

**INVESTBANK
(PUBLIC SHAREHOLDING COMPANY)
AMMAN- HASHEMITE KINGDOM OF JORDAN
INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS
(UNAUDITED)
30 JUNE 2022**

**INVESTBANK
(PUBLIC SHAREHOLDING COMPANY)
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)
30 JUNE 2022**

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Independent Auditor's Report

The Chairman and Board of Directors of Invest Bank
(Public Shareholding Company)
Amman – Hashemite Kingdom of Jordan

Review Report on the Interim Condensed Consolidated Financial Statements

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Invest Bank (the "Bank") and its subsidiaries (the "Group") as of 30 June 2022 and the related interim condensed consolidated statement of profit or loss, interim condensed consolidated statement of other comprehensive income, the interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the six months then ended and other explanatory notes "interim condensed consolidated financial statements". Management is responsible for the preparation and presentation of these 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 these interim condensed consolidated financial statements based on our review.

Scope of Review

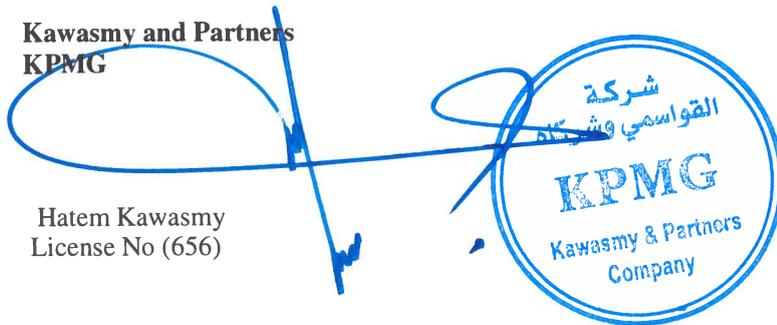
We conducted our review in accordance with the International Standard on Review Engagements (2410) "Review of condensed consolidated Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of 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 the attention that causes us to believe that the accompanying interim condensed consolidated financial statements as of 30 June 2022 are not properly prepared, in all material respects, in accordance with International Accounting Standard (34) as amended by the Central Bank of Jordan instructions.

Kawasmy and Partners
KPMG

Hatem Kawasmy
License No (656)



Amman – Jordan
July 26, 2022

INVESTBANK
(PUBLIC SHAREHOLDING COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF 30 JUNE 2022

	<u>Notes</u>	<u>30 June 2022</u>	<u>31 December 2021</u>
		JD (Unaudited)	JD (Audited)
Assets			
Cash and balances at the Central Bank of Jordan	4	111,837,108	97,358,858
Balances at banks and financial institutions	5	63,180,512	64,351,278
Deposits at banks and financial institutions	6	3,544,913	-
Financial assets at fair value through statement of profit or loss	7	1,900,001	1
Direct credit facilities at amortized cost – net	9	806,307,043	788,635,277
Financial assets at fair value through other comprehensive income	8	41,504,832	37,815,983
Financial assets at amortized cost	10	227,395,212	187,390,518
Property and equipment- net		28,709,249	28,435,476
Intangible assets		2,932,504	3,003,777
Deferred tax assets		17,766,314	15,801,272
Other assets	11	65,896,310	54,359,771
Right of use of leased assets		4,338,680	3,884,618
		1,375,312,678	1,281,036,829
Assets held for sale	34	88,030	-
Total assets		1,375,400,708	1,281,036,829
Liabilities and Equity			
Liabilities			
Bank and financial institutions deposits		35,303,005	28,778,165
Customers deposits	12	837,797,075	792,518,004
Cash margins		62,092,635	31,587,528
Borrowed funds	13	207,911,629	196,973,301
Bonds	14	10,280,000	13,280,000
Lease liabilities		2,997,737	2,562,692
Sundry provisions		988,322	441,918
Provision for income tax	15	6,130,978	7,057,031
Deferred tax liabilities		4,572,583	3,490,066
Other liabilities	16	20,852,658	18,936,393
		1,188,926,622	1,095,625,098
Liabilities directly associated with assets held for sale	34	8,647	-
Total liabilities		1,188,935,269	1,095,625,098
Bank's Shareholders Equity			
Authorised share capital		100,000,000	100,000,000
Subscribed and paid in share capital		100,000,000	100,000,000
Statutory reserve	17	31,723,085	33,371,695
Financial asset revaluation reserve-net	18	7,417,359	6,362,363
Retained earnings	19	34,280,308	42,612,312
Net Income for the period		9,659,992	-
Total equity attributable to the Bank's shareholders		183,080,744	182,346,370
Non-controlling interest		3,384,695	3,065,361
Total equity		186,465,439	185,411,731
Total Liabilities and Equity		1,375,400,708	1,281,036,829

The accompanying notes from 1 to 37 form an integral part of these interim condensed consolidated financial statements and should be read with them and with the accompanying review report

INVESTBANK
(PUBLIC SHAREHOLDING COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE THREE MONTHS AND THE SIX MONTHS ENDED 30 JUNE 2022

	Notes	For the three months ended 30 June		For the six months ended 30 June	
		2022	2021	2022	2021
		JD (Unaudited)	JD (Unaudited)	JD (Unaudited)	JD (Unaudited)
Interest income	20	19,155,517	16,764,861	37,818,159	33,718,105
Interest expense	21	(9,353,764)	(7,993,780)	(18,051,837)	(15,941,261)
Net Interest Income		9,801,753	8,771,081	19,766,322	17,776,844
Net commission income		3,599,378	2,753,517	6,835,744	5,120,374
Net Interest and Commissions Income		13,401,131	11,524,598	26,602,066	22,897,218
Gains from foreign currencies		200,817	159,543	374,128	371,213
Gain on sale of financial assets at amortized Cost	10	-	592,662	-	591,142
Gains from financial assets at fair value through statement of profit or loss	22	425,557	368,555	568,946	532,702
Cash dividends from financial assets at fair value through other comprehensive income	8	193,815	340,188	816,654	730,038
Gains from acquisition of subsidiary	36	-	-	3,596,992	-
Other Revenue		527,561	827,213	1,761,325	1,403,635
Gross Income		14,748,881	13,812,759	33,720,111	26,525,948
Employees expenses		(4,264,921)	(3,427,224)	(8,331,755)	(7,109,949)
Depreciation and amortization		(767,862)	(747,167)	(1,498,813)	(1,330,252)
Other expenses		(2,266,714)	(2,195,616)	(4,415,816)	(4,177,452)
provisions for impairment of assets seized by the Bank in settlement of outstanding debts and the provision for assets seized in accordance with the instructions of the Central Bank of Jordan		(1,493,440)	(765,925)	(1,493,440)	(749,114)
(Provision of) Recovered from Expected Credit Loss Provision against financial assets	9	623,776	2,682,685	(2,540,485)	1,310,477
Recovered from (Provision) of expected credit loss against financial assets	23	184,080	(732,554)	276,855	(732,554)
Sundry provisions		(475,710)	(44,537)	(528,355)	(160,737)
Total Expenses		(8,460,791)	(5,230,338)	(18,531,809)	(12,949,581)
Profit for the period before tax		6,288,090	8,582,421	15,188,302	13,576,367
Income tax for the period	15	(3,293,932)	(3,267,375)	(5,062,243)	(4,878,374)
Net Profit for the period		2,994,158	5,315,046	10,126,059	8,697,993
Discontinued operations					
(Loss) Gain from discontinued operations – net after tax	35	(190,824)	92,999	(126,059)	140,395
Net profit for the period		2,803,334	5,408,045	10,000,000	8,838,388
Attributable to:					
Shareholders of the Bank		2,491,042	5,349,221	9,659,992	8,748,787
Non-controlling interest		312,292	58,824	340,008	89,601
		2,803,334	5,408,045	10,000,000	8,838,388
Basic and diluted earnings per share from net profit for the period attributable to the shareholders of the Bank	30	JD/ share 0.025	JD/ share 0.053	JD/ share 0.097	JD/ share 0.087

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INVESTBANK
(PUBLIC SHAREHOLDING COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE THREE MONTHS AND THE SIX MONTHS ENDED 30 JUNE 2022

	<u>For the three months ended 30 June</u>		<u>For the Six months ended 30 June</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	JD	JD	JD	JD
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Net Profit for the period	2,803,334	5,408,045	10,000,000	8,838,388
Other comprehensive income items that will not be reclassified to profit or loss on subsequent period:				
Net Changes in financial assets revaluation reserve – net after tax	1,739,675	1,196,957	1,264,089	(129,117)
Loss on sale of financial assets at fair value through comprehensive income	(139,916)	(203,007)	(196,226)	(210,690)
Total Other Comprehensive Income items	1,599,759	993,950	1,067,863	(339,807)
Total comprehensive income for the period	4,403,093	6,401,995	11,067,863	8,498,581
Total Comprehensive Income Attributable to:				
Shareholders of the Bank	4,090,739	6,343,200	10,727,819	8,409,056
Non-controlling interest	312,354	58,795	340,044	89,525
	4,403,093	6,401,995	11,067,863	8,498,581

The accompanying notes from 1 to 37 form an integral part of these interim condensed consolidated financial statements and should be read with them and with the accompanying review report

INVESTBANK
(PUBLIC SHAREHOLDING COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2022

	<u>Reserves</u>				profit for the period attributable to the bank's shareholders	Total equity attributable to the bank's shareholders	Non- controlling interest	Total equity
	Subscribed and Paid-up capital	Statutory	Financial Asset revaluation reserve-net	Retained earnings				
(Unaudited)								
As of 31 December, 2021	100,000,000	33,371,695	6,362,363	42,612,312	-	182,346,370	3,065,361	185,411,731
Profit for the period	-	-	-	-	9,659,992	9,659,992	340,008	10,000,000
Net changes in financial assets revaluation reserve –net after taxes	-	-	1,264,053	-	-	1,264,053	36	1,264,089
(Losses) Gains on sale of financial assets at fair value through other comprehensive income transferred to the retained earnings – net after tax	-	-	(209,057)	12,831	-	(196,226)	-	(196,226)
Total comprehensive income	-	-	1,054,996	12,831	9,659,992	10,727,819	340,044	11,067,863
Dividends (Note 19)	-	-	-	(10,000,000)	-	(10,000,000)	-	(10,000,000)
Released- Effect of selling subsidiary	-	(1,648,610)	-	1,648,610	-	-	-	-
Effect of increase in investment in subsidiary	-	-	-	6,555	-	6,555	(20,710)	(14,155)
As of 30 June, 2022	100,000,000	31,723,085	7,417,359	34,280,308	9,659,992	183,080,744	3,384,695	186,465,439
(Unaudited)								
As of 31 December, 2020	100,000,000	30,643,329	8,560,247	39,363,524	-	178,567,100	3,121,426	181,688,526
Profit for the period	-	-	-	-	8,748,787	8,748,787	89,601	8,838,388
Net changes in financial assets revaluation reserve –net after taxes	-	-	(129,041)	-	-	(129,041)	(76)	(129,117)
(Losses) Gains on sale of financial assets at fair value through other comprehensive income transferred to the retained earnings – net after tax	-	-	(338,087)	127,397	-	(210,690)	-	(210,690)
Total comprehensive income	-	-	(467,128)	127,397	8,748,787	8,409,056	89,525	8,498,581
Dividends (Note 19)	-	-	-	(12,000,000)	-	(12,000,000)	-	(12,000,000)
Effect of increase in investment in subsidiary	-	-	-	43,569	-	43,569	(109,099)	(65,530)
As of 30 June, 2021	100,000,000	30,643,329	8,093,119	27,534,490	8,748,787	175,019,725	3,101,852	178,121,577

- Retained earnings Include an amount of JD 17,766,314 as of 30 June 2022 restricted by the Central Bank of Jordan against deferred tax assets amounted to JD 15,801,272 as of 31 December 2021.
- Retained earnings Include a restricted amount of JD 1,039,200 as of 30 June 2022 and 31 December 2021, based on Central Bank of Jordan request, which represents the remaining balance of illegal transactions.
- Retained earnings Include a restricted amount of JD 415,199 as of 30 June 2022 and 31 December 2021, which represents the effect of the early adoption of IFRS (9). Such amounts are restricted and cannot be utilized unless realized through actual sale as instructed by Jordan Securities Commission.
- The retained earnings don't include any amounts that represents unrealized gain from financial assets at fair value through statement of profit or loss as of 30 June 2022 and 31 December 2021.
- In accordance with the instructions of the Central Bank of Jordan No. (13/ 2018), the accumulated balance of the general banking risk reserve item amounting to JD 6,365,000 as of 31 December 2017 has been transferred to the retained earnings item to offset with the impact of the IFRS 9. Surplus from the amount after offset amounting to JD 1,971,056 is restricted.
- Use of financial assets revaluation reserve is restricted and require prior approval from the central bank of Jordan.

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**INVESTBANK
(PUBLIC SHAREHOLDING COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2022**

	<u>Notes</u>	<u>For the six months ended 30 June</u>	
		<u>2022</u>	<u>2021</u>
		<u>JD</u> <u>(Unaudited)</u>	<u>JD</u> <u>(Unaudited)</u>
<u>Operating activities</u>			
Income for the period before income tax		15,211,774	13,796,233
Adjustments for non-cash items:			
Depreciation and amortization		1,498,813	1,330,252
Provision (Recovered from) expected credit loss on direct credit facilities		2,540,485	(1,309,386)
Sundry provisions		528,355	160,737
Expected Credit Loss provision for other assets and off-Balance sheet items in accordance to IFRS (9)		(276,855)	732,554
Interest expense on lease liabilities		81,270	97,234
Provision for impairment assets seized by the bank in fulfilment of outstanding debts and provision for expropriated properties in accordance with CBJ instructions		1,493,440	749,114
Loss on disposal of assets		397	23,684
Gain on sale of assets seized by the bank		(584,612)	(337,462)
Gain on sale of assets at amortised cost		-	(592,662)
Unrealized gain from financial assets at fair value through statement of profit or loss	22	(53,658)	(1,482)
Net interest expenses		771,383	1,099,923
Gain from the acquisition of a subsidiary		(3,596,992)	-
Effect of exchange rate fluctuations on cash and cash equivalents		(9,407)	(10,393)
		17,604,393	15,518,480
<u>Changes in assets and liabilities</u>			
Direct credit facilities at amortized cost		(11,162,943)	(7,109,100)
Assets and liabilities held for sale		(79,383)	-
Other assets		(10,566,352)	3,222,161
Customers' deposits		45,279,071	(2,057,436)
Cash margin		30,505,107	(2,118,858)
Other liabilities		980,973	3,432,354
		54,956,473	(4,630,879)
<u>Net changes in assets and liabilities</u>			
Net cash flows from operating activities before income tax and provisions paid			
		72,560,866	11,120,143
Paid from lawsuits provisions		18,049	(467,285)
Income tax paid		(6,639,444)	(6,046,013)
		65,939,471	4,606,845
<u>Investing activities</u>			
Purchases of financial assets at fair value through other comprehensive income		(2,544,614)	(3,895,974)
Sale of financial assets at fair value through other comprehensive income		1,202,268	2,571,076
Deposits at banks and financial institutions		(3,545,000)	400,000
Purchases of financial assets at amortized cost		(63,564,991)	(71,828,918)
Financial assets at amortized cost due		20,048,097	42,899,277
Sale of financial assets at amortized cost		-	17,799,000
Purchase of property and equipment and advances for purchases of property, equipment and projects under progress		(1,057,766)	(376,269)
Proceeds from sale of property and equipment		12,200	200
Purchase of intangible assets		(140,391)	(396,343)
		(49,590,197)	(12,827,951)
<u>Financing activities</u>			
Dividends paid		(10,000,000)	(12,000,000)
Borrowed funds		7,205,507	13,987,124
Bonds		(3,000,000)	(1,302,500)
Operating lease liabilities payments		(567,242)	(398,899)
Net cash flow used to purchase a subsidiary		(3,438,366)	-
Cash resulted of acquisition of a subsidiary		238,672	-
Purchases of additional share in subsidiary		(14,155)	(65,530)
		(9,575,584)	220,195
<u>Net cash flows (use in) from financing activities</u>			
Effect of exchange rate fluctuations on cash and cash equivalents		9,407	10,393
		6,783,097	(7,990,518)
Net increase (decrease) in cash and cash equivalents			
Cash and cash equivalents at 1 January		132,932,008	130,830,113
	27	139,715,105	122,839,595
Non-Cash transactions Resulted from Sales Of Subsidiary Shares			
Account Receivables		2,952,651	-
Right to obtain shares-Cost		(1,846,342)	-

The accompanying notes from 1 to 37 form an integral part of these interim condensed consolidated financial statements and should be read with them and with the accompanying review report

**INVESTBANK
(PUBLIC SHAREHOLDING COMPANY)
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2022**

1) GENERAL INFORMATION

INVESTBANK (the “Bank”) was established as a Jordanian public shareholding company under registration No. (173) dated 12 August 1982 in accordance with the Companies Law No. (12) for the year 1964 with a paid in capital of JD 6 million distributed over 6 million shares with a par value of JD 1 per share. The Bank’s capital was increased several times to become JD 77,500,000 / JD 1 per share as of 31 December 2010. Furthermore, during 2011, the Bank’s capital was increased to JD 85,250,000 / JD 1 per share. Finally, the Bank’s capital was increased by JD 14,750,000 on 10 April 2012. Accordingly, the Bank’s authorized and paid in capital became JD 100 Millions / JD 1 per share.

The Bank’s Head Office is located in Amman, Abd Alhameed Sharaf Street, Shmesani, Tel: 06-5001500, P.O Box 950601, Amman – 11195 Hashemite kingdom of Jordan.

The Bank provides banking and related financial services through its Head Office and its twelve branches in the Hashemite Kingdom of Jordan, and through its subsidiaries.

INVESTBANK is a public shareholding company listed in Amman Stock Exchange.

These interim condensed consolidated financial statements were approved by the Board of Directors at its session number (05/2022) that held on 25, July 2022.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation of the consolidated financial statements

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

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

- 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:
- Debt instruments issued or guaranteed by the Jordanian government are excluded from the calculation of ECL provision, so that credit exposures are treated and guaranteed by the Jordanian government with no expected credit losses.
- When calculating credit losses provision against credit exposures, the calculation results are compared according to the International Financial Reporting Standard No. (9) with the instructions of the Central Bank of Jordan No. (47/2009) dated December 10, 2009 for each stage separately and the strictest results are taken in the recognition and are classified according to Central bank of Jordan requirements.
- Interest and commissions are suspended on credit facilities classified on stage 3 granted to clients in accordance with the instructions of the Central Bank of Jordan.
- In accordance with the Central Bank of Jordan's instructions for the classification of credit facilities and the calculation of impairment provision number (47/2009) issued on December 10, 2009, credit facilities were classified into the following categories:

A- low risk credit facilities, which do not require provision:

1. Granted to the Jordanian government with its guarantee, as well as to the governments of countries where Jordanian banks have branches, such facilities are granted the same currency as the host country.
2. Cash Guaranteed by (100%) of the outstanding balance at any time.
3. Guaranteed with a (100%) banker's acceptance.

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FOR THE SIX MONTHS ENDED 30 JUNE 2022**

- B- Acceptable risk credit facilities, which do not require provision:
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 payment for principal amount 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 credit facilities are characterized by any of the following:
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%) or more, 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 removed through scheduling.
 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.

This is in addition to other conditions detailed in the instructions.

- D- Non-performing credit facilities: which are characterized with any of the following:
1. One of its installments has been due, the principal and/or interest asset, or the overdraft account has been dormant for the following terms:

<u>Classification</u>	<u>Number of Breach days</u>	<u>Ratio of the provision in to the first year</u>
Substandard credit facilities	(90) to (179) days	25%
Doubtful credit facilities	(180) to (359) days	50%
Loss credit facilities	(360) days and more	100%

2. Overdrafts that exceed the granting limit by (10%) and more, and for the duration of (90) days and more.
3. Credit facilities that have 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 have been restructured three times in a year.
6. Current and on-demand accounts overdrawn for (90) days or more.
7. The value of the guarantees paid on behalf of the customers and has not been debited to their accounts, for 90 days or more overdue.

The expected credit losses provision against credit facilities is calculated in accordance with the 47/2009 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.

**INVESTBANK
(PUBLIC SHAREHOLDING COMPANY)
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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- Assets seized by the Bank appear in the consolidated statement of financial position within other assets at the amount equal to the lower of which they were seized by the Bank or the fair value, and are revaluated according to the Central Bank of Jordan instructions on an individual basis. Any impairment in their value is recorded as a loss in the consolidated statement of profit or loss and the increase is not recorded as revenue. The subsequent increase is taken to the consolidated statement of profit or loss to the extent that it does not exceed the value of the previously recorded impairment. As of the beginning of 2015, a gradual provision was made for real estate acquired for more than 4 years against debts according to the Circular of the Central Bank of Jordan No. 15/1/4076 dated 27 March 2014 and No. 10/1/2510 dated 14 February 2017. Noting that the Central Bank of Jordan issued Circular No. 10/1/13967 dated 25 October 2018, in which the Circular No. 10/1/16607 dated 17 December 2017 was approved for extension. The Central Bank of Jordan also confirmed postponing the calculation of the provision until the end of the year 2019. According to the Central Bank of Jordan Circular No. 10/1/16239 dated 21 November 2019, deduction of the required provisions against real estate acquired is made at the rate of (5%) of the total book values of these real states (regardless of the period of violation) as of the year 2021, also, according to the letter of the Central Bank of Jordan No. 10/3/13246 dated September 2, 2021, addressed to the Association of Banks in Jordan, the completion of calculating the provision has been postponed until 2022, so that the required percentage of (50%) of those properties will be reached by the end of the year 2030.
- Additional provisions are calculated in the consolidated financial statements against some of the bank's foreign investments in some neighboring countries if any, and at the request of the Central Bank of Jordan.
- The cash and balances with the central bank item include the cash reserve requirements item, which represents balances restricted for withdrawal in accordance with the instructions of the supervisory authority in countries in which the bank operates, whichever is stricter.
- The interim condensed consolidated financial statements have been prepared on the historical cost basis, except for financial assets at fair value through statement of profit or loss, and financial assets at fair value through other comprehensive income that have been measured at fair value at the date of these interim condensed consolidated financial statements, as well as financial assets and liabilities that have been hedged against the risks of change in their fair value.
- These interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements prepared in accordance with International Financial Reporting Standards as modified by Central Bank of Jordan instructions these interim condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements of the Group for the year ended December 31, 2021, Furthermore, the results of operations for the six months ended June 30, 2022 do not necessarily reflect an accurate indicator about the expected results for the year ended December 31, 2022, furthermore, provisions have not been made for period profit which shall be conducted for the period ended June 30, 2022, Which was done at the end of the year.
- The Jordanian Dinar is the presentation currency for the Interim Condensed consolidated financial statements and is the Bank's functional currency.

2.2 Changes in accounting policies and disclosures

A. Applied Accounting Policies

- The accounting policies followed in the preparation of these interim condensed consolidated financial statements are identical with the accounting policies that were followed in the preparation of the last consolidated financial statements of the group for the year ended December 31, 2021 except for application of new standards are amendments to existing standards as mention below.

New standards or amendments	Effective date
Loss-making contracts (a contract in which the total cost required to fulfil the contract is higher than the economic benefit that can be obtained from it) - the cost of implementing the contract (Amendments to IAS 37)	January 1,2022
Annual Improvements to IFRS Standards 2018–2020	January 1,2022
Property, Plant and Equipment – Proceeds before Intended Use: Amendments to IAS 16	
Property, Plant and Equipment	January 1,2022
Reference to the Conceptual Framework – Amendments to IFRS 3 Business Combinations	January 1,2022

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B. New IFRSs and Amendments issued but not yet effective

number of new standards, amendments to standards and interpretations that were issued but not yet effective, and have not A been applied when preparing these interim condensed consolidated financial statements:

<u>New standards or amendments</u>	<u>Application Date</u>
Classification of liabilities into current or non-current liabilities (amendments to IAS 1)	January 1 st 2023
IFRS 17 “Insurance Contracts” and Amendments to IFRS 17 “Insurance Contracts” and IFRS 9 - Comparative Information.	January 1 st 2023
Definition of Accounting Estimates - Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.	January 1 st 2023
Disclosure of accounting policies (Amendments to IAS 1 and IFRS practice statement 2)	January 1 st 2023
Deferred tax related to assets and liabilities arising from a single transaction (Amendments to IAS 12)	January 1 st 2023
Sale or grant of assets between an investor and an affiliate company or a joint venture (amendments to IFRS 10 and IAS 28)	Optional

The management does not expect that there will be a material impact from the above standards upon implementation.

(2.3) Basis of consolidation

The consolidated financial statements include the financial statements of the bank and the companies under its control (its subsidiaries), and control is achieved when the bank has:

- The ability to control the investee entity;
- is exposed to, or has the right to, variable returns from its involvement with the investee;
- it has the ability to use his power to influence the investee's returns.

The Bank reassess whether or not it controls the entities invested in, if facts and circumstances indicate that there are changes to one or more of the control points referred to above.

If the Bank's voting rights are less than the majority of the voting rights in any of the investee entities, it has the ability to control when the voting rights are sufficient to give the Bank the ability to unilaterally direct the activities of the related subsidiary. The bank takes into account all facts and circumstances when assessing whether the bank has enough voting rights in the investee to give it the ability to control. Among those facts and circumstances:

- the size of the Bank's voting rights relative to the size and distribution of other voting rights;
- potential voting rights held by the Bank and any other voting rights holders or third parties;
- rights arising from other contractual arrangements; And
- Any additional facts and circumstances that indicate that the Bank has, or does not have, a current responsibility to direct the relevant activities. At the time of making the required decisions, including how to vote at previous general body meetings

A subsidiary is consolidated when the Bank controls the subsidiary and ceases when the Bank loses control of the subsidiary. Specifically, the results of operations of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit or loss from the date control is achieved until the date control is lost over the subsidiary.

Profits and losses and each item of comprehensive income are distributed to the owners of the entry and the non-controlling shares. The comprehensive income of the subsidiaries is distributed to the owners in the enterprise and the share of the non-controllers, even if this distribution will lead to the emergence of a deficit in the balance of the non-controlling share.

Adjustments are made to the financial statements of the subsidiaries, when necessary, to bring their accounting policies in line with the accounting policies adopted by the Bank.

All assets, liabilities, equity, income and expenses relating to transactions and balances between the Bank and its subsidiaries are eliminated on consolidation.

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Non-controlling interests in subsidiaries are determined separately from the Bank's equity in these entities. Non-controlling interests' that are currently equity-accounted for in a proportionate share of net assets on liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the identifiable net acquirer. Assets. The measurement is chosen on the basis of acquisition. Other non-controlling interests are initially measured at fair value. After acquisition, the carrying amount of the non-controlling interest is the amount of those interests on initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income accrues to the interests of the non-controlling interests even if this results in a deficit in the non-controlling interests' balance.

Changes in the Bank's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The present value of the Bank's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and is attributable to the owners of the Bank.

When the Bank loses control over a subsidiary, the gain or loss on disposal is recognized in the consolidated statement of profit or loss as the difference between (i) the total fair value of the consideration received and the fair value of any remaining interests and (ii) the past present value of the assets (including goodwill), minus the liabilities of the subsidiary and any non-controlling interests.

All amounts previously recognized in other comprehensive income in respect of that subsidiary are accounted for as if the Bank had directly disposed of the assets or liabilities of the subsidiary.

The fair value of the investment retained in the former subsidiary at the date of loss of control is considered as the fair value on initial recognition for subsequent accounting under IFRS 9 Financial Instruments when the provisions of the Standard apply, or the cost of initial recognition of the investment in an associate or joint project.

These interim condensed consolidated financial statements include the Bank and its subsidiaries as of June 30, 2022:

<u>Company's Name</u>	<u>Paid-in capital</u>	<u>Bank's ownership</u>	<u>Nature of operations</u>	<u>Company head office</u>	<u>Date of acquisition</u>
Tamkeen Leasing Company	20,000,000	97.5%	Financing lease	Amman	2006
Al- Istethmari Latemweel Selselat Al Imdad Company	3,000,000	94%	Management and operation of bonded stores	Amman	2010
Jordanian Company for Factoring **	1,500,000	100%	Factoring receivables	Amman	2011
Jordan Trade Facilities Company	16,500,000	95.3%	loans and facilities granting	Amman	2016
Trade Facilities for finance leasing Company	2,000,000	95.3%	Financing lease loans and facilities granting	Amman	2016
Bindar Trade and Investment Company	20,000,000	96%	Sale of land and real estates owned by the company	Amman	2017
Ruboua Al Sharq Real Estate Company	50,000	96%	Sale of land and real estates owned by the company	Amman	2017
Rakeen Real Estate Company	30,000	96%	Sale of land and real estates owned by the company	Amman	2017
Bindar Lease Financing Company	1,000,000	96%	Financing lease Vehicles Finance	Amman	2017
Summit Auto trade Facilities company*	2,130,000	96.5%	lease	Amman	2022

* Based on the decision of the General Assembly of Bindar Trade and Investment Company (subsidiary company) in its extraordinary meeting held on 4 January 2022, it was agreed to purchase the entire shares of Summit Auto Trade Facilities Company for a value of 3,438,366 Jordanian Dinar, as the approval of the Central Bank of Jordan was obtained on the acquisition according to their Circular No. (10/2/16687) On October 31, 2021, the acquisition of the company was completed during the first quarter of 2022.

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**Based on the decision of the bank's board of directors at its first meeting of 2022, it was approved to close the Jordan Factoring Company.

During the first half of 2022, the Board of Directors of the Bank, at its meeting held on February 9, 2022, agreed to sell the entire share of the Bank from the shares of Al-Mawarid Financial Brokerage Company, and the sale took place on June 30, 2022.

The financial statements of the subsidiaries are prepared for the same financial period for the Bank using the same accounting policies adopted by the Bank. Changes are made to the accounting policies of subsidiaries, when necessary, to align them with accounting policies adopted by the Bank.

The financial statement of the subsidiaries are consolidated in the consolidated statement of profit or loss from the date it was owned, on which control is transferred to the Bank and cease to be consolidated from the date on which Bank lost control.

Non-controlling interest represents the portion of net profit or loss and net assets not owned -directly or indirectly- by the Bank in its subsidiaries and are presented in consolidated statement of profit or loss and within equity in the consolidated statement of financial position separately from the equity attributable to the shareholders of the Bank.

In the case of preparing separate financial statements for the bank as an independent entity, the investments in subsidiaries are recorded at cost.

(3) ACCOUNTING ESTIMATES

Preparation of the interim condensed consolidated financial statements and the application of the accounting policies require the Group's management to perform assessments and assumptions that affect the amounts of financial assets and liabilities, financial assets valuation reserve – net and the disclosure of contingent liabilities. Moreover, these assessments and assumptions affect revenues, expenses, provisions, and changes in the fair value shown within the consolidated statement of comprehensive income. In particular, this requires the Group's management to issue significant judgments and assumptions to assess future cash flow amounts and their timing. Moreover, the mentioned assessments are necessarily based on assumptions and factors with varying degrees of consideration and uncertainty. In addition, actual results may differ from assessments due to changes resulting from the conditions and circumstance of those assessments in the future.

(COVID-19) Impact

The Coronavirus (COVID-19) pandemic has spread across different geographies globally, disrupting business and economic activities. The Corona Virus (Covid 19) pandemic has caused doubts globally. The financial and monetary authorities, both local and international, announced various support measures around the world to counter the potential negative effects, as at the present time, after most of the world's countries have removed restrictions and closures and returned to normal life and returned to the gradual raising of interest rates to confront the high rates of inflation. caused by the turmoil on the European continent. At the present time, there is a significant increase in uncertainty in determining the economic impact that follows the possibility of the pandemic ending due to global economic conditions and the possibility of entering into a recession. Risk Management will continue to monitor the situation closely through its business continuity plan and other risk management practices to manage any potential disruptions to The Group's business, operations and financial performance.

Fair Value:

- Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether the price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Bank considers, in determining the price of an asset or liability, whether market participants are required to take into account those factors at the measurement date. The fair value is determined for the purposes of measurement and/or disclosure in these financial statements in accordance with those bases, with the exception of what is related to measurement procedures that are similar to fair value procedures and are not fair value such as fair value as used in International Accounting Standard No. (36).

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- In addition, fair value measurements are categorized, for financial reporting purposes, into Level 1, (2) or (3) based on the clarity of the inputs for the fair value measurements and the significance of the inputs to the fair value measurements in full, and are defined as follows:
 - **Level 1** inputs: These are the inputs derived from the quoted (unadjusted) prices of identical assets or liabilities in active markets that the entity can obtain at the measurement date.
 - **Level 2** inputs: These are the inputs derived from the data, except for the listed prices used in Level 1 and noted for assets or liabilities, whether directly or indirectly.
 - **Level 3** inputs: These are inputs for assets or liabilities that do not depend on observed market prices.

(4) CASH AND BALANCES AT THE CENTRAL BANK OF JORDAN

This item consists of the following:

	<u>30 June 2022</u>	<u>31 December 2021</u>
	JD	JD
	(Unaudited)	(Audited)
Cash on hand	12,959,591	13,646,336
Balances at the Central Bank of Jordan:		
Current and demand accounts and cash reserve requirements	43,377,517	42,212,522
Term and notice deposits	55,500,000	41,500,000
Total	111,837,108	97,358,858

Except for the statutory cash reserve amounted to 44,785,104 JD and 42,989,515 JD as of 30 June 2022 and 31 December 2021 respectively, there are no restricted balances.

There are no balances, maturing within a period exceeding three months as of 30 June 2022 and 31 December 2021.

Expected credit losses allowance was not calculated on balances at the Central Bank of Jordan as of 30 June 2022 and 31 December 2021, which is in accordance with the Central Bank of Jordan Instructions No.13/2018 dated 6 June, 2018 regarding the implementation of International Financial Reporting Standard No. (9).

(5) BALANCE AT BANKS AND FINANCIAL INSTITUTIONS

This item consists of the following:

	<u>30 June 2022</u>	<u>31 December 2021</u>
	JD	JD
	(Unaudited)	(Audited)
Local banks and financial institution	29,433,391	14,537,219
Foreign banks and financial institutions	33,747,611	49,814,096
Less: Provision for Expected Credit Loss	(490)	(37)
Total	63,180,512	64,351,278

Non-interest-bearing balances held at banks and financial institutions amounted to JD 24,704,407 as of June 30, 2022, against JD 42,549,205 as of December 31, 2021.

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

Balances at banks and financial institutions movement:

<u>For the period ended 30 June 2022</u>	Stage 1	Stage 2	Stage 3	Total
(Unaudited)	Individual	Individual	Individual	Individual
	JD	JD	JD	JD
Total balance at the beginning of the period	64,351,315	-	-	64,351,315
New balances during the period	42,903,676	-	-	42,903,676
Paid balances (Repaid/ Derecognized)	(44,073,989)	-	-	(44,073,989)
Transferred to stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
Changes due to amendments	-	-	-	-
Written off balances	-	-	-	-
Adjustments due to changes in exchange rates	-	-	-	-
Total balance at the end of the period	63,181,002	-	-	63,181,002

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<u>For the year ended 31 December 2021</u> (Audited)	Stage 1	Stage 2	Stage 3	Total
	Individual	Individual	Individual	Individual
	JD	JD	JD	JD
Total balance as at the beginning of the year	70,942,494	-	-	70,942,494
New balances during the year	18,029,661	-	-	18,029,661
Repaid/ derecognized balances	(24,620,840)	-	-	(24,620,840)
Transferred to Stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
Changes resulting from amendments	-	-	-	-
Written off balances	-	-	-	-
Amendments resulting from changes in currency exchange	-	-	-	-
Total Balance as at the end of the year	64,351,315	-	-	64,351,315

Provision for expected credit losses movement:

<u>For the period ended 30 June 2022</u> (Unaudited)	Stage 1	Stage 2	Stage 3	Total
	Individual	Individual	Individual	Individual
	JD	JD	JD	JD
balance at the beginning of the period	37	-	-	37
Loss on impairment over new balances during the period	490	-	-	490
Recovered from impairment loss over settled Balances (Repaid/ Derecognized)	(37)	-	-	(37)
Transferred to stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
Impact on provision – as at period end– Due to reclassification between the 3 stages during the period	-	-	-	-
Changes due to amendments	-	-	-	-
Written off balances	-	-	-	-
Adjustments due to changes in exchange rates	-	-	-	-
Total Balance at the end of the period	490	-	-	490

<u>For the year ended 31 December 2021</u> (Audited)	Stage 1	Stage 2	Stage 3	Total
	Individual	Individual	Individual	Individual
	JD	JD	JD	JD
Balance at beginning of the year	1,058	-	-	1,058
Impairment loss on new balances during the year	8	-	-	8
Recoveries from impairment loss on (repaid/ derecognized)	(1,029)	-	-	(1,029)
Transferred to Stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
Effect on the provision -as at the end of the year- from the classification change among the three stages during the year	-	-	-	-
Changes resulting from adjustments	-	-	-	-
Written off balances	-	-	-	-
Amendments resulting from changes in currency exchange	-	-	-	-
Total Balance as at the end of the year	37	-	-	37

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(6) DEPOSITS AT BANKS AND FINANCIAL INSTITUTIONS

The details of this item are as follows:

	Local banks and financial Institutions		Foreign banks and financial Institutions		Total	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021	30 June 2022	31 December 2021
	JD	JD	JD	JD	JD	JD
	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Deposit matured within a period exceeding three months	3,545,000	-	-	-	3,545,000	-
Less: provision for expected credit loss	(87)	-	-	-	(87)	-
Total	3,544,913	-	-	-	3,544,913	-

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

Deposits at banks and financial institutions movement:

**For the period ended 30 June 2022
(Unaudited)**

	Stage 1	Stage 2	Stage 3	Total
	Individual	Individual	Individual	Individual
	JD	JD	JD	JD
Total balance at the beginning of the period	-	-	-	-
New balances during the period	3,545,000	-	-	3,545,000
Paid balances (Repaid/ Derecognized)	-	-	-	-
Transferred to stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
Changes from amendments	-	-	-	-
Written off balances	-	-	-	-
Adjustments due to changes in exchange rates	-	-	-	-
Total Balance at the end of the period	3,545,000	-	-	3,545,000

**For the year ended 31 December 2021
(Audited)**

	Stage 1	Stage 2	Stage 3	Total
	Individual	Individual	Individual	Individual
	JD	JD	JD	JD
Balance as at the beginning of the year	400,000	-	-	400,000
New balances during the year	-	-	-	-
Repaid/ derecognized balances	(400,000)	-	-	(400,000)
Transferred to Stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
Changes resulting from adjustments	-	-	-	-
Written off balances	-	-	-	-
Amendments resulting from changes in currency exchange	-	-	-	-
Total Balance as at the end of the year	-	-	-	-

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Provision for expected credit losses movement:

<u>For the period ended 30 June 2022</u> (Unaudited)	Stage 1 Individual JD	Stage 2 Individual JD	Stage 3 JD	Total JD
Balance at the beginning of the period	-	-	-	-
Loss on impairment over new balances during the period	87	-	-	87
Recovered from impairment loss over settled balances (Repaid/ Derecognized)	-	-	-	-
Transferred to stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
Impact on provision – as at period end – due to reclassification between the 3 stages during the period	-	-	-	-
Changes due to amendments	-	-	-	-
Written off balances	-	-	-	-
Adjustments due to changes in exchange rates	-	-	-	-
Total Balance at the end of the period	87	-	-	87
For the year ended 31 December 2021 (Audited)	Stage 1 Individual JD	Stage 2 Individual JD	Stage 3 JD	Total JD
Balance at beginning of the year	51	-	-	51
Impairment loss on new balances during the year	-	-	-	-
Recoveries from impairment loss on (repaid/ derecognized) balances	(51)	-	-	(51)
Transferred to Stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
Impact on the provision -as at the end of the year- from the (change of classification) among the three stages during the year	-	-	-	-
Changes resulting from adjustments	-	-	-	-
Written off balances	-	-	-	-
Amendments resulting from changes in currency exchange	-	-	-	-
Total Balance as at the end of the year	-	-	-	-

(7) FINANCIAL ASSETS AT FAIR VALUE THROUGH STATEMENT OF PROFIT AND LOSS

This item consists of the following:

	30 June 2022 JD (Unaudited)	31 December 2021 JD (Audited)
Right to receive Shares*	1,900,000	-
Investments funds	1	1
Total	1,900,001	1

*This item represents the fair value of the right to receive shares of a local company, as the issuance and acquisition of these shares will be completed during the third quarter of 2022, and the right to receive shares is part of the agreement to sell Al-Mawarid Company (formerly a subsidiary).

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

The details of this item are as follows:

	<u>30 June 2022</u>	<u>31 December 2021</u>
	JD	JD
	(Unaudited)	(Audited)
Quoted shares	34,861,478	31,466,048
Unquoted shares *	6,643,354	6,349,935
Total	<u>41,504,832</u>	<u>37,815,983</u>

* The fair value of unquoted shares has been determined according to the third level of the hierarchy book value, which is considered the best available instrument for measuring the fair value of these investments.

The realized gains from the sale of assets at fair value through other comprehensive income were JD 12,830 for the period ended 30 June 2022, against loss amounted to JD 127,397 for the period ended 30 June 2021 that directly credited to the retained earnings in equity.

Cash dividends for the above financial assets amounted to JD 816,654 for the Period ended 30 June 2022 against to JD 730,038 for the Period ended 30 June 2021.

(9) DIRECT CREDIT FACILITIES AT AMORTIZED COST – NET

The details of this item are as follows:

	<u>30 June 2022</u>	<u>31 December 2021</u>
	JD	JD
	(Unaudited)	(Audited)
Individuals (Retail)		
Overdraft	1,374,615	7,430,986
Loans and discounted bills *	237,813,069	223,765,567
Credit cards	69,485,916	59,964,500
Real estate loans	139,191,204	143,109,146
Corporates		
Large Corporates		
Overdraft	73,151,317	73,300,323
Loans and discounted bills *	237,054,397	222,842,273
SMEs		
Overdraft	6,673,171	8,694,116
Loans and discounted bills *	46,599,159	37,570,150
Government and public sector	59,212,948	66,538,061
Total	<u>870,555,796</u>	<u>843,215,122</u>
Less:		
Provision for expected credit loss	47,445,066	40,395,071
Interest in suspense **	16,803,687	14,184,774
Net direct credit facilities	<u>806,307,043</u>	<u>788,635,277</u>

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- * The balance is presented on a net basis, after deducting the commissions and interest received in advance amounted to JD 48,451,652 as of 30 June 2022, against JD 42,147,073 as of 31 December 2021.
- ** interest in suspense includes an amount of 2,789,937 JD as of June 30, 2022, compared to an amount of 1,883,139 JD as of December 31, 2021, representing interests in suspense against some performing accounts classified under the stage 2 and stage 3.
- Non-performing facilities amounted to JD 66,745,205 equivalent to 7.7% of total direct credit facilities balance, as of 30 June 2022 against JD 48,408,644 equivalent to 5.7% of total direct credit facilities balance, as of 31 December 2021.
- Non-performing credit facilities after deducting interest in suspense amounted to JD 52,731,455 equivalent to 6.2% of total direct credit facilities balance after deducting interest in suspense, as of 30 June 2022 against JD 36,107,009 equivalent to 4.4% of direct credit facilities balance, as of 31 December 2021.
- Credit facilities granted to the Jordanian government and/or under its guarantee amounted to 14,611,000 equivalents to 1.7% of total direct credit facilities as of 30 June 2022 against 17,054,479 equivalents to 2.0% of total direct credit facilities as of 31 December 2021.
- No non-performing debts were transferred to off-balance sheet items during the first half of 2022 and 2021.
- The value of non-performing debts transferred to the consolidated off-balance sheet items amounted to 60,722,801 JD as of June 30, 2022, and as of December 31, 2021.
- The Bank did not calculate and record an allowance for expected credit losses on the facilities granted to the government and the public sector and its guarantee in accordance with the instructions of the Central Bank of Jordan No. (13/2008) related to the application of IFRS No. (9).

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A- Provision for expected credit loss on direct credit facilities – collective bases

The movement on the provision for expected credit losses in Direct Credit Facilities was as follows:

	Corporates				Total
	Individuals	Real estate Loans	Large Corporate		
			Customers	SMEs	
	JD	JD	JD	JD	JD
For the period ended 30 June 2022 (Unaudited)					
Balance at the beginning of the period	14,685,741	2,716,848	15,332,634	7,659,848	40,395,071
Impact of selling a subsidiary	(255,854)	-	-	(119)	(255,973)
Impact of liquidation of a subsidiary	-	-	(22)	(707)	(729)
New balance from investment in subsidiaries	1,106,575	-	-	3,766,468	4,873,043
Deducted from (reversed to) revenue during the period	818,819	204,766	1,302,488	214,412	2,540,485
Provision utilized during the period (written off debts)	(18,151)	(44,919)	(5,071)	(38,690)	(106,831)
Balance at the end of the period	16,337,130	2,876,695	16,630,029	11,601,212	47,445,066
For the year ended 31 December 2021 (Audited)					
Balance at the beginning of the year	10,749,702	4,461,458	19,899,417	7,272,403	42,382,980
Deducted from (reversed to) revenue during the year	4,025,132	(1,607,419)	(4,563,650)	426,693	(1,719,244)
Provision utilized during the year (written off debts)	(89,093)	(137,191)	(3,133)	(39,248)	(268,665)
Balance at the end of the year	14,685,741	2,716,848	15,332,634	7,659,848	40,395,071

B- Total facilities movement Classified per stage

**For the period ended 30 June 2022
(Unaudited)**

	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD		
Total balance at the beginning of the period	644,682,736	-	122,320,781	-	76,211,605	843,215,122
New balances from investment in subsidiaries	7,053,922	-	936,845	-	6,849,445	14,840,212
Impact of selling a subsidiary	(8,585,741)	-	(85,611)	-	(660,820)	(9,332,172)
Impact of liquidation of a subsidiary	(830,922)	-	-	-	-	(830,922)
New balances during the period	115,476,392	-	7,519,781	-	2,614,647	125,610,820
Paid balances (Repaid/ Derecognized)	(62,140,932)	-	(9,305,268)	-	(2,981,375)	(74,427,575)
Transferred to stage 1	44,635,201	-	(43,961,744)	-	(673,457)	-
Transferred to stage 2	(34,118,149)	-	47,266,745	-	(13,148,596)	-
Transferred to stage 3	(4,854,915)	-	(11,908,282)	-	16,763,197	-
Changes due to amendments	(23,544,505)	-	(4,283,471)	-	(443,300)	(28,271,276)
Written off balances	-	-	-	-	(248,413)	(248,413)
Adjustments due to changes in exchange rates	-	-	-	-	-	-
Total Balance at the end of the period	677,773,087	-	108,499,776	-	84,282,933	870,555,796

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	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD		
For the year ended 31 December 2021 (Audited)						
Total balance as at the beginning of the year	337,988,089	261,214,869	86,877,265	21,555,878	77,150,088	784,786,189
New balances during the year/Additions	187,848,250	21,282,564	6,194,572	1,131,685	6,481,433	222,938,504
Repaid/ derecognized balances	(58,697,796)	(53,707,085)	(14,055,209)	(4,268,863)	(10,065,822)	(140,794,775)
Transferred to Stage 1	28,468,752	-	(19,461,873)	(3,171,715)	(5,835,164)	-
Transferred to stage 2	(37,382,463)	(15,391,558)	54,055,440	-	(1,281,419)	-
Transferred to stage 3	(4,189,386)	(3,976,019)	(1,750,605)	(2,550,625)	12,466,635	-
Changes from amendments	190,647,290	(209,422,771)	10,461,191	(12,696,360)	(2,116,904)	(23,127,554)
Written off	-	-	-	-	(587,242)	(587,242)
Amendments resulting from changes in currency exchange	-	-	-	-	-	-
Total Balance as at the end of the year	644,682,736	-	122,320,781	-	76,211,605	843,215,122

C- Movement on provision for expected credit losses for facilities per sector:

For the period ended 30 June 2022 (Unaudited)	Individuals	Real estate loans	Corporates		Government and public sector	Total
			Large Corporate	SMEs		
			JD	JD		
Balance at the beginning of the period	14,685,741	2,716,848	15,332,634	7,659,848	-	40,395,071
Impact of selling a subsidiary	(255,854)	-	-	(119)	-	(255,973)
Impact of liquidation of a subsidiary	-	-	(22)	(707)	-	(729)
New balances from investment in subsidiaries	1,106,575	-	-	3,766,468	-	4,873,043
Loss on impairment over new balances during the period	2,657,067	792,213	2,082,305	550,287	-	6,081,872
Recovered from impairment loss over settled balances (Repaid/ Derecognized)	(1,174,761)	(368,507)	(523,167)	(767,271)	-	(2,833,706)
Transferred to stage 1	150,432	31,739	482,618	(4,618)	-	660,171
Transferred to stage 2	(129,560)	(198,898)	(613,863)	95,557	-	(846,764)
Transferred to stage 3	(20,872)	167,159	131,245	(90,939)	-	186,593
Impact on provision – as at period end – due to reclassification between the 3 stages during the period	-	-	-	-	-	-
Changes due to amendments	(663,487)	(218,940)	(256,650)	431,396	-	(707,681)
Written off balances	(18,151)	(44,919)	(5,071)	(38,690)	-	(106,831)
Adjustments due to changes in exchange rates	-	-	-	-	-	-
Total Balance at the end of the period	16,337,130	2,876,695	16,630,029	11,601,212	-	47,445,066

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For the year ended 31 December 2021 (Audited)	Retail	Real estate loans	Corporate	SMEs	Government and public sector	Total
	JD	JD	JD	JD	JD	JD
Balance at beginning of the year	10,749,702	4,461,458	19,899,417	7,272,403	-	42,382,980
Impairment loss over new balance / Addition	5,957,233	1,289,386	7,233,112	2,422,835	-	16,902,566
Repaid/ derecognized balances	(1,939,828)	(2,979,144)	(9,343,433)	(1,843,113)	-	(16,105,518)
Transferred to Stage 1	360,966	51,460	54,825	(10,335)	-	456,916
Transferred to stage 2	45,767	(27,109)	(283,010)	15,680	-	(248,672)
Transferred to stage 3	(406,733)	(24,351)	228,185	(5,345)	-	(208,244)
The effect on the provision – as at the end of the year – as a result of changing the classification between the three stages during the year	-	-	-	-	-	-
Changes from amendments	7,727	82,339	(2,453,329)	(153,029)	-	(2,516,292)
Written off	(89,093)	(137,191)	(3,133)	(39,248)	-	(268,665)
Amendments resulting from changes in currency exchange	-	-	-	-	-	-
Total Balance as at the end of the year	14,685,741	2,716,848	15,332,634	7,659,848	-	40,395,071

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D- Interest in suspense

The movement on interest in suspense was as follows:

	Individuals JD	Real estate Loans JD	Corporates		Total JD
			Large Corporate JD	SMEs JD	
(Unaudited)					
For the period ended 30 June 2022					
balance at the beginning of the period	3,852,831	1,771,634	5,646,871	2,913,438	14,184,774
Impact of selling a subsidiary	(144,433)	-	(22,129)	-	(166,562)
New balances from investment in subsidiaries	215,181	-	702,631	-	917,862
Interest in suspense for the period	676,478	370,914	268,013	1,401,138	2,716,543
Interest transferred to revenues	(203,052)	(8,217)	(186,355)	(272,957)	(670,581)
Interest in suspense written off*	(95,515)	(25,430)	(11)	(57,393)	(178,349)
Balance at the end of period	4,301,490	2,108,901	5,706,389	4,686,907	16,803,687
(Audited)					
For the year ended 31 December 2021					
balance at the beginning of the year	3,427,284	1,122,807	3,743,678	2,177,433	10,471,202
Interest in suspense for the year	960,923	794,927	2,363,983	966,426	5,086,259
Interest transferred to revenue	(367,139)	(87,958)	(460,627)	(138,386)	(1,054,110)
Interest in suspense written-off*	(168,237)	(58,142)	(163)	(92,035)	(318,577)
Balance at the end of the year	3,852,831	1,771,634	5,646,871	2,913,438	14,184,774

* According to the Board of Directors decision and senior management of the Subsidiaries, non-performing credit facilities with their related interest, against which provisions and interest in suspense were booked, were written off by an amount of JD 285,180 during the period ended 30 June 2022 against JD 587,242 for the year ended 31 December 2021.

E- Gross facilities are distributed according to o the bank's internal credit rating categories:

	Stage 1		Stage 2		Stage 3	30 June 2022	31 Dec 2021
	Individual JD	Collective JD	Individual JD	Collective JD	JD	(Unaudited) JD	(Audited) JD
(1 to 5)	286,258,929	-	28,898,656	-	3,032,964	318,190,549	310,463,634
(6 to 7)	73,035,347	-	44,370,488	-	20,370,802	137,776,637	147,447,281
(8 to 10)	-	-	-	-	19,413,299	19,413,299	17,335,463
Unclassified	318,478,811	-	35,230,632	-	41,465,868	395,175,311	367,968,744
Total	677,773,087	-	108,499,776	-	84,282,933	870,555,796	843,215,122

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F- The total movement in the provision of expected credit losses:

**For the period ended 30
June 2022
(Unaudited)**

	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective	JD	JD
	JD	JD	JD	JD		
Balance at the beginning of the period	2,885,428	-	2,812,451	-	34,697,192	40,395,071
New balances from investment in subsidiaries	351,913	-	174,657	-	4,346,473	4,873,043
Impact of selling a subsidiary	(215)	-	(1,346)	-	(254,412)	(255,973)
Impact of liquidation of a subsidiary	(729)	-	-	-	-	(729)
Loss on impairment over new balances during the period	2,135,298	-	2,557,627	-	1,388,947	6,081,872
Recovered from impairment loss over settled balances (Repaid/ Derecognized)	(230,718)	-	(689,234)	-	(1,913,754)	(2,833,706)
Transferred to stage 1	932,646	-	(836,363)	-	(96,283)	-
Transferred to stage 2	(211,506)	-	497,526	-	(286,020)	-
Transferred to stage 3	(59,010)	-	(507,616)	-	566,626	-
Impact on provision – as at period end – due to reclassification between the 3 stages during the period	(2,738,726)	-	(1,202,469)	-	3,941,195	-
Changes due to amendments	(848,539)	-	(241,133)	-	381,991	(707,681)
Written off balances	-	-	-	-	(106,831)	(106,831)
Adjustments due to changes in exchange rates	-	-	-	-	-	-
Total	2,215,842	-	2,564,100	-	42,665,124	47,445,066

**For the year ended 31
December 2021
(Audited)**

	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective	JD	JD
	JD	JD	JD	JD		
Balance at the beginning of the year	367,657	1,720,700	1,200,471	876,022	38,218,130	42,382,980
Loss on impairment over new balances during the year	3,794,154	2,332,028	1,655,404	1,195,164	7,925,819	16,902,569
Recovered from impairment loss over settled balances (Repaid/ Derecognized)	(64,291)	(581,278)	(439,911)	(357,316)	(14,662,725)	(16,105,521)
Transferred to stage 1	725,842	-	(147,335)	(141,691)	(436,816)	-
Transferred to stage 2	(53,559)	(132,737)	408,619	-	(222,323)	-
Transferred to stage 3	(18,105)	(64,269)	(226,912)	(141,709)	450,995	-
Impact on provision – as at period end – due to reclassification between the 3 stages during the year	(1,831,168)	(3,264,768)	201,864	(1,430,628)	6,324,700	-
Changes due to amendments	(35,102)	(9,676)	160,251	158	(2,631,923)	(2,516,292)
Written off balances	-	-	-	-	(268,665)	(268,665)
Adjustments due to changes in exchange rates	-	-	-	-	-	-
Total	2,885,428	-	2,812,451	-	34,697,192	40,395,071

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- G- Direct credit facilities are distributed according to the economic sector as follows, noting that all these facilities are granted to parties inside Jordan:

	<u>30 June 2022</u>	<u>31 December 2021</u>
	<u>JD</u>	<u>JD</u>
	(Unaudited)	(Audited)
Financial	10,637,973	8,790,313
Manufacturing and mining	93,023,504	89,725,197
Trade	113,564,016	107,426,825
Real Estate	139,191,204	143,109,146
Construction	43,396,683	45,231,802
Agriculture	756,760	431,354
Tourism, restaurants, and public facilities	108,740,759	94,754,953
Shares	1,100,601	9,332,171
Government and public sector	59,212,948	66,538,061
Individuals	300,931,348	277,875,300
Total	<u>870,555,796</u>	<u>843,215,122</u>

(10) FINANCIAL ASSETS AT AMORTISED COST

The details of this item are as follows:

	<u>30 June</u>	<u>31 December</u>
	<u>2022</u>	<u>2021</u>
	<u>JD</u>	<u>JD</u>
	(Unaudited)	(Audited)
Quoted financial assets:		
Government bills and treasury bonds	171,417,936	117,266,045
Corporate bonds and debentures	3,545,000	3,545,000
Total	<u>174,962,936</u>	<u>120,811,045</u>
Unquoted financial assets:		
Government treasury bonds	4,041,297	14,676,294
Corporate bonds and debentures *	49,120,000	52,620,000
Total	<u>53,161,297</u>	<u>67,296,294</u>
Provision for Expected Credit Loss	(729,021)	(716,821)
Total financial assets at amortized cost	<u>227,395,212</u>	<u>187,390,518</u>
Analysis of bonds and treasury bills		
Fixed-rate	187,959,234	143,759,856
Floating rate	39,435,978	43,630,662
	<u>227,395,212</u>	<u>187,390,518</u>

- During the first half of 2021, the bank sold financial assets at amortized cost before the maturity date, amounting to 17,799,000 JD, and this resulted in profits of 592,662 JD during the first half of 2021.

- The bank has not calculated and recorded an allowance for expected credit loss on government treasury bonds and bills, according to the instructions of the Central Bank of Jordan regarding the implementation of IFRS (9).

*Net after deducting interests in suspense in the amount of 563,093 JD as of June 30, 2022, compared to 344,766 JD as on December 31, 2021, which represents interests in suspense against corporate loan bonds and bonds classified within the third stage in accordance with the instructions of the Central Bank of Jordan (13/2018) related to the application of IFRS Finance No. (9).

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Financial assets at amortised costs movement:

	Stage 1	Stage 2	Stage 3	Total
	Individual	Individual	Individual	Individual
	JD	JD	JD	JD
Balance at the beginning of the period	182,987,339	-	5,120,000	188,107,339
Impact of selling a subsidiary	(3,500,000)	-	-	(3,500,000)
New investment during the period	73,020,662	-	-	73,020,662
Matured investments (Matured/ derecognized)	(29,503,768)	-	-	(29,503,768)
Change in fair value	-	-	-	-
Transferred to stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
Changes due to amendments	-	-	-	-
Written off balances	-	-	-	-
Adjustments due to changes in exchange rates	-	-	-	-
Total Balance at the end of the period	223,004,233	-	5,120,000	228,124,233

For the year ended 31 December 2021

	Stage 1	Stage 2	Stage 3	Total
	Individual	Individual	Individual	Individual
	JD	JD	JD	JD
Balance at the beginning of the year	168,467,882	5,120,000	-	173,587,882
New investments during the year	95,321,225	-	-	95,321,225
Matured Investments (Matured / Derecognized)	(80,801,768)	-	-	(80,801,768)
Change in fair value	-	-	-	-
Transferred to stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	(5,120,000)	5,120,000	-
Changes due to amendments	-	-	-	-
Written off balances	-	-	-	-
Adjustments due to changes in exchange rates	-	-	-	-
Total Balance at the end of the year	182,987,339	-	5,120,000	188,107,339

Provision for expected credit loss movement:

	Stage 1	Stage 2	Stage 3	Total
	Individual	Individual	Individual	Individual
	JD	JD	JD	JD
Balance at the beginning of the period	36,821	-	680,000	716,821
Impact of selling a subsidiary	(11,926)	-	-	(11,926)
Loss on impairment over new investment during the period	24,126	-	-	24,126
Recovered from impairment loss over Matured investment (Matured/ Derecognized)	-	-	-	-
Transferred to stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
Impact on provision – as at period end – due to reclassification between the 3 stages during the period	-	-	-	-
Changes due to amendments	-	-	-	-
Written off balances	-	-	-	-
Adjustments due to changes in exchange rates	-	-	-	-
Total Balance at the end of the period	49,021	-	680,000	729,021

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For the year ended 31 December 2021 (Audited)	Stage 1	Stage 2	Stage 3	Total
	Individual	Individual		
	JD	JD	JD	JD
Balance at the beginning of the year	36,246	680,000	-	716,246
Loss on impairment over new investment during the year	5,148	-	-	5,148
Recovered from impairment loss over Matured investment (Matured/ Derecognized)	(4,573)	-	-	(4,573)
Transferred to stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	(680,000)	680,000	-
Impact on provision – as at year end – due to reclassification between the 3 stages during the year	-	-	-	-
Changes due to amendments	-	-	-	-
Written off balances	-	-	-	-
Adjustments due to changes in exchange rates	-	-	-	-
Total Balance at the end of the year	36,821	-	680,000	716,821

(11) OTHER ASSETS

The details of this item are as follows:

	30 June 2022	31 December 2021
	JD (Unaudited)	JD (Audited)
Interest and income under collection	3,326,126	2,931,535
Prepaid expenses	2,158,169	1,360,132
Assets seized by bank in settlement of debt*	39,901,720	40,685,861
Refundable deposits	490,431	547,318
Clearance Cheques	351,586	42,222
Balances related to fraudulent transaction -net**	1,039,200	1,039,200
Purchased acceptances	9,964,925	1,582,868
Others	8,664,153	6,170,635
Total	65,896,310	54,359,771

* According to the instructions of the Central Bank of Jordan, assets seized by the bank must be disposed of in settlement of debts owed by customers within two years from the date of their acquisition, and the Central Bank of Jordan may, in exceptional cases, extend this period for a maximum of two consecutive years. The seized assets appear net after deducting the allowance for impairment for an amount of 66,840 JD as of June 30, 2022, compared to 26,110 JD as of December 31, 2021, and the seized assets provision according to the instructions of the Central Bank of Jordan for an amount of 2,930,716 JD as of June 30, 2022 compared to 1,437,276 JD as of December 31, 2021.

** This item includes net balance related to the fraudulent transactions after deducting the related provision as shown below:

	30 June 2022	31 December 2021
	JD (Unaudited)	JD (Audited)
Balance related to fraudulent transactions	12,974,700	12,974,700
Less: Provision related to this balance	10,435,500	10,435,500
Less: Proceeds from the insurance company	1,500,000	1,500,000
Balance at the end of the period/year	1,039,200	1,039,200

During 2012, the bank was exposed to manipulation of the bank's cash accounts with other banks and banking institutions, which led to a loss of amounts estimated at 12.9 million JD, mainly due to the possibility of collusion between some of the bank's employees by deceiving them. regarding internal control and control procedures. The necessary legal measures were taken by the bank's management, and a provision was made in the amount of 10.4 million JD as of June 30, 2022, and December 31, 2021, after excluding the amounts expected to be recovered from the seized assets and putting them up. - Refunds from the insurance company amounting to 1.5 million JD, knowing that the case is under consideration, currently from the Amman Criminal Court, where the procedures of the Attorney General have ended.

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(12) CUSTOMERS' DEPOSITS

The details of this item are as follows:

	Individuals	Large Corporates	SMEs	Government and Public sector	Total
	JD	JD	JD	JD	JD
(Unaudited)					
30 June 2022					
Current and Call accounts	82,743,859	84,550,774	13,888,604	1,050,698	182,233,935
Saving deposits	57,912,657	2,989,009	12,452	-	60,914,118
Time and notice deposits	364,655,462	174,848,842	6,641,117	48,503,601	594,649,022
Total	505,311,978	262,388,625	20,542,173	49,554,299	837,797,075
(Audited)					
31 December 2021					
Current and Call accounts	76,249,622	71,329,398	11,781,953	1,067,788	160,428,761
Saving deposits	48,792,277	3,436,085	7,819	-	52,236,154
Time and notice deposits	359,883,921	168,166,771	10,245,045	41,557,352	579,853,089
Total	484,925,820	242,932,227	22,034,817	42,625,140	792,518,004

- Government and Public sector deposits amounted to JD 49,554,299 equivalent to 5.9% of total deposits as of 30 June 2022 against to JD 42,625,140, equivalent to 5.4% as of 31 December 2021.
- Non-interest-bearing deposits amounted to JD 200,633,778 equivalent to 23.9% of total deposits as of 30 June 2022 against JD 189,337,965 equivalent to 23.9% as of 31 December 2021.
- Retained (Restricted) deposits amounted to JD 15,992,702 equivalent to 1.9% of total deposits as of 30 June 2022 against JD 14,302,681 equivalent to 1.9% as of 31 December 2021.
- Dormant deposits amounted to JD 8,028,134 as of 30 June 2022, against JD 6,788,215 as of 31 December 2021.

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(13) BORROWED FUNDS

The details of this item are as follows:

	Amount	Number of instalments		Frequency of instalments	Guarantees	Loan interest rate
		Total	Remaining			
(Unaudited)	JD					
30 June 2022						
Loans borrowed from Central Bank of Jordan	9,821,575	1,953	1,546	Monthly	Promissory notes	Zero to 1.0%
Loans borrowed from banks/ Local financial institutions	190,162,016	574	340	Monthly, quarterly, semi-annual and at maturity	Cash deposits/ mortgage bonds/ equipment and property mortgage/ promissory notes	4.5% to 6.5%
Borrowing from foreign institutions	7,928,038	16	12	Semi-annual and at maturity	-*	1.86% to 5%
Total	207,911,629					
(Audited)						
31 December 2021						
Loans borrowed from Central Bank of Jordan	11,296,802	2,005	1,728	Monthly	Promissory notes	Zero to 1.0%
Loans borrowed from banks/ Local financial institution	176,394,980	605	400	Monthly, quarterly, semi-annual and at maturity	Cash deposits/ mortgage bonds/ equipment and property mortgage/ promissory notes	4.5% to 6.5%
Borrowing from foreign institutions	9,281,519	16	14	Semi-annual and at maturity	- *	1.76% to 5%
Total	196,973,301					

- Borrowed funds from the Central Bank of Jordan amounted to JD 9,821,575 which represent funds borrowed to refinance customers' facilities through medium term financing programs and Central Bank of Jordan program to assist SMEs in facing COVID-19, this was refinanced with an average interest rate amounted to 3.39%.
- The number of beneficiaries from the Central Bank of Jordan's program which aims to assist SMEs in facing COVID-19 is 43 clients as of June 30, 2022. These loans are matured within a period of 54 months from the date of the granting and including the grace period according to the requirements of the program.
- Borrowed funds represent amounts borrowed from local banks amounted to JD 159,662,016 which are presented by overdraft accounts and revolving loans granted to the subsidiaries (Al-Istethmari Letamweel Selselat Al Imdad, Tamkeen Leasing Company, Jordan Trade Facilities Company and Bindar Trading and Investment Company).
- Borrowed funds from local institutions represent amounts borrowed from Jordan Mortgage Refinancing Company amounted to JD 30,500,000, additionally, housing loans are refinanced with an interest rate amounted to 6.31% as of June 30, 2022, against 6.20% as of December 31, 2021.
- Borrowed funds from foreign institutions represent amounts borrowed from Sanad fund to finance small projects by an amount of USD 11.2 Million, equivalent to JD 7,928,038 as of June 30, 2022, against USD 13.1 Million, equivalent to JD 9,281,519 for to the Bank and its subsidiary (Jordan Trade Facilities Company) as of December 31, 2021.
- Fixed interest loans and floating interest loans are amounted to JD 60,595,924 and JD 147,315,705 respectively, as of June 30, 2022 against JD 68,238,500 fixed interest loans and JD 128,734,801 floating interest loans as at December 31, 2021.

* The Bank issued a Letter of Comfort.

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14) BONDS

This item represents bonds issued on behalf of subsidiaries and as follow:

<u>Subsidiary</u>	<u>Value of bonds</u>	<u>Interest rate</u>	<u>Gross instalments</u>	<u>Remaining instalments</u>	<u>Frequency of instalments maturity</u>	<u>Guarantees</u>	<u>Issue date</u>	<u>Maturity date</u>
30 June 2022 (Unaudited)								
	JOD							
Tamkeen Leasing Co	5,000,000	5.25%	1	1	One payment at the date of maturity	N/A	24 August 2021	22 September 2022
Jordan Trade Facilities Company	5,280,000	5.25%	1	1	One payment at the date of maturity	N/A	25 November 2021	24 November 2022
Total	10,280,000							
31 December 2021 (Audited)								
Tamkeen Leasing Co	5,000,000	5.25%	1	1	One payment at the date of maturity	N/A	24 August 2021	22 September 2022
Bindar Trade and Investment Company	3,000,000	5.25%	1	1	One payment at the date of maturity	N/A	29 June 2021	23 June 2022
Jordan Trade Facilities Company	5,280,000	5.25%	1	1	One payment at the date of maturity	N/A	25 November 2021	24 November 2022
Total	13,280,000							

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(15) INCOME TAX

A. Income tax provision

The movement on Provision for Income tax was as follows:

	<u>30 June 2022</u>	<u>31 December 2021</u>
	JD	JD
	(Unaudited)	(Audited)
Beginning balance for the period / year	7,057,031	6,189,284
Impact of selling a subsidiary	(200,968)	-
New Balances from investment in subsidiaries	75,351	-
Total Income tax paid	(6,639,444)	(7,729,743)
Income tax (Recovered from) Prior year's income tax	-	(84,185)
Income tax for the period / year	<u>5,839,008</u>	<u>8,681,675</u>
Ending balance for the period / year	<u>6,130,978</u>	<u>7,057,031</u>

Income tax is calculated according to applicable laws, regulations and International financial reporting standards.

B. Income tax presented in the consolidated statement of profit or loss consists of the following:

	<u>30 June 2022</u>	<u>30 June 2021</u>
	JD	JD
	(Unaudited)	(Unaudited)
Income tax on current period profit	5,839,008	4,224,316
Impact of Disposal of a Subsidiary	91,031	(79,471)
Prior years income tax	-	13,051
Deferred tax assets for the period – additions	(2,302,194)	(3,217,089)
Amortization of deferred tax assets for the period	<u>1,434,398</u>	<u>3,937,567</u>
	<u>5,062,243</u>	<u>4,878,374</u>

Bank's tax status:

- The financial period is charged with its income tax expense in accordance with the regulations, laws and international financial reporting standards, and the necessary tax provision is calculated and recorded.
- The Bank has reached to a final settlement with the Income and Sales Tax Department for the financial years up to the end of the year 2018.
- The Bank has submitted its tax return for the year 2019,2020 and 2021 upon the legal due date.
- As per the opinion of the Bank's management and its tax consultant, the provisions booked are sufficient to meet any tax obligations as of 30 June 2022.

Tax status of Tamkeen Leasing Company (Subsidiary)

- The company did not submit its self-assessment statements for the period since inception on 31 October 2006 till 31 December 2009 as it did not operate during those years.
- The Company has reached to a final settlement with the income and sales tax department regarding income tax for the years 2010 to 2017.
- The company has submitted its tax return for the year 2018 upon the legal due date, The tax return was accepted according to sampling system.
- The company has submitted its tax return for the year 2019 ,2020 and 2021 upon the legal due date.
- The Company has submitted its returns on general sales tax upon the legal due date. The income and sales tax department has audited the returns of general sales tax up to 31 December 2017. The company has submitted the subsequent returns upon the legal due date in addition of paying the related tax due up to the date of the preparation of these interim condensed consolidated financial statements.
- As per the opinion of the company's management and its tax consultant, the company will not have any tax liabilities exceeding the booked provision as of 30 June 2022.

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Tax status of Al Istethmari Letamweel Selselat Al Imdad Company (Subsidiary)

- The company has reached to a final settlement with the income and sales tax department for the financial years up to the end of 2010.
- The company has submitted its annual income tax returns (annual income tax statements) for the years from 2011 till 2014 within the legal period and has settled all outstanding liabilities within that legal period. Annual income tax returns (annual income tax statements) have been accepted by the Income and sales tax department without any amendments.
- The company's tax has been evaluated by the tax authorities up to the end of the year 2018 and no deferred tax liabilities were existed during that period. The tax return was accepted for 2018 according to the sampling system.
- The company has submitted its tax return for the year 2019,2020 and 2021 upon the legal due date.
- The company has submitted the returns of general sales tax within the legal period and no deferred tax liabilities were applicable up to date.
- Sales tax returns were accepted without modification up to the end of 2017, and subsequent tax returns has been submitted upon the legal due date and the related tax due was paid up to the date of these interim condensed consolidated financial statements.
- As per the opinion of the company's management and its tax consultant, the company will not have any tax liabilities exceeding the booked provision as of 30 June 2022.

Tax status of Jordan Trade Facilities Company and its subsidiaries (Subsidiary)

- The company has reached to a final settlement with the income and sales tax department up to the end of the year 2017. The tax return was accepted for 2018 according to the sampling system.
- The company has submitted its tax return for the years 2019,2020 and 2021 upon the legal due date.
- The Company has submitted its returns of general sales tax upon the legal due date. The income and sales tax department has audited the submitted returns up to the end of 2016. Tax returns related to the subsequent period have been submitted upon the legal due date.
- The subsidiary (Trade Facilities for Finance Leasing Company) has made a final settlement with the income and sales tax department to the end of 2011 the tax returns was accepted for 2012-2018 according to the sampling system .
- The subsidiary (Trade Facilities for Finance Leasing Company) has submitted its tax return for the years 2019, 2020 and 2021 upon the legal due date which has not yet been reviewed by the Income and Sales Tax Department.
- The subsidiary (Trade Facilities for Finance Leasing Company) has submitted returns on general sales tax upon the legal due date. The income and sales tax department has audited the returns submitted up to 2013, noting that the returns submitted for the tax period up to end of 2017 are submitted upon their legal due date.
- As per the opinion of the company' management and its tax consultant, Trade Facilities Company and its subsidiary will not have any tax liabilities exceeding the booked provision as of 30 June 2022.

Tax status of Bindar Trade and Investment Company (Subsidiary)

- The Company has reached to a final settlement with the income and sales tax department until the end of the year 2018 and 2020.
- The company has submitted its tax return for the years 2019 and 2021 upon the legal due date and paid the tax due.
- Returns of general sales tax were audited up to the end of 2017, and subsequent returns were submitted upon the legal due date and its related tax due were paid up to the date of the preparation of these condensed consolidated financial statements.
- The subsidiary (Bindar Leasing Company) has made a final settlement with the Income and Sales Tax Department up to the end of 2020, and the tax return for the year 2021 was submitted upon the legal due date and the company has no tax obligations up to the date of the preparation of these interim condensed consolidated Financial statements.

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- The subsidiary (Bindar Leasing Company) has registered in the sales tax as of 1 January 2017. The tax returns have been submitted and the due tax has been paid up to the date of the preparation of these interim condensed consolidated Financial statements.
- The subsidiary (Robou Al Sharq Real Estate) has reached to a final settlement with the income and sales tax department up to the end of the years 2018 and 2020.
- The subsidiary (Robou Al Sharq Real Estate) has submitted its tax return for the years 2019 and 2021 and the tax due was paid upon the legal due date.
- The subsidiary (Rakeen Real Estate Company) has reached to a final settlement with the income and sales tax department until the end of the years 2018 and 2020.
- The subsidiary (Rakeen Real Estate Company) has submitted its tax return for the years 2019 and 2021 and the tax due was paid upon the legal due date.
- The subsidiary company (Al Qimma Automotive Commercial Facilities Company) made a final settlement with the Income and Sales Tax Department of the company until the end of 2019, and the tax returns for 2020 and 2021 were submitted within the legal period and the tax due was paid on the legally specified date.
- The subsidiary company (Al Qimma Automotive Commercial Facilities Company) audited the general sales tax returns until the end of 2015, and the subsequent returns were submitted on the legally specified date and the tax due related to them was paid up to the date of preparing these interim condensed consolidated financial statements.
- As per the opinion of the company's management and its tax consultant, the company and its subsidiary will not have any tax liabilities exceeding the booked provision as of 30 June 2022.

Tax Status of The Jordanian Company for Factoring (Subsidiary)

- The company has submitted its tax return for the years since 2012 until 2021 upon the legal due date. The tax returns were accepted for the years 2012 and 2013 according to the sampling system.
- The company has registered in the sales tax as of 7 July 2020. The tax returns have been submitted and the due tax has been paid up to the date of the preparation of these interim condensed consolidated Financial statements.
- As per the opinion of the company's management and its tax consultant, the company will not have any tax liabilities exceeding the booked provision as of 30 June 2022.

C. The summary of the reconciliation between accounting income and taxable income is as follows:

	30 June 2022	30 June 2021
	JD	JD
	(Unaudited)	(Unaudited)
Accounting profit	15,188,302	13,576,367
Non-taxable profits	(8,045,815)	(827,939)
Acceptable tax expenses for prior years	(4,073,247)	(11,073,908)
Non-acceptable expenses in terms of tax	9,569,193	10,512,482
Tax profit	12,638,423	12,187,002
Legal Income tax percentage for the Bank*	38%	38%
Legal Income tax percentage for the subsidiary companies*	28%	28%

* Except for some items subject to different tax rates according to the applicable income tax law.

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16) OTHER LIABILITIES

The details of this item are as follows:

	<u>30 June 2022</u>	<u>31 December 2021</u>
	JD	JD
	(Unaudited)	(Audited)
Certified and acceptable checks	1,240,453	1,124,883
Accrued interest payable	6,122,908	4,956,934
Sunday creditors	5,199,622	4,087,044
Payables of financial brokerage clients	-	632,509
Unpaid dividend distribution	137,407	142,104
Iron safes insurance	148,327	147,778
Unpaid Accrued expenses	1,534,634	2,114,090
Other liabilities	5,258,350	4,219,704
Provision for impairment on off-balance sheet items according to IFRS (9)	1,210,957	1,511,347
Total	<u>20,852,658</u>	<u>18,936,393</u>

(17) RESERVES

The amount accumulated in this account represents the transferred amounts from the annual net income before tax at 10% according to the companies and banks law. This reserve cannot be distributed to shareholders.

The movement of the restricted reserves are as follows:

Reserve	<u>30 June 2021</u>	<u>31 December 2020</u>
	JD	JD
	(Unaudited)	(audited)
Balance at the beginning of the period/year	33,371,695	30,643,329
(Recovered from) Transferred to statutory reserve	(1,648,610)	2,728,366
Balance at the end of the period/ year	<u>31,723,085</u>	<u>33,371,695</u>

(18) FINANCIAL ASSETS REVALUATION RESERVE - NET

The movement on this item is as follows:

	<u>30 June 2022</u>	<u>31 December 2021</u>
	JD	JD
	(Unaudited)	(audited)
Balance at the beginning of the period/year	6,362,363	8,560,247
Unrealized loss on stocks	2,150,344	(3,734,672)
Deferred tax liabilities	(1,082,517)	1,627,677
(Gains) Losses on sale of financial assets at fair value through other comprehensive income transferred to the retained earnings	(12,831)	(90,889)
Balance at the end of the period/ year	<u>7,417,359</u>	<u>6,362,363</u>

* The financial assets revaluation reserve is presented after deducting the deferred tax liabilities in the amount of JD 4,572,583 as at 30 June 2022 against JD 3,490,066 as at December 31, 2021.

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(19) RETAINED EARNINGS

The movement on retained earnings is as follows:

	<u>30 June 2022</u>	<u>31 December 2021</u>
	JD	JD
	(Unaudited)	(audited)
Balance at the beginning of the period/ year	42,612,312	39,363,524
Profit for the year	-	17,812,151
Transferred to reserves	1,648,610	(2,728,366)
Distributed dividends*	(10,000,000)	(12,000,000)
Gains on sale of financial assets at fair value through other comprehensive income	12,831	90,889
Effect of increase in investment in subsidiaries	6,555	74,114
Balance at the end of the period/ year	<u>34,280,308</u>	<u>42,612,312</u>

- Retained earnings Include an amount of JD 17,766,314 restricted against deferred tax assets according to the instructions of the Central Bank of Jordan as of 30 June 2022 against JD 15,801,272 as of 31 December 2021.
- Retained earnings Include an amount of JD 1,039,200 as of 30 June 2022 and 31 December 2021 restricted according to the instructions of the Central Bank of Jordan, which represents the remainder of the balances of the fraud case.
- Retained earnings Includes an amount of JD 415,199 as of 30 June 2022 and 31 December 2021, which represents the effect of the early adoption of IFRS (9). Such amount is restricted and cannot be utilized unless realized through actual sale as instructed by Jordan Securities Commission.
- Retained earnings do not include any amounts that represent unrealized profits of financial assets at fair value through the statement of profit or loss unrealized as on June 30, 2022 and December 31, 2021.
- In accordance with instructions of the Central Bank of Jordan No. (13/ 2018), the accumulated balance of the general banking risk reserve item amounting to JD 6,365,000 as at 31 December 2017 has been transferred to the retained earnings item for offset with the impact of the IFRS 9. Surplus from the amount after the offset amounting to JD 1,971,056 is restricted.
- Use of financial assets revaluation reserve is restricted and require prior approval from central bank of Jordan

* According to the decision of the General Assembly of Shareholders on April 20, 2022, 10 million JD were distributed from the retained earnings for the year 2021, which is equivalent to 10% of the bank's capital. And equivalent to 12% of the bank's capital.

(20) INTEREST INCOME

The details of this item are as follows:

	<u>30 June 2022</u>	<u>30 June 2021</u>
	JD	JD
	(Unaudited)	(Unaudited)
Direct credit facilities		
Individuals (Retail):		
Loans and bills	10,594,894	8,250,109
Overdrafts	26,128	34,482
Credit cards	4,006,671	2,392,137
Mortgage Loans	4,543,727	4,870,110
Large corporate:		
Loans and bills	7,194,588	7,839,236
Overdrafts	2,471,070	2,862,097
SMEs		
Loans and bills	2,120,741	1,719,335
Overdrafts	357,724	209,020
Government and public sector	2,043,953	1,413,859
Balances at the Central Bank of Jordan	673,767	367,293
Balances and deposits at banks and financial institutions	202,010	265,186
Financial assets at amortized cost	3,582,886	3,504,241
Total	<u>37,818,159</u>	<u>33,718,105</u>

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(21) INTEREST EXPENSE

The details of this item are as follows:

	<u>30 June 2022</u>	<u>30 June 2021</u>
	JD	JD
	(Unaudited)	(Unaudited)
Deposits at banks and financial institutions	302,245	263,335
Customers' deposits:		
Current and on demand accounts	127,240	91,587
Saving deposits	58,501	52,816
Term and notice deposits	10,705,339	9,787,530
Cash margins	313,515	343,121
Borrowed funds	5,929,981	4,784,251
Deposits guarantees fees	533,746	521,437
Interest expense on lease liabilities	81,270	97,184
Total	<u>18,051,837</u>	<u>15,941,261</u>

(22) GAINS FROM FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

The details of this item are as follows:

	<u>Realized gain (loss)</u>	<u>Unrealized gain</u>	<u>Dividends</u>	<u>Total</u>
	JD	JD	JD	JD
(Unaudited)				
<u>30 June 2022</u>				
Companies shares	101,938	-	244	102,182
Right to receive shares	-	53,658	-	53,658
Shares options	413,106	-	-	413,106
Total	<u>515,044</u>	<u>53,658</u>	<u>244</u>	<u>568,946</u>
(Unaudited)				
<u>30 June 2021</u>				
Companies shares	3,370	1,482	39	4,891
Shares options	527,811	-	-	527,811
Total	<u>531,181</u>	<u>1,482</u>	<u>39</u>	<u>532,702</u>

(23) RECOVERY FORM (PROVISION) OF EXPECTED CREDIT LOSS AGAINST FINANCIAL ASSETS

The details of movement in the provision for expected credit losses were as follows:

	<u>For the six months ended 30 June</u>	
	<u>2022</u>	<u>2021</u>
	JD	JD
	(Unaudited)	(Unaudited)
Balances and deposits at banks and financial institutions	(540)	1,015
Financial assets at amortized cost	(24,126)	(3,354)
Other assets	1,131	(11,441)
Off-Balance Sheet items	300,390	(718,774)
Total	<u>276,855</u>	<u>(732,554)</u>

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(24) CAPITAL MANAGEMENT

A. Description of paid-up capital

Qualified regulatory capital consists of the following elements:

- The first part is the primary capital (Tier 1) ‘Going Concern’, which consists of:
 1. Common Equity Tier 1. (CET1).
 2. Additional capital, Tier 1 (AT1).
- The second part (T2) is supplementary capital used in case of discontinuity (liquidation) ‘Going Concern’.
- There is a set group of standards for each of the three types of capital (CET1, AT1, T2) that the financial instruments should achieve before categorizing them to the appropriate class.

The Bank complies with article (62) of the Banks Law, which requires Banks to deduct 10% of its annual profit before tax to the statutory reserve account and shall continue with this deduction until this reserve is equal to the Bank’s subscribed capital.

B. Regulatory authorities’ requirements concerning capital and the method of fulfilling them

Banks should meet the minimum requirements of capital ratio adequacy to risks weighted assets, which are as follows:

1. Minimum common shareholders equity should not be less than (6%) of risk weighted assets (CET1).
2. Minimum primary capital should not be less than (7.5%) of risk weighted assets (Tier1).
3. Minimum regulatory capital should not be less than (12%) of risk weighted assets (CAR).

C. How to achieve capital management objectives

The Bank’s management aims at achieving the Bank’s capital management objectives, and a surplus in operating income and revenues, and optimally investing available funds so as to reach the targeted growth in shareholders’ equity through the growth in the statutory reserve, realized profits, and retained earnings.

When entering into investments, effects on the Capital adequacy ratio are carried, capital and adequacy are monitored periodically as the capital adequacy ratio is calculated by Risk Management Department.

Capital adequacy ratio had been calculated based on Central bank of Jordan regulations, in adherence to Basel III as of 30 June 2022 and 31 December 2021.

D. Liquidity coverage ratio

The average liquidity coverage ratio for the consolidated data based on end-of-month average was (248.5%) as of 30 June 2022. (253% as of 31 December 2021).

The average liquidity coverage ratio in Jordanian dinar for the consolidated data based on end-of-month average was (283.7%) as of 30 June 2022. (263.9% as of 31 December 2021).

	30 June 2022	31 December 2021
	JD	JD
	(Unaudited)	(Audited)
Total high-quality liquid assets before adjustments	292,664	234,328
Total high-quality liquid assets after adjustments	292,664	234,328
Total cash outflow	192,336	178,478
Total cash inflows before applying ceiling 75%	69,962	46,633
Total cash inflows after applying ceiling 75%	69,962	46,633
Net cash outflow	122,374	131,845
Liquidity Coverage Ratio (LCR)	239.2%	177.70%

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E. The amount the bank considers as capital and capital adequacy ratio according to the table below:

	<u>30 June 2022</u>	<u>31 December 2021</u>
	JD	JD
	(Unaudited)	(Audited)
Primary capital items for ordinary shares		
Subscribed capital (paid-up)	100,000,000	100,000,000
Retained earnings (less any restricted funds)	30,858,853	39,186,857
Profit for the period	10,000,000	-
Financial assets revaluation reserve-net, as per IFRS 9	7,417,359	6,362,363
Statutory Reserve	31,723,085	33,371,695
Total primary capital for common equity	179,995,297	178,920,915
Monitoring amendments (Deductions from capital):		
Goodwill and intangible assets	(2,932,504)	(3,003,777)
Deferred tax assets resulting from provisions of debt	(17,766,314)	(15,801,272)
Proposed dividends	(5,000,000)	(10,000,000)
Net common shareholder equity	154,296,479	150,115,866
Capital (Tier 2)		
Provision balance against debt instruments included in (Stage 1) not exceeding 1,25% of total credit risk weighted assets according to the standard method	2,649,326	3,265,252
Total cushion capital	2,649,326	3,265,252
Regulatory amendments (subtraction from capital):		
Investments affecting the capital of banks, financial companies and insurance companies in which the Bank owns less than 10%	-	-
Net cushion capital (T2)	2,649,326	3,265,252
Total regulatory capital	156,945,805	153,381,118
Total risks weighted assets	1,065,898,719	980,148,184
Capital adequacy ratio (%)	%14.72	%15.65
Common equity ratio (%)	%14.48	%15.32
Primary capital ratio (%)	%14.48	%15.32

(25) SECTOR ANALYSIS

A- Information on the Bank operating sectors:

The Bank is organized for management purposes and is used by the General Manager and decision makers at the Bank through three main business segments described below. The Bank also has subsidiaries, specialized in, financing lease services , operation services, and management of bonded warehouses.

- **Individuals accounts:** include following up on individual customers deposits, and granting them credit facilities, credit cards, and other services.
- **Corporate accounts:** include following up on deposits, credit facilities granted to customers and other banking services related to corporate customers.
- **Treasury:** includes providing dealing services, treasury, and management of the Bank's funds.

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The following table represents information on the Bank's sectors distributed in accordance with the activities:

	Individuals JD (Unaudited)	Corporate JD (Unaudited)	Treasury JD (Unaudited)	Financial Lease JD (Unaudited)	Bonded Management JD (Unaudited)	Other JD (Unaudited)	Total 30 June	
							2022 JD (Unaudited)	2021 JD (Unaudited)
Gross income	16,147,343	13,401,974	3,144,878	842,578	790,600	(607,262)	33,720,111	26,525,948
Provision for expected credit losses for direct credit facilities	(2,866,035)	(7,967,704)	-	162,932	(150,516)	8,280,838	(2,540,485)	1,310,477
Recovered from (provision) for expected credit losses on financial assets	-	-	(24,666)	-	-	301,521	276,855	(732,554)
Sundry provisions	-	-	-	-	-	(528,355)	(528,355)	(160,737)
Segment operations results	13,281,308	5,434,270	3,120,212	1,005,510	640,084	7,446,742	30,676,626	26,943,134
Less: Undistributed expenditures	-	-	-	(662,112)	(829,517)	(14,248,195)	(15,488,324)	(13,366,767)
Profits before taxes	13,281,308	5,434,270	3,120,212	343,398	(189,433)	(6,801,453)	15,188,302	13,576,367
Income tax	-	-	-	(124,321)	42,144	(4,980,066)	(5,062,243)	(4,878,374)
(Loss) gain for the period from discontinued operations - net of tax	-	-	-	-	-	(126,059)	(126,059)	140,395
Net Income for the period	13,281,308	5,434,270	3,120,212	219,077	(147,289)	(11,907,578)	10,000,000	8,838,388
	Individuals JD (Unaudited)	Corporate JD (Unaudited)	Treasury JD (Unaudited)	Financial Lease JD (Unaudited)	Bonded Management JD (Unaudited)	Other JD (Unaudited)	30 June 2022 JD (Unaudited)	31 December 2021 JD (Audited)
Sector's assets	358,220,083	389,809,720	448,439,529	97,665,363	24,865,958	-	1,319,000,653	1,238,750,932
Assets not distributed on sectors	-	-	-	-	-	56,312,025	56,312,025	42,285,897
Assets held for sale	-	-	-	-	-	88,030	88,030	-
Total assets	358,220,083	389,809,720	448,439,529	97,665,363	24,865,958	56,400,055	1,375,400,708	1,281,036,829
Sector's liabilities	496,373,955	319,847,618	69,312,113	67,805,677	20,486,087	-	974,185,450	1,000,279,371
liabilities not distributed on sectors	-	-	-	-	-	214,741,172	214,741,172	95,345,727
Liabilities associated with assets held for sale	-	-	-	-	-	8,647	8,647	-
Total liabilities	496,373,955	319,847,618	69,312,113	67,805,677	20,486,087	212,794,054	1,188,935,269	1,095,625,098
							30 June	
							2022 JD (Unaudited)	2021 JD (Unaudited)
Capital expenditures							1,198,157	772,612
Depreciation and amortization							1,498,813	1,336,264

B- Information on the geographical distribution.

The Bank performs most of its activities and operations in Jordan which represent local activities. Accordingly, most of the Bank's revenues, assets and capital expenditures are in Jordan.

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(26) TRANSACTIONS WITH RELATED PARTIES

The following represents a summary of balances and transactions with related parties:

	Subsidiaries*	Board of directors' members & executive management	Other (employees and their relative, relative of members of the board of directors and executive management and controlled companies)	30 June 2022	31 December 2021
	JD	JD	JD	JD	JD
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
On-Balance Sheet Items:					
Credit facilities	5,931,400	2,597,931	24,810,717	33,340,048	51,608,649
Provision for impairment on direct credit facilities **	-	-	38,980	38,980	39,657
Financial assets at amortized costs	-	-	-	-	5,120,000
Deposits, current accounts and cash margins	2,939,230	7,281,729	10,662,294	20,883,253	20,781,448
Bank and financial institution deposit	-	16,923,113	-	16,923,113	25,120,396
Off-Balance Sheet Items:					
Letters of credit	-	-	18,385	18,385	-
Letters of guarantee	151,500	210,592	887,649	1,249,741	3,062,451
				For the six months ended 30 June ,2022	
				2022	2021
				JD	JD
				(Unaudited)	(Unaudited)
Statement of profit or loss Items:					
Interest and commission Income	304,550	79,002	991,778	1,375,330	2,071,631
Interest and commission Expense	7,592	328,254	124,086	459,932	595,347
Provision for impermeant on credit facilities**	-	-	(677)	(677)	3,979
Maximum interest rate on direct credit facilities in Jordanian dinar			21%	Minimum interest rate on direct credit facilities in Jordanian dinar	2%
Maximum interest rate on direct credit facilities in foreign currency			12%	Minimum interest rate on direct credit facilities in foreign currency	6%
Maximum interest rate on deposits in Jordanian dinar			4.45%	Minimum interest rate on deposits in Jordanian dinar	0%
Maximum interest rate on deposits in foreign currency			1.35%	Minimum interest rate on deposits in foreign currency	0%
Maximum commission rate on credit			1%	Minimum commission rate on credit	0%

The executive management salaries and benefits for the bank and its subsidiaries amounted to JD 1,898,181 for the six months ended 30 June 2022 against JD 1,651,514 in the same period in 2021.

The number of related parties' clients reached 1,018 clients as of 30 June 2022, against 1,001 as of 31 December 2021.

The value of the collaterals provided by the related clients against the granted credit facilities amounted to JD 20,751,914 as of 30 June 2022 against JD 34,999,069 as of 31 December 2021.

* The amounts and transactions with subsidiaries are eliminated in the consolidated financial statements and are shown for explanatory purpose only.

** Presents The provisions prepared according to the Central Bank of Jordan instructions no. (47/2009).

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(27) CASH AND CASH EQUIVALENTS

The details of this item are as follows:

	<u>30 June 2022</u>	<u>30 June 2021</u>
	JD	JD
	(Unaudited)	(Unaudited)
Cash and balances at Central Bank of Jordan maturing within three months	111,837,108	84,867,237
Add: Balances at banks and financial institutions maturing within three months	63,181,002	65,194,471
Deduct: banks and financial institutions' deposits maturing within three months	<u>35,303,005</u>	<u>27,222,113</u>
	<u>139,715,105</u>	<u>122,839,595</u>

(28) FAIR VALUE HIERARCHY

The below table analyze the financial instruments carried at fair value by the valuation method. The different levels have been defined as follows:

Level 1: quoted prices (unadjusted) for assets or liabilities in active markets. Most of financial assets at fair value through other comprehensive income are in Jordan, Palestine markets and international markets.

Level 2: quoted prices in active markets for similar assets or liabilities or other valuation techniques for which all inputs which have a significant effect on the recorded fair value are based on market information.

Level 3: techniques which use inputs which have no significant effect on the recorded fair value that are not based on observable market data, book value was used as it's the most appropriate measurement tool for investments.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3*</u>	<u>Total</u>
	JD	JD	JD	JD
(Unaudited)				
30 June 2022				
Financial assets at fair value through profit and loss	1,900,001	-	-	1,900,001
Financial assets at fair value through other comprehensive income	<u>34,861,478</u>	-	<u>6,643,354</u>	<u>41,504,832</u>
	<u>36,761,479</u>	<u>-</u>	<u>6,643,354</u>	<u>43,404,833</u>
(Audited)				
31 December 2021				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	JD	JD	JD	JD
Financial assets at fair value through profit and loss	1	-	-	1
Financial assets at fair value through other comprehensive income	<u>31,016,048</u>	-	<u>6,799,935</u>	<u>37,815,983</u>
	<u>31,016,049</u>	<u>-</u>	<u>6,799,935</u>	<u>37,815,984</u>

Other assets include non-monetary assets which represents real-estate investments for the bank subsidiaries (Jordan Trade Facilities and Bindar for Trade and investment), which is not measured in fair value in the financial statements. the fair value for the real-estate investments classified at level 2 is 3,219,544 JD as of 30 June 2022, in comparison to 3,234,644 JD as of 31 December 2021.

* Investments at fair value through other comprehensive income include an amount of 450,000 JD, which belongs to investments in a listed company, but the market price of the share was not adopted in determining the fair value of the investment because there is no active trading on the company's shares, as the company distributed free shares during 2021 Through the company's capital increase, the impact of this was not reflected on the market price of the share as a result of the absence of any transactions for the share during the year.

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(29) FAIR VALUE OF FINANCIAL INSTRUMENTS

There are no material differences between the fair value of financial instruments not measured at fair value on Consolidated Statement of Financial Position and their carrying value recognized in the consolidated financial statements. Moreover, there are no material differences between the fair value and the carrying value of the direct credit facilities, financial assets at amortized cost, banks and financial institutions deposits, customer deposits, cash margins and borrowed funds stated at amortized costs in consolidated financial statements, due to the immaterial difference in the market interest rates for similar financial instruments of the contractual prices and due to the short terms of maturity of the banks and financial institutions deposits. The fair value of financial assets at amortized cost is determined through the quoted prices if available or through the valuation models used for fixed price bonds.

(30) EARNINGS PER SHARE FOR THE PERIOD ATTRIBUTABLE TO THE BANK'S SHAREHOLDERS

The details of this item are as follows:

	For the three months period ended 30 June		For the six months period ended 30 June	
	2022	2021	2022	2021
	JD	JD	JD	JD
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Net Profit for the period attributable to the bank's shareholders	2,491,042	5,349,221	9,659,992	8,748,787
Weighted average number of shares	100,000,000	100,000,000	100,000,000	100,000,000
Basic and diluted earnings per share from the net profit for the period	0.025	0.053	0.097	0.087

Basic earnings per share from the net profit for the period related to the Bank's shareholders equal to the diluted earnings per share, as the bank did not issue any financial instruments that would have an impact on the basic earnings per share.

(31) CONTINGENT LIABILITIES (OFF-BALANCE SHEET)

A. Credit commitments and contingencies:

	30 June 2022	31 December 2021
	JD	JD
	(Unaudited)	(Audited)
Letters of credit	7,619,608	5,272,173
Acceptances and time-drawings	7,285,262	5,790,817
Guarantees:		
Payment	16,853,666	18,897,905
Performance bonds	44,174,123	35,807,941
Other	19,348,906	16,996,179
unutilized direct credit facilities credit limits	25,241,981	21,607,956
unutilized indirect credit facilities credit limits	31,931,290	23,971,208
Total	152,454,836	128,344,179

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Contingent liabilities movement (letter of guarantees, letter of credits and financial acceptances):

For the period ended 30 June 2022 (Unaudited)	Stage 1		Stage 2		Stage 3 JD	Total JD
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD		
Total balance at the beginning of the period	107,384,374	-	21,748,578	-	722,574	129,855,526
New exposure during the period	49,709,970	-	1,782,324	-	-	51,492,294
Matured exposures (Matured/ Derecognized)	(20,039,351)	-	(2,131,441)	-	(31,621)	(22,202,413)
Transferred to stage 1	1,610,360	-	(1,610,360)	-	-	-
Transferred to stage 2	(921,205)	-	926,705	-	(5,500)	-
Transferred to stage 3	(73,000)	-	(71,100)	-	144,100	-
Changes due to amendments	(2,735,352)	-	(2,744,262)	-	-	(5,479,614)
Written off facilities	-	-	-	-	-	-
Adjustments due to changes in exchange rates	-	-	-	-	-	-
Total Balance at the end of the period	134,935,796	-	17,900,444	-	829,553	153,665,793

For the year ended 31 December 2021 (Audited)	Stage 1		Stage 2		Stage 3 JD	Total JD
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD		
Total balance as at the beginning of the year	109,224,470	2,226,555	23,916,904	14,530	2,097,355	137,479,814
New exposures during the year/Additions	25,646,306	267,442	875,763	-	-	26,789,511
Matured/ derecognized	(23,511,642)	(495,433)	(3,951,817)	(1,000)	(100,407)	(28,060,299)
Transferred to Stage 1	7,388,699	(1,754,064)	(5,519,235)	(11,050)	(104,350)	-
Transferred to stage 2	(4,961,817)	(9,000)	6,321,389	(2,480)	(1,348,092)	-
Transferred to stage 3	(153,568)	(14,500)	(10,000)	-	178,068	-
Changes resulting from adjustments	(6,248,074)	(221,000)	115,574	-	-	(6,353,500)
Written off Balances	-	-	-	-	-	-
Amendments resulting from changes in currency exchange	-	-	-	-	-	-
Total Balance as at the end of the year	107,384,374	-	21,748,578	-	722,574	129,855,526

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Provision for expected credit losses for commitments and contingencies in the aggregate:

For the period ended 30 June 2022

(Unaudited)

	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the period	334,019	-	605,985	-	571,343	1,511,347
Impairment loss over new balances during the period	187,839	-	62,102	-	10,888	260,829
Recovered from impairment loss over settled balances (Repaid/ Derecognized)	(53,888)	-	(132,166)	-	(190,600)	(376,654)
Transferred to stage 1	96,816	-	(96,816)	-	-	-
Transferred to stage 2	(5,141)	-	9,325	-	(4,184)	-
Transferred to stage 3	(102)	-	(947)	-	1,049	-
Impact on provision – as at period end – due to reclassification between the 3 stages during the period	(106,774)	-	72,684	-	34,090	-
Changes due to amendments	(76,706)	-	(77,490)	-	(30,369)	(184,565)
Written off balances	-	-	-	-	-	-
Adjustments due to changes in exchange rates	-	-	-	-	-	-
Total Balance at the end of the period	376,063	-	442,677	-	392,217	1,210,957

For the year ended 31 December 2021

(Audited)

	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	165,155	967	207,413	235	90,074	463,844
Impairment loss over new balances during the year	342,455	15,771	30,169	54	389,322	777,771
Recovered from impairment loss over settled balances (Repaid/ Derecognized)	(37,798)	(282)	(68,021)	(229)	(19,212)	(125,542)
Transferred to stage 1	60,685	-	(60,002)	(227)	(456)	-
Transferred to stage 2	(39,481)	-	79,495	-	(40,014)	-
Transferred to stage 3	(27)	-	-	-	27	-
Impact on provision – as at period end – due to reclassification between the 3 stages during the year	(236,474)	(16,456)	166,258	167	86,505	-
Changes due to amendments	79,504	-	250,673	-	65,097	395,274
Written off balances	-	-	-	-	-	-
Adjustments due to changes in exchange rates	-	-	-	-	-	-
Total Balance at the end of the year	334,019	-	605,985	-	571,343	1,511,347

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Movement on potential commitments and contingent liabilities – Letter of Credit:

For the period ended 30 June 2022

(Unaudited)

	Stage 1		Stage 2		Stage 3	Total
	Individually	Collective	Individually	Collective		
	JD	JD	JD	JD		
Total balance at the beginning of the period	5,177,498	-	106,832	-	-	5,284,330
New exposure during the period	6,939,663	-	-	-	-	6,939,663
Matured exposures (Matured/ Derecognized)	(4,461,956)	-	-	-	-	(4,461,956)
Transferred to stage 1	-	-	-	-	-	-
Transferred to stage 2	-	-	-	-	-	-
Transferred to stage 3	-	-	-	-	-	-
Changes due to amendments	(1,516)	-	(106,832)	-	-	(108,348)
Written off balances	-	-	-	-	-	-
Adjustments due to changes in exchange rates	-	-	-	-	-	-
Total Balance at the end of the period	7,653,689	-	-	-	-	7,653,689

For the year ended 31 December 2021 (Audited)

	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD		
Total balance at the beginning of the year	3,208,251	-	381,435	-	-	3,589,686
New exposure during the year	3,847,840	-	-	-	-	3,847,840
Matured exposures (Matured/ Derecognized)	(1,876,883)	-	(274,603)	-	-	(2,151,486)
Transferred to stage 1	-	-	-	-	-	-
Transferred to stage 2	-	-	-	-	-	-
Transferred to stage 3	-	-	-	-	-	-
Changes due to amendments	(1,710)	-	-	-	-	(1,710)
Written off facilities	-	-	-	-	-	-
Adjustments due to changes in exchange rates	-	-	-	-	-	-
Total Balance at the end of the year	5,177,498	-	106,832	-	-	5,284,330

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Movement on expected credit losses - Letter of Credit:

For the period ended 30 June 2022

(Unaudited)

	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the period	11,223	-	934	-	-	12,157
Impairment loss over new exposures during the period	28,951	-	819	-	-	29,770
Recovered from impairment loss over paid exposure (Repaid/ Derecognized)	(5,387)	-	-	-	-	(5,387)
Transferred to stage 1	-	-	-	-	-	-
Transferred to stage 2	-	-	-	-	-	-
Transferred to stage 3	-	-	-	-	-	-
Impact on provision – as at period end – due to reclassification between the 3 stages during the period	-	-	-	-	-	-
Changes due to amendments	(1,523)	-	(936)	-	-	(2,459)
Written off balances	-	-	-	-	-	-
Adjustments due to changes in exchange rates	-	-	-	-	-	-
Total Balance at the end of the period	33,264	-	817	-	-	34,081

For the year ended 31 December 2021

(Audited)

	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	707	-	247	-	-	954
Impairment loss over new exposure during the year	10,523	-	849	-	-	11,372
Recovered from impairment loss over paid exposure (Repaid/ Derecognized)	(7)	-	(162)	-	-	(169)
Transferred to stage 1	-	-	-	-	-	-
Transferred to stage 2	-	-	-	-	-	-
Transferred to stage 3	-	-	-	-	-	-
Impact on provision – as at year end – due to reclassification between the 3 stages during the year	-	-	-	-	-	-
Changes from amendments	-	-	-	-	-	-
Written off balances	-	-	-	-	-	-
Adjustments due to changes in exchange rates	-	-	-	-	-	-
Total Balance at the end of the year	11,223	-	934	-	-	12,157

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Movement on Contingent Commitments and contingent liabilities - Time Acceptances and Withdrawals:

**For the period ended 30 June
2022**

(Unaudited)

	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
Total balance at the beginning of the period	5,662,223	-	151,130	-	-	5,813,353
New exposure during the period	7,125,162	-	172,854	-	-	7,298,016
Matured exposures (Matured/ Derecognized)	(5,662,224)	-	(151,128)	-	-	(5,813,352)
Transferred to stage 1	-	-	-	-	-	-
Transferred to stage 2	-	-	-	-	-	-
Transferred to stage 3	-	-	-	-	-	-
Changes due to amendments	-	-	-	-	-	-
Written off facilities	-	-	-	-	-	-
Adjustments due to changes in exchange rates	-	-	-	-	-	-
Total Balance at the end of the period	7,125,161	-	172,856	-	-	7,298,017

**For the year ended 31
December 2021**

(Audited)

	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD	JD	JD
Total balance at the beginning of the year	5,112,240	-	230,070	-	-	5,342,310
New exposure during the year	5,610,117	-	-	-	-	5,610,117
Matured exposures (Matured/ Derecognized)	(5,060,134)	-	(78,940)	-	-	(5,139,074)
Transferred to stage 1	-	-	-	-	-	-
Transferred to stage 2	-	-	-	-	-	-
Transferred to stage 3	-	-	-	-	-	-
Changes due to amendments	-	-	-	-	-	-
Written off facilities	-	-	-	-	-	-
Adjustments due to changes in exchange rates	-	-	-	-	-	-
Total Balance at the end of the year	5,662,223	-	151,130	-	-	5,813,353

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Movement in ECL - Acceptances and Withdrawals Time:

**For the period ended 30 June 2022
(Unaudited)**

	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD		
Balance at the beginning of the period	21,212	-	1,324	-	-	22,536
Impairment loss over new exposure during the period	11,340	-	1,414	-	-	12,754
Recovered from impairment loss over paid exposure (Repaid/ Derecognized)	(21,212)	-	(1,323)	-	-	(22,535)
Transferred to stage 1	-	-	-	-	-	-
Transferred to stage 2	-	-	-	-	-	-
Transferred to stage 3	-	-	-	-	-	-
Impact on provision – as at period end – due to reclassification between the 3 stages during the period	-	-	-	-	-	-
Changes due to amendments	-	-	-	-	-	-
Written off facilities	-	-	-	-	-	-
Adjustments due to changes in exchange rates	-	-	-	-	-	-
Total Balance at the end of the period	11,340	-	1,415	-	-	12,755

**For the year ended 31 December
2021
(Audited)**

	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD		
Balance at the beginning of the period	1,369	-	149	-	-	1,518
Impairment loss over new exposure during the year	21,211	-	1,175	-	-	22,386
Recovered from impairment loss over paid exposure (Repaid/ Derecognized)	(1,368)	-	-	-	-	(1,368)
Transferred to stage 1	-	-	-	-	-	-
Transferred to stage 2	-	-	-	-	-	-
Transferred to stage 3	-	-	-	-	-	-
Impact on provision – as at year end – due to reclassification between the 3 stages during the year	-	-	-	-	-	-
Changes due to amendments	-	-	-	-	-	-
Written off balances	-	-	-	-	-	-
Adjustments due to changes in exchange rates	-	-	-	-	-	-
Total Balance at the end of the year	21,212	-	1,324	-	-	22,536

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Movement on Contingent Commitments and contingent liabilities - Letter of Guarantee:

For the period ended 30 June 2022
(Unaudited)

	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the period	58,841,229	-	13,011,615	-	722,574	72,575,418
Impairment loss over new exposure during the period	19,375,499	-	804,973	-	-	20,180,472
Recovered from impairment loss over paid exposure (Repaid/ Derecognized)	(6,675,658)	-	(1,105,109)	-	(31,621)	(7,812,388)
Transferred to stage 1	1,569,907	-	(1,569,907)	-	-	-
Transferred to stage 2	(402,642)	-	408,142	-	(5,500)	-
Transferred to stage 3	(73,000)	-	(71,100)	-	144,100	-
Changes due to amendments	(1,741,582)	-	(2,176,890)	-	-	(3,918,472)
Written off facilities	-	-	-	-	-	-
Adjustments due to changes in exchange rates	-	-	-	-	-	-
Total Balance at the end of the period	70,893,753	-	9,301,724	-	829,553	81,025,030

For the year ended 31 December 2021
(Audited)

	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the period	63,516,510	2,175,725	17,320,388	14,530	2,097,355	85,124,508
Impairment loss over new exposure during the year	9,247,359	58,410	362,077	-	-	9,667,846
Recovered from impairment loss over paid exposure (Repaid/ Derecognized)	(11,221,835)	(494,867)	(3,504,968)	(1,000)	(100,407)	(15,323,077)
Transferred to stage 1	5,778,676	(1,494,768)	(4,168,508)	(11,050)	(104,350)	-
Transferred to stage 2	(2,979,868)	(9,000)	4,339,440	(2,480)	(1,348,092)	-
Transferred to stage 3	(153,568)	(14,500)	(10,000)	-	178,068	-
Changes due to amendments	(5,346,045)	(221,000)	(1,326,814)	-	-	(6,893,859)
Written off balances	-	-	-	-	-	-
Adjustments due to changes in exchange rates	-	-	-	-	-	-
Total Balance at the end of the year	58,841,229	-	13,011,615	-	722,574	72,575,418

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Movement on expected credit losses – letter of guarantee:

For the period ended 30 June 2022
(Unaudited)

	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the period	77,275	-	224,775	-	571,343	873,393
Impairment loss over new exposure during the period	110,201	-	25,211	-	10,885	146,297
Recovered from impairment loss over paid exposure (Repaid/ Derecognized)	(6,287)	-	(81,873)	-	(190,600)	(278,760)
Transferred to stage 1	70,231	-	(70,231)	-	-	-
Transferred to stage 2	(340)	-	4,524	-	(4,184)	-
Transferred to stage 3	(102)	-	(947)	-	1,049	-
Impact on provision – as at period end – due to reclassification between the 3 stages during the period	(85,307)	-	51,217	-	34,090	-
Changes due to amendments	(16,563)	-	(45,663)	-	(30,369)	(92,595)
Written off facilities	-	-	-	-	-	-
Adjustments due to changes in exchange rates	-	-	-	-	-	-
Total Balance at the end of the period	149,108	-	107,013	-	392,214	648,335

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	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the period	11,887	823	54,241	235	90,074	157,260
Impairment loss over new exposure during the year	175,353	15,679	19,544	54	389,322	599,952
Recovered from impairment loss over paid exposure (Repaid/ Derecognized)	(2,086)	(219)	(2,555)	(229)	(19,212)	(24,301)
Transferred to stage 1	4,151	-	(3,468)	(227)	(456)	-
Transferred to stage 2	(397)	-	40,411	-	(40,014)	-
Transferred to stage 3	(27)	-	-	-	27	-
Impact on provision – as at year end – due to reclassification between the 3 stages during the year	(123,527)	(16,283)	53,138	167	86,505	-
Changes due to amendments	11,921	-	63,464	-	65,097	140,482
Written off balances	-	-	-	-	-	-
Adjustments due to changes in exchange rates	-	-	-	-	-	-
Total Balance at the end of the year	77,275	-	224,775	-	571,343	873,393

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Movement on expected credit losses - guarantees:

For the period ended 30 June 2022
(Unaudited)

	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD		
Balance at the beginning of the period	19,311,011	-	2,668,734	-	-	21,979,745
Impairment loss over new exposure during the period	5,307,295	-	304,496	-	-	5,611,791
New exposure (Matured/ derecognized)	(1,308,378)	-	(140,605)	-	-	(1,448,983)
Transferred to stage 1	10,453	-	(10,453)	-	-	-
Transferred to stage 2	(213,644)	-	213,644	-	-	-
Transferred to stage 3	-	-	-	-	-	-
Changes due to amendments	41,735	-	(640,136)	-	-	(598,401)
Written off facilities	-	-	-	-	-	-
Adjustments due to changes in exchange rates	-	-	-	-	-	-
Total Balance at the end of the period	23,148,472	-	2,395,680	-	-	25,544,152

For the year ended 31 December 2021
(Audited)

	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD		
Balance at the beginning of the period	16,195,066	8,030	2,517,025	-	-	18,720,121
Impairment loss over new exposure during the year	4,287,904	26,132	111,331	-	-	4,425,367
New exposure (Matured/ derecognized)	(1,260,977)	(566)	(56,942)	-	-	(1,318,485)
Transferred to stage 1	348,127	(33,596)	(314,531)	-	-	-
Transferred to stage 2	(985,285)	-	985,285	-	-	-
Transferred to stage 3	-	-	-	-	-	-
Changes due to amendments	726,176	-	(573,434)	-	-	152,742
Written off balances	-	-	-	-	-	-
Adjustments due to changes in exchange rates	-	-	-	-	-	-
Total Balance at the end of the year	19,311,011	-	2,668,734	-	-	21,979,745

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Movement on ECL - Direct Unused Ceilings:

For the period ended 30 June 2022
(Unaudited)

	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the period	179,040	-	192,749	-	-	371,789
Impairment loss over new exposure during the period	29,864	-	30,906	-	-	60,770
Recovered from impairment loss over paid exposure (Repaid/ Derecognized)	(12,656)	-	(35,398)	-	-	(48,054)
Transferred to stage 1	26,221	-	(26,221)	-	-	-
Transferred to stage 2	(2,189)	-	2,189	-	-	-
Transferred to stage 3	-	-	-	-	-	-
Impact on provision – as at period end – due to reclassification between the 3 stages during the period	(20,892)	-	20,892	-	-	-
Changes due to amendments	(55,425)	-	(26,909)	-	-	(82,334)
Written off facilities	-	-	-	-	-	-
Adjustments due to changes in exchange rates	-	-	-	-	-	-
Total Balance at the end of the period	143,963	-	158,208	-	-	302,171

For the year ended 31 December 2021
(Audited)

	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the period	109,864	77	91,468	-	-	201,409
Impairment loss over new exposure during the year	106,737	10	8,601	-	-	115,348
Recovered from impairment loss over paid exposure (Repaid/ Derecognized)	(22,557)	(63)	(42,742)	-	-	(65,362)
Transferred to stage 1	31,044	-	(31,044)	-	-	-
Transferred to stage 2	(34,018)	-	34,018	-	-	-
Transferred to stage 3	-	-	-	-	-	-
Impact on provision – as at year end – due to reclassification between the 3 stages during the year	(74,489)	(24)	74,513	-	-	-
Changes due to amendments	62,459	-	57,935	-	-	120,394
Written off balances	-	-	-	-	-	-
Adjustments due to changes in exchange rates	-	-	-	-	-	-
Total Balance at the end of the year	179,040	-	192,749	-	-	371,789

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Movement on the ceilings of unutilized indirect facilities:

For the period ended 30 June 2022
(Unaudited)

	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD		
Balance at the beginning of the period	18,392,413	-	5,810,267	-	-	24,202,680
Impairment loss over new exposure during the period	10,962,351	-	500,001	-	-	11,462,352
Recovered from impairment loss over paid exposure (Repaid/ Derecognized)	(1,931,135)	-	(734,599)	-	-	(2,665,734)
Transferred to stage 1	30,000	-	(30,000)	-	-	-
Transferred to stage 2	(304,919)	-	304,919	-	-	-
Transferred to stage 3	-	-	-	-	-	-
Changes due to amendments	(1,033,989)	-	179,596	-	-	(854,393)
Written off facilities	-	-	-	-	-	-
Adjustments due to changes in exchange rates	-	-	-	-	-	-
Total Balance at the end of the period	26,114,721	-	6,030,184	-	-	32,144,905

For the year ended 31 December 2021
(Audited)

	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD		
Balance at the beginning of the period	21,192,404	42,800	3,467,986	-	-	24,703,190
Impairment loss over new exposure during the year	2,653,085	182,900	402,355	-	-	3,238,340
Recovered from impairment loss over paid exposure (Repaid/ Derecognized)	(4,091,813)	-	(36,364)	-	-	(4,128,177)
Transferred to stage 1	1,261,896	(225,700)	(1,036,196)	-	-	-
Transferred to stage 2	(996,664)	-	996,664	-	-	-
Transferred to stage 3	-	-	-	-	-	-
Impact on provision – as at year end – due to reclassification between the 3 stages during the year	(1,626,495)	-	2,015,822	-	-	389,327
Changes due to amendments	-	-	-	-	-	-
Written off balances	-	-	-	-	-	-
Adjustments due to changes in exchange rates	-	-	-	-	-	-
Total Balance at the end of the year	18,392,413	-	5,810,267	-	-	24,202,680

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Movement on expected credit losses - unused indirect ceilings:

For the period ended 30 June 2022
(Unaudited)

	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the period	45,269	-	186,203	-	-	231,472
Impairment loss over new exposure during the period	7,486	-	3,752	-	-	11,238
Recovered from impairment loss over paid exposure (Repaid/ Derecognized)	(8,346)	-	(13,572)	-	-	(21,918)
Transferred to stage 1	364	-	(364)	-	-	-
Transferred to stage 2	(2,612)	-	2,612	-	-	-
Transferred to stage 3	-	-	-	-	-	-
Impact on provision – as at period end – due to reclassification between the 3 stages during the period	(575)	-	575	-	-	-
Changes due to amendments	(3,195)	-	(3,982)	-	-	(7,177)
Written off facilities	-	-	-	-	-	-
Adjustments due to changes in exchange rates	-	-	-	-	-	-
Total Balance at the end of the period	38,391	-	175,224	-	-	213,615

For the year ended 31 December 2021
(Audited)

	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the period	41,328	67	61,308	-	-	102,703
Impairment loss over new exposure during the year	28,631	82	-	-	-	28,713
Recovered from impairment loss over paid exposure (Repaid/ Derecognized)	(11,780)	-	(22,562)	-	-	(34,342)
Transferred to stage 1	25,490	-	(25,490)	-	-	-
Transferred to stage 2	(5,066)	-	5,066	-	-	-
Transferred to stage 3	-	-	-	-	-	-
Impact on provision – as at year end – due to reclassification between the 3 stages during the year	(38,458)	(149)	38,607	-	-	-
Changes due to amendments	5,124	-	129,274	-	-	134,398
Written off balances	-	-	-	-	-	-
Adjustments due to changes in exchange rates	-	-	-	-	-	-
Total Balance at the end of the year	45,269	-	186,203	-	-	231,472

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(32) RISK MANAGEMENT

1. TOTAL DISTRIBUTION OF EXPOSURE ACCORDING TO THE FINANCIAL INSTRUMENTS

Item	Financial	Industrial and Mining	Trading	Real estate	Agricultural	Shares	Individual	Government and public sector	Others	Total	Interest in suspense	Provision	Net
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
30 June 2022 (Unaudited)													
Balances at banks and financial institutions	63,181,002	-	-	-	-	-	-	-	-	63,181,002	-	490	63,180,512
Deposits at banks and financial institutions	3,545,000	-	-	-	-	-	-	-	-	3,545,000	-	87	3,544,913
Credit facilities	10,637,973	93,023,504	113,564,016	182,587,887	756,670	1,100,601	300,931,348	59,212,948	108,740,759	870,555,796	16,803,687	47,445,066	806,307,043
Bonds, bills and debentures:													
Within Financial assets at amortised cost	10,045,000	-	-	-	-	-	-	175,459,233	43,183,093	228,687,326	563,093	729,021	227,395,212
Other assets	-	-	-	679,916	-	-	-	-	17,177,700	17,857,616	-	7,819	17,849,797
Total /the current period	87,408,975	93,023,504	113,564,016	183,267,803	756,670	1,100,601	300,931,348	234,672,181	169,101,552	1,183,826,740	17,366,780	48,182,483	1,118,277,477
Total /the prior year (Audited)	86,686,628	89,725,197	107,426,825	189,184,558	431,354	9,343,917	277,875,300	198,480,400	145,799,075	1,104,953,254	14,529,540	41,132,626	1,049,291,088
Financial guarantees	27,144,138	2,810,706	13,415,605	27,785,458	1,085,104	-	5,000	-	8,779,019	81,025,030	-	648,335	80,376,695
Letters of Credits	1,014,669	927,292	5,655,533	-	-	-	-	-	56,195	7,653,689	-	34,081	7,619,608
Acceptances and time withdrawals	4,892,101	2,391,850	14,066	-	-	-	-	-	-	7,298,017	-	12,755	7,285,262
Other liabilities (unutilized limits)													
From which there are direct limits	3,586,388	6,754,240	7,951,708	143,254	-	-	367,151	4,931,085	1,810,326	25,544,152	-	302,171	25,241,981
From which there are indirect limits	1,289,187	2,590,767	8,428,083	19,037,136	-	-	-	-	799,732	32,144,905	-	213,615	31,931,290
Total /the current period	125,335,458	108,498,359	149,029,011	230,233,651	1,841,864	1,100,601	301,303,499	239,603,266	180,546,824	1,337,492,533	17,366,780	49,393,440	1,270,732,313
Total /the prior year (audited)	109,691,737	104,061,913	141,920,075	232,658,112	1,599,126	9,343,917	278,190,794	198,480,400	158,862,706	1,234,808,780	14,529,540	42,643,973	1,177,635,267

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B. Distribution of exposures according to the IFRS (9) classification stages:

30 June 2022 (Unaudited) Item	Stage 1 Individually JD	Stage 1 Collective JD	Stage 2 Individually JD	Stage 2 Collective JD	Stage 3 JD	Total JD	Interest in suspense JD	Provision JD	Net JD
Financial	123,357,921	-	1,645,467	-	332,070	125,335,458	55,057	523,286	124,757,115
Industrial and mining	86,869,670	-	13,959,153	-	7,669,536	108,498,359	2,070,135	5,413,322	101,014,902
Trading	116,012,222	-	21,450,011	-	11,566,778	149,029,011	3,417,968	7,442,364	138,168,679
Real estate	168,420,004	-	49,080,193	-	12,733,454	230,233,651	3,107,192	4,824,075	222,302,384
Agricultural	1,515,007	-	309,226	-	17,631	1,841,864	2,003	15,926	1,823,935
Shares	1,100,601	-	-	-	-	1,100,601	-	335	1,100,266
Individuals	251,395,798	-	25,983,985	-	23,923,716	301,303,499	4,393,660	16,212,260	280,697,579
Government and public sector	239,603,266	-	-	-	-	239,603,266	-	-	239,603,266
Others	132,022,245	-	13,972,188	-	34,552,391	180,546,824	4,320,765	14,961,872	161,264,187
Total /the current period	1,120,296,734	-	126,400,223	-	90,795,576	1,337,492,533	17,366,780	49,393,440	1,270,732,313
Total /the prior year	1,008,328,731	-	144,069,358	-	82,410,691	1,234,808,780	14,529,540	42,643,973	1,177,635,267

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2. TOTAL DISTRIBUTION OF EXPOSURE ACCORDING TO THE GEOGRAPHICAL AREA

30 June 2022 (Unaudited)	Inside Jordan	Middle east countries	Europe	Asia	Africa	America	Other Countries	Total	Interest in suspense	Provision	Net
Item:	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Balances at banks and financial institutions	29,433,390	3,200,388	29,418,200	93,604	-	485,225	550,195	63,181,002	-	490	63,180,512
Deposits at banks and financial institutions	3,545,000	-	-	-	-	-	-	3,545,000	-	87	3,544,913
Credit facilities	870,555,796	-	-	-	-	-	-	870,555,796	16,803,687	47,445,066	806,307,043
Bonds, bills and debentures:											
Within Financial assets at amortized cost	225,142,326	-	-	-	-	3,545,000	-	228,687,326	563,093	729,021	227,395,212
Other assets	17,857,616	-	-	-	-	-	-	17,857,616	-	7,819	17,849,797
Total /the current period	1,146,534,128	3,200,388	29,418,200	93,604	-	4,030,225	550,195	1,183,826,740	17,366,780	48,182,483	1,118,277,477
Total /the prior year (Audited)	1,051,594,158	1,521,824	23,968,511	41,487	-	26,577,154	1,250,120	1,104,953,254	14,529,540	41,132,626	1,049,291,088
(Unaudited)											
Financial guarantees	81,025,030	-	-	-	-	-	-	81,025,030	-	648,335	80,376,695
Letters of Credit	7,653,689	-	-	-	-	-	-	7,653,689	-	34,081	7,619,608
Acceptances and time withdrawals	7,298,017	-	-	-	-	-	-	7,298,017	-	12,755	7,285,262
Other liabilities (unutilized limits)	57,689,057	-	-	-	-	-	-	57,689,057	-	515,786	57,173,271
From which there are Direct limits	25,544,152	-	-	-	-	-	-	25,544,152	-	302,171	25,241,981
From which there are Indirect limits	32,144,905	-	-	-	-	-	-	32,144,905	-	213,615	31,931,290
Total /the current period	1,300,199,921	3,200,388	29,418,200	93,604	-	4,030,225	550,195	1,337,492,533	17,366,780	49,393,440	1,270,732,313
Total /the prior year (Audited)	1,181,449,684	1,521,824	23,968,511	41,487	-	26,577,154	1,250,120	1,234,808,780	14,529,540	42,643,973	1,177,635,267

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B. Distribution of exposures according to the IFRS (9) classification stages:

	Stage 1 Individually	Stage 1 Collective	Stage 2 Individually	Stage 2 Collective	Stage 3	Total	Interest in suspense	Provision	Net
30 June 2022 (Unaudited)	JD	JD	JD	JD	JD	JD	JD	JD	JD
Inside Jordan	1,083,004,122	-	126,400,223	-	90,795,576	1,300,199,921	17,366,780	49,369,029	1,233,464,112
Other Middle east countries	3,200,388	-	-	-	-	3,200,388	-	-	3,200,388
Europe	29,418,200	-	-	-	-	29,418,200	-	50	29,418,150
Asia	93,604	-	-	-	-	93,604	-	-	93,604
Africa	-	-	-	-	-	-	-	-	-
America	4,030,225	-	-	-	-	4,030,225	-	24,361	4,005,864
Other Countries	550,195	-	-	-	-	550,195	-	-	550,195
Total /the current period	1,120,296,734	-	126,400,223	-	90,795,576	1,337,492,533	17,366,780	49,393,440	1,270,732,313
Total /the prior year (Audited)	1,008,328,731	-	144,069,358	-	82,410,691	1,234,808,780	14,529,540	42,643,973	1,177,635,267

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**3. Credit exposures reclassified:
A- Total credit exposures classified:**

	Stage 2		Stage 3		Total exposure reclassified JD	Percentage for exposure reclassified
	Total exposures JD	Total exposures that have been reclassified JD	Total exposures JD	Total exposures that have been reclassified JD		
30 June 2022 (Unaudited)						
Balances at banks and financial institutions	-	-	-	-	-	-
Deposits at banks and financial institutions	-	-	-	-	-	-
Credit facilities	108,499,776	61,878,388	84,282,933	16,763,197	78,641,585	%40.79
Bonds, bills and debentures:						
Within Financial assets at amortized cost	-	-	5,120,000	-	-	-
Other assets	-	-	-	-	-	-
Total /the current period	108,499,776	61,878,388	89,402,933	16,763,197	78,641,585	%39.74
Total /the prior year (Audited)	122,320,781	54,055,440	81,343,351	17,586,635	71,642,075	%35.18
Financial guarantees	9,301,724	408,142	829,553	144,100	552,242	%5.45
Letter of credit	-	-	-	-	-	-
Acceptances and time withdrawals	172,854	-	-	-	-	-
Other liabilities (unutilized limits)	8,425,863	518,563	-	-	518,563	%6.15
From which there are Direct limits	2,395,679	213,644	-	-	213,644	%8.92
From which there are Indirect limits	6,030,184	304,919	-	-	304,919	%5.06
Total /the current period	126,400,217	62,805,093	90,232,486	16,907,297	79,712,390	%36.80
Total /the prior year (Audited)	144,069,358	60,376,829	82,065,925	17,764,703	78,141,532	%34.56

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B - Expected Credit loss of exposures that have been reclassified:

	The exposures that have been reclassified			Expected credit loss on exposures that have been reclassified				
	Total exposures that have been reclassified to Stage 2 JD	Total exposures that have been reclassified to Stage 3 JD	Total exposures that have been reclassified JD	Stage 2 Individual JD	Stage 2 Collective JD	Stage 3 Individual JD	Stage 3 Collective JD	Total JD
30 June 2022 (Unaudited)								
Balances at banks and financial institutions	-	-	-	-	-	-	-	-
Deposits at banks and financial institutions credit facilities	61,878,388	47,266,745	78,641,585	497,526	-	566,626	-	1,064,152
Bonds, bills and debentures:								
Financial assets at amortized cost	-	-	-	-	-	-	-	-
Total /the current period	61,878,388	47,266,745	78,641,585	497,526	-	566,626	-	1,064,152
Total /the prior year (audited)	54,055,440	17,586,635	71,642,075	408,619	-	1,130,995	-	1,539,614
Financial guarantees	408,142	144,100	552,242	4,524	-	1,049	-	5,573
Letter of Credits	-	-	-	-	-	-	-	-
Acceptances and time withdrawals	-	-	-	-	-	-	-	-
Other liabilities (unutilized limits)	518,563	-	518,563	4,801	-	-	-	4,801
From which there are Direct limits	213,644	-	213,644	2,189	-	-	-	2,189
From which there are Indirect limits	304,919	-	304,919	2,612	-	-	-	2,612
Total /the current period	62,805,093	47,410,845	79,712,390	506,851	-	567,675	-	1,074,526
Total /the prior year (audited)	60,376,829	17,764,703	78,141,532	488,114	-	1,131,022	-	1,619,136

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(33) LAWSUITS AGAINST THE BANK AND IT'S SUBSIDIARIES

Lawsuits held against the bank are amounted to JD 4,279,404 as of 30 June 2022 against JD 3,591,232 as at 31 December 2021. The total booked provisions against these lawsuits amounted to JD 419,237 as of 30 June 2022 against JD 17,537 as of 31 December 2021. Based on the management's assessment and the Bank's legal consultant, the Bank will not incur any additional liabilities with regard to these lawsuits.

The lawsuits held against Tamkeen Financial Leasing amounted to JD 274,240 as of 30 June 2022 and JD 221,540 as of 31 December 2020. Based on the management's assessment and the Company's legal consultant, the company will not incur any additional liabilities with regard to these lawsuits.

Additionally, there is a lawsuit held against Al Istethmari Letamweel Selselat Al Imdad as of 30 June 2022 and as at 31 December 2021 and based on the management's assessment and the Company's legal consultant, there is no need for the company to take any provisions against this case.

There are no lawsuits held against the Jordanian Company for Factoring as of 30 June 2022 and 31 December 2021.

The lawsuits held against Jordan Trade Facilities amounted to JD 108,090 as of 30 June 2022 against JD 117,311 as of 31 December 2021. The total booked provisions against these lawsuits amounted to JD 277,000 as of 30 June 2022 against 279,173 as of 31 December 2021 Based on the management's assessment and the Company's legal consultant, the company will not incur any additional liabilities with regard to these lawsuits.

Lawsuits held against Trade Facilities for Financial Leasing (Subsidiary of JOTF) amounted to JD 10,601 as of 30 June 2022 against JD 12,301 as of 31 December 2021, based on the management's assessment and the Company's legal consultant; no additional liabilities would rise from these lawsuits.

Lawsuits held against Bindar Trading and Investment Company (Subsidiary of the Bank) amounted to JD 97,835 as of 30 June 2022 against JD 42,840 as of 31 December 2021. The total booked provisions against these lawsuits amounted to JD 97,835 as of 30 June 2022 and JD 32,840 as of 31 December 2021, based on the management's assessment and the Company's legal consultant; the company will not incur any additional liabilities with regard to these lawsuits.

Lawsuits held against Al Qimmah Commercial Facilities Company for Cars amounted to JD 71,917 as of June 30, 2022. In the assessment of the management and the company's legal advisor, there is no need to take provisions against this case at this stage.

No lawsuits were raised against Bindar for Financial Leasing, Robou Alsharq, and Rakeen Investment Company (Subsidiaries of Bindar for Trading and Investments) as of 30 June 2022 and 31 December 2021.

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(34) ASSETS AND LIABILITIES HELD FOR SALE

During the first half of 2022, the Bank's Board of Directors approved the liquidation of the Jordan Factoring Company, and accordingly, each of the company's assets and liabilities were classified under a separate item in accordance with the requirements of IFRS No. (5). The total assets of the company amounted to 88,030 JD as of June 30, 2022, and the total liabilities of the company amounted to 8,647 JD as of June 30, 2022. The details of each of the company's assets and liabilities are as follows:

	<u>June 30, 2022</u>
	JD
	(Unaudited)
Assets	
Cash and balances at Banks	938,963
Direct credit facilities at amortized cost– net	66,100
Property and equipment – net	796
Intangible assets	18,420
Other assets	6,433
Total Assets held for sale	<u>1,030,712</u>
Elimination as a result of transactions between the company and the bank	<u>(942,682)</u>
Total Assets held for sale	<u>88,030</u>
Liabilities	
Other liabilities	12,774
Total liabilities directly related to assets held for sale	<u>12,774</u>
Disposals as a result of transactions between the company and the bank	<u>(4,127)</u>
Total liabilities are directly related to assets held for sale	<u>8,647</u>

(35) GAINS FROM DISCONTINUED OPERATIONS:

A. Profit from discontinued operations - Al Mawared Company (formerly a subsidiary):

	<u>For the three months period</u>		<u>For the six months period</u>	
	<u>ended 31 June</u>		<u>ended 30 June</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	JD	JD		
	(Unaudited)	(Unaudited)		
Revenues	222,315	276,887	680,520	524,814
Eliminations from operations between company and Bank	<u>(7,936)</u>	<u>(19,247)</u>	<u>(17,091)</u>	<u>(53,342)</u>
Total Revenues	<u>214,379</u>	<u>257,640</u>	<u>663,429</u>	<u>471,472</u>
Expenses	(143,182)	(94,605)	(471,636)	(184,169)
Eliminations from operations between company and Bank	<u>(629)</u>	<u>11,063</u>	<u>2,171</u>	<u>12,518</u>
Total Expenses	<u>(143,811)</u>	<u>(83,542)</u>	<u>(469,465)</u>	<u>(171,651)</u>
Total loss from discontinued operation	70,568	174,098	193,964	299,821
Tax and waiver expenses	<u>(22,134)</u>	<u>(50,824)</u>	<u>(58,500)</u>	<u>(95,321)</u>
Income Tax	<u>(119,246)</u>	<u>-</u>	<u>(119,246)</u>	<u>-</u>
Net profit from discontinued operation	<u>(70,812)</u>	<u>123,274</u>	<u>16,218</u>	<u>204,500</u>

* During the first half of 2022, the bank sold its entire invested share in the capital of the Al-Mawared financial brokerage company, which cost 3,000,000 JD distributed over 3 million shares, and the sale value of 4,798,993 JD.

