

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

CONDENSED CONSOLIDATED INTERIM FINANCIAL
INFORMATION FOR THE
NINE MONTHS ENDED SEPTEMBER 30, 2023
TOGETHER WITH THE REVIEW REPORT

THE HOUSING BANK FOR TRADE AND FINANCE
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - THE HASHEMITE KINGDOM OF JORDAN
SEPTEMBER 30, 2023

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditor's Review Report	1
Condensed Consolidated Interim Statement of Financial Position	2
Condensed Consolidated Interim Statement of Profit or Loss	3
Condensed Consolidated Interim Statement of Comprehensive Income	4
Condensed Consolidated Interim Statement of Changes in Owners' Equity	5
Condensed Consolidated Interim Statement of Cash Flows	6
Notes to the Condensed Consolidated Interim Financial Information	7 - 38

Review Report on the Condensed Consolidated Interim Financial Information

AM/ 010923

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

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of The Housing Bank for Trade and Finance (Public Shareholding Limited Company) as of September 30, 2023 and the related condensed consolidated interim statements of profit or loss and other comprehensive income for the three and nine-months ended September 30, 2023, and condensed consolidated interim statements of changes in owners' equity and cash flows for the nine-months then ended and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these condensed consolidated interim financial information in accordance with the international accounting standard No.(34) "Interim Financial Reporting" as adopted by the Central Bank of Jordan. Our responsibility is to express a conclusion on these condensed consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements No.2410, "Review of Condensed Interim Financial Information Performed by the Independent Auditor". A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters in the Bank, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information are not prepared, in all material respects in accordance with the International Accounting Standard No. (34)" interim financial reporting" as adopted by the Central Bank of Jordan.

Other Matter

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

Amman – Jordan
October 29, 2023

Deloitte & Touche (M.E.) – Jordan

دیلویت آند توش (الشرق الأوسط)
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THE HOUSING BANK FOR TRADE AND FINANCE
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - THE HASHEMITE KINGDOM OF JORDAN
CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

		September 30, 2023	December 31, 2022
	Note	(Reviewed)	(Audited)
Assets:		JD	JD
Cash and balances at central banks – net	5	602,292,295	693,967,771
Balances at banks and financial institutions – net	6	372,898,303	358,673,917
Deposits at banks and financial institutions – net	7	40,238,433	56,638,273
Financial assets at fair value through profit or loss	8	4,390,625	5,019,780
Financial assets at fair value through other comprehensive income	9	385,474,573	369,095,004
Direct credit facilities at fair value through profit or loss	10	47,811,343	61,967,403
Direct credit facilities at amortized cost - net	11	4,458,204,462	4,209,066,827
Financial assets at amortized cost – net	12	2,306,280,030	2,230,984,446
Property and equipment – net		159,409,916	162,799,067
Intangible assets – net		22,679,011	21,574,280
Right of use asset		23,181,267	21,723,075
Deferred tax assets		128,020,416	128,589,582
Other assets – net	13	142,066,995	138,542,720
TOTAL ASSETS		<u>8,692,947,669</u>	<u>8,458,642,145</u>
LIABILITIES AND OWNERS' EQUITY:			
LIABILITIES:			
Banks and financial institutions deposits		790,834,891	870,020,537
Customers' deposits	14	5,657,272,104	5,318,025,833
Cash margins		288,168,546	274,011,478
Borrowed funds	15	326,754,652	398,779,481
Sundry provisions		30,687,340	30,380,825
Income tax provision	16/a	47,951,500	53,415,161
Deferred tax liabilities		4,168,222	6,770,350
Lease liability		22,276,465	21,110,267
Other liabilities	17	235,321,948	227,066,340
TOTAL LIABILITIES		<u>7,403,435,668</u>	<u>7,199,580,272</u>
OWNERS' EQUITY:			
BANK'S SHAREHOLDERS' EQUITY:			
Authorized and paid-up capital		315,000,000	315,000,000
Share premium		328,147,537	328,147,537
Statutory reserve		274,745,075	274,745,075
Special reserve		11,553,745	11,553,745
Foreign currencies translation		(135,337,613)	(134,490,422)
Fair value reserve – net	19	(9,606,706)	(10,908,261)
Retained earnings	20	338,093,387	416,843,387
Profit for the period		110,111,321	-
TOTAL BANK'S SHAREHOLDERS' EQUITY		<u>1,232,706,746</u>	<u>1,200,891,061</u>
Non-controlling interest		56,805,255	58,170,812
TOTAL OWNERS' EQUITY		<u>1,289,512,001</u>	<u>1,259,061,873</u>
TOTAL LIABILITIES AND OWNERS' EQUITY		<u>8,692,947,669</u>	<u>8,458,642,145</u>

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION AND SHOULD BE READ WITH THEM AND WITH THE REVIEW REPORT.

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

	Note	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
		2023	2022	2023	2022
		(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)
		JD	JD	JD	JD
Interest income	21	144,831,270	107,969,058	421,203,063	300,722,577
Interest expense	22	(48,170,238)	(26,137,172)	(132,653,709)	(63,757,625)
Net Interest Income		96,661,032	81,831,886	288,549,354	236,964,952
Net commission income		6,888,472	5,922,818	20,191,325	19,135,665
Net Interest and Commission Income		103,549,504	87,754,704	308,740,679	256,100,617
Gain from foreign currencies		2,485,313	1,862,009	6,848,362	6,436,482
Gain (loss) from financial assets at fair value through profit or loss	23	(17,360)	(603,857)	1,101,430	(2,420,587)
Cash dividends from financial assets at fair value through other comprehensive income		1,110	555	382,451	196,943
Other revenue		5,641,071	6,907,824	19,089,579	22,633,661
Total Income		111,659,638	95,921,235	336,162,501	282,947,116
Expenses:					
Employees' expenses		22,973,183	21,337,737	71,264,076	64,092,565
Depreciation and amortization		6,289,288	5,985,978	18,904,047	18,228,254
Other expenses		13,481,986	13,474,226	42,129,809	39,492,962
Allowance for expected credit losses - net	18	11,687,691	12,073,594	30,502,978	22,178,809
Expense (recovery) of sundry provisions		318,524	(4,308,057)	347,297	155,797
Total Expenses		54,750,672	48,563,478	163,148,207	144,148,387
Profit for the period before tax		56,908,966	47,357,757	173,014,294	138,798,729
Income tax expense	16/b	(20,316,589)	(13,666,650)	(59,756,275)	(41,288,601)
Profit for the Period		36,592,377	33,691,107	113,258,019	97,510,128
Attributable to:					
Bank's Shareholders		35,489,530	31,935,990	110,111,321	95,454,097
Non-Controlling Interest		1,102,847	1,755,117	3,146,698	2,056,031
		36,592,377	33,691,107	113,258,019	97,510,128
Basic and diluted earnings per share for the period attributable to the Bank's shareholders	24	0.113	0.101	0.350	0.303

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

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2023 (Reviewed)	2022 (Reviewed)	2023 (Reviewed)	2022 (Reviewed)
	JD	JD	JD	JD
Profit for the period	36,592,377	33,691,107	113,258,019	97,510,128
<u>Other comprehensive income items which may be reclassified to profit or loss in the subsequent period</u>				
Foreign currencies translation	(6,022,115)	(6,356,470)	(2,067,867)	(21,792,200)
Net change in valuation reserve of financial assets at fair value through other comprehensive income after tax - debt instruments	(884,095)	(3,450,214)	1,299,118	(17,201,052)
<u>Other comprehensive income items that will not be reclassified to profit or loss in the subsequent period</u>				
Net change in valuation reserve of financial assets at fair value through other comprehensive income after tax - equity instruments	-	6,351	21,208	38,658
Total other comprehensive income items for the period after tax	(6,906,210)	(9,800,333)	(747,541)	(38,954,594)
Total Comprehensive Income for the Period	29,686,167	23,890,774	112,510,478	58,555,534
Attributable to:				
Bank's shareholders	30,104,531	23,956,914	110,565,685	62,000,649
Non-controlling interest	(418,364)	(66,140)	1,944,793	(3,445,115)
	29,686,167	23,890,774	112,510,478	58,555,534

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

	Bank's Shareholders Equity										
	Reserves				Foreign Currency Translation	Fair Value Reserve - Net	Retained Earnings	Profit for the Period	Total Shareholder's Equity	Non-controlling Interest	Total Owners' Equity
	Authorized and Paid-up Capital	Share Premium	Statutory	Special Reserve							
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
For the Nine Months Ended September 30, 2023 (Reviewed)											
Beginning Balance for the Period (Audited)	315,000,000	328,147,537	274,745,075	11,553,745	(134,490,422)	(10,908,261)	416,843,387	-	1,200,891,061	58,170,812	1,259,061,873
Profit for the period	-	-	-	-	-	-	-	110,111,321	110,111,321	3,146,698	113,258,019
Net change in valuation reserve of financial assets at fair value through other comprehensive income – debit instruments	-	-	-	-	-	1,280,347	-	-	1,280,347	18,771	1,299,118
Net change in valuation reserve of financial assets at fair value through other comprehensive income – equity instruments	-	-	-	-	-	21,208	-	-	21,208	-	21,208
Foreign currencies translation	-	-	-	-	(847,191)	-	-	-	(847,191)	(1,220,676)	(2,067,867)
Total comprehensive income for the period	-	-	-	-	(847,191)	1,301,555	-	110,111,321	110,565,685	1,944,793	112,510,478
Dividends paid	-	-	-	-	-	(78,750,000)	-	-	(78,750,000)	(3,310,350)	(82,060,350)
Ending Balance for the Period (Reviewed)	315,000,000	328,147,537	274,745,075	11,553,745	(135,337,613)	(9,606,706)	338,093,387	110,111,321	1,232,706,746	56,805,255	1,289,512,001
For the Nine Months Ended September 30, 2022 (Reviewed)											
Beginning Balance for the Period (Audited)	315,000,000	328,147,537	257,997,671	11,459,758	(128,208,080)	3,542,409	367,183,950	-	1,155,123,245	61,680,930	1,216,804,175
Profit for the period	-	-	-	-	-	-	-	95,454,097	95,454,097	2,056,031	97,510,128
Net change in valuation reserve of financial assets at fair value through other comprehensive income – debit instruments	-	-	-	-	-	(16,855,399)	-	-	(16,855,399)	(345,653)	(17,201,052)
Net change in valuation reserve of financial assets at fair value through other comprehensive income – equity instruments	-	-	-	-	-	38,658	-	-	38,658	-	38,658
Foreign currencies translation	-	-	-	-	(16,636,707)	-	-	-	(16,636,707)	(5,155,493)	(21,792,200)
Total comprehensive income for the period	-	-	-	-	(16,636,707)	(16,816,741)	-	95,454,097	62,000,649	(3,445,115)	58,555,534
Transferred from/to reserves	-	-	(377,687)	(4,807)	-	-	382,494	-	-	-	-
Dividends paid	-	-	-	-	-	-	(63,000,000)	-	(63,000,000)	(3,615,987)	(66,615,987)
Ending Balance for the Period (Reviewed)	315,000,000	328,147,537	257,619,984	11,454,951	(144,844,787)	(13,274,332)	304,566,444	95,454,097	1,154,123,894	54,619,828	1,208,743,722

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THE HOUSING BANK FOR TRADE AND FINANCE
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AMMAN - THE HASHEMITE KINGDOM OF JORDAN
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

	Note	For the Nine Months Ended September 30,	
		2023	2022
		(Reviewed)	(Reviewed)
		JD	JD
Operating Activities			
Profit for the period before income tax		173,014,294	138,798,729
Adjustments for non-cash items:			
Depreciation and amortization		18,904,047	18,228,254
Provision for expected credit losses		30,502,978	22,178,809
Net unrealized (gain) loss from the valuation of financial assets at fair value through profit or loss		485,620	(216,747)
Cash dividends from financial assets at fair value through other comprehensive income		(382,451)	(196,943)
Net unrealized (gain) loss from valuation of credit facilities at fair value through profit and loss		(1,327,396)	2,811,032
Unrealized loss (gain) from valuation of derivatives		1,327,396	(2,811,032)
Net accrued interest and commission income		3,821,661	8,632,007
Effect of the change in exchange rates on cash and cash equivalents		(4,465,551)	(4,183,285)
Provision for end of service indemnity expense		1,828,957	1,920,143
Premiums and discounts amortization		(2,111,056)	(996,957)
Sundry provisions		347,297	155,797
Others		2,508,067	2,636,247
Cash flows from operating activities before changes in assets and liabilities		224,453,863	186,956,054
Decrease (Increase) in Assets:			
Deposits at banks and financial institutions (maturing within more than 3 months)		16,495,882	(33,596,972)
Direct credit facilities		(257,971,960)	(347,235,625)
Financial assets at fair value through profit or loss		143,535	(141,444)
Other assets		4,145,317	(6,861,647)
Increase (Decrease) in Liabilities:			
Banks and financial institutions' deposits (maturing within more than 3 months)		(42,159,808)	115,434,097
Customers' deposits		353,355,979	104,457,457
Cash margins		15,032,753	13,820,423
Other liabilities		(2,185,462)	(36,599,916)
Sundry provisions		(1,406,224)	(471,048)
Net Cash Flow from (used in) Operating Activities Before Income Tax		309,903,875	(4,238,621)
Income tax paid	16	(67,793,851)	(62,214,985)
Net Cash Flow from (used in) Operating Activities		242,110,024	(66,453,606)
Investing Activities			
(Purchase) of financial assets at fair value through other comprehensive income		(89,496,375)	(129,122,604)
Selling / matured financial assets at fair value through other comprehensive income		76,024,686	114,936,712
Cash dividends from financial assets at fair value through other comprehensive income		382,451	196,943
(Purchase) of financial assets at amortized cost		(372,276,363)	(595,661,542)
Matured financial assets at amortized cost		299,657,405	573,421,122
(Purchase) of property and equipment		(8,047,826)	(6,673,509)
Proceeds from sale of property and equipment		7,633	50,402
(Purchase) of intangible assets		(5,741,203)	(5,542,126)
Net Cash Flow (used in) Investing Activities		(99,489,592)	(48,394,602)
Financing Activities			
Borrowed funds		(72,024,829)	35,002,131
Dividends paid to shareholders		(74,967,651)	(59,977,788)
Non-controlling interest		(3,310,350)	(3,615,988)
Paid lease liability		(4,199,482)	(3,988,043)
Net Cash Flow (used in) Financing Activities		(154,502,312)	(32,579,688)
Net (Decrease) in Cash and Cash Equivalent		(11,881,880)	(147,427,896)
Effect of the change in exchange rates on cash and cash equivalents		(28,761,017)	6,990,724
Cash and cash equivalents - beginning of the period		302,075,135	653,346,160
Cash and Cash Equivalents - End of the Period	25	261,432,238	512,908,988

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

1. Incorporation and Activities

- The Housing Bank for Trade and Finance ("the Bank") was established in 1973 and registered as a public shareholding limited company in accordance with the Jordanian Companies Law No. (12) of 1964.
- The Bank provides its banking and financing business activities through its headquarter in Amman – Jordan and through its branches in Jordan (106 branches) and abroad in Palestine and Bahrain (16 branches) and through its subsidiaries in Jordan, Syria, Algeria and the United Kingdom.
- The Bank's shares are traded on Amman Stock Exchange.
- The condensed consolidated interim financial information were approved by the Bank's Board of Directors on October 26, 2023.

2. Basis of Preparation of the Condensed Consolidated Interim Financial Information

- The accompanying condensed consolidated interim financial information have been prepared in accordance with the International Accounting Standard No. (34) "Interim Financial Reporting", as adopted by the Central Bank of Jordan.
- The condensed consolidated interim financial information are prepared in accordance with the historical cost principle, except for financial assets and financial liabilities which are stated at fair value at the date of the condensed consolidated interim financial information.
- The reporting currency of the condensed consolidated interim financial information is the Jordanian Dinar, which is the functional currency of the Bank.
- The condensed consolidated interim financial information do not include all notes and information presented in the annual financial statements which is prepared in accordance with the international financial reporting standards as adopted by the Central Bank of Jordan and should be read with the Bank's annual report for the year ended December 31, 2022. The results of the nine months ended September 30, 2023 do not indicate the expected results for the year ended December 31, 2023. There was no appropriation of the profit of the nine months ended September 30, 2023 which is usually performed at year end.
- The condensed consolidated interim financial information includes the condensed interim financial information of the Bank and its subsidiaries under its control. Control is achieved when the Bank has the ability to control the financial and operational policies of subsidiaries in order to obtain benefits from their activities. Transactions, balances, revenue and expenses between the Bank and its subsidiaries are eliminated.

As of September 30, 2023, the Bank owns the following subsidiaries:

a. Foreign subsidiaries:

- International Bank for Trade and Finance / Syria : paid-in capital is Syrian Lira 8.4 billion, of which the Bank owns 49.063%. The Bank has the power to control the administrative and financial policies of this bank. Therefore, its financial statements have been consolidated with the financial statements of the Bank. In this regard, the Bank's main objective is to conduct commercial banking activities, and ownership of this bank dates back to 2003. In addition, the International Bank for Trade and Finance has a subsidiary – The International Financial Center/ Syria with an ownership percentage of 85% of the company's capital amounting to 100 million SYL, whereas The Housing Bank for Trade and Finance owns a percentage of 5% of the company's capital.
- Housing Bank for Trade and Finance – Algeria : the ownership is 85% of the bank's capital of 20 billion Algerian dinars. The main objective of this Bank is to conduct commercial banking activities, and ownership of this bank dates back to 2002.
- Jordan International Bank / London: the Bank ownership is 75% of paid-up capital, which amounts to 65 million pound sterling (65 million shares). The main objective of this Bank is to conduct banking activities.

b. Local subsidiaries:

- International Financial Center Company- Jordan : the Bank ownership is 77.5% of paid-up capital, which amounted to JD 5 million. The Company's main activity is financial brokerage in local and foreign markets, and it conducts purchase and sale transactions of financial instruments for customers and the company. The Bank's ownership in this Company dates back to 1998.
- Specialized Lease Finance Company – Jordan : the Bank owns 100% of paid- in capital of JD 30 million (30 million shares). The Company's main activity is to conduct finance leases for various types of equipment and machinery, in addition to real estate, land, vehicles, and other items purchased by the company for finance lease purposes. The Bank's ownership in this Company dates back to 2005.
- Jordan Real Estate Investments Company – Jordan (under liquidation): the Bank owns 100% of the Company's paid- up capital of JD 40,000. The Bank's ownership in this Company dates back to 1997. The Company's General assembly approved the Company's liquidation on March 1, 2022.

3. Significant Accounting Policies

The accounting policies used in the preparation of the condensed consolidated interim financial information for the period ended on September 30, 2023 are consistent with those used in the preparation of the annual consolidated financial statement for the year ended December 31, 2022. However, the Group has adopted the following amendments and interpretations that apply for the first time in 2023 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.

IFRS 17 Insurance Contracts

IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts.

IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach.

The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees.

In June 2020, the Board issued Amendments to IFRS 17 to address concerns and implementation challenges that were identified after IFRS 17 was published. The amendments defer the date of initial application of IFRS 17 (incorporating the amendments) to annual reporting periods beginning on or after January 1, 2023. At the same time, the Board issued Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4) that extends the fixed expiry date of the temporary exemption from applying IFRS 9 in IFRS 4 to annual reporting periods beginning on or after January 1, 2023.

In December 2021, the IASB issued Initial Application of IFRS 17 and IFRS 9—Comparative Information (Amendment to IFRS 17) to address implementation challenges that were identified after IFRS 17 was published. The amendment addresses challenges in the presentation of comparative information.

For the purpose of transition requirements, the initial application date is the start of the period in which the entity first applies the standard for annual reporting, and the transition date is the beginning of the immediately preceding period to the initial application date. Amendments are retrospectively applied, unless impractical, and in this case, a modified retrospective approach or fair value approach is used.

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 apply retrospectively.

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements - Disclosure of Accounting Policies

The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The Board has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2. Amendments apply retrospectively.

Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”.

The definition of a change in accounting estimates was deleted. However, the Board retained the concept of changes in accounting estimates in the Standard with the following clarifications:

- A change in accounting estimate that results from new information or new developments is not the correction of an error
- The effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors

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

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

The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences.

Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting nor taxable profit. For example, this may arise upon recognition of a lease liability and the corresponding right-of-use asset applying IFRS 16 at the commencement date of a lease.

Following the amendments to IAS 12, an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12.

The Board also adds an illustrative example to IAS 12 that explains how the amendments are applied.

The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period an entity recognises:

- A deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary differences associated with:
 - Right-of-use assets and lease liabilities
 - Decommissioning, restoration and similar liabilities and the corresponding amounts recognised as part of the cost of the related asset

The cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date.

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

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

The critical judgements and estimates used in the preparation of these condensed consolidated interim financial information are reasonable and consistent with those used in the preparation of the Bank's annual consolidated financial statements for the year ended 2022.

5. Cash and Balances at Central Banks - Net

The details of this item are as follows:

	September 30, 2023 (Reviewed)	December 31, 2022 (Audited)
	JD	JD
Cash in hand and vault	111,653,429	127,247,953
Balance at central banks :		
Current accounts and demand deposits	114,166,616	299,794,431
Term and notice deposits	88,815,914	50,429,342
Statutory cash reserve	229,392,752	216,538,247
Certificate of deposit	58,300,000	-
Total Balances at Central Banks	490,675,282	566,762,020
Total Cash and Balances at Central Banks	602,328,711	694,009,973
<u>Less:</u> Provision for expected credit losses	(36,416)	(42,202)
Net	602,292,295	693,967,771

- The certificates of deposits are maturing within a period less than 3 months.
- Except for the statutory cash reserve, there are no restrictions balances as of September 30, 2023 and December 31, 2022.
- The above balances are classified under stage 1. There were no transfers between stages (1, 2 and 3) for the balances and expected loss provision or written off balances during the nine months period ended September 30, 2023 and for the year ended December 31, 2022.

6. Balances at Banks and Financial Institutions - Net

The details of this item are as follows:

Description:	Local Banks and Financial Institutions		Foreign Banks and Financial Institutions		Total	
	September 30, 2023 (Reviewed)	December 31, 2022 (Audited)	September 30, 2023 (Reviewed)	December 31, 2022 (Audited)	September 30, 2023 (Reviewed)	December 31, 2022 (Audited)
	JD	JD	JD	JD	JD	JD
Current and demand accounts	2,123,042	12,350,963	160,803,368	143,776,077	162,926,410	156,127,040
Deposits maturing within or less than 3 months	22,658,513	32,954,255	187,406,630	169,897,731	210,065,143	202,851,986
Total	24,781,555	45,305,218	348,209,998	313,673,808	372,991,553	358,979,026
Provision for expected credit losses	(16,217)	(49,165)	(77,033)	(255,944)	(93,250)	(305,109)
Net	24,765,338	45,256,053	348,132,965	313,417,864	372,898,303	358,673,917

- The non-interest bearing balances at banks and financial institutions are amounted to JD 29.1 million as of September 30, 2023 (JD 29.1 million as of December 31, 2022).
- There were no restricted balances as of September 30, 2023 and December 31, 2022.
- The above balances are classified under stage 1. There were no transfers between stages (1, 2 and 3) for balances and expected credit loss provision or written off balances during the nine months period ended September 30, 2023 and for the year ended December 31, 2022.

7. Deposits at Banks and Financial Institutions - Net

The details of this item are as follows:

	Local Banks and Financial Institutions		Foreign Banks and Financial Institutions		Total	
	September 30, 2023 (Reviewed)	December 31, 2022 (Audited)	September 30, 2023 (Reviewed)	December 31, 2022 (Audited)	September 30, 2023 (Reviewed)	December 31, 2022 (Audited)
	JD	JD	JD	JD	JD	JD
Deposits mature during the period:						
From 3 months to 6 months	-	30,000,000	1,207,581	13,342,604	1,207,581	43,342,604
From 6 months to 9 months	30,000,000	5,000,000	8,722,107	3,349,641	38,722,107	8,349,641
From 9 months to 12 months	-	-	442,472	5,175,797	442,472	5,175,797
Total	30,000,000	35,000,000	10,372,160	21,868,042	40,372,160	56,868,042
Provision for expected credit losses	(34)	(896)	(133,693)	(228,873)	(133,727)	(229,769)
Net	29,999,966	34,999,104	10,238,467	21,639,169	40,238,433	56,638,273

- There were no restrictions on deposits as of September 30, 2023 and December 31, 2022.
- The above balances are classified under stage 1. There were no transfers between stages (1,2 and 3) for balances and expected loss provision or written off balances during the nine months period ended September 30, 2023 and for the year ended December 31, 2022.

8. Financial Assets at Fair Value through Profit or Loss

The details of this item are as follows:

	September 30, 2023 (Reviewed)	December 31, 2022 (Audited)
	JD	JD
Quoted Financial Assets:		
Companies shares and funds listed in financial markets	4,390,625	4,569,196
Total	4,390,625	4,569,196
Unquoted Financial Assets:		
Companies shares not listed in financial markets	-	450,584
Total	-	450,584
Grand Total	4,390,625	5,019,780

9. Financial Assets at Fair Value through Other Comprehensive Income

The details of this item are as follows:

	September 30, 2023 (Reviewed)	December 31, 2022 (Audited)
	JD	JD
Shares and funds with no available market prices	45,218,323	42,699,806
Total Shares	45,218,323	42,699,806
Jordanian treasury bonds	173,394,775	156,116,575
Jordanian government bills and bonds	36,216,994	36,634,173
Foreign governments bills and bonds	65,653,031	73,142,623
Corporate bonds	65,288,920	60,793,016
Total Bonds	340,553,720	326,686,387
<u>Less:</u> Provision of expected credit losses	(297,470)	(291,189)
Total Bonds – Net	340,256,250	326,395,198
Total	385,474,573	369,095,004

- The maturity dates for Bonds range from year 2023 to year 2036.
- Interest rates on bonds and treasury bills ranges from 1.4% to 7.67%.

The following represents the movement on shares at fair value through other comprehensive income for shares during the period/year:

	September 30, 2023 (Reviewed)	December 31, 2022 (Audited)
	JD	JD
Fair value - beginning balance period / year	42,699,806	26,347,895
New investments during the period / year	2,523,582	16,223,178
Change in fair value during the period / year	32,385	128,733
Adjustments resulted from change in exchange rates	(37,450)	-
Balance – End of the Period/Year	45,218,323	42,699,806

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

	Stage (1) Individual JD	Stage (2) Individual JD	Stage (3) JD	Total JD
For the Nine Months Period				
Ended September 30, 2023 (Reviewed)				
Fair value – beginning of the period (Audited)	323,781,644	2,904,743	-	326,686,387
New investments during the period	86,972,793	-	-	86,972,793
Matured investments during the period	(76,024,686)	-	-	(76,024,686)
Transferred to stage 2 during the period	(5,889,206)	5,889,206	-	-
Change in fair value during the period	2,818,968	(814,787)	-	2,004,181
Amortization of premium / discount	689,881	78,703	-	768,584
Adjustments resulted from change in exchange rates	185,594	(39,133)	-	146,461
Balance – End of the Period (Reviewed)	332,534,988	8,018,732	-	340,553,720
For the Year Ended				
December 31, 2022 (Audited)				
Fair value – beginning of the year	346,858,682	3,325,213	-	350,183,895
New investments during the year	126,557,163	-	-	126,557,163
Matured investments during the year	(126,294,889)	-	-	(126,294,889)
Change in fair value during the year	(22,509,389)	(297,978)	-	(22,807,367)
Amortization of premium / discount	(239,274)	(49,295)	-	(288,569)
Adjustments resulted from change in exchange rates	(590,649)	(73,197)	-	(663,846)
Balance – End of the Year	323,781,644	2,904,743	-	326,686,387

The following represents the movement on expected credit losses during the period / year:

	Stage (1) Individual JD	Stage (2) Individual JD	Stage (3) JD	Total JD
For the Nine Months Period				
Ended September 30, 2023 (Reviewed)				
Balance – beginning of the period (Audited)	195,993	95,196	-	291,189
Expected credit loss for new investments during the period	285	-	-	285
Reversed from impairment losses on matured investments	(424)	-	-	(424)
Effect on provision due to adjustments between stages during the period	-	44,421	-	44,421
Effect on provision resulted from adjustments	(6,305)	(34,936)	-	(41,241)
Adjustments resulted from change in exchange rates	3,234	6	-	3,240
Balance – End of the Period (Reviewed)	192,783	104,687	-	297,470
For the Year Ended				
December 31, 2022 (Audited)				
Balance – beginning of the year	244,415	88,997	-	333,412
Expected credit loss for new investments during the year	7,628	-	-	7,628
Reversed from impairment losses on matured investments	(17,860)	-	-	(17,860)
Effect on provision resulted from adjustments	(18,495)	15,704	-	(2,791)
Adjustments resulted from change in exchange rates	(19,695)	(9,505)	-	(29,200)
Balance – End of the Year	195,993	95,196	-	291,189

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

The following represents the movement on direct credit facilities at fair value through profit or loss during the period / year:

	September 30, 2023 (Reviewed) JD	December 31, 2022 (Audited) JD
Balance – beginning of the period / year	61,967,403	96,646,207
Paid credit facilities during the period / year	(16,689,448)	(33,011,991)
Effect of adjustments	1,205,992	736,948
Change in fair value during the period / year	1,327,396	(2,403,761)
Balance – End of the Period/Year	47,811,343	61,967,403

11. Direct Credit Facilities at Amortized Cost – Net

The details of this item are as follows:

	September 30, 2023 (Reviewed)	December 31, 2022 (Audited)
	JD	JD
Individuals (retail)		
Overdraft accounts	7,131,143	6,682,614
Loans and discounted bills *	1,040,726,286	1,013,188,951
Credit cards	25,171,332	21,758,620
Real estate loans	1,389,019,373	1,339,598,002
Includes Housing Loans	848,283,790	823,105,737
Companies		
Large		
Overdraft accounts	207,454,037	183,894,872
Loans and discounted bills *	1,347,753,193	1,286,913,983
Small and Medium		
Overdraft accounts	98,473,614	72,131,316
Loans and discounted bills *	345,743,491	305,107,960
Government and public sector	604,040,017	554,693,620
Total	5,065,512,486	4,783,969,938
<u>Less:</u> Provision of expected credit losses	(456,388,335)	(432,204,392)
Interest in suspense	(150,919,689)	(142,698,719)
Net Direct Credit Facilities	4,458,204,462	4,209,066,827

- * Net after deducting interest and commission received in advance of JD 24,472,340 as of September 30, 2023 (JD 25,360,666 as of December 31, 2022).
- Non-performing credit facilities amounted to JD 370,115,031 which is equivalent to 7.24% of total direct credit facilities (at amortized cost and at fair value) as of September 30, 2023 (JD 330,824,845 which is equivalent to 6.83% of total direct credit facilities (at amortized cost and at fair value) as of December 31, 2022).
 - Non-performing credit facilities after deducting interest and commissions in suspense amounted to JD 244,099,105 which is equivalent to 4.92% of total direct credit facilities balance (at amortized cost and at fair value) after deducting interest and commission in suspense as of September 30, 2023 (JD 213,045,163 which is equivalent to 4.53% of total credit facilities balance (at amortized cost and at fair value) after deducting interest and commission in suspense as of December 31, 2022).
 - Non-performing credit facilities transferred to off-the statement of financial position amounted to JD 19,136,974 during the nine months period ended September 30, 2023 (JD 38,872,186 during the year 2022), the off-balance sheet item balance is amounted to JD 441,902,971 as of September 30, 2023 (JD 439,638,170 as of December 31, 2022). These debts are fully covered with provisions and interest in suspense.
 - Direct credit facilities granted to and guaranteed by the Government of Jordan amounted to JD 536,211,345 which is equivalent to 10.5% of total direct credit facilities (at amortized cost and at fair value) as of September 30, 2023 (JD 521,300,521 which is equivalent to 10.8% as of December 31, 2022).
 - Loans rescheduled are amounted to JD 7.3 million during the period ended September 30, 2023 against JD 28.1 million during the year 2022.
 - Loans restructured are amounted to JD 146.9 million during the period ended September 30, 2023 against JD 453.1 million during the year 2022.

The following represents the movement on direct credit facilities during the period / year:

Item	Stage (1)		Stage (2)		Stage (3)	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD	JD	JD
<u>For the Nine Months Period</u>						
<u>Ended September 30, 2023 (Reviewed)</u>						
Balance - beginning of the period (Audited)	2,165,398,505	1,813,945,729	318,585,521	127,462,028	358,578,155	4,783,969,938
New credit facilities during the period	642,033,560	310,826,810	20,085,293	20,602,301	4,477,267	998,025,231
Paid credit facilities during the period	(345,437,379)	(199,557,695)	(24,199,933)	(10,419,550)	(9,515,861)	(589,130,418)
Transferred (from) to stage (1) – net	26,037,340	29,172,304	(23,658,487)	(26,278,464)	(5,272,693)	-
Transferred (from) to stage (2) – net	(32,527,677)	(39,093,249)	33,954,739	41,541,088	(3,874,901)	-
Transferred (from) to stage (3) – net	(1,116,437)	(18,286,211)	(4,103,525)	(27,119,413)	50,625,586	-
Changes resulted from adjustments	(51,041,931)	(47,486,432)	(3,071,285)	(2,752,344)	10,411,436	(93,940,556)
Credit facilities written off and transferred to off balance sheet items	-	-	-	-	(23,251,370)	(23,251,370)
Adjustments resulting from change in exchange rates	185,326	(4,449,693)	36,156	(1,446,278)	(4,485,850)	(10,160,339)
Balance - End of the Period (Reviewed)	<u>2,403,531,307</u>	<u>1,845,071,563</u>	<u>317,628,479</u>	<u>121,589,368</u>	<u>377,691,769</u>	<u>5,065,512,486</u>
<u>For the Year Ended</u>						
<u>December 31, 2022 (Audited)</u>						
Balance - beginning of the year	1,804,380,052	1,703,704,617	422,857,459	116,766,703	388,877,961	4,436,586,792
Reclassification impact	29,864	(29,864)	336,130	(336,130)	-	-
Adjusted balance – beginning of the year	<u>1,804,409,916</u>	<u>1,703,674,753</u>	<u>423,193,589</u>	<u>116,430,573</u>	<u>388,877,961</u>	<u>4,436,586,792</u>
New credit facilities during the year	685,852,827	507,180,360	34,626,797	19,735,002	5,415,523	1,252,810,509
Paid credit facilities during the year	(225,578,236)	(290,748,090)	(21,298,645)	(10,088,669)	(28,499,997)	(576,213,637)
Transferred (from) to stage (1) – net	66,115,163	37,067,402	(65,123,444)	(31,928,755)	(6,130,366)	-
Transferred (from) to stage (2) – net	(20,245,844)	(43,831,753)	27,136,509	48,197,714	(11,256,626)	-
Transferred (from) to stage (3) – net	(1,671,909)	(9,237,331)	(24,205,812)	(14,719,262)	49,834,314	-
Changes resulted from adjustments	(144,831,086)	(68,421,577)	(56,449,952)	873,384	13,303,815	(255,525,416)
Credit facilities written off and transferred to off balance sheet items	-	-	-	-	(52,507,701)	(52,507,701)
Adjustments resulting from change in exchange rates	1,347,674	(21,738,035)	706,479	(1,037,959)	(458,768)	(21,180,609)
Balance - End of the Year	<u>2,165,398,505</u>	<u>1,813,945,729</u>	<u>318,585,521</u>	<u>127,462,028</u>	<u>358,578,155</u>	<u>4,783,969,938</u>

The following represents the movement on the provision of expected credit loss during the period / year:

	Corporate	SME's	Retail	Real Estate	Governmental and Public	Total
	JD	JD	JD	JD	JD	JD
<u>For the Nine Months Ended September 30, 2023</u>						
<u>(Reviewed)</u>						
Balance - beginning of the period (Audited)	208,433,406	43,270,920	43,114,322	137,305,942	79,802	432,204,392
Reclassification impact	80,608	(112,964)	(8,173)	40,529	-	-
Adjusted Beginning Balance (Reviewed)	208,514,014	43,157,956	43,106,149	137,346,471	79,802	432,204,392
Impairment loss on new facilities during the period	3,400,088	5,801,710	4,056,775	6,735,088	7,951	20,001,612
Reversed from impairment loss on paid facilities	(6,301,914)	(2,621,818)	(2,291,136)	(4,312,278)	(6,804)	(15,533,950)
Transferred (from) to stage (1)	546,254	9,105	3,394,966	2,687,299	-	6,637,624
Transferred (from) to stage (2)	(1,365,704)	38,660	(3,960,296)	(4,125,788)	-	(9,413,128)
Transferred (from) to stage (3)	819,450	(47,765)	565,330	1,438,489	-	2,775,504
Effect on the provision as of the end of the period resulting from reclassification between three stages during the period	(73,436)	875,597	11,125,261	3,206,316	-	15,133,738
Effect resulted from to adjustments	500,782	5,116,454	2,799,466	1,547,458	4,007,488	13,971,648
Credit facilities written off and transferred to off balance sheet items	(6,920,441)	(850,374)	(691,720)	(95,250)	-	(8,557,785)
Adjustments resulted from change in exchange rates	(622,335)	(185,413)	(1,674)	(21,898)	-	(831,320)
Balance - End of the Period (Reviewed)	198,496,758	51,294,112	58,103,121	144,405,907	4,088,437	456,388,335
Redistribution based on portfolio:						
Provisions on an individual level	197,604,409	50,639,866	45,203,322	115,323,900	4,088,437	412,859,934
Provisions on a collective level	892,349	654,246	12,899,799	29,082,007	-	43,528,401
	198,496,758	51,294,112	58,103,121	144,405,907	4,088,437	456,388,335
Redistribution based on stages:						
Stage (1)	9,149,292	2,696,503	5,567,634	24,127,721	4,088,437	45,629,587
Stage (2)	57,928,899	18,270,736	11,329,544	88,302,960	-	175,832,139
Stage (3)	131,418,567	30,326,873	41,205,943	31,975,226	-	234,926,609
	198,496,758	51,294,112	58,103,121	144,405,907	4,088,437	456,388,335

	Corporate JD	SME's JD	Retail JD	Real Estate JD	Governmental and Public JD	Total JD
For the Year Ended December 31, 2022 (Audited)						
Balance - beginning of the year	236,260,062	49,939,793	45,059,443	122,135,952	76,858	453,472,108
Reclassification impact	1,368,143	(484,665)	16,335	(899,813)	-	-
Adjusted Beginning Balance	237,628,205	49,455,128	45,075,778	121,236,139	76,858	453,472,108
Impairment loss on new facilities during the year	6,565,196	5,583,089	3,633,544	6,532,747	15,486	22,330,062
Reversed from impairment loss on paid facilities	(10,764,193)	(5,743,874)	(4,615,403)	(5,911,843)	-	(27,035,313)
Transferred (from) to stage (1)	1,282,163	1,058,524	4,253,847	5,175,155	1,448	11,771,137
Transferred (from) to stage (2)	(5,826,998)	(2,911,844)	(4,375,961)	(5,312,204)	(1,448)	(18,428,455)
Transferred (from) to stage (3)	4,544,835	1,853,320	122,114	137,049	-	6,657,318
Effect on the provision as of the end of the year resulting from reclassification between three stages during the year	8,214,023	91,829	2,559,742	(20,084)	(1,117)	10,844,393
Effect resulted from to adjustments	(12,065,359)	261,174	(3,292,426)	16,337,304	(11,425)	1,229,268
Credit facilities written off and transferred to off balance sheet items	(21,054,336)	(6,433,312)	(246,749)	(836,395)	-	(28,570,792)
Adjustments resulting from change in exchange rates	(90,130)	56,886	(164)	(31,926)	-	(65,334)
Balance - End of the Year	208,433,406	43,270,920	43,114,322	137,305,942	79,802	432,204,392
Redistribution based on portfolio:						
Provisions on an individual level	207,478,053	42,581,054	31,839,939	108,930,162	79,802	390,909,010
Provisions on a collective level	955,353	689,866	11,274,383	28,375,780	-	41,295,382
	208,433,406	43,270,920	43,114,322	137,305,942	79,802	432,204,392
Redistribution based on stages:						
Stage (1)	7,461,094	2,261,436	4,965,680	24,258,602	79,802	39,026,614
Stage (2)	57,392,180	10,813,810	7,780,817	83,184,944	-	159,171,751
Stage (3)	143,580,132	30,195,674	30,367,825	29,862,396	-	234,006,027
	208,433,406	43,270,920	43,114,322	137,305,942	79,802	432,204,392

Interest in Suspense

The following is the movement on interest in suspense:

For the Nine Months Ended September 30, 2023 (Reviewed)

Balance – beginning of the period (Audited)

Reclassification impact

Adjusted Beginning Balance of the period

Interest suspended on new exposure during the period

Interest in suspense transferred to income from exposure paid during the period

Effect on interest suspended due to reclassification between stages

Effect on interest in suspense due to adjustments

Credit facilities written off and transferred to off balance sheet items

Adjustments resulted from change in exchange rates

Balance – End of the Period (Reviewed)

For the Year Ended December 31, 2022 (Audited)

Balance at the beginning of the year

Reclassification

Adjusted Beginning Balance of the Year

Interest suspended on new exposure during the year

Interest in suspense transferred to income from exposure paid during the year

Effect on interest suspended due to reclassification between stages

Effect on interest in suspense due to adjustments

Credit facilities written off and transferred to off balance sheet items

Adjustments resulted from changes in exchange rates

Balance at the End of the Year

Corporate Entities				Government and Public Sector	Total
Corporate	SME's	Retail	Real Estate loans		
JD	JD	JD	JD	JD	JD
47,842,871	25,103,210	31,830,670	37,921,968	-	142,698,719
(40)	(1,315)	7,983	(6,628)	-	-
47,842,831	25,101,895	31,838,653	37,915,340	-	142,698,719
434,825	207,399	95,235	7,975	-	745,434
(3,463,297)	(208,689)	(264,190)	(285,292)	-	(4,221,468)
188,771	(75,855)	130,965	1,320,571	-	1,564,452
11,885,591	4,009,248	5,615,115	3,389,935	-	24,899,889
(6,774,601)	(2,697,066)	(1,884,748)	(3,337,170)	-	(14,693,585)
(26,448)	(46,120)	(1,221)	37	-	(73,752)
50,087,672	26,290,812	35,529,809	39,011,396	-	150,919,689
41,236,413	31,527,946	27,680,494	32,403,684	-	132,848,537
10,022	(331,081)	48,658	272,401	-	-
41,246,435	31,196,865	27,729,152	32,676,085	-	132,848,537
793,300	91,809	46,320	99,612	-	1,031,041
(183,040)	(515,403)	(530,113)	(1,271,174)	-	(2,499,730)
348,045	(45,912)	(334,841)	(517,194)	-	(549,902)
16,496,733	5,156,662	5,953,162	8,170,552	-	35,777,109
(10,849,119)	(10,818,429)	(1,033,132)	(1,236,229)	-	(23,936,909)
(9,483)	37,618	122	316	-	28,573
47,842,871	25,103,210	31,830,670	37,921,968	-	142,698,719

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

Economic Sector	September 30, 2023 (Reviewed)			December 31, 2022 (Audited)
	Inside Jordan	Outside Jordan	Total	Total
	JD	JD	JD	JD
Financial	115,527,495	97,960,245	213,487,740	216,589,727
Industrial	397,898,752	189,869,000	587,767,752	483,251,654
Trading	357,816,369	284,850,131	642,666,500	564,773,932
Real estate	1,029,339,448	343,893,126	1,373,232,574	1,374,829,284
Agriculture	50,297,998	25,522,171	75,820,169	60,302,392
Shares	6,673,400	-	6,673,400	12,119,202
Individuals	1,041,633,237	33,062,631	1,074,695,868	1,045,418,423
Government and public sector	522,411,183	81,628,834	604,040,017	554,693,620
Other	414,570,215	72,558,251	487,128,466	471,991,704
Total	3,936,168,097	1,129,344,389	5,065,512,486	4,783,969,938

12. Financial Assets at Amortized Cost - Net

The details of this item are as follows:

	September 30, 2023 (Reviewed)	December 31, 2022 (Audited)
	JD	JD
Quoted Financial Assets:		
Jordanian treasury bills	47,459,908	77,994,538
Jordanian treasury bonds *	1,489,340,365	1,478,601,281
Governmental or guaranteed by Government bonds	485,718,684	471,544,622
Foreign governments bonds	130,317,820	36,992,951
Corporate bonds and debentures	153,868,410	166,354,313
Total Quoted Financial Assets	2,306,705,187	2,231,487,705
Unquoted Financial Assets:		
Corporate bonds and debentures	3,000,001	3,000,001
Total Unquoted Financial Assets	3,000,001	3,000,001
Total	2,309,705,188	2,234,487,706
<u>Less:</u> Provision for excepted credit losses	(3,425,158)	(3,503,260)
Net	2,306,280,030	2,230,984,446
Bonds and Bills Analysis:		
At fixed rate	2,306,280,030	2,230,984,446
At floating rate	-	-
Total	2,306,280,030	2,230,984,446

- The maturity dates for Bonds range from year 2023 to year 2036.
- Interest rate on bonds and Treasury Bills ranges from 1.39% to 7.68%.
- * The Bank did not enter into repurchase agreements with the Central Bank of Jordan against mortgaging treasury bonds as of September 30, 2023 (Repurchase agreements with the Central Bank of Jordan against mortgaging treasury bonds amounted to JD 46.9 million as of December 31, 2022 as stated in Note (15)).

The following is the movement on financial assets at amortized cost during the period / year:

	Stage (1) Individual	Stage (2) Individual	Stage (3)	Total
	JD	JD	JD	JD
<u>For the Nine Months Ended September 30, 2023 (Reviewed)</u>				
Balance – beginning of the period (Audited)	2,231,487,705	-	3,000,001	2,234,487,706
New investments during the period	372,276,363	-	-	372,276,363
Matured investments during the period	(299,657,405)	-	-	(299,657,405)
Amortization of premium / discount	2,598,762	-	-	2,598,762
Adjustments resulted from changes in exchange rates	(238)	-	-	(238)
Balance – End of the Period (Reviewed)	2,306,705,187	-	3,000,001	2,309,705,188
<u>For the Year Ended December 31, 2022 (Audited)</u>				
Balance – beginning of the year (Audited)	1,993,689,642	-	3,000,001	1,996,689,643
New investments during the year	888,071,549	-	-	888,071,549
Matured investments during the year	(652,617,134)	-	-	(652,617,134)
Amortization of premium / discount	2,342,089	-	-	2,342,089
Adjustments resulted from changes in exchange rates	1,559	-	-	1,559
Balance – End of the Year	2,231,487,705	-	3,000,001	2,234,487,706

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

	Stage (1) Individual	Stage (2) Individual	Stage (3)	Total
	JD	JD	JD	JD
<u>For the Nine Months Ended September 30, 2023 (Reviewed)</u>				
Balance – beginning of the period (Audited)	503,260	-	3,000,000	3,503,260
Expected credit loss for new investments during the period	48,919	-	-	48,919
Expected credit loss for matured investments during the period	(22,445)	-	-	(22,445)
The effect on the provision resulting from the adjustments	(106,503)	-	-	(106,503)
Adjustments resulted from changes in exchange rates	1,927	-	-	1,927
Balance – End of the Period (Reviewed)	425,158	-	3,000,000	3,425,158
<u>For the Year Ended December 31, 2022 (Audited)</u>				
Balance – beginning of the year (Audited)	1,421,581	-	3,000,000	4,421,581
Expected credit loss for new investments during the year	130,644	-	-	130,644
Expected credit loss for matured investments during the year	(54,231)	-	-	(54,231)
The effect on the provision resulting from the adjustments	(971,921)	-	-	(971,921)
Adjustments resulted from changes in exchange rates	(22,813)	-	-	(22,813)
Balance – End of the Year	503,260	-	3,000,000	3,503,260

13. Other Assets - Net

The details of this item are as follows:

	September 30, 2023 (Reviewed)	December 31, 2022 (Audited)
	JD	JD
Accrued revenues and interest	42,324,311	35,137,243
Prepaid expenses	6,451,790	4,541,139
Assets seized by the Bank *	58,737,226	63,489,483
Revaluation gain / Hedge derivatives	4,985,684	3,056,240
Cheques under collection	17,734,046	18,412,462
Other	11,954,895	14,216,729
Total	142,187,952	138,853,296
Provision for expected credit loss	(120,957)	(310,576)
Net	142,066,995	138,542,720

- * The regulations of Central Bank of Jordan require the Banks to dispose-off the assets it seizes during a maximum period of two years from the date of the acquisition.

The following is a summary of the movement on assets seized by the Bank:

	For the Nine Months Period Ended September 30, 2023 (Reviewed)	For the Year Ended December 31, 2022 (Audited)
	JD	JD
Beginning balance period / year	63,489,483	64,750,491
Additions during the period / year	14,443,735	8,874,175
Disposals during the period / year	(17,739,803)	(8,629,226)
Impairment loss during the period / year	(1,438,811)	(1,500,000)
Foreign currencies translation difference during the period / year	(17,378)	(5,957)
Balance – Ending of the Period / Year	58,737,226	63,489,483

14. Customers' Deposits

The details of this item are as follows:

	Retail JD	Corporate JD	SME's JD	Governmental and Public JD	Total JD
September 30, 2023 (Reviewed)					
Current accounts and demand deposits	672,485,811	260,761,727	436,031,422	42,586,863	1,411,865,823
Saving deposits	1,717,438,453	1,707,230	60,632,384	589,432	1,780,367,499
Time and notice deposits	1,256,669,203	497,388,354	96,047,519	337,220,480	2,187,325,556
Certificates of deposit	235,967,064	41,331,803	367,141	-	277,666,008
Others	47,218	-	-	-	47,218
Total	3,882,607,749	801,189,114	593,078,466	380,396,775	5,657,272,104
December 31, 2022 (Audited)					
Current accounts and demand deposits	699,774,514	226,078,047	414,947,863	45,275,582	1,386,076,006
Saving deposits	1,870,038,572	648,136	38,977,231	2,568,460	1,912,232,399
Time and notice deposits	1,165,479,550	232,589,624	68,205,310	287,937,015	1,754,211,499
Certificates of deposit	229,389,380	35,186,258	882,873	-	265,458,511
Others	47,418	-	-	-	47,418
Total	3,964,729,434	494,502,065	523,013,277	335,781,057	5,318,025,833

- The deposits of the public sector and the Government of Jordan inside the Kingdom amounted to approximately JD 360.6 million representing 6.4% of total deposits as of September 30, 2023 (approximately JD 317.8 million, representing 5.98% of total deposits as of December 31, 2022).
- Non-interest bearing deposits are amounted to JD 1.54 billion, representing 27.3% of total deposits as of September 30, 2023 (around JD 1.55 billion, representing 29.2% of total deposits as of December 31, 2022).
- Restricted deposits (Restricted withdrawal) amounted to JD 104.7 million, representing 1.9% of total deposits as of September 30, 2023 (JD 105.9 million, representing 2.0% of total deposits as of December 31, 2022).
- Dormant accounts amounted to JD 187.3 million, representing 3.3% of total deposits as of September 30, 2023 (JD 237.7 million, representing 4.5% of total deposits as of December 31, 2022).

15. Borrowed Funds

September 30, 2023 (Reviewed)	Amount JD	Number of Total Payments	Number of Remaining Payments	Periodicity	Guarantee	Borrowing Interest Rate	Re-lending Interest Rate
Central Bank of Jordan loans:							
SME's Support programs	15,414,065	110	76	Semi Annual	Financial Solvency	2.5% to 7.75%	Guaranteed 6.0% to 9.85% Without Guarantee: 6.5% to 10.35%
Main Economic Sectors Support Programs	62,331,058	Based on the Periodicity of instalments due			On demand promissory note	inside the capital city: 1% Outside the capital city: 0.5%	Inside the capital city: 3.75% as a minimum Outside the capital city: 3.25% as a minimum
National program to face COVID-19 Pandemic	40,072,407	Based on the Periodicity of instalments due			On demand promissory note	0.00%	2.00%
Borrowing / local institutions	164,081,680	28	28	Monthly/Semi annual	Financial Solvency / Mortgage	4.5% to 7.75%	7.5% to 10.50%
Borrowing / foreign insinuations	44,855,442	118	108	Quarterly / semi annual	Financial Solvency	5.94% to 6.97%	Based on interest rate at the bank
Total	<u>326,754,652</u>						

- The maturity dates of funds borrowed from the Central Bank of Jordan range from year 2023 to year 2039.
- Borrowed funds from local institutions includes an amount of JD 125 million that borrowed from Jordan Mortgage Refinance Co and The maturity dates of these borrowed funds range from year 2023 to year 2029.
- Borrowed funds with a fixed interest rate amounted to JD 278,241,274 and borrowed funds with a variable interest rate amounted to JD 48,513,378.
- The maturity dates of borrowed funds from foreign insinuations range from year 2023 to year 2028.
- Borrowed funds amounted to JD 108,319,584 and settled borrowed funds amounted to JD 134,636,235 during the period ended in September 30, 2023, excluding repurchase agreements.
- There were no renewed loans during the period ended in September 30, 2023.

December 31, 2022	Amount JD	Number of Total Payments	Number of Remaining Payments	Periodicity	Guarantee	Borrowing Interest Rate	Re-lending Interest Rate
Central Bank of Jordan loans:							
SME's Support programs	16,021,917	109	82	Semi Annual	Financial Solvency	2.5% to 5.69%	Guaranteed 6.0% to 9.14%
Main Economical Sectors Support Programs	52,484,329	Based on the Periodicity of instalments due			On demand promissory note	Inside the capital city: 1% Outside the capital city: 0.5%	Without Guarantee: 6.5% to 9.69% Inside the capital city: 3.75% as a minimum Outside the capital city: 3.25% as a minimum
National program to face COVID-19 pandemic	43,163,329	Based on the Periodicity of instalments due			On demand promissory note	0.00%	2.00%
Repurchase agreements	45,708,178	Based on each agreement			Government bonds	4.50% to 6.00%	-
Borrowing / local institutions	154,000,000	20	20	Monthly/Semi annual	Financial Solvency / Mortgage	4.25% to 6.35%	7.25% to 10.50%
Borrowing / foreign insinuations	87,401,728	160	160	Quarterly / semi annual	Financial Solvency	4.14% to 6.65%	Based on interest rate at the bank
Total	<u>398,779,481</u>						

- The maturity dates of funds borrowed from the Central Bank of Jordan range from year 2023 to year 2039.
- The financial liabilities against repurchase agreements will due during year 2023.
- Borrowed funds from local institutions includes an amount of JD 130 million that borrowed from Jordan Mortgage Refinance Co and The maturity dates of these borrowed funds range from year 2023 to year 2029.
- Borrowed funds with a fixed interest rate amounted to JD 307,529,045 and borrowed funds with a variable interest rate amounted to JD 91,250,436.
- The maturity dates of borrowed funds from foreign insinuations range from year 2023 to year 2028.
- Borrowed funds amounted to JD 189,938,501 and settled borrowed funds amounted to JD 128,844,414 during 2022, excluding repurchase agreement.
- There were no renewed loans during the year 2022.

16. Income Tax

a. Income tax provision

The movement on the income tax provision is as follows:

	September 30, 2023 (Reviewed)	December 31, 2022 (Audited)
	JD	JD
Balance – beginning of the period / year	53,415,161	55,815,858
Income tax paid	(67,793,851)	(66,235,794)
Accrued income tax	59,656,938	63,002,549
Accrued income tax of distribution profits from a subsidiary	2,813,347	867,382
Currency translation	(140,095)	(34,834)
Balance – Ending of the Period / Year	47,951,500	53,415,161

- Income tax rate for Banks in Jordan is 35% and a 3% for the national contribution account. In addition, the income tax rates in the countries in which the Bank has investments range from 0% to 31%.
- The Bank reached a final settlement with the Income and Sale Tax Department in Jordan up to the year 2020. The Bank declared taxes were paid, and income tax returns for the years 2021 and 2022 were filed. The related income tax returns were not reviewed by the Income and Sale Tax Department in Jordan up to the date by which these condensed consolidated interim financial information were issued.
- A final settlement for income tax has been reached for Palestine branches up to the year 2021.
- The income tax for the Housing Bank for Trade and Finance / Algeria was paid up to the year 2022.
- The income tax for the International Bank for Trade and Finance / Syria was paid up to the year 2022.
- The income tax for Jordan International Bank / London was paid up to the year 2022.
- A final settlement for income tax has been reached for the International Financial Centre Company up to the year 2022.
- A final settlement for income tax has been reached for Specialized Leasing Company up to the year 2020, and declared taxes were paid and income tax returns for the years 2021 and 2022 were filed.

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

	For the Nine Months Ended September 30,	
	2023 (Reviewed)	2022 (Reviewed)
	JD	JD
Provision for income tax for the period	59,656,938	49,642,971
Deferred tax assets for the period	(20,175,314)	(31,562,787)
Amortization of deferred tax assets	20,274,651	22,341,035
Amortization of deferred tax liabilities	(2,813,347)	-
Income tax due on subsidiaries dividend's distribution	2,813,347	867,382
Total	59,756,275	41,288,601

17. Other Liabilities

The details for this item are as follows:

	September 30, 2023 (Reviewed)	December 31, 2022 (Audited)
	JD	JD
Accrued interest	33,478,872	22,057,845
Interests and commissions received in advance	4,650,757	5,063,055
Accrued expenses	20,737,502	30,490,659
Certified cheques	39,544,605	43,429,725
Transfers in process	35,119,333	31,892,390
Payment in process	16,997,075	11,132,513
Prizes	1,183,336	1,616,818
Amounts payable to correspondent banks	1,400,699	1,407,285
General management trusts	4,489,489	4,979,733
Dividends payable to shareholders	11,233,584	7,454,441
Accounts payable	3,431,821	5,834,049
Unrealized loss / hedge derivatives	381,935	2,048,066
Other payable accounts	24,653,341	20,978,117
Provision for indirect facilities' expected credit loss	32,650,183	35,377,288
Others	5,369,416	3,304,356
Total	235,321,948	227,066,340

The following is the movement on indirect credit facilities during the period / year:

	Stage (1)		Stage (2)		Stage (3)	Total
	Individual	Collective	Individual	Collective	JD	JD
	JD	JD	JD	JD		
<u>For the Nine Months Period September 30, 2023 (Reviewed)</u>						
Balance at the beginning of the period (Audited)	970,690,613	68,557,365	29,294,851	5,708,465	20,792,613	1,095,043,907
New exposures during the period	414,400,967	18,314,833	3,147,519	103,376	186,814	436,153,509
Matured exposures during the period	(345,838,008)	(16,835,642)	(4,487,352)	(73,636)	(2,284,898)	(369,519,536)
Transferred (from) to stage (1)	1,865,861	385,204	(1,838,161)	(381,204)	(31,700)	-
Transferred (from) to stage (2)	(5,724,986)	(1,098,865)	6,453,536	1,114,365	(744,050)	-
Transferred (from) to stage (3)	(10,000)	(116,989)	(115,500)	(2,000)	244,489	-
Effect of the reclassification	(39,928,925)	(8,621,130)	(181,543)	15,524	74,908	(48,641,166)
Adjustments resulted from changes in exchange rate	271,309	(3,011,145)	1,486	(697,025)	(292,085)	(3,727,460)
Balance at the Ending of the Period (Reviewed)	995,726,831	57,573,631	32,274,836	5,787,865	17,946,091	1,109,309,254
<u>For the Year Ended December 31, 2022 (Audited)</u>						
Balance at the beginning of the year	879,962,296	65,193,881	70,044,694	6,345,472	19,401,318	1,040,947,661
New exposure during the year	467,475,609	13,932,253	3,270,513	77,948	86,234	484,842,557
Matured exposure during the year	(379,611,721)	(10,488,113)	(18,781,758)	(354,534)	(1,018,222)	(410,254,348)
Transferred (from) to stage (1)	24,836,241	1,620,752	(24,810,241)	(1,488,258)	(158,494)	-
Transferred (from) to stage (2)	(2,589,424)	(475,238)	2,978,374	476,238	(389,950)	-
Transferred (from) to stage (3)	(31,000)	(76,200)	(2,129,527)	(1,000)	2,237,727	-
Effect of the reclassification	(18,564,972)	3,285,621	(1,278,421)	1,400,755	634,069	(14,522,948)
Adjustments resulted from changes in exchange rate	(786,416)	(4,435,591)	1,217	(748,156)	(69)	(5,969,015)
Balance at the End of the Year	970,690,613	68,557,365	29,294,851	5,708,465	20,792,613	1,095,043,907

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

	Stage (1)		Stage (2)		Stage (3)	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD	JD	JD
<u>For the Nine Months Period September 30, 2023 (Reviewed)</u>						
Balance at the beginning of the period (Audited)	8,643,993	287,164	7,684,490	310,411	18,451,230	35,377,288
Impairment loss on the new facilities	3,481,145	61,224	23,871	4,913	82,043	3,653,196
Reversed from impairment loss on the matured facilities	(2,866,278)	(77,814)	(271,014)	(3,883)	(2,197,557)	(5,416,546)
Transferred (from) to stage (1)	45,102	16,344	(29,445)	(16,344)	(15,657)	-
Transferred (from) to stage (2)	(138,373)	(17,646)	548,576	23,181	(415,738)	-
Transferred (from) to stage (3)	(361)	(755)	(40,562)	(105)	41,783	-
Effect on provision as end of the period resulted from reclassification between the three stages during the period	(41,437)	(14,617)	(387,716)	40	117,274	(326,456)
Effect of the adjustments	(1,305,231)	(45,915)	394,822	142,533	222,929	(590,862)
Adjustments resulted from changes in exchange rate	11,507	(14,642)	62	(4,552)	(38,812)	(46,437)
Balance at the Ending of the Period (Reviewed)	7,830,067	193,343	7,923,084	456,194	16,247,495	32,650,183
<u>For the Year Ended December 31, 2022 (Audited)</u>						
Balance at the beginning of the year	8,072,411	292,651	9,743,753	225,130	17,297,575	35,631,520
Impairment loss on the new facilities during the year	3,286,571	128,289	110,912	3,299	15,577	3,544,648
Reversed from impairment loss on the matured facilities	(3,746,238)	(99,110)	(1,508,761)	(26,426)	(750,809)	(6,131,344)
Transferred (from) to stage (1)	629,933	185,363	(618,765)	(120,396)	(76,135)	-
Transferred (from) to stage (2)	(15,468)	(4,073)	231,994	4,073	(216,526)	-
Transferred (from) to stage (3)	(171)	(698)	(372,958)	(517)	374,344	-
Effect on provision as of the end of year resulted from reclassification between the three stages during the year	867,321	(139,957)	10,760	13,434	1,146,094	1,897,652
Effect of the adjustments	(435,204)	(60,584)	87,224	268,102	661,044	520,582
Adjustments resulted from changes in exchange rate	(15,162)	(14,717)	331	(56,288)	66	(85,770)
Balance at the Ending of the Year	8,643,993	287,164	7,684,490	310,411	18,451,230	35,377,288

18. Expected Credit Losses Expense – Net

The details of this item is as follows:

	For the Nine Months Ended September 30,	
	2023 (Reviewed)	2022 (Reviewed)
	JD	JD
Balances and deposits at banks and financial institutions	(320,523)	106,884
Financial assets at fair value through other comprehensive income	3,041	(51,911)
Financial assets at amortized cost	(80,029)	(901,186)
Direct credit facilities	33,573,048	24,140,637
Commitments and contingent liabilities	(2,680,668)	(1,176,115)
Other assets	8,109	60,500
	30,502,978	22,178,809

19. Fair Value Reserve – Net

The details of this item is as follows:

	For the Nine Months Ended September 30, 2023 (Reviewed)	For the Year Ended December 31, 2022 (Audited)
	JD	JD
Balance – beginning of the period / year	(10,908,261)	3,542,409
Unrealized gain (losses) - debt instrument	1,981,008	(22,488,840)
Unrealized gain – equity instrument	33,119	185,022
Deferred tax assets	(501,354)	4,895,073
Deferred tax liabilities	(211,218)	2,958,075
Net change in valuation reserve of financial assets at fair value through comprehensive income after tax	1,301,555	(14,450,670)
Balance at the End of the Period/Year	(9,606,706)	(10,908,261)

20. Retained Earnings

The movement on retained earnings is as follows:

	For the Nine Months Ended September 30, 2023 (Reviewed)	For the Year Ended December 31, 2022 (Audited)
	JD	JD
Balance – beginning of the period / year	416,843,387	367,183,950
Income for the year	-	129,500,828
Dividends distribution *	(78,750,000)	(63,000,000)
Transferred (to) reserves	-	(16,841,391)
Balance – End of the Period / Year	338,093,387	416,843,387

* The Shareholders General Assembly, at its ordinary meeting held on April 27, 2023, resolved to distribute cash dividends to shareholders for the year of 2022 at a rate of 25% of the subscribed and paid-up capital, equivalent to JD 78.75 million.

The Bank cannot use a restricted amount of JD 6,275,955 from retained earnings which represents the financial assets revaluation differences in accordance with the instructions of the Jordan Securities Commission.

Retained earnings includes an amount of JD 629,851 which represents the effect of early implementation of the International Financial Reporting Standard No (9). This amount may not be used except for the amounts actually realized from sale.

The Bank cannot use a restricted amount of JD 128,020,416 from retained earnings which represents deferred tax assets which are restricted against capitalization or distribution only to the extent if actually recognized in accordance with the instructions of the Central Bank of Jordan and the Jordan Securities Commission.

Retained earnings includes a restricted amount of JD 710,575 which represents the gain from the valuation of foreign currencies at the International Bank for Trade and Finance / Syria for the current period and the prior years.

Retained earnings includes a restricted amount of JD 465,000 which represents general banking risk reserve for Palestine branches.

21. Interest Income

The details of this item are as follows:

	For the Nine Months Ended September 30,	
	2023 (Reviewed)	2022 (Reviewed)
	JD	JD
Direct Credit Facilities:		
Individual retail customer:		
Overdraft	233,419	231,650
Loans and discounted bills	78,687,492	56,278,242
Credit cards	2,023,897	1,716,620
Real estate loans	77,737,641	49,763,694
Large corporates		
Overdraft	10,425,289	9,252,271
Loans and discounted bills	75,526,333	57,597,682
SME's		
Overdraft	5,220,362	3,287,774
Loans and discounted bills	20,140,897	14,763,120
Government and public sector	30,894,989	19,170,520
Balances at Central Banks	6,902,616	3,789,855
Balances and deposits at banks and financial institutions	12,990,317	4,348,377
Financial assets at amortized cost	88,624,001	70,753,496
Financial assets at fair value through other comprehensive income	11,795,810	9,769,276
	421,203,063	300,722,577

22. Interest Expense

The details of this item are as follows:

	For the Nine Months Ended September 30,	
	2023 (Reviewed)	2022 (Reviewed)
	JD	JD
Banks and financial institutions deposits	31,062,105	8,910,077
Customers deposits :		
Current accounts and demand deposits	2,061,203	494,030
Saving deposits	3,196,434	3,486,003
Time and notice deposits	69,640,406	29,619,808
Certificates of deposits	8,444,602	4,600,217
Cash margins	3,071,470	1,616,675
Borrowed funds	10,601,329	8,727,663
Deposits insurance fees	3,499,271	5,116,503
Lease liability	1,076,889	1,186,649
	132,653,709	63,757,625

23. Gains (Losses) from Financial Assets at Fair Value Through Profit or Loss

The details of this item are as follows:

	Realized		Unrealized		Dividends	
	Gains	(Losses)	Gains	(Losses)	Received	Total
	JD	JD	JD	JD	JD	JD
<u>For the Nine Months Period Ended September 30, 2023 (Reviewed)</u>						
Corporate shares	71,166	-	-	(485,620)	188,488	(225,966)
Direct credit facilities	-	-	1,327,396	-	-	1,327,396
Total	71,166	-	1,327,396	(485,620)	188,488	1,101,430

For the Nine Months Period Ended September 30, 2022 (Reviewed)

Corporate shares	2,129		216,747		171,569	390,445
Direct credit facilities	-	-	-	(2,811,032)	-	(2,811,032)
Total	2,129		216,747	(2,811,032)	171,569	(2,420,587)

24. Earnings Per Share Attributable to the Shareholders of the Bank / Basic - Diluted

The details of this item are as follows:

	For the three Months Ended September 30,		For the Nine Months Ended September 30,	
	2023	2022	2023	2022
	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)
	JD	JD	JD	JD
Profit for the period attributable to shareholders'	35,489,530	31,935,990	110,111,321	95,454,097
Weighted average number of shares	315,000,000	315,000,000	315,000,000	315,000,000
Basic and diluted Earnings Per Share Attributable to the Shareholders of the Bank	JD 0.113	JD 0.101	JD 0.350	JD 0.303

25. Cash and Cash Equivalents

This item consists of the following:

	As of September 30,	
	2023	2022
	(Reviewed)	(Reviewed)
	JD	JD
Cash and balances with central banks maturing within 3 months	602,328,711	739,344,457
<u>Add:</u> Balances with banks and financial institutions maturing within 3 months	372,991,553	321,656,050
<u>(Less):</u> Banks and financial institutions deposits maturing within 3 months	(713,888,026)	(548,091,519)
	261,432,238	512,908,988

26. Capital Adequacy

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

	September 30, 2023 (Reviewed) JD	December 31, 2022 (Audited) JD
Common Equity Tier 1 Capital		
Authorized and (paid-in) capital	315,000,000	315,000,000
Retained earnings	329,912,540	328,937,494
Other comprehensive income items	(144,944,319)	(145,398,683)
Net fair value reserve	(9,606,706)	(10,908,261)
Foreign currency translation reserve	(135,337,613)	(134,490,422)
Share premium	328,147,537	328,147,537
Statutory reserve	274,726,787	274,726,787
Other reserve	11,553,745	11,553,745
Non-controlling interest	16,060,708	14,583,616
Condensed gains after tax and expected distribution value	39,236,321	-
Total capital for ordinary shares	1,169,693,319	1,127,550,496
Regulatory amendments (Propositions of the capital)	(157,780,484)	(157,248,008)
Goodwill and intangible assets	(22,679,011)	(21,574,280)
Deferred tax assets	(128,020,416)	(128,589,582)
Investments in the capital of non-consolidated subsidiaries with the Bank	(40,681)	(40,681)
Mutual investments in banks' capital, financial companies, and insurance companies Within the CET1	(7,040,376)	(7,043,465)
Net ordinary shareholder's equity	1,011,912,835	970,302,488
Non-controlling Interest	2,834,243	2,573,579
Total additional capital	2,834,243	2,573,579
Net Additional Capital	2,834,243	2,573,579
Net additional capital Tier 1	1,014,747,078	972,876,067
Tier 2 Capital		
Expected credit losses provision for the first stage – does not exceed 1.25% of the assets weighted credit risks	54,534,331	49,234,104
Non-controlling interest	3,778,990	3,431,439
Total Capital	58,313,321	52,665,543
Regulatory amendments (Propositions of the capital)	-	-
Investments in the capital of non-consolidated subsidiaries with the bank	-	-
Net additional capital Tier 2	58,313,321	52,665,543
Regulatory capital	1,073,060,399	1,025,541,610
Total Risk weighted assets	5,748,190,386	5,488,730,057
Capital Adequacy ordinary shareholders (CET1) Ratio %	17.60%	17.68%
Capital Adequacy Tier 1 Ratio %	17.65%	17.72%
Capital Adequacy Ratio %	18.67%	18.68%

27. Related Party Transactions

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

	Related Party				Total	
	Major Shareholders	Subsidiaries	Board of Directors	Executive Management	September 30,	
					2023	December 31,
					(Reviewed)	2022 (Audited)
	JD	JD	JD	JD	JD	JD
Financial position items:						
Total deposits with related parties	23,065,005	66,233,879	-	-	89,298,884	113,000,105
Total deposits from related parties	633,642,843	76,769,291	2,725,544	4,899,430	718,037,108	713,064,255
Loans and advances granted to related parties	51,032,772	2,318,082	1,226,800	1,843,768	56,421,422	54,580,219
Loans and advances granted from related parties	-	2,385,922	-	-	2,385,922	2,624,541
Financial assets at fair value through other comprehensive income	6,727,276	-	-	-	6,727,276	6,706,608
Items off-statement of Financial position:						
Letters of guarantees and credits	9,526,689	1,940,582	-	-	11,467,271	20,483,072
Forward foreign currency contracts	54,531,767	-	-	-	54,531,767	45,703,668
Interest swap contracts	47,857,500	-	-	-	47,857,500	63,810,000

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

	Related Party				Total	
	Major Shareholders	Subsidiaries	Board of Directors and their related	Executive Management	For the Nine Months Ended September 30,	
					2023	2022
					(Reviewed)	(Reviewed)
	JD	JD	JD	JD	JD	JD
Statement of Profit or Loss items:						
Interest and commissions income	4,866,673	2,262,337	53,034	98,124	7,280,168	912,356
Interest and commissions expense	27,320,974	3,062,214	61,291	161,566	30,606,045	7,944,651
Consulting fees	-	-	-	-	-	3,648
Rent income	-	117,750	-	-	117,750	107,819

- Interest income rates ranges from 0% to 16.5%.
- Interest expense rates ranges from 0% to 11.25%.

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

	For the Nine Months Ended September 30,	
	2023	2022
	(Reviewed)	(Reviewed)
	JD	JD
Salaries, bonuses, and other benefits	3,241,301	2,615,751
Salaries, bonuses, and other benefits / Subsidiaries	1,252,760	1,297,634

28. Segment Analysis

Information on the Bank Activities:

For management purposes, the Bank is divided into four major business segments according to reports sent to the chief operating officer:

- Retail Banking: Principally handling individual customers' and small businesses' deposits and providing loans, overdrafts, credit cards and other services.
- Corporate Banking: Principally handling deposits, credit facilities, and other financial services for corporate and institutional customers.
- Corporate Finance: Principally arranging structured finance and providing services relating to privatizations, IPO's, mergers and acquisitions.
- Treasury: Principally providing trading and treasury services and the management of the Bank's funds in money and capital markets.

Information of the Bank's business segment, distributed according to operations is as follows:

	Retail	Corporate	Corporate Finance	Treasury	Others	Elimination	Total	
							For the Nine Months	
							Period Ended September 30,	
	JD	JD	JD	JD	JD	JD	2023 (Reviewed) JD	2022 (Reviewed) JD
Gross Income	246,944,065	166,457,914	4,512,880	149,886,837	2,380,633	(101,366,119)	468,816,210	346,704,741
Expected credit loss for the period	(16,265,872)	(10,056,873)	(4,577,744)	397,511	-	-	(30,502,978)	(22,178,809)
Segment results	112,485,935	60,218,876	(2,705,592)	9,255,431	2,380,633	-	181,635,283	146,146,353
Unallocated expenses							(8,620,989)	(7,347,624)
Income before Tax							173,014,294	138,798,729
Income tax							(59,756,275)	(41,288,601)
Profit for the Period							113,258,019	97,510,128
							September 30,	December 31,
							2023 (Reviewed)	2022 (Audited)
Segment Assets	4,574,047,568	2,711,446,788	82,839,545	3,769,696,753	1,422,269,548	-	12,560,300,202	12,263,076,661
Elimination of assets between segments	(2,672,878,732)	-	-	(620,322,914)	(702,171,303)	-	(3,995,372,949)	(3,933,024,098)
Unallocated assets on segments							128,020,416	128,589,582
Total Assets							8,692,947,669	8,458,642,145
Segment Liabilities	4,462,274,790	2,818,817,273	85,620,350	3,726,917,226	301,010,756	-	11,394,640,395	11,125,834,020
Elimination of liabilities between segments		(1,025,682,437)	(43,856,518)	(2,925,833,994)		-	(3,995,372,949)	(3,933,024,098)
Unallocated liabilities							4,168,222	6,770,350
Total Liabilities							7,403,435,668	7,199,580,272
							For the Nine Months	For the Nine Months
							Ended September 30,	Ended September 30,
							2023	2022
							(Reviewed)	(Reviewed)
Capital expenditures							13,789,029	12,215,635
Depreciation and amortization							18,904,047	18,228,254

29. Risk Management

Banking risks are managed based on a comprehensive mitigation strategy where acceptable risks are defined along with ways to limit and confront such risks. Such a strategy allows the Bank to better manage its business while maintaining a certain level and type of risk the Bank is willing to bear and handle without affecting strategic goals and objectives. Meanwhile, the Bank minimizes the negative effects of internal and external incidents on the Bank's profitability, capitalization, market share and any other intangible factors such as reputation and goodwill.

The Bank's risk management policies for the nine-month period ended September 30, 2023 are identical to the policies followed for the year ended December 31, 2022, which are disclosed in the Bank's annual report as of December 31, 2022.

1- Distributed according to economic sector is as follows:

	Financial	Industrial	Trading	Real Estate	Agriculture	Equities	Individuals	Government and Public	Other	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Balances at central banks	-	-	-	-	-	-	-	490,638,866	-	490,638,866
Balances at banks and financial institutions	372,898,303	-	-	-	-	-	-	-	-	372,898,303
Deposits at banks and financial institutions	40,238,433	-	-	-	-	-	-	-	-	40,238,433
Credit facilities at amortized cost	198,117,381	457,553,718	533,970,537	1,204,466,197	62,519,486	4,356,010	975,400,069	599,951,586	421,869,478	4,458,204,462
Credit Facilities at fair value through profit or loss	-	47,811,343	-	-	-	-	-	-	-	47,811,343
Bonds and bills:										
<u>Within:</u> Financial assets at fair value through other comprehensive income	75,635,783	-	-	-	-	-	-	264,620,467	-	340,256,250
<u>Within:</u> Financial assets at amortized cost	205,033,551	-	-	-	-	-	-	2,092,635,922	8,610,557	2,306,280,030
Total for the Period	891,923,451	505,365,061	533,970,537	1,204,466,197	62,519,486	4,356,010	975,400,069	3,447,846,841	430,480,035	8,056,327,687
Letter of guarantees	-	-	424,631,466	-	-	-	-	-	-	424,631,466
Letter of credit	-	-	584,810,381	-	-	-	-	-	-	584,810,381
Other liabilities	-	-	67,217,224	-	-	-	-	-	-	67,217,224
Total	891,923,451	505,365,061	1,610,629,608	1,204,466,197	62,519,486	4,356,010	975,400,069	3,447,846,841	430,480,035	9,132,986,758
Prior Year Total	839,765,339	412,456,063	1,513,790,314	1,219,952,485	50,114,788	3,559,718	968,655,200	3,452,360,401	409,458,193	8,870,112,501

2- Total Exposure Distribution According to Geographic Region:

	Inside Jordan	Other Middle East Countries	Europe	Asia	Africa	America	Other Countries	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Balances at central banks	273,626,447	156,630,902	-	-	60,381,517	-	-	490,638,866
Balances at banks and financial institutions	24,765,338	58,747,508	149,165,182	5,476,035	3,167,207	131,577,033	-	372,898,303
Deposits at banks and financial institutions	29,999,966		10,238,467	-	-	-	-	40,238,433
Credit facilities at amortized cost	3,524,317,101	419,452,190	293,664,649	-	220,770,522	-	-	4,458,204,462
Credit Facilities at fair value through profit or loss	47,811,343	-	-	-	-	-	-	47,811,343
Bonds and Bills:								
Financial assets at fair value through other comprehensive income	209,590,918	25,633,951	51,792,144	8,370,110	7,323,173	37,545,954		340,256,250
Financial assets at amortized cost	2,125,872,664	52,702,855	4,689,247		119,093,952	1,801,515	2,119,797	2,306,280,030
Total for the Period	6,235,983,777	713,167,406	509,549,689	13,846,145	410,736,371	170,924,502	2,119,797	8,056,327,687
Letter of guarantee	282,919,311	47,798,202	9,597,455	9,995,387	74,321,111	-	-	424,631,466
Letter of credit	529,554,907	8,211,966	7,726,689	3,355,446	35,961,373	-	-	584,810,381
Other liabilities	42,503,492	-	24,713,732	-	-	-	-	67,217,224
Total	7,090,961,487	769,177,574	551,587,565	27,196,978	521,018,855	170,924,502	2,119,797	9,132,986,758
Prior Year Total	6,883,038,449	789,937,352	482,061,905	13,768,139	525,693,577	171,714,029	3,899,050	8,870,112,501

3. Credit exposures that have been reclassified:

A. Total credit exposures that have been reclassified:

	Stage (2)		Stage (3)			
	Total Exposures Amount	Exposures that have been Reclassified	Total Exposures Amount	Exposures that have been Reclassified	Total Exposures that have been Reclassified	Percentage of Exposures that have been Reclassified
	JD	JD	JD	JD	JD	
Credit facilities at amortized cost	439,217,847	75,495,827	377,691,769	50,625,586	126,121,413	2.5%
Bonds and bills						
Within: Financial assets at amortized cost	-	-	3,000,001	-	-	0.0%
Within: Financial assets at fair value through other comprehensive income	8,018,732	5,889,206	-	-	5,889,206	1.7%
Total	447,236,579	81,385,033	380,691,770	50,625,586	132,010,619	1.5%
Letter of guarantees	32,927,391	7,556,627	17,946,093	244,489	7,801,116	1.7%
Letter of credit	2,798,230	-	-	-	-	0.0%
Other	2,337,079	11,274	-	-	11,274	0.0%
Total	38,062,700	7,567,901	17,946,093	244,489	7,812,390	0.7%
Grand Total	485,299,279	88,952,934	398,637,863	50,870,075	139,823,009	1.4%
Prior Year Grand Total	483,955,607	78,788,835	382,370,770	52,072,041	130,860,876	1.4%

b. Expected credit loss for exposures that have been reclassified:

Description	Exposures that have been Reclassified			Expected Credit Loss due to Reclassified Exposures			
	Exposures Reclassified from Stage (2)	Exposures Reclassified from Stage (3)	Total	Stage (2)		Stage (3)	Total
	JD	JD	JD	JD	JD	JD	JD
Credit facilities at amortized cost	75,495,827	50,625,586	126,121,413	1,470,111	1,431,314	6,241,007	9,142,432
Bonds and Bills	-	-	-	-	-	-	-
Total	75,495,827	50,625,586	126,121,413	1,470,111	1,431,314	6,241,007	9,142,432
Letter of guarantees	7,556,627	244,489	7,801,116	528,570	23,155	41,783	593,508
Letter of credit	-	-	-	-	-	-	-
Other	11,274	-	11,274	20,006	26	-	20,032
Total	7,567,901	244,489	7,812,390	548,576	23,181	41,783	613,540
Grand Total	83,063,728	50,870,075	133,933,803	2,018,687	1,454,495	6,282,790	9,755,972
Prior Year Grand Total	78,788,835	52,072,041	130,860,876	4,527,092	1,936,854	15,039,614	21,503,560

30. Commitments and Contingent Liabilities

This item consists of the following:

	September 30, 2023 (Reviewed)	December 31, 2022 (Audited)
	JD	JD
Letters of credit	468,897,055	483,501,097
Acceptances	118,820,107	103,294,521
Guarantees:		
- Payment	186,522,899	172,620,903
- Performance bonds	195,935,954	189,606,793
- Other	71,199,008	74,436,092
Forward foreign currency contracts	345,643,107	281,530,651
Currency swap contracts	41,905,000	34,815,000
Un-utilized direct credit facilities ceilings	645,588,065	603,293,844
Total	2,074,511,195	1,943,098,901

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

Lawsuits raised against the Bank amounted to approximately JD 23.2 million as of September 30, 2023 (approximately JD 32.4 million as of December 31, 2022). In the opinion of the Bank's management and legal advisor, no liabilities will arise therefrom that exceed the booked provision of JD 7.7 million as of September 30, 2023 (JD 7.7 as of December 31, 2022).

The lawsuits raised by the Bank against others amounted to approximately JD 680.6 million as of September 30, 2023 (approximately JD 627.7 million as of December 31, 2022).

32. Fair Value Hierarchy

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

Level (1): List prices (unadjusted) for identical assets or liabilities in active markets.

Level (2): Information other than the stated price included in level 1, which is monitored for the asset or liability, either directly (such as prices) or indirectly (i.e., derived from the prices).

Level (3): Information on the asset or liability not based on those observed in the market (unobservable information).

	Level (1)	Level (2)	Level (3)	Total
<u>September 30, 2023 (Reviewed)</u>	JD	JD	JD	JD
Financial assets:				
Financial assets at fair value through other comprehensive income	340,256,250	-	45,218,323	385,474,573
Financial assets at fair value through profit or loss	4,390,625	-	-	4,390,625
Direct credit facilities at fair value through profit or loss	47,811,343	-	-	47,811,343
Total	392,458,218	-	45,218,323	437,676,541

December 31, 2022 (Audited)

Financial assets:

Financial assets at fair value through other comprehensive income	326,395,198	-	42,699,806	369,095,004
Financial assets at fair value through profit or loss	4,569,196	-	450,584	5,019,780
Direct credit facilities at fair value through profit or loss	61,967,403	-	-	61,967,403
Total	392,931,797	-	43,150,390	436,082,187