

**JORDAN KUWAIT BANK
(A PUBLIC LIMITED SHAREHOLDING COMPANY)
AMMAN – HASHEMITE KINGDOM OF JORDAN**

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

**30 JUNE 2023
(UNAUDITED)**



**JORDAN KUWAIT BANK
(A PUBLIC LIMITED SHAREHOLDING COMPANY)
AMMAN- HASHEMITE KINGDOM OF JORDAN
AS AT 30 JUNE 2023 (UNAUDITED)**

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**REVIEW REPORT ON THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
TO THE CHAIRMAN AND THE BOARD OF DIRECTORS OF JORDAN KUWAIT BANK
A PUBLIC LIMITED SHAREHOLDING COMPANY**

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Jordan Kuwait Bank (A Public Limited Shareholding Company) ("the bank") and its subsidiaries (together "the group") as at 30 June 2023 and the related interim condensed consolidated statement of income and interim condensed consolidated statement of comprehensive income for the three and six months period ended 30 June 2023, and the interim condensed consolidated statements of changes in shareholders' equity and cash flows for the six months period then ended and other explanatory notes. Management is responsible for the preparation and presentation of this interim condensed consolidated financial statements in accordance with International Accounting Standard (34) "interim financial reporting" as amended by the Central Bank of Jordan instructions. Our responsibility is to express a conclusion on this interim condensed consolidated financial statement based on our review.

Scope of review

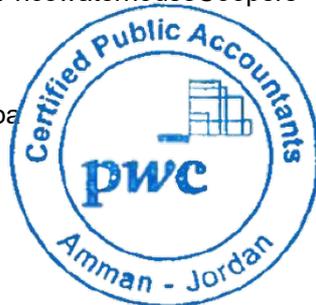
We conducted our review in accordance with the International Standard on Review Engagements (2410) "Review of Interim Financial Information performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for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

Conclusion

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

For and on behalf of PricewaterhouseCoopers "Jordan"


Hazem Hanna Sababa
License No (802)



Amman, Jordan
31 July 2023



JORDAN KUWAIT BANK
(A PUBLIC LIMITED SHAREHOLDING COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023 (UNAUDITED)

	Note	30 June 2023 (Unaudited) JD	31 December 2022 (Audited) JD
ASSETS			
Cash and balances at central banks	4	764,973,985	480,714,381
Balances at banks and financial institutions	5	360,372,515	123,435,953
Direct credit facilities-net	6	2,096,656,001	1,922,640,437
Financial assets at fair value through profit and loss	7	25,740,225	20,958,094
Financial assets at fair value through other comprehensive income	8	100,542,082	94,984,592
Financial assets at amortized cost	9	976,598,098	617,988,602
Property and equipment - net		81,274,675	36,013,560
Intangible assets - net		18,297,277	7,239,008
Deferred tax assets		59,254,828	56,299,061
Right of use assets	10	12,316,756	10,524,060
Other assets	11	190,801,928	176,141,619
TOTAL ASSETS		4,686,828,370	3,546,939,367
LIABILITIES AND EQUITY			
LIABILITIES			
Banks and financial institutions deposits		70,613,457	107,184,993
Customers deposits	12	3,106,364,713	2,418,672,958
Cash margins		127,420,066	117,926,572
Borrowed funds	15	396,724,489	296,598,068
Bonds	16	11,000,000	11,000,000
Green bonds	17	35,450,000	-
Sundry provisions	13	16,809,546	14,454,973
Income tax provision	14/c	19,894,425	18,784,419
Deferred tax liabilities		7,689,505	7,460,503
Lease liabilities	10	13,221,253	10,733,682
Other liabilities	18	188,214,887	66,567,971
TOTAL LIABILITIES		3,993,402,341	3,069,384,139
EQUITY			
Authorized and paid-in capital		150,000,000	150,000,000
Perpetual bonds	35	89,010,000	-
Statutory reserve	36	99,983,479	99,983,479
Voluntary reserve	36	110,944,584	122,944,584
Financial assets at fair value revaluation reserve - net	19	7,279,444	6,887,913
Actuarial gain from remeasurement of defined post-employment benefits		1,050,169	1,050,169
Foreign currency translation differences		(4,079,865)	-
Retained earnings	20	94,467,792	94,967,563
Profit for the period		36,343,847	-
Total equity - Bank's shareholders		584,999,450	475,833,708
Non-controlling Interest		108,426,579	1,721,520
TOTAL EQUITY		693,426,029	477,555,228
TOTAL LIABILITIES AND EQUITY		4,686,828,370	3,546,939,367

Chief Executive Officer

Chairman of Board of Directors

The accompanying notes from 1 to 38 constitute an integral part of these interim condensed consolidated financial statements



JORDAN KUWAIT BANK
(A PUBLIC LIMITED SHAREHOLDING COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME
FOR THE SIX MONTHS PERIOD ENDED ON 30 JUNE 2023 (UNAUDITED)

	Note	For the Six Months Ended 30 June		For the Three Months Ended 30 June	
		2023	2022	2023	2022
		JD (unaudited)	JD (unaudited)	JD (unaudited)	JD (unaudited)
Interest income	21	119,293,981	72,062,537	62,405,250	39,119,907
Less: Interest expense	22	53,064,593	25,008,205	27,912,203	13,145,918
Net Interest Income		66,229,388	47,054,332	34,493,047	25,973,989
Net commission income	23	29,430,402	4,704,750	19,479,586	2,327,856
Net interest and commission income		95,659,790	51,759,082	53,972,633	28,301,845
Gain from foreign currencies		10,147,521	1,599,127	4,607,357	860,328
Gain (Loss) from financial assets at fair value through profit and loss	7	3,807,756	3,731,930	(5,021,543)	3,527,886
Gain from sale of debt instruments at fair value through other comprehensive income	8	-	24,581	-	-
(Loss) from sale of financial assets at amortised cost – debt instruments	9	-	(24,772)	-	-
Cash dividends from financial assets at fair value through other comprehensive income	8	2,039,765	1,580,949	1,961,015	1,517,949
Other income	24	8,521,275	12,548,802	3,403,544	9,140,612
Gross Income		120,176,107	71,219,699	58,923,006	43,348,620
Employees' expenses		23,927,063	16,798,134	12,359,916	9,490,185
Depreciation and amortisation		3,481,201	2,384,004	1,808,605	1,162,112
Provision for expected credit losses on financial assets	30-C	22,737,264	18,940,121	11,786,627	10,646,512
Sundry provisions	13	2,305,916	1,039,070	1,184,141	559,070
Other expenses	25	22,362,513	20,649,505	12,223,913	12,213,986
Total expenses		74,813,957	59,810,834	39,363,202	34,071,865
Result of acquisition	38	15,492,283	-	6,626,987	-
Profit for the period before income tax		60,854,433	11,408,865	26,186,791	9,276,755
Less: income tax expense	14	11,882,929	3,814,000	4,902,183	3,048,038
Profit for the period		48,971,504	7,594,865	21,284,608	6,228,717
Attributable to:					
Bank's shareholders		36,343,847	7,598,144	13,379,320	6,226,994
Non-controlling interest		12,627,657	(3,279)	7,905,288	1,723
Earnings per share from current period profit (loss) - basic and diluted:					
Attributable to:					
Banks shareholders	26	0.242	0.051	0.089	0.042
Non - controlling interest	26	0.084	(0.000)	0.053	0.000

Chief Executive Officer

Chairman of Board of Directors

The accompanying notes from 1 to 38 constitute an integral part of these interim condensed consolidated financial statements



JORDAN KUWAIT BANK
(A PUBLIC LIMITED SHAREHOLDING COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS PERIOD ENDED ON 30 JUNE 2023 (UNAUDITED)

	For the Six Months Ended 30 June		For the Three Months Ended 30 June	
	2023 JD (unaudited)	2022 JD (unaudited)	2023 JD (unaudited)	2022 JD (unaudited)
Profit for the period	48,971,504	7,594,865	21,284,608	6,228,716
Other Comprehensive Income Items:				
<u>Items that may be reclassified to profit or loss in subsequent periods:</u>				
Net change in the valuation reserve of financial assets at fair value through comprehensive income after tax- debt instruments	105,745	(3,038,106)	252,859	(1,707,221)
Total items that may be reclassified to profit or loss in subsequent periods	105,745	(3,038,106)	252,859	(1,707,221)
<u>Items that will not be reclassified to profit or loss in subsequent periods:</u>				
Net change in the valuation reserve of financial assets at fair value through comprehensive income after tax - equity instruments	285,602	1,479,256	2,273,688	740,315
Foreign currency translation differences	(7,291,432)	-	-	-
Total comprehensive (loss) income for the period	(7,005,830)	1,479,256	2,273,688	740,315
Comprehensive income for the period	42,071,419	6,036,015	23,811,155	5,261,810
Attributable to:				
Bank's shareholders	32,655,329	6,151,469	13,993,291	5,372,261
Non-controlling interest	9,416,090	(115,454)	9,817,864	(110,451)

The accompanying notes from 1 to 38 constitute an integral part of these interim condensed consolidated financial statements



JORDAN KUWAIT BANK
(A PUBLIC LIMITED SHAREHOLDING COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS PERIOD ENDED ON 30 JUNE 2023 (UNAUDITED)

	Bank's Shareholders Equity											Total
	Reserves				Actuarial gain from re-measurement of defined post-employment benefits	Foreign currency translation differences	Perpetual Bonds	Income for the period	Retained Earnings	Total Equity – Bank's Shareholders	Non-controlling interest	
	Authorized and paid-in capital	Statutory reserve	Voluntary reserve	Valuation of financial assets								
For the six months ended 30 June 2023 (reviewed and unaudited)	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Balance - Beginning of the period	150,000,000	99,983,479	122,944,584	6,887,913	1,050,169	-	-	-	94,967,563	475,833,708	1,721,520	477,555,228
Profit for the period	-	-	-	-	-	-	-	36,343,847	-	36,343,847	12,627,657	48,971,504
Net change in the fair value of financial assets through comprehensive income	-	-	-	391,347	-	-	-	-	-	391,347	-	391,347
Foreign currency translation differences	-	-	-	-	-	(4,079,865)	-	-	-	(4,079,865)	(3,211,567)	(7,291,432)
Total comprehensive income	-	-	-	391,347	-	(4,079,865)	-	36,343,847	-	32,655,329	9,416,090	42,071,419
Non-controlling interest resulted from the acquisition	-	-	-	-	-	-	-	-	-	-	97,288,969	97,288,969
Gain from sale of equity instruments through other comprehensive income	-	-	-	184	-	-	-	-	(184)	-	-	-
Perpetual bonds issuance	-	-	-	-	-	-	89,010,000	-	-	89,010,000	-	89,010,000
Interest on perpetual bonds after excluding tax effect	-	-	-	-	-	-	-	-	(499,587)	(499,587)	-	(499,587)
Dividends	-	-	(12,000,000)	-	-	-	-	-	-	(12,000,000)	-	(12,000,000)
Balance - End of the Period	150,000,000	99,983,479	110,944,584	7,279,444	1,050,169	(4,079,865)	89,010,000	36,343,847	94,467,792	584,999,450	108,426,579	693,426,029

The accompanying notes from 1 to 38 constitute an integral part of these interim condensed consolidated financial statements



JORDAN KUWAIT BANK
(A PUBLIC LIMITED SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2023

	Bank's Shareholders Equity											
	Reserves				Actuarial gain from re-measurement of defined post-employment benefits	Foreign currency translation differences	Perpetual Bonds	Income for the period	Retained Earnings	Total Equity – Bank's Shareholders	Non-controlling interest	Total
Authorized and paid-in capital	Statutory reserve	Voluntary reserve	Valuation of financial assets									
For the six months ended 30 June 2022 (reviewed and unaudited)												
Balance - Beginning of the period	150,000,000	97,254,251	133,444,584	7,044,559	558,921	-	-	-	79,094,033	467,396,348	277,710	467,674,058
Profit for the period	-	-	-	-	-	-	7,598,144	-	-	7,598,144	(3,279)	7,594,865
Net change in financial assets at fair value through comprehensive income	-	-	-	(1,446,675)	-	-	-	-	-	(1,446,675)	(112,175)	(1,558,850)
Total comprehensive loss	-	-	-	(1,446,675)	-	-	7,598,144	-	-	6,151,469	(115,454)	6,036,015
Gain from sale of equity instruments through other comprehensive income	-	-	-	(103,232)	-	-	-	103,232	-	-	-	-
Cash profit distributions – Note 35	-	-	(10,500,000)	-	-	-	-	-	-	(10,500,000)	-	(10,500,000)
Balance - End of the Period	150,000,000	97,254,251	122,944,584	5,494,652	558,921	-	-	7,598,144	79,197,265	463,047,817	162,256	463,210,073

- Retained earnings include an amount of JD 59,254,828 as of 30 June 2023 (JD 56,299,061 as of 31 December 2022) restricted against deferred tax assets in accordance with the Instructions of Central Bank of Jordan.
- Retained earnings include an amount of JD 188,212 as of 30 June 2023 and 31 December 2022 which represents the effect of the early adoption of I FRS (9) during the year 2011. Such amount is restricted and cannot be utilized according to Jordan Securities Commission regulations. Which represents the revaluation differences of financial assets at fair value through statement of income, net of those realized through sales
- According to the Central Bank of Jordan Circular No. 13/2018, the bank has transferred the balance of general banking risk reserve amounting to JD 14,288,875 to the retained earnings to reflect impact of IFRS 9 on the opening balances as of 1 January 2018. The Circular also stipulates that the balance of a general bank risk reserve item is a restricted balance.
- Use of fair value reserve is restricted and requires prior approval from the Central Bank of Jordan.

The accompanying notes from 1 to 38 constitute an integral part of these interim condensed consolidated financial statements



JORDAN KUWAIT BANK
(A PUBLIC LIMITED SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2023

Note	For the six months period ended 30	
	June	
	2023	2022
	JD	JD
	(unaudited)	(unaudited)
Cash Flows from Operating Activities:		
Profit for the period before tax and after loss from discontinued operations	60,854,433	11,408,865
Adjustments:		
Depreciation and amortization	3,481,201	2,384,004
Amortization on right of use assets	1,864,721	1,473,065
Provision for expected credit losses on financial assets	22,737,264	18,940,121
(Gain) from financial assets at fair value through profit and loss	(3,807,756)	(3,731,930)
Net interest income	(21,057,752)	(14,133,826)
Provision for end of service benefits	1,300,000	739,070
Provision for lawsuits against the bank	600,000	300,000
Provision for seized assets	186,542	1,566,535
Effect of exchange rate fluctuations on cash and cash equivalents	(906)	25,573
	66,157,747	18,971,476
Changes in Assets and Liabilities:		
(Increase) in deposits at banks and financial institutions more than 3 months maturity	-	(1,919,906)
(Increase) in financial assets at fair value through profit and loss	(974,375)	(10,576,022)
(Increase) in direct credit facilities	(260,189,911)	(132,117,684)
Decrease in other assets	29,485,933	24,920,946
(Decrease) increase in banks and financial institutions deposits of more than 3 months maturity	(53,316,993)	58,342,101
Increase (decrease) in customers deposits	687,691,755	194,071,344
Increase in cash margins	9,493,494	7,051,159
Increase (decrease) in other provisions	454,573	(305,151)
Increase in other liabilities	94,922,617	4,337,859
Total change in assets and liabilities	507,567,093	143,804,646
Net Cash Flows generated from Operating Activities Before Income Tax		
	573,724,840	162,776,122
(Paid) Income tax	(19,056,131)	(8,896,073)
Net Cash Flows generated from Operating Activities	554,668,709	153,880,048
Cash Flows from Investing Activities:		
Maturity of loans with repurchase agreements at fair value	-	10,000,000
(Increase) in financial assets at amortized cost	(358,609,496)	(63,293,021)
(Increase) in financial assets at fair value through other comprehensive income	(4,936,957)	(4,644,908)
(Increase) in property, equipment and intangible assets	(59,800,585)	(5,074,687)
Net Cash Flows (used in) Investing Activities	(423,347,038)	(63,012,616)
Cash Flows from Financing Activities:		
Increase in borrowed funds	100,126,421	5,205,299
Issuance of green bonds	35,450,000	-
Issuance of perpetual bonds	89,010,000	-
Lease liabilities paid	(1,169,846)	(2,339,107)
Cash dividends paid to shareholders	(10,495,440)	(10,659,942)
Foreign currency translation differences	(4,079,865)	-
Non-controlling interest	93,938,074	-
Net Cash Flows (used in) Financing Activities	302,779,344	(7,793,750)
Effect of exchange rate fluctuations on cash and cash equivalents	906	(25,573)
Net increase in cash and cash equivalents	434,101,921	83,048,110
Cash and cash equivalent - beginning of the period	494,660,535	327,469,080
Cash and Cash Equivalent - End of the Period	928,762,456	410,517,190

The accompanying notes from 1 to 38 constitute an integral part of these interim condensed consolidated financial statements



JORDAN KUWAIT BANK
(A PUBLIC LIMITED SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2023

(1) GENERAL INFORMATION

Jordan Kuwait Bank was established as a Jordanian public limited shareholding company under the registration number (108) on October 25, 1976 in accordance with the Jordanian Companies Law No. (13) for the year 1964. The Head Office of the Bank is located in Omayya Bin Abdshams Street, Abdali. Tel. +962 (6) 5629400, P.O. Box 9776, Amman – 11191 Jordan. The Bank current Paid up Capital amounted to JD 150 million distributed on 150 million shares, with a par value of JD 1 per share.

The Bank provides all banking and financial activities related to its activities through its head office and (64) branches inside the Kingdom and (1) foreign branch. The Bank owns four subsidiaries, for finance leasing, one for brokerage services which owns a company for financial advisory services and two brokerage companies. The bank has completed an acquisition transaction for 51.79% of Bank of Baghdad share capital in Iraq during March, 2023, the investment increased to 53.44%. The bank also acquired 76.97% of BHM Capital in the United Arab Emirates (Note 2 and 38).

Jordan Kuwait Bank is a Public Shareholding Company limited and is listed on Amman Stock Exchange.

Jordan Kuwait Bank is 50.927% owned at by Al Rawabi United Holding Company and the financial statements of the Bank are consolidated within the consolidated financial statements of the ultimate parent Company Kuwait Projects Holding Company (KIPCO).

These interim condensed consolidated financial statements were approved by the Bank's Board of Directors on their meeting no. (7/2023) held on 25 July 2023.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Following are the significant accounting policies used by the Bank in the preparation of these interim condensed consolidated financial statements.

2.1 Basis of preparation

The interim condensed consolidated financial statements of the Bank and its subsidiaries ('the group') have been prepared in accordance with International Accounting Standards No. (34) ("interim financial reporting") as amended by Central Bank of Jordan instructions.

-The main differences between the IFRSs as they shall be applied and what has been approved by the Central Bank of Jordan are the following:

1. Some items are classified and presented in the consolidated statement of financial position, consolidated statement of income and the consolidated statement of cash flows and the related disclosure, such as credit facilities, interest in suspense, expected credit losses, investments, fair value levels, segments classification and disclosures related to risks and others, are presented and disclosed in accordance with the requirements of the Central Bank of Jordan, its instructions and circulated guidance which might not include all the requirements of IFRS such as IFRS 7, 9 and 13.
2. Provisions for expected credit losses are formed in accordance with the instructions of the Central Bank of Jordan (No. 13/ 2018) "Application of the IFRS (9)" dated 6 June 2018 and in accordance with the instructions of the supervisory authorities in the countries in which the bank operates, whichever is stricter. The significant differences are as follows:



JORDAN KUWAIT BANK
(A PUBLIC LIMITED SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2023

- a) Debt instruments issued or guaranteed by the Jordanian government are excluded, so that credit exposures are treated and guaranteed by the Jordanian government without credit loss.
- b) When calculating credit losses against credit exposures, the calculation results are compared according to IFRS (9) under the instructions of the Central Bank of Jordan No. (2009/47) of 10 December 2009 for each stage separately and the stricter results are booked.

*According to the instructions of the Central Bank of Jordan No. (47/2009) issued on 10 December 2009 regarding the classification of credit facilities and the calculation of the impairment provisions, credit facilities were classified into the following categories:

a) Low risk credit facilities, which do not require any provisions:

These are credit facilities that have any of the following characteristics:

1. Facilities granted and guaranteed by the Jordanian government, as well as to the governments of countries in which Jordanian banks have branches, provided that these facilities are granted in the same currency of the host country.
2. Cash Guaranteed by (100%) of the outstanding balance at any time.
3. Facilities guaranteed with an acceptable bank guarantee at (100%).

b) Acceptable risk credit facilities, which do not require provision:

These are credit facilities that have any of the following characteristics:

1. Strong financial positions and adequate cash flows.
2. Contracted and covered with duly accepted guarantees.
3. Having good sources of repayment.
4. Active account movement and regular repayment of principal and interest
5. Efficient management of the client.

c) Credit facilities listed under the watch-list (requiring special attention) which impairment allowances for are calculated within a range of (1.5% - 15%):

These are credit facilities that have any of the following characteristics:

1. The existence of dues for a period of more than (60) days and less than (90) days for the principal of credit facilities and/or interest.
2. Exceeding the overdraft predetermined limit by (10%), and for a period of more than (60) days and less than (90) days.
3. Credit facilities that have previously been classified as non-performing credit facilities then reclassified from the list upon meeting the rescheduling criteria.
4. Acceptable-risk credit facilities that has been rescheduled twice in one year.
5. Credit facilities that have been expired for more than 60 days and less than (90) days and have not been renewed.

D) Non-performing credit facilities:

The credit facilities that have any of the following characteristics:

1. They are past due, or the maturity of one of their instalments, or default payment of the principal amount and / or interest, or dormant current debit account for the following periods:

Classification	Number of past due days	The percentage of the provision for the first year
Sub-standard credit facilities	(90) – (179) days	25%
Doubtful credit facilities	(180) – (359) days	50%
Bad debt/loss credit facilities	(360) days and more	100%



JORDAN KUWAIT BANK
(A PUBLIC LIMITED SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2023

2. Overdrafts that exceed the granting limit by (10%) and more, and for the duration of (90) days and more.
3. Credit facilities that has been expired for 90 days or more and have not been renewed.
4. Credit facilities granted to any customer declared bankrupt or to any company that has been deemed under liquidation.
5. Credit facilities that were restructured three times within a year.
6. Current and on-demand accounts overdrawn for (90) days or more.
7. The value of guarantees paid on behalf of the clients and were not credited to their accounts with past due of (90) days or more.

The expected credit losses provision against credit facilities is calculated in accordance with the 2009/47 instructions for this category of facilities according to the above ratios and the amount of unguaranteed credit facilities during the first year, while the allocation of the covered amount is completed at 25% and over four years.

3. Interest and commissions are suspended on non-performing credit facilities and facilities classified within the third stage in accordance with the instructions of the Central Bank of Jordan and in accordance with the instructions of the supervisory authorities in the countries in which the Bank operates, whichever is stricter.
4. Assets that have been seized by the Bank against debts are stated in the consolidated statement of financial position within other assets at the acquisition cost or the fair value, whichever is lesser, and are revaluated on the date of the consolidated financial statements individually. Any impairment in their value is recorded as a loss in the consolidated statement of income and any appreciation in value is not recorded as income. The subsequent increase is taken to the consolidated statement of income to the extent that it does not exceed the value of the previously recorded impairment

The Central Bank of Jordan, pursuant to Circular No. 16234/3/10 dated 10 October 2022, cancelled the above circular, and all previous circulars, which stipulate the deduction of provisions against seized assets that violates the banking law, while maintaining the provisions balances against real estate and to be released upon the disposal of such assets.

5. Cash and balances with the Central Bank item include, the cash reserve requirement item, which represents restricted balances according to the Central Bank's instructions and in accordance with the instructions of the supervisory authorities in the countries in which the Bank operates, whichever is stricter.

The financial statements have been prepared under the historical cost except for some financial instruments, which are measured at fair value at the end of each period, as shown in the accounting policies below.

-The Jordanian Dinar is the presentation currency for the consolidated financial statements and is the Group's functional currency.

-The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Bank's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in (note 3).



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2.2 Basis of Consolidation

The interim condensed consolidated financial statements comprise the financial statements of the Bank and its subsidiaries (together the "The Group"). Control exists when the bank controls the subsidiaries and relevant activities, and is exposed, or has right, to variable returns from its involvement with the subsidiaries, and has the ability to affect those returns.

The condensed financial statements of the subsidiaries are prepared under the same reporting period as the Bank, using consistent accounting policies. If different accounting policies were applied by the subsidiaries, adjustments shall be made to their financial statements in order to comply with those of the Bank.

Non-controlling interest represents the Bank unowned part of the subsidiaries equity.

The Bank owns the following subsidiaries:

30 June 2023:

Company's Name	Paid-up Capital	Ownership of the Bank	Nature of Operation	Country of incorporation	Date of Acquisition
	In millions JD	%			
Ejarah Finance Leasing Company	20	100%	Leasing	Jordan	2011
United Financial Investments Co UFICO	10	78.3%	Financial Brokerage and Investment	Jordan	In stages, starting from 2002
Bank of Baghdad- (Note 38)	122	53.44%	Commercial Bank	Iraq	2023
BHM Capital - (Note 38)	33.5	76.97%	Financial Brokerage and Investment	UAE	2023

31 December 2022:

Company's Name	Paid-up Capital	Ownership of the Bank	Nature of Operation	Country of incorporation	Date of Acquisition
	In millions JD	%			
Ejarah Finance Leasing Company	20	100	Leasing	Jordan	2011
United Financial Investments Co UFICO	10	78.3	Financial Brokerage and Investment	Jordan	In stages, starting from 2002

The results of operations of the subsidiaries are consolidated in the consolidated statement of income from the date of acquisition, which represents the date when control over the subsidiaries is passed on to the Bank. Moreover, the results of operations of the disposed of subsidiaries are consolidated in the consolidated statement of income until the disposal date, which represents the date when the Bank loses control over the subsidiaries.

United Financial Investments Company owns the following subsidiaries:



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Company's Name	Paid-up Capital	Ownership of the Bank	Nature of Operation	Country of incorporation	Date of Acquisition
	JD	%			
Specialized Managerial Company for Investment and Financial Consultation	530,000	100	Financial consulting	Amman	2021
Mawared Company for Financial Brokerage	3,000,000	100	Financial brokerage	Amman	2022
Arab Financial Investment	4,800,000	100	Financial brokerage	Amman	2022

The proportion of non-controlling interests is JD 108,426,579 as of 30 June 2023 (JD 1,721,520: 31 December 2022). Details as follows:

	30 June 2023	31 December 2022
	JD	JD
United Financial Investments Co UFICO	1,566,867	1,721,520
Bank of Baghdad	97,676,033	-
BHM Capital	9,183,679	-
	108,426,579	1,721,520

(a) New standards issued and applicable for the annual periods starting on or after 1 January 2023 which has been adopted by the Group:

IFRS 17 Insurance Contracts - IFRS 17 was issued in May 2017 as replacement for IFRS 4 Insurance Contracts. It requires a current measurement model where estimates are remeasured in each reporting period. Contracts are measured using the building blocks of:

- discounted probability-weighted cash flows
- an explicit risk adjustment, and
- a contractual service margin (CSM) representing the unearned profit of the contract which is recognised as revenue over the coverage period.

The standard allows a choice between recognising changes in discount rates either in the statement of profit or loss or directly in other comprehensive income. The choice is likely to reflect how insurers account for their financial assets under IFRS 9.

An optional, simplified premium allocation approach is permitted for the liability for the remaining coverage for short-duration contracts, which are often written by non-life insurers.

There is a modification of the general measurement model called the 'variable fee approach' for certain contracts written by life insurers where policyholders share in the returns from underlying items. When applying the variable fee approach, the entity's share of the fair value changes of the underlying items is included in the CSM. The results of insurers using this model are therefore likely to be less volatile than under the general model.

The new rules will affect the financial statements and key performance indicators of all entities that issue insurance contracts or investment contracts with discretionary participation features.

Targeted amendments made in July 2020 aimed to ease the implementation of the standard by reducing implementation costs and making it easier for entities to explain the results from applying IFRS 17 to investors and others. The amendments also deferred the application date of IFRS 17 to 1 January 2023.



Further amendments made in December 2021 added a transition option that permits an entity to apply an optional classification overlay in the comparative period(s) presented on initial application of IFRS 17. The classification overlay applies to all financial assets, including those held in respect of activities not connected to contracts within the scope of IFRS 17. It allows those assets to be classified in the comparative period(s) in a way that aligns with how the entity expects those assets to be classified on initial application of IFRS 9. The classification can be applied on an instrument-by-instrument basis.

Disclosure of Accounting Policies – Amendments to IAS 1- The IASB amended IAS 1 to require entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information.

To support this amendment, the IASB also amended IFRS Practice Statement 2 Making Materiality Judgements to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

Definition of Accounting Estimates – Amendments to IAS 8 - The amendment to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, whereas changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12 - The amendments to IAS 12 Income Taxes require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations, and will require the recognition of additional deferred tax assets and liabilities.

The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that it is probable that they can be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:

- right-of-use assets and lease liabilities, and
- decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets.

The cumulative effect of recognising these adjustments is recognised in retained earnings, or another component of equity, as appropriate.

IAS 12 did not previously address how to account for the tax effects of on-balance sheet leases and similar transactions and various approaches were considered acceptable. Some entities may have already accounted for such transactions consistent with the new requirements. These entities will not be affected by the amendments.

The above amendment and interpretation did not have a material impact on the consolidated financial statements.



(b) New standards issued and not yet applicable or early adopted by the Group for the periods starting on or after 1 January 2024:

Non-current liabilities with covenants – Amendments to IAS 1 - Amendments made to IAS 1 Presentation of Financial Statements in 2020 clarified that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity's expectations or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). The amendments also clarified what IAS 1 means when it refers to the 'settlement' of a liability. The amendments were due to be applied from 1 January 2022. However, the effective date was subsequently deferred to 1 January 2023 and then further to 1 January 2024.

In October 2022, the IASB made further amendments to IAS 1 in response to concerns raised about these changes to the classification of liabilities as current or non-current.

The new amendments clarify that covenants of loan arrangements will not affect classification of a liability as current or non-current at the reporting date if the entity must only comply with the covenants after the reporting date. However, if the entity must comply with a covenant either before or at the reporting date, this will affect the classification as current or non-current, even if the covenant is only tested for compliance after the reporting date.

The amendments require disclosures if an entity classifies a liability as noncurrent and that liability is subject to covenants that the entity must comply with within 12 months of the reporting date. The disclosures include:

- the carrying amount of the liability
- information about the covenants, and
- facts and circumstances, if any, that indicate that the entity may have difficulty complying with the covenants.

The amendments must be applied retrospectively in accordance with the normal requirements in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. Special transitional rules apply if an entity had early adopted the 2020 amendments regarding the classification of liabilities as current or noncurrent.

Lease liability in sale and leaseback – amendments to IFRS 16 - In September 2022, the IASB finalised narrow-scope amendments to the requirements for sale and leaseback transactions in IFRS 16 Leases which explain how an entity accounts for a sale and leaseback after the date of the transaction.

The amendments specify that, in measuring the lease liability subsequent to the sale and leaseback, the seller-lessee determines 'lease payments' and 'revised lease payments' in a way that does not result in the seller-lessee recognizing any amount of the gain or loss that relates to the right of use that it retains. This could particularly impact sale and leaseback transactions where the lease payments include variable payments that do not depend on an index or a rate.

Sale or contribution of assets between an investor and its associate or joint venture – Amendments to IFRS 10 and IAS 28 - The IASB has made limited scope amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures. The amendments clarify the accounting treatment for sales or contribution of assets between an investor and their associates or joint ventures. They confirm that the accounting treatment depends on whether the non-monetary assets sold or contributed to an associate or joint venture constitute a 'business' (as defined in IFRS 3 Business Combinations). Where the non-monetary assets constitute a business, the investor will recognise the full gain or loss on the sale or contribution of assets. If the assets do not meet the definition of a business, the gain or loss is recognised by the investor only to the extent of the other investor's interests in the associate or joint venture. The amendments apply prospectively. *** In December 2015, the IASB decided to defer the application date of this amendment until such time.



The management is still in the process of evaluating the impact of these new amendments on the Group's financial statements, and it believes that there will be no material impact on the consolidated financial statements when they are implemented.

There are no other standards that are not yet effective and that would be expected to have a material impact on the Group in the current year starting 1 January 2023 or future reporting periods and on foreseeable future transactions.

(3) APPLYING ACCOUNTING ESTIMATES

The preparation of the consolidated financial statements and the application of accounting policies require the Bank's management to make estimates and judgements that affect the amounts of assets and liabilities and disclosure of contingent liabilities. These estimates and judgments affect the revenues, expenses, provisions and reserve of valuation of financial assets at fair value. In particular, it requires the Bank's management to issue critical judgements to estimate the amounts of future cash flows and their timing.

The mentioned estimates are necessarily based on multiple assumptions and factors involving varying degrees of judgment and uncertainty and that actual results may differ from the estimates as a result of changes resulting from the conditions and circumstances of those estimates in the future. Judgements, estimates and assumptions are reviewed on an ongoing basis. The impact of change in estimates is recognised in the reporting period in which this change occurs if the revision affects only that period and the effect of the change in estimates is recognised in the reporting period in which this change occurs and in future reporting periods if the revision affects both current and future periods.

The Bank's management believes that the estimates included in the consolidated financial statements are reasonable and are detailed as follows:

- Impairment of seized assets

Impairment of seized assets is recognised based on most recent property valuation approved by accredited valuers for the purposes of calculating the impairment. The impairment provisions for seized assets is reviewed periodically.

- Expected credit loss provisions

The Bank's management is required to use significant judgments and estimates to estimate future cash flows amounts and timings and estimate the risks of a significant increase in credit risk for financial assets after initial recognition and future measurement information for expected credit losses.

- Leases

Determination of lease term: In determining the lease term, the management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. The extension options (or periods after the termination options) are included only in the term of the lease if the lease is reasonably certain to be extended (or not terminated). The evaluation is reviewed in the event of a significant event or significant change in the circumstances that affect this evaluation and that are under the control of the lessee. Extension and termination of leases options: these are included in a number of leases. These conditions are used to increase operational flexibility in terms of contract management. Most of the extension and termination options held are renewable by both the Bank and the lessor.



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Discounting of lease payments: Lease payments are discounted using the bank's incremental borrowing rate ("IBR"). Management applied judgements and estimates to determine the incremental borrowing rate at the start of the lease.

- **Useful lives of tangible assets and intangible assets**

Management reassessed the useful lives of tangible assets and intangible assets periodically for the purpose of calculating annual depreciation and amortisation based on the overall condition of those assets and estimates of expected useful lives in the future useful lives. Impairment loss is taken to the consolidated statement of profit or loss for the year.

- **Assets and liabilities that are stated at cost**

Management reviews, on a regular basis, the assets and liabilities that are stated at cost to estimate impairments, if any. Impairment losses are recognised in the consolidated statement of profit or loss for the year.

- **Income tax**

The financial year is charged with its own income tax expense in accordance with the laws and regulations, and accounting standards. Deferred tax assets and liabilities and required tax provision are accounted for.

- **Provision for legal cases**

A provision is made for any potential legal obligations based on the legal study prepared by the Bank's legal advisor that identifies the potential risks that may occur in the future. Such study is reviewed periodically.



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(4) CASH AND BALANCES AT CENTRAL BANKS

	30 June 2023	31 December 2022
	(unaudited)	(audited)
Cash at vault	234,795,471	61,570,899
Balances with central banks:		
Current and demand accounts	240,684,117	15,294,165
Term, notice deposits and certificate of deposits	96,000,000	313,301,421
Restricted cash reserve	203,050,318	90,547,896
Total balances with central banks	539,734,435	419,143,482
Less: expected credit loss for balances with central bank	(9,555,921)	-
Net balances with central banks	530,178,514	419,143,482
Total cash at vault and balances with central banks	764,973,985	480,714,381

Movement on balances at Central banks as per Central bank of Jordan guidelines:

Item	Stage 1	Stage 2	Stage 3	30 June	31
	Individuals	Individuals		2023	December
	JD	JD	JD	(Unaudited)	(Audited)
Total balance as at the beginning of the period / year	419,143,482	-	-	419,143,482	255,409,613
New balances during the period / year	70,797,150	-	-	70,797,150	163,733,869
Repaid balances during the period / year	(208,336,067)	(1,090)	(178,700)	(208,515,857)	-
Transferred to stage 1	-	-	-	-	-
Transferred to stage 2	-	-	-	-	-
Transferred to stage 3	-	-	-	-	-
Additions during the period which resulted from the acquisition transaction (Note 38)	225,784,197	24,503,413	8,022,050	258,309,660	-
Total balance at the end of the period/ year	507,388,762	24,502,323	7,843,350	539,734,435	419,143,482

Movement on provision for expected credit losses at the end of the period / year:

Item	Stage 1	Stage 2	Stage 3	30 June	31
	JD	JD	JD	2023	December
	JD	JD	JD	(Unaudited)	(Audited)
Total balance as at the beginning of the period / year	-	-	-	-	-
New balances during the period / year	-	-	3,692,857	3,692,857	-
Repaid balances during the period / year	-	(3,151,635)	-	(3,151,635)	-
Additions during the period which resulted from the acquisition transaction (Note 38)	-	5,798,503	3,216,196	9,014,699	-
Total balance at the end of the period/ year	-	2,646,868	6,909,053	9,555,921	-



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- The amount of restricted withdrawal reserves at the Central Bank of Iraq is JD 122,501,634 as of 30 June 2023. The amount was excluded from cash and cash equivalent for interim consolidated statement of cashflow purposes.
- The balances with Central Bank of Iraq in Sulimaniyah and Erbil are JD 9,762,446 and JD 14,739,877 as of 30 June 2023. These amounts were excluded from cash and cash equivalent for interim consolidated statement of cashflow purposes.
- There are no balances due within a period of more than 3 months as of 30 June 2023 and 31 December 2023.
- There are no certificate of deposits as of 30 June 2023 (JD 90,450: 31 December 2023)

Additional disclosures related to the acquisition in accordance with the International Financial Reporting Standard No. (9) - If it differs from the Central Bank of Jordan instructions

The following is the movement on the balances with Central bank of Jordan during the period 30 June 2023:

	Stage 1 JD	Stage 2 JD	Stage 3 JD	Low value purchased facilities JD	Total JD
For the six months ended on 30 June 2023 (Reviewed and unaudited)					
Balance at the beginning of the period	419,143,482	-	-	-	419,143,482
New balances during the period / year	70,797,150	-	-	-	70,797,150
Repaid balances during the period / year	(208,336,067)	(1,090)	(178,700)	-	(208,515,857)
Additions during the period which resulted from the acquisition (Note 38)	247,640,742	-	-	4,805,854	252,446,596
Balance at the end of the period	529,245,307	(1,090)	(178,700)	4,805,854	533,871,371

(5) BALANCES AT BANKS AND FINANCIAL INSTITUTIONS

Movement on balances at banks and financial institutions as per Central Bank of Jordan guidelines:

Item	Stage 1 JD	Stage 2 JD	Stage 3 JD	30 June 2023 (Unaudited) JD	31 December 2022 (Audited) JD
Total balance as at the beginning of the year	123,437,378	-	-	123,437,378	148,254,854
New balances during the period / year	80,062,861	492,253	-	80,555,114	19,331,833
Repaid balances during the period / year	(24,740,140)	(26,647)	(79,903)	(24,846,690)	(40,032,596)
Transferred to stage 2	(1,306,727)	1,306,727	-	-	-
Additions during the period which resulted from the acquisition (Note 38)	177,178,967	5,767,903	104,838	183,051,708	-
Write-off	-	-	-	-	(4,116,713)
Total balance at the end of the period/ year	354,632,339	7,540,236	24,935	362,197,510	123,437,378



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- Non-interest-bearing balances at banks and financial institutions amounted to JD 73,443,771 as of 30 June 2023 (JD 24,857,683 as of 31 December 2022).
- Suspended accounts at the bank amounts to JD 9,400,630 as of 30 June 2023, (JD 3,557,652 as of 31 December 2022).

Movement on provision for expected credit losses of balances at banks and financial institutions.

Item	Stage 1	Stage 2	Stage 3	30 June 2023	31 December 2022
	JD	JD	JD	(Unaudited) JD	(Audited) JD
Total balance as at the beginning of the year	1,425	-	-	1,425	5,915,206
Expected credit losses on new balances during the period / year	302,694	-	-	302,694	1,425
Recoverable from expected credit losses on balances paid during the period / year	(1,425)	-	-	(1,425)	(2,096,975)
Transferred to stage 1	-	-	-	-	-
Transferred to stage 2	-	-	-	-	-
Transferred to stage 3	-	-	-	-	-
Additions during the period which resulted from the acquisition (Note 38)	309,176	1,192,038	21,087	1,522,301	-
Write-off	-	-	-	-	(3,818,231)
Total balance at the end of the period / year	611,870	1,192,038	21,087	1,824,995	1,425

Additional disclosures related to the acquisition in accordance with the International Financial Reporting Standard No. (9) - If it differs from the Central Bank of Jordan instructions

The following is the movement on the balances with banks and financial institution during the period 30 June 2023:

	Stage 1	Stage 2	Stage 3	Low value purchased facilities	Total
	JD	JD	JD	JD	JD
Balance at the beginning of the period	123,437,378	-	-	-	123,437,378
New balances during the period / year	80,062,861	492,253	-	-	80,555,114
Repaid balances during the period / year	(24,740,140)	(26,647)	(79,903)	-	(24,846,690)
Transferred to stage 1	-	-	-	-	-
Transferred to stage 2	(1,306,727)	1,306,727	-	-	-
Transferred to stage 3	-	-	-	-	-
Additions during the period which resulted from the acquisition transaction (Note 38)	181,445,656	-	-	83,751	181,529,407
Write-off	-	-	-	-	-
Balance at the end of the period	358,899,028	1,772,333	(79,903)	83,751	360,675,209



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(6) DIRECT CREDIT FACILITIES – NET

The details of this item are as follows:

	30 June 2023 (Unaudited) JD	31 December 2022 (Audited) JD
Individuals (retail):		
Overdraft accounts	155,061	129,642
Loans and promissory notes*	357,081,980	296,298,886
Credit cards	13,187,103	12,788,753
Real estate loans	247,704,974	263,006,274
Corporates:		
Large		
Overdraft accounts	141,178,498	119,972,299
Loans and promissory notes*	1,142,790,749	1,028,339,715
Small and Medium		
Overdraft accounts	26,147,473	36,548,126
Loans and promissory notes*	207,435,230	166,042,740
Government and public sector	193,676,973	181,960,741
Total	2,329,358,041	2,105,087,176
Less: Expected credit loss provision	195,855,497	152,369,385
Interest in suspense	36,846,543	30,077,354
Net Direct Credit Facilities	2,096,656,001	1,922,640,437

*Net after deducting interest and commission received in advance of JD 673,595 as of 30 June 2023 (JD 296,766 as of 31 December 2022).

Credit facilities within stage 3 amounted to JD 192,356,731 which is equivalent to 8.26% of total direct credit facilities as of 30 June 2023 (JD 137,657,367 which is equivalent to (6.54%) of total direct credit facilities as of 31 December 2022).

Credit facilities within stage 3 net of interest and commissions in suspense amounted to JD 155,661,488 which is equivalent to 6.79% of total direct credit facilities balance after deducting suspended interest as of 30 June 2023 (against JD 109,485,500 which is equivalent to (5.27%) of total direct credit facilities balance after deducting suspended interest as of 31 December 2022).

Direct credit facilities granted to and guaranteed by the Government of Jordan amounted to JD 119,239,163 which is equivalent to 5.12% of total direct credit facilities as of 30 June 2023 (against JD 107,522,932 which is equivalent to (5.11%) as of 31 December 2022).



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The movement on facilities in aggregate as at the end of the period (unaudited) (exposure at default):

	Stage 1		Stage 2		Stage 3	30 June 2023 (Unaudited)	31 December 2022 (Audited)
	individual JD	Collective JD	individual JD	Collective JD	Collective JD	JD	JD
Total balance as at the beginning of the year / period	1,775,575,135	-	191,854,673	-	137,657,368	2,105,087,176	1,843,062,614
Facilities during the period / year	334,652,607	-	32,860,889	-	3,720,178	371,233,674	539,298,924
Facilities paid during the period / year	(233,596,528)	-	(8,445,700)	-	(43,553,830)	(285,596,058)	(272,587,225)
Transferred to stage 1	9,909,953	-	(9,231,919)	-	(678,034)	-	-
Transferred to stage 2	(91,946,904)	-	93,016,991	-	(1,070,087)	-	-
Transferred to stage 3	(5,039,379)	-	(26,842,143)	-	31,881,522	-	-
Additions during the period which resulted from the acquisition (Note 38)	68,813,648	-	5,419,988	-	64,399,613	138,633,249	-
Write off facilities (transferred off-the statement of financial position)	-	-	-	-	-	-	(4,687,138)
Total balance at the end of the period/ year	1,858,368,532	-	278,632,779	-	192,356,730	2,329,358,041	2,105,087,175



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The collective movement of the expected credit loss at the end of the period:

	Individuals	Real estate	Companies		Government and public sector	30 June 2023 (Unaudited)	31 December 2022 (Audited)
			Large companies	Small to medium companies			
	JD	JD	JD	JD	JD	JD	JD
Total balance as at the beginning of the period / year	24,580,459	29,214,284	88,931,601	9,007,121	635,920	152,369,385	126,245,225
Expected credit losses on balances during the period / year	5,459,708	3,610,172	20,794,813	3,849,323	4	33,714,020	57,454,252
Recoverable from expected credit losses on balances paid during the period / year	(3,134,048)	(6,390,032)	(2,047,938)	(1,335,804)	(281,233)	(13,189,055)	(27,126,031)
Additions during the period which resulted from the acquisition (Note 38)	159,195	-	19,657,920	3,144,032	-	22,961,147	(4,204,061)
Total balance at the end of the period/ year	27,065,314	26,434,424	127,336,396	14,664,672	354,691	195,855,497	152,369,385
Stage 1	11,065,295	3,001,102	11,957,173	900,330	354,691	27,278,591	33,732,006
Stage 2	1,943,692	5,603,624	40,790,616	367,936	-	48,705,868	34,109,552
Stage 3	14,056,327	17,829,698	74,588,607	13,396,406	-	119,871,038	84,527,827
Total	27,065,314	26,434,424	127,336,396	14,664,672	354,691	195,855,497	152,369,385



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Interest in Suspense

-The movement on interest in suspense during the period / year is as follows:

	Individuals JD	Real Estate Loans JD	Companies		Government and Public sector JD	Total JD
			Large JD	Small and Medium JD		
For the six months period ended 30 June 2023 (unaudited)						
Balance – beginning of the period	1,977,405	8,857,657	17,872,134	1,370,158	-	30,077,354
Add: Interest suspended during the period	357,700	458,570	2,410,970	364,189	-	3,591,429
Less: Interest reversed to income	(191,867)	(87,172)	(56,140)	(260,931)	-	(596,110)
Additions during the period which resulted from the acquisition transaction (Note 38)	1,193,834	-	2,580,036	-	-	3,773,870
Balance - End of the Period	3,337,072	9,229,055	22,807,000	1,473,416	-	36,846,543

	Individuals JD	Real Estate Loans JD	Companies		Government and Public sector JD	Total JD
			Large JD	Small and Medium JD		
For the year Ended 31 December 2022 (audited)						
Balance – beginning of the year	1,645,929	9,459,416	15,776,397	2,648,835	-	29,530,577
Add: Interest suspended during the year	550,645	1,291,578	3,048,832	539,143	-	5,430,198
Less: Interest reversed to income	(168,318)	(1,851,771)	(770,443)	(1,609,812)	-	(4,400,344)
Nonperforming credit off-consolidated statement of financial positions	(50,850)	(41,567)	(182,652)	(208,008)	-	(483,077)
Balance - End of the year	1,977,406	8,857,656	17,872,134	1,370,158	-	30,077,354



Disclosures according to the requirements of the Central Bank of Jordan regarding the presentation of International Financial Reporting Standard No. (9):

The following is the movement on the expected credit loss provisions of direct credit facilities in aggregate during the period/year ended on 30 June 2023:

A) Per economic sector:

	Retail	Real estate mortgage	Companies		Government and public sector	Total
			Large	SMEs		
	JD	JD	JD	JD	JD	JD
For the six months ended on 30 June 2023 (Reviewed and unaudited)						
Balance at the beginning of the period	24,580,459	29,214,284	88,931,601	9,007,121	635,920	152,369,385
Expected credit loss on new facilities during the period	5,459,708	3,610,172	20,794,813	3,849,323	4	33,714,020
Reversal from expected credit loss on paid facilities during the period	(3,134,048)	(6,390,032)	(2,047,938)	(1,335,804)	(281,233)	(13,189,055)
Transferred to stage 1	339,538	31,397	(10,685,723)	90,416	-	(10,224,372)
Transferred to stage 2	(139,266)	(24,949)	6,692,142	(1,197,363)	-	5,330,564
Transferred to stage 3	(200,272)	(6,448)	3,993,581	1,106,947	-	4,893,808
Written-off facilities (transferred off-the statement of financial position)	-	-	-	-	-	-
Additions during the period which resulted from the acquisition transaction (Note 38)	159,195	0	19,657,920	3,144,032	-	22,961,147
Balance at the end of the period	27,065,314	26,434,424	127,336,396	14,664,672	354,691	195,855,497
Re-allocation:						
Provisions on an individual basis	27,065,314	26,434,424	127,336,396	14,664,672	354,691	195,855,497
Provisions on a collective basis	-	-	-	-	-	-



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	Companies					Total
	Retail	Real estate mortgage	Large	SMEs	Government and public sector	
	JD	JD	JD	JD	JD	
For the six months ended on 31 December 2022 (Reviewed and unaudited)						
Balance at the beginning of the period	19,092,565	24,672,970	72,245,590	9,697,676	536,424	126,245,225
Expected credit loss on new facilities during period	7,987,493	9,069,154	33,331,462	6,074,454	137,686	56,600,249
Reversal from expected credit loss on paid facilities during the period	(2,889,331)	(4,480,205)	(15,751,335)	(3,966,970)	(38,190)	(27,126,031)
Transferred to stage 1	294,719	119,521	716,962	125,355	-	1,256,557
Transferred to stage 2	(439,970)	(73,258)	(224,571)	1,642,811	-	905,012
Transferred to stage 3	145,250	(46,261)	(492,391)	(1,768,166)	-	(2,161,568)
Written-off facilities (transferred off-the statement of financial position)	(343,567)	(47,635)	(894,116)	(2,918,743)	-	(4,204,061)
Additions during the period which resulted from the acquisition transaction (Note 38)	733,299	-	-	120,704	-	854,002
Balance at the end of the period	24,580,458	29,214,286	88,931,601	9,007,121	635,920	152,369,385
Re-allocation:						
Provisions on an individual basis	24,580,458	29,214,286	88,931,601	9,007,121	635,920	152,369,385
Provisions on a collective basis	-	-	-	-	-	-



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B) Per stage:

	<u>Stage 1</u> <u>Individual</u> JD	<u>Stage 2</u> <u>Individual</u> JD	<u>Stage 3</u> JD	<u>Total</u> JD
For the six months ended on 30 June 2023				
(Reviewed and unaudited)				
Balance at the beginning of the period	33,732,006	34,109,552	84,527,827	152,369,385
New facilities during the period	7,831,991	9,532,680	16,349,349	33,714,020
Facilities paid during the period	(4,508,655)	(1,070,336)	(7,610,064)	(13,189,055)
Transferred to stage 1	810,434	(591,031)	(219,403)	-
Transferred to stage 2	(10,917,216)	11,473,578	(556,362)	-
Transferred to stage 3	(117,589)	(5,551,984)	5,669,573	-
Additions during the period which resulted from the acquisition transaction (Note 38)	447,620	803,409	21,710,118	22,961,147
Balance at the end of the period	27,278,591	48,705,868	119,871,038	195,855,497
For the year ended on 31 December 2022				
(Audited)				
Balance at the beginning of the year	22,701,990	23,759,318	79,783,917	126,245,225
New facilities during the year	14,873,474	18,689,769	23,037,005	56,600,248
Facilities paid during the year	(5,129,860)	(9,246,442)	(12,749,729)	(27,126,031)
Transferred to stage 1	1,671,992	(511,809)	(1,160,183)	-
Transferred to stage 2	(233,119)	2,362,757	(2,129,638)	-
Transferred to stage 3	(182,317)	(945,936)	1,128,253	-
Additions during the period which resulted from the acquisition transactions (Note 38)	29,846	1,901	822,256	854,003
Written-off facilities (transferred off-the statement of financial position)	-	(6)	(4,204,054)	(4,204,060)
Balance at the end of the year	33,732,006	34,109,552	84,527,827	152,369,385



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Additional disclosures related to the acquisition in accordance with the International Financial Reporting Standard No. (9) - If it differs from the Central Bank of Jordan instructions

The following is the movement on the direct credit facilities balance during the period 30 June 2023:

	Stage 1	Stage 2	Stage 3	Low value purchased facilities	Total
	Individual	Individual			
	JD	JD	JD	JD	JD
For the six months ended on 30 June 2023 (Reviewed and unaudited)					
Balance at the beginning of the period	1,775,575,135	191,854,673	137,657,368	-	2,105,087,176
New facilities during the period	334,652,607	32,860,889	3,720,178	-	371,233,674
Facilities paid during the period	(233,596,528)	(8,445,700)	(43,553,830)	-	(285,596,058)
Transferred to stage 1	9,909,953	(9,231,919)	(678,034)	-	-
Transferred to stage 2	(91,946,904)	93,016,991	(1,070,087)	-	-
Transferred to stage 3	(5,039,379)	(26,842,143)	31,881,522	-	-
Additions during the period which resulted from the acquisition (Note 38)	72,982,607	-	-	38,915,625	111,898,232
Balance at the end of the period	1,862,537,491	273,212,791	127,957,117	38,915,625	2,302,623,024

Direct credit facilities are distributed after provision for impairment according to geographical distribution and economic sector as follows:

	Inside the kingdom JD	Outside the kingdom JD	Total	
			30 June 2023 (unaudited) JD	31 December 2022 (audited) JD
			Financial	105,667,711
Industrial	299,075,092	66,486,305	365,561,397	366,753,329
Commercial	294,463,461	137,942,617	432,406,078	310,158,799
Real estates	183,833,743	36,582,262	220,416,005	231,494,388
Agriculture	32,810,239	1,617,441	34,427,680	37,584,225
Stocks	9,539,179	-	9,539,179	10,309,500
Individuals	239,912,040	74,455,920	314,367,960	315,995,024
Government and public sector	193,322,282	-	193,322,282	181,324,821
Services	318,482,070	28,259,012	346,741,082	336,083,965
Total	1,677,105,817	419,550,184	2,096,656,001	1,922,640,437

(7) FINANCIAL ASSETS AT FAIR VALUE THROUGH INCOME

The details of this item are as follows:

	30 June 2023 (Unaudited) JD	31 December 2022 (Audited) JD	
	Quoted shares in active markets	25,740,225	20,958,094
		25,740,225	20,958,094



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- Unrealized gain from valuing shares at fair value through profit or loss amounted to JD 1,125,927 for the period ended 30 June 2023, against amount of JD 3,064,901 for the period ended 30 June 2023.
- Realized losses from selling shares at fair value through profit or loss amounted to JD 2,279 for the period ended 30 June 2023, against a gain of JD 611,973 for the period ended on 30 June 2022 recorded in the interim condensed consolidated income statement.
- Cash distribution on investments amounted to JD 2,684,108 for the six months ending 30 June 2023 against JD 55,056 for the period ended 30 June 2023.

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

The details of this item are as follows:

	30 June 2023 (Reviewed and unaudited) JD	31 December 2022 (Audited) JD
Quoted shares in active markets	21,332,441	22,156,014
Unquoted shares in active markets	54,864,099	50,250,068
Total shares	76,196,540	72,406,082
Quoted bonds in active markets	24,345,542	22,578,510
Unquoted shares in active markets	-	-
Total bonds	24,345,542	22,578,510
Total	100,542,082	94,984,592
Bonds Analysis:		
Fixed rate	24,345,542	22,578,510
Floating rate	-	-
Total	24,345,542	22,578,510

- Realized losses from selling shares at fair value through other comprehensive income amounted to JD 184 for the period ended 30 June 2023, against a gain of JD 103,232 for the six months for the period ended on 30 June 2022 recorded in retained earnings in the interim condensed consolidated income statement.
- No bonds at fair value through other comprehensive income were sold as of 30 June 2023 against a gain in an amount of JD 24,581 for the six months for period ended on 30 June 2023 which has been recorded in the interim condensed consolidated income statement.
- Cash dividends on the above investments amounted to JD 2,039,765 for the six months period ended on 30 June 2023, (against JD 1,580,949 for the six months period ended on 30 June 2022).



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- Movement on debt instruments at fair value through other comprehensive income collectively as at the end of the period / year:

	Stage 1	Stage 2	Stage 3	30 June 2023 (Unaudited)	31 December 2022 (Audited)
	JD	JD	JD	JD	JD
Balance as at the beginning of the period / year	22,578,510	-	-	22,578,510	29,660,562
New debt instruments during the period / year	2,478,954	-	-	2,478,954	3,749,126
Paid debt instruments during the period / year	(711,922)	-	-	(711,922)	(10,139,903)
Transferred to stage 1	-	-	-	-	-
Transferred to stage 2	-	-	-	-	-
Transferred to stage 3	-	-	-	-	-
Changes resulting from modifications*	-	-	-	-	(691,275)
Write off	-	-	-	-	-
Balance at the end of the period/ year	24,345,542	-	-	24,345,542	22,578,510

- Movement on the collective impairment provision for financial assets at fair value through other comprehensive income as at the end of the period / year:

	Stage 1	Stage 2	Stage 3	30 June 2023 (Unaudited)	31 December 2022 (Audited)
	JD	JD	JD	JD	JD
Balance as at the beginning of the year	11,264	-	-	11,264	607,970
Impairment loss during the period / year	13,092	-	-	13,092	1,092
Recovered from impairment loss on paid debt instruments during the period / year	(3,991)	-	-	(3,991)	(184,922)
Transferred to stage 1	-	-	-	-	-
Transferred to stage 2	-	-	-	-	-
Transferred to stage 3	-	-	-	-	-
Changes resulting from modifications*	-	-	-	-	(412,876)
Balance at the end of the period/ year	20,365	-	-	20,365	11,264

- No provision for expected credit was calculated against Jordanian debt instruments in accordance with the application of IFRS 9 as amended by the Central Bank of Jordan.



(9) FINANCIAL ASSETS AT AMORTIZED COST

The details of this item are as follows:

	30 June 2023	31 December 2022
	(Unaudited)	(Audited)
	JD	JD
Financial assets with available market prices:		
Foreign government bills and treasury bonds	272,446,361	18,486,755
Total financial assets with unavailable market prices	272,446,361	18,486,755
Impairment provisions for financial assets at amortised cost	(15,749,911)	(626,920)
Net financial assets with available market prices	<u>256,696,450</u>	<u>17,859,835</u>
Financial assets with no available market prices:		
Bills and treasury bonds	711,863,754	592,194,705
Corporate loans bonds	12,161,600	12,062,610
Total financial assets with unavailable market prices	724,025,354	604,257,315
Impairment provisions for financial assets at amortised cost	(4,123,706)	(4,128,548)
Net financial assets with unavailable market prices	719,901,648	600,128,767
Total	<u>976,598,098</u>	<u>617,988,602</u>
Analysis of bills and bonds:		
With fixed rate	989,310,115	615,681,466
With floating rate	7,161,600	7,062,604
Total	<u>996,471,715</u>	<u>622,744,070</u>

- No bonds at amortised cost were sold as of 30 June 2023, against a loss in an amount of JD 24,772 for the period ended on 30 June 2022 which has been recorded in the interim condensed consolidated income statement.
- No provision for expected credit was calculated against Jordanian Government bonds and treasury bills in accordance with the application of IFRS 9 as amended by the Central Bank of Jordan.

*Financial assets at amortised cost include an amount of JD 393,107,734 against provision for expected credit loss in an amount of JD 14,607,099 which resulted from the acquisition of Bank of Baghdad.



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- The movement on financial assets measured at amortised cost (in aggregate) as at the end of the period (exposure at default):

	Stage 1	Stage 2	Stage 3	30 June 2023 (Unaudited)	31 December 2022 (Audited)
	JD	JD	JD	JD	JD
Total balance as at the beginning of the period / year	615,256,065	-	7,488,004	622,744,070	497,215,736
New debt instruments during the period / year	159,076,821	-	1,890,279	160,967,100	302,097,575
Debt instruments paid during the period / year	(180,188,290)	(9,378)	(149,522)	(180,347,190)	(176,569,241)
Transferred to stage 1	-	-	-	-	-
Transferred to stage 2	(6,227,528)	6,227,528	-	-	-
Transferred to stage 3	-	-	-	-	-
Additions during the period which resulted from the acquisition (Note 38)	378,610,421	-	14,497,314	393,107,735	-
Changes resulting from modifications	-	-	-	-	-
Write off	-	-	-	-	-
Total balance at the end of the period/ year	966,527,489	6,218,150	23,726,075	996,471,715	622,744,070

The movement on provision of expected credit losses on financial assets measured at Amortized Cost (in aggregate) as at the end of the period / year:

	Stage 1	Stage 2	Stage 3	30 June 2023 (Unaudited)	31 December 2022 (Audited)
	JD	JD	JD	JD	JD
Total balance as at the beginning of the period / year	330,068	-	4,425,400	4,755,468	2,646,431
Expected credit losses on balances during the period / year	-	778,802	883	779,685	2,171,909
Recoverable from expected credit losses on balances paid during the period / year	(172,840)	-	(95,795)	(268,635)	(62,872)
Transferred to stage 1	-	-	-	-	-
Transferred to stage 2	(165,537)	165,537	-	-	-
Transferred to stage 3	-	-	-	-	-
Additions during the period which resulted from the acquisition transaction (Note 38)	-	-	-	-	-
Changes resulting from modifications	163,511	-	14,443,588	14,607,099	-
Write-offs	-	-	-	-	-
Adjustments due to changing exchange rates	-	-	-	-	-
Balance at the end of the period	155,202	944,339	18,774,076	19,873,617	4,755,468

Additional disclosures related to the acquisition in accordance with the International Financial Reporting Standard No. (9) - If it differs from the Central Bank of Jordan instructions

The following is the movement on financial assets at amortized cost during the period 30 June 2023:



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	Stage 1	Stage 2	Stage 3	Low value purchased facilities	Total
	Individual	Individual			
	JD	JD	JD	JD	JD
Amortized cost at the beginning of the period					
New investments during the period	615,256,065	-	7,488,004	-	622,744,070
Investments paid during the period	159,076,821	-	1,890,279	-	160,967,100
Transferred to stage 1	(180,188,290)	(9,378)	(149,522)	-	(180,347,190)
Transferred to stage 2	-	-	-	-	-
Transferred to stage 3	(6,227,528)	6,227,528	-	-	-
Additions during the period which resulted from the acquisition (Note 38)	378,446,910	-	-	53,726	378,500,636
Balance at the end of the period	966,363,978	6,218,150	9,228,761	53,726	981,864,616

(10) THE RIGHT OF USE ASSETS AND LIABILITIES

(a) The movement on right of use assets is as follows:

	30 June 2023	31 December 2022
	(Reviewed and unaudited)	(Audited)
	JD	JD
Balance at the beginning of the period / year	10,524,060	12,844,569
Add: additions during the period which resulted from the acquisition transaction (Note 38)	1,139,128	-
Less: terminated contracts	29,940	-
Add: new contracts during the period / year	2,548,229	603,684
Less: depreciation during the period / year	1,864,721	2,924,193
Balance at the end of the period / year	12,316,756	10,524,060

(b) The movement on lease liabilities is as follows:

	30 June 2023	31 December 2022
	(Reviewed and unaudited)	(Audited)
	JD	JD
Balance at the beginning of the period / year	10,733,682	12,530,503
Add: additions during the period which resulted from the acquisition transaction (Note 38)	1,161,539	-
Add: interest expense	574,419	1,108,897
Add: new contracts during the period / year	2,548,229	603,684
Less: cancelled contract	29,940	-
Less: paid obligations	1,766,676	3,509,402
Balance at the end of the period / year	13,221,253	10,733,682



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(c) Analysis of due payments:

	30 June 2023	
	1-3 Years	Over 3 Years
	JD	JD
Right to use assets	1,018,152	11,298,604
Lease liabilities	1,084,421	12,136,832

The bank chose to use the exemption available in the standard of not capitalising right of use assets which are short-term in nature and not significant in value.

(11) OTHER ASSETS

The details of this item are as follows:

	30 June 2023	31 December
	(Unaudited)	2022
	JD	JD
Accrued interest and revenue	46,241,590	36,000,001
Prepaid expenses	14,060,176	3,064,335
Assets seized by the Bank against due debts, net	108,133,208	125,328,002
Clearing cheques	6,341,951	230,086
Debtors, net*	2,204,461	4,165,777
Others	13,820,542	7,353,418
	190,801,928	176,141,619

* Debtors balance is shown at net after deducting expected credit loss which amounted to JD 82,720 as of 30 June 2023 and 31 December 2022.

**The Central Bank of Jordan's instructions require the disposal of seized assets and seized shares within a period not exceeding two years from the start date of seizure and to the Central Bank, in exceptional cases, extending this period for a maximum of two consecutive years.

The movement on assets seized by the Bank against due debts was as follows:

	For the six months period ended 30 June			For the year
	2023			ended 31
	(unaudited)			December
	Seized	Other Seized	Total	2022
	Property	Assets*	Total	(audited)
	JD	JD	JD	JD
Balance - beginning of the period / year - net	124,287,727	1,040,275	125,328,002	131,966,150
Additions	5,444,642	1,468,402	6,913,044	11,097,748
Disposals	(23,259,977)	(495,881)	(23,755,858)	(13,109,973)
(Additional) reversal provision on Seized property	1,116,422	(1,468,402)	(351,980)	(4,625,923)
Balance - End of the Period / Year	107,588,814	544,394	108,133,208	125,328,002

**This balance represents seized shares in a foreign bank against a customer due debt, which were seized during the first quarter of 2022. Hence, during Q1 2023 the Bank sold part of the shares with a gain of JOD 96,020 and recorded in other income.



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-The Central Bank of Jordan, according to Circular No. 10/3/16234 dated October 10, 2022, canceled all previous circulars that required deduction of provisions against sized real estate in violation of the provisions of the Banking Law, while maintaining the provisions against real estate to be released upon disposal.

-Gain on disposal of seized assets amounted to JD 110,895 as of 30 June 2023, which was recorded within other income against losses for the same period prior year which amounted to JD 500,937 and was recorded within other expenses.

(12) CUSTOMERS' DEPOSITS

	Companies			Government and Public Sector	Total
	Individuals	Large	Small and Medium		
	JD	JD	JD		
For the period ended 30 June 2023 (Unaudited)					
Current and call accounts	438,560,210	570,768,675	226,594,090	3,041,027	1,238,964,001
Saving deposits	351,537,660	15,472,300	6,004,752	2,628,767	375,643,479
Time deposits subject to notice	817,688,007	469,197,694	144,874,746	59,951,336	1,491,711,783
Certificates of deposit	45,450	-	-	-	45,450
Total	1,607,831,327	1,055,438,669	377,473,588	65,621,130	3,106,364,713

	Companies			Government and Public Sector	Total
	Individuals	Large	Small and Medium		
	JD	JD	JD		
For the period ended 31 December 2022 (Audited)					
Current and call accounts	288,210,028	162,371,673	247,717,866	2,175,776	700,475,343
Saving deposits	171,645,049	469,162	5,798,439	2,188,196	180,100,846
Time deposits subject to notice	822,552,800	520,895,009	126,249,550	68,303,960	1,538,001,319
Certificates of deposit	95,450	-	-	-	95,450
Total	1,282,503,327	683,735,844	379,765,855	72,667,932	2,418,672,958

The Government of Jordan and the public sector deposits inside the Kingdom amounted to JD 65,621,130 equivalent to 2.11% of total customers' deposits as of 30 June 2023 compared to (JD 72,667,932 equivalent to 3% as of 31 December 2022).

Non-interest-bearing deposits amounted to JD 601,727,805 equivalent to 19.37% of total Customers' deposits as of 30 June 2023 compared to (JD 636,469,781 equivalent to 26.4% as of December 31, 2022).

Restricted deposits amounted to JD 42,317,651 (1.36%) from total deposits as of 30 June 2023 compared to (JD 50,264,936 equivalent to (2.1%) as of December 31, 2022).

Dormant deposits amounted to JD 42,199,058 as of 30 June 2023 compared to (JD 45,448,398 as of 31 December 2022).



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(13) OTHER PROVISIONS

	Beginning Balance	Additions	Paid	Additions related to acquisition	30 June 2023 (Unaudited)	31 December 2022 (Audited)
Provision for end-of service indemnity	12,151,336	1,705,916	491,751	525,274	13,890,775	12,151,336
Provision for law cases against the bank	2,303,637	600,000	-	15,134	2,918,771	2,303,637
	14,454,973	2,305,916	491,751	540,408	16,809,546	14,454,973

* The change is due to actuarial assumptions relating to equity after subtracting deferred tax assets. The positive reserve amounts to JD 1,050,169 as of 30 June 2023 and 31 December 2022.

(14) INCOME TAX

A. STATUTORY INCOME TAX RATES:

	30 June 2023	31 December 2022
Jordan branches	%38	%38
Cyprus branch	%12.5	%12.5
Subsidiary companies in Jordan	%21-28%	%21-28%
Bank of Baghdad	15%	-

B. TAX STATUS

The tax status for the bank and its subsidiaries is as follows:

Branches / Companies	Income Tax Return up to End of the Year	Final Settlement up to End of the Year	Payment to Income and Sales Tax Department	Years Under Dispute
Jordan Branches	2022	2018	Accrued tax has been paid	None
Cyprus Branch	2022	2021	Accrued tax has been paid	None
Ejarah for Finance Leasing	2022	2019	Accrued tax has been paid	None
United Company for financial investments	2022	2018	Accrued tax has been paid	None
Bank of Baghdad	2021	2021	Accrued tax has been paid	None

In the opinion of the management and the tax advisor of the bank and its subsidiaries, the bank and its branches and subsidiaries will not have any obligations that exceed the restricted provisions as on the date of the condensed consolidated interim financial statements.



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C. PROVISION FOR INCOME TAX

The movement on provision for income tax was as follows:

	For the six months ended 30 June 2023	For the Year Ended 31 December 2022
	(unaudited)	(audited)
	JD	JD
Beginning balance for the period / year	18,784,419	9,745,645
Addition as result of acquisition	5,756,062	-
Income tax accrued for the period/ year	14,410,075	19,838,448
Income tax paid for the period / year	(19,056,131)	(10,799,674)
Ending balance for the period / year	19,894,425	18,784,419

D. INCOME TAX EXPENSE

Income tax expense for the period in the consolidated statement of income, consists of the following:

	For the six months period ended June 30	
	2023	2022
	JD	JD
Accrued income tax	14,410,075	9,970,611
Effect of deferred tax assets for the period	(2,955,767)	(7,270,272)
Effect of deferred tax liabilities for the period	428,621	1,113,661
	11,882,929	3,814,000

(15) BORROWED FUNDS

30 June 2023 (Unaudited)	Borrowed Funds	Number of installments		Remaining	Installment Repayment	Lending Interest Rate	Collaterals	Fixed/ Variable
	JD	Total						
Loan through the Central Bank of Jordan	84,583,700	9		9	Semi-annual interest	1.79%	-	Fixed
European Investment Bank (EIB) Loan	40,000,000	1		1	Paid under one installment on during 2030	6.25%	-	Fixed
Investment funds Social Security Fund	22,465,374	16		16	Semi-annual interest	4.85%	-	Fixed
European Investment Bank (EIB) Loan	22,465,374	16		16	Semi-annual interest	6.10%	-	Variable
European Investment Bank (EIB) Loan	20,000,000	1		1	Paid under one installment on during 2025	5.60%	-	Fixed
Loan through Jordan Mortgage Refinance Company	20,000,000	1		1	Paid under one installment on during 2023	6.13%	-	Fixed
Investment funds Social Security Fund	20,000,000	1		1	Paid under one installment on during 2023	6.13%	-	Fixed
Investment funds Social Security Fund	12,686,996	Apr-99		Feb-64	Monthly over 5 years	0.50%	On demand Promissory note	Fixed
Central Bank of Jordan borrowed funds	11,767,405	36		Jan-35	Payable in 36 installments from utilization date	5.00%	-	Variable
Cairo Amman Bank	11,456,250	48		47	Monthly Interest	8.00%	-	Variable
Investment Bank	10,000,000	1		1	Paid under one installment on during 2025	5.60%	-	Fixed
Loan through Jordan Mortgage Refinance Company	10,000,000	1		1	Paid under one installment on during 2024	6.45%	-	Fixed
Loan through Jordan Mortgage Refinance Company	10,000,000	1		1	Paid under one installment on during 2028	4.90%	-	Fixed
Loan through Jordan Mortgage Refinance Company	10,000,000	1		1	Paid under one installment on during 2024 - Semi-annual interest	4.85%	-	Fixed
Loan through Jordan Mortgage Refinance Company	9,000,000	1		1	Paid under one installment on during 2024	4.50%	-	Fixed
Loan through Jordan Mortgage Refinance Company	8,138,232	14-56		Nov-42	Monthly over 3 years	0.00%	-	Fixed
Central Bank of Jordan borrowed funds-COVID	7,171,093	May-86		May-77	Monthly over 5 years	1.00%	On demand Promissory note	Fixed
Central Bank of Jordan borrowed funds	6,239,669	34		32	Semi-annual	3.00%	-	Fixed
Loan through the Central Bank of Jordan	5,000,000	1		1	Paid under one installment on during 2025 - Semi-annual interest	4.78%	-	Variable
Loan through Jordan Mortgage Refinance Company	4,500,000	10		9	Every 6 months	9.25%	-	Variable
Etihad Bank	4,369,972	Dec-60		24-Jan	Monthly over 1 year	0.00%	-	Fixed
Central Bank of Jordan borrowed funds-COVID	3,574,405	6-113		6-100	Monthly over 10 years	1.00%	On demand Promissory note	Fixed
Central Bank of Jordan borrowed funds	3,358,044	17-89		15-66	Monthly over 10 years	0.50%	On demand Promissory note	Fixed
Central Bank of Jordan borrowed funds	3,264,450	20		16	Semi-annual	6.27%	-	Variable



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30 June 2023 (Unaudited)	Borrowed Funds	Number of installments	Remaining	Installment Repayment	Lending Interest Rate	Collaterals	Fixed/ Variable
	JD	Total					
Loan through the Central Bank of Jordan	2,872,914	42-54	41-48	Monthly over 5 years	0.00%	-	Fixed
Central Bank of Jordan borrowed funds-COVID	1,966,888	15-52	Mar-50	Monthly over 1 year	1.00%	On demand Promissory note	Fixed
Central Bank of Jordan borrowed funds	1,800,000	20	11	Semi-annual	6.23%	-	Variable
Loan through the Central Bank of Jordan	1,624,990	28	7	Brackets-Every 9 months over 5 years	0.50%	On demand Promissory note	Fixed
Central Bank of Jordan borrowed funds	1,189,546	Dec-61	Dec-48	Monthly over 1 year	0.50%	On demand Promissory note	Fixed
Central Bank of Jordan borrowed funds	999,990	32	27	Brackets-Every 6 months over 4 years	0.50%	On demand Promissory note	Fixed
Central Bank of Jordan borrowed funds	970,314	36	11	Payable in 36 installments from utilization date	5.50%	-	Variable
Capital Bank	500,000	30	30	Semi-annual	4.79%	-	Variable
Loan through the Central Bank of Jordan	480,000	14	4	Semi-annual	2.51%	-	Fixed
Loan through the Central Bank of Jordan	423,077	30	26	Semi-annual	3.42%	-	Variable
Loan through the Central Bank of Jordan	166,670	2	0	Brackets-Every 6 months over 1 year	0.50%	On demand Promissory note	Fixed
Central Bank of Jordan borrowed funds	15,277	2,614	1	Monthly Interest	5.10%	Central Bank of Lebanon	Fixed
Loan through the Central Bank of Lebanon	14,479,500	1	1	Annual interest	3.50%	-	Variable
Arab African International Bank	1,497,569	1	1	Annual interest	3.50%	-	Variable
Amas Investment	7,085,302	1	1	Annual interest	3.50%	-	Variable
GTN Middle East Financial Services (DIFC)	69,225	1	1	Annual interest	3.50%	-	Variable
Dubai Islamic Bank	542,263	141	53	Monthly Interest	1.75%	-	Variable
	<u>396,724,489</u>						



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	Loan Amount/ JD	Total number of installments	Remaining	installments	Periodic payment of	Collaterals	Interest rate	Fixed/ Variable
31 December 2022								
Loan from Central Bank of Jordan	2,000,000	20	10		Semi-annual	-	5,65%	Variable
Loan from Central Bank of Jordan	690,000	14	3		Semi-annual	-	2,51%	Fixed
Loan from Central Bank of Jordan	3,497,625	20	15		Semi-annual	-	5,69%	Variable
Loan from Central Bank of Jordan	5,401,727	34	34		Semi-annual	-	3,00%	Fixed
Loan from Central Bank of Jordan	442,308	30	27		Semi-annual	-	3,42%	Variable
Advances from Central Bank of Jordan	333,336	2	0		Under tranches - every 6 months over 1 year	Promissory notes on demand	0,50%	Fixed
Advances from Central Bank of Jordan	999,569	24	5		Under tranches - every 6 months over 5 years	Promissory notes on demand	0,50%	Fixed
Advances from Central Bank of Jordan	1,560,288	18	10		Under tranches - every 9 months over 6 years	Promissory notes on demand	0,50%	Fixed
Advances from Central Bank of Jordan	414,198	24-44	8-22		Monthly over the year	Promissory notes on demand	0,50%	Fixed
Advances from Central Bank of Jordan	11,807,052	4-99	3-73		Monthly over 5 years	Promissory notes on demand	0,50%	Fixed
Advances from Central Bank of Jordan	2,905,222	24-63	6-55		Monthly over 10 years	Promissory notes on demand	0,50%	Fixed
Advances from Central Bank of Jordan	543,764	24-44	2-23		Monthly over the year	Promissory notes on demand	1,00%	Fixed
Advances from Central Bank of Jordan	8,876,274	8-86	1-60		Monthly over 5 years	Promissory notes on demand	1,00%	Fixed
Advances from Central Bank of Jordan	2,049,590	20-113	20-106		Monthly over 10 years	Promissory notes on demand	1,00%	Fixed
Advances from Central Bank of Jordan - Covid 19	2,144,012	12-43	1-18		Monthly over the year	-	0,00%	Fixed
Advances from Central Bank of Jordan - Covid 19	15,008,049	13-53	7-41		Monthly over 3 years	-	0,00%	Fixed
Advances from Central Bank of Jordan - Covid 19	2,886,907	42-54	36-50		Monthly over 5 years	-	0,00%	Fixed
Loan from Jordan Mortgage Refinance	20,000,000	1	1		Paid in one instalment during 2025	-	5,60%	Fixed
Loan from Jordan Mortgage Refinance	10,000,000	1	1		Paid in one instalment during 2025	-	5,60%	Fixed
Loan from Jordan Mortgage Refinance	10,000,000	1	1		Paid in one instalment during 2024	-	6,45%	Fixed
Loan from Jordan Mortgage Refinance	10,000,000	1	1		Paid in one instalment during 2028	-	4,90%	Fixed
Loan from Jordan Mortgage Refinance	9,000,000	1	1		Paid in one instalment during 2024	-	4,50%	Fixed
European Investment Bank (EIB) loan	84,583,700	9	9		Semi-annual interest	-	1,79%	Fixed
European Investment Bank (EIB) loan	44,930,748	16	16		Semi-annual interest	-	4,85%	Fixed
Cairo Bank	6,556,287	36	7-33		Paid in 36 instalments as of the date of utilization	-	5,00%	Variable
Capital Bank	6,266,228	36	2-36		Paid in 36 instalments as of the date of utilization	-	5,25%	Variable
Loan from Jordan Mortgage Refinance	10,000,000	1	1		Payable in one payment during the year 2024 - semi-annual interest	-	4,86%	Fixed
Loan from Jordan Mortgage Refinance	5,000,000	1	1		Payable in one payment during the year 2025 - semi-annual interest	-	5,85%	Fixed
Invest Bank	11,700,000	48	48		Monthly interest	-	7,13%	Variable
EtiHAD Bank	5,000,000	10	10		Semi-annual interest	-	8,00%	Variable
Housing Bank for Trade & Finance	17,944	-	-		Current account	-	9,25%	Variable
Capital Bank	1,983,240	-	-		Current account	-	4,50%	Variable
	296,598,068							



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(16) Bonds

On 15 October 2020, bonds were issued by one of the bank's subsidiary (Ejara Leasing Company) amounting to JD 11 million. The bonds mature as a one payment on 15 October 2023, noting that the bond is not listed. Average interest rate amounted to 5% annually, to be paid on a semi-annual basis on 15 April and 15 October.

(17) Green Bonds

During the first quarter of 2023 the bank signed the agreement to issue bonds with a total face value of USD 50 million and for 5 years with the International Financial Corporation – IFC. The goal of these bonds is green financing.

30 June 2023 (unaudited)	Amount	Borrowing Interest rate
	JD	
Green Bonds	2,836,000	6.44%
Green Bonds	7,090,000	6.44%
Green Bonds	25,524,000	7.99%
	35,450,000	

(18) OTHER LIABILITIES

	30 June 2023 (Reviewed and unaudited)	31 December 2022
	JD	(Audited) JD
Inward transfers	44,244,000	2,937,649
Accounts payable	38,970,239	4,117,226
Accrued interest	25,183,838	16,518,975
Accepted and certified checks	15,199,098	8,221,310
Expected credit losses against indirect facilities (note 23)	11,297,004	9,680,098
Temporary deposits - customers	10,371,761	5,190,822
Shareholders' deposits	6,709,911	3,990,477
Temporary deposits*	6,302,706	4,069,237
Perpetual bonds redemptions	5,360,000	-
Additional provisions – equity instruments	4,200,000	3,500,000
Accrued expenses	3,544,654	1,073,540
Additional provision – deferred installments	935,000	935,000
Vaults insurance	534,883	531,734
Subscription deposits**	75,085	75,140
Other liabilities*	15,286,708	5,726,763
	188,214,887	66,567,971

*This item represents temporary payment deposits to other public shareholding companies.

**This item represents refunds of subscriptions in public shareholding companies under establishment.



(19) FINANCIAL ASSETS AT FAIR VALUE VALUATION RESERVE - NET OF TAX

	30 June 2023	31 December 2022
	JD (unaudited)	JD (audited)
Balance - beginning of the period / year	6,887,913	7,044,559
Unrealized gain	191,731	1,852,873
Transferred from the valuation reserve to the income statement - expected credit losses against debt instruments	-	(596,676)
Realized losses - equity instruments transferred to retained earnings	184	79,357
Deferred tax liabilities	199,616	(1,492,200)
Balance - end of the period/ year*	<u>7,279,444</u>	<u>6,887,913</u>

The valuation reserve for financial assets at fair value is shown, net after deducting the deferred tax liabilities amounting to JD 4,993,443 as of 30 June 2023 (JD 5,193,059 as of 31 December 2022) and it is not transferable to the consolidated income statement.

(20) RETAINED EARNINGS

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

	30 June 2023	31 December 2022
	JD (unaudited)	JD (audited)
Balance at the beginning of the year	94,967,563	79,094,033
Income for the period	-	18,682,115
(Losses) on sale of financial assets at fair value through comprehensive income	(184)	(79,357)
Perpetual bond interest after excluding tax effect	(499,587)	-
Transferred to reserves	-	(2,729,228)
Balance - end of the period/ year	<u>94,467,792</u>	<u>94,967,563</u>

Retained earnings includes JD 59,254,828 as of 30 June 2023 (JD 56,299,061 as of 31 December 2023) restricted against deferred tax assets according to the Central Bank of Jordan instructions.

Retained earnings includes JD 188,212 as of 30 June 2023 and 31 December 2022 restricted against the effect of adopting International Financial Reporting Standard (9) according to the instructions of the Jordan Securities Commission, the use of general banking reserves is restricted and requires the preapproval of the Central Bank of Jordan.

It is prohibited to dispose of the credit balance of the valuation reserve of financial assets through other comprehensive income in accordance with the instructions of the Securities Commission.



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(21) INTEREST INCOME

The details of this item are as follows:

	For the six-month period ended 30 June	
	2023	2022
	(Unaudited) JD	(Unaudited) JD
Direct credit facilities:		
Individuals (retail):		
Overdraft accounts	22,156	138,607
Loans and promissory notes	14,350,688	4,052,834
Credit cards	917,833	838,674
Real - estate loans	7,911,575	7,742,852
Companies:		
Large		
Overdraft accounts	804,211	4,373,053
Loans and promissory notes	52,456,479	33,885,459
Small and medium:		
Overdraft accounts	563,649	543,047
Loans and promissory notes	5,919,959	4,509,800
Government and public sector:	3,110,935	4,625,424
Balances at central banks	4,353,096	1,588,517
Balances and deposits at banks and financial institutions	2,595,805	119,205
Financial assets at amortized cost	25,592,860	8,821,973
Financial assets at fair value through Other comprehensive income	694,735	823,092
Total	119,293,981	72,062,537

(22) INTEREST EXPENSE

The details of this item are as follows:

	For the six months period ended 30 June	
	2023	2022
	(Unaudited) JD	(Unaudited) JD
Deposits at banks and financial institutions	4,547,402	3,361,247
Customers deposits:		
Time and notice deposits	37,270,964	16,039,647
Saving accounts	2,537,425	289,422
Current and call accounts	522,713	165,540
Certificates of deposit	523	1,502
Cash margins	1,810,123	818,909
Borrowed funds	4,786,992	2,530,774
Leased assets liabilities	574,419	589,348
Interest expense – green bonds	119,122	-
Loan guarantee fees	894,910	1,211,816
Total	53,064,593	25,008,205



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(23) COMMISSION INCOME

The details of this item are as follows:

	For the six months period ended 30 June	
	2023	2022
	(Unaudited) JD	(Unaudited) JD
Commissions from bank transfers	20,052,445	-
Commissions from indirect credit facilities	2,926,660	2,184,325
Commissions from direct credit facilities	1,820,657	1,544,323
Other	4,630,640	976,102
	29,430,402	4,704,750

(24) OTHER INCOME

The details of this item are as follows:

	For the six months period ended 30 June	
	2023	2022
	(Unaudited) JD	(Unaudited) JD
Credit cards income	3,018,384	2,863,361
Recovery of debts previously written-off	2,637,507	318,544
Transfer's income	656,618	621,589
Gain on seized assets	206,915	-
Vaults and safes rent	91,421	95,129
Telecommunication income	62,751	46,038
Stamp's income	33,601	17,961
Profits on the maturity of the loan with the right to repurchase at fair value	-	4,800,000
Others	1,814,078	3,786,180
	8,521,275	12,548,802



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(25) OTHER EXPENSES

The details of this item are as follows:

	For the six months period ended 30 June	
	2023	2022
	(Unaudited) JD	(Unaudited) JD
Maintenance and repairs	3,965,295	2,486,390
Card's services expenses	2,425,343	2,184,244
Amortisation of right of use leased assets	1,864,721	1,473,065
Telecommunication expenses	1,399,717	1,168,288
Advertisements	1,306,274	659,720
Fees, taxes and stamps	1,257,339	732,170
Donations and social responsibility	1,167,508	495,482
Insurance expenses	1,091,421	856,148
Subscriptions	855,889	439,364
Additional provision – equity instruments	700,000	3,500,000
Water, electricity and heating	488,763	327,409
Transportation expense	457,505	83,652
Security services	385,404	266,773
Stationery	362,233	255,774
Provision against seized assets	351,980	2,997,469
Correspondents' services fees	251,635	193,195
Professional fees	182,490	65,458
Legal fees	129,161	86,521
Rent expenses	125,872	24,148
Hospitality	68,596	67,782
Loss on sale of seized assets	-	500,937
Others	3,525,367	1,785,516
	<u>22,362,513</u>	<u>20,649,505</u>

(26) EARNINGS PER SHARE FOR THE YEAR ATTRIBUTABLE TO THE BANK'S SHAREHOLDERS (BASIC AND DILUTED)

The details of this item are as follows:

	For the six months ended on June	
	2023	2022
	(Reviewed and unaudited) JD	(Reviewed and unaudited) JD
Profit for the year attributable to the bank's shareholders	<u>36,343,847</u>	<u>7,598,144</u>
Weighted average number of shares	<u>Share 150,000,000</u>	<u>Share 150,000,000</u>
Earnings per share	<u>JD/ share 0.242</u>	<u>JD/ share 0.051</u>

Basic earnings per share equal to the diluted earning per share, as the bank didn't issue any financial instruments that may reduce the basic earnings per share.



(27) Capital Management

(A) Description of Paid-in Capital

Capital is classified into several classifications as paid-up capital, economic capital and organizational capital, and the regulatory capital is defined according to the Banking Law the total value of items determined by the central bank for regulatory purposes in order to meet the requirements of the capital adequacy ratio established according to instructions issued by the central bank, and the regulatory capital consists of two parts the first is called the base capital (Tier 1) and it consists of paid-up capital, declared reserves (including legal, voluntary, issuance premium and treasury shares issue premium), retained earnings after excluding any amounts subject to any restrictions and rights of non-controllers and from which period losses are subtracted. The cost of buying treasury shares deferred provisions with the approval of the Central Bank and goodwill.

The second part of the additional capital (Tier 2) consists of foreign currency translation differences, a general banking risk reserve, tools with common characteristics between capital and debt, support debt and 45% of the assets valuation reserve Financial at fair value through comprehensive income if it is positive and subtracted completely if it is negative, and there is a third part (Tier 3) may be used to create it in the event of The capital adequacy ratio is less than 12% as a result of the inclusion in the market risks of the capital adequacy ratio and subtracts investments in banks and subsidiary financial companies (if their financial lists are not merged) and also puts investments in the capital of banks, insurance companies and other financial companies.

(B) The requirements of the regulatory parties concerning capital and the manner in which they are met.

Instructions of the Central Bank require that paid-up capital be not less than JD 100 million and shareholders' equity-to-assets ratio be not less than 6%. Moreover, the Central Bank's instructions require that the ratio of regulatory capital to assets weighted by risks and market risks (capital adequacy ratio) be not less than 12%, which is considered by the Bank.

The Bank complies with Article (62) of the Banks Law, which requires the Bank to appropriate 10% of its annual net profits in the Kingdom and continue to do so until the reserve equals the Bank's paid-up capital. This meets the requirements of the statutory reserve prescribed by the Companies Law.

The requirements of the regulatory parties concerning capital and the manner in which they are met.

The Bank complies with Article (41) of the Banks Law, which requires adherence to the limits set by the Central Bank of Jordan relating to the following:

1. The percentage of risks relating to its assets and assets weighted by risks, elements of capital, reserves, and contra accounts.
2. Ratio of total loans to regulatory capital the Bank is allowed to grant to one person, his allies, or to related stakeholders.
3. Ratio of total loans granted to the major ten customers of the Bank to total loans extended by the Bank.



Method of Achieving Capital Management Goals.

The Bank considers the compatibility of the size of its capital with the size, nature, and complexity of the risk the Bank is exposed to in a manner that does not contradict the prevailing regulations and instructions. This is reflected in its strategic plans and annual budgets. To be more conservative in hedging against surrounding conditions and economic cycles, the Board of Directors decided, within the Bank's strategy, that capital adequacy ratio be not less than 14%.

When entering investments, the impact on capital adequacy ratio is considered. Moreover, capital and its adequacy are monitored periodically as capital adequacy ratio is monitored at the Group level and the individual Bank every quarter. Furthermore, capital adequacy is reviewed by internal audit.

No dividends are paid to shareholders out of the regulatory capital if such payment leads to in adherence to the minimum capital requirement. The Bank concentrates on the internal generation of capital and can resort to public subscriptions to meet expansionary needs and future plans, or the requirements of the regulatory bodies according to specific studies.

-Capital Adequacy

On November 31, 2016, the Central Bank of Jordan issued Basel III instructions on capital adequacy and cancelled Basel II instructions relating to the adequacy of regulatory capital.

The Bank manages capital to ensure continuity of its operations and achieve the highest possible return on owners' equity, consisting of capital, as defined by Basel III Convention, as shown in the following table:

	30 June 2023	31 December 2022
	JD (unaudited)	JD (audited)
Primary capital for ordinary shareholders (CET 1)	510,832	463,834
Regulatory adjustments (deductions from the primary capital for ordinary shareholders)	(88,661)	(67,779)
Tier 1 capital	91,629	-
Tier 2 capital	36,374	27,064
Regulatory capital	550,174	423,119
Risk – weighted Assets	3,064,276	2,490,970
Primary Capital Adequacy Ratio (CET 1)	13.78%	15.90%
Ratio of first tranche of the capital	16.77%	15.90%
Regulatory capital adequacy ratio	17.95%	16.99%

*Primary capital is calculated after the deduction of investments in banks and subsidiary Companies.



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<u>Liquidity coverage ratio (LCR):</u>	<u>30 June 2023</u>	<u>31 December 2022</u>
Total high quality liquid assets	1,617,326	1,045,366
Total high quality liquid assets after subtracting the maximum adjustments	1,617,326	1,045,366
Net cash outflow	420,293	453,200
Liquidity coverage ratio	384.40%	230.70%
Liquidity coverage according to the average end of each month	255.00%	199.24%

(28) CASH AND CASH EQUIVALENTS

The details of this item are as follows:

	June 30	
	<u>2023 (Unaudited)</u>	<u>2022 (Unaudited)</u>
	JD	JD
Cash and Balances at Central Banks	617,970,028	269,228,287
<u>Add:</u> Balances at banks and financial institutions due within three months	360,372,515	167,020,097
<u>Less:</u> Banks and financial institutions deposits due within three months	40,179,457	23,434,000
Restricted balances	9,400,630	2,297,194
Total	<u>928,762,456</u>	<u>410,517,190</u>

(29) Information on the Bank's Business Activities

1- Information about the group activities

The Bank is organized, for managerial purposes, into four major sectors. These sectors are measured according to reports used by the Executive Management and key decision makers at the Bank. Moreover, the Bank owns one branch in Cyprus and two subsidiaries held for sale-controlled entity for financial brokerage and consultation services sectors as of the consolidated financial statements date:

- Individual accounts: This item includes following up on individual customer's deposits, and granting them credit facilities, credit cards, and other services.
- Corporate accounts: This item includes following up on deposits, credit facilities, and other banking services related to corporate customers.
- Treasury: This item includes providing dealing services and managing the Bank's funds.
- Others: This industry includes the activities which do not meet the definition of the Bank's business activities mentioned above.
- Financial brokerage services: This item includes practicing most of the brokerage and financial consultation services.
- Finance leasing services: This item includes leasing services and real estate development projects.
- Consulting and Issuance Services: This item includes providing financial consultation and issuance management services.



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

	Individuals (unaudited)	Corporations (unaudited)	Treasury (unaudited)	Others (unaudited)	For the six months period ended 30 June (unaudited)	
					2023	2022
					JD	JD
Gross income for the period	15,664,827	51,664,581	44,325,424	8,521,275	120,176,107	71,219,699
Provision for impairment loss in direct credit facilities	(454,200)	21,828,822	1,362,642	-	22,737,264	18,940,121
Sector results	16,119,027	29,835,759	42,962,782	8,521,275	97,438,843	52,279,578
Result of acquisitions	-	-	15,492,283	-	15,492,283	-
Less: Expenses not allocated to sectors	-	-	-	52,076,693	52,076,693	40,870,713
Profit before Income Tax	16,119,027	29,835,759	58,455,065	(43,555,418)	60,854,433	11,408,865
Less: Income tax expense for the period	-	-	-	11,882,929	11,882,929	3,814,000
Net income the period	16,119,027	29,835,759	58,455,065	(55,438,347)	48,971,504	7,594,865
Other information						
Capital Expenditures				8,123,612	8,123,612	5,074,687
Depreciation and Amortization				3,481,201	3,481,201	2,384,004
					Total	
					June 30 2023	31 December
					(Unaudited)	2022
					JD	(Audited)
					JD	JD
Sector's Assets	604,900,788	1,745,153,751	2,228,640,623	108,133,208	4,686,828,370	3,546,939,367
Sector's Liabilities	1,636,015,723	1,693,983,943	593,787,946	69,614,729	3,993,402,341	3,069,384,139



3- Geographical distribution information:

This sector represents the geographical distribution of the Bank's operations. The Bank performs its operations, which represent local operations, mainly in the Hashemite Kingdom of Jordan. Moreover, the Bank conducts international operations through its branch in Cyprus.

The following are the Bank's revenue, assets, and capital expenditures according to geographic allocation:

	Inside Kingdom		Outside Kingdom		Total	
	For the six months Ended June 30		For the six months Ended June 30		For the six months Ended June 30	
	2023	2022	2023	2022	2023	2022
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	JD	JD	JD	JD	JD	JD
Gross income for the period	113,569,644	66,217,003	6,606,463	5,002,696	120,176,107	71,219,699
Capital Expenditures	7,868,762	5,045,833	254,850	28,854	8,123,612	5,074,687

	Inside Kingdom		Outside Kingdom		Total	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022	30 June 2023	31 December 2022
	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	JD	JD	JD	JD	JD	JD
Total assets	4,264,593,434	3,121,021,730	422,234,936	425,917,637	4,686,828,370	3,546,939,367



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(30) RISK MANAGEMENT

1- Distribution of exposures according to geographical distribution (exposure at default):

Geographical area	Other Middle East						Other Countries	30 June 2023 (Unaudited)	31 December 2022 (audited)
	Inside Jordan	Countries	Europe	Asia*	Africa*	America			
	JD	JD	JD	JD	JD	JD	JD	JD	
Balances at central banks	208,154,530	319,371,100	2,652,884	-	-	-	-	530,178,514	419,143,482
Balances at banks and financial institutions	81,269,771	61,530,897	39,500,480	1,925,988	104,423	173,119,138	2,921,818	360,372,515	123,435,954
Credit facilities:	1,842,468,035	34,574,031	219,613,935	-	-	-	-	2,096,656,001	1,922,640,437
Bonds, Bills and Debentures:									
Within financial assets at fair value through comprehensive income	21,211,508	707,228	1,999,467	-	-	-	427,340	24,345,543	22,578,510
Within financial assets carried at amortized cost	617,141,909	354,182,377	-	-	5,273,812	-	-	976,598,098	617,988,602
Other assets	54,788,002	15,604,158	-	-	-	-	-	70,392,160	40,395,864
Total / current period	2,825,033,755	785,969,791	263,766,766	1,925,988	5,378,235	173,119,138	3,349,158	4,058,542,831	3,146,182,849
Financial guarantees	245,774,742	23,810,044	30,878,590	-	-	-	-	300,463,376	232,559,084
Letters of credit	35,070,647	55,036	10,133,158	-	-	-	-	45,258,841	81,536,153
Other obligations	405,016,001	-	27,229,463	-	-	-	-	432,245,464	370,136,798
Total	3,510,895,145	809,834,871	332,007,977	1,925,988	5,378,235	173,119,138	3,349,158	4,836,510,512	3,830,414,884

- Distribution of exposures according to IFRS 9 category:

	First stage		Second stage		Third Stage	30 June 2023 (Unaudited)	31 December 2022 (Audited)
	Individual	Collective	Individual	Collective			
	JD	JD	JD	JD	JD		
Inside Jordan	3,249,678,965	-	225,262,906	-	35,953,276	3,510,895,147	3,425,272,991
Other Middle East Countries	759,861,396	-	44,574,345	-	5,399,128	809,834,869	6,661,056
Europe	330,804,066	-	1,203,910	-	-	332,007,976	298,082,566
Asia	143,110	-	1,782,878	-	-	1,925,988	1,398,521
Africa	104,423	-	5,273,812	-	-	5,378,235	6,166,495
America	173,119,138	-	-	-	-	173,119,138	88,439,853
Other countries	3,349,158	-	-	-	-	3,349,158	4,393,401
Total	4,517,060,256	-	278,097,851	-	41,352,404	4,836,510,511	3,830,414,883



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2- Distribution of Exposures by debt instruments (exposure at default):

	Financial	Industrial	Trade	Real estate	Agricultural	Shares	Individuals	Government and Public Sector	Services	Others	30 June 2023 (Unaudited)	31 December 2022 (audited)
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Balances at central banks	-	-	-	-	-	-	-	530,178,513	-	-	530,178,513	419,143,482
Balances at banks and financial institutions	277,265,157	-	-	-	-	2,050,493	-	-	-	81,056,865	360,372,515	123,435,953
Credit facilities	179,874,338	365,561,397	432,406,078	220,416,005	34,427,680	9,539,179	314,367,960	193,322,282	346,741,082	-	2,096,656,001	1,922,640,437
Bonds, Bills and Debentures:												
Within financial assets at fair value through other comprehensive income	-	-	1,133,292	-	-	-	-	21,918,735	1,293,516	-	24,345,543	22,578,510
Within financial assets carried at amortized cost	-	-	4,952,000	-	-	-	-	966,769,804	4,876,294	-	976,598,098	617,988,601
Other assets	52,583,541	-	-	2,204,461	-	-	-	-	15,604,158	-	70,392,160	40,395,864
Financial guarantees	56,803,985	92,902,730	45,561,231	1,769,211	510,108	1,855,852	2,613,070	-	98,447,189	-	300,463,376	232,559,084
Letters of credit	55,036	17,862,134	16,727,747	-	4,907,357	-	-	-	5,706,567	-	45,258,841	81,536,153
Other obligations	40,171,302	143,261,163	125,702,506	-	21,708,456	2,662,485	23,331,478	4,540	75,403,534	-	432,245,464	370,136,798
Total	606,753,359	619,587,424	626,482,854	224,389,677	61,553,601	16,108,009	340,312,508	1,712,193,874	548,072,340	81,056,865	4,836,510,511	3,830,414,885

- Distribution of exposures according to IFRS 9 category:

	First stage		Second stage		Third Stage	30 June 2023 (Unaudited)	31 December 2022 (Audited)
	Individual	Collective	Individual	Collective			
	JD	JD	JD	JD			
Financial	605,476,040	-	1,206,170	-	71,149	606,753,359	387,638,038
Industrial	493,177,828	-	122,903,273	-	3,506,323	619,587,424	552,292,252
Trade	586,951,316	-	29,552,302	-	9,979,236	626,482,854	491,952,810
Real estate	195,434,885	-	21,154,299	-	7,800,493	224,389,677	231,494,387
Agricultural	44,566,645	-	7,234,855	-	9,752,101	61,553,601	63,722,379
Shares	16,108,009	-	-	-	-	16,108,009	13,904,235
Individuals	313,338,350	-	19,063,943	-	7,910,215	340,312,508	342,088,367
Government and Public Sector	1,700,213,543	-	11,702,387	-	277,944	1,712,193,874	1,232,542,343
Services	480,736,775	-	65,280,622	-	2,054,943	548,072,340	513,678,629
Others	81,056,865	-	-	-	-	81,056,865	1,101,445
Total	4,517,060,256	-	278,097,851	-	41,352,404	4,836,510,511	3,830,414,885



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C- Expense (recovered) from expected credit loss on financial assets

	First stage	Second stage	Third Stage	30 June 2023 (Unaudited)	30 June 2022 (Unaudited)
	JD	JD	JD	JD	JD
Balances at central banks	-	(3,151,635)	3,692,857	541,222	-
Balances at banks and financial institutions	301,269	-	-	301,269	(56,361)
Credit facilities	(6,901,035)	13,792,907	13,633,093	20,524,965	14,145,300
Financial assets at fair value through other comprehensive income	9,101	-	-	9,101	35,486
Financial assets carried at amortized cost	(338,378)	944,339	(94,913)	511,049	3,071,468
Credit commitments and contingencies	1,399,332	(865,675)	316,001	849,658	1,744,228
Total	(5,529,711)	10,719,936	17,547,038	22,737,264	18,940,121

(31) TRANSACTIONS WITH RELATED PARTIES

The Bank entered into transactions with subsidiary companies, sister companies, major shareholders, Board of Directors, and executive management within the normal banking practice and according to the normal interest rates. All the credit facilities granted to related parties are considered to be performing facilities, and no impairment provisions has been taken as at 30 June 2023.

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

	Sister Companies	Board of Directors Members	Subsidiaries**	Executive Managers	Others*	Total	
						June 30 2023	December 31 2022
						Unaudited JD	Audited JD
Condensed Consolidated Interim Statement of Financial Position Items:							
Direct credit facilities *	38,215,100	340,632	494,756	4,098,652	-	43,149,140	43,286,375
Deposits at banks in financial institutions	18,434,000	810	-	-	-	18,434,810	53,884,000
Customer Deposits	1,328	62,991,150	10,310,803	1,644,385	51,849	74,999,515	80,341,452
Deposits at banks and financial institutions	2,072,704	3,670,783	-	-	35,306	5,778,793	2,646,506
Cash margins	-	81	-	10,000	18,725	28,806	168,072
Financial assets at fair value through comprehensive income	20,088,806	-	-	-	35,978,966	56,067,772	56,981,288
Right of use assets	-	250,263	-	-	-	250,263	289,242
Interest on right of use assets	-	265,953	-	-	-	265,953	265,953
Bonds	-	-	5,000,000	-	-	5,000,000	5,000,000
Other assets	-	144	-	-	-	144	-
Off- Consolidated interim Statement of Financial Position Items:							
Letters of guarantee	4,365,350	10,106	484,908	1,000	187,500	5,048,864	5,398,407
Letters of credit	235,571	411,640	70,366	-	3,828,600	4,546,177	4,254,000



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							Total	
							For the period Ended June 30	
							2023	2022
Consolidated Statement of Income items:								
Interest and commission income **	1,420,412	10,614	142,923	87,879	985	1,662,813	1,372,550	
Interest and commission expense ***	391,843	874,995	3,471	19,801	228	1,290,338	1,617,684	
Amortization of right of use assets	-	12,993	-	-	-	12,993	20,828	
Interest on lease liability	-	6,062	-	-	-	6,062	13,992	

Included in the direct credit facilities granted to the Board of Directors members of JD 110,629 representing credit facilities granted to Ejarah Finance lease Company (subsidiary company) Board of Directors as of June 30, 2022 (JD 670,351 as of 31 December 2022), and a credit facility granted to United Company for financial consulting of 172,221 as of 30 June 2023 compared to JOD 131,701 as of 31 December 2022.

*Represents companies the bank has the right to vote on its boards of directors.

**Credit Interest rate ranges from 1.75% to 10.5%.

***Debit Interest rate ranges from 1.25% to 7.5%.

The Bank has four members on the Board of Directors of the United Financial Investments Company, three members in Ejarah for Finance Leasing Company.

B. Salaries and Bonuses of the Executive Management

The Salaries of Executive management for the Bank and the subsidiary companies amounted to JD 2,392,127 for the six months ended 30 June 2023 (JD 1,165,021 for the six months ended 30 June 2022).



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(33) COMMITMENTS AND CONTINGENT LIABILITIES

A. Credit commitments and contingencies:

-At the date of the interim condensed consolidated financial statements, the Group had liabilities that may arise, as follows:

	30 June 2023 (Unaudited)	31 December 2022 (Audited)
	JD	JD
A-Credits, guarantees and acceptances		
Credits	45,542,821	81,917,466
Letters of guarantee:		
Payments	153,216,421	136,423,673
Performance bonds	97,321,694	84,113,135
Other	57,540,300	18,251,700
Letters of acceptance	41,817,392	46,990,610
Total	395,438,628	367,696,584

B. Other Liabilities

	30 June 2023 (Unaudited)	31 December 2022 (Audited)
	JD	JD
Unutilized direct credit facility ceilings	278,837,659	236,959,189
Unutilized indirect credit facility ceilings	114,988,398	89,256,361
Total	393,826,057	326,215,550
Total Indirect credit facility	789,264,685	693,912,134
Provision for expected credit loss	11,297,004	9,680,098
Indirect facilities - net	777,967,681	684,232,036



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Following is the movement of the balance of commitments and contingent liabilities (in the aggregate) during the six months ended 30 June 2023 (Exposure at default):

	First stage		Second stage		Third Stage	30 June 2023 (Unaudited)	31 December 2022 (Audited)
	Individual JD	collective JD	individual JD	collective JD			
Balance as at the beginning of the period / year	682,759,068	-	9,433,100	-	1,719,965	693,912,133	658,623,897
Facilities during the period / year	262,156,465	-	2,115,680	-	78,644	264,350,789	229,742,528
Facilities paid during the period / year	(189,709,512)	-	(2,324,552)	-	(222,743)	(192,256,807)	(194,454,292)
Transferred to stage 1	221,245	-	(221,012)	-	(233)	-	-
Transferred to stage 2	(6,513,739)	-	6,545,838	-	(32,100)	-	-
Transferred to stage 3	(328,271)	-	(292,953)	-	621,223	-	-
Changes resulting from modifications	-	-	-	-	-	-	-
Additions during the period which resulted from the acquisition transaction (Note 38)	23,258,570	-	-	-	-	23,258,570	-
Balance at the end of the period/ year	771,843,826	-	15,256,101	-	2,164,756	789,264,685	693,912,133

The movement on the provision for credit losses expected for indirect facilities is presented (in the aggregate) during the six months ended 30 June 2023:

	First stage		Second stage		Third Stage	30 June 2023 (Unaudited)	31 December 2022 (Audited)
	individual JD	collective JD	Individual JD	Collective JD			
Balance at the beginning of the year	6,939,050	-	1,331,349	-	1,409,699	9,680,098	5,576,858
Expected credit losses on facilities during the period/ year	2,829,581	-	284,796	-	441,784	3,556,162	6,227,908
Expected credit losses on facilities paid during the period/ year	(1,379,161)	-	(1,204,503)	-	(122,839)	(2,706,503)	(2,124,667)
Transferred to stage 1	28,879	-	(28,749)	-	(130)	-	-
Transferred to stage 2	(78,327)	-	93,082	-	(14,755)	-	-
Transferred to stage 3	(1,640)	-	(10,302)	-	11,942	-	-
Additions during the period which resulted from the acquisition transaction (Note 38)	-	-	-	-	767,247	767,247	-
Total balance at the end of the period/ year	8,338,382	-	465,673	-	2,492,948	11,297,004	9,680,098



(33) LAWSUITS AGAINST THE BANK

The Group is a defendant in lawsuits amounting to JD 7,891,696 as of June 30, 2023 (Against JD 7,668,679 as of 31 December 2022), and in the opinion of the Bank's management and its legal advisor, no liabilities shall arise against the Bank exceeding the existing provision of JD 2,918,771 as of 30 June 2023 (JD 2,303,637 as of 31 December 2022).

(34) DIVIDENDS DISTRIBUTION

The Bank's general assembly, approved in its meeting held on 26 April 2023, the recommendation of the Board of Directors to distribute cash dividends of 8% of the capital amounting to JD 12 million from the voluntary reserve account against 7% amounting to JD 10.5 million during 2022.

(35) PERPETUAL BONDS

During the first quarter of 2023, perpetual bonds classified as (Additional Tier I Capital) were issued, with a total value of JD 89.1 million. The bond consists of two issuance, the first is a non-public issuance of USD 90 million that is not listed on the Amman Stock Exchange, and the other is a public issuance of JD 25.2 million that was offered for public subscription.

The interest rate is 8.50% for the first 24 months, and the interest rate will float later on based on the re-discount rate issued by the Central Bank of Jordan plus a margin of 1.25%, which is calculated every three months.

Note that the interest will be paid quarterly on 9/2023, 12/2023, 3/2023 and 6/2023 of each year, in addition to the fact that the bonds are negotiable on the Amman Stock Exchange.

The aim of the issuance is to support the bank's expansion plans in the region to diversify its sources of revenue in the coming years, especially with regard to recent acquisitions such as the Bank of Baghdad and the Emirati company BHM Capital.

(36) STATUTORY AND VOLUNTARY RESERVE

The bank did not deduct the statutory and voluntary reserves according to the Jordanian Companies Law as these are interim financial statements.



(37) FAIR VALUE HIERARCHY

A. THE FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES OF THE BANK SPECIFIED AT FAIR VALUE ON AN ONGOING BASIS:

Some financial assets and liabilities of the Bank are evaluated at fair value at the end of each fiscal period. The following table shows the information about financial assets and liabilities (evaluation methods and inputs used).

	Fair Value		The level of fair value	Evaluation method and input used	Important intangible inputs	Relation between fair value and the important intangible inputs
	30 June 2023 (Unaudited) JD	31 December 2023 (Audited) JD				
Financial assets at fair value through income:						
Shares with available market price	25,740,225	20,958,094	Level 1	Quoted prices in financial markets	Not applicable	Not applicable
Financial Assets at Fair Value through Comprehensive Income						
Shares with available market price	21,332,441	22,156,014	Level 1	Quoted prices in financial markets	Not applicable	Not applicable
Shares with no available market price	54,864,099	50,250,068	Level 2	Through the comparison of similar financial instruments	Not applicable	Not applicable
Bonds listed in active markets	24,345,542	22,578,510	Level 1	Quoted prices in financial markets	Not applicable	Not applicable
Bonds unlisted in active markets	-	-	Level 2	Through the comparison of similar financial instruments	Not applicable	Not applicable
Total	126,282,307	115,942,686				

There were no transfers between level 1 and level 2 during the period ended 30 June 2023 and 31 December 20



B. THE FAIR VALUE OF THE FINANCIAL ASSETS AND FINANCIAL LIABILITIES OF THE BANK (NON-SPECIFIC FAIR VALUE ON AN ONGOING BASIS):

Except for what is set out in the table below, we believe that the carrying amount of financial assets and liabilities shown in the condensed consolidated interim approximates their fair value because the Bank's management believes that the carrying value of the items is equivalent to their fair value. This is due to short-term accrual or interest rates re-measurement during the period.

	30 June 2023		31 December 2022		The level of Fair Value
	Book value (Unaudited)	Fair value (Unaudited)	Book value (Audited)	Fair value (Audited)	
	JD	JD	JD	JD	
Financial Assets of Non-specified Fair Value					
Cash at Central Banks	764,973,985	765,280,410	419,143,482	419,442,177	Level 2
Balances at Banks and Financial Institutions	360,372,515	361,629,882	123,435,953	124,661,598	Level 2
Direct financial facilities	2,096,656,001	2,123,851,187	1,922,640,437	1,949,149,533	Level 2
Financial Assets at Amortized Cost	976,598,098	985,336,468	617,988,602	626,506,517	Level 1 and 2
Total Financial Assets of Non-specified Fair Value	4,198,600,599	4,236,097,947	3,083,208,474	3,119,759,825	
Financial Liabilities of Non-specified Fair Value					
Banks and Financial Institutions Deposits	70,613,457	71,928,783	107,184,993	108,467,136	Level 2
Customers' Deposits	3,106,364,713	3,120,100,559	2,418,672,958	2,432,062,271	Level 2
Cash Margin	127,420,066	128,511,261	117,926,572	118,990,238	Level 2
Borrowed Funds	396,724,489	398,286,161	296,598,068	298,120,341	Level 2
Total Financial Liabilities of Non-specified Fair Value	3,701,122,725	3,718,826,764	2,940,382,591	2,957,639,986	

The fair value of the financial assets and liabilities for level 2 and level 3 was determined in accordance with agreed pricing models, which reflect the credit risk of the parties dealt with.



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(38) ACQUISITION OF SUBSIDIARIES

A- BANK OF BAGHDAD

During the first quarter of 2023, the bank acquired 51,79% of the outstanding shares of Bank of Baghdad. Bank of Baghdad is one of the largest private commercial banks in Iraq and is classified as a private shareholding company that was established in 1992 and the Bank's head office is in Baghdad and its current capital is IQD 250 billion. The Bank provides all banking and financial activities through its head office and (36) branches inside Iraq and (1) foreign branch in Lebanon.

The table below shows a summary of the net fair value of the acquired assets and liabilities of 31 January 2023.

	As of 31 January 2023
	Thousands of dinars
	JD
Assets	
Cash and balances with Banks and Central Banks	427,379
Direct credit facilities, net	48,690
Financial assets at fair value through ot comprehensive income	1,908
Financial assets at amortized cost	378,501
Other assets	48,417
Total assets	904,895
Liabilities and shareholders' equity	
Banks and financial institutions deposits	439
Customers' deposits	668,417
Cash margins	8,276
Other liabilities	39,522
Total liabilities	716,654
Net fair value of acquisition transaction	188,241
Amount in acquisition percentage 51.79%	97,490
Purchase price	88,625
Net of acquisition	8,865
	From the acquisition date until 30 June 2023
	JD
Profit for the period	26,997,218

Study of the purchase price distribution:

The above results are still initial and will be updated upon completion of the distribution of the acquisition purchase price study, as per IFRS 3 "Business Combinations" the bank has 12 months from the acquisition date to finalise the determination of the fair value and completing the study of the purchase price distribution.

For each class of receivables held, the total contractual receivable and the best estimate of the contractual cash flows that are not expected to be collected are as follows:

	Net contractual receivable	Cash flows that are not expected to be collected	Total
	Thousands of dinars		
Assets			
Cash and balances with Banks and Cen Banks	427,379	4,892	432,271
Direct credit facilities, net	48,690	29,210	77,900
Financial assets at fair value through ot comprehensive income	1,908	-	1,908
Financial assets at amortized cost	378,501	53,726	432,227
Other assets	48,417	-	48,417
Total assets	817,067	87,828	992,723



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B- BHM CAPITAL

During the first quarter of 2023, the bank acquired 76.972% of the outstanding shares of BHM Capital. BHM Capital is classified as a private shareholding company in Dubai Financial Market. It is subject to the oversight of the Securities and Commodities Authority in the United Arab Emirates, and since its inception in 2006, the company occupies the highest ranks among the financial companies in the United Arab Emirates, and the company's current capital is about 173 million UAE dirhams. Headquarters and its branches spread across the UAE - Abu Dhabi, Sharjah, Ras Al Khaimah and Al Ain, and there are (5) branches.

The table below shows a summary of the net fair value of the acquired assets and liabilities of 31 May 2023.

	As of 31 May 2023
	Thousands of dinars
	JD
Assets	
Cash and balances with Banks and Central Banks	115,785
Direct credit facilities, net	63,208
Financial assets at fair value through other comprehensive income	2,142
Financial assets at amortized cost	744
Other assets	27,359
Total assets	209,238
Liabilities and shareholders' equity	
Customers' deposits	113,658
Borrowed funds	17,942
Other liabilities	42,347
Total liabilities	173,947
Net fair value of acquisition transaction	35,291
Amount in acquisition percentage 76.97%	27,164
Purchase price	20,537
Net of acquisition	6,627

Study of the purchase price distribution:

The above results are still initial and will be updated upon completion of the distribution of the acquisition purchase price study, as per IFRS 3 "Business Combinations" the bank has 12 months from the acquisition date to finalise the determination of the fair value and completing the study of the purchase price distribution.