

JORDAN AHLI BANK
(PUBLIC SHAREHOLDING COMPANY)
AMMAN – HASHEMITE KINGDOM OF JORDAN

CONSOLIDATED CONDENSED INTERIM FINANCIAL
STATEMENTS FOR SIX MONTHS PERIOD
ENDED JUNE 30, 2023

JORDAN AHLI BANK
(PUBLIC SHAREHOLDING COMPANY)
AMMAN - HASHEMITE KINGDOM OF JORDAN
CONSOLIDATED CONDENSED INTERIM FINANCIAL
STATEMENTS TOGETHER WITH
THE REVIEW REPORT FOR THE SIX MONTHS
PERIOD ENDED JUNE 30, 2023

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Independent Auditor's Review Report

AM/4716/1

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

Introduction

We have reviewed the accompanying consolidated condensed interim statement of financial position of Jordan Ahli Bank (a Public Shareholding Company) (The "Bank") and its subsidiaries and foreign branches (The "Group") as of June 30, 2023 and the related consolidated condensed interim statements of profit and loss, and comprehensive income for the three months and six months ended June 30, 2023, and changes in owners' equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for preparation and fair presentation of this consolidated condensed interim financial information in accordance with the international accounting standard (34) "Interim Financial Reporting" as adopted by Central Bank of Jordan. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of consolidated condensed 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 consolidated condensed interim financial information is not prepared, in all material respects, in accordance with the International Accounting Standard (34) "Interim Financial Reporting" as adopted by Central Bank of Jordan.

Other Matter

The accompanying consolidated condensed interim financial statements are a translation of the statutory financial statements in Arabic language to which reference should be made.

**Amman – Jordan
July 30, 2023**


Deloitte & Touche (M.E.) – Jordan
Deloitte & Touche (M.E.)
ديلويت أند توش (الشرق الأوسط)
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JORDAN AHLI BANK
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - THE HASHEMITE KINGDOM OF JORDAN
CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

	Note	June 30, 2023 (Reviewed)	December 31, 2022 (Audited)
<u>Assets:</u>		JD	JD
Cash and balances at central banks	5	197,066,941	208,440,151
Balances at banks and financial institutions	6	181,271,543	110,803,850
Deposits at banks and financial institutions	7	17,818,367	-
Direct credit facilities - net	8	1,694,905,349	1,595,272,646
Financial assets at fair value through other comprehensive income	9	37,863,140	37,735,650
Financial assets at amortized cost, net	10	861,658,625	870,996,932
Property and equipment - net		83,017,304	81,575,718
Right of use assets		10,830,091	10,582,187
Intangible assets - net		3,701,962	4,928,612
Deferred tax assets		14,968,996	16,013,873
Other assets	11	124,169,157	126,163,674
TOTAL ASSETS		<u>3,227,271,475</u>	<u>3,062,513,293</u>
<u>LIABILITIES AND OWNERS' EQUITY:</u>			
<u>LIABILITIES:</u>			
Banks' and financial institutions' deposits		210,236,178	116,878,759
Customers' deposits	12	2,090,439,443	2,027,658,466
Margin accounts		350,020,651	329,873,356
Loans and borrowings	13	165,097,388	164,628,175
Subordinated bonds		20,000,000	20,000,000
Sundry provisions		4,452,519	5,141,770
Income tax provision	14	5,608,373	10,871,837
Lease liability		10,351,407	10,477,672
Other liabilities	15	47,511,493	46,635,430
TOTAL LIABILITIES		<u>2,903,717,452</u>	<u>2,732,165,465</u>
<u>OWNERS' EQUITY:</u>			
<u>BANK'S SHAREHOLDERS' EQUITY:</u>			
Subscribed and paid in capital	26	200,655,000	200,655,000
Statutory reserve	27	67,779,725	67,779,725
Voluntary reserve	27	15,761,637	15,761,637
Periodic fluctuations reserve		3,678,559	3,678,559
Fair value reserve	16	(5,789,642)	(5,871,290)
Retained earnings	17	32,291,797	48,344,197
Profit for the period		9,176,947	-
TOTAL OWNERS' EQUITY		<u>323,554,023</u>	<u>330,347,828</u>
TOTAL LIABILITIES AND OWNERS' EQUITY		<u>3,227,271,475</u>	<u>3,062,513,293</u>

THE ACCOMPANYING NOTES FROM (1) TO (31) CONSTITUTE AN INTEGRAL PART OF
THESE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS AND SHOULD BE READ
WITH THEM AND WITH THE ACCOMPANYING REVIEW REPORT.

JORDAN AHLI BANK
(PUBLIC SHAREHOLDING COMPANY)
AMMAN - HASHEMITE KINGDOM OF JORDAN
CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS
(REVIEWED NOT AUDITED)

	Note	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
		2023 (Reviewed)	2022 (Reviewed)	2023 (Reviewed)	2022 (Reviewed)
		JD	JD	JD	JD
Interest income	18	49,873,835	36,975,112	96,626,102	72,206,285
Interest expense	19	25,468,998	15,755,492	47,772,063	30,616,423
Net interest income		24,404,837	21,219,620	48,854,039	41,589,862
Net commission income		3,415,213	3,387,945	7,163,765	6,878,740
Net interest and commission income		27,820,050	24,607,565	56,017,804	48,468,602
Gain from foreign currencies		393,479	472,958	982,680	1,050,964
Dividends from financial assets at fair value through other comprehensive income	9	467,011	367,132	792,616	367,132
Other income		1,883,872	1,800,515	4,208,714	3,956,718
Gross Income		30,564,412	27,248,170	62,001,814	53,843,416
Expenses:					
Employees expenses		9,285,775	9,213,797	18,823,557	18,302,881
Depreciation and amortization		2,813,583	2,818,692	5,582,349	5,586,949
Other expenses		6,495,075	6,336,426	13,765,112	12,754,436
Provision for expected credit loss - Net	20	4,190,970	1,258,518	7,221,135	3,519,045
Foreclosed assets impairment provisions and others		629,650	708,671	1,343,667	1,523,225
Total Expenses		23,415,053	20,336,104	46,735,820	41,686,536
Income for the Period before Taxes		7,149,359	6,912,066	15,265,994	12,156,880
Income tax expense	14	(3,934,437)	(2,648,600)	(6,089,047)	(4,056,281)
Income for the Period		3,214,922	4,263,466	9,176,947	8,100,599
Refer to:					
Bank's shareholders		3,214,922	4,263,466	9,176,947	8,100,599
		3,214,922	4,263,466	9,176,947	8,100,599
				JD / Fils	JD / Fils
Basic and diluted earnings per share attributable to Bank's shareholders	21			0/046	0/040

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JORDAN AHLI BANK
(PUBLIC SHAREHOLDING COMPANY)
AMMAN - HASHEMITE KINGDOM OF JORDAN
CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
(REVIEWED NOT AUDITED)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
Note	2023 (Reviewed)	2022 (Reviewed)	2023 (Reviewed)	2022 (Reviewed)
	JJD	JJD	JJD	JJD
Income for the period				
Other comprehensive income items not to be reclassified to profit or loss in subsequent periods :	3,214,922	4,263,466	9,176,947	8,100,599
Change in fair value reserve- net	16 7,589	223,725	81,648	67,107
Total Comprehensive Income for the Period	3,222,511	4,487,191	9,258,595	8,167,706
Total Comprehensive Income for the Period Attributed to:				
Bank's shareholders	3,222,511	4,487,191	9,258,595	8,167,706
	3,222,511	4,487,191	9,258,595	8,167,706

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JORDAN AHL BANK
(PUBLIC SHAREHOLDING COMPANY)
AMMAN - HASHEMITE KINGDOM OF JORDAN
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
(REVIEWED NOT AUDITED)

	Equity- Bank's Shareholders							
	Reserves							Total Shareholders Equity
	Subscribed and paid-up Capital	Statutory	Voluntary	Periodic Fluctuations	Fair Value Reserve - net	Retained Earnings	Income for the Period	
	Note							
For the Six Months Ended June 30, 2023								
Balance - Beginning of the Period	JD	JD	JD	JD	JD	JD	JD	JD
Income for the period	200,655,000	67,779,725	15,761,637	3,678,559	(5,871,290)	48,344,197	-	330,347,828
Change in fair value reserve	16	-	-	-	-	-	-	9,176,947
Total comprehensive income	16	-	-	-	-	-	-	81,648
Dividends	17	-	-	-	-	-	-	9,258,595
Balance - End of the Period	200,655,000	67,779,725	15,761,637	3,678,559	(5,789,642)	32,291,797	9,176,947	(16,052,400)
								323,554,023
For the Six Months Ended June 30, 2022								
Balance - Beginning of the Period	200,655,000	65,208,593	15,761,637	3,678,559	(5,645,628)	48,061,337	-	327,719,498
Income for the period	-	-	-	-	-	-	8,100,599	8,100,599
Change in fair value reserve	-	-	-	-	67,107	-	-	67,107
Total comprehensive income	-	-	-	-	67,107	-	8,100,599	8,167,706
Dividends	-	-	-	-	-	(14,045,850)	-	(14,045,850)
Balance - End of the Period	200,655,000	65,208,593	15,761,637	3,678,559	(5,578,521)	34,015,487	8,100,599	321,841,354

- An amount of JD 12,262,517 from retained earnings is restricted to be used based on the Central Bank of Jordan instructions, against deferred tax assets as of June 30, 2023.
- The use of the surplus from the balance of the general banking risks reserve transferred to retained earnings amounted to JD 3,125,029 as of June 30, 2023 and December 31, 2022 is restricted without an approval in advance from the Central Bank of Jordan.
- The use of, periodic fluctuations reserve is restricted unless approved by the Palestinian Monetary Authority.
- The use of the retained earning balance in equivalent of negative balance of the fair value reserve amounted to JD 5,789,642, is prohibited, according to the instructions of Jordan Securities Commission.

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

		For the Six Months Ended June 30,	
	Note	2023 (Reviewed)	2022 (Reviewed)
Cash flow from operating activities		JD	JD
Income for the period before income tax		15,265,994	12,156,880
Adjustments:			
Depreciation and amortisation		5,582,349	5,586,949
Provision for expected credit losses, net	20	7,221,135	3,519,045
Other provisions		415,167	691,391
Provision for foreclosed assets and others		928,500	831,834
(Gain) from sale of property and equipment		(372,099)	(215,718)
Dividends income on financial assets at fair value through OCI		(792,616)	(367,132)
Net interest income		(11,435,584)	(11,936,208)
Effect of exchange rate changes on cash and cash equivalents		185,994	173,483
Profit before changes in assets and liabilities		16,998,840	10,440,524
CHANGES IN ASSETS AND LIABILITIES:			
(Increase) decrease in assets:			
Balances and deposits at banks and financial institutions (maturing within a period exceeding 3 months)		(17,818,199)	(2,630,144)
Direct credit facilities		(106,597,998)	(75,263,150)
Other assets		17,968,089	14,665,211
Increase (decrease) in liabilities:			
Banks' and financial institutions' deposits maturing within a period exceeding 3 months		5,993,254	(1,747,659)
Customers' deposits		62,780,977	53,704,505
Margin accounts		20,147,295	20,334,764
Lease liability		(126,265)	1,362,880
Other liabilities		(12,684,989)	(9,059,226)
Net Cash (used in) from Operating Activities before income tax and sundry provisions paid		(13,338,996)	11,807,705
Income tax paid	14	(10,314,961)	(10,287,719)
Sundry provisions		(1,104,418)	(270,843)
Net Cash (used in) from Operating Activities		(24,758,375)	1,249,143
Net cash flow from Investing activities			
Financial assets at fair value through OCI		(38,515)	(1,102,646)
Financial assets at amortized cost		9,094,506	(51,056,615)
Dividends income on financial assets at fair value through OCI	9	792,616	367,132
(Purchases) of property, equipment, projects under construction, and intangible assets		(6,403,817)	(4,992,831)
Proceeds from sale of properties and equipment		376,727	14,107
Proceeds from sale of foreclosed assets		8,436,357	546,105
Net Cash from (used in) Investing Activities		12,257,874	(56,224,748)
Cash Flow from Financing activities			
increase in loans and borrowings		469,213	39,110,164
Distributed dividends to shareholders	17	(16,052,400)	(13,839,326)
Net Cash (used in) from Financing Activities		(15,583,187)	25,270,838
Effect of exchange rate changes on cash and cash equivalents		(185,994)	(173,483)
Net (decrease) in Cash and Cash Equivalents		(28,269,682)	(29,878,250)
Cash and cash equivalents at the beginning of the year		192,714,619	289,949,087
Cash and Cash Equivalents at the End of the Period	22	164,444,937	260,070,837

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CONDENSED INTERIM FINANCIAL STATEMENTS AND SHOULD BE READ WITH
THEM AND WITH THE ACCOMPANYING REVIEW REPORT.

JORDAN AHLI BANK
(PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE CONSOLIDATED CONDENSED INTERIM
FINANCIAL STATEMENTS
(REVIEWED NOT AUDITED)

1. Establishment and Activities

Jordan Ahli Bank was established in the year 1955 as a public shareholding Company under registration No. (6) on July 1, 1955 in accordance with the company's law for the year 1927, with headquarters in Amman. Its address is Queen Noor Street, P.O Box 3103, Amman 11181 Jordan. AL A'MAL Bank was merged with the Bank effective from December 1, 1996. Moreover, Philadelphia Investment Bank was merged with Jordan Ahli Bank Company Public Shareholding Company effective from July 1, 2005.

The Bank provides all banking and financial services related to its business through its main office, branches in Jordan (49 branches), foreign branches in Palestine and Cyprus (10 branches) and its subsidiaries in Jordan.

The Bank's shares are listed in Amman Stock Exchange - Jordan.

The consolidated condensed interim financial statements have been approved by the Board of Directors in its meeting No. (5) held on July 27, 2023.

2. Basis of Preparation

The accompanying consolidated condensed interim financial information for the ended six months June 30, 2023 in accordance to the International Financial Reporting Standard number 34 (IFRS 34) (interim financial reports) as adopted by the Central Bank of Jordan.

The Bank fiscal year ends on December 31 from each year, except that the accompanying consolidated condensed interim financial information were prepared for management and Jordan Security Commission purposes only.

The main differences between the IFRSs as they should be applied and what has been approved by the Central Bank of Jordan, are as follows:

- a. Provisions for expected credit losses are calculated in accordance with IFRS 9 and the Central Bank of Jordan, whichever is higher, the material differences are as follows:
 - Exempt debt instruments and any other credit exposures issued or granted by the Jordanian government, so that credit exposures is treated on the Jordanian Government and by its guarantee without credit losses.
 - When calculating the credit losses against credit exposures, the calculation results according to IFRS 9 are compared with those according to the Central Bank of Jordan's Instructions No. (2009/47) dated December 10, 2009 for each stage separately and the most severe results are taken with the exception of the below paragraph.
 - In some special cases the the Central Bank of Jordan agrees on special arrangements related to the calculation of the expected credit losses' provision of direct credit facilities customers.
 - Exempt privileges associated with government projects (financing government dues) from classification when calculating provisions.

- b. Interest and commissions on non performing credit facilities granted to clients are suspended, in accordance with the instructions of the Central Bank of Jordan.
- c. Assets seized by the Bank are shown in the consolidated condensed interim statement of financial position, among other assets, at their current value when seized by the Bank or at their fair value, whichever is lower. Furthermore, they are reassessed on the date of the consolidated condensed interim financial statements, and any decrease in value is recorded as a loss in the consolidated condensed interim statement of profit or loss and comprehensive income and the increase in value is not recorded as revenue. In addition, any subsequent increase is taken to the consolidated condensed interim statement of profit or loss and comprehensive income to the extent that it does not exceed the previously recorded impairment value. In accordance with the circular of the Central Bank of Jordan NO. 10/3/16234 dated October 10, 2022, the gradual provision for the seized assets was suspended, provided that the allocated provisions for the expropriated real estate in violation of the provisions of the Banking Law are maintained, and only the allocated provision is released against any of the violating real estate that are disposed of.
- The reporting currency of the consolidated condensed interim financial statements is the Jordanian Dinar, which is the functional currency of the Bank.
- The consolidated condensed interim financial information does not include all the information and clarifications required for the annual financial statements and should be read with the Bank's annual financial statements for the year ended December 31, 2022, and the results of the six months ended June 30, 2023 do not necessarily represent an indication of the expected results of the fiscal year ending December 31, 2023. The six-month profit for the six months ended June 30, 2023, which is held at the end of the fiscal year, was not allocated.

Significant Accounting Judgments and key Sources of Uncertainty Estimates, and Risk Management:

Preparation of the consolidated condensed 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 assumptions and factors with varying degrees of estimation and uncertainty. Meanwhile, the actual results may differ from estimates due to the changes arising from the conditions and circumstances of those estimates in the future.

We believe that our estimates in the preparation of the consolidated condensed interim financial information are reasonable and similar to those adopted in the preparation of consolidated financial statements for the year 2022.

3. Significant Accounting Policies

The accounting policies used in the preparation of the condensed consolidated interim financial information for the period ended June 30, 2023 are consistent with those used in the preparation of the annual consolidated financial statements for the year ended December 31, 2022. However, the Bank has adopted the following amendments and interpretation that was effective for all period after January 1, 2023 in preparing the condensed consolidated interim financial information for the Group and have not materially affected the amounts and disclosures in the condensed consolidated interim financial information for the period and prior years, which may have an impact on the accounting treatment of future transactions and arrangements.

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

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

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

Amendments to IFRS 3 – Reference to the Conceptual Framework

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

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

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

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

The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated. Instead, the entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

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

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

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

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

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

The entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

IFRS Financial Enhancements 2018-2020

IFRS 1 First-time Adoption of International Financial Reporting Standards

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

IFRS 9 Financial Instruments

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

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

IAS 41 Agriculture

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

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

4. Basis of Preparation the consolidated condensed interim financial information

The consolidated condensed interim financial information include the financial information of the Bank and its subsidiaries under its control, Meanwhile, control exists when the Bank has control over the investee company, or it is exposed to variable returns or holds rights for its participation in the investee company, and the Bank is able to use its control over the investee company to affect those returns.

The Bank reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control listed above.

When the Bank has less than the majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally, In this regard, the Bank considers all relevant facts and circumstances in assessing whether or not the Bank's voting rights in an investee are sufficient to give it power, including:

- The size of the Bank's holding of voting rights relative to the size and dispersion of holdings of the other vote holders.
- Potential voting rights held by the Bank, other vote holders or other parties.
- Rights arising from other contractual arrangements.

- Any additional facts and circumstances that indicate that the Bank has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Control is achieved when the Bank:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee;
- has the ability to use its power to affect the investee's returns.

The Bank reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control listed above.

When the Bank has less than the majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally, In this regard, the Bank considers all relevant facts and circumstances in assessing whether or not the Bank's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Bank has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

When it loses control of a subsidiary, the Bank performs the following:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary.
- Derecognizes the book value of any non-controlling interests,
- Derecognizes transfer differences accumulated in Owners' Equity.
- Derecognizes the fair value to the next controlling party.
- Derecognizes the fair value of any investment retained.
- Derecognizes any gain or loss in the income statement.
- Reclassifies owners' equity already booked in other comprehensive income to the profit or loss statement as appropriate.

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 to make them comply with the accounting policies used by the Bank.

The non-controlling interests represent the portion not owned by the Bank relating to ownership of the subsidiaries.

- All balances, transactions, income, 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 to make them comply with the accounting policies used by the Bank.
- The results of the subsidiaries' operations are consolidated in the consolidated statement of profit or loss effective from their acquisition date, which is the date on which control over subsidiaries is effectively transferred to the Bank, Furthermore, the results of the disposed of subsidiaries are consolidated in the consolidated statement of profit or loss up to the date of their disposal, which is the date on which the Bank loses control over the subsidiaries.
- The non-controlling interests represent the portion not owned by the Bank in the subsidiaries, Non-controlling interests are shown in the subsidiaries' net assets as a separate line item within the Bank's statement of shareholders' equity.

The Bank owns the following subsidiaries as of June 30, 2023:

Company's Name	Paid-up Capital	Investment	Ownership of the Bank	Nature of Operation	Date of Acquisition	Location
	JD	JD	%			
Ahli Mircofinance Company	6,000,000	6,000,000	100	Micro Finance	1999	Jordan
Ahli Financial Leasing Company	17,500,000	17,500,000	100	Finance Leasing	2009	Jordan
Ahli Financial Brokerage Company	3,000,000	3,000,000	100	Financial Brokerage	2006	Jordan
Ahli Financial Technology Compnay	1,500,00	1,500,00	100	Manufacturing, programming, preparing, developing and supplying programs	2017	Jordan

5. Cash and Balances at Central Banks

Details of this item are as follows:

	June 30, 2023 (Reviewed)	December 31, 2022 (Audited)
	JD	JD
Cash at treasury	79,326,114	66,137,926
Balances at the Central Banks:		
Current accounts and demand deposits	9,025,476	13,031,476
Term and notice deposits	10,635,000	32,762,000
Statutory cash reserve	98,080,351	96,508,749
Total Balances at the Central Banks	117,740,827	142,302,225
Total Cash and Balances at Central Banks	197,066,941	208,440,151

- Except for the cash reserve with the central banks and the capital deposit with the Palestinian Monetary Authority amounting to JD 10,635,000 shown within time and notice deposit, There are no restricted cash balances as at June 30, 2023 and December 31, 2022.
- There are no balances, maturing within a period exceeding three months as at June 30, 2023 and December 31, 2022.

The movement on balances with central banks is as follows:

	June 30, 2023 Stage (1)- Individual	December 31, 2022 Stage (1)- Individual
	JD	JD
Balance at beginning of period / year	142,302,225	193,366,595
New balances during period / year	56,035,214	60,797,646
Withdrawn balances	(80,596,612)	(111,862,016)
Balance at end of period / year	117,740,827	142,302,225

6. Balances at Banks and Financial Institutions

The details of this item is as follows:

	Local Banks and Financial Institutions		Foreign Banks and Financial Institutions		Total	
	June 30, 2023 (Reviewed)	December 31, 2022 (Audited)	June 30, 2023 (Reviewed)	December 31, 2022 (Audited)	June 30, 2023 (Reviewed)	December 31, 2022 (Audited)
Current and under demand accounts	JD	JD	JD	JD	JD	JD
Deposits maturing within 3 months or less	281,795	113,260	48,777,807	44,356,195	49,059,602	44,469,455
Total	14,000,000	-	118,234,890	66,539,145	132,234,890	66,539,145
Impairment provision	14,281,795	113,260	167,012,697	110,895,340	181,294,492	111,008,600
Net balance at banks and financial institutions	(7,518)	(861)	(15,431)	(203,889)	(22,949)	(204,750)
	14,274,277	112,399	166,997,266	110,691,451	181,271,543	110,803,850

- Non-interest bearing balances at banks and financial institutions amounted to JD 49,059,602 as of June 30, 2023 (JD 44,469,455 as of December 31, 2022).

- There are no Restricted balances as of June 30, 2023 and as of December 31, 2022.

The following is the movement of the total balances at banks and financial institutions:

	June 30, 2023		December 31, 2022	
	Stage (1) Individual	Total	Stage (1) Individual	Total
Total balance at the beginning of the period / year	JD	JD	JD	JD
New balances during the period / year	111,008,600	111,008,600	177,440,379	177,440,379
Paid balances during the period / year	127,429,875	127,429,875	76,871,178	76,871,178
Total Balance At the End of the Period / Year	(57,143,983)	(57,143,983)	(143,302,957)	(143,302,957)
	181,294,492	181,294,492	111,008,600	111,008,600

* Disclosure of the provision for expected credit losses of balances at banks and financial institutions:

	June 30, 2023		December 31, 2022	
	Stage (1) Individual	Total	Stage (1) Individual	Total
Balance as at the beginning of the period / year	JD	JD	JD	JD
ECL for new balances during the year	204,750	204,750	21,556	21,556
Recoveries from ECL related to withdrawn balances	3,517	3,517	156,663	156,663
Changes resulting from adjustments	(185,318)	(185,318)	(2,743)	(2,743)
Total balance at the end of the period / year	-	-	29,274	29,274
	22,949	22,949	204,750	204,750

7. Deposits at Banks and Financial Institutions

Details of the following item are as follows:

	Local Banks and Financial Institutions		Foreign Banks and Financial Institutions		Total	
	June 30, 2023 (Reviewed)	December 31, 2022 (Audited)	June 30, 2023 (Reviewed)	December 31, 2022 (Audited)	June 30, 2023 (Reviewed)	December 31, 2022 (Audited)
More than 1 year	18,000,000	-	-	-	18,000,000	-
Total	18,000,000	-	-	-	18,000,000	-
Provision for expected credit losses	(181,633)	-	-	-	(181,633)	-
Net	17,818,367	-	-	-	17,818,367	-

The following is the movement on the total deposits at Banks and Financial Institutions:

	June 30, 2023		December 31, 2022	
	Stage (1) Individual	Total	Stage (1) Individual	Total
Total balance at the beginning of the period / year	JD	JD	JD	JD
New balances during the period / year	-	-	20,342,135	20,342,135
Paid balances	18,000,000	18,000,000	-	-
Total Balance At the End of the Period / Year	-	-	(20,342,135)	(20,342,135)
	18,000,000	18,000,000	-	-

* Disclosure of the provision for expected credit losses on deposits at banks and financial institutions:

	June 30, 2023		December 31, 2022	
	Stage 1 Individual	Total	Stage 1 Individual	Total
Balance at the beginning of the period / year	JD	JD	JD	JD
ECL for new balances during the year	-	-	29,274	29,274
Recoveries from ECL related to withdrawn balances	181,633	181,633	-	-
Total Balance At the End of the Period / Year	-	-	(29,274)	(29,274)
	181,633	181,633	-	-

8. Direct Credit Facilities - Net

The details of this item are as follows:

	June 30, 2023 (Reviewed)	December 31, 2022 (Audited)
	JD	JD
Individuals (retail):		
Overdraft accounts	1,466,682	1,822,681
Loans and promissory notes *	396,785,611	377,894,960
Credit cards	11,933,334	11,511,002
Real estate loans	328,138,060	329,799,397
Companies :		
Large Companies		
Overdraft accounts	206,297,251	177,990,289
Loans and promissory notes *	637,894,866	602,776,362
Small and Medium		
Overdraft accounts	34,408,282	34,049,264
Loans and promissory notes *	149,077,646	133,749,424
Government and public sector	40,246,684	30,117,405
Total	1,806,248,416	1,699,710,784
<u>Less:</u> Interest in suspense	(25,165,730)	(24,159,202)
<u>Less:</u> Expected credit losses	(86,177,337)	(80,278,936)
Net Direct Credit Facilities and Financing	1,694,905,349	1,595,272,646

* Net after deducting interest and commission received in advance of JD 14,168,403 as of June 30, 2023 (JD 14,257,407 as of December 31, 2022).

- Non-performing credit facilities were amounted to JD 106,522,957 which is equivalent to 5,90% of total direct credit facilities as of June 30, 2023 (JD 109,309,465 which is equivalent to 6,43% of total direct credit facilities as of December 31, 2022).
- Non- performing credit facilities after deducting interest and returns in suspense were amounted to JD 82,658,559 which is equivalent to 4,64% of total direct credit facilities balance after deducting interest and returns in suspense as of June 30, 2023 (JD 86,110,168 which is equivalent to 6,04% of total credit facilities balance after deducting interest and returns in suspense as of December 31, 2022).
- Non-performing credit facilities transferred to off consolidated financial position items, amounted to JD 138,567,946 as at June 30, 2023, Moreover, these credit facilities are fully covered with the suspended interests and provisions (JD 139,384,618 as of December 31, 2022).
- There are no credit facilities granted to and guaranteed by the Jordanian government as at June 30, 2023 and December 31, 2022.

The movement on facilities at Individual basis is as follows:

For the Six Months Period Ended June 30, 2023 (reviewed)

	Stage 1 Individual JD	Stage 2 Individual JD	Stage 3 JD	Total JD
Balance at the beginning of the period	1,448,380,200	142,021,119	109,309,465	1,699,710,784
New facilities for the year	312,242,267	11,233,807	1,656,879	325,132,953
Settled facilities	(190,295,327)	(17,000,481)	(8,872,358)	(216,168,166)
Transferred to stage 1	7,128,952	(6,692,761)	(436,191)	-
Transferred to stage 2	(26,054,450)	26,370,906	(316,456)	-
Transferred to stage 3	(3,066,672)	(4,542,101)	7,608,773	-
Written-off facilities and transferred to off statement of financial position items	-	-	(2,427,155)	(2,427,155)
Total balance at the end of the period	<u>1,548,334,970</u>	<u>151,390,489</u>	<u>106,522,957</u>	<u>1,806,248,416</u>

For the Year Ended December 31, 2022 (audited)

	Stage 1 Individual JD	Stage 2 Individual JD	Stage 3 JD	Total JD
Balance at the beginning of the year	1,219,474,936	137,769,708	107,430,472	1,464,675,116
New facilities for the year	519,740,463	39,350,286	9,159,528	568,250,277
Settled facilities	(279,826,579)	(31,372,994)	(9,167,998)	(320,367,571)
Transferred to stage 1	19,151,604	(18,386,858)	(764,746)	-
Transferred to stage 2	(26,184,866)	26,565,812	(380,946)	-
Transferred to stage 3	(3,975,358)	(11,904,835)	15,880,193	-
Written-off facilities and transferred to off statement of financial position items	-	-	(12,847,038)	(12,847,038)
Total balance at the end of the year	<u>1,448,380,200</u>	<u>142,021,119</u>	<u>109,309,465</u>	<u>1,699,710,784</u>

Expected credit loss

Following is the movement on the expected credit losses during the period/ year :

	Individuals JD	Real Estate Loans JD	Corporates JD	SMEs JD	Government and Public Sector JD	Total JD
<u>For the Six Months Period Ended June 30, 2023 (reviewed)</u>						
Balance at the beginning of the period	15,926,747	7,787,058	47,156,879	9,405,312	2,940	80,278,936
Impairment loss on new facilities during the period	875,817	487,421	1,288,680	604,329	979	3,257,226
Recovered from the impairment loss on the paid facilities	(736,714)	(1,101,518)	(1,103,418)	(405,623)	-	(3,347,273)
Transferred to stage (1)	4,351	77,821	(190,778)	(23,429)	-	(132,035)
Transferred to stage (2)	(30,361)	(77,976)	153,304	(162,851)	-	(117,884)
Transferred to stage (3)	26,010	155	37,474	186,280	-	249,919
Transferred from / to off statement of financial position	(84,454)	-	(830,481)	(63,564)	-	(978,499)
Effect on provision-resulting from reclassification among stages for the year	1,066,633	364,202	87,038	972,145	-	2,490,018
Changes resulted from adjustments	(530,463)	109,303	5,019,836	266,830	(182)	4,865,324
Written-off facilities	(11,270)	(3,957)	(218,308)	(63)	-	(233,598)
Foreign exchange adjustments	(8,571)	-	(74,534)	(71,692)	-	(154,797)
Balance at the end of the period	16,497,725	7,642,509	51,325,692	10,707,674	3,737	86,177,337
<u>Redistribution:</u>						
Provisions on individual level	16,497,725	7,642,509	51,325,692	10,707,674	3,737	86,177,337
Provisions on Collective level	-	-	-	-	-	-
	16,497,725	7,642,509	51,325,692	10,707,674	3,737	86,177,337
<u>For the Year Ended December 31, 2022 (audited)</u>						
Balance at the beginning of the year	15,811,294	8,192,139	49,121,082	9,738,762	77,253	82,940,530
Provision for expected credit loss on new facilities during the year	2,113,668	599,420	2,513,267	1,102,577	-	6,328,932
Recovered from the impairment loss on the paid facilities	(1,283,875)	(1,309,677)	(1,159,679)	(1,247,277)	-	(5,000,508)
Transferred to stage (1)	548,135	185,378	(128,074)	(16,959)	-	588,480
Transferred to stage (2)	(650,364)	(78,867)	(572,769)	(418,497)	-	(1,720,497)
Transferred to stage (3)	102,229	(106,511)	700,843	435,456	-	1,132,017
Transferred to off statement of financial position	(943,262)	(676,550)	(4,367,915)	(1,923,737)	-	(7,911,464)
Effect on provision-resulting from reclassification among stages for the year	1,048,917	(3,350)	1,299,581	1,003,297	-	3,348,445
Changes resulting from adjustments	(784,413)	1,012,149	1,660,296	1,000,024	(74,313)	2,813,743
Written-off facilities	(22,532)	(27,226)	(1,014,227)	(86,020)	-	(1,150,005)
Foreign exchange adjustments	(13,050)	153	(895,526)	(182,314)	-	(1,090,737)
Balance at the end of the Year	15,926,747	7,787,058	47,156,879	9,405,312	2,940	80,278,936
<u>Redistribution:</u>						
Provision on a collective basis	15,926,747	7,787,058	47,156,879	9,405,312	2,940	80,278,936
	15,926,747	7,787,058	47,156,879	9,405,312	2,940	80,278,936

Provisions no longer needed due to settlements, repayments or transferred against other facilities were amounted to JD 3,347,273 for the Six months period ended June 30, 2023 (UD 5,000,508 for the year ended December 31, 2022).

Suspended Interests

The movement of the suspended interests is as follows:

Companies					
	Individuals	Real estate loans	Corporates	SMEs	Total
	JD	JD	JD	JD	JD
For the Six Months Period Ended June 30, 2023 (reviewed)					
Balance at the beginning of the period	2,863,096	2,609,569	14,435,104	4,251,433	24,159,202
Add: Interest suspended during period	361,292	453,712	1,018,643	682,360	2,516,007
Less: Interests transferred to revenues	(52,487)	(97,948)	(12,323)	(93,855)	(256,613)
Transferred to stage (1)	4,485	11,977	199	7,719	24,380
Transferred to stage (2)	138	673	(934)	(41,711)	(41,834)
Transferred to stage (3)	(4,623)	(12,650)	735	33,992	17,454
Transferred to off-Consolidated statement of financial position items	(31,663)	-	(268,873)	(31,436)	(331,972)
Written off suspended interests	(51,442)	(5,046)	(764,832)	(61,766)	(883,086)
Foreign exchange adjustments	(6,279)	-	(2,911)	(28,618)	(37,808)
Balance at the end of the period	3,082,517	2,960,287	14,404,808	4,718,118	25,165,730

For the Year Ended December 31, 2022 (audited)

Balance at the beginning of the year							
<u>Add:</u> Interest suspended during period		3,006,442		13,869,994	4,142,637		24,049,947
<u>Less:</u> Interests transferred to revenues		541,607		2,492,773	1,498,813		5,309,260
Transferred to stage (1)		(178,058)		(334,119)	(169,847)		(1,110,940)
Transferred to stage (2)		11,100		-	1,012		31,439
Transferred to stage (3)		9,022		(536,305)	(91,155)		(582,416)
Transferred to off-Consolidated statement of financial position items		(20,122)		536,305	90,143		550,977
Written off suspended interests		(327,134)		(1,219,774)	(872,695)		(2,965,278)
Foreign exchange adjustments		(162,867)		(312,219)	(144,149)		(842,016)
Balance at the end of the Year		(16,894)		(61,551)	(203,326)		(281,771)
		2,863,096		14,435,104	4,251,433		24,159,202

9. Financial Assets At Fair Value Through Other Comprehensive Income

The details of this item are as follows:

	June 30, 2023 (Reviewed)	December 31, 2022 (Audited)
	JD	JD
Quoted shares	10,329,296	10,449,929
Unquoted shares	27,533,844	27,285,721
Matual funds	-	-
	<u>37,863,140</u>	<u>37,735,650</u>

- Cash dividends distributions for the above-mentioned financial assets amounted to JD 792,616 for the period ended June 30, 2023 (JD 367,132 for the period ended June 30, 2022).

10. Financial Assets at Amortized Cost

The details of this item are as follows:

	June 30, 2023 (Reviewed)	December 31, 2022 (Audited)
	JD	JD
<u>Unquoted Financial Assets:</u>		
Treasury bonds and bills *	766,031,859	768,028,106
Companies' bonds	<u>96,456,677</u>	<u>103,854,936</u>
	862,488,536	871,883,042
Less: Provision for impairment of financial assets	<u>(829,911)</u>	<u>(886,110)</u>
	<u>861,658,625</u>	<u>870,996,932</u>
<u>Bonds and Bills Analysis (before provision):</u>		
With Fixed rate	<u>862,488,536</u>	<u>871,883,042</u>
	<u>862,488,536</u>	<u>871,883,042</u>
<u>Bond Analysis according to IFRS 9 (before provision):</u>		
Stage (1)	<u>862,488,536</u>	<u>871,883,042</u>
	<u>862,488,536</u>	<u>871,883,042</u>

There is no repurchase agreements with the Central Bank of Jordan as of June 30, 2023 (JOD 36.6 million for the year 2022).

The movement of the financial assets at amortized cost as follows:

	June 30, 2023		December 31, 2022
	Stage (1) Individual	Total	Total
Total balance at the beginning of the period / year	871,883,042	871,883,042	867,186,788
New investments for the period/year	79,181,933	79,181,933	193,623,332
Matured investments / sold	(88,317,703)	(88,317,703)	(188,470,631)
Change in fair value	(258,736)	(258,736)	(456,447)
Transferred to stage (2)	-	-	-
Total Balance At the End of the Period / Year	<u>862,488,536</u>	<u>862,488,536</u>	<u>871,883,042</u>

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

	June 30, 2023		December 31, 2022
	Stage (1) Individual	Total	Total
Total balance at the beginning of the period / year	886,110	886,110	936,381
ECL charged on new investments for the period/year	1,125	1,125	4,984
(Recoveries) from ECL related to matured investment	(1,158)	(1,158)	(7,428)
Changes resulting from adjustments	(56,166)	(56,166)	(47,827)
Transferred to stage (2)	-	-	-
Effect on provision-resulting from reclassification among stages for the year	-	-	-
Total Balance At the End of the Period / Year	<u>829,911</u>	<u>829,911</u>	<u>886,110</u>

11. Other Assets

The details of this item are as follows:

	June 30, 2023 (Reviewed)	December 31, 2022 (Audited)
	JD	JD
Foreclosed assets against debts - net *	71,250,293	81,285,040
Accrued interest and commissions	24,984,429	19,780,154
Checks and transfers under collection	948,914	1,698,629
Seized assets sold - net	15,427,314	13,540,517
Prepaid expenses	5,933,390	4,344,359
Various debtors	2,170,606	2,265,354
Prepaid rent	1,079,738	1,496,033
Refundable deposits - Net	366,688	363,411
Temporary advances	1,874,848	1,265,114
Other	132,937	125,063
	<u>124,169,157</u>	<u>126,163,674</u>

* Below is a summary on the movement of foreclosed assets against debts:

	June 30, 2023 (Reviewed)	December 31, 2022 (Audited)
	JD	JD
Balance Beginning of Period / Year	81,285,040	89,012,597
Additions	3,101,439	3,064,873
Disposals *	(18,664,719)	(10,565,894)
Impairment loss	(200,000)	(53,072)
Sold real estate impairment provision used	603,677	127,275
Provision for breached asset used	5,395,856	9,261
Provision for breached asset	(271,000)	(310,000)
Balance End of Period / Year	<u>71,250,293</u>	<u>81,285,040</u>

Below is a summary on the movement on the provision of the foreclosed assets:

Balance Beginning of Period / Year	10,759,641	10,458,902
Provision for the period / year	271,000	310,000
Used from sold foreclosed assets	(5,395,856)	(9,261)
Balance End of Period / Year	<u>5,634,785</u>	<u>10,759,641</u>

* During the year 2023, foreclosed assets with a net book value around JD 8 million were sold to Al Ehtrafeih Real Estate Investment Company.

12. Customers deposits

The details for this item are as follows:

	Companies				Total
	Individual	Corporates	SMEs	Government and Public Sector	
	JD	JD	JD	JD	JD
<u>For the Six Months Ended June 30, 2023 (Reviewed)</u>					
Current and demand accounts	176,469,694	145,821,460	128,807,201	13,965,215	465,063,570
Saving deposits	244,922,109	-	-	-	244,922,109
Time and notice deposits	755,501,863	299,848,294	178,499,760	146,603,847	1,380,453,764
	<u>1,176,893,666</u>	<u>445,669,754</u>	<u>307,306,961</u>	<u>160,569,062</u>	<u>2,090,439,443</u>

<u>For the Year Ended December 31, 2022 (Audited)</u>					
Current and demand accounts	180,293,112	132,625,660	144,857,694	17,133,152	474,909,618
Saving deposits	258,785,941	-	-	-	258,785,941
Time and notice deposits	689,730,412	280,372,599	179,238,838	144,621,058	1,293,962,907
Total	<u>1,128,809,465</u>	<u>412,998,259</u>	<u>324,096,532</u>	<u>161,754,210</u>	<u>2,027,658,466</u>

- Public sectors and the government of Jordan deposits amounted to JD 152,651,107 representing 7,30% of total customers' deposits as at June 30, 2023 (JD 154,107,292 representing 7,60% of total customers' deposits as at December 31, 2022).

- Non-interest bearing deposits amounted to JD 502,966,954 representing 24,06% of total customers' deposits as at June 30, 2023 (JD 508,300,243 representing 25,07% of total customers' deposits as at December 31, 2022).

- Restricted deposits amounted to JD 3,101,135 representing 0,15% of total customers' deposits of as at June 30, 2023 (JD 4,085,852 representing 0,20% of total customers' deposits as at December 31, 2022).

- Dormant fund deposits amount JD 27,044,957 representing 1,29% as at June 30, 2023 (JD 39,207,816 representing 1,93% of total customers' deposits as at December 31, 2022).

13. Loans and borrowings

Details of this item are as follows:

	June 30, 2023 (reviewed not audited)		Number of Payments		Installment Maturity Period	Collaterals	Interest	
	JD	Amount	Total	Remaining			Rate	Rebating Interest Rate
							%	%
Central Bank of Jordan	1,800,000		20	8				
Central Bank of Jordan	1,709,497		34	32	Semi - annual installments	None	5/65	9/73
Central Bank of Jordan	1,479,928		15	15	Semi - annual installments	None	3	8/52
Central Bank of Jordan	1,612,500		25	13	Semi - annual installments	None	2/7	10/48
Central Bank of Jordan	1,163,484		26	23	Semi - annual installments	None	5/69	10/35
Central Bank of Jordan	50,069,646		-	-	Semi - annual installments	None	3/42	5/91
Jordan Mortgage Refinance Company	35,000,000		1	1	Renewed monthly One payment	None	4/5	4/5
Local Bank (loan to a Subsidiary)	1,583,333		24	18	24 monthly installments effective from the withdrawal date	None	7/25	9/75
Local Bank (loan to a Subsidiary)	18,000,000		24	24	24 monthly installments effective from the withdrawal date	None	7/25	9/75
Local Bank (loan to a Subsidiary)	16,524,994		24	24	24 monthly installments effective from the withdrawal date	None	4/75-6/75	9/75
Local Bank (loan to a Subsidiary)	2,875,000		24	23	24 monthly installments effective from the withdrawal date	None	6/75	9/75
Jordan Mortgage Refinance Company (loan to a Subsidiary)	23,000,000		5	5	3/23/2023+1/30/2025+7/1/2024+5/12/2023+9/26/2024	None	4/65-5/2	9/75
Local Bank (loan to a Subsidiary)	500,000		-	-	36 monthly installments effective from the withdrawal date	None	7/75	15-18
Local Bank (loan to a Subsidiary)	211,087		-	-	42 monthly installments effective from the withdrawal date	None	5/6	15-18
Local Bank (loan to a Subsidiary)	2,875,010		-	-	36 monthly installments effective from the withdrawal date	None	7	15-18
Local Bank (loan to a Subsidiary)	6,000,000		-	-	60 monthly installments effective from the withdrawal date	None	4/75	15-18
Central Bank of Jordan (loan to a Subsidiary)	1,739,837		-	-	Semi - annual installments	None	-	9
	165,097,388							

12/31/2022 (audited)	Amount	Number of Payments		Installment Maturity Period	Collaterals	Interest	
		Total	Remaining			Rate	Rebating Interest rate
						%	%
Central Bank of Jordan	2,000,000	20	9	Semi- annually	None	5/65	9/81
Central Bank of Jordan	1,479,928	34	33	Semi- annually	None	3	8/85
Central Bank of Jordan	621,000	15	2	Semi- annually	None	2/5	9/89
Central Bank of Jordan	1,728,750	20	14	Semi- annually	None	5/69	9/93
Central Bank of Jordan	1,216,370	26	23	Semi- annually	None	3/42	4/07
Central Bank of Jordan	35,181,396	-	-	Renewed monthly	None	4/5	3/8
Central Bank of Jordan (Repurchase treasury bills agreement)	37,202,381	-	-	Depends on the maturity of each agreement	treasury bills mortgage	2	-
Jordan Mortgage Refinance Company	35,000,000	1	1	one payment	None	4/5	4/5 - 8/5
Local Bank (loan to a Subsidiary)	5,833,333	24	19	24monthly installments effective from the withdrawal date	None	6/5	9/75
Local Bank (loan to a Subsidiary)	4,375,001	24	22	24monthly installments effective from the withdrawal date	None	6/25	9/75
Local Bank (loan to a Subsidiary)	4,734,006	24	16	24monthly installments effective from the withdrawal date	None	5/9	9/75
Jordan Mortgage Refinance Company (loan to a Subsidiary)	30,500,000	7	7	5/3/2023 + 9/23/2024 + 1/30/2025 + 7/1/2024 + 10/4/2023 + 9/26/2024 + 5/12/2023	None	4/45 - 6/3	9/75
Local Bank (loan to a Subsidiary)	2,516,134	-	-	36monthly installments effective from the withdrawal date	None	5/75	15 - 18
Local Bank (loan to a Subsidiary)	486,112	-	-	36monthly installments effective from the withdrawal date	None	6	15 - 18
Local Bank (loan to a Subsidiary)	244,822	-	-	36monthly installments effective from the withdrawal date	None	3/75	15 - 18
Central Bank of Jordan (loan to a Subsidiary)	1,508,842	-	-	Semi- annually	None	-	9
Total	164,628,175						

- Loans with fixed-interest rates amounted to JD 165,097,388 as at June 30, 2023 (December 31, 2022: JD 164,628,175).

- The loans that where repaganted to the clients (except the repurchase agreements) JD 161,735,082 as at June 30, 2023 (December 31, 2022: JD 120,195,235)

14. Provision for Income Tax

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

	For the Six Months Ended June 30, 2023 (Reviewed)	For the Year Ended December 31, 2022 (Audited)
	JD	JD
Balance beginning of the period / year	10,871,837	10,398,470
Income tax paid	(10,314,961)	(11,449,421)
Income tax for the period / year	5,051,497	11,922,788
Balance End of the Period / Year	5,608,373	10,871,837

The income tax in the consolidated condensed interim statements of profit or loss represents the following:

	For the Six Months Ended June 30, 2023 (Reviewed)	2022 (Reviewed)
	JD	JD
Accrued income tax for the profits of the period	5,051,497	4,228,009
Deferred tax assets for the period	(1,220,124)	(334,976)
Amortization of deferred tax assets for the period	2,257,674	163,248
	6,089,047	4,056,281

- The statutory tax rate for the banks in Jordan is 38% which contains 35% + 3% national contribution according to tax law no. (34) from the year 2014, amended by law no. (38) for the year 2018, and the statutory tax rates for the foreign branches and subsidiaries range between 12.5% to 28.79%.

- The Bank has reached a final settlement with the Income and Sales Tax Department for the year 2018 for Jordan Branches.

-For the years 2019 and 2020, after finalizing and adjusting the return the bank has rejected it.

- Financial years 2021 and 2022 : Tax return was submitted However, the Income and Sales Tax Department did not review the records until the date of preparation these consolidated financial statements.

- A final tax settlement has been reached with the income tax and value-added tax for Palestine branches up to the year 2020, the years 2021 and 2022 still under discussion with the Income and Sales Tax Department.

- A final tax settlement has been reached for Cyprus branch up to the year 2019.

- Ahli Financial Brokerage Company (subsidiary) – reached to a final settlement with the Income and Sales Tax Department up to the year 2021, and the self-assessment statement for the year 2022 was submitted and the income and sales tax department has not reviewed the records yet.

- Ahli Finance Leasing Company (subsidiary) – reached to a final settlement with the Income and Sales Tax Department up to the year 2021, and the company submitted a self-assessment statement for the year 2022 within the legal period, and the income and sales tax department didn't review the company's accounting records.

- Ahli Microfinance Company (subsidiary) – reached to a final settlement with the Income and Sales Tax Department up to the year 2020, tax return was submitted for the years 2021 and 2022. However, the Income and Sales Tax Department

- Ahli Financial Technology Company (subsidiary) – reached to a final settlement with the Income and Sales Tax Department up to the year 2022, and the income and sales tax department has not reviewed the records yet.

- A provision for income tax was calculated for the period ended June 30, 2023, and in the opinion of the banks management and the tax consultant, the provision recorded as of June 30, 2023 is sufficient to meet the tax obligations, and there is no need to record any other provision.

	June 30, 2023	December 31, 2022
Income tax rate		
Jordan Branches	38%	38%
Palestine Branches	28.79%	28.79%
Cyprus Branch	12.50%	12.50%

15. Other Liabilities

The details of this item are as follows:

	June 30, 2023 (Reviewed)	December 31, 2022 (Audited)
	JD	JD
Accepted checks and transfer	5,556,767	6,081,458
Accounts payable to financial brokerage customers	538,921	729,696
Accrued interests	13,548,845	10,256,858
Temporary deposits	4,802,898	7,994,442
Various creditors	3,409,460	2,099,160
Accrued expenses and unpaid	9,147,593	9,537,726
Interest and commissions received in advance	2,302,735	2,492,008
Dividends checks - delayed in payment	1,534,330	1,251,118
Board of directors' remuneration	41,334	68,834
Provision for expected credit losses on indirect credit facilities and unutilized facilities limits *	6,122,748	6,110,541
Others	505,862	13,589
Total	47,511,493	46,635,430

* The movement on the provision for expected credit losses for the indirect credit facilities during the period/ year is as follows:

	June 30, 2023 (Reviewed)				December 31, 2022 (Audited)
	Stage 1 Individual	Stage 2 Individual	Stage 3	Total	JD
	JD	JD	JD	JD	JD
Balance - beginning of the period / year	3,765,519	1,286,832	1,058,190	6,110,541	6,185,918
Expected credit losses on new exposures during the year	30,535	2,112	-	32,647	1,234,230
Recovered from the expected credit losses on outstanding exposures	(18,216)	(3,232)	-	(21,448)	(1,446,825)
Transferred to stage (1)	1,054	(1,054)	-	-	-
Transferred to stage (2)	(32,168)	32,168	-	-	-
Transferred to stage (3)	(4)	-	4	-	-
Effect on provision-resulting from reclassification among Three stages for the year	2,764	39,680	(4)	42,440	162,238
Changes resulted from adjustments	378,064	(419,496)	-	(41,432)	(25,020)
Balance at the End of the period / year	4,127,548	937,010	1,058,190	6,122,748	6,110,541

- The movement on indirect facilities is as follows:

	June 30, 2023 (Reviewed)				December 31, 2022 (Audited)
	Stage 1 Individual	Stage 2 Individual	Stage 3	Total	JD
	JD	JD	JD	JD	JD
Balance - beginning of the period / year	790,717,211	17,737,863	2,753,091	811,208,165	770,650,635
New facilities for the period / year	205,809,731	2,227,003	-	208,036,734	275,894,593
Settled facilities	(185,624,012)	(7,144,029)	(122,741)	(192,890,782)	(235,337,063)
Transferred to stage (1)	333,164	(273,164)	(60,000)	-	-
Transferred to stage (2)	(4,912,471)	4,912,471	-	-	-
Transferred to stage (3)	(1,008)	(100)	1,108	-	-
Balance at the End of the period / year	806,322,615	17,460,044	2,571,458	826,354,117	811,208,165

16. Fair value reserve

Details of this item are as follows:

	June 30, 2023 (Reviewed)	December 31, 2022 (Audited)
	JD	JD
Balance at the beginning of the period/ year	(5,871,290)	(5,645,628)
Realized profit transferred to the comprehensive income items	98,019	311,428
Net unrealized (losses) transferred to the comprehensive income items	(9,045)	(808,988)
Deferred tax assets	(7,326)	271,898
Balance at the end of the period/ year	<u>(5,789,642)</u>	<u>(5,871,290)</u>

17. Retained Earning and Distributed Dividends

Details of this item are as follows:

	June 30, 2023 (Reviewed)	December 31, 2022 (Audited)
	JD	JD
Balance at the beginning of the period / year	48,344,197	48,061,337
Profit for the period/ year	-	16,899,842
Distributed Dividends	(16,052,400)	(14,045,850)
(Transferred) to reserves	-	(2,571,132)
Balance at the end of the period/ year	<u>32,291,797</u>	<u>48,344,197</u>

- Members of General Assembly decided in their ordinary meeting held on 30 March 2023 to approve the distribution of cash dividends at 8% of the capital amounting to JD 16.052 million of the retained earnings balance to the shareholders as profits for the year 2022, while dividends distributed to the shareholders for the year 2021 were 7% which is around to JD 14.046 million.

18. Interest Income

Details of this item are as follows:

	For the Six Months Ended June 30,	
	2023 (Reviewed)	2022 (Reviewed)
	JD	JD
Direct Credit Facilities		
Individuals (Retail)		
Overdraft	85,813	97,690
Loans and bills	19,318,618	12,596,844
Credit cards	914,265	826,677
Real estate mortgages	14,823,734	10,666,584
Corporations		
Large corporations		
Overdrafts	7,414,933	4,401,357
Loans and bills	21,318,745	15,232,661
Small and medium enterprises "SMEs"		
Overdrafts	1,751,108	1,294,902
Loans and bills	7,711,103	6,398,428
Government and Public Sector	1,062,854	857,269
Balances at Central Banks	339,727	177,817
Balances and deposits at banks and financial institutions	2,496,538	351,480
Financial assets measured at amortized cost	19,388,664	19,304,576
	<u>96,626,102</u>	<u>72,206,285</u>

19. Interest Expense

Details of this item are as follows:

	For the Six Months Ended June 30,	
	2023 (Reviewed)	2022 (Reviewed)
	JD	JD
Banks and financial institutions deposits	5,961,314	1,954,920
Customers' deposits:		
Current accounts and demand deposits	427,394	238,780
Saving accounts	324,284	771,496
Time and notice deposits	30,491,740	20,331,567
Cash margins	5,567,964	2,048,262
Borrowed funds	2,902,941	2,807,268
Amortization of lease contract obligations	268,501	286,172
Subordinated bonds	810,959	695,548
Deposit insurance fees	1,016,966	1,482,410
Total	<u>47,772,063</u>	<u>30,616,423</u>

20. Provision for Expected Credit Losses - net

Details of this item are as follows:

	For the Six Months Ended June 30,	
	2023 (Reviewed)	2022 (Reviewed)
	JD	JD
Balances and deposits at Banks and financial institutions	(168)	155,296
Direct facilities	7,265,295	3,429,977
(Surplus) financial assets at amortized cost	(56,199)	(36,095)
Provision (surplus) indirect credit facilities and unutilized facilities	12,207	(30,133)
	<u>7,221,135</u>	<u>3,519,045</u>

21. Basic and Diluted Earnings per Share for the Period

Details of this item are as follows:

	For the Six Months Ended June 30,	
	2023 (Reviewed)	2022 (Reviewed)
	JD	JD
Income for the period	9,176,947	8,100,599
Weighted average number of (shares)	200,655,000	200,655,000
	Fils / JD	Fils / JD
Earnings per share for the period (Basic and Diluted)	<u>0/046</u>	<u>0/040</u>

22. Cash and Cash Equivalent

Details of this item are as follows:

	For the Six Months Ended June 30,	
	2023 (Reviewed)	2022 (Reviewed)
	JD	JD
Balances at central banks due within three months	197,066,941	171,181,028
<u>Add:</u> Balances at banks and financial institutions due within three months	181,271,543	221,651,416
<u>Less:</u> Deposits at banks and financial institutions due within three months	(203,258,547)	(122,539,655)
<u>Less:</u> Restricted deposits	<u>(10,635,000)</u>	<u>(10,635,000)</u>
	<u>164,444,937</u>	<u>259,657,789</u>

23. Capital Adequacy

Through the management of its capital, the Bank seeks to achieve the below goals:

- Compliance with the Central Bank capital related requirements.
- To keep the ability of the Bank to continue as a going concern.
- Having a strong capital base for supporting the Bank's expansion and development.

Capital adequacy is reviewed monthly and reported quarterly to the Central Bank of Jordan.

According to the Central Bank Instructions, the minimum requirement for capital adequacy is 12%. For Banks that have foreign presence the minimum capital adequacy ratio is 14%, Banks are classified into 5 categories, the best of which is having an average capital adequacy equal to or more than 14%

The Bank manage its capital structure and makes the necessary adjustments in terms of working conditions. No adjustments were made on the objectives, policies and procedures related to capital restructuring during the year

The Bank manage its capital structure in way that insures the continuing of the operations and achieving the highest profit on equity, share capital as defined by Basel 3 agreement is as stated in the table below :

	June 30, 2023 (Reviewed) JD (In Thousands)	December 31, 2022 (Audited) JD (In Thousands)
Common Equity Shareholders Rights		
Authorized capital - (Paid)	200,655	200,655
Retained earnings	32,292	48,344
The cumulative change in fair value	(5,790)	(5,871)
Statutory reserve	67,780	67,780
Voluntary reserve	15,762	15,762
Other reserve	3,678	3,678
Interim profit after tax	9,177	-
Total Common Equity Tire 1 before regulatory adjustments	323,554	330,348
Regulatory Adjustments (Propositions of the Capital)		
Goodwill and intangible assets	(3,702)	(4,928)
Expected distributions	(8,026)	(16,052)
Postponed provisions with the approval of the Central Bank	(5,952)	(4,790)
Investment in Bank's capital, financial institutions and insurance companies	(3,100)	(3,100)
Deferred tax assets	(14,969)	(16,014)
Total Tier 1 capital	287,805	285,464
Additional capital	-	-
Net Primary Capital (Tier 1)	287,805	285,464
Tier 2 capital		
Provision for debts tools listed in Tier 1	12,621	11,845
Subordinated bonds *	20,000	20,000
Total Supporting Capital	32,621	31,845
Total Regulatory Capital	320,426	317,309
Total Risk Weighted Assets	2,117,052	2,031,800
Capital percentage from regular shares (CET 1) (%)	%13,59	%14,05
Regulatory capital percentage (%)	%15,14	%15,62

* During November 2022, the bank issued subordinated bonds in the amount of JD 20 million for a period of (7) years at discounted interest rate to the Central Bank of Jordan in addition to 1.75% margin in order to improve the capital adequacy percentage.

Liquidity Coverage Ratio (LCR):

	June 30, 2023 (Reviewed) JD (In Thousands)	December 31, 2022 (Audited) JD (In Thousands)
Total high-quality liquid assets after adjustments	958,667	936,511
Total net cash outflow	512,366	441,130
LCR ratio (%)	%187,1	%212,2
The Liquidity Coverage Ratio/ based on the average of all working days	% 191,7	% 198,8

24. Information on the Bank's Business

1. Bank Activities Information

For management purposes the Bank is organized into the following major business segments based on the reports sent to the chief operating decision maker:

- **Individual accounts:** This item includes following up on individual customer's deposits, granting them credit facilities, credit cards and other services.
- **Small and Medium Enterprises:** This item includes following up on the client's deposits and credit facilities and in which these clients are classified based on the volume of the granted deposits and facilities according to the Bank's instructions and policies and in compliance with the regulatory bodies' instruction.
- **Corporate accounts:** This item includes following up on the client's deposits and credit facilities and in which these clients are classified based on the volume of the granted deposits and facilities according to the Bank's instructions and policies and in compliance with the regulatory bodies' instruction.
- **Treasury:** This item includes providing treasury and trading services, managing the Bank's funds and long term investments at amortized costs which is maintained to collect the contractual cash flows.
- **Investment and foreign exchange management:** This sector includes the local and foreign investments held at fair value as well as foreign currency trading services.
- **Others:** This sector includes all the accounts not listed within the sectors mentioned above such as share holders' rights, investments in associates, property and equipment, general management and supporting management.

The following table represents information on the Bank's sectors according to activities

Total									
For the Six Months Ended June 30,									
2023 (Reviewed)									
2022 (Reviewed)									
	Individuals	Small and Medium Enterprises	Corporates	Treasury & Investment and foreign exchange	Other	2023 (Reviewed)	2022 (Reviewed)		
	JD	JD	JD	JD	JD	JD	JD		
Total Revenue	25,654,995	13,698,921	21,675,786	296,055	676,057	62,001,814	53,843,416		
Expected credit losses allowance	(534,682)	(1,437,681)	(5,306,382)	57,610	-	(7,221,135)	(3,519,045)		
Segment results	25,120,313	12,261,240	16,369,404	353,665	676,057	54,780,679	50,324,371		
Net Undistributed expenses	-	-	-	-	-	(38,171,018)	(36,644,266)		
Other provisions	-	-	-	-	-	(1,343,667)	(1,523,225)		
Income before tax	25,120,313	12,261,240	16,369,404	353,665	676,057	15,265,994	12,156,880		
Income tax	-	-	-	-	-	(6,089,047)	(4,056,281)		
Profit for the period						9,176,947	8,100,599		
Other Information									
Capital expenses						6,403,817	4,992,831		
Depreciation and Amortization						5,582,349	5,586,945		

2. Geographical distribution information

This sector represents the geographical distribution of the Bank's operation. The Bank operates mainly in Jordan, which represents the local business. The Bank also carries out intentional activities in the Middle East, Europe, Asia, America and the Near East, representing international business.

	Inside Jordan				Outside Jordan				Total
	June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022	
	(Reviewed not Audited)	(Audited)	(Reviewed not Audited)	(Audited)	(Reviewed not Audited)	(Audited)	(Reviewed not Audited)	(Audited)	
Bank's Assets	2,769,722,049	2,627,878,967	457,549,426	454,634,326	3,227,271,475	3,082,513,293			
The following is the distribution of the Bank's revenues and capital expenditures by geographical sectors:									
	Inside Jordan				Outside Jordan				Total
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022	
	(Reviewed not Audited)	(Reviewed not Audited)	(Reviewed not Audited)	(Reviewed not Audited)	(Reviewed not Audited)	(Reviewed not Audited)	(Reviewed not Audited)	(Reviewed not Audited)	
	JD	JD	JD	JD	JD	JD	JD	JD	
Gross income	53,623,673	47,956,057	8,378,141	5,885,359	62,001,814	53,943,416			
Capital Expenditure	6,017,782	4,781,071	386,035	211,760	6,403,817	4,992,831			

The following is the distribution of the Bank's revenues and capital expenditures by geographical sectors:

Exposure distribution according to Economic sectors:

a. Expected credit losses on the financial instruments as of June 30, 2023 (reviewed not audited):

	Financial	Industrial	Trade	Real estates	Agriculture	Services and public facilities	Shares	Individual	Governmental and other sector	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Balances at central banks	-	-	-	-	-	-	-	-	117,740,827	117,740,827
Balances at banks and financial institutions	181,271,543	-	-	-	-	-	-	-	-	181,271,543
Deposits at banks and financial institutions	17,818,367	-	-	-	-	-	-	-	-	17,818,367
Direct credit facilities	61,374,399	140,397,699	417,127,341	495,722,806	62,675,795	169,463,626	3,748,608	304,152,128	40,242,947	1,694,905,349
Financial assets at amortized cost	95,626,766	-	-	-	-	-	-	-	766,031,859	861,658,625
Included in financial assets through profit or loss	-	-	-	-	-	-	-	-	-	-
Included in financial assets through other comprehensive income	-	-	-	-	-	-	-	-	-	-
Included in financial assets through at amortized cost	-	-	-	-	-	-	-	-	-	-
Other assets	24,984,429	-	-	-	-	-	-	-	-	24,984,429
Gross/current period	381,075,504	140,397,699	417,127,341	495,722,806	62,675,795	169,463,626	3,748,608	304,152,128	924,015,633	2,898,379,140
Letters of guarantee	280,566,753	-	-	-	-	-	-	-	-	280,566,753
Letters of credit	99,892,847	-	-	-	-	-	-	-	-	99,892,847
Other obligations	439,771,770	-	-	-	-	-	-	-	-	439,771,770
Total for period	1,201,306,874	140,397,699	417,127,341	495,722,806	62,675,795	169,463,626	3,748,608	304,152,128	924,015,633	3,718,610,510

b. Expected credit losses based on IFRS 9 stages as of June 30, 2023: :

	Stage (1)	Stage (2)	Stage (3)	Total
	Individual	Individual	JD	JD
Financial	JD	JD	JD	JD
	1,182,953,804	16,839,770	1,513,300	1,201,306,874
Industrial	118,852,648	15,568,571	5,976,480	140,397,699
Trading	370,926,947	43,803,237	2,397,157	417,127,341
Real estate	472,495,620	17,458,560	5,768,626	495,722,806
Agricultural	21,674,381	40,957,115	44,299	62,675,795
Services and public facilities	151,832,398	16,442,661	1,188,567	169,463,626
Shares	3,394,835	-	353,773	3,748,608
Individual	300,396,513	3,054,369	701,246	304,152,128
Governmental and other sectors	924,015,633	-	-	924,015,633
Total	3,546,542,779	154,124,283	17,943,448	3,718,610,510

Credit Exposure with modified classification:

a. Gross Credit Exposure as of 30 June 2023:

	Stage (2)		Stage (3)		Percentage of exposure modified	
	Gross Exposure JD	Modifications JD	Gross Exposure JD	Modifications JD	Total modifications JD	%
Balances with central bank	-	-	-	-	-	
Balances at banks and financial institutions	-	-	-	-	-	
Deposits at banks and financial institutions	-	-	-	-	-	
Direct credit facilities	151,390,489	15,136,044	106,522,957	6,856,126	21,992,170	%8.53
Financial assets at amortized cost	-	-	-	-	-	
Other assets	-	-	-	-	-	
Total exposure for items within statement of financial position	151,390,489	15,136,044	106,522,957	6,856,126	21,992,170	
Total exposure for items not within statement of financial position	17,460,044	4,639,207	2,571,458	(58,892)	4,580,315	%22.87
Total	168,850,533	19,775,251	109,094,415	6,797,234	26,572,485	

b. Expected credit losses on exposure with modified classification as of 30 June 2023:

	Gross exposure with modified classification			Expected credit losses on exposure with modified classification			Percentage of exposure modified
	Gross exposure reclassified from stage 2	Gross exposure reclassified from stage 3	Gross exposure with modified classification	Stage 2 (individual)	Stage 3 (individual)	Total	
Balances with central bank	JD	JD	JD	JD	JD	JD	%
Balances at banks and financial institutions	-	-	-	-	-	-	
Deposits at banks and financial institutions	-	-	-	-	-	-	
Direct credit facilities	15,136,044	6,856,126	21,992,170	(117,884)	249,919	132,035	0.60%
Financial assets at amortized cost	-	-	-	-	-	-	
Other assets	-	-	-	-	-	-	
Total exposure for items within statement of financial position	15,136,044	6,856,126	21,992,170	(117,884)	249,919	132,035	
Total exposure for items not within statement of financial position	4,639,207	58,892	4,580,315	31,114	4	31,118	0.68%
Total	19,775,251	6,797,234	26,572,485	(86,770)	249,923	163,153	

Distribution of exposures by geographical:

a. Gross credit exposure on the geographical distribution as of June 30, 2023 :

	Inside Jordan	Middle east	Europe	Asia	America	Total
	JD	JD	JD	JD	JD	JD
Balances with central bank	77,691,391	39,488,493	560,943	-	-	117,740,827
Balances at banks and financial institutions	14,270,583	33,783,453	93,754,496	490,945	38,972,066	181,271,543
Deposits at banks and financial institutions	17,818,367	-	-	-	-	17,818,367
Direct credit facilities	1,464,899,415	217,900,335	12,105,598	-	-	1,694,905,348
Financial assets at amortized cost	810,313,339	37,165,286	14,180,000	-	-	861,658,625
Other assets	22,544,754	2,253,502	186,174	-	-	24,984,430
Gross/current period	2,407,537,849	330,591,069	120,787,211	490,945	38,972,066	2,898,379,140
Letters of guarantee	268,336,787	11,962,559	267,407	-	-	280,566,753
Letters of credit	94,071,540	5,821,307	-	-	-	99,892,847
Other obligations	405,027,166	32,997,959	1,746,645	-	-	439,771,770
Total	3,174,973,342	381,372,894	122,801,263	490,945	38,972,066	3,718,610,510

b. Gross credit exposure based on IFRS 9 stages after ECL as of June 30, 2023 :

	Stage 1 individual	Stage 2 individual	Stage 3	Total
	JD	JD	JD	JD
Inside Jordan	3,012,205,138	146,343,489	16,424,715	3,174,973,342
Middle east	372,073,367	7,780,794	1,518,733	381,372,894
Europe	122,801,263	-	-	122,801,263
Asia	490,945	-	-	490,945
America	38,972,066	-	-	38,972,066
Total	3,546,542,779	154,124,283	17,943,448	3,718,610,510

25. Transactions and Balances with Related Parties.

Related parties, as defined in International Accounting Standard 24: Related Party Disclosures, include associate companies, major shareholders, directors and other key management personnel of the Company, and entities controlled, jointly controlled or significantly influenced by such parties.

The Bank entered into transactions with major shareholders, Board of Directors and executive management within the normal banking practice and according to the normal commercial interests and commissions rate. All of the credit facilities granted to related parties are considered to be performing facilities, and no impairment provisions have been taken except for the below:

a. The following is a summary of the transactions with related parties during the period:

	Total						
	Board of Directors Members		Executive Management	Subsidiaries	Others*	June 30, 2023 (Reviewed)	December 31, 2022 (Audited)
On- Consolidated Condensed Interim Statement of Financial Position Items:							
Direct credit facilities	JD	2,745,484	5,251,937	840,991	77,920,010	86,758,422	87,904,971
Deposits for banks' related party		71,231,843	2,138,529	5,716,816	16,518,191	95,605,379	95,725,182
Cash margin		33,404	249,020	-	6,742,307	7,024,731	9,727,039
Financial assets at amortized cost		-	-	-	3,344,835	3,344,835	2,358,790
Off- Consolidated Condensed Interim Statement of Financial Position Items:							
In direct credit facilities		50,000	-	1,253,500	4,384,977	5,688,477	5,894,689

Consolidated Condensed Interim Statement of Profit or Loss Items:

	2023 (Reviewed)	2022 (Reviewed)
Credit interests and commissions	JD 201,495	136,891
Debit interests and commissions	2,065,791	71,424
	49,992	2,314,486
	75,444	571,856
	2,784,515	2,435,252
		1,379,241

* This item represents companies partially owned by members of the Bank's Board of Directors' relatives, and the Bank's employees

There are accounts receivable from a subsidiary company (Ahl Brokerage Company) of JD 2,240,651 belonging to a related party as at 30 June 2023. On 31 October 2013, the Company signed a settlement agreement with those clients to pay the obligations through an advance payment upon signing the settlement agreement, in addition to monthly instalments, as well as enhancement of their guarantees.

Interest income rate range from 2% to 13.5%.

Interest expense rate range from 0% to 6.5%.

b. The salaries, bonuses and transportation allowances of executive management for the Bank's top executive management amounted to JD 2,042,756 for six months ended June 30, 2023 (JD 2,181,182 for six month ended June 30, 2022).

26. Paid in Capital

The bank's authorized and paid in capital amounted to JD 200,655,000 divided into 200,655,000 shares of one Jordanian Dinar each as at June 30, 2023 (JD 200,655,000 as at December 31, 2022).

Members of General Assembly decided in their ordinary meeting held on 30 March 2023 to approve the distribution of cash dividends at 8% of the capital amounting to JD 16,052 Million of the retained earnings balance to the shareholders as profits for the year 2022.

27. Reserves

The Bank did not deduct the legal reserves for the period in accordance with the provisions of the Companies Law as these lists are interim.

28. Contingent Liabilities and Commitments

The details of this item is as follows:

	June 30, (Reviewed not Audited) 2023	December 31, 2022 (Audited)
	JD	JD
Letter of credit-outgoing	74,389,396	65,501,271
Letter of credit-incoming	38,960,182	32,289,744
Acceptances	25,903,712	30,929,152
Letters of guarantee:		
- Payments	136,448,128	132,196,322
- Performance	111,647,521	113,101,666
- Other	36,377,044	34,928,640
- Unused Limits of Direct Credit Facilities and Financing	441,588,316	434,551,114
Total	865,314,299	843,497,909

- The cost to complete the project under construction related to the new management building was amounted to around JD 32 million and its expected to be completed by the end of the year 2025.

29. Lawsuits against the Bank

Total cases against the Bank were amounted to JD 3,117,011 as of June 30, 2023 (JD 2,463,894 as of December 31, 2022), provisions booked against them was amounted to JD 266,333 as of June 30, 2023 (JD 253,424 as of December 31, 2022).

30. 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).

	Fair Value		The Level of	Evaluation Method and Inputs used	Important Intangible Inputs	Relation between the Fair Value and the Important Intangible Inputs
	June 30, 2023 (Reviewed)	December 31, 2022 (Audited)				
	JD	JD				
Financial Assets at Fair Value Through Other Comprehensive Income						
Quoted Shares in active markets	10,329,296	10,449,929	Level 1	Quoted prices in financial markets	N/A	N/A
Investment fund	-	-	Level 2	Fund manager fair value valuation	N/A	N/A
Unquoted Shares in active markets	27,533,844	27,285,721	Level 3	Based on the latest available financial	N/A	N/A
Total	37,863,140	37,735,650				
Total Financial Assets at Fair Value	37,863,140	37,735,650				

There were no transfers between level 1 and level 2 during the Six months ended June 30, 2023 and for the year ended December 31, 2022.

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

Except for what is set out in the table below, we believe that the carrying amount of financial assets and liabilities shown in the consolidated condensed interim financial information of the Bank approximates their fair value.

	June 30, 2023 (Reviewed)		December 31, 2022 (Audited)		The level of
	Book value	Fair value	Book value	Fair value	Fair Value
	JD	JD	JD	JD	
Financial Assets of Non-specified Fair Value					
Term deposits, and certificate of deposits at Central Bank	10,635,000	10,635,000	32,762,000	32,774,670	Level 2
Current accounts, and balances at Banks and Financial Institutions	199,089,910	199,225,188	110,803,850	110,834,515	Level 2
Direct credit facilities at amortized costs	1,694,905,349	1,706,816,548	1,595,272,646	1,603,388,258	Level 2
Other financial assets at amortized costs	861,658,625	872,947,525	870,996,932	881,653,247	Level 1 & Level 2
Real estate seized by the Bank against debts - Net	71,250,293	82,330,825	81,285,040	98,269,749	-
Total Financial Assets of Non-specified Fair Value	2,837,539,177	2,871,955,086	2,691,120,468	2,726,920,439	

Financial Liabilities of Non-specified Fair Value					
Banks' and Financial Institutions' deposits	210,236,178	210,652,603	116,878,759	117,092,382	Level 2
Customers' deposits	2,090,439,443	2,102,311,155	2,027,658,466	2,036,689,676	Level 2
Cash margin	350,020,651	350,023,440	329,873,356	329,877,693	Level 2
Borrowed funds	165,097,388	165,266,125	164,628,175	164,805,999	Level 2
Total Financial Liabilities of Non-specified Fair Value	2,815,793,660	2,828,253,323	2,639,038,756	2,648,465,750	

The fair value of the financial assets and liabilities for level 2 was determined in accordance with agreed pricing models, which reflect the credit risk of the parties dealt with.

31. Comparative Figures

Some Comparative Figures for the year 2022 have been reclassified to match the year 2023 Figures and have no impact on the Consolidated statements of profit or loss for the year 2022.