period	Total Banks' Shareholders Equity	Non- Controlling Interest	Total Owner's Equity
	Authorized and Paid-up Capital	Statutory	Voluntary	General Banking Risks	Special							
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
For the Six-Month Period Ended June 30, 2021												
Balance - beginning of the period	200,000,000	104,362,505	49,406	4,102,021	5,849,743	(13,009,685)	(3,979,324)	176,032,362	-	473,407,028	12,657,948	486,064,976
Foreign exchange differences	-	(5,256)	(5,256)	-	-	(7,209)	-	80,991	-	63,270	54,794	118,064
Profit for the period- Statement (B)	-	-	-	-	-	-	-	-	16,840,529	16,840,529	190,301	17,030,830
Change in fair value reserve in equity instruments classified as financial assets at fair value through other comprehensive income – net after tax	-	-	-	-	-	-	1,753,471	-	-	1,753,471	-	1,753,471
Total Comprehensive Income- Statement (c)	-	(5,256)	(5,256)	-	-	(7,209)	1,753,471	80,991	16,840,529	18,657,270	245,095	18,902,365
Dividends distribution*	-	-	-	-	-	-	-	(36,000,000)	-	(36,000,000)	-	(36,000,000)
Balance – End of the Period	200,000,000	104,357,249	44,150	4,102,021	5,849,743	(13,016,894)	(2,225,853)	140,113,353	16,840,529	456,064,298	12,903,043	468,967,341
For the Six-Month Period Ended June 30, 2021												
Balance - beginning of the period	200,000,000	99,190,875	46,537	2,804,326	5,849,743	(12,855,521)	(6,092,218)	165,816,735	-	454,758,477	7,648,571	462,407,048
Foreign exchange differences	-	(23,269)	(23,269)	-	-	(154,164)	-	902,769	-	702,067	730,038	1,432,105
Profit for the period- Statement (B)	-	-	-	-	-	-	-	-	16,190,824	16,190,824	149,427	16,340,251
Realized gains form sale of debt instruments classified as financial assets at fair value through other comprehensive income – net after tax	-	-	-	-	-	-	(618,992)	-	-	(618,992)	-	(618,992)
Change in fair value reserve in equity instruments classified as financial assets at fair value through other comprehensive income – net after tax	-	-	-	-	-	-	1,813,574	-	-	1,813,574	-	1,813,574
Total Comprehensive Income- Statement (c)	-	(23,269)	(23,269)	-	-	(154,164)	1,194,582	902,769	16,190,824	18,087,473	879,465	18,966,938
Transferred to reserves	-	-	-	1,250,591	-	-	-	(1,250,591)	-	-	-	-
Dividends distribution*	-	-	-	-	-	-	-	(24,000,000)	-	(24,000,000)	-	(24,000,000)
Balance – End of the Period	200,000,000	99,167,606	23,268	4,054,917	5,849,743	(13,009,685)	(4,897,636)	141,468,913	16,190,824	448,845,950	8,528,036	457,373,986

* In accordance with the Ordinary General Assembly meeting held on 31 March 2022 , the bank has decided to distribute Cash Dividends at 18 % of the Bank's capital (equivalent to JOD 36,000,000) .

According to the instructions of the regulatory bodies:

- The general banking risks reserve and special reserve cannot be utilized without prior approval from the Central Bank of Jordan and the Palestine Monetary Authority.

- Retained earnings include a restricted amount of JD 25,803,514 against deferred tax benefits as of June 30, 2022 (JD 24,556,699 as of December 31,2021) that according to Central Bank of Jordan instructions, this restricted amount cannot be utilized through capitalization or distribution unless actually realized.

- Retained earnings include an amount of JD 439,810 as of June 30, 2022 that represents the effect of early adoption of IFRS (9). These restricted amounts cannot be utilized unless realized through actual sale.

- Commission, the balance of retained earnings include an amount of JD 813,437 as of June 30, 2022 which cannot be utilized through dividends distribution to the shareholders or use for any other purposes, without prior approval of Central Bank of Jordan , this amount has resulted from the application of Central Bank of Jordan circular No. 10/1/1359 on January 25, 2018. and Central Bank of Jordan circular No. 13/2018 dated June 6, 2018.

THE ACCOMPANYING NOTES FROM (1) TO (38) ARE AN INTEGRAL PART OF THESE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION
AND SHOULD BE READ WITH THEM AND WITH THE ACCOMPANYING REVIEW REPORT.

BANK OF JORDAN
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS
(REVIEWED NOT AUDITED)

	Note	For the Six-Month Period Ended June 30,	
		2022	2021
Operating Activities:		JD	JD
Profit for the period before tax		25,049,100	22,865,872
Adjustments for non cash items:			
Depreciation and amortization		5,383,390	5,171,390
Expected credit loss	28	3,693,496	11,409,813
(Gains) Losses from sale of property and equipment	27	(32,091)	(67,277)
(Gains) from financial assets at fair value through profit or loss – unrealized	26	(80,978)	(87,364)
Effect of exchange rate fluctuations		(1,827,447)	(1,339,047)
Micellaneous provisions	16	491,665	181,699
provision (Reversal from) impairment of assets foreclosed by the Bank	13	1,049,933	(32,191)
Other – Currency differences		(359,970)	975,942
Profit before Changes in Assets and Liabilities		33,367,098	39,078,837
Changes in Assets and Liabilities:			
(Increase) Decrease in restricted balances		7,134,203	(630,850)
Decrease in deposits with banks and financial institutions (maturing over 3 month)		(726,000)	282,000
(Increase) in direct credit facilities at amortized cost		(23,462,533)	(38,207,014)
(Increase) in other assets		(4,299,869)	(5,615,685)
Increase (Decrease) in deposits with banks and financial institutions (maturing in over three months)		(30,000)	281,999
(Decrease) in customers deposits		51,790,797	(14,126,619)
(Decrease) in cash margins		(173,587)	(2,366,748)
(Decrease) in borrowed funds		(8,269,327)	(9,306,221)
(Decrease) in other liabilities		(262,417)	(1,451,893)
Net Change in Assets and Liabilities		21,701,267	(71,141,031)
Net Cash Flows (used in) from Operating Activities before Paid Taxes and End-of-Service Indemnity Paid Provision		55,068,365	(32,062,194)
Paid income tax	17	(16,017,421)	(14,677,558)
Paid from end-of-service indemnity and lawsuits provisions and others	16	(387,957)	(172,891)
Net Cash Flows (used in) Operating Activities		38,662,987	(46,912,643)
Cash Flows From Investing Activities:			
(Purchase) of financial assets at amortized cost		(44,667,254)	(55,517,190)
Maturity of financial assets at amortized cost		151,055,081	27,389,578
(Purchase) of financial assets at fair value through comprehensive income		-	(180,585)
Sale of financial assets at fair value through other comprehensive income		-	24,937,771
(Purchase) maturity of financial derivatives		(1,074,295)	(834,506)
(Purchase) of property and equipment	12	(1,562,298)	(2,629,137)
Proceeds from sale of property and equipment		76,646	119,383
(Purchase) of intangible assets		(424,881)	(1,379,889)
Net Cash Flows (used in) from Investing Activities		103,402,999	(8,094,575)
Cash Flows From Financing Activities:			
Foreign exchange differences		118,064	1,432,105
Dividends distributed to shareholders		(35,507,823)	(24,177,041)
Net Cash Flows (used in) from Financing Activities		(35,389,759)	(22,744,936)
Effect of exchange rate fluctuations on cash and cash equivalents		1,827,447	1,339,047
Net (Decrease) Increase in Cash and Cash Equivalents		108,503,674	(76,413,107)
Cash and cash equivalents – beginning of the period		365,192,576	412,918,196
Cash and Cash Equivalents – End of the Period	30	473,696,250	336,505,089

THE ACCOMPANYING NOTES FROM (1) TO (37) ARE AN INTEGRAL PART
OF THESE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION
AND SHOULD BE READ WITH THEM AND WITH THE ACCOMPANYING REVIEW REPORT.

BANK OF JORDAN
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN
NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION
(REVIEWED NOT AUDITED)

1. General

Bank of Jordan was established in 1960 as a public shareholding limited company with headquarters in Amman – Jordan. On March 3, 1960, it was registered under number (1983) according to the Companies Law No. 33 for the Year 1962 with an authorized capital of JD 350,000 represented by 70,000 shares at a par value of JD 5 per share. The Bank's authorized and paid-up capital was increased in several stages, the last of which took place in accordance to the resolution of the general assembly in their extraordinary meeting held on April 9, 2016 where the Bank's capital was increased from JD 155.1 million to become JD 200 million and for which all the legal procedures related to this decision were completed on April 19, 2016.

The Bank provides all financial and banking services within its scope of activities. Those services are offered through its (83) branches in Jordan, (17) branches in Palestine and the bank branch in the Kingdom of Bahrain and its subsidiaries in Jordan and Syria (Bank of Jordan - Syria ,Excel for Financial Investments Company and Jordan Leasing Company).

The Bank has obtained the necessary approvals from the Central Bank of Jordan and the regulatory authorities in Iraq for the establishment of a branch in Iraq. The branch is still in the establishment phase.

The accompanying consolidated condensed interim financial information were approved by the Board of directors in their meeting dated July 26, 2022.

2. Basis of Preparation of consolidated condensed 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 main differences between IFRS that should be applied and what have been adopted by the Central Bank of Jordan are as follow:

- When calculating credit losses against credit exposures, the calculation results in accordance with International Financial Reporting Standards (9) are compared with the calculation as per the instructions of the Central Bank of Jordan. for each stage separately and the stricter results are recorded, the main differences are:
- Exclusion of the Debt instruments issued or guaranteed by the Jordanian Government, so that credit exposures issued or guaranteed by the Jordanian Government are treated with no credit losses
- When calculating credit losses against credit exposures, the results of the calculation are compared in accordance with International Financial Reporting Standard No. (9) with the instructions of the Central Bank of Jordan No. (47/2009) dated December 10, 2009 for each stage separately, and the stricter results are recorded
- In some special cases, the central bank of Jordan agrees to special arrangements to calculate credit loss to direct credit facility customers over a specified period .
- Interests, returns and commissions shall be suspended on non-performing credit facilities and funds granted to clients in accordance with the instructions of the Central Bank of Jordan and the instructions of the regulatory authorities in which the bank operates

- Assets seized by Bank are shown in the condensed consolidated interim statement of financial position among other assets at their current value when it seized to the Bank, or at their fair value, whichever is lower. Furthermore, they are revaluated on the date of the condensed consolidated interim financial information separately, and any decrease in its value is recorded in the condensed consolidated interim statement of profit or loss and condensed consolidated interim statement of comprehensive income while no increase in its value is recorded as revenue, and where, any subsequent increase is taken to the condensed consolidated interim statement of profit or loss and condensed consolidated interim statement of comprehensive income to the extent of not exceeding the previously recorded impairment value. A gradual provision has been taken for real estate acquired in exchange for debts according to the Central Bank of Jordan's generalization (10/1/16239) dated November 21, 2020, which is 5% of the total book value of these real estates from the year of 2021 until the required percentage is reached (50% of these properties by the end of the year 2030).
- Specific provisions have been recorded in accordance with the instructions of the Central Bank of Jordan against the bank's foreign investments in foreign countries.
- The net outcome of the differences between the Central Bank of Jordan instructions and the International Financial Reporting Standards represented by having the Bank to book additional provisions to comply with these instructions.
- The condensed consolidated interim financial information are prepared in accordance with the historical cost principle, except for financial assets and financial liabilities which are stated at fair value at the date of the condensed consolidated interim financial information.
- The reporting currency of the condensed consolidated interim financial information is the Jordanian Dinar, which is the functional currency of the Bank.
- The condensed consolidated interim financial information does not include all notes and information presented in the annual financial statements 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 indicate the expected results for the fiscal year ending December 31, 2022. Furthermore, provisions have not been made as of June 30, 2022 in the same manner these would be conducted at the end of the fiscal year.

The consolidated condensed interim financial information includes the financial statements of the Bank and the subsidiary companies controlled by the Bank. Control is achieved when the Bank has the power to govern the financial and operating policies of the subsidiaries to obtain benefits from their activities. All intra-group transactions, balances, income, and expenses are eliminated.

The Bank has the following subsidiary companies as of June 30, 2022:

Name of Subsidiary	Paid-up Capital	Bank's Ownership Percentage %	Subsidiary's Nature of Business	Place of Operation	Acquisition Date
Bank of Jordan – Syria*	3,000 Million Syrian – Lira (Investment amount 21,19 Million JOD)	49	Banking Activities	Syria	May 17, 2008
Jordan Leasing Company	JD 20 Million	100	Finance Lease	Amman	October 24, 2011
Excel for Financial Investments Company	JD 3.5 Million	100	Financial Brokerage	Amman	March 23, 2006

The basis for consolidating condensed consolidated interim financial information

- The condensed consolidated interim financial information for 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.
- The subsidiaries' financial information are prepared under the same accounting policies adopted by the Bank. If the subsidiaries apply different accounting policies than those used by the Bank, the necessary modifications shall be made to the subsidiaries' financial information ensure compliance with the accounting policies used by the Bank.
- The results of the subsidiary companies are incorporated into the condensed consolidated interim statement of profit or loss from the effective date of acquisition, which is the date when the Bank assumes actual control over the subsidiary. Moreover, the operating results of the disposed subsidiary are incorporated into the consolidated condensed interim statement of profit or loss up to the effective date of disposal which is the date on which the Bank losses control over the subsidiary companies.
- Non-controlling interest represents the portion of equity not held by the Bank in the subsidiary.
- * The results of Bank of Jordan – Syria have been incorporated in the consolidated condensed interim financial information due to The Bank's power to govern the financial and operating policies of the subsidiary.

3. Significant accounting policies

The accounting policies used in preparing the condensed consolidated interim financial information for the period ending on June 30, 2022 are identical with the accounting policies that were followed in preparing the consolidated financial statements for the year ended December 31, 2021. However, it has adopted a set of the following amendments and interpretations that are effective for the first time in 2022, which has no impact on the Bank's condensed consolidated interim financial information:

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 condense 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
IFRS 17 Insurance Contracts (including the June 2020 amendments to IFRS 17) IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts. IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach. The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees. In June 2020, the Board issued Amendments to IFRS 17 to address concerns and implementation challenges that were identified after IFRS 17 was published. The amendments defer the date of initial application of IFRS 17 (incorporating the amendments) to annual reporting periods beginning on or after January 1, 2023. At the same time, the Board issued Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4) that extends the fixed expiry date of the temporary exemption from applying IFRS 9 in IFRS 4 to annual reporting periods beginning on or after January 1, 2023. 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.	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.

New and revised IFRSs	Effective date
Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	The effective date is yet to be set. Earlier application is permitted.
<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>	
Amendments to IAS 1 - Classification of Liabilities as Current or Non-current	The amendments are applied retrospectively for annual periods beginning on or after January 1, 2023, with early application permitted.
<p>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.</p> <p>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.</p>	
Amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements - Disclosure of Accounting Policies	January 1, 2023, with earlier application permitted and are applied prospectively.
<p>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.</p>	

New and revised IFRSs	Effective date
<p>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.</p>	
<p>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.</p>	
<p>Amendments to IAS 8 - Definition of Accounting Estimates</p> <p>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".</p>	<p>January 1, 2023, with earlier application permitted</p>
<p>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:</p> <ul style="list-style-type: none"> • 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 	
<p>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.</p>	
<p>Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction</p> <p>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.</p>	<p>January 1, 2023, with earlier application permitted</p>
<p>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.</p>	
<p>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.</p>	
<p>The Board also adds an illustrative example to IAS 12 that explains how the amendments are applied.</p>	

New and revised IFRSs**Effective date**

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 condensed consolidated interim financial information as and when they are applicable and adoption of these new standards, interpretations and amendments, may have no material impact on the condensed consolidated interim financial information 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 revenue, 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 hypotheses and factors with varying degrees of estimation and uncertainty. Meanwhile, the actual results may differ from estimates due to the changes arising from the conditions and circumstances of those estimates in the future.

We believe that the estimates used in the preparation of these condensed consolidated interim financial information are consistent with those used in the annual consolidated financial statements for the year ended December 31, 2021.

5. Cash and Balances with Central Banks-Net

This item consists of the following:

	June 30, 2022 (Reviewed Not Audited) JD	December31, 2021 (Audited) JD
Cash at vaults	84,771,508	81,776,632
Balances at Central Banks:		
- Current and on demand accounts	115,363,011	108,725,417
- Term and notice deposits	194,865,470	97,867,760
- Statutory cash reserve	86,647,469	93,783,314
Balances at Central Banks - Gross	396,875,950	300,376,491
<u>Less: Expected credit loss</u>	<u>(108,322)</u>	<u>(117,663)</u>
Balances at Central Banks - Net	396,767,628	300,258,828
Total	481,539,136	382,035,460

- Cash balances at Central Bank of Jordan amounted to JD 396,875,950 as of June 30, 2022 (JD 300,376,491 as of December 31, 2021).

Item	As of June 30, 2022 (Reviwed not audited)			
	Stage One	Stage Two	Stage Three	Total
	JD	JD	JD	JD
Balance at the beginning of the year	300,376,491	-	-	300,376,491
New balances during the period	97,007,093	-	-	97,007,093
Paid balances	-	-	-	-
	397,383,584	-	-	397,383,584
Transferred to stage one	-	-	-	-
Transferred to stage two	-	-	-	-
Transferred to stage three	-	-	-	-
Changes due to the adjusments	3,911,914	-	-	3,911,914
Adjusment due to exchange rate Fluctuations	(4,419,548)	-	-	(4,419,548)
Balance at the End of the Period	396,875,950	-	-	396,875,950
Balance as of December 31, 2021	300,376,491	-	-	300,376,491

- The following is a summary of the movement on the expected credit loss provision, according to the credit stages:

Item	As of June 30, 2022 (Reviwed not audited)			
	Stage One	Stage Two	Stage Three	Total
	JD	JD	JD	JD
Balance at the beginning of the year	117,663	-	-	117,663
Credit loss during the period	9,219	-	-	9,219
Expected credit loss reversal- Paid balances	-	-	-	-
	126,882	-	-	126,882
Transferred to stage one	-	-	-	-
Transferred to stage two	-	-	-	-
Transferred to stage three	-	-	-	-
Changes due to the adjusments	(14,616)	-	-	(14,616)
Adjusment due to exchange rates fluctuations	(3,944)	-	-	(3,944)
Balance at the End of the Period	108,322	-	-	108,322
Balance as of December 31, 2021	117,663	-	-	117,663

- Statutory cash reserve amounted to JD 86,647,469 as of June 30, 2022 (JD 93,783,314 As of December 31, 2021).
- Except for the statutory cash reserve, restricted balances amounted to JD 2,230,470 as of June 30, 2022 (JD 2,232,760 as of December 31, 2021).
- Time and notice deposit include JD 10,635,000 maturing within a period exceeding three months as of June 30, 2022 (JD 10,635,000 As of December 31, 2021).
- Expected credit losses were not calculated against Central Bank Jordan balances as of June 30, 2022 and December 31, 2021 in accordance with the Central Bank of Jordan Instructions No.13/2018 regarding the implementation of International Financial Reporting Standard No. (9).

6. Balances with Banks and Financial Institutions-Net

This item consists of the following:

	Local Banks and Financial Institutions		Foreign Banks and Financial Institutions		Total	
	June 30, 2022 (Reviewed Not Audited) JD	December 31, 2021 (Audited) JD	June 30, 2022 (Reviewed Not Audited) JD	December 31, 2021 (Audited) JD	June 30, 2022 (Reviewed Not Audited) JD	December 31, 2021 (Audited) JD
Current accounts and demand deposits	-	-	120,924,213	132,426,724	120,924,213	132,426,724
Deposits maturing within 3 months or less	45,000,000	-	3,861,780	3,580,650	48,861,780	3,580,650
Gross Balance	45,000,000	-	124,785,993	136,007,374	169,785,993	136,007,374
Less: Expected credit loss	(993)	-	(7,157)	(5,194)	(8,150)	(5,194)
Net Balance	44,999,007	-	124,778,836	136,002,180	169,777,843	136,002,180

As of June 30, 2022 (Reviwed not audited)

Item	Stage One	Stage Two	Stage Three	Total
	JD	JD	JD	JD
Balance at the beginning of the year	135,907,194	-	100,180	136,007,374
New balances during the period	67,085,420	-	21	76,085,441
Paid balances	(44,614,815)	-	(1,654)	(44,616,469)
	167,377,799	-	98,547	167,476,346
Transferred to stage one	-	-	-	-
Transferred to stage two	-	-	-	-
Transferred to stage three	-	-	-	-
The impact as a result of changing the classification among the three phases during the period	-	-	-	-
Changes due to the adjusments	3,052,506	-	-	3,052,506
Adjusment due to exchange rates fluctuations	(742,767)	-	(92)	(742,859)
Total Balance at the End of the Period	169,687,538	-	98,455	169,785,993
Balance as of December 31, 2021	135,907,194	-	100,180	136,007,374

The following is a summary of the movement on the provision for expected credit losses according to the credit stages:

Item	As of June 30, 2022 (Reviewed not audited)			
	Stage One	Stage Two	Stage Three	Total
	JD	JD	JD	JD
Balance at the beginning of the year	4,330	-	864	5,194
Credit loss during the period	3,713	-	21	3,734
Expected credit loss reversal- Paid balances	(1,059)	-	-	(1,059)
	6,984	-	885	7,869
Transferred to stage one	-	-	-	-
Transferred to stage two	-	-	-	-
Transferred to stage three	-	-	-	-
The effect on the provision as at the end of the period as a result of changing the classification between the three phases during the period	-	-	-	-
Changes due to the adjustments	823	-	-	823
Adjustment due to exchange rates fluctuations	(450)	-	(92)	(542)
Total Balance at the End of the Period	7,357	-	793	8,150
Balance as of December 31, 2021	4,330	-	864	5,194

- Non-interest-bearing balances at banks and financial institutions amounted to JD 66,444,373 as of June 30, 2022 (JD 60,085,908 as of December 31, 2021).
- Restricted balances at banks and financial institutions amounted to JD 3,744,808 as of June 30, 2022 (JD 3,740,876 as of December 31, 2021).
- The balances of banks and financial institutions are classified within the first and third stages in accordance with the requirements of IFRS No.9 and there are no transfers between the (first, second and third) stages or written off balances during the period ending June 30, 2022.

7. Deposits with banks and financial institutions-Net

This item consists of the following:

	June 30, 2022 (Reviewed Not Audited)	December 31, 2021 (Audited)
	JD	JD
Deposits maturing within 3 to 6 month	45,504,000	282,000
Deposits maturing within 9 months to 1 year	15,504,000	45,000,000
Deposits maturing within more than 1 year	29,000,000	44,000,000
Gross Balance	90,008,000	89,282,000
Less: Expected credit loss	(30,859)	(32,523)
Net Balance	89,977,141	89,249,477

- Deposits with banks and financial institutions are distributed to credit stages according as follows:

Item	As of June 30, 2022 (Reviwed not audited)			
	Stage One	Stage Two	Stage Three	Total
	JD	JD	JD	JD
Balance at the beginning of the year	89,282,000	-	-	89,282,000
New balances during the period	756,000	-	-	756,000
Paid balances	-	-	-	-
	90,038,000	-	-	90,038,000
Transferred to stage one	-	-	-	-
Transferred to stage two	-	-	-	-
Transferred to stage three	-	-	-	-
Changes due to the adjusments	-	-	-	-
Adjusment due to exchange rates fluctuations	(30,000)	-	-	(30,000)
Balance at the End of the Period	90,008,000	-	-	90,008,000
Balance as of December 31, 2021	89,282,000	-	-	89,282,000

- The following is a summary of the movement on the provision for expected credit losses according to the credit stages:

Item	As of June 30, 2022 (Reviwed not audited)			
	Stage One	Stage Two	Stage Three	Total
	JD	JD	JD	JD
Balance at the beginning of the year	32,523	-	-	32,523
Credit loss during the period	43	-	-	43
Expected credit loss reversal- Paid balances	(1,705)	-	-	(1,705)
	30,861	-	-	30,861
Transferred to stage one	-	-	-	-
Transferred to stage two	-	-	-	-
Transferred to stage three	-	-	-	-
Changes due to the adjusments	-	-	-	-
Adjusment due to exchange rates fluctuations	(2)	-	-	(2)
Total Balance at the End of the Period	30,859	-	-	30,859
Balance as of December 31, 2021	32,523	-	-	32,523

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

- Deposits with banks and financial institutions within the Hashemite Kingdom of Jordan amounted to JD 89,000,000 as of June 30, 2022 and an amount of 1,008,000 JD deposits outside the Hashemite Kingdom of Jordan as of June 30, 2022 (JD 89,000,000 within the Hashemite Kingdom of Jordan and JD 282,000 deposits outside Jordan as of December 31, 2021).

8. Financial Assets at Fair Value through Profit for Loss

This item consists of the following:

	June 30, 2022 (Reviwed not audited)	December 31, 2021 (Audited)
	JD	JD
Shares listed in local active markets	88,568	100,384
Shares unlisted in local active markets	226,833	134,039
Right to receive financial assets at fair value	15,000,000	15,000,000
	15,315,401	15,234,423

9. Financial Assets at Fair Value through Other Comprehensive Income

This item consists of the following:

	June 30, 2022 (Revised not audited)	December 31, 2021 (Audited)
	JD	JD
Shares listed in local active markets	5,032,871	5,072,478
Shares unlisted in local active markets**	1,873,822	2,615,116
Shares listed in foreign active markets	10,257,086	7,697,826
Shares unlisted in foreign active markets**	46,757,671	46,777,807
Total of equity instruments	63,921,450	62,163,227

- Cash dividends from financial assets at fair value through comprehensive income amounted to JD 664,116 for the six-month period ended June 30, 2022 (JD 504,199 for the six-month period ended June 30, 2021).

** The fair value of the unlisted investments is calculated based on the Bank's share of the net assets method using the latest audited financial statements of the investee company using observable market inputs.

10. Direct Credit Facilities at Amortized Cost-Net

This item consists of the following:

	June 30, 2022 (Revised not audited)	December 31, 2021 (Audited)
	JD	JD
Individuals (Retail):	609,224,703	596,242,926
Overdraft accounts	15,759,412	15,491,270
Loans and discounted bills*	563,931,082	551,973,514
Credit cards	29,534,209	28,778,142
Real estate loans	280,090,545	273,211,954
Corporate:	577,879,810	582,433,426
Large corporate customers	323,130,255	323,849,300
Overdraft accounts	43,542,491	36,336,526
Loans and discounted bills*	279,587,764	287,512,774
SMEs	254,749,555	258,584,126
Overdraft accounts	56,097,577	51,616,408
Loans and discounted bills*	198,651,978	206,967,718
Government and public sector	215,337,009	206,297,647
Total	1,682,532,067	1,658,185,953
<u>Less: expected credit loss provision</u>	<u>(161,847,064)</u>	<u>(158,630,986)</u>
<u>Less: Interest in suspense</u>	<u>(14,384,164)</u>	<u>(13,440,274)</u>
Net Direct Credit Facilities at amortized cost	1,506,300,839	1,486,114,693

- * Net of interest and commission received in advance amounting to JD 13,929,764 as of June 30, 2022 (JD 14,591,914 as of December 31, 2021).
- Non-performing credit facilities amounted to JD 142,395,320 representing (8.5%) of the direct credit facilities balance as of June 30, 2022 (JD 144,312,640 representing (8.7%)) as of December 31, 2021).
- Non-performing credit facilities after deducting the suspended interest amounted to JD 128,011,155 representing (7.7%) of direct credit facilities after deducting the suspended interest as of June 30, 2022 (JD 130,872,366 representing (8%)) as of December 31, 2021).
- Credit facilities granted to and guaranteed by the Jordanian Government amounted to JD 2,135,413 representing (0.13%) of total direct credit facilities as of June 30, 2022 (JD 2,528,026 representing (0.15%)) as of December 31, 2021). Moreover, credit facilities granted to the public sector in Palestine amounted to JD 46,851,889 as of June 30, 2022 (JD 62,344,097 as of December 31, 2021). Facilities granted to foreign governments amounted to JD 24,785,586 as of June 30, 2022 (JD 24,785,586 as of December 31, 2021).

Direct credit facilities was distributed to credit stages as follows:

Item	For the period ended June 30, 2022 (Revwied not audited)					
	Stage One		Stage Two		Stage Three	Total
	Individual basis	Collective basis	Individual basis	Collective basis		
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	611,018,680	760,840,231	112,095,288	29,919,114	144,312,640	1,658,185,953
New credit facilities during the period	59,566,688	81,604,525	549,224	117,709	1,912,053	143,750,199
Facilities Paid	(54,494,281)	(56,242,270)	(5,668,093)	(1,315,154)	(5,510,156)	(123,229,954)
	616,091,087	786,202,486	106,976,419	28,721,669	140,714,537	1,678,706,198
Transfer to Stage One	27,014,407	25,087,958	(27,014,407)	(24,519,848)	(568,110)	-
Transfer to Stage Two	(15,179,627)	(5,020,398)	15,799,353	6,582,938	(2,182,266)	-
Transfer to Stage Three	(723,102)	(1,393,504)	(963,044)	(1,654,099)	4,733,749	-
Effect at the end of the period– as a result of classification changes between the three stages during the period	(4,765,208)	(795,775)	(1,935,616)	(454,679)	(3,528)	(7,954,806)
Changes due to the adjustments	21,198,204	(47,436)	(7,902,571)	(104,855)	145,507	13,288,849
Written off- facilities	-	-	-	-	(74,842)	(74,842)
Adjusment due to exchange rates fluctuations	(975,358)	(36,091)	(52,156)	-	(369,727)	(1,433,332)
Total Balance at the End of the Period	642,660,403	803,997,240	84,907,978	8,571,126	142,395,320	1,682,532,067

- The movement on the expected credit loss provision at combined level was as follows:

Item	For the period ended December 31, 2021 (Audited)					
	Stage One		Stage Two		Stage Three	Total
	Individual basis	Collective basis	Individual basis	Collective basis		
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	672,800,674	725,428,348	67,873,963	15,551,080	137,962,291	1,619,616,356
Credit loss on new balances during the period	95,341,420	143,732,744	9,430,824	1,295,474	4,987,841	254,788,303
Expected credit loss reversal of matured facilities	(121,818,018)	(63,597,600)	(4,040,451)	(1,871,645)	(10,264,194)	(201,591,908)
	646,324,076	805,563,492	73,264,336	14,974,909	132,685,938	1,672,812,751
Transfer to Stage One	16,844,763	8,769,045	(16,685,918)	(7,043,386)	(1,884,504)	-
Transfer to Stage Two	(82,030,638)	(24,632,687)	82,039,367	25,589,198	(965,240)	-
Transfer to Stage Three	(6,183,952)	(7,094,929)	(390,341)	(2,507,834)	16,177,056	-
Effect on the provision at the end of the period– as a result of classification changes between the three stages during the period	3,520,201	(917,496)	(14,018,397)	(816,590)	304,349	(11,927,933)
Changes due to the adjustments	36,089,222	(20,667,796)	(10,666,108)	(270,401)	(1,018,936)	3,465,981
Written off- facilities	-	-	-	-	(107,709)	(107,709)
Adjustment due to exchange rates fluctuations	(3,544,992)	(179,398)	(1,447,651)	(6,782)	(878,314)	(6,057,137)
Total Balance at the End of the Period	611,018,680	760,840,231	112,095,288	29,919,114	144,312,640	1,658,185,953

Total direct credit facilities credit stages distribution was as follows:

Item	For the period ended June 30, 2022 (Reviewed not audited)					
	Individual Level	Collective Level	Individual Level	Collective Level	Stage Three	Total
Balance at the beginning of the year	572,036	1,090,081	28,680,240	3,330,053	124,958,576	158,630,986
New facilities during the period	188,926	143,403	4,729,495	3,458	3,309,794	8,375,076
Facilities paid	(69,399)	(106,581)	(54,205)	(1,507,843)	(5,089,672)	(6,827,700)
	691,563	1,126,903	33,355,530	1,825,668	123,178,698	160,178,362
Transferred to Stage One	88,216	446,519	(88,216)	(172,842)	(273,677)	-
Transferred to Stage Two	(18,585)	(7,678)	555,110	922,330	(1,451,177)	-
Transferred to Stage Three	(397)	(2,610)	(3,995)	(15,495)	22,497	-
Effect on the allowance at the end of the year as a result of classification changes between the three stages during the period	(39,726)	(413,519)	(478,913)	(875,590)	2,255,695	447,947
Changes due to the adjustments	21,079	1,952	1,939,041	(766)	(283,685)	1,677,621
Written-off Balances	-	-	-	-	(60,309)	(60,309)
Adjustment due to exchange rates fluctuations	(1,699)	(304)	(950)	-	(393,604)	(396,557)
Balance at the End of the Year	740,451	1,151,263	35,277,607	1,683,305	122,994,438	161,847,064

- The combined movement the total expected credit loss allowance was as follows:

Item	For the period ended December 31, 2021 (Audited)					
	Stage One		Stage Two		Stage Three	Total
	Individual Level	Collective Level	Individual Level	Collective Level		
Balance at the beginning of the year	1,804,197	3,718,047	10,368,829	5,452,368	120,382,114	141,725,555
Credit loss on new balances during the year	136,948	200,729	12,588,339	13,322	5,709,598	18,648,936
Expected credit loss reversal of matured facilities	(249,684)	(306,114)	(251,787)	(2,213,907)	(9,428,982)	(12,450,474)
	1,691,461	3,612,662	22,705,381	3,251,783	116,662,730	147,924,017
Transferred to Stage One	199,284	1,132,147	(72,544)	(62,581)	(1,196,306)	-
Transferred to Stage Two	(289,167)	(128,354)	290,116	683,557	(556,152)	-
Transferred to Stage Three	(15,283)	(49,013)	(12,626)	(23,559)	100,481	-
Effect on the allowance at the end of the year as a result of classification changes between the three stages during the year	(185,956)	(1,120,994)	5,990,318	(509,293)	11,717,126	15,891,201
Changes due to the adjustments	(820,656)	(2,354,884)	(199,320)	(8,824)	(1,108,507)	(4,492,191)
Written off- Balances	-	-	-	-	(86,312)	(86,312)
Adjustment due to exchange rates fluctuations	(7,647)	(1,483)	(21,085)	(1,030)	(574,484)	(605,729)
Balance at the End of the Year	572,036	1,090,081	28,680,240	3,330,053	124,958,576	158,630,986

Expected credit loss provision against direct credit facilities at amortized cost

The following is the movement on the expected credit loss provision per business segment

For the period ended June 30, 2022 (Reviewed not audited)					
Individuals	Real Estate Loans	Corporate		Government and Public Sector	Total
		Large Corporate Customers	SMEs		
JD	JD	JD	JD	JD	JD
44,206,303	9,037,978	66,446,361	38,768,162	172,182	158,630,986
2,122,482	595,806	1,519,641	4,070,185	66,962	8,375,076
(2,743,586)	(1,106,126)	(711,141)	(2,263,379)	(3,468)	(6,827,700)
43,585,199	8,527,658	67,254,861	40,574,968	235,676	160,178,362
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
565,990	(310,086)	(22,858)	214,901	-	447,947
3,617	147,931	735,935	862,251	(72,113)	1,677,621
(46,401)	-	-	(13,908)	-	(60,309)
(33,329)	(1,198)	(84,309)	(277,721)	-	(396,557)
44,075,076	8,364,305	67,883,629	41,360,491	163,563	161,847,064
135,524	974,293	67,793,442	41,007,210	163,563	110,074,032
43,939,552	7,390,012	90,187	353,281	-	51,773,032
44,075,076	8,364,305	67,883,629	41,360,491	163,563	161,847,064
For the period ended December 31, 2021 (Audited)					
Individuals	Real Estate Loans	Corporate		Government and Public Sector	Total
		Large Corporate Customers	SMEs		
JD	JD	JD	JD	JD	JD
44,619,633	10,087,652	53,891,144	32,789,039	338,087	141,725,555
2,623,381	1,324,385	7,052,057	7,610,359	38,754	18,648,936
(4,516,000)	(2,116,416)	(1,511,840)	(4,232,206)	(74,012)	(12,450,474)
42,727,014	9,295,621	59,431,361	36,167,192	302,829	147,924,017
3,522,570	176,107	9,101,545	3,090,979	-	15,891,201
(1,943,559)	(416,494)	(1,531,113)	(470,378)	(130,647)	(4,492,191)
(84,036)	-	-	(2,276)	-	(86,312)
(15,686)	(17,256)	(555,432)	(17,355)	-	(605,729)
44,206,303	9,037,978	66,446,361	38,768,162	172,182	158,630,986
166,180	1,043,999	66,347,935	38,365,526	172,182	106,095,822
44,040,123	7,993,979	98,426	402,636	-	52,535,164
44,206,303	9,037,978	66,446,361	38,768,162	172,182	158,630,986

Interest in Suspense:

The following is the movement on the interest in suspense:

For the period ended June 30, 2022 (Reviewed not audited)					
Corporate					
Individuals	Real Estate Loans	Large Corporates	SMEs	Total	
JD	JD	JD	JD	JD	
Balance at the Beginning of the year	2,280,404	2,013,231	3,598,390	5,548,249	13,440,274
Add: Interest suspended during the year	281,131	164,376	581,345	558,970	1,585,822
Less: Interest in suspense reversed to revenues	(204,441)	(51,577)	(74,786)	(198,932)	(529,736)
Translation differences	(5,662)	(1,369)	(28,726)	(63,024)	(98,781)
Written off or settled facilities	(13,415)	-	-	-	(13,415)
Balance at the End of the Period	2,338,017	2,124,661	4,076,223	5,845,263	14,384,164

For the period ended December 31, 2021 (Audited)					
Corporate					
Individuals	Real Estate Loans	Large Corporates	SMEs	Total	
JD	JD	JD	JD	JD	
Balance – Beginning of the year	2,148,647	1,683,760	2,763,131	4,556,165	11,151,703
Add: Interest suspended during the year	336,330	604,005	1,140,854	1,178,531	3,259,720
Less: Interest reversed to revenues	(183,298)	(260,896)	(122,048)	(124,700)	(690,942)
Transferred	791	(13,638)	(183,547)	(61,747)	(258,141)
Written off or facilities transferred to off balance sheet items	(22,066)	-	-	-	(22,066)
Balance at the end of the year	2,280,404	2,013,231	3,598,390	5,548,249	13,440,274

Credit distributed according to geographic and economic segment as follows:

	Total			
			June 30,	December 31,
	Inside the Kingdom	Outside the Kingdom	2022	2021
	JD	JD	JD	JD
Financial	8,017,790	14,117,567	22,135,357	13,894,117
Industrial	82,725,385	49,345,849	132,071,234	133,068,582
Trading	221,659,523	64,009,571	285,669,094	281,713,722
Real estate	250,259,851	29,830,694	280,090,545	273,211,954
Construction	21,845,685	7,585,201	29,430,886	37,690,163
Agriculture	9,759,632	2,920,829	12,680,461	9,359,376
Tourism, restaurants and public facilities	36,017,045	48,591,788	84,608,833	94,887,843
Stocks	12,611,163	-	12,611,163	12,873,371
Individuals	487,680,480	120,217,005	607,897,485	595,189,178
Government and public sector	140,183,021	75,153,988	215,337,009	206,297,647
Total	1,270,759,575	411,772,492	1,682,532,067	1,658,185,953

11. Financial Assets at Amortized Cost -net

This item consists of the following:

	June 30, 2022 (Reviewed not audited) JD	December 31, 2021 (audited) JD
Financial assets quoted in the market:		
Treasury bonds and bills guaranteed by the government	167,556,534	255,888,018
Corporate and banks bonds and debentures	32,689,532	37,752,732
Foreign governmental bonds	24,932,516	28,977,281
Total financial assets quoted in the market	225,178,582	322,618,031
Financial assets unquoted in the market:		
Corporate bonds and debentures	51,307,000	56,307,000
Foreign governmental bonds	1,433,791	5,382,169
Total financial assets unquoted in the market	52,740,791	61,689,169
Total Financial Assets at Amortized Cost	277,919,373	384,307,200
<u>Less:</u> Expected credit loss provision	(421,823)	(477,080)
Net financial assets at amortized cost	277,497,550	383,830,120

Analysis of bonds and bills:

	June 30, 2022 (Reviewed not audited) JD	December 31, 2021 (audited) JD
Financial assets with fixed-interest rate	272,919,373	379,307,200
Financial assets with floating interest rate	5,000,000	5,000,000
	277,919,373	384,307,200

- Financial assets at amortized cost credit stages distribution was as follows:

Item	As of June 30, 2021			Total JD
	Stage One JD	Stage Two JD	Stage Three JD	
Balance at the beginning of the year	384,307,200	-	-	384,307,200
New invesment during the period	46,067,903	-	-	46,067,903
Matured invesments	(151,882,552)	-	-	(151,882,552)
	278,492,551	-	-	278,492,551
Transferred to stage one	-	-	-	-
Transferred to stage two	-	-	-	-
Transferred to stage three	-	-	-	-
Changes due to the adjusments	(573,178)	-	-	(573,178)
Balance at the End of the Period	277,919,373	-	-	277,919,373
Balance as of December 31, 2021	384,307,200	-	-	384,307,200

- The movement on the expected credit loss provision was as follows:

Item	As of June 30, 2022 (Reviewed not audited)			
	Stage One	Stage Two	Stage Three	Total
	JD	JD	JD	JD
Balance at the beginning of the period	477,080	-	-	477,080
Impairment loss during the period	2,568	-	-	2,568
Reversed from impairment loss on matured investments	(18,999)	-	-	(18,999)
	460,649	-	-	460,649
Transferred to stage one	-	-	-	-
Transferred to stage two	-	-	-	-
Transferred to stage three	-	-	-	-
Changes due to the adjustments	(38,826)	-	-	(38,826)
Balance at the End of the Period	421,823	-	-	421,823
Balance as of December 31, 2021	477,080	-	-	477,080

The maturities of these financial assets at amortized cost are as follows:

	Up to 1 month	More than 1 Month to 3 Months	More than 3 Months to 6 Months	More than 6 Months to Year	More than 1 Year to 3 Years	More than 3 Years	Total
	JD	JD	JD	JD	JD	JD	JD
As of June 30, 2022 (Reviewed not audited)	7,092,298	55,991,163	33,073,374	43,385,459	83,556,727	54,820,352	277,919,373
As of December 31, 2021 (audited)	3,600,403	87,118,970	59,640,595	82,410,888	106,241,506	45,294,838	384,307,200

12. Property and Equipment - Net

The details of this item are as follows:

	June 30, 2022 2022 (Reviewed not audited)	December 31, 2021 (Audited)
	JD	JD
Property and equipment (A)	41,746,051	43,204,282
Right of use assets (B)	17,416,763	16,459,704
Net	59,162,814	59,663,986

- Additions during the period ended June 30, 2022 amounted to JD 1,562,298 (JD 2,629,137 for the period ended June 30, 2021), depreciation expense for the period amounted to JD 2,934,928 (JD 2,776,415 for the period ended June 30, 2021).
- Additions during the period ended June 30, 2022 amounted to JD 2,714,371 (JD 853,276 for the period ended June 30, 2021), depreciation expense for the period amounted to JD 1,724,772 (JD 1,660,857 for the period ended June 30, 2021).

13. Other Assets

This item consists of the following:

	June 30, 2022 (Reviewed not audited)	December 31, 2021 (Audited)
	JD	JD
Accrued interest and commission income	10,593,252	11,262,031
Prepaid expenses	5,835,373	3,374,186
Assets foreclosed by the Bank in repayment of non-performing debts – net*	64,004,212	63,410,703
Clearance cheques	2,235,461	994,110
Paid guarantees	2,508,495	2,094,650
Advanced payments on the acquisition of lands and real estates	244,390	244,132
Prepaid tax expenses	4,602,531	6,463,301
Financial derivatives - assets	1,068,847	-
Accounts receivables and other debit balances	6,446,717	5,499,070
	97,539,278	93,342,183

- * The following is the movement on the assets foreclosed by the Bank in repayment of non-performing debts:

	Foreclosed Assets	
	For the Six- Month Period Ended on June 30, 2022	For the Year Ended on December 31, 2021
	JD	JD
Balance at the Beginning of the Period/Year	73,140,691	68,067,305
Additions during the period/ year	2,433,697	7,641,983
Disposals during the period/ year	(790,255)	(2,568,597)
End of the period/year balance	74,784,133	73,140,691
Impairment provision of assets foreclosed by the Bank	(10,779,921)	(9,729,988)
Balance at the End of the Period/Year	64,004,212	63,410,703

- According to the Jordanian Banks' Law, buildings and plots of lands foreclosed by the Bank in repayment of debts from clients should be sold within two years from the foreclosure date. However, the Central Bank of Jordan may extend this period for two additional years in exceptional cases.
- In accordance with the Central Bank of Jordan Circular No. 10/1/4076 dated March 27, 2014, At the beginning of 2015 the Bank has started to calculate gradual provision against the Seized assets by the bank in exchange of credit facilities that have been in possession for more than 4 years, According to the Central Bank Circular No 10/1/2510 dated on February 14 ,2017, Noting that the Central Bank has issued subsequent circulars which it confirmed postponing the provision calculation the last of which was the circular no 10/3/13246 on September 12, 2021, so that the deduction of the required provisions starting from the year 2022 by 5% of its book value annually so that the required percentage of 50% of the book value of these properties is reached by the end of 2030.
- The movement on Provision for assets foreclosed by The Bank was as follow:

	For the Six- Month Period Ended on June 30, 2022 (Reviewed not audited)	For the Year Ended on December 31, 2021 (Audited)
	JD	JD
Balance at the Beginning of the Period/Year	9,729,988	9,999,844
Additional (Reversal) during the Period/Year	1,049,933	(269,856)
Balance at the End of the Period/Year	10,779,921	9,729,988

14. Banks and Financial Institutions Deposits

This item consist of the following:

	June 30, 2022 (reviewed not audited)			December 31, 2021 (Audited)		
	Domestic	Foreign	Total	Domestic	Foreign	Total
	JD	JD	JD	JD	JD	JD
Current accounts and demand deposits	-	9,995,454	9,995,454	-	8,496,971	8,496,971
Time deposit maturing in 3 months	7,090,000	57,394,000	64,484,000	-	34,079,000	34,079,000
Time deposit maturing in 3-6 months	-	-	-	-	282,000	282,000
Time deposit maturing in 9-12 months	-	252,000	252,000	-	-	-
Time deposit maturing after more than one year	-	50,937,867	50,937,867	-	50,937,867	50,937,867
	7,090,000	118,579,321	125,669,321	-	93,795,838	93,795,838

15. Customer Deposits

Details of this item are as follows:

June 30, 2022 (reviewed not audited)

Description	Government and				Total
	Individuals	Corporates	SME's	Public sector	
	JD	JD	JD	JD	JD
Current accounts and demand deposits	369,990,028	55,168,626	103,611,822	4,752,570	533,523,046
Saving deposits	916,085,084	5,353	1,625,502	8,642	917,724,581
Term deposits	356,852,766	47,730,187	44,798,815	9,207,205	458,588,973
Certificates of deposits	49,861,837	13,000	110,000	-	49,984,837
Total	1,692,789,715	102,917,166	150,146,139	13,968,417	1,959,821,437

December 31, 2021 (Audited)

Description	Government and				Total
	Individuals	Corporates	SME's	Public sector	
	JD	JD	JD	JD	JD
Current accounts and demand deposits	404,958,782	58,032,868	101,226,542	4,755,390	568,973,582
Saving deposits	914,524,455	776	1,893,438	13,023	916,431,692
Term deposits	328,349,107	25,189,775	37,385,291	8,262,864	399,187,037
Certificates of deposits	22,619,329	819,000	-	-	23,438,329
Total	1,670,451,673	84,042,419	140,505,271	13,031,277	1,908,030,640

- Government and Public Sector deposits in Jordan amounted to JD 9,050,417 equivalent to 0.47%% of total deposits as of June 30, 2022 (JD 8,143,597 equivalent to 0/43 % of total deposits for as of December 31,2021).

- Non-interest bearing deposits amounted to JD 723,969,664 equivalent to 36.94%% of total deposits as of June 30, 2022 (JD 767,162,072 equivalent to 40/21% of total deposits s of December 31,2021).

- Restricted deposits amounted to JD 20,141,433 equivalent to 1.03%% of total deposits as of June 30, 2022 (JD 21,150,044 equivalent to 1/11 % of total deposits as of December 31, 2021).

- Dormant deposits amounted to JD 61,365,638 as of June 30, 2022 (JD 73,684,908as of December 31, 2021).

16. Sundry Provisions

Details of this item are as follows:

<u>For the Six-Month Period Ended June 30, 2022 (Reviewed not audited)</u>	Beginning Balance for the Period/Year	Provision Created During the Period/Year	Provision used During the Period/Year	Foreign Currencies Differences	Ending Balance for the Period / Year
	JD	JD	JD	JD	JD
Provision for end-of-service indemnity	4,382,980	395,583	(226,748)	-	4,551,815
Provision for lawsuits raised against the bank	764,385	96,082	(161,209)	-	699,258
Other provisions	8,868	-	-	(944)	7,924
	5,156,233	491,665	(387,957)	(944)	5,258,997
<u>For the Year Ended December 31, 2021 (Audited)</u>					
Provision for end-of-service indemnity	4,253,672	385,350	(256,042)	-	4,382,980
Provision for lawsuits raised against the bank	832,435	97,767	(165,817)	-	764,385
Other provisions	216,043	167	(99,321)	(108,021)	8,868
	5,302,150	483,284	(521,180)	(108,021)	5,156,233

17. Income Tax

A. Income tax provision

The movement on the income tax provision is as follows:

	For the Six- Month Period Ended June 30, 2022 (Reviewed not audited)	For the Year Ended December 31, 2021 (Audited)
	JD	JD
Balance at the Beginning of the period/year	20,055,494	19,881,866
Income tax paid	(16,017,421)	(18,161,428)
Accrued Income tax	9,143,397	18,335,056
Balance at the End of the period/year	13,181,470	20,055,494

Income tax expense presented in the consolidated condensed interim statement of Profit or Loss represents the following:

	For the Six-Month Period Ended June 30, (Reviewed not audited)	
	2022	2021
	JD	JD
Income tax on current period profit	9,055,197	9,954,447
Prior years income tax	209,888	-
Deferred tax assets for the period – addition	(2,536,138)	(6,420,584)
Amortization of deferred tax assets	1,289,323	2,991,758
	8,018,270	6,525,621

B. Deferred Tax Assets

The details of this item are as follows:

Accounts Included	For the Six-Month Period Ended June 30, 2022 (reviewed not audited)			For the Year Ended December 31, 2021 (Audited)	
	Balance at the Beginning of the Year	Amounts Released	Amounts Added	Balance at the End of the Year	Deferred Tax
	JD	JD	JD	JD	JD
Deferred Tax Assets:					
Provisions for non-performing debts	25,087,062	-	3,160,000	28,247,062	10,733,884
Provision for non-performing debts previous years	9,385,573	2,951,072	-	6,434,501	2,225,735
Provision for staff end-of-service indemnity	4,298,613	198,972	374,754	4,474,395	1,297,614
Interests in suspense	728,672	677	-	727,995	176,585
Provision for lawsuits raised against the Bank	764,385	161,209	96,082	699,258	249,790
Impairment of assets foreclosed by the Bank	9,729,988	-	1,049,933	10,779,921	3,855,401
Impairment of assets available for sale	62,831	-	-	62,831	23,876
Revaluation of assets foreclosed by Bank	837,287	-	-	837,287	318,169
Expected credit loss provision	16,501,642	129,192	2,055,141	18,427,591	6,922,460
	67,396,053	3,441,122	6,735,910	70,690,841	25,803,514
C. Deferred Tax Liabilities					
Fair value reserve	529,747	-	112,053	641,800	63,023
					51,871

The movement of deferred tax assets and liabilities as follows :

	Deferred tax assets		Deferred tax liabilities	
	For the Six-Month Period Ended June 30, 2022 (reviewed not audited)	For the Year Ended December 31, 2021 (Audited)	For the Six-Month Period Ended June 30, 2022 (reviewed not audited)	For the Year Ended December 31, 2021 (Audited)
	JD	JD	JD	JD
Balance- beginning of the period/year	24,556,699	21,808,399	51,871	48,946
Addition during the period/year	2,536,138	4,797,947	11,152	3,930
Amortized during the period/year	(1,289,323)	(2,049,647)	-	(1,005)
Balance- Ending of the Period / Year	25,803,514	24,556,699	63,023	51,871

*The percentage of tax used in the calculation of deferred taxes is the rate in force in the countries where the Bank is operated.

The legal income tax rate in Jordan is 38% for banks, knowing that the legal income tax rate in Palestine in which the bank has investments and branches is 15%, and in Syria (a subsidiary company) 25% and subsidiaries in Jordan 28%.

- A final settlement was reached with the Income and Sales Tax Department in Jordan up to the end of 2018, and the bank submitted its annual tax returns for the years 2019, 2020 and 2021 and paid the required amounts according to the law, however no final settlement was reached with the Income and Sales Tax Department for those years yet. In the opinion of management and its legal and tax advisors, the bank will not have any obligations in excess of the provisions that were booked in the condensed consolidated interim financial information.
 - A final settlement was reached with the Income tax and VAT departments on the results of the bank's operations in Palestine until the end of the year 2020. In the opinion of management and its tax advisor current booked provisions are sufficient to pay the tax obligations.
 - A final settlement was reached with the Income and Sales Tax Department in Jordan with regard to Excel for Financial Investments Company (Subsidiary) until the end of year 2019. The company submitted its tax return for the year 2020 and paid related taxes but still not reviewed by the Income and Sales Tax Department Yet, In the opinion of management and its tax advisor current booked provisions are sufficient to pay the tax obligations.
 - A final settlement was reached with the Income and Sales Tax Department in Jordan with regard to Jordan Leasing Company (Subsidiary) until the end of year 2019, the company submitted its tax return for the years 2018 and 2020 and paid related taxes but still not reviewed by the Income and Sales Tax Department Yet, In the opinion of management and its tax advisor current booked provisions are sufficient to pay the tax obligations.
 - The Bank calculated the accrued income tax for the period ended June 30, 2022 for the Bank and its subsidiary Companies and external branches. In the opinion of the management and its tax consultant, the balance is sufficient to meet the tax commitments as of that date.
- D. The following is a summary of the reconciliation between accounting profit and taxable profit:

	For the Six-Month Period Ended June 30,	
	2022 (Reviewed not audited)	2021 (Reviewed not audited)
	JD	JD
Accounting profit	25,049,100	22,865,872
Non-taxable income	(21,303,066)	(7,071,540)
Non-taxable Expenses	24,178,623	18,352,070
Taxable income	27,924,657	34,146,402
Actual income tax rate	32.4%	%29.2

18. Borrowed Funds

The details of this item are as follows:

June 30, 2021	Amount JD	Number of Installments		Periodic Installments Maturity	Collaterals	Price of Borrowing Interest
		In Total	The Remaining			
Borrowing from Central Banks*	33,291,041	24-108	60-2	Monthly	Treasury bonds and bills	Zero - 1 %
Borrowing from Jordan mortgage refinance company**	15,000,000	1	1	One payment	Assigning mortgage bonds for the company	4,15%
Lease liabilities***	16,607,846	869	485	Quarterly, annually	None	5,4%
Total	<u>64,898,887</u>					

December 31, 2021 (Audited)	Amount JD	Number of Installments		Periodic Installments Maturity	Collaterals	Price of Borrowing Interest
		In Total	The Remaining			
Borrowing from the Central Bank of Jordan*	41,560,368	24-108	3-66	Monthly	Treasury Bonds and bills	Zero -1%
Borrowing from Jordan mortgage refinance Company	15,000,000	1	1	One payment	Assigning mortgage bounds for the company	4.15%
Lease liabilities ***	15,578,959	838	482	Annually	None	Average 5.75 %
Total	<u>72,139,327</u>					

* The above amounts were re-financed to the bank's customers within the SME and large corporates at interest rates ranging from 2% to 6,83%.

- This balance is borrowed at a fixed interest rate, and there is no borrowing at floating interest rates, zero interest borrowings related to loans issued by the Central Bank of Jordan amounted to 22,882,354 as of June 30, 2022.

** This item represents borrowing from Jordan Mortgage Refinance Company which is due in one payment on 30 June 2022.

*** Lease liabilities against right of use of assets :

	June 30, 2022 (Reviewed Not Audited) JD	December 31, 2021 (Audited) JD
Maturity analysis - undiscounted contractual cash flows		
Less than one year	3,178,206	3,424,483
Year to five years	11,550,096	10,700,014
More than five years	7,574,297	6,595,172
Total undiscounted lease obligations	22,302,599	20,719,669
Discounted lease obligations included in the consolidated condensed interim statement of financial position	16,607,846	15,578,959
Within one year	1,936,266	2,615,263
More than one year	14,671,580	12,963,696

19. Other Liabilities

The details of this item as follows:

	June 30, 2022 JD	December 31, 2021 JD
Accrued interest payable	3,972,171	3,181,123
Accepted deferred cheques	12,862,173	9,781,208
Temporary deposits	5,823,201	7,756,932
Dividends payable	3,097,794	2,605,617
Deposits on safe boxes	173,436	174,455
Margins against sold real estate	154,000	65,000
Financial derivatives – liabilities	-	5,448
Expected credit loss provision against indirect credit facilities **	7,764,134	7,694,926
Other liabilities*	10,353,562	10,986,284
	44,200,471	42,250,993

* The details of other liabilities are as follows:

	June 30, 2022 JD	December 31, 2021 JD
Social security deposits	289,241	283,703
Income tax deposits	293,795	315,834
Accrued expenses	7,397,302	8,438,566
Incoming transfers	1,093,546	393,462
Board of Directors' members remuneration	27,500	55,000
Other credit balances	1,252,178	1,499,719
	10,353,562	10,986,284

** This balance represents the expected credit loss provision against indirect credit facilities, Indirect credit facilities balances distribution at combined level was as follows:

As of June 30, 2022 (Reviewed not Audited)						
Item	Stage One		Stage Two		Stage Three	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	352,723,215	63,088,221	28,348,138	726,223	10,980,895	455,866,692
New exposures during the period	65,004,394	15,481,958	695,158	2,468	2,832	72,186,810
Accrued exposures	(28,353,039)	(9,590,412)	(1,454,318)	(71,544)	(103,418)	(39,572,731)
	380,374,570	68,979,767	27,588,978	657,147	10,880,309	488,480,771
Transferred to stage one	11,640,793	476,775	(11,634,793)	(476,775)	(6,000)	-
Transferred to stage two	(11,893,348)	(192,863)	11,893,348	192,863	-	-
Transferred to stage three	(60,839)	(55,670)	(1,025,883)	(55,040)	1,197,432	-
Changes due to the adjustments	2,114,588	247,938	(6,857,637)	7,274	(145,765)	(4,633,602)
Effect as a result of classification changes between the three stages during the period	(30,558,324)	-	724,117	10,480	-	(29,823,727)
Adjustment due to exchange rates fluctuations	(409,064)	-	(121,146)	-	(9,927)	(540,137)
Balance at the End of the Period	351,208,376	69,455,947	20,556,984	335,949	11,916,049	453,483,305

- Expected credit loss provision distribution against indirect credit facilities as of June 30, 2022 was as follows:

As of June 30, 2022 (Reviewed not Audited)						
Item	Stage One		Stage Two		Stage Three	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	322,299	116,345	336,313	6,274	7,013,695	7,694,926
Impairment loss on new exposures during the period	50,024	28,580	3,963	20	143,177	225,764
Impairment loss over accrued exposures	(51,653)	(17,715)	(38,797)	(619)	(66,378)	(175,162)
	320,670	127,210	201,479	5,675	7,090,494	7,745,528
Transferred to stage one	63,354	4,115	(59,456)	(4,115)	(3,898)	-
Transferred to stage two	(17,703)	(355)	17,703	355	-	-
Transferred to stage three	(32)	(102)	(2,158)	(476)	2,768	-
Effect as a result of classification changes between the three stages during the period					(202)	
Changes due to the adjustments	(51,083)	(2,780)	24,171	1,373		(28,521)
Written – off facilities	3,666	-	53,532	91	-	57,289
Adjustment due to exchange rates fluctuations	(93)	-	(254)	-	(9,815)	(10,162)
Balance at the End of the Period	318,779	128,088	235,017	2,903	7,079,347	7,764,134

As of December 31, 2021 (Audited)

Item	Stage One		Stage Two		Stage Three	Total
	Individual	Collective	Individual	Collective	Three	
	JD	JD	JD	JD	JD	JD
Balance at the Beginning of the Year	362,976,823	65,621,764	27,917,115	462,355	11,566,466	468,544,523
New exposures during the year	69,660,469	9,541,348	1,569,417	103,170	96,997	80,971,401
Accrued exposures	(45,653,756)	(1,916,939)	(3,997,145)	(22,573)	(713,228)	(52,303,641)
	386,983,536	73,246,173	25,489,387	542,952	10,950,235	497,212,283
Transferred to stage one	2,934,695	201,908	(2,932,695)	(201,908)	(2,000)	-
Transferred to stage two	(22,540,660)	(600,561)	22,550,660	600,561	(10,000)	-
Transferred to stage three	(219,442)	(274,355)	(68,372)	(46,231)	616,743	8,343
Effect as a result of classification changes between the three stages during the year	2,002,292	125,870	(1,147,833)	(131,478)	(573,765)	275,086
Changes due to the adjustments	(14,866,681)	(9,610,814)	(15,410,541)	(37,673)	-	(39,925,709)
Adjustments due to exchange rates						
Fluctuations	(1,570,525)	-	(132,468)	-	(318)	(1,703,311)
Balance at the End of the Year	352,723,215	63,088,221	28,348,138	726,223	10,980,895	455,866,692

* Expected credit loss provision movement against indirect credit facilities during the period / year was as follows:

Item	Stage One		Stage Two		Stage Three	Total
	Individual	Collective	Individual	Collective	Three	
	JD	JD	JD	JD	JD	JD
Balance at the Beginning of the year	590,584	460,649	158,736	5,617	7,629,567	8,845,153
Credit loss on new exposures during the year	101,580	17,593	3,100	891	213,481	336,645
Impairment loss over accrued exposures	(69,369)	(13,901)	(46,063)	(267)	(839,091)	(968,691)
	622,795	464,341	115,773	6,241	7,003,957	8,213,107
Transferred to stage one	25,820	2,450	(24,482)	(2,450)	(1,338)	-
Transferred to stage two	(55,323)	(4,207)	62,196	4,207	(6,873)	-
Transferred to stage three	(512)	(1,912)	(2,150)	(562)	5,136	-
Effect on the provision at the end of the year – as a result of classification changes between the three stages during the period	(18,947)	(1,845)	119,305	(158)	12,821	111,176
Changes due to the adjustments	(238,658)	(342,482)	(34,026)	(1,004)	-	(616,170)
Adjustment due to exchange rates						
fluctuations	(12,876)	-	(303)	-	(8)	(13,187)
Balance at the End of the Year	322,299	116,345	236,313	6,274	7,013,695	7,694,926

20. Fair Value Reserve

The movement of the fair value reserve was as follows:

	June 30, 2022 (Reviewed not Audited)	December 31, 2021 (Audited)
	JD	JD
Balance at the Beginnings of the Period/Year	(3,979,324)	(6,092,218)
Unrealized gains – Equity instruments	1,764,623	2,734,811
Expected credit loss provision – debt instruments	-	(212,204)
Debt instruments at fair value through comprehensive income transferred to profit or loss as a result of the sale	-	(406,788)
Deferred Tax Liabilities	(11,152)	(2,925)
Balance at the End of the Period/Year*	(2,225,853)	(3,979,324)

* The fair value reserve is presented net of deferred tax amounted to JD 63,023 as of June 30, 2022 (51,871 JD on 31 Dec.2022)

21. Retained Earnings

The details of this item are as follows:

	June 30, 2022	December 31, 2021
	JD	JD
Balance - beginning for the period/year	176,032,362	165,814,735
Effect of applying IFRS(29)		3,824,745
Adjusted Balance beginning of the year	176,032,362	169,639,480
distributed dividends	(36,000,000)	(24,000,000)
Income for the year	-	36,008,748
Amount transferred to reserves	-	(6,518,732)
Foreign exchange differences	80,991	902,866
Balance at the End of the Period/Year	140,113,353	176,032,362

- Retained earnings include an amount of JD 25,803,514 restricted against deferred tax assets as of June 30, 2022 (JD 24,556,699 as of December 31, 2021).
- Retained earnings include an amount of JD 439,810 as of June 30, 2022 which represents the effect of early adoption of IFRS (9), These restricted amounts cannot be utilized unless realized as instructed by Jordan Securities Exchange Commission.
- Retained earnings include an amount of JD 813,437 as of June 30, 2022 that cannot be utilized through distribution or any other purposes unless there are a former approval from the Central Bank of Jordan resulting from application of Central Bank of Jordan Circular no, 10/1/1359 dated January 25, 2018.

* According to the ordinary general assembly meeting held on 31 Mar.2022 , it was decided to distribute cash dividends to shareholders at the rate of 18% of the capital, equivalent to JD 36 million .

22. Foreign Currency Translation Differences

This item represents the net difference resulting from the translation of the net investment in the subsidiary (Bank of Jordan, Syria) on consolidation of the financial statements.

- The movement on this item during the period/year is as follows:

	June 30, 2022 (Reviewed not Audited)	December 31, 2021 (Audited)
	JD	JD
Balance at the Beginning of the period/year	(13,009,685)	(12,855,521)
Changes in the translation of net investment in the subsidiary Company during the period/year	(7,209)	(154,164)
Balance at the End of the Period/Year	<u>(13,016,894)</u>	<u>(13,009,685)</u>

23. Reserve

- Statuary Reserve

The accumulated amount in this account represents the transferred amounts from the annual net income before tax at 10% during the year and previous years according to the Banks Law and Companies Law. This reserve cannot be distributed to shareholders, the appropriation to this reserve is to be performed at the end of the year.

- Voluntary Reserve

The accumulated amount in this account represents the transferred amounts from the annual net income before tax at 10% during the previous years, this reserve will be used for purposes that approved by the board of directors. Moreover, the general assembly has the right to capitalize or distribute the whole reserve or part thereof as dividends.

- General Banking Risks Reserves

This item represents a general bank risk reserve in accordance with the instructions of the Central Bank of Jordan. The balance of the general bank risk reserve has been transferred to retained earnings as of January 1, 2018. According to Central Bank of Jordan Circular No, 1359/1/10 of January 25, 2018 and the instructions of the Central Bank of Jordan No, 13/2018 of June 6, 2018 and other regulatory authorities.

- Special Reserve

This reserve represents the periodic fluctuation reserve that calculated according to the instructions of the Palestinian Monetary Authority which is related to the Bank's branches operating in Palestine.

The restricted reserves are as follows:

Reserve	Amount	Nature of Restriction
	JD	
Legal reserve	104,357,249	Companies and Banks Laws
General banking risks reserve	4,102,021	Regulatory bodies requirements
Special reserve	5,849,743	Regulatory bodies requirements

24. Interest Income

The details of this item are as follows:

For the Six-Month Period Ended June 30, (Reviewed not Audited)		
	2022	2021
	JD	JD
Direct credit facilities:		
Individuals (Retail):	23,540,667	22,999,878
Overdraft accounts	667,369	691,705
Loans and discounted bills	20,588,955	20,116,750
Credit cards	2,284,343	2,191,423
Real estate loans	8,441,784	8,434,009
Corporate:	16,893,219	18,454,297
Large corporate customers:	8,907,217	10,860,363
Overdraft accounts	1,641,609	2,325,974
Loans and discounted bills	7,265,608	8,534,389
SMEs:	7,986,002	7,593,934
Overdraft accounts	1,505,269	1,924,676
Loans and discounted bills	6,480,733	5,669,258
Government and public sector	6,010,062	4,234,016
Balances with central banks	1,404,157	1,084,830
Balances and deposits with banks and financial institutions	2,136,045	1,944,400
Financial assets at amortized cost	6,168,575	7,149,672
Financial assets at fair value through comprehensive income	-	94,754
	64,594,509	64,395,856

25. Interest Expense

The details of this item are as follows:

For the Six-Month Period Ended on June 30, (Reviewed not Audited)		
	2022	2021
	JD	JD
Banks and financial institution deposits	931,374	823,129
Customers' deposits:		
Current and demand accounts	1,827	1,805
Saving deposits	1,032,001	1,075,735
Time and notice deposits	5,382,165	5,127,341
Certificates of deposit	801,314	659,314
Borrowed funds	355,583	520,818
Cash margins	851,177	805,912
Deposits insurance fees	1,426,100	1,168,653
Lease liabilities interest	504,740	452,842
	11,286,281	10,635,549

26. Gain from Financial Assets at Fair Value through Profit or Loss

The details of this item are as follows:

**For the Six-Month Period
Ended June 30, 2022
(Reviewed not Audited)**

	Realized Gains	Unrealized Gain	Dividends	Total
	JD	JD	JD	JD
Shares	-	80,978	21,480	102,458
	-	80,978	21,480	102,458

**For the Six-Month Period
Ended June 30, 2021
(Reviewed not Audited)**

	Realized Gains	Unrealized Gain	Dividends	Total
	JD	JD	JD	JD
Shares	-	87,364	-	87,364
	-	87,364	-	87,364

27. Other Income

The details of this item are as follows:

	For the Six-Month Period Ended on June 30,	
	2022	2021
	(Reviewed not Audited)	(Reviewed not Audited)
	JD	JD
Revenues returned from written-off debts	400,601	652,636
Gain from the sale of assets foreclosed by the Bank	561,102	105,929
Income from Telephone, post and swift	190,606	193,999
Rents received from the Bank's real estate	105,098	79,005
Gains (Losses) from the sale and disposal of property and equipment	32,091	67,277
Interest in suspense reversed to income	529,736	352,000
Other Income	438,744	589,245
	2,257,978	2,040,091

28. Expected Credit Loss on Financial Assets

The details of this item are as follows:

	For the Six-Month Period Ended June 30,	
	2022	2021
	(Reviewed not Audited)	(Reviewed not Audited)
	JD	JD
Balances with Central Banks	(5,397)	47,069
Balances with Banks and financial institutions	3,498	1,426
Deposits at Banks and financial institutions	(1,662)	(11,693)
Financial assets through comprehensive income – debt securities	-	(212,204)
Direct credit facilities at amortized cost	3,672,944	12,749,311
Financial assets at amortized cost	(55,257)	(300,834)
Off-Balance sheet items	79,370	(863,262)
	3,693,496	11,409,813

29. Earnings per Share from Profit for the Period

The details of this item are as follows:

	For the Six-Month Period Ended June 30,	
	2022 (Reviewed not Audited)	2021 (Reviewed not Audited)
	JD	JD
Profit for the period (Bank's shareholders)	16,840,529	16,190,824
Weighted average number of shares	200,000,000	200,000,000
Net income for the period/share (Bank's shareholders):		
Basic	0.084	0.081
Diluted	0.084	0.081

30. Cash and Cash Equivalents

The details of this item are as follows:

	As of June 30,	
	2022 (Reviewed not Audited)	2021 (Reviewed not Audited)
	JD	JD
Cash and balances with central Banks maturing within 3 months	471,012,458	329,057,941
<u>Add:</u> Balances with banks and other financial Institutions maturing within 3 months	169,785,993	125,724,384
<u>Less:</u> Banks and financial institutions' deposits maturing within 3 months	(74,479,454)	(20,669,356)
Restricted balances	(92,622,747)	(97,607,880)
	473,696,250	336,505,089

31. Capital Management

Capital Components:

- Paid-up Capital:

The paid-up capital of Bank of Jordan consists of (200) million ordinary shares at a nominal value of 1 JD per share. The Bank maintains capital, statutory reserves, and retained earnings to meet the growth in its operations and the requirements of branching locally and regionally.

- Regulatory Capital:

Regulatory capital is considered a control tool according to the requirements of regulatory authorities and Basel (III) for the purposes of achieving control over the adequacy of capital and the ratio of regulatory capital to risky and weighted assets and market risk. Regulatory capital consists of:

- (Paid-up capital, legal reserve, voluntary reserve, and retained earnings).
- (Undisclosed reserves, general banking risks reserve, special reserve subordinated debts, and the positive fair value reserve at 100% and deduct regulatory adjustments according Basel III).
- Foreign currency translation differences.

- Regulatory Authorities' Requirements:

The regulatory authorities' instructions entail that the minimum capital shall be JD (100) million and the capital adequacy ratio not less than 12% in accordance with the central bank of Jordan and For the purposes of classifying the bank in the first category, the capital adequacy ratio must not be less than 14% and if the bank is classified as a d-SIBS bank, the capital adequacy ratio should not be less than (14% + the capital required of locally important banks by the category to which the bank belongs), The ratio of owners' equity to total assets (financial leverage ratios) must not be less than 4%.

- Achieving the Objectives of Capital Management:

The Bank's management aims at achieving the capital management objectives through developing (enhancing) the Bank's activities, achieving a surplus in operating profits and revenue, and optimally investing available funds. All of this is geared towards reaching the targeted growth in owners' equity through the increase in the compulsory reserve at 10% of the profits earned, voluntary reserve at 20%, and retained earnings.

The regulatory capital and capital adequacy ratio according to the standard approach was as follows:

	In JD Thousands	
	June 30, 2022 (Reviewed not Audited)	December 31, 2021 (Audited)
<u>Regulatory capital for ordinary shares holders (CETI):</u>		
Subscribed and paid-up capital	200,000	200,000
Statutory reserve	104,357	104,363
Voluntary reserve	44	49
Other reserves	5,850	5,850
Fair value reserve	(2,226)	(3,979)
Retained earnings	120,860	138,779
Profit for the period	17,031	-
Minority interest in the capital of subsidiaries	4,999	4,491
<u>Less: Regulatory capital adjustments</u>	<u>(46,532)</u>	<u>(45,579)</u>
Total Primary Capital for ordinary shareholders (CETI)	404,383	403,974
<u>Additional Capital Items</u>		
Provision balance against debt instruments included in (Stage 1) not exceeding 1.25% of total risk weighted assets	2,907	2,441
General banking risk reserve	4,102	4,102
Total additional capital	7,009	6,543
Total regulatory capital	411,392	410,517
Total risk weighted assets	2,134,758	2,137,711
Capital adequacy ratio (%)	19.27%	19.20%
Regulatory capital for ordinary shareholders (CETI)	18.94%	18.90%
Capital adequacy for first layer (%)	18.94%	18.90%

b. Liquidity Coverage Ratio:

The average liquidity coverage ratio reached 175.3% For the Six month period ended June 30, 2022 in comparison to 185.3% as of December 31, 2021.

The Actual liquidity coverage ratio reached 206.6% as of June 30, 2022 in comparison to 195.1% as of December 31, 2021.

32. Information on the Bank's Business Segments

1. The Bank's business segments are:

The Bank is organized for management purposes in a manner that allows measurement of its segments according to reports used by its Chief Executive Officer and main decision-makers through the following main segments:

- Retail Banking: includes following up on individual customers' accounts, granting them loans, credit, credit cards, and other services.
- Corporate Banking: includes following up on deposits, credit facilities, and other banking services pertinent to corporate customers.
- Treasury: includes providing dealing and treasury services and management of the Bank's funds.

1- Information about Bank business segments distributed in accordance with the activities is as follows:

	Individuals	Corporates	Treasury	Financial Brokerage	Other	Total	
						For the Six-Month Period ended June 30,	
						2022 (Reviewed not audited)	2021 (Reviewed not audited)
	JD	JD	JD	JD	JD	JD	JD
Total Income	29,772,181	26,244,706	11,572,673	125,386	1,252,356	68,967,302	68,741,763
Expected credit loss on financial assets	(708,384)	(3,023,418)	37,935	470	-	(3,693,496)	(11,409,813)
Segments operations results	29,063,698	23,221,288	11,610,608	125,856	1,252,356	65,273,806	57,331,950
Non-distributed expenses	(24,216,743)	(9,612,426)	(1,374,572)	(86,325)	(4,944,640)	(40,224,706)	(34,466,078)
Profit before tax	4,846,955	13,608,862	10,236,036	49,531	(3,692,284)	25,049,100	22,865,872
Income tax	(1,424,531)	(3,729,062)	(3,011,911)	(26,330)	173,563	(8,018,270)	(6,525,621)
Net profit for the Period	3,422,424	9,879,800	7,224,125	23,201	(3,518,720)	17,030,830	16,340,251
Other information							
Capital Expenditures	674,331	36,999	-		850,968	1,562,298	2,629,137
Depreciation and amortization	3,003,883	106,413	8,362	8,668	2,256,064	5,383,390	5,171,390
						June 30, 2022 (Reviewed not audited)	December 31, 2021 (audited)
Total Assets	826,005,955	701,304,567	1,106,639,115	1,463,433	159,133,366	2,794,546,436	2,740,204,448
Total Liabilities	1,744,371,063	381,528,431	155,535,249	545,143	43,599,209	2,325,579,095	2,254,139,472

2. Information about Geographical Distribution:

This item represents the geographical distribution of the Bank's activities. The Bank conducts its activities mainly in Jordan, representing local activities. Additionally, the Bank performs international activities in Middle East, Europe, Asia, United States, Far East, which represent, international operation.

The following is the geographical distribution of the Bank's revenue, assets, and capital expenses according to geographical location:

	Inside the Kingdom		Outside the Kingdom		Total	
	June 30		June 30		June 30	
	2022	2021	2022	2021	2022	2021
	(Reviewed not Audited)	(Reviewed not Audited)	(Reviewed not Audited)	(Reviewed not Audited)	(Reviewed not Audited)	(Reviewed not Audited)
	JD	JD	JD	JD	JD	JD
Total Revenues	63,125,407	62,185,828	17,647,894	17,764,603	80,773,301	79,950,431
Capital Expenditures	811,349	2,018,941	750,949	610,196	1,562,298	2,629,137

	Inside the Kingdom		Outside the Kingdom		Total	
	June 30, 2022	December 31, 2021	June 30, 2022	December 31, 2021	June 30, 2022	December 31, 2021
	(Reviewed Not Audited)	(Audited)	(Reviewed Not Audited)	(Audited)	(Reviewed Not Audited)	(Audited)
	JD	JD	JD	JD	JD	JD
Total Assets	1,946,913,762	1,854,549,551	847,632,674	885,654,897	2,794,546,436	2,740,204,448

Financial intermediary services : this sector include buy and sell securities for customer ,investment responsibilities , financial advisor , secure saving and managing primary issuance services .

33- Credit risk exposure

1- Exposure distribution according to economic sectors:

A. Exposure distribution according to financial instruments

Item	As of June 30, 2022 (Reviewed not audited)									
	Finance	Manufacturing	Commerce	Real estate	Agriculture	Tourism, Restaurants and public facilities	Stocks	Individual	Government and public sector	Total
Balances with central banks	396,767,628									396,767,628
Balances with banks and financial institutions	169,777,843									169,777,843
Deposits with banks and financial institutions	89,977,141									89,977,141
Direct credit facilities at amortized cost	21,942,398	123,048,448	203,696,536	284,846,704	11,498,802	72,013,153	12,604,761	561,476,591	215,173,446	1,506,300,839
Bonds and treasury bills:										
within financial assets at amortized cost	67,438,592	13,416,080	2,834,119						193,808,759	277,497,550
Total/ Current period	745,903,602	136,464,528	206,530,655	284,846,704	11,498,802	72,013,153	12,604,761	561,476,591	408,982,205	2,440,321,001
Financial guarantees	13,138,707	6,581,544	24,496,595	13,724,800	222,928	12,495,094	46,897	2,554,527	-	73,261,092
Letter of credit and acceptances	2,255,413	7,539,853	9,780,087	366,076	2,364,122	846,225	-	-		23,151,776
Un-utilized balances	50,901,824	64,430,008	125,236,378	14,434,550	2,723,722	20,967,253	879,764	69,711,981	20,823	349,306,303
Total as of June 30	812,199,546	215,015,933	366,043,715	313,372,130	16,809,574	106,321,725	13,531,422	633,743,099	409,003,028	2,886,040,172
As of December 31, 2021	688,457,250	215,179,243	363,653,509	311,923,380	13,491,739	148,087,139	13,772,505	617,781,254	471,281,045	2,863,502,753

B. Exposure distribution according to stages classification as per IFRS (9) as adopted by the central bank of Jordan:

Item	As of June 30, 2022 (Reviewed not audited)					
	Individual	Collective	Individual	Collective	Stage Three	Total
Financial	811,005,638	-	-	-	1,193,908	812,199,546
Industrial	190,784,649	212,680	23,833,161	-	185,443	215,015,933
Commerce	336,315,633	308,042	25,828,195	21,652	3,570,193	366,043,715
Real estate	47,137,126	246,630,478	13,952,722	3,186,928	2,464,876	313,372,130
Agriculture	15,406,734	64,337	1,249,143	-	89,360	16,809,574
Tourism, Restaurants and public facilities	100,497,612	13,895	5,075,319	-	734,899	106,321,725
Stocks	13,531,422	-	-	-	-	13,531,422
Individual	3,050,207	624,944,404	23,798	4,012,287	1,712,403	633,743,099
Government and public sector	409,003,028	-	-	-	-	409,003,028
Total as of June 30	1,926,732,049	872,173,836	69,962,338	7,220,867	9,951,082	2,886,040,172
As of December 31, 2021	1,872,088,849	822,722,026	111,526,873	27,309,010	9,980,306	2,843,627,064

2- Gross Exposure distribution according to geographic sectors

As of June 30, 2022 Reviewed not Audited								
Item	Inside Kingdom	Other middle east countries	Europe	Asia	Africa	America	Other Countries	Total
Balances with central banks	257,150,792	139,616,836	-	-	-	-	--	396,767,628
Balances with banks and financial institutions	44,999,007	20,588,147	25,519,946	14,684,818	-	63,985,925	-	169,777,843
Deposits at banks and financial institutions	88,969,197	1,007,944	-	-	-	-	-	89,977,141
Direct credit facilities at amortized cost	1,129,494,047	353,867,907	15,853,620	-	7,085,265	-	-	1,506,300,839
Bonds and treasury bills:								
within financial assets at amortized cost	202,481,200	75,016,350	-	-	-	-	-	277,497,550
Total/Current period	1,723,094,243	590,097,184	41,373,566	14,684,818	7,085,265	63,985,925	-	2,440,321,001
Financial guarantee	53,535,870	13,122,416	6,418,524	77,949	-	106,333	-	73,261,092
Letter of credit and acceptances	16,475,629	6,676,147	-	-	-	-	-	23,151,776
Un-utilized balances	254,351,810	63,992,899	24,977,075	5,984,519	-	-	-	349,306,303
Total as of June 30	2,047,457,552	673,888,646	72,769,165	20,747,286	7,085,265	64,092,258	-	2,886,040,172
As of December 31, 2021	1,964,671,451	706,839,369	81,742,576	8,815,047	7,170,653	74,387,968	-	2,843,627,064

B. Exposure distribution according to stages classification as per IFRS (9) as adopted by the ce

As of June 30, 2022 Reviewed not Audited						
Item	Stage One		Stage two		Stage Three	Total
	Individual	Collective	Individual	Collective		
Inside Kingdom	1,243,819,146	724,912,692	67,317,896	3,299,317	8,108,501	2,047,457,552
Other middle east countries	519,267,836	147,261,144	2,644,442	3,921,550	793,674	673,888,646
Europe	71,720,258	-	-	-	1,048,907	72,769,165
Asia	20,747,286	-	-	-	-	20,747,286
Africa	7,085,265	-	-	-	-	7,085,265
America	64,092,258	-	-	-	-	64,092,258
Other Countries	-	-	-	-	-	-
Total as of June 30	1,926,732,049	872,173,836	69,962,338	7,220,867	9,951,082	2,886,040,172
As of December 31, 2021	1,872,088,849	822,722,026	111,526,873	27,309,010	9,980,306	2,843,627,064

3-Reclassified Credit Exposures:

A. Total Reclassified Credit Exposures:

Item	Stage Two		Stage Three		Total Reclassified exposure	Reclassified exposure percentage
	Total exposure amount	reclassified exposure	Total exposure amount	reclassified exposure		
Cash and balances with central banks	-	-	-	-	-	0.00%
Balances with banks and financial institutions	-	-	-	-	-	0.00%
Deposits with banks and financial institutions	-	-	-	-	-	0.00%
Direct credit facilities	93,479,104	(34,159,402)	142,395,320	1,979,845	(32,179,557)	-13.64%
Bonds and Treasury Bills within financial assets at amortized cost	-	-	-	-	-	0.00%
Total	93,479,104	(34,159,402)	142,395,320	1,979,845	(32,179,557)	-13.64%
Letters of guarantees	5,477,870	(3,727,465)	11,916,049	1,045,667	(2,681,798)	-15.42%
Letters of credit	171,840	-	-	-	-	-
Acceptances	524,290	-	-	-	-	-
Un-utilized balances	14,728,933	(4,229,178)	-	-	(4,229,178)	-28.70%
Total as of June 30	114,382,037	(42,116,045)	154,311,369	3,025,512	(39,090,533)	-14.55%
As of December 31 2021	171,088,763	84,788,803	155,293,535	13,662,639	98,451,442	30.16%
As of December 31, 2020						

B. Expected credit loss for reclassified exposures:

Item	Reclassified exposure			Expected credit loss of the reclassified exposure				
	Total exposure reclassified from stage two	Total exposure reclassified from stage 3	Total exposure reclassified	Stage Two		Stage Three		Total
				Individual Basis	Collective Basis	Individual Basis	Collective Basis	
Cash and balances with central banks	-	-	-	-	-	-	-	-
Balances with banks and financial institutions	-	-	-	-	-	-	-	-
Deposits with banks and financial institutions	-	-	-	-	-	-	-	-
Direct credit facilities	(157,611)	553,338	395,727	35,277,607	1,683,305	122,994,438	-	159,955,350
Bonds and Treasury Bills within financial assets at amortized cost	-	-	-	-	-	-	-	-
Total	(157,611)	553,338	395,727	35,277,607	1,683,305	122,994,438	-	159,955,350
Letters of guarantees	7,861	(1,332)	6,529	142,526	-	7,079,347	-	7,221,873
Letters of credit	-	-	-	1,414	-	-	-	1,414
Acceptances	-	-	-	3,630	-	-	-	3,630
Un-utilized balances	(30,464)	-	(30,464)	87,447	2,903	-	-	90,350
Total as of June 30	(180,214)	552,006	371,792	35,512,624	1,686,208	130,073,785	-	167,272,617
As of December 31 2021	6,439,294	10,074,895	16,514,189	28,916,553	3,336,327	131,972,271	-	164,225,151

34- Related parties Transactions

Within its normal activities, the Bank entered into transactions with its major shareholders, members of the Board of Directors, executive management and the associate Company at the commercial rates of interest and commission, all loans and advances with related parties are performing.

The following are summaries of balances and transactions with related parties during the period:

	Subsidiaries*	Board of Directors Members	Executives Management	Staff Provident Fund	Other Parties	Total	
						June 30, (Reviewed not audited)	December 31, (audited)
						2022	2021
Consolidated Condensed Interim Statement of Financial Position Items:							
Assets:							
Investments	45,415,294	-	-	-	-	45,415,294	45,415,294
Credit Facilities Balances	-	2,354,047	1,391,956	-	1,659,360	5,405,363	5,604,549
Deposits and current accounts	10	-	-	-	-	10	217,180
Cash Margins Balances	3,982,000	-	-	-	-	3,982,000	3,982,000
Liabilities:							
Customer Deposits	21,512,546	852,756	3,712,586	1,472,577	25,102,043	52,652,508	37,604,494
Bank Deposits	7,332,701	-	-	-	-	7,332,701	7,753,511
Borrowed funds	3,367,393	-	-	-	-	3,367,393	3,434,659
Off-Statement of financial position Items							
Letters of guarantee	492,883	10,000	50,000	-	16,300	569,183	933,936
Letter of credit	-	-	-	-	-	-	472,543

						Total	
						For the Six-Month period ended June 30,	
						2021 (Reviewed not audited)	2020 (Reviewed not audited)
<u>Consolidated Condensed Interim Statement of profit or loss:</u>						JD	JD
Credit interest and commission	761	72,935	40,180	-	56,241	170,117	165,737
Debit interest and commission	447,127	1,241	42,371	8,963	169,843	669,545	586,604

Interest rates:

- Credit interest rates against facilities in JOD range from 1.5% (represent the minimum price for interest margin against 100% cash margin) to 11%.
- No Credit interests in foreign currency.
- Debit interest rates for JOD range from 0.0025% to 4.41%.
- Debit interest rates for foreign currency 2.2%

* Balances and transactions with subsidiary companies are excluded from the consolidated financial statements, but presented for clarification purposes only.

- The number of related parties granted credit facilities was 42 as of 30 June 2022.

Bank's Executive Management Salaries and Remunerations Summary is as follows:

	For the Six Month Period Ended June 30,	
	(2022 Reviewed not audited)	2021(Reviewed not audited)
In Jordanian Dinar		
Salaries and benefits	1,191,324	1,188,937
Transportation and board secretary	18,018	13,500
Board of directors membership , transportation and bonuses	316,463	305,022
Total	1,525,805	1,507,459

35. Fair Value Hierarchy

A. The fair value of financial assets and financial liabilities of The Bank specified at fair value on an ongoing basis:

Some financial assets and liabilities of the bank are evaluated at fair value at the end of each fiscal period, the following table shows the information about how to determine the fair value of these financial assets and liabilities (evaluation methods and inputs used).

Financial Assets/Financial Liabilities	Fair Value		The Level of Fair Value	Evaluation Method and Inputs Used	Important Intangible Inputs	Relation Between the Fair Value and the Important Intangible Inputs
	June 30, 2022	December 31, 2021				
	JD	JD				
Financial Assets at Fair Value						
Financial Assets at Fair Value Through Profit or Loss						
Shares that have an available market price	88,568	100,384	Level One	Stated Rates in financial markets	Not applicable	Not applicable
Shares that do not have an available market price	226,833	134,039	Level Two	Financial Statements issued by companies		
Right to receive financial assets at fair value	15,000,000	15,000,000	Level One	Determined price	Not applicable	Not applicable
Total	15,315,401	15,234,423				
Financial Assets at Fair Value through Comprehensive Income						
Shares that have available market price	15,289,957	12,770,304	Level One	Stated Rates in financial markets	Not applicable	Not applicable
Shares that do not have available market price	2,978,836	3,740,266	Level Two	Financial Statements issued by companies or observable market input		
Shares that do not have available market price	45,652,657	45,652,657	Level Three	Evaluation methods using inputs that are not dependent on available market information	Applicable	Applicable
Total	63,921,450	62,163,227				
Bonds that have available market price	-	-	Level One	Stated Rates in financial markets	Not applicable	Not applicable
Total	-	-				
Forward contracts foreign currency	1,068,847	-	Level One	Stated Rates in financial markets	Not applicable	Not applicable
Total Financial Assets at Fair Value	80,305,698	77,397,650				
Financial Liabilities at Fair Value:						
Forward contracts foreign currency	-	5,448	Level One	Stated Rates in financial markets	Not applicable	Not applicable
Total	-	5,448				

There were no transfers between level 1 and level 2 during the first half of the year 2022.

B. The fair value of financial assets and financial liabilities of the Bank (non-specific fair value on an ongoing basis):

Except as detailed in the table below, we believe that the carrying amount of financial assets and liabilities shown in the consolidated condensed interim financial statements of the Bank approximate their fair value, because the Bank's management believes that the carrying value of the items is equivalent to the fair value, and this is due to either short-term maturity interest rates that have been repricing during the period.

In Jordanian Dinar

	June 30, 2022 (Reviewed not audited)		December 31, 2021 (audited)		The Level of Fair Value
	Book Value	Fair Value	Book Value	Fair Value	
Financial Assets of Non-Specified Fair Value					
Balances at central banks	396,875,950	396,901,621	300,376,491	300,394,025	Level Two
Balances at banks and financial institutions	169,785,993	169,801,260	136,007,374	136,023,062	Level Two
Deposits at banks and financial institutions	90,008,000	93,129,947	89,282,000	91,248,723	Level Two
Loans, bills and other	1,492,958,317	1,497,063,217	1,525,963,607	1,530,179,712	Level Two
Financial assets at amortized cost	277,919,373	280,917,709	384,307,200	389,041,218	Level Two
Total Financial Assets of non-specified Fair Value	2,427,547,633	2,437,813,754	2,435,936,672	2,446,886,740	
Financial Liabilities of Non-Specified Fair Value					
Deposits at banks and financial institutions	125,669,321	125,856,955	93,795,838	93,936,470	Level Two
Customers' deposits	1,959,821,437	1,963,585,421	1,908,030,640	1,911,068,322	Level Two
Cash margin	112,485,489	112,503,830	112,659,076	112,656,644	Level Two
Total Financial Liabilities of Non-Specified Fair Value	2,197,976,247	2,201,946,206	2,114,485,554	2,117,661,446	

The fair value for the financial assets and liabilities for the level 2 and level 3 were determined in accordance to agreed pricing models, which reflects the credit risk of the parties that are dealing with it.

C. Non-Financial Assets and Liabilities not Measured at Fair Value but its Fair Value disclosed in the Consolidated Condensed Interim Financial Statements:

	June 30, 2022 (Reviewed not audited)		December 31, 2021 (audited)		The Level of Fair Value
	Book Value	Fair Value	Book Value	Fair Value	
	JD	JD	JD	JD	JD
Other assets	74,784,133	120,123,939	73,140,691	117,944,684	Level Two
	74,784,133	120,123,939	73,140,691	117,944,684	

The above items set out the fair value of non-financial assets that are determined on the basis of prices of similar instruments in an inactive market.

36. Commitments and Contingent Liabilities

a. Contingent Liabilities:

	June 30, 2022 (Reviewed Not Audited)	December 31, 2021 (Audited)
	JD	JD
Letters of credit includes:	14,366,140	26,587,459
Acceptances	8,809,426	13,942,004
Letters of guarantee:		
Payment	28,913,241	31,586,467
Performance	30,544,595	39,616,438
Other	21,147,765	24,150,826
Un-utilized direct and indirect credit facilities limits	349,702,138	319,983,498
Total	453,483,305	455,866,692

- The provision for expected credit losses on off-balance sheet items (unfunded) amounted to JD 7,764,134 as of June 30, 2022 (JD 7,694,926 as of December 31, 2021).

b. Contractual Obligations:

	June 30, 2022 (Reviewed Not Audited)	December 31, 2021 (Audited)
	JD	JD
Contracts for purchasing of property and equipment*	317,867	440,636
Contracts for operating and financing lease**	16,607,846	15,578,959
Total	16,925,713	16,019,595

c. Lawsuits Raised Against the Bank

The Bank is a defendant in lawsuits demanding cancellation of the Bank's claims against others, lifting of real estate mortgages, compensation for damages, and non-cashing of cheques. These lawsuits amounted to JD 9,588,356 as of June 30, 2022 (JD 8,993,404 as of December 31, 2021). In the opinion of the management and legal counsel, no material financial liability is likely to be incurred as a result of these lawsuits in excess of provision recorded which amounted to JD 699,258 as of June 30, 2022 (JD 764,385 as of December 31, 2021). However, amounts that will probably be paid by the Bank as a result of dismissal or amicable settlement of these lawsuits will be taken to the condensed consolidated interim Statement of profit or loss or against the recorded provision when paid.