

JORDAN COMMERCIAL BANK

PUBLIC SHAREHOLDING COMPANY

INTERIM CONDENSED FINANCIAL STATEMENTS (REVIEWED NOT AUDITED)

30 SEPTEMBER 2022



Ernst & Young Jordan
P.O.Box 1140
Amman 11118
Jordan
Tel : 00 962 6580 0777/00 962 6552 6111
Fax: 00 962 6553 8300
www.ey.com/me

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

Introduction

We have reviewed the accompanying interim condensed financial statements of Jordan Commercial Bank (a public limited shareholding company) (the “Bank”) as at 30 September 2022, comprising the interim condensed statement of financial position as at 30 September 2022 and the related interim condensed income statement, interim condensed statement of comprehensive income, interim condensed statement of changes in equity, and interim condensed statement of cash flows for the nine months then ended and explanatory notes. The Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with IAS 34 (Interim Financial Reporting) as adopted by the Central Bank of Jordan. Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity.” A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements are not prepared, in all material respects, in accordance with International Accounting Standard (34) as adopted by the Central Bank of Jordan.

Amman – Jordan
30 October 2022

ERNST & YOUNG
Amman - Jordan

JORDAN COMMERCIAL BANK
INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2022

	Notes	30 September 2022	31 December 2021
		JD (Reviewed not audited)	JD (Audited)
ASSETS			
Cash and balances with central banks	4	75,937,619	90,710,577
Balances at banks and financial institutions	5	49,850,804	54,106,136
Direct credit facilities, net	6	710,230,414	773,903,799
Financial assets at fair value through income statement	7	1,562,522	1,778,210
Financial assets at fair value through other comprehensive income	8	48,021,210	31,942,672
Financial assets at amortized cost, net	9	373,131,016	362,409,154
Property and equipment, net		21,324,285	21,857,844
Intangible assets, net		2,188,394	2,266,649
Deferred tax assets		9,797,239	10,322,457
Right of use assets		5,985,291	5,429,733
Other assets	10	84,175,968	90,190,277
Total Assets		1,382,204,762	1,444,917,508
LIABILITIES AND SHAREHOLDERS' EQUITY			
LIABILITIES			
Banks' and financial institutions' deposits		78,360,759	111,313,020
Customers' deposits	11	912,947,203	969,388,894
Cash Margins		35,596,164	40,829,127
Borrowed Funds	12	159,643,064	140,483,737
Provision for income tax	13/A	2,922,692	3,126,294
Sundry provisions	14	911,476	883,049
Lease contracts liabilities		5,784,869	5,361,113
Deferred tax liabilities		1,222,595	124,612
Other liabilities	15	27,915,184	26,235,937
Total Liabilities		1,225,304,006	1,297,745,783
SHAREHOLDERS' EQUITY			
Authorized and paid-in capital	1	120,000,000	120,000,000
Statutory reserve	16	17,208,213	17,208,213
Fair value reserve, net	17	1,740,461	(973,100)
Retained earnings	18	10,946,025	10,936,612
Profit for the period		7,006,057	-
Total Shareholders' Equity		156,900,756	147,171,725
Total Liabilities and Shareholders' Equity		1,382,204,762	1,444,917,508

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

JORDAN COMMERCIAL BANK
INTERIM CONDENSED INCOME STATEMENT
FOR THE THREE AND NINE MONTHS ENDED 30 SEPTEMBER 2022 (REVIEWED NOT AUDITED)

	Notes	For the three months ended 30		For the nine months ended 30	
		September		September	
		2022	2021	2022	2021
		JD	JD	JD	JD
Interest income		19,205,014	17,705,779	55,099,889	52,584,392
Interest expense		(8,524,568)	(8,764,870)	(25,501,226)	(25,923,094)
Net Interest Income		<u>10,680,446</u>	<u>8,940,909</u>	<u>29,598,663</u>	<u>26,661,298</u>
Net commissions income		918,721	1,020,095	2,950,155	2,968,103
Net interest and commissions income		<u>11,599,167</u>	<u>9,961,004</u>	<u>32,548,818</u>	<u>29,629,401</u>
Gain from foreign currencies		276,015	250,474	821,804	719,330
(Loss) gain from financial assets at fair value through income statement		(44,161)	65,080	(52,655)	172,527
Dividends from financial assets at fair value through other comprehensive income	8	(18,094)	-	134,149	196,417
Other income		1,013,261	824,696	3,819,303	2,916,551
Gross Income		<u>12,826,188</u>	<u>11,101,254</u>	<u>37,271,419</u>	<u>33,634,226</u>
Employees' expenses		3,450,473	3,313,373	10,649,243	10,368,971
Depreciation and amortization		912,648	872,957	2,527,443	2,639,515
Provision for expected credit losses, net	19	2,145,994	4,167,786	5,748,023	6,881,610
Impairment on assets seized by the Bank	10	278,706	(1,157,476)	505,603	588,613
Sundry provisions	14	40,000	148,696	54,836	278,146
Other expenses		2,050,593	1,905,855	6,832,572	6,719,925
Total expenses		<u>8,878,414</u>	<u>9,251,191</u>	<u>26,317,720</u>	<u>27,476,780</u>
Profit for the period before tax		<u>3,947,774</u>	<u>1,850,063</u>	<u>10,953,699</u>	<u>6,157,446</u>
Income tax expense for the period	13/B	(1,502,274)	(1,084,554)	(3,947,642)	(2,656,879)
Profit for the period		<u>2,445,500</u>	<u>765,509</u>	<u>7,006,057</u>	<u>3,500,567</u>
Earnings per share for the period attributable to the Bank's shareholders				JD/Fils	JD/Fils
Basic and diluted				0/058	0/029

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

JORDAN COMMERCIAL BANK
INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE AND NINE MONTHS ENDED 30 SEPTEMBER 2022 (REVIEWED NOT AUDITED)

	For the three months ended		For the nine months ended	
	30 September		30 September	
	2022	2021	2022	2021
	JD	JD	JD	JD
Profit for the period	2,445,500	765,509	7,006,057	3,500,567
<u>Other comprehensive income items:</u>				
Items not to be reclassified to income statement in subsequent periods				
Change in fair value reserve of financial assets through other comprehensive income, net	1,263,682	(222,310)	2,722,974	(169,054)
Total comprehensive income for the period	3,709,182	543,199	9,729,031	3,331,513

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

JORDAN COMMERCIAL BANK
INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2022 (REVIEWED NOT AUDITED)

	Reserves				Total shareholders' equity
	Authorized and paid in capital	Statutory	Fair value reserve, net	Retained earnings	
	JD	JD	JD	JD	JD
For the nine months ended 30 September 2022					
Balance at the beginning of the period	120,000,000	17,208,213	(973,100)	10,936,612	-
Profit for the period	-	-	-	-	7,006,057
Other comprehensive income items	-	-	2,722,974	-	-
Total comprehensive income for the period	-	-	2,722,974	-	7,006,057
Released as a result of sale of financial assets at fair value through other comprehensive income	-	-	(9,413)	9,413	-
Balance as 30 September 2022	120,000,000	17,208,213	1,740,461	10,946,025	7,006,057
For the nine months ended 30 September 2021					
Balance at the beginning of the period	120,000,000	15,953,618	(2,020,984)	5,534,153	-
Profit for the period	-	-	-	-	3,500,567
Other comprehensive income items	-	-	(169,054)	-	-
Total comprehensive income for the period	-	-	(169,054)	-	3,500,567
Released as a result of sale of financial assets at fair value through other comprehensive income	-	-	347,721	(347,721)	-
Balance as 30 September 2021	120,000,000	15,953,618	(1,842,317)	5,186,432	3,500,567

- The Central Bank of Jordan had issued a Circular No.10/1/17702 on the 6th of June 2018 requesting the offsetting of the General Banking Risk Reserve against the retained earnings' opening balance as of the 1st of January 2018 for offsetting with the impact of International Financial Reporting Standard No (9).

- The retained earnings balance includes JD 8,574,644 restricted against net deferred tax assets as of 30 September 2022 according to the instructions of the Jordan Securities Commission and Central Bank of Jordan.

- Use of retained earnings for an amount equal to the unrealized gain of financial assets through income statement which amounted JD 467,780 as of 30 September 2022 (JD 703,174 as of 31 December 2021) is restricted according to the instructions of Jordan Securities Commission and Central Bank of Jordan.

- Use of retained earnings for an amount equal to the change in the fair value of financial assets which amounted to JD 1,740,461 as of 30 September 2022 (Negative JD 973,100 as of 31 December 2021) is restricted (including JD 311,112 against the implementation of International Financial Reporting Standard No (9)) according to the instructions of the Jordan Securities Commission and Central Bank of Jordan.

JORDAN COMMERCIAL BANK
INTERIM CONDENSED STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2022 (REVIEWED NOT AUDITED)

	Notes	For the Nine months ended 30 September	
		2022	2021
Operating activities		JD	JD
Profit for the period before tax		10,953,699	6,157,446
Non-cash Adjustments:			
Depreciation and amortization		1,948,084	1,922,578
Provision for expected credit losses, net	19	5,748,023	6,881,610
Losses (Gains) from valuation of financial assets at fair value through income statement		56,030	(219,417)
Losses from sale of financial assets at fair value through income statement		-	53,641
Sundry provisions	14	54,836	278,146
Provision for impairment of assets seized by the Bank against due debts	10	505,603	588,613
Amortization of right-of-use assets		579,359	716,937
Finance costs paid for lease contracts liabilities		81,674	287,143
Dividends income on financial assets at fair value through OCI		(134,149)	(196,417)
Dividends income on financial assets at fair value through income statement		(3,375)	(6,751)
(Gain) from sale property and equipment		(416)	(1,288)
Effect of exchange rate fluctuations on cash and cash equivalents		290,925	378,159
Profit for the period before changes in assets and liabilities		20,080,293	16,840,400
(Decrease) in banks and financial institutions' deposits maturing within a period of more than three months		(2,000,000)	(1,000,000)
(Increase) in balances in banks and financial institutions maturing within a period of more than three months		-	(177,874)
Decrease in Financial assets at fair value through income statement		159,658	195,640
Decrease (Increase) in direct credit facilities		57,938,255	(40,650,029)
Decrease in other assets		5,529,227	5,099,454
(Decrease) Increase in customers' deposits		(56,441,691)	13,239,554
(Decrease) in cash margins		(5,232,963)	(119,847)
Increase in other liabilities		1,617,731	1,262,551
Net cash flows from (used in) operating activities before income tax, provisions, and paid lease contracts		21,650,510	(5,310,151)
Various provisions paid	14	(26,409)	(12,665)
Lease contracts paid		(792,831)	(754,973)
Income tax paid	13	(4,191,193)	(1,383,233)
Net cash flows from (used in) operating activities		16,640,077	(7,461,022)
Investing activities			
(Increase) in financial assets at fair value through comprehensive income		(11,692,414)	(137,090)
(Increase) in financial assets at amortized cost		(10,696,275)	(43,221,366)
Dividends income on financial assets at fair value through OCI		134,149	196,417
Dividends income on financial assets at fair value through income statement		3,375	6,751
Purchases of property and equipment and intangible assets		(1,343,598)	(1,687,076)
Proceeds from sale of property and equipment		7,740	3,355
Net cash flows used in investing activities		(23,587,023)	(44,839,009)
Financing activities			
Increase in borrowed funds		19,159,327	2,359,397
Net cash flows from financing activities		19,159,327	2,359,397
Effect of exchange rate fluctuations on cash and cash equivalents		(290,925)	(378,159)
Net increase (decrease) in cash and cash equivalents		11,921,456	(50,318,793)
Cash and cash equivalents at the beginning of the period		75,506,558	119,020,119
Cash and cash equivalents at the end of the period	20	87,428,014	68,701,326

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

JORDAN COMMERCIAL BANK
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
30 SEPTEMBER 2022 (REVIEWED NOT AUDITED)

(1) GENERAL

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

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

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

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

Jordan Commercial Bank is a Public Limited Shareholding Company listed on Amman Stock Exchange.

The Bank is engaged in banking and related financial operations through its (34) branches inside Jordan.

The interim condensed financial statements were approved by the Bank's Board of Directors in its meeting held on 30 October 2022.

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

The interim condensed financial statements have been prepared in accordance with International Accounting Standard (34) (Interim Financial Reporting) as adopted by the Central Bank of Jordan.

The interim condensed financial statements are prepared on a historical cost basis, except for financial assets and liabilities at fair value which are held at fair value as of the date of the interim condensed financial statements.

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

The interim condensed financial statements do not contain all information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards as adopted by the Central Bank of Jordan and should be read in conjunction with the Bank's annual report as of 31 December 2021. In addition, results for the nine months ended 30 September 2022 do not necessarily indicate the expected results for the financial year ending 31 December 2022. No appropriation of the profit has been made for the nine months ended 30 September 2022 as it is made at the end of the financial year.

(2-2) CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Bank's annual financial statements for the year ended 31 December 2021, except for the adoption of the following amendments effective as of 1 January 2022:

Reference to the Conceptual Framework – Amendments to IFRS (3)

In May 2020, the IASB issued Amendments to IFRS (3) Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements.

The Board also added an exception to the recognition principle of IFRS (3) to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately.

At the same time, the Board decided to clarify existing guidance in IFRS (3) for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements.

These amendments had no material impact on the interim condensed financial statements of the Bank.

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS (16)

In May 2020, the IASB issued Property, Plant and Equipment — Proceeds before Intended Use, which prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

These amendments had no material impact on the interim condensed financial statements of the Bank.

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS (37)

In May 2020, the IASB issued amendments to IAS (37) to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.

The amendments apply a “directly related cost approach”. The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

These amendments had no material impact on the interim condensed financial statements of the Bank.

IFRS (1) First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter

As part of its 2018-2020 annual improvements to IFRS standards process, the IASB issued an amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards. The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent’s date of transition to IFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.

The amendments is not applicable to the Bank.

IFRS (9) Financial Instruments – Fees in the ‘10 per cent’ test for derecognition of financial liabilities

As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued amendment to IFRS (9). The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received by the borrower and the lender, including fees paid or received by either the borrower or lender on the other’s behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

These amendments had no material impact on the interim condensed financial statements of the Bank.

(3) USE OF ESTIMATES

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

The critical judgements and estimates used in the preparation of these interim condensed financial information are consistent with those used in the preparation of the Bank’s annual financial statements for the year ended 31 December 2021.

JORDAN COMMERCIAL BANK
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
30 SEPTEMBER 2022 (REVIEWED NOT AUDITED)

(4) CASH AND BALANCES WITH CENTRAL BANKS

- The statutory cash reserve held at central banks amounted to JD 31,280,377 as at 30 September 2022 (JD 32,403,728 as at 31 December 2021).
- Except for cash reserves with central banks, there are no restricted cash balances as at 30 September 2022 and 31 December 2021.
- There are no balances maturing within a period of more than three months as at 30 September 2022 and 31 December 2021.

(5) BALANCES AT BANKS AND FINANCIAL INSTITUTIONS

Item	Banks and financial institutions					
	Local		Foreign		Total	
	30 September 2022	31 December 2021	30 September 2022	31 December 2021	30 September 2022	31 December 2021
	JD (Reviewed not audited)	JD (Audited)	JD (Reviewed not audited)	JD (Audited)	JD (Reviewed not audited)	JD (Audited)
Current and call accounts	29,671	29,671	7,838,293	7,738,873	7,867,964	7,768,544
Deposits maturing within a period of three months or less	11,954,000	16,307,000	29,190	33,457	11,983,190	16,340,457
Deposits maturing within a period of more than one year	-	-	30,000,000	30,000,000	30,000,000	30,000,000
Total	11,983,671	16,336,671	37,867,483	37,772,330	49,851,154	54,109,001
Less: Provision for expected credit losses	(331)	(2,853)	(19)	(12)	(350)	(2,865)
	11,983,340	16,333,818	37,867,464	37,772,318	49,850,804	54,106,136

- The non-interest-bearing balances held at banks and financial institutions amounted to JD 7,867,964 as at 30 September 2022 (JD 7,768,544 as at 31 December 2021).
- There are no restricted balances as at 30 September 2022 and 31 December 2021.
- Balances held at banks and financial institutions that mature in three months amounted to JD 30,000,000 as at 30 September 2022 and (JD 30,000,000 as at 31 December 2021).

JORDAN COMMERCIAL BANK
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
30 SEPTEMBER 2022 (REVIEWED NOT AUDITED)

The movement on the provision for expected credit losses for balances at banks and financial institutions is as follows:

	Stage 1 Individual JD	Stage 2 Individual JD	Stage 3 Individual JD	Total	
				30 September 2022 JD (Reviewed not audited)	31 December 2021 JD (Audited)
Balance at the beginning of the period/Year	2,865	-	-	2,865	543,233
ECL for new balances during the period/Year	331	-	-	331	620
Recovered from impairment loss on paid deposits	(2,853)	-	-	(2,853)	(11,651)
Changes resulting from adjustments	7	-	-	7	(529,337)
Total balance at the end the period/year	350	-	-	350	2,865

(6) DIRECT CREDIT FACILITIES, NET

The details of this item are as follows:

	30 September 2022 JD (Reviewed not audited)	31 December 2021 JD (Audited)
Individuals (Retail):		
Overdrafts	642,500	597,771
Loans and bills *	194,589,275	205,792,443
Credit cards	6,696,344	6,253,546
Real Estate Loans:	104,201,164	120,038,373
A- Corporates Customers:		
Overdrafts	76,783,571	94,984,676
Loans and bills *	311,242,266	329,888,285
B- Small and Medium Enterprises "SMEs"		
Overdrafts	12,222,262	12,758,308
Loans and bills *	43,900,642	47,521,484
Governmental and Public Sector	26,980,810	43,717,809
Total	777,258,834	861,552,695
(Less): Provision for expected credit losses	(51,274,500)	(63,793,141)
Suspended interests	(15,753,920)	(23,855,755)
Direct credit facilities, net	710,230,414	773,903,799

JORDAN COMMERCIAL BANK
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
30 SEPTEMBER 2022 (REVIEWED NOT AUDITED)

- * Net after deducting interest and commissions received in advance amounting to JD 434,100 as of 30 September 2022 (JD 761,369 as at 31 December 2021).
- During the first nine months ended at 30 September 2022, direct credit facilities amounting to JD 1,059,616 were written-off with interest in suspense amounting to JD 948,873 and a provision of JD 110,743.
- Non-performing credit facilities amounted to JD 76,322,601 representing 9.82% of total credit facilities as at 30 September 2022 (JD 101,929,585 representing 11.83% of total credit facilities as at 31 December 2021).
- Non-performing credit facilities net of interest and commissions amounted to JD 60,607,995 representing 7.96% of total credit facilities as at 30 September 2022 (JD 78,235,931 representing 9.34% of total credit facilities as at 31 December 2021).
- Direct credit facilities include facilities granted that are guaranteed by the Government of Jordan in the amount of JD 18,750,000 as of 30 September 2022 and (31 December 2021: JD 26,250,000).
- During 2022, in accordance with the Board of Directors resolution, non-performing credit facilities transferred to off financial position items amounted to JD 29,889,241, total balance of non-performing credit facilities has become JD 161,540,819 as of 30 September 2022 (31 December 2021: JD 128,607,030). These credit facilities are fully covered with the suspended interests and provisions.

JORDAN COMMERCIAL BANK
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
30 SEPTEMBER 2022 (REVIEWED NOT AUDITED)

The movement on the provision for expected credit losses is as follows:

	Individuals		Real estate		Corporate		SMEs		Governmental and public sectors		Total	
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
<u>30 September 2022 (Reviewed not audited)</u>												
Balance at the beginning of the period	12,664,216	3,277,734	42,930,898	4,851,941	68,352	63,793,141						
ECL for new facilities during the period	163,448	6,553	13,379	3,943	-	187,323						
Recoveries from ECL related to settled facilities during the period	(342,627)	(481,690)	(540,682)	(42,754)	(37,877)	(1,445,630)						
Transferred to stage 1	(10,307)	(5,837)	(151,178)	(20,343)	-	(187,665)						
Transferred to stage 2	(195,579)	3,272	356,128	18,878	-	182,699						
Transferred to stage 3	205,886	2,565	(204,950)	1,465	-	4,966						
Effect on provision resulting from reclassification among the three stages	984,887	94,475	2,385,289	790,743	-	4,255,394						
Changes resulting from adjustments	1,220,411	531,088	773,461	213,301	(218)	2,738,043						
Written-off credit facilities	(35,035)	(5,350)	(70,358)	-	-	(110,743)						
Expected credit losses provision transferred to off statement of financial position regulatory accounts	(316,570)	-	(17,366,111)	(460,347)	-	(18,143,028)						
Balance at the end of the period	14,338,730	3,422,810	28,125,876	5,356,827	30,257	51,274,500						
Re-allocation:												
Provisions on an individual basis	14,338,730	3,422,810	28,125,876	5,356,827	30,257	51,274,500						
Total	14,338,730	3,422,810	28,125,876	5,356,827	30,257	51,274,500						

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	Individuals	Real estate	Corporate	SMEs	Governmental and public sectors	Total
	JD	JD	JD	JD	JD	JD
31 December 2021 (Audited)						
Balance at the beginning of the year	10,511,271	3,292,945	39,763,877	5,127,101	37,260	58,732,454
ECL for new facilities during the year	624,540	45,632	174,420	38,789	18	883,399
Recoveries from ECL related to settled facilities	(245,884)	(525,699)	(464,194)	(85,884)	(83)	(1,321,744)
Transferred to stage 1	(40,049)	(8,081)	(411,724)	1,070	-	(458,784)
Transferred to stage 2	(110,750)	(367,882)	(2,061,362)	(7,641)	-	(2,547,635)
Transferred to stage 3	150,799	375,963	2,473,086	6,571	-	3,006,419
Effect on provision resulting from reclassification among the three stages	1,509,313	172,634	5,072,578	87,721	-	6,842,246
Changes resulting from adjustments	271,641	329,409	(1,536,541)	(315,500)	31,157	(1,219,834)
Written-off credit facilities	(6,665)	(37,187)	(79,242)	(286)	-	(123,380)
Balance at the end of the year	12,664,216	3,277,734	42,930,898	4,851,941	68,352	63,793,141
Re- allocation:						
Provisions on an individual basis	12,664,216	3,277,734	42,930,898	4,851,941	68,352	63,793,141
Total	12,664,216	3,277,734	42,930,898	4,851,941	68,352	63,793,141

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Suspended Interests

The movement on suspended interests is as follows:

			Companies		Governmental and public sectors	Total
	Individuals	Real estate loans	Corporate	SMEs		
	JD	JD	JD	JD		
30 September 2022 (Reviewed not audited)						
Balance at the beginning of the period	2,746,786	1,446,419	16,592,779	3,069,771	-	23,855,755
Add: Interests in suspense for the period	1,104,292	555,680	2,984,946	841,546	-	5,486,464
<u>Less: Interests transferred to revenues for the period</u>	(196,784)	(133,276)	(343,847)	(219,306)	-	(893,213)
Interests in suspense written-off	(8,043)	-	(889,356)	(51,474)	-	(948,873)
Interests in suspense transferred to off statement of financial position regulatory accounts	(43,525)	-	(10,997,708)	(704,980)	-	(11,746,213)
Balance at the end of the period	<u>3,602,726</u>	<u>1,868,823</u>	<u>7,346,814</u>	<u>2,935,557</u>	<u>-</u>	<u>15,753,920</u>
For the year ended in 31 December 2021 (Audited)						
Balance at the beginning of the year	1,953,475	1,535,102	12,789,066	2,571,114	-	18,848,757
Add: Interests in suspense for the year	1,150,608	565,748	4,259,985	925,844	-	6,902,185
<u>Less: Interests transferred to revenues for the year</u>	(261,678)	(442,719)	(284,069)	(341,124)	-	(1,329,590)
Interests in suspense written-off	(95,619)	(211,712)	(172,203)	(86,063)	-	(565,597)
Balance at the end of the year	<u>2,746,786</u>	<u>1,446,419</u>	<u>16,592,779</u>	<u>3,069,771</u>	<u>-</u>	<u>23,855,755</u>

(7) FINANCIAL ASSETS AT FAIR VALUE THROUGH INCOME STATEMENT

The details of this item are as follows:

	30 September 2022	31 December 2021
	JD	JD
	(Reviewed not audited)	(Audited)
Quoted shares in active markets	<u>1,562,522</u>	<u>1,778,210</u>
	<u>1,562,522</u>	<u>1,778,210</u>

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

The details of this item are as follows:

	30 September 2022	31 December 2021
	JD (Reviewed not audited)	JD (Audited)
Quoted shares in active markets	31,325,924	26,622,099
Unquoted shares in active markets	16,695,286	5,320,573
	<u>48,021,210</u>	<u>31,942,672</u>

- Cash dividends distributions for the above-mentioned financial assets amounted to JD 134,149 as at 30 September 2022 (30 September 2021: JD 196,417).
- Realized profit from the sale of shares at fair value through other comprehensive income amounted to JD 9,413 for the period ended 30 September 2022. The profit was directly recorded in retained earnings within owners' equity (30 September 2021: JD 347,721).

(9) FINANCIAL ASSETS AT AMORTIZED COST, NET

The details of this item are as follows:

	30 September 2022	31 December 2021
	JD (Reviewed not audited)	JD (Audited)
Treasury bonds and bills	369,308,530	358,612,255
Companies' bonds and debentures	4,825,402	4,741,348
	<u>374,133,932</u>	<u>363,353,603</u>
Less: provision for expected credit losses	(613,514)	(639,101)
interest in suspense	(389,402)	(305,348)
	<u>373,131,016</u>	<u>362,409,154</u>

The movement on the provision for expected credit losses of financial assets at amortized cost is as follows:

	30 September 2022 (Reviewed not audited)				31 December 2021
	Stage 1	Stage 2	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Balance at the beginning of the period/year	53,906	-	585,195	639,101	633,545
Changes resulting from adjustments	(25,587)	-	-	(25,587)	5,556
Balance at the end of period/year	<u>28,319</u>	<u>-</u>	<u>585,195</u>	<u>613,514</u>	<u>639,101</u>

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(10) OTHER ASSETS

The details of this item are as follows:

	30 September 2022	31 December 2021
	JD (Reviewed not audited)	JD (Audited)
Assets seized by the Bank against debts, net*	53,031,085	63,485,568
Accrued interest and commissions	14,408,044	10,991,118
Receivables from assets sold on installments	6,553,941	6,553,941
Purchase of time withdrawals, policies and letters of credit, net ***	2,331,151	2,310,629
Prepaid expenses	1,949,205	1,009,119
Refundable deposits	1,570,349	1,760,573
Transactions in transit between branches	190,102	-
Checks and transfers under collection	113,487	38,500
Others	4,028,604	4,040,829
	<u>84,175,968</u>	<u>90,190,277</u>

* Movement on assets seized by the bank against debts for the period/year is as follows:

	Assets seized by the bank	
	30 September 2022	31 December 2021
	JD (Reviewed not audited)	JD (Audited)
Balance at the beginning of the period / year-net	63,485,568	66,042,144
Additions during the period / year	2,297,948	8,897,831
Disposals during the period / year	(12,246,828)	(11,470,629)
Impairment for the period / year	966,487	(1,402,045)
Provision on breached assets seized by the bank **	(1,472,090)	1,418,267
Balance at the end of the period / year	<u>53,031,085</u>	<u>63,485,568</u>

According to the Central Bank of Jordan Law, buildings and plots of land seized by the bank against debts due from customers should be sold within two years from the ownership date. For exceptional cases, the Central Bank of Jordan may extend this period for two additional years.

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** Movement on the provision on breached assets seized by the bank during the period / year:

	30 September 2022	31 December 2021
	JD	JD
	(Reviewed not audited)	(Audited)
Balance at the beginning of the period/year	1,934,286	3,352,553
Provided for the period / year	1,492,351	-
Reversed during the period / year	(20,261)	(1,418,267)
Balance at the end of the period/year	<u>3,406,376</u>	<u>1,934,286</u>

*** Movement on the provision for expected credit losses on time withdrawals, policies and letters of credit:

	30 September 2022				31 December 2021
	Stage 1	Stage 2	Stage 3	Total	Total
	JD	JD	JD	JD	JD
				(Reviewed not audited)	(Audited)
Balance at the beginning of the period/year	197,359	-	-	197,359	183,555
Settled balances	-	-	-	-	(107,973)
Changes resulting from adjustments	(20,521)	-	-	(20,521)	121,777
Balance at the end of the period/year	<u>176,838</u>	<u>-</u>	<u>-</u>	<u>176,838</u>	<u>197,359</u>

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(11) CUSTOMERS' DEPOSITS

The details of this item are as follows:

	30 September 2022 (Reviewed not audited)				
	Individuals	Corporate	SMEs	Government and public sectors	Total
	JD	JD	JD	JD	JD
Current and call accounts	46,325,433	44,524,474	35,525,536	6,458,582	132,834,025
Saving deposits	213,853,817	303,876	1,374,902	349,342	215,881,937
Certificates of deposits	28,179,754	-	30,000	-	28,209,754
Time and notice deposits	353,667,945	41,459,751	84,690,108	56,203,683	536,021,487
	<u>642,026,949</u>	<u>86,288,101</u>	<u>121,620,546</u>	<u>63,011,607</u>	<u>912,947,203</u>
	31 December 2021 (Audited)				
	Individuals	Corporate	SMEs	Government and public sectors	Total
	JD	JD	JD	JD	JD
Current and on call accounts	33,722,870	37,950,749	35,536,422	6,490,325	113,700,366
Saving deposits	222,947,549	215,440	3,026,434	1,040,878	227,230,301
Certificates of deposits	27,352,855	-	30,000	-	27,382,855
Time and notice deposits	367,555,032	72,189,398	97,890,192	63,440,750	601,075,372
	<u>651,578,306</u>	<u>110,355,587</u>	<u>136,483,048</u>	<u>70,971,953</u>	<u>969,388,894</u>

- The Government of Jordan's and the public sector's deposits inside the Kingdom amounted to JD 63,011,607 representing 6.9% of total customers' deposits as at 30 September 2022 (JD 70,971,953 representing 7.32% of total customers' deposits as at 31 December 2021).
- Non-interest-bearing deposits amounted to JD 126,233,501 representing 13.8% of total customers' deposits as at 30 September 2022 (JD 111,655,552 representing 11.52% of total customers' deposits as at 31 December 2021).
- Reserved deposits (restricted withdrawals) amounted to JD 2,149,057 representing 0.24% of total customers' deposits as at 30 September 2022 (JD 1,839,394 representing 0.19% of total customers' deposits as at 31 December 2021).
- Dormant deposits amounted to JD 10,259,172 representing 1.12% of total customers' deposits as at 30 September 2022 (JD 11,587,667 representing 1.2% of total customers' deposits as at 31 December 2021).

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(12) BORROWED FUNDS

The details of this item are as follows:

	Total loans	Utilized	Settlement method	Guarantees	Loan Interest price
<u>30 September 2022 (Reviewed not audited)</u>	JD	JD			%
Loan from World Bank	2,000,000	1,000,000	20 years including 5 years grace period settled in semi-annual instalments	-	2.5
Loan from Arab Monetary Funds	2,100,000	637,853	10 years including 3 years grace period settled in semi-annual instalments	-	2.5
Advances from Central Bank of Jordan	35,834,304	35,834,304	Varying periods	-	0-2.25
Jordanian Mortgage Refinance Company	10,000,000	10,000,000	One payment on 5 February 2024	Property mortgage	4.8
Jordanian Mortgage Refinance Company	10,000,000	10,000,000	One payment on 16 August 2028	Property mortgage	5.1
Jordanian Mortgage Refinance Company	10,000,000	10,000,000	One payment on 26 September 2024	Property mortgage	4.55
International Fund for Agricultural Development	750,000	694,457	18 years including 3 years grace period settled in semi-annual instalments	-	2.35
European Investment Bank	23,007,759	23,007,759	7 years settled in semi-annual instalments	-	2.95
Central Bank of Jordan for Mortgage bonds	68,468,691	68,468,691	Between 5 October 2022 and 19 February 2023	Mortgage bonds	2.75-5.25
		<u>159,643,064</u>			

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	Total loans	Utilized	Settlement method	Guarantees	Loan Interest price
<u>31 December 2021 (Audited)</u>	JD	JD			%
Loan from World Bank	2,000,000	1,200,000	20 years including 5 years grace period settled in semi-annual instalments	-	2.5
Loan from Arab Monetary Funds	2,100,000	777,000	10 years including 3 years grace period settled in semi-annual instalments	-	2.5
Advances from Central Bank of Jordan	30,765,822	30,765,822	Varying periods	-	0- 2.25
Jordanian Mortgage Refinance Company	10,000,000	10,000,000	One payment on 5 February 2024	Property mortgage	4.8
Jordanian Mortgage Refinance Company	10,000,000	10,000,000	One payment on 16 August 2028	Property mortgage	5.1
Jordanian Mortgage Refinance Company	10,000,000	10,000,000	One payment on 26 September 2024	Property mortgage	4.55
International Fund for Agricultural Development	750,000	722,637	18 years including 3 years grace period settled in semi-annual instalments	-	2.35
Central Bank of Jordan for Mortgage bonds	77,018,278	77,018,278	Between 3 January and 16 May 2022	Mortgage bonds	2
		<u>140,483,737</u>			

Borrowed funds amounted to JD 38,117,385 as at 30 September 2022 (JD 34,598,905 as at 31 December 2021) with an interest rate ranging between 2% and 10% as at 30 September 2022 and 31 December 2021.

(13) INCOME TAX

A. INCOME TAX PROVISION

The movement on the provision for income tax was as follows:

	30 September 2022	31 December 2021
	JD	JD
	(Reviewed not audited)	(Audited)
Balance at the beginning of the period/year	3,126,294	174,758
Income tax payable on profit for the period/ year	3,987,591	3,781,013
Income tax for previous years	-	1,384,390
Income tax paid	(4,191,193)	(2,213,867)
Balance at the end of the period/year	<u>2,922,692</u>	<u>3,126,294</u>

B. INCOME TAX EXPENSE

Income tax expense in the interim condensed income statement represents the following:

	For the nine months ended at 30	
	September	
	2022	2021
	JD	JD
	(Reviewed not audited)	(Reviewed not audited)
Income tax incurred on current period profit	3,987,591	1,352,098
Income tax for previous years	-	553,756
Deferred tax assets for the period	(71,198)	667,647
Deferred tax liabilities for the period	31,249	83,378
	<u>3,947,642</u>	<u>2,656,879</u>

C. TAX STATUS

- The Bank has reached a final settlement with the Income and Sales Tax Department until the end of the years 2016 and 2018.
- Regarding the year 2017: the income tax return for the year was reviewed by the Income and Sales Tax Department. A decision was made that required the Bank to pay an additional amount of JD 1.9 million and the Bank has appealed the decision. During the third quarter of the year 2022, the decision of the Court of Cassation was issued in favour of the Bank.
- Financial years 2019 and 2020 and 2021: the income tax return was submitted within the legal period, but it has not been reviewed yet up to the date of preparation of these interim condensed financial statements.
- In the opinion of the Bank's management and legal and tax advisors, no liabilities in excess of the provisions booked will arise as of the date of these interim condensed financial statements

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(14) SUNDRY PROVISIONS

The movement of this item is as follows:

	Balance at the beginning of the period	Expense for the period	Paid during the period	Balance at the end of the period
<u>30 September 2022 (Reviewed not audited)</u>	JD	JD	JD	JD
Provision for lawsuits against the Bank	267,690	54,836	(26,409)	296,117
Provision for end of services indemnity	359	-	-	359
Others	615,000	-	-	615,000
Total	883,049	54,836	(26,409)	911,476

	Balance at the beginning of the year	Expense for the year	Paid during the year	Balance at the end of the year
<u>31 December 2021 (Audited)</u>	JD	JD	JD	JD
Provision for lawsuits against the Bank	207,152	233,203	(172,665)	267,690
Provision for end of services indemnity	359	-	-	359
Others	615,000	-	-	615,000
Total	822,511	233,203	(172,665)	883,049

(15) OTHER LIABILITIES

The details of this item are as follows:

	30 September 2022	31 December 2021
	JD	JD
	(Reviewed not audited)	(Audited)
Refundable and various deposits	10,810,525	7,343,057
Unpaid accrued interest	7,141,097	4,950,193
Accepted checks	3,187,751	3,615,498
Received amounts on the of sale seized real estate	945,396	1,005,237
Unpaid accrued expenses	972,727	1,242,738
Commissions received in advance	678,241	789,227
Income tax and social security deposits	346,073	346,262
Inward transfers	175,167	1,043,627
Safe deposits boxes	104,418	100,665
Shareholders' deposits	10,907	11,579
Transactions in transit between branches	-	1,122,849
Board of Directors' remuneration	-	55,000
Expected credit losses for off interim condensed statement of financial position items *	1,383,313	1,321,797
Others	2,159,569	3,288,208
	27,915,184	26,235,937

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* The movement on the provision for expected credit losses for items off the interim condensed statement of financial position is as follows:

	30 September 2022 (Reviewed not audited)				31 December 2021 (Audited)
	Stage 1	Stage 2	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Balance at the beginning of the period/year	493,631	147,605	680,561	1,321,797	1,386,964
New facilities during the period/year	62,893	8,215	35	71,143	31,326
Settled facilities during the period/year	(31,309)	(11,009)	(19,578)	(61,896)	(102,563)
Transferred to stage 1	13,384	(13,360)	(24)	-	-
Transferred to stage 2	(14,420)	14,424	(4)	-	-
Transferred to stage 3	(1,067)	(114)	1,181	-	-
Changes resulting from adjustments	(110,003)	(93,423)	(86,366)	(289,792)	4,983
Effect on provision due to reclassification between the three stages	-	(12,817)	354,878	342,061	1,087
Balance at the end of the period/year	<u>413,109</u>	<u>39,521</u>	<u>930,683</u>	<u>1,383,313</u>	<u>1,321,797</u>

(16) RESERVES

The bank did not deduct the statutory reserves in accordance to the Jordanian Companies Law, as these financial statements are interim and condensed, and this is typically done at the end of the financial year.

(17) FAIR VALUE RESERVE, NET

The movement on the fair value reserve is as follows:

	30 September 2022	31 December 2021
	JD	JD
	(Reviewed not audited)	(Audited)
Balance at the beginning of the period/year	(973,100)	(2,020,984)
Unrealized gains - net	2,722,974	700,163
Released from selling financial assets at fair value through other comprehensive income	(9,413)	347,721
Balance at the end of the period/ year	<u>1,740,461</u>	<u>(973,100)</u>

The fair value reserve includes JD 311,112 as at 30 September 2022 and 31 December 2021 as an impact related to the implementation of the International Financial Reporting Standard No. (9).

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(18) RETAINED EARNINGS

	30 September 2022	31 December 2021
	JD	JD
	(Reviewed not audited)	(Audited)
Balance at the beginning of the period/year	10,936,612	5,534,153
Profit for the year	-	7,004,775
Transferred to reserves	-	(1,254,595)
Realized gain (loss) from selling financial assets at fair value through other comprehensive income	9,413	(347,721)
Balance at the end of the period/ year	<u>10,946,025</u>	<u>10,936,612</u>

- The Central Bank of Jordan issued circular No. 10/1/7702 dated 6 June 2018, requesting the transfer of the general banking risk reserve balance to the retained earnings to offset the effect of IFRS 9 on the opening balance of the retained earnings account as of 1 January 2018. The circular also instructed that the balance of the general banking risk reserve should be restricted and may not be distributed as dividends to the shareholders or used for any other purposes without prior approval from the Central Bank of Jordan.
- Retained earnings balance includes JD 8,574,644 as of 30 September 2022 of restricted amounts against net deferred tax assets according to the Central Bank of Jordan's instructions.

(19) PROVISION FOR EXPECTED CREDIT LOSSES, NET

The details of this item are as follows:

	For the nine months ended 30 September	
	2022	2021
	JD	JD
	(Reviewed not audited)	(Reviewed not audited)
Balances at banks and financial institutions	(2,515)	(537,276)
Direct credit facilities	5,735,130	7,559,942
Financial assets at amortized cost	(25,587)	4,726
Indirect credit facilities and other commitments	61,516	(54,481)
Purchased credits and withdrawals	(20,521)	(91,301)
	<u>5,748,023</u>	<u>6,881,610</u>

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(20) CASH AND CASH EQUIVALENTS

The details of this item are as follows:

	For the nine months ended 30 September	
	2022	2021
	JD (Reviewed not audited)	JD (Reviewed not audited)
Cash and balances with central banks maturing within three months	75,937,619	81,386,811
Add: Balances at banks and financial institutions maturing within a period of three months	19,851,154	23,075,852
Less: Banks and financial institutions' deposits maturing within a period of three months	<u>(8,360,759)</u>	<u>(35,761,337)</u>
	<u>87,428,014</u>	<u>68,701,326</u>

(21) SEGMENT INFORMATION

1- Information on Bank Activities

The Bank is organized for administrative purposes through five main operating segments:

- Individual accounts: include following up on individual customers accounts real estate loans overdrafts credit cards facilities and transfer facilities.
- SME's: include "SME's' transactions on loans credit facilities and deposits and who classified according to the volume of deposits and facilities in accordance with the instructions and policies existing in the Bank and commensurate with the instructions of the regulatory authorities.
- Corporate accounts: include corporate transactions on loans credit facilities and deposits, who classified according to the volume of deposits and facilities in accordance with the instructions and policies existing in the bank and commensurate with the instructions of the regulatory authorities.
- Treasury: include providing money market trading and treasury services as well as management of the Bank's funding operations through treasury bills government securities placements and acceptances with other banks and that is through treasury and banking services.
- Other: This sector includes all non-listed accounts in the above sectors, for example equity and property & equipment, general management and support management.

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2- Geographical distribution information

This sector represents the geographical distribution of the Banks operation, The Bank operates mainly in the Kingdom.

	Inside Jordan		Outside Jordan		Total	
	For the nine months ended 30 September		For the nine months ended 30 September		For the nine months ended 30 September	
	2022	2021	2022	2021	2022	2021
	JD	JD	JD	JD	JD	JD
	(Reviewed not audited)	(Reviewed not audited)	(Reviewed not audited)	(Reviewed not audited)	(Reviewed not audited)	(Reviewed not audited)
Gross income	37,826,275	34,891,567	(554,856)	(1,257,341)	37,271,419	33,634,226
Capital expenditures	1,343,598	1,687,076	-	-	1,343,598	1,687,076
	30 September	31 December	30 September	31 December	30 September	31 December
	2022	2021	2022	2021	2022	2021
	JD	JD	JD	JD	JD	JD
	(Reviewed not audited)	(Audited)	(Reviewed not audited)	(Audited)	(Reviewed not audited)	(Audited)
Total assets	1,309,047,177	1,358,174,323	73,157,585	86,743,185	1,382,204,762	1,444,917,508

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(22) RELATED PARTIES TRANSACTIONS

The Bank entered into transactions with the members of the Board of Directors and related parties and companies represented by the members of the Board of Directors and executive management within the normal banking practice and according to the normal interest rates and trading commissions. Expected credit loss has been calculated according to IFRS(9).

Transactions and balances with related parties are as follows:

	BOD members and their related parties	Companies represented by the BOD	Employees	Others	Total	
					30 September 2022	31 December 2021
	JD	JD	JD	JD	JD	JD
					(Reviewed not audited)	(Audited)
<u>Interim Condensed Statement of Financial</u>						
<u>Position Items:</u>						
Deposits	15,522,873	2,134,650	443,835	30,113,495	48,214,853	57,459,468
Direct credit facilities	634,419	19,210,770	1,308,412	4,764,821	25,918,422	25,455,631
Deposits with other	-	-	-	30,000,000	30,000,000	30,000,000
Cash margins	-	555,828	-	-	555,828	720,454
<u>Items Off the Statement of Interim Condensed</u>						
<u>Financial Position:</u>						
Letters of Guarantee	-	1,895,451	-	354,500	2,249,951	1,679,600
Letters of Credit	-	426,818	-	-	426,818	426,818
					For the nine months ended 30 September (Reviewed not audited)	
					2022	2021
<u>Interim Condensed Income Statement Items:</u>						
Interest and commission income	34,485	824,308	77,850	432,389	1,369,032	1,419,024
Interest and commission expense	400,777	8,022	3,082	702,900	1,114,781	1,785,028

Credit interest rate ranges from 0% to 21%

Debit interest rate ranges from 0% to 4.5%

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(23) CREDIT COMMITMENTS AND CONTINGENCIES

The details of this item are as follows:

	30 September 2022	31 December 2021
	JD (Reviewed not audited)	JD (Audited)
Letters of credit	12,589,938	9,183,125
Acceptances	6,957,806	15,000,587
Letters of guarantee:		
Payment	27,952,676	26,430,752
Performance bonds	39,919,937	40,208,141
Others	50,711,292	47,827,206
Unutilized direct credit facilities ceilings	53,200,522	55,562,702
	<u>191,332,171</u>	<u>194,212,513</u>

(24) FAIR VALUE MEASUREMENT

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

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

	Fair value		Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs	Relationship between unobservable inputs and fair value
	30 September 2022	31 December 2021				
	JD (Reviewed not audited)	JD (Audited)				
Financial Assets						
Financial assets at fair value through Income statement						
Quoted shares	1,562,522	1,778,210	Stage 1	Quoted shares	Not applicable	Not applicable
Total	<u>1,562,522</u>	<u>1,778,210</u>				
Financial assets at fair value through other comprehensive Income:						
Quoted shares	31,325,924	26,622,099	Stage 1	Quoted shares	Not applicable	Not applicable
Unquoted shares	16,695,286	5,320,573	Stage 2	Through comparison to the market price of a similar financial instrument	Not applicable	Not applicable
	<u>48,021,210</u>	<u>31,942,672</u>				

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

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

	30 September 2022 (Reviewed not audited)		31 December 2021 (Audited)		Fair value hierarchy
	Book value	Fair value	Book value	Fair value	
	JD	JD	JD	JD	JD
Financial assets not calculated at fair value					
Balances at central banks	49,579,620	49,579,620	65,876,967	65,876,967	Stage 2
Balances at banks and financial institutions	49,850,804	50,393,690	54,106,136	54,425,709	Stage 2
Loans and bills and others	710,230,414	719,551,561	773,903,799	781,736,617	Stage 2
Financial assets at amortized cost	373,131,016	377,674,758	362,409,154	365,247,611	Stage 2
Total financial assets not calculated at fair value	<u>1,182,791,854</u>	<u>1,197,199,629</u>	<u>1,256,296,056</u>	<u>1,267,286,904</u>	
Financial liabilities not calculated at fair value					
Banks and financial institutions' deposits	78,360,759	82,379,209	111,313,020	113,417,946	Stage 2
Customers' deposits	912,947,203	915,432,465	969,388,894	971,479,718	Stage 2
Cash margins	35,596,164	35,785,139	40,829,127	41,062,990	Stage 2
Borrowed funds	159,643,064	160,091,478	140,483,737	141,004,320	Stage 2
Total financial liabilities not calculated at fair value	<u>1,186,547,190</u>	<u>1,193,688,291</u>	<u>1,262,014,778</u>	<u>1,266,964,974</u>	

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

(25) LITIGATION

Lawsuits raised against the Bank amounted to JD 2,270,959 as at 30 September 2022 (31 December 2021: JD 2,366,663), In the opinion of the Bank's Management and the Legal Counsel, there are no further liabilities that exceed the provision booked amounting to JD 296,117 as at 30 September 2022 (31 December 2021: JD 267,690).