



No: 4556

Date: 21/7/2021

To: Jordan Security Commission

**Subject: Interim Financial Statements of
INVESTBANK as of 30 June 2021**

Kindly find the attached Interim Financial Statements of INVESTBANK as of 30 June 2021, which were reviewed by KPMG Kawasmy & Partners Co. and approved by Board of directors.

Best Regards,

Chief Executive Officer

Muntaser Dawwas



الرقم: 4556

التاريخ: 21/7/2021

إلى: السادة هيئة الأوراق المالية المحترمين

**الموضوع: البيانات المالية النصف سنوية كما في
٣٠ حزيران ٢٠٢١**

نرفق لكم طيه البيانات المالية النصف سنوية كما في ٣٠ حزيران ٢٠٢١ وذلك بعد مراجعتها من قبل مدققي حسابات البنك السادة شركة كي بي ام جي قواسمي وشركاه والموافق عليها من قبل مجلس الإدارة.

وتفضلوا بقبول فائق الاحترام،،،

المدير العام

منتصر دواس



**INVESTBANK
(PUBLIC SHAREHOLDING COMPANY)
AMMAN- HASHEMITE KINGDOM OF JORDAN**

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS**

**(UNAUDITED)
30 JUNE 2021**

**INVESTBANK
(PUBLIC SHAREHOLDING COMPANY)
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)
30 JUNE 2021**

	<u>PAGE</u>
<u>CONTENTS</u>	
REVIEW REPORT ON THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	1
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION	2
INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS	3
INTERIM CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME	4
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	5
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS	6
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	7 – 54



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 at 30 June 2021 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. 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 our attention that causes us to believe that the accompanying interim condensed consolidated financial statements as of 30 June 2021 are not properly prepared, in all material respects, in accordance with International Accounting Standard (34) as amended by the Central Bank of Jordan instructions.

Amman, Jordan
July 28, 2021

Kawasmy and Partners
KPMG



INVESTBANK
(PUBLIC SHAREHOLDING COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF 30 JUNE 2021

	<u>Notes</u>	<u>30 June 2021</u>	<u>31 December 2020</u>
		JD (Unaudited)	JD (Audited)
Assets			
Cash and balances at the Central Bank of Jordan	4	84,867,237	90,377,554
Balances at banks and financial institutions	5	65,194,377	70,941,436
Deposits at banks and financial institutions	6	-	399,949
Financial assets at fair value through statement of Profit or loss	7	7,443	5,961
Direct credit facilities at amortised cost - net	9	740,350,493	731,932,007
Financial assets at fair value through other comprehensive income	8	39,305,127	39,243,610
Financial assets at amortized cost	10	185,011,333	172,871,636
Property and equipment- net		28,704,012	29,030,141
Intangible assets		2,967,834	2,766,093
Deferred tax assets		16,397,737	17,118,215
Other assets	11	61,135,561	64,670,423
Right of use of leased assets		4,672,359	5,102,151
Total assets		<u>1,228,613,513</u>	<u>1,224,459,176</u>
Liabilities and Equity			
Liabilities			
Bank and financial institutions deposits		27,222,113	30,489,935
Customers deposits	12	764,757,187	766,814,623
Cash margins		33,531,931	35,650,789
Borrowed funds	13	180,784,331	166,797,207
Bonds	14	10,107,500	11,410,000
Lease liabilities		3,350,207	3,611,852
Sundry provisions		459,118	765,666
Provision for income tax	15	4,380,638	6,189,284
Deferred tax liabilities		4,659,536	5,117,743
Other liabilities	16	21,239,375	15,923,551
Total liabilities		<u>1,050,491,936</u>	<u>1,042,770,650</u>
Equity			
Bank's shareholders' equity			
Authorized share capital		100,000,000	100,000,000
Subscribed and paid in share capital		100,000,000	100,000,000
Statutory reserve	17	30,643,329	30,643,329
Financial assets revaluation reserve	18	8,093,119	8,560,247
Retained earnings	19	27,534,490	39,363,524
Net profit for the period		8,748,787	-
Total equity attributable to the Bank's shareholders		<u>175,019,725</u>	<u>178,567,100</u>
Non-controlling interest		3,101,852	3,121,426
Total equity		<u>178,121,577</u>	<u>181,688,526</u>
Total Liabilities and Equity		<u>1,228,613,513</u>	<u>1,224,459,176</u>

The accompanying notes from 1 to 34 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 2021

	Notes	For the three months ended 30 June		For the six months ended 30 June	
		2021	2020	2021	2020
		JD (Unaudited)	JD (Unaudited)	JD (Unaudited)	JD (Unaudited)
Interest income	20	16,938,198	17,178,196	34,067,137	35,763,299
Interest expense	21	(7,993,830)	(8,730,438)	(15,941,311)	(19,012,572)
Net Interest Income		8,944,368	8,447,758	18,125,826	16,750,727
Net commission income		2,849,930	1,678,154	5,264,007	4,251,544
Net Interest and Commissions Income		11,794,298	10,125,912	23,389,833	21,002,271
Gains from foreign currencies		159,543	154,994	371,213	356,422
Gain on sale of financial assets at amortized Cost	10	592,662	-	592,662	-
Gains (losses) from financial assets at fair value through statement of profit or loss	22	369,986	32,511	532,702	(12,053)
Cash dividends from financial assets at fair value through other comprehensive income	8	340,188	2,963,775	730,038	3,043,958
Other Revenue		830,869	417,174	1,407,293	1,106,448
Gross Income		14,087,546	13,694,366	27,023,741	25,497,046
Employees expenses		(3,525,953)	(3,921,950)	(7,300,720)	(7,539,317)
Depreciation and amortization		(748,393)	(710,587)	(1,342,928)	(1,477,770)
Donation against COVID-19		-	(730,000)	-	(730,000)
Other expenses		(2,233,029)	(1,747,128)	(4,250,841)	(3,709,592)
Provisions for impairment of assets seized by the Bank in settlement of outstanding debts and the provision for real estate acquired in accordance with the instructions of the Central Bank of Jordan Recovered from (Provision of) Expected Credit Loss Provision on direct credit facilities	9	(765,925)	-	(749,114)	-
Provision of Expected Credit Loss for other assets and off-Balance sheet items	23	(732,554)	(130,553)	(732,554)	(66,345)
Sundry provisions		(44,537)	(172,330)	(160,737)	(404,330)
Total Expenses		(5,368,797)	(7,781,292)	(13,227,508)	(16,970,580)
Profit for the period before tax		8,718,749	5,913,074	13,796,233	8,526,466
Income tax for the period	15	(3,310,704)	(1,581,120)	(4,957,845)	(2,919,512)
Net Profit for the period		5,408,045	4,331,954	8,838,388	5,606,954
Attributable to:					
Shareholders of the Bank		5,349,221	4,295,490	8,748,787	5,504,961
Non-controlling interest		58,824	36,464	89,601	101,993
		5,408,045	4,331,954	8,838,388	5,606,954
Basic and diluted earnings per share from net profit for the period attributable to the shareholders of the Bank	30	JD/ share 0.053	JD/ share 0.043	JD/ share 0.087	JD/ share 0.055

The accompanying notes from 1 to 34 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 OTHER COMPREHENSIVE INCOME
FOR THE THREE MONTHS AND THE SIX MONTHS ENDED 30 JUNE 2021

	For the three months ended 30 June		For the Six months ended 30 June	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	JD	JD	JD	JD
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Net Profit for the period	5,408,045	4,331,954	8,838,388	5,606,954
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	1,196,957	(2,070,252)	(129,117)	(1,401,362)
Loss on sale of financial assets at fair value through comprehensive income	(203,007)	(310,043)	(210,690)	(2,812,701)
Total Other Comprehensive Income items	<u>993,950</u>	<u>(2,380,295)</u>	<u>(339,807)</u>	<u>(4,214,063)</u>
Total comprehensive income for the period	<u>6,401,995</u>	<u>1,951,659</u>	<u>8,498,581</u>	<u>1,392,891</u>
Total Comprehensive Income Attributable to:				
Shareholders of the Bank	6,343,200	1,914,703	8,409,056	1,290,752
Non-controlling interest	58,795	36,956	89,525	102,139
	<u>6,401,995</u>	<u>1,951,659</u>	<u>8,498,581</u>	<u>1,392,891</u>

The accompanying notes from 1 to 34 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 2021

	<u>Reserves</u>				profit for the period attributable to the bank's shareholders	Total shareholders' equity attributable to the bank's shareholders	Non-controlling interest	Total shareholders' equity
	Subscribed and Paid-up capital	Statutory	Financial Asset revaluation-net	Retained earnings				
(Unaudited)	JD	JD	JD	JD	JD	JD	JD	JD
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
(Unaudited)								
As of 31 December, 2019	100,000,000	29,728,357	12,255,295	35,387,832	-	177,371,484	4,639,405	182,010,889
Profit for the period	-	-	-	-	5,504,961	5,504,961	101,993	5,606,954
Net changes in financial assets revaluation reserve –net after taxes	-	-	(1,401,508)	-	-	(1,401,508)	146	(1,401,362)
(Losses) on sale of financial assets at fair value through other comprehensive income transferred to the retained earnings – net after tax	-	-	(1,543,433)	(1,269,268)	-	(2,812,701)	-	(2,812,701)
Total comprehensive income	-	-	(2,944,941)	(1,269,268)	5,504,961	1,290,752	102,139	1,392,891
Effect of increase in investment in subsidiary	-	-	-	416,795	-	416,795	(1,437,511)	(1,020,716)
As of 30 June 2020	100,000,000	29,728,357	9,310,354	34,535,359	5,504,961	179,079,031	3,304,033	182,383,064

- Retained earnings Include an amount of JD 16,397,737 as of 30 June 2021 restricted by the Central Bank of Jordan against deferred tax assets amounted to JD 17,118,215 as of 31 December 2020.
- Retained earnings Include a restricted amount of JD 1,039,200 as of 30 June 2021 and 31 December 2020, 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 2021 and 31 December 2020, 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.
- 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.

The accompanying notes from 1 to 34 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 STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2021

	Notes	For the six months ended 30 June	
		2021	2020
		JD (Unaudited)	JD (Unaudited)
<u>Operating activities</u>			
Income for the period before income tax		13,796,233	8,526,466
Adjustments for non-cash items:			
Depreciation and amortization		1,342,928	1,477,770
(Recovered from) Provision for expected credit loss on direct credit facilities		(1,309,386)	3,043,226
Sundry provisions		160,737	404,330
Expected Credit Loss provision for other assets and off-Balance sheet items in accordance to IFRS (9)		732,554	66,345
Interest expense on lease liabilities		97,234	114,850
Provision for impairment assets seized by the bank in fulfilment of outstanding debts and provision for expropriated properties in accordance with CBJ instructions		749,114	-
accrued cash dividends from Financial assets at fair value through other comprehensive income		-	(2,583,599)
Loss on disposal of assets		23,684	-
Gain on sale of assets seized by the bank		(337,462)	(19,300)
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	(1,482)	(9,096)
Net interest (revenues) expenses		1,099,923	(110,641)
Effect of exchange rate fluctuations on cash and cash equivalents		(10,393)	(12,483)
		<u>15,751,022</u>	<u>10,897,868</u>
Changes in assets and liabilities			
Financial assets at fair value through statement of profit or loss		-	(687,967)
Direct credit facilities at amortized cost		(7,109,100)	(31,570,713)
Other assets		3,222,161	(3,199,558)
Customers' deposits		(2,057,436)	(48,393,291)
Cash margin		(2,118,858)	160,092
Other liabilities		3,432,354	(433,485)
		<u>(4,630,879)</u>	<u>(84,124,922)</u>
Net changes in assets and liabilities			
Net cash flows from (used in) operating activities before income tax and provisions paid			
		<u>11,120,143</u>	<u>(73,227,054)</u>
Paid from lawsuits provisions		(467,285)	(278,900)
Income tax paid		(6,046,013)	(5,811,061)
		<u>4,606,845</u>	<u>(79,317,015)</u>
Net cash flows from (used in) operating activities			
<u>Investing activities</u>			
Purchases of financial assets at fair value through other comprehensive income		(3,895,974)	(5,841,248)
Sale of financial assets at fair value through other comprehensive income		2,571,076	3,669,470
Deposits at banks and financial institutions		400,000	1,600,000
Purchases of financial assets at amortized cost		(71,828,918)	(4,597,593)
Financial assets at amortized cost due		42,899,277	11,128,802
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		(376,269)	(435,757)
Proceeds from sale of property and equipment		200	-
Purchase of intangible assets		(396,343)	(207,437)
		<u>(12,827,951)</u>	<u>5,316,237</u>
Net cash flows (used in) from investing activities			
<u>Financing activities</u>			
Dividends paid		(12,000,000)	-
Borrowed funds		13,987,124	23,815,948
Bonds		(1,302,500)	(11,850,000)
Operating lease liabilities payments		(398,899)	(442,059)
Purchases of additional share in subsidiary		(65,530)	(1,020,716)
		<u>220,195</u>	<u>10,503,173</u>
Effect of exchange rate fluctuations on cash and cash equivalents		<u>10,393</u>	<u>12,483</u>
		<u>(7,990,518)</u>	<u>(63,485,122)</u>
Net decrease in cash and cash equivalents			
Cash and cash equivalents at 1 January		130,830,113	165,665,376
		<u>130,830,113</u>	<u>165,665,376</u>
Cash and cash equivalents at 30 June	27	<u>122,839,595</u>	<u>102,180,254</u>

The accompanying notes from 1 to 34 form an integral part of these interim condensed consolidated financial statements and should be read with them and with the accompanying review report

**INVEST BANK
(PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2021 (UNAUDITED)**

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 04/2021 that held on 28 July 2021.

(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 modified 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.

**INVEST BANK
(PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2021 (UNAUDITED)**

- 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:

Classification	Number of Breach days	Ratio of the provision in to the first year
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.

- 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, so that the required percentage of 50% of these properties are reached by the end of the year 2029.

**INVEST BANK
(PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2021 (UNAUDITED)**

- 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.
- Investment in subsidiaries are also stated at cost for the purposes of these consolidated financial statements and are accounted for as shown in note (3-2).
- 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, 2020 except for application of new standards are amendments to existing standards as mention below.
 - Covid-19 Related Rent concessions (Amendments to IFRS 16)
 - Interest Rates Benchmark Reform Phase 2 - Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16
- The adoption of the above amended standards has not affected the amounts or disclosures in the consolidated condensed interim financial statements.

B. New IFRSs and Amendments issued but not yet effective

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

- Onerous contracts (a contract in which the total cost required to fulfill the contract is higher than the economic benefit that can be obtained from it) - the cost of executing the contract (Amendments to IAS 37).

Annual amendments to IFRS's 2018-2020:

- Property and equipment: the proceeds obtained prior to the intended or intended use of property and equipment (amendments to IAS 16).
- Amendments to references to conceptual framework (Amendments to IAS 3).
- Amendments to IAS 1 classification of liabilities as a currents or non-currents.
- IAS 17 "insurance contract" and amendments to IAS 17 (insurance contracts").
- Definition of Accounting estimates – Amendments to IAS 8.
- Disclosure of accounting policies – Amendments to IAS 1 and practice IFRS's statement 2.
- Amendments to International Financial Reporting Standard (10) and International accounting standards (28) Sale or Contribution of Assets between Investor and partners in its Joint Venture.

Management does not expect that there will be a material impact from adopting the above standards upon the end of the assessment of the affect of these amendments and standards.

**INVEST BANK
(PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2021 (UNAUDITED)**

(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.

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.

**INVEST BANK
(PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2021 (UNAUDITED)**

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, 2021:

<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>
	JD				
Al- Mawared for Financial Brokerage Company	3,000,000	100%	Brokerage	Amman	2006
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%	Financing lease	Amman	2017
Bindar Lease Financing Company	1,000,000	96%		Amman	2017

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.

**INVEST BANK
(PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2021 (UNAUDITED)**

THE CORONA VIRUS (COVID-19) IMPACT

The Corona Virus (COVID-19) pandemic has spread across different geographical regions of the world, disrupting business and economic activities and caused doubts globally. For which financial and monetary authorities, both domestic and international declared various support measures in all parts of the world to face the potential negative effects, as at the present time there is a significant increase of uncertainty in determining the economic impact that is manifested, for example, in the volume of liquidity and volatility in assets prices, foreign currency exchange rates, a noticeable decrease in long-term interest rates, an assessment of the significant increase in credit risk and different macroeconomic factors. Accordingly, the Group's management has closely monitored the situation and has activated its business continuity plan and other risk management practices to manage any potential disruptions that the Corona Virus (COVID -19) outbreak may cause 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).
- 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 2021</u>	<u>31 December 2020</u>
	<u>JD</u>	<u>JD</u>
	(Unaudited)	(Audited)
Cash on hand	14,089,327	13,396,731
Balances at the Central Bank of Jordan:		
Current and demand accounts and statutory cash reserve	41,277,910	46,480,823
Term and notice deposits	29,500,000	30,500,000
Total	<u>84,867,237</u>	<u>90,377,554</u>

Except for the statutory cash reserve, there are no restricted balances as of 30 June 2021 and 31 December 2020. There are no balances, maturing within a period exceeding three months as of 30 June 2021 and 31 December 2020. Expected credit losses allowance was not calculated on balances at Central Bank of Jordan as at 30 June, 2021 and 31 December, 2020, 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).

INVEST BANK
(PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2021 (UNAUDITED)

(5) BALANCE AT BANKS AND FINANCIAL INSTITUTIONS

This item consists of the following:

	<u>30 June 2021</u>	<u>31 December 2020</u>
	JD	JD
	(Unaudited)	(Audited)
Local banks and financial institution	22,532,828	17,881,099
Foreign banks and financial institutions	42,661,643	53,061,395
Less: Provision for Expected Credit Loss	(94)	(1,058)
Total	<u>65,194,377</u>	<u>70,941,436</u>

Non-interest-bearing balances held at banks and financial institutions amounted to JD 26,131,487 as at 30 June 2021, against JD 32,125,509 as at 31 December 2020.

There are no restricted balances as at 30 June 2021 and 31 December 2020.

Balances at banks and financial institutions movement:

For the period ended 30 June 2021	Stage 1	Stage 2	Stage 3	Total
(Unaudited)	Individually	Individually	Stage 3	Total
Total balance at the beginning of the period	70,942,494	-	-	70,942,494
New balances during the period	48,551,827	-	-	48,551,827
Paid balances (Repaid/ Derecognized)	(54,299,850)	-	-	(54,299,850)
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	<u>65,194,471</u>	<u>-</u>	<u>-</u>	<u>65,194,471</u>

For the year ended 31 December 2020	Stage 1	Stage 2	Stage 3	Total
(Audited)	Individually	Individually	Stage 3	Total
Total balance at the beginning of the year	57,829,489	-	-	57,829,489
New balances during the year	56,980,547	-	-	56,980,547
Paid balances (Repaid/ Derecognized)	(43,867,542)	-	-	(43,867,542)
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 year	<u>70,942,494</u>	<u>-</u>	<u>-</u>	<u>70,942,494</u>

INVEST BANK
(PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2021 (UNAUDITED)

Provision for expected credit losses movement:

For the period ended 30 June 2021 (Unaudited)	Stage 1 Individually	Stage 2 Individually	Stage 3	Total
balance at the beginning of the period	1,058	-	-	1,058
Loss on impairment over new balances during the period	94	-	-	94
Recovered from impairment loss over settled Balances (Repaid/ Derecognized)	(1,058)	-	-	(1,058)
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	94	-	-	94
For the year ended 31 December 2020 (Audited)	Stage 1 Individually	Stage 2 Individually	Stage 3	Total
Balance at the beginning of the year	65,300	-	-	65,300
Loss on impairment over new balances added during the year	1,058	-	-	1,058
Recovered from impairment loss over settled Balances (Repaid/ Derecognized)	(65,300)	-	-	(65,300)
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	1,058	-	-	1,058

INVEST BANK
(PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2021 (UNAUDITED)

(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 2021	31 December 2020	30 June 2021	31 December 2020	30 June 2021	31 December 2020
	JD (Unaudited)	JD (Audited)	JD (Unaudited)	JD (Audited)	JD (Unaudited)	JD (Audited)
Deposit matured within a period exceeding three months	-	400,000	-	-	-	400,000
Less: provision for expected credit loss	-	(51)	-	-	-	(51)
Total	-	399,949	-	-	-	399,949

There are no restricted deposits as at 30 June 2021 and 31 December 2020.

Deposits at banks and financial institutions movement:

For the period ended 30 June 2021 (Unaudited)	Stage 1	Stage 2	Stage 3	Total
	Individually	Individually		
	JD	JD	JD	JD
Total balance at the beginning of the period	400,000	-	-	400,000
New balances during the period	-	-	-	-
Paid balances (Repaid/ Derecognized)	(400,000)	-	-	(400,000)
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	-	-	-	-

For the year ended 31 December 2020 (Audited)	Stage 1	Stage 2	Stage 3	Total
	Individually	Individually		
	JD	JD	JD	JD
Total balance at the beginning of the year	6,772,500	-	-	6,772,500
New balances during the year	400,000	-	-	400,000
Paid balances (Repaid/ Derecognized)	(6,772,500)	-	-	(6,772,500)
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 year	400,000	-	-	400,000

INVEST BANK
(PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2021 (UNAUDITED)

Provision for expected credit losses movement:

For the period ended 30 June 2021 (Unaudited)	Stage 1	Stage 2	Stage 3	Total
	Individually	Individually	Individually	Individually
	JD	JD	JD	JD
Balance at the beginning of the period	51	-	-	51
Loss on impairment over new balances during the period	-	-	-	-
Recovered from impairment loss over settled balances (Repaid/ Derecognized)	(51)	-	-	(51)
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	-	-	-	-
For the year ended 31 December 2020 (Audited)	Stage 1	Stage 2	Stage 3	Total
	Individually	Individually	Individually	Individually
	JD	JD	JD	JD
Balance at the beginning of the year	19,576	-	-	19,576
Loss on impairment over new balances during the year	51	-	-	51
Recovered from impairment loss over settled Balances (Repaid/ Derecognized)	(19,576)	-	-	(19,576)
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	51	-	-	51

**INVEST BANK
(PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2021 (UNAUDITED)**

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

This item consists of the following:

	<u>30 June 2021</u>	<u>31 December 2020</u>
	JD	JD
	(Unaudited)	(Audited)
Companies Shares	7,442	5,960
Investments funds	1	1
Total	<u>7,443</u>	<u>5,961</u>

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

The details of this item are as follows:

	<u>30 June 2021</u>	<u>31 December 2020</u>
	JD	JD
	(Unaudited)	(Audited)
Quoted shares	32,940,000	32,450,995
Unquoted shares *	6,365,127	6,792,615
Total	<u>39,305,127</u>	<u>39,243,610</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 127,397 for the period ended 30 June 2021, against JD 1,269,268 for the period ended 30 June 2020 that directly credited to the retained earnings in equity.

Cash dividends for the above financial assets amounted to JD 730,038 for the six-month ended 30 June 2021 against to JD 3,043,958 for the six months ended 30 June 2020.

(9) DIRECT CREDIT FACILITIES AT AMORTIZED COST – NET

The details of this item are as follows:

	<u>30 June 2021</u>	<u>31 December 2020</u>
	JD	JD
	(Unaudited)	(Audited)
Individuals (Retail)		
Overdraft	7,261,825	6,744,535
Loans and discounted bills *	194,156,321	176,502,978
Credit cards	46,847,425	36,451,370
Real estate loans	143,758,530	144,474,197
Corporates		
Large Corporates		
Overdraft	79,043,337	83,177,308
Loans and discounted bills *	230,336,495	247,177,601
SMEs		
Overdraft	6,956,869	6,383,076
Loans and discounted bills *	36,069,664	45,289,834
Government and public sector	<u>49,054,662</u>	<u>38,585,290</u>
Total	<u>793,485,128</u>	<u>784,786,189</u>
Less:		
Provision for expected credit loss	40,888,612	42,382,980
Interest in suspense**	12,246,023	10,471,202
Net direct credit facilities	<u>740,350,493</u>	<u>731,932,007</u>

**INVEST BANK
(PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2021 (UNAUDITED)**

- * The balance is presented on a net basis, after deducting the commissions and interest received in advance amounted to JD 34.737.089 as at 30 June 2021, against JD 33.388.764 as at 31 December 2020.
- ** Interest in suspense Includes an amount of JD 1.359.383 as at 30 June 2021, against JD 428.895 as at 31 December 2020, which represents interest in suspense against some performing accounts classified within stage 2 and 3.
- Non-performing facilities amounted to JD 46.983.694, equivalent to 5.9% of total direct credit facilities balance, as at 30 June 2021 against JD 43.906.686, equivalent to 5.6% of total direct credit facilities balance, as at 31 December 2020.
- Non-performing credit facilities after deducting interest in suspense amounted to JD 36.097.054, equivalent to 4.6% of total direct credit facilities balance after deducting interest in suspense, as at 30 June 2021 against JD 33.864.379 , equivalent to 4.4% of direct credit facilities balance, as at 31 December 2020.
- Credit facilities granted to the Jordanian government and/or under its guarantee amounted to 19.481.333, equivalent to 2.5% of total direct credit facilities as at 30 June 2021 against 19.490.833, equivalent to 2.5% of total direct credit facilities as at 31 December 2020.
- Part of instalments receivables guarantees, and finance lease contracts related to Jordan Trade Facilities Company with an amount of JD 1.322.216 as at 30 June 2021 (Cheques and promissory notes) against JD 1.253.302 as at 31 December 2020 were deposited as guarantees against loans and bank overdrafts.
- Non-performing debts were transferred to items Off the consolidated statement of financial position at a value of zero dinars during the first half of 2021, compared to 11,020,801 dinars during the year 2020.
- The value of non-performing debts transferred to items Off the consolidated statement of financial position amounted to 60,283,111 dinars as on 30 June 2021 and 31 December 2020.

INVEST BANK
(PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2021 (UNAUDITED)

A- Provision for expected credit loss on direct credit facilities

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	
(Unaudited)					
For the period ended 30 June 2021					
Balance at the beginning of the period	10,749,702	4,461,458	19,899,417	7,272,403	42,382,980
Deducted from (reversed to) revenue during the period	2,082,972	91,398	(4,640,777)	1,157,021	(1,309,386)
Provision utilized during the period (written off debts)	(29,118)	-	(137,415)	(18,449)	(184,982)
Balance at the end of the period	12,803,556	4,552,856	15,121,225	8,410,975	40,888,612
(Audited)					
For the year ended 31 December 2020					
Balance at the beginning of the year	13,378,308	2,029,143	16,545,883	5,625,389	37,578,723
Deducted from (reversed to) revenue during the year	(2,508,144)	2,504,638	13,954,651	1,682,110	15,633,255
Provision utilized during the year (written off debts)	(120,462)	(72,323)	(10,601,117)	(35,096)	(10,828,998)
Balance at the end of the year	10,749,702	4,461,458	19,899,417	7,272,403	42,382,980

B- Total facilities movement Classified per stage

For the period ended 30 June 2021

(Unaudited)

	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD		
Total balance at the beginning of the period	337,988,089	261,214,869	86,877,265	21,555,878	77,150,088	784,786,189
New balances during the period	88,350,824	12,397,478	8,391,187	552,516	3,170,516	112,862,521
Paid balances (Repaid/ Derecognized)	(37,395,247)	(29,916,993)	(3,433,790)	(2,242,591)	(5,790,887)	(78,779,508)
Transferred to stage 1	16,682,563	-	(9,866,136)	(1,850,219)	(4,966,208)	-
Transferred to stage 2	(11,004,793)	(15,841,246)	28,176,174	-	(1,330,135)	-
Transferred to stage 3	(3,621,953)	(2,968,732)	(1,599,381)	(2,008,990)	10,199,056	-
Changes due to amendments	208,968,429	(224,885,376)	7,830,966	(16,006,594)	(993,225)	(25,085,800)
Written off balances	-	-	-	-	(298,274)	(298,274)
Adjustments due to changes in exchange rates	-	-	-	-	-	-
Total Balance at the end of the period	599,967,913	-	116,376,285	-	77,140,930	793,485,128

**INVEST BANK
(PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2021 (UNAUDITED)**

For the year ended 31 December 2020 (Audited)	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD		
Total balance as at the beginning of the year	185,884,183	313,531,509	132,892,285	19,399,188	68,385,897	720,093,062
New balances during the year	74,007,846	82,246,427	11,732,461	2,886,289	15,645,631	186,518,654
Paid balances (Repaid/ Derecognized)	(23,563,625)	(25,757,870)	(23,851,252)	(2,360,579)	(4,685,404)	(80,218,730)
Transferred to stage 1	14,528,481	2,936,023	(13,819,324)	(1,347,411)	(2,297,769)	-
Transferred to stage 2	(4,872,171)	(2,887,520)	7,584,719	4,424,937	(4,249,965)	-
Transferred to stage 3	(7,416)	(1,333,078)	(14,982,184)	(1,289,908)	17,612,586	-
Changes due to amendments	92,010,791	(107,520,622)	(12,679,440)	(156,638)	(1,478,440)	(29,824,349)
Written off balances	-	-	-	-	(11,782,448)	(11,782,448)
Adjustments due to changes in exchange rates	-	-	-	-	-	-
Total Balance at the end of the year	337,988,089	261,214,869	86,877,265	21,555,878	77,150,088	784,786,189

**C- Movement on provision for expected credit losses for facilities per sector:
For the period ended 30 June 2021 (Unaudited)**

	Individuals	Real estate loans	Corporates		Government and public sector	Total
			Large Corporate	SMEs		
Balance at the beginning of the period	10,749,702	4,461,458	19,899,417	7,272,403	-	42,382,980
Loss on impairment over new balances during the period	3,405,726	903,545	1,513,912	1,330,386	-	7,153,569
Recovered from impairment loss over settled balances (Repaid/ Derecognized)	(1,391,531)	(874,821)	(5,174,744)	(424,916)	-	(7,866,012)
Transferred to stage 1	259,017	(1,407)	(5,353)	(21,697)	-	230,560
Transferred to stage 2	109,946	13,374	(97,891)	(10,188)	-	15,241
Transferred to stage 3	(368,963)	(11,967)	103,244	31,885	-	(245,801)
Impact on provision – as at period end – due to reclassification between the 3 stages during the period	-	-	-	-	-	-
Changes due to amendments	68,777	62,674	(979,945)	251,551	-	(596,943)
Written off balances	(29,118)	-	(137,415)	(18,449)	-	(184,982)
Adjustments due to changes in exchange rates	-	-	-	-	-	-
Total Balance at the end of the period	12,803,556	4,552,856	15,121,225	8,410,975	-	40,888,612

INVEST BANK
(PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2021 (UNAUDITED)

For the year ended 31 December 2020 (Audited)

	<u>Corporates</u>				Government and public sector	Total
	Individuals	Real estate loans	Large Corporate	SMEs		
Balance at the beginning of the year	13,378,308	2,029,143	16,545,883	5,625,389	-	37,578,723
Loss on impairment over new balances during the year	2,167,211	2,516,490	16,643,802	2,379,193	-	23,706,696
Recovered from impairment loss over settled balances (Repaid/ Derecognized)	(3,154,936)	(543,349)	(2,162,318)	(1,601,625)	-	(7,462,228)
Transferred to stage 1	237,597	36,491	231,512	10,596	-	516,196
Transferred to stage 2	2,298	28,510	(468,313)	(19,128)	-	(456,633)
Transferred to stage 3	(239,895)	(65,001)	236,801	8,532	-	(59,563)
Impact on provision – as at year end – due to reclassification between the 3 stages during the year	-	-	-	-	-	-
Changes due to amendments	(1,520,419)	531,497	(526,833)	904,542	-	(611,213)
Written off balances	(120,462)	(72,323)	(10,601,117)	(35,096)	-	(10,828,998)
Adjustments due to changes in exchange rates	-	-	-	-	-	-
Total Balance at the end of the year	10,749,702	4,461,458	19,899,417	7,272,403	-	42,382,980

INVEST BANK
(PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2021 (UNAUDITED)

D- Interest in suspense

The movement on interest in suspense was as follows:

	Individuals	Real estate Loans	Corporates		Total
			Large Corporate	SMEs	
			JD	JD	
(Unaudited)					
For the period ended 30 June 2021					
balance at the beginning of the period	3,427,284	1,122,807	3,743,678	2,177,433	10,471,202
Interest in suspense for the period	553,787	113,992	1,664,340	608,277	2,940,396
Interest transferred to revenues	(223,148)	(156,987)	(470,507)	(201,641)	(1,052,283)
Interest in suspense written off*	(77,450)	(8,734)	(72)	(27,036)	(113,292)
Balance at the end of period	3,680,473	1,071,078	4,937,439	2,557,033	12,246,023
(Audited)					
For the year ended 31 December 2020					
balance at the beginning of the year	2,656,091	931,595	3,100,939	1,538,845	8,227,470
Interest in suspense for the year	1,108,820	239,839	1,438,498	744,854	3,532,011
Interest transferred to revenue	(217,484)	(44,062)	(16,386)	(56,897)	(334,829)
Interest in suspense written-off*	(120,143)	(4,565)	(779,373)	(49,369)	(953,450)
Balance at the end of the year	3,427,284	1,122,807	3,743,678	2,177,433	10,471,202

* 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 298,274 during the 6 months ended 30 June 2021 against JD 11,782,448 for the year ended 31 December 2020.

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

(Unaudited)	Stage 1		Stage 2		Stage 3	30 June 2020	31 Dec 2020
	Individual	Collective	Individual	Collective		(Unaudited)	(Audited)
	JD	JD	JD	JD	JD	JD	JD
(1 to 5)	274,627,678	-	22,329,258	-	323,524	297,280,460	323,360,889
(6 to 7)	63,121,128	-	61,904,015	-	28,068,613	153,093,756	141,647,983
(8 to 10)	-	-	-	-	17,523,636	17,523,636	14,154,770
Unclassified	262,219,107	-	32,143,012	-	31,225,157	325,587,276	305,622,547
Total	599,967,913	-	116,376,285	-	77,140,930	793,485,128	784,786,189

INVEST BANK
(PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2021 (UNAUDITED)

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

For the period ended 30 June 2021 (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	367,657	1,720,700	1,200,471	876,022	38,218,130	42,382,980
Loss on impairment over new balances during the period	1,309,311	1,888,026	266,449	561,713	3,130,625	7,156,124
Recovered from impairment loss over settled balances (Repaid/ Derecognized)	(52,221)	(445,652)	(257,832)	(246,929)	(6,863,378)	(7,650,864)
Transferred to stage 1	455,445	-	(29,130)	(77,568)	(348,747)	-
Transferred to stage 2	(3,127)	(156,271)	456,513	-	(297,115)	-
Transferred to stage 3	(17,858)	(46,828)	(226,712)	(108,614)	400,012	-
Impact on provision – as at period end – due to reclassification between the 3 stages during the period	623,081	(2,957,115)	1,525,229	(1,008,004)	1,816,809	-
Changes due to amendments	16,884	(2,860)	214,490	3,380	(828,837)	(596,943)
Written off balances	-	-	-	-	(184,982)	(184,982)
Adjustments due to changes in exchange rates	-	-	-	-	-	-
Total	2,699,172	-	3,149,478	-	35,039,962	40,888,612

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

	30 June 2021	31 December 2020
	JD	JD
	(Unaudited)	(Audited)
Financial	10,421,662	16,404,745
Manufacturing and mining	90,329,161	95,921,914
Commercial	115,286,079	123,441,064
Properties	143,758,530	144,474,197
Construction	48,445,648	50,789,060
Agriculture	403,157	289,107
Tourism, restaurants and public facilities	93,788,890	99,340,473
Shares	8,032,647	7,623,992
Government and public sector	49,054,662	38,585,290
Individuals	233,964,692	207,916,347
Total	793,485,128	784,786,189

INVEST BANK
(PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2021 (UNAUDITED)

(10) FINANCIAL ASSETS AT AMORTISED COST

The details of this item are as follows:

	30 June 2021	31 December 2020
	JD	JD
	(Unaudited)	(Audited)
Quoted financial assets:		
Government bills and treasury bonds	109,969,894	95,185,311
Corporate bonds and debentures	3,545,000	4,251,285
Total	113,514,894	99,436,596
Unquoted financial assets:		
Government bills and treasury bonds	14,676,291	24,531,286
Corporate bonds and debentures	57,620,000	49,620,000
Total	72,296,291	74,151,286
Provision for Expected Credit Loss	(719,600)	(716,246)
Interest in suspense	(80,252)	-
Total financial assets at amortized cost	185,011,333	172,871,636
Analysis of bonds and treasury bills		
Fixed rate	142,146,185	114,920,701
Floating rate	42,865,148	57,950,935
	185,011,333	172,871,636

- The bank in the first half of 2021 sold its financial assets equally, which are amortized before the maturity date, at a value of 17,799,000 dinars, compared to the first half of 2020, and this resulted in profits of 592,662 dinars, compared to zero dinars, in the first half of 2020.

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

*It represents outstanding interest against corporate loan bonds and bonds categorized within the third stage in accordance with IFRS 9.

Financial assets at amortised costs movement:

For the period ended 30 June 2021

(Unaudited)

	Stage 1	Stage 2	Stage 3	Total
	Individually	Individually	Individually	Individually
	JD	JD	JD	JD
Balance at the beginning of the period	168,467,882	5,120,000	-	173,587,882
New investment during the period	73,513,330	-	-	73,513,330
Matured investments (Matured/ derecognized)	(61,290,027)	-	-	(61,290,027)
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 period	180,691,185	-	5,120,000	185,811,185

INVEST BANK
(PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2021 (UNAUDITED)

For the year ended 31 December 2020 (Audited)	Stage 1 Individually	Stage 2 Individually	Stage 3	Total
Balance at the beginning of the year	164,063,738	5,120,000	-	169,183,738
New investments during the year	35,921,570	-	-	35,921,570
Matured Investments (Matured / Derecognized)	(31,517,426)	-	-	(31,517,426)
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 year	168,467,882	5,120,000	-	173,587,882

Provision for expected credit loss movement:

For the period ended 30 June 2021 (Unaudited)	Stage 1 Individually	Stage 2 Individually	Stage 3	Total
Balance at the beginning of the period	36,246	680,000	-	716,246
Loss on impairment over new investment during the period	7,927	-	-	7,927
Recovered from impairment loss over Matured investment (Matured/ Derecognized)	(4,573)	-	-	(4,537)
Transferred to stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	(680,000)	680,000	-
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	39,600	-	680,000	719,600

For the year ended 31 December 2020 (Audited)	Stage 1 Individually	Stage 2 Individually	Stage 3	Total
Balance at the beginning of the year	44,464	104,682	-	149,146
Loss on impairment over new investment during the year	326	575,318	-	575,644
Recovered from impairment loss over Matured investment (Matured/ Derecognized)	(8,544)	-	-	(8,544)
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	36,246	680,000	-	716,246

**INVEST BANK
(PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2021 (UNAUDITED)**

(11) OTHER ASSETS

The details of this item are as follows:

	<u>30 June 2021</u> JD (Unaudited)	<u>31 December 2020</u> JD (Audited)
Interest and income under collection	2,991,357	2,926,584
Prepaid expenses	2,383,587	1,395,078
Assets seized by bank in repayment of debt*	43,722,852	43,405,673
Refundable deposits	935,186	955,059
Clearance Cheques	539,375	54,018
Balances related to fraudulent transaction -net**	1,039,200	1,039,200
Purchased acceptances	2,164,021	9,195,924
Others	7,359,983	5,698,887
Total	<u>61,135,561</u>	<u>64,670,423</u>

* According to the banks' law, property seized by the bank in repayment of debt from clients should be disposed of within two years from the foreclosure date. However, the Central Bank of Jordan may extend this period for a maximum of two more years in exceptional cases. These properties are presented in net, after deducting any impairment in it's value.

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

	<u>30 June 2021</u> JD (Unaudited)	<u>31 December 2020</u> 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	<u>1,039,200</u>	<u>1,039,200</u>

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 dinars, 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 dinars as on June 30, 2021 and December 31, 2020, 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 dinars, knowing that the case is under consideration, currently from the Amman Criminal Court, where the procedures of the Attorney General have ended.

INVEST BANK
(PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2021 (UNAUDITED)

(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 2021					
Current and demand accounts	79,018,539	62,983,466	11,843,881	2,407,665	156,253,551
Saving deposits	45,387,512	2,523,006	67,544	-	47,978,062
Time and notice deposits	351,925,294	153,721,613	14,477,140	40,401,527	560,525,574
Total	476,331,345	219,228,085	26,388,565	42,809,192	764,757,187
(Audited)					
31 December 2020					
Current and demand accounts	83,962,411	69,425,737	12,895,002	2,575,666	168,858,816
Saving deposits	37,478,827	2,195,567	22,212	-	39,696,606
Time and notice deposits	344,104,553	165,115,861	11,061,466	37,977,321	558,259,201
Total	465,545,791	236,737,165	23,978,680	40,552,987	766,814,623

- Government and Public sector deposits amounted to JD 42,809,192, equivalent to 5.6% of total deposits as at 30 June 2021 against to JD 40,552,987, equivalent to 5.6% as at 31 December 2020.
- Non-interest-bearing deposits amounted to JD 183,750,112, equivalent to 24.0% of total deposits as at 30 June 2021 against JD 195,580,960, equivalent to 25.5% as at 31 December 2020.
- Retained (Restricted) deposits amounted to JD 14,700,392, equivalent to 1.9% of total deposits as at 30 June 2021 against JD 14,524,299, equivalent to 1.9% as at 31 December 2020.
- Dormant deposits amounted to JD 8,394,512 as at 30 June 2021, against JD 10,185,370 as at 31 December 2020.

**INVEST BANK
(PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2021 (UNAUDITED)**

(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 2021						
Loans borrowed from Central Bank of Jordan	11,367,988	1,731	1,672	Monthly	Promissory notes	Zero to 1.0%
Loans borrowed from banks/ Local financial institutions	158,214,143	572	370	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	11,202,200	21	17	Semi-annual and at maturity	-*	1.86% to 5%
Total	180,784,331					
(Audited)						
31 December 2020						
Loans borrowed from Central Bank of Jordan	11,324,963	1,470	1,416	Monthly	Promissory notes	Zero to 1.0%
Loans borrowed from banks/ Local financial institution	143,702,844	521	351	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	11,769,400	21	18	Semi-annual and at maturity	- *	1.86% to 5%
Total	166,797,207					

- Borrowed funds from the Central Bank of Jordan amounted to JD 11,367,988 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 3.36%.
- The number of beneficiaries from the Central Bank of Jordan's program which aims to assist SMEs in facing COVID-19 is 42 clients as of June 30, 2021. 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 120,714,143 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 37,500,000, additionally, housing loans are refinanced with an interest rate amounted to 6.21% as at June 30, 2021 against 6.25% as at December 31, 2020.
- Borrowed funds from foreign institutions represent amounts borrowed from Sanad fund to finance small projects by an amount of USD 15.8 Million, equivalent to JD 11,202,200 granted to the Bank and its subsidiary (Jordan Trade Facilities Company) as at June 30, 2021 against USD 16.6 Million, equivalent to JD 11,769,400 as of December 31, 2020.
- Fixed interest loans and floating interest loans are amounted to JD 69,663,037 and JD 111,121,294, respectively, as at June 30, 2021 against JD 68,229,699 fixed interest loans and JD 98,567,508 floating interest loans as at December 31, 2020.
- Part of the instalments receivables guarantees and finance lease contracts in Jordan Trade Facilities Company with an amount of JD 1,322,216 as of June 30, 2021 (Cheques and promissory notes) were deposited as guarantees against the loans and Bank overdraft against JD 1,253,302 as at December 31, 2020.

* The Bank issued a Letter of Comfort.

**INVEST BANK
(PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2021 (UNAUDITED)**

14) BONDS

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

Subsidiary	Amount of issued bonds	Interest rate	Total number of instalments	Remaining number of instalments	Frequency of instalments	Guarantees	Issuance date	Maturity date
JD								
30 June 2021 (Unaudited)								
Tamkeen Leasing Co	5,000,000	5%	1	1	One payment at the date of maturity	N/A	20 August 2020	18 September 2021
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	2,107,500	5%	1	1	One payment at the date of maturity	N/A	2 November 2020	2 December 2021
Total	<u>10,107,500</u>							
31 December 2020 (Audited)								
Tamkeen Leasing Co	5,000,000	5%	1	1	One payment at the date of maturity	N/A	20 August 2020	18 September 2021
Tamkeen Leasing Co	1,300,000	5%	1	1	One payment at the date of maturity	N/A	3 July 2020	27 June 2021
Bindar Trade and Investment Company	3,000,000	5.85%	1	1	One payment at the date of maturity	N/A	16 June 2020	10 June 2021
Jordan Trade Facilities Company	2,110,000	5%	1	1	One payment at the date of maturity	N/A	2 November 2020	2 December 2021
Total	<u>11,410,000</u>							

**INVEST BANK
(PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2021 (UNAUDITED)**

(15) INCOME TAX

A. Income tax provision

The movement on Provision for Income tax was as follows:

	30 June 2021	31 December 2020
	JD	JD
	(Unaudited)	(Audited)
Beginning balance for the period / year	6,189,284	5,814,560
Total Income tax paid	(6,046,013)	(7,131,764)
Income tax (Recovered from) Prior year's income tax	13,051	34,534
Income tax for the period / year	4,224,316	7,471,954
Ending balance for the period / year	4,380,638	6,189,284

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:

	30 June 2021	30 June 2020
	JD	JD
	(Unaudited)	(Unaudited)
Income tax on current period profit	4,224,316	3,306,564
Prior years income tax	13,051	34,534
Deferred tax assets for the period – additions	(3,217,089)	(1,263,948)
Amortization of deferred tax assets for the period	3,937,567	842,362
	4,957,845	2,919,512

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 and 2020 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 at 30 June 2021.

Tax status of Al Mawared for Financial Brokerage Company (Subsidiary)

- The Company has reached to a final settlement with the income and sales tax department for the period since inception on 5 June 2006 till the end of the year 2018.
- The company has submitted its tax return for the year 2019 and 2020 upon the legal due date.
- 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 till 30 June 2020.

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 company has submitted its tax return for the year 2019 and 2020 upon the legal due date.

**INVEST BANK
(PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2021 (UNAUDITED)**

- 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 at 30 June 2021.

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 and 2020 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 at 30 June 2021.

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 2018.
- The company has submitted its tax return for the years 2019 and 2020 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 submitted its self-assessment statements up to the end of 2018 and was accepted by the Income and Sales Tax Department using the sampling system without any amendments.
- The subsidiary (Trade Facilities for Finance Leasing Company) has submitted its tax return for the years 2019 and 2020 upon the legal due date.
- 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 periods 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 2021.

**INVEST BANK
(PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2021 (UNAUDITED)**

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.
- The company has submitted its tax return for the years 2019 and 2020 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 2016 as well as the years 2018 and 2019, and the tax return for the years 2017 and 2020 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.
- 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 year 2019.
- The subsidiary (Robou Al Sharq Real Estate) has submitted its tax return for the year 2020 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 year 2019.
- The subsidiary (Rakeen Real Estate Company) has submitted its tax return for the years 2020 and the tax due was paid upon the legal due date.
- 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 2021.

Tax Status of The Jordanian Company for Factoring (Subsidiary)

- The company has submitted its tax return for the years since 2012 until 2018 upon the legal due date. The tax returns were accepted for the years 2012 and 2013 according to the sampling system.
- The company has submitted its tax return for the years 2019 and 2020 upon the legal due date and paid the tax due.
- 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 at 30 June 2021.

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

	<u>30 June 2021</u>	<u>30 June 2020</u>
	JD	JD
	(Unaudited)	(Unaudited)
Accounting profit	13,796,233	8,526,466
Non-taxable profits	(827,939)	(3,180,495)
Acceptable tax expenses for prior years	(11,073,533)	(4,014,017)
Non-acceptable expenses in terms of tax	10,512,482	7,209,219
Tax profit	<u>12,406,868</u>	<u>8,541,173</u>
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.

INVEST BANK
(PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2021 (UNAUDITED)

(16) OTHER LIABILITIES

The details of this item are as follows:

	<u>30 June 2021</u>	<u>31 December 2020</u>
	JD	JD
	(Unaudited)	(Audited)
Certified and acceptable checks	2,202,708	1,473,319
Accrued interest payable	6,019,826	4,855,130
Sunday creditors	3,841,831	2,312,509
Payables of financial brokerage clients	1,471,207	715,946
Unpaid dividend distribution	144,168	166,357
Iron safes insurance	147,805	146,700
Unpaid Accrued expenses	1,576,055	2,063,094
Other liabilities	4,653,153	3,726,648
Provision for impairment on off-balance sheet items according to IFRS (9)	1,182,622	463,848
Total	<u>21,239,375</u>	<u>15,923,551</u>

(17) RESERVES

The details of the reserves as of 30 June 2021 are as follows:

(A) Statutory reserve:

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.

(B) The details of the restricted reserves are as follows:

<u>Reserve</u>	<u>30 June 2021</u>	<u>31 December 2020</u>	<u>Nature of restriction</u>
	JD	JD	
	(Unaudited)	(audited)	
Statutory reserve	30,643,329	30,643,329	Restricted according to the Companies and Banks Laws

(18) FINANCIAL ASSETS REVALUATION RESERVE - NET

The movement on this item is as follows:

	<u>30 June 2021</u>	<u>31 December 2020</u>
	JD	JD
	(Unaudited)	(audited)
Balance at the beginning of the period/year	8,560,247	12,255,295
Unrealized loss on stocks	(797,938)	(7,346,812)
Deferred tax liabilities	458,207	2,219,864
(Gains) Losses on sale of financial assets at fair value through other comprehensive income transferred to the retained earnings	(127,397)	1,431,900
Balance at the end of the period/ year	<u>8,093,119</u>	<u>8,560,247</u>

* The financial assets revaluation reserve is presented after deducting the deferred tax liabilities in the amount of JD 4,659,536 as at 30 June 2021 against JD 5,117,743 as at December 31, 2020.

INVEST BANK
(PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2021 (UNAUDITED)

(19) RETAINED EARNINGS

The movement on retained earnings is as follows:

	<u>30 June 2021</u>	<u>31 December 2020</u>
	JD	JD
	(Unaudited)	(audited)
Balance at the beginning of the period/ year	39,363,524	35,387,832
Profit for the year	-	5,758,958
Transferred to reserves	-	(914,972)
Distributed dividends*	(12,000,000)	-
Gains (Losses) on sale of financial assets at fair value through other comprehensive income	127,397	(1,431,900)
Effect of increase in investment in subsidiaries	43,569	563,606
Balance at the end of the period/ year	<u>27,534,490</u>	<u>39,363,524</u>

- Retained earnings Include an amount of JD 16,397,737 restricted against deferred tax assets according to the instructions of the Central Bank of Jordan as at 30 June 2021 against JD 17,118,215 as at 31 December 2020.
- Retained earnings Include an amount of JD 1,039,200 as at 30 June 2021 and 31 December 2020 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 at 30 June 2021 and 31 December 2020, 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.
- 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.

* In accordance to the decision of the General Assembly of Shareholders on April 21, 2021, JD 12 million of the retained earnings for the year 2020 were distributed, which are equivalent to 12% of the bank's capital.

(20) INTEREST INCOME

The details of this item are as follows:

	<u>30 June 2021</u>	<u>30 June 2020</u>
	JD	JD
	(Unaudited)	(Unaudited)
Direct credit facilities		
Individuals (Retail):		
Loans and bills	6,836,250	6,753,241
Overdrafts	192,067	366,365
Credit cards	2,392,137	1,590,080
Mortgage Loans	4,870,110	6,052,569
Large corporate:		
Loans and bills	9,244,095	9,260,956
Overdrafts	2,888,421	3,383,637
SMEs		
Loans and bills	1,719,335	2,220,570
Overdrafts	283,898	303,148
Government and public sector	1,413,859	839,220
Balances at the Central Bank of Jordan	367,293	299,330
Balances and deposits at banks and financial institutions	265,186	700,891
Financial assets at amortized cost	3,594,486	3,993,292
Total	<u>34,067,137</u>	<u>35,763,299</u>

INVEST BANK
(PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2021 (UNAUDITED)

(21) INTEREST EXPENSE

The details of this item are as follows:

	<u>30 June 2021</u>	<u>30 June 2020</u>
	JD	JD
	(Unaudited)	(Unaudited)
Deposits at banks and financial institutions	263,335	175,775
Customers' deposits:		
Current and on demand accounts	91,587	73,474
Saving deposits	52,816	80,307
Term and notice deposits	9,787,530	13,006,537
Cash margins	343,121	379,893
Borrowed funds	4,784,251	4,633,724
Deposits guarantees fees	521,437	548,012
Interest expense on lease liabilities	97,234	114,850
Total	<u>15,941,311</u>	<u>19,012,572</u>

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

The details of this item are as follows:

	<u>Realized profit</u>	<u>Unrealized</u>	<u>Dividends</u>	<u>Total</u>
	(loss)	gains		
	JD	JD	JD	JD
(Unaudited)				
30 June 2021				
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>
(Unaudited)				
30 June 2020				
Companies shares	(23,337)	9,096	2,188	(12,053)
Total	<u>(23,337)</u>	<u>9,096</u>	<u>2,188</u>	<u>(12,053)</u>

(23) PROVISION FOR EXPECTED CREDIT LOSSES FOR OTHER ASSETS AND OFF-BALANCE SHEET ITEMS

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

	<u>For the six months ended 30 June</u>	
	<u>2021</u>	<u>2020</u>
	JD	JD
	(Unaudited)	(Unaudited)
Balances and deposits at banks and financial institutions	1,015	46,234
Financial assets at amortized cost	(3,354)	107,083
Other assets	(11,441)	(117,546)
Off-Balance Sheet items	(718,774)	(102,116)
Total	<u>(732,554)</u>	<u>(66,345)</u>

**INVEST BANK
(PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2021 (UNAUDITED)**

(24) CAPITAL MANAGEMENT

A. Description of capital

Qualified regulatory capital consists of the following elements:

- The first part is the primary capital (Tier 1) ‘Going Concern’, 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 it 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 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 at 30 June 2021 and 31 December 2020.

INVEST BANK
(PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2021 (UNAUDITED)

D. Liquidity coverage ratio

The liquidity coverage ratio as of 30 June 2021 306 % against 207 % as of 31 December 2020.

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

	<u>30 June 2021</u>	<u>31 December 2020</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)	24,109,035	35,938,069
Profit for the period	8,838,388	-
Financial assets revaluation reserve-net, as per IFRS 9	8,093,119	8,560,247
Statutory Reserve	30,643,329	30,643,329
Total primary capital for common equity	171,638,871	175,141,645
Monitoring amendments (Deductions from capital):		
Goodwill and intangible assets	(2,967,834)	(2,766,093)
Deferred tax assets resulting from provisions of debt	(16,397,737)	(17,118,215)
Proposed dividends	(5,000,000)	(12,000,000)
Net common shareholder equity	148,318,300	143,257,337
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	3,057,302	2,294,522
Total cushion capital	3,057,302	2,294,522
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)	3,057,302	2,294,522
Total regulatory capital	150,375,602	145,551,859
Total risks weighted assets	939,957,629	969,020,266
Capital adequacy ratio (%)	16.00%	%15.02
Common equity ratio (%)	15.67%	%14.78
Primary capital ratio (%)	15.67%	%14.78

(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 financial brokerage services, financing lease services, operation and management of bonded warehouses and factoring receivables.

- **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.

INVEST BANK
(PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2021 (UNAUDITED)

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 Brokerage JD (Unaudited)	Financial Lease JD (Unaudited)	Bonded Management JD (Unaudited)	Factoring Receivables JD (Unaudited)	Other JD (Unaudited)	Total 30 June	
									2021 JD (Unaudited)	2020 JD (Unaudited)
Gross income	12,237,724	6,346,122	4,327,415	524,814	704,948	923,672	32,472	1,926,574	27,023,741	25,497,046
Recovered from (provision) for expected credit losses for direct credit facilities (Provision) Recovered from ECL for other assets and Off-Balance Sheet items	(2,486,678)	4,255,486	-	7,700	(223,430)	(242,601)	(1,091)	-	1,309,386	(3,043,226)
Sundry provisions	-	-	(110)	(7,699)	-	-	-	(724,745)	(732,554)	(66,345)
Segment operations results	9,751,046	10,601,608	4,327,305	524,815	481,518	681,071	31,381	1,041,092	27,439,836	21,983,145
Less: Undistributed expenditures	-	-	-	(184,169)	(511,309)	(863,399)	(106,855)	(11,977,871)	(13,643,603)	(13,456,679)
Profits before taxes	9,751,046	10,661,608	4,327,305	340,646	(29,791)	(182,328)	(75,474)	(10,936,779)	13,796,233	8,526,466
Income tax	-	-	-	(95,321)	20,455	51,912	15,850	(4,950,741)	(4,957,845)	(2,919,512)
Net Income for the period	9,751,046	10,661,608	4,327,305	245,325	(9,336)	(130,416)	(59,624)	(15,887,520)	8,838,388	5,606,954
	Individuals JD (Unaudited)	Corporate JD (Unaudited)	Treasury JD (Unaudited)	Financial Brokerage JD (Unaudited)	Financial Lease JD (Unaudited)	Bonded Management JD (Unaudited)	Factoring Receivables JD (Unaudited)	Other JD (Unaudited)	30 June 2021 JD (Unaudited)	31 December 2020 JD (Audited)
Sector's assets	294,537,210	377,097,211	369,941,907	14,644,955	90,830,014	26,989,259	1,242,877	-	1,175,283,433	1,171,824,926
Assets not distributed on sectors	-	-	-	-	-	-	-	53,330,080	53,330,080	52,634,250
Total assets	294,537,210	377,097,211	369,941,907	14,644,955	90,830,014	26,989,259	1,242,877	53,330,080	1,228,613,513	1,224,459,176
Sector's liabilities	496,373,955	319,847,618	69,312,113	1,719,497	67,805,677	21,073,708	32,403	-	976,164,971	977,561,746
liabilities not distributed on sectors	-	-	-	-	-	-	-	74,326,965	74,326,965	65,208,904
Total liabilities	496,373,955	319,847,618	69,312,113	1,719,497	67,805,677	21,073,708	32,403	74,326,965	1,050,491,936	1,042,770,650
									30 June	
									2021 JD (Unaudited)	2020 JD (Unaudited)
Capital expenditures									772,612	643,193
Depreciation and amortization									1,342,928	1,477,770

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.

**INVEST BANK
(PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2021 (UNAUDITED)**

(26) TRANSACTIONS WITH RELATED PARTIES

The Bank entered into transactions with subsidiaries, Board of Directors, executive management major shareholders and in the course of ordinary banking activities at commercial rates of interests and commissions. All credit facilities granted to related parties are considered performing and no provision has been made except for the following:

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

	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 2021	31 December 2020
	JD	JD	JD	JD	JD
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
On-Balance Sheet Items:					
Credit facilities	7,383,072	3,149,585	47,545,790	58,078,447	58,198,418
Provision for impairment on direct credit facilities **	-	-	507,316	507,316	36,287
Financial assets at amortized costs	102,500	-	5,120,000	5,222,500	5,820,000
Financial assets at fair value through statement of profit or loss	90,000	-	-	90,000	190,000
Deposits, current accounts and cash margins	6,533,363	8,691,700	16,118,644	31,343,707	29,035,264
Bank and financial institution deposit	-	21,544,624	-	21,544,624	18,216,569
Off-Balance Sheet Items:					
Letters of credit	-	-	20,930	20,930	20,622
Letters of guarantee	777,800	637,642	2,180,941	3,596,383	3,994,108
				For the six months ended	
				2021	2020
				JD	JD
				(Unaudited)	(Unaudited)
Statement of profit or loss Items:					
Interest and commission Income	313,631	112,603	1,645,397	2,071,631	2,347,337
Interest and commission Expense	68,112	290,966	236,269	595,347	656,378
Provision for impermeant on credit facilities**	-	-	471,029	471,029	18,339

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	5.5%
Maximum interest rate on deposits in Jordanian dinar	4.5%	Minimum interest rate on deposits in Jordanian dinar	0%
Maximum interest rate on deposits in foreign currency	2.0%	Minimum interest rate on deposits in foreign currency	0%
Maximum commission rate on credit	1%	Minimum commission rate on credit	0%

The interest rates payable on financial assets at amortized cost and financial assets at fair value through profit or loss in Jordanian Dinars range from 5.0% to 10.583%.

The executive management salaries and benefits for the bank and its subsidiaries amounted to JD 1,651,514 for the six months ended 30 June 2021 against JD 1,965,930 in the same period in 2020.

The number of related parties' clients reached 1,082 clients as at 30 June 2021, against 1,012 as at 31 December 2020.

The value of the collaterals provided by the related clients against the granted credit facilities amounted to JD 36,171,585 as at 30 June 2021 against JD 31,288,457 as at 31 December 2020.

*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).

INVEST BANK
(PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2021 (UNAUDITED)

(27) CASH AND CASH EQUIVALENTS

The details of this item are as follows:

	<u>30 June 2021</u>	<u>30 June 2020</u>
	JD	JD
	(Unaudited)	(Unaudited)
Cash and balances at Central Bank of Jordan maturing within three months	84,867,237	96,250,110
Add: Balances at banks and financial institutions maturing within three months	65,194,471	27,579,228
Deduct: banks and financial institutions' deposits maturing within three months	<u>27,222,113</u>	<u>21,649,084</u>
	<u>122,839,595</u>	<u>102,180,254</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 2021				
Financial assets at fair value through profit and loss	7,443	-	-	7,443
Financial assets at fair value through other comprehensive income	<u>32,940,000</u>	-	<u>6,365,127</u>	<u>39,305,127</u>
	<u>32,947,443</u>	<u>-</u>	<u>6,365,127</u>	<u>39,312,570</u>
(Audited)				
31 December 2020				
Financial assets at fair value through profit and loss	5,961	-	-	5,961
Financial assets at fair value through other comprehensive income	<u>32,450,995</u>	-	<u>6,792,615</u>	<u>39,243,610</u>
	<u>32,456,956</u>	<u>-</u>	<u>6,792,615</u>	<u>39,249,571</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 3,168,595 JD as of 30 June 2021, in comparison to 3,183,695 JD as of 31 December 2020

**INVEST BANK
(PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2021 (UNAUDITED)**

(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	
	2021 JD (Unaudited)	2020 JD (Unaudited)	2021 JD (Unaudited)	2020 JD (Unaudited)
Net Profit for the period attributable to the bank's shareholders	5,349,221	4,295,490	8,748,787	5,504,961
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	0.053	0.043	0.087	0.055

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 2021 JD (Unaudited)	31 December 2020 JD (Audited)
Letters of credit	3,082,975	3,588,732
Acceptances and time withdrawals	1,719,606	5,340,792
Letters of guarantee:		
Payments	20,230,824	23,507,677
Performance	39,085,536	42,010,703
Others	13,185,706	19,448,868
Unutilized direct credit facilities limits	17,087,222	18,518,711
unutilised indirect credit facilities credit limits	26,286,639	24,600,487
Total	120,678,508	137,015,970

INVEST BANK
(PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2021 (UNAUDITED)

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

For the period ended 30 June 2021 (Unaudited)	Stage 1		Stage 2		Stage 3 JD	Total JD
	Individually	Collective	Individually	Collective		
	JD	JD	JD	JD		
Total balance at the beginning of the period	71,836,998	2,175,725	17,931,892	14,530	2,097,355	94,056,500
New exposure during the period	11,425,762	-	919,035	-	-	12,344,795
Matured exposures (Matured/ Derecognized)	(22,313,021)	(220,359)	(3,778,415)	(1,000)	(4,385)	(28,571,070)
Transferred to stage 1	2,410,406	(1,941,366)	(432,639)	(11,050)	(25,351)	-
Transferred to stage 2	(46,973)	-	160,453	(2,480)	(111,000)	-
Transferred to stage 3	(293,800)	(14,000)	(10,000)	-	317,800	-
Changes due to amendments	(721,733)	-	(1,351,578)	-	(37,187)	(2,110,498)
Written off facilities	-	-	-	-	-	-
Adjustments due to changes in exchange rates	-	-	-	-	-	-
Total Balance at the end of the period	62,297,639	-	13,438,748	-	2,237,233	77,937,619

For the year ended 31 December 2020 (Audited)	Stage 1		Stage 2		Stage 3	Total
	Individually	Collective	Individually	Collective		
	JD	JD	JD	JD		
Total balance at the beginning of the year	74,760,213	1,988,926	18,201,053	102,480	1,519,858	96,572,530
New exposure during the year	22,920,226	467,108	4,263,904	-	103,611	27,754,849
Matured exposures (Matured/ Derecognized)	(24,991,300)	(179,594)	(5,042,665)	-	(57,320)	(30,270,879)
Transferred to stage 1	227,189	(66,765)	(137,124)	-	(23,300)	-
Transferred to stage 2	(1,066,330)	(16,000)	1,161,848	12,050	(91,568)	-
Transferred to stage 3	(13,000)	(17,950)	(515,124)	(100,000)	646,074	-
Changes due to amendments	-	-	-	-	-	-
Written off facilities	-	-	-	-	-	-
Adjustments due to changes in exchange rates	-	-	-	-	-	-
Total Balance at the end of the year	71,836,998	2,175,725	17,931,892	14,530	2,097,355	94,056,500

INVEST BANK
(PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2021 (UNAUDITED)

Provision for expected credit loss movement:

For the period ended 30 June 2021
(Unaudited)

	Stage 1		Stage 2		Stage 3	Total
	Individually	Collective	Individually	Collective		
Balance at the beginning of the period	13,963	823	54,637	235	90,074	159,732
Impairment loss over new balances during the period	67,270	3,738	9,291	54	57,287	137,640
Recovered from impairment loss over settled balances (Repaid/ Derecognized)	(4,167)	(376)	(1,663)	(229)	(6,517)	(12,952)
Transferred to stage 1	1,232	-	(548)	(227)	(457)	-
Transferred to stage 2	-	-	576	-	(576)	-
Transferred to stage 3	(196)	(1)	-	-	197	-
Impact on provision – as at period end – due to reclassification between the 3 stages during the period	(43,582)	(4,184)	618	167	46,979	-
Changes due to amendments	45,354	-	134,254	-	204,944	384,552
Written off balances	-	-	-	-	-	-
Adjustments due to changes in exchange rates	-	-	-	-	-	-
Total Balance at the end of the period	79,876	-	197,165	-	391,931	668,972

For the year ended 31 December 2020
(Audited)

	Stage 1		Stage 2		Stage 3	Total
	Individually	Collective	Individually	Collective		
Balance at the beginning of the year	23,646	1,192	59,061	19	44,153	128,071
Impairment loss over new balances during the year	6,961	701	60,623	1,785	13,849	83,919
Recovered from impairment loss over settled balances (Repaid/ Derecognized)	(15,981)	(517)	(21,467)	-	(14,293)	(52,258)
Transferred to stage 1	18	969	(18)	-	(969)	-
Transferred to stage 2	(277)	(20)	12,906	42	(12,651)	-
Transferred to stage 3	(3)	(3)	(2,020)	(18)	2,044	-
Impact on provision – as at year end – due to reclassification between the 3 stages during the year	(401)	(1,499)	(54,448)	(1,593)	57,941	-
Changes due to amendments	-	-	-	-	-	-
Written off balances	-	-	-	-	-	-
Adjustments due to changes in exchange rates	-	-	-	-	-	-
Total Balance at the end of the year	13,963	823	54,637	235	90,074	159,732

INVEST BANK
(PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2021 (UNAUDITED)

Contingent liabilities movement (Unutilized direct credit limits):

For the period ended 30 June 2021 (Unaudited)

	Stage 1		Stage 2		Stage 3	Total
	Individually	Collective	Individually	Collective		
Total balance at the beginning of the period	16,195,066	8,030	2,517,025	-	-	18,720,121
New exposure during the period	1,324,645	11,746	330,754	-	-	1,667,145
Matured exposures (Matured/ Derecognized)	(478,615)	(566)	(338,798)	-	-	(817,979)
Transferred to stage 1	20,189	(19,210)	(979)	-	-	-
Transferred to stage 2	(59,819)	-	59,819	-	-	-
Transferred to stage 3	-	-	-	-	-	-
Changes due to amendments	(1,324,612)	-	(815,515)	-	-	(2,140,127)
Written off balances	-	-	-	-	-	-
Adjustments due to changes in exchange rates	-	-	-	-	-	-
Total Balance at the end of the period	15,676,854	-	1,752,306	-	-	17,429,160

For the year ended 31 December 2020 (Audited)

	Stage 1		Stage 2		Stage 3	Total
	Individually	Collective	Individually	Collective		
Total balance at the beginning of the year	14,703,674	12,919	993,175	-	29,616	15,739,384
New exposure during the year	7,838,736	565	810,543	-	-	8,649,844
Matured exposures (Matured/ Derecognized)	(5,069,265)	(5,454)	(566,918)	-	(27,470)	(5,669,107)
Transferred to stage 1	518,462	-	(518,462)	-	-	-
Transferred to stage 2	(1,796,541)	-	1,798,687	-	(2,146)	-
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	16,195,066	8,030	2,517,025	-	-	18,720,121

INVEST BANK
(PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2021 (UNAUDITED)

Provision for Expected credit loss movement:

For the period ended 30 June 2021
(Unaudited)

	Stage 1		Stage 2		Stage 3	Total
	Individually	Collective	Individually	Collective		
Balance at the beginning of the period	109,864	77	91,468	-	-	201,409
Impairment loss over new exposures during the period	16,107	1	8,750	-	-	24,858
Recovered from impairment loss over paid exposure (Repaid/ Derecognized)	(3,788)	(65)	(15,118)	-	-	(18,971)
Transferred to stage 1	107	-	(107)	-	-	-
Transferred to stage 2	(3,203)	-	3,203	-	-	-
Transferred to stage 3	-	-	-	-	-	-
Impact on provision – as at period end – due to reclassification between the 3 stages during the period	(4,583)	(13)	4,596	-	-	-
Changes due to amendments	64,957	-	69,685	-	-	134,642
Written off balances	-	-	-	-	-	-
Adjustments due to changes in exchange rates	-	-	-	-	-	-
Total Balance at the end of the period	179,461	-	162,477	-	-	341,938

For the year ended 31 December 2020
(Audited)

	Stage 1		Stage 2		Stage 3	Total
	Individually	Collective	Individually	Collective		
Balance at the beginning of the year	69,865	26	67,888	-	38,231	176,010
Impairment loss over new exposure during the year	58,014	63	74,867	-	-	132,944
Recovered from impairment loss over paid exposure (Repaid/ Derecognized)	(32,850)	(12)	(37,988)	-	(36,695)	(107,545)
Transferred to stage 1	18,735	-	(18,735)	-	-	-
Transferred to stage 2	(2,416)	-	36,587	-	(34,171)	-
Transferred to stage 3	-	-	-	-	-	-
Impact on provision – as at year end – due to reclassification between the 3 stages during the year	(1,484)	-	(31,151)	-	32,635	-
Changes from amendments	-	-	-	-	-	-
Written off balances	-	-	-	-	-	-
Adjustments due to changes in exchange rates	-	-	-	-	-	-
Total Balance at the end of the year	109,864	77	91,468	-	-	201,409

INVEST BANK
(PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2021 (UNAUDITED)

Unutilized Indirect credit facilities limits Movement:

For the period ended 30 June 2021
(Unaudited)

	Stage 1		Stage 2		Stage 3	Total
	Individually	Collective	Individually	Collective		
Total balance at the beginning of the period	21,192,404	42,800	3,467,986	-	-	24,703,190
New exposure during the period	732,530	177,100	-	-	-	909,630
Matured exposures (Matured/ Derecognized)	(1,574,132)	-	(45,993)	-	-	(1,620,125)
Transferred to stage 1	245,027	(219,900)	(25,127)	-	-	-
Transferred to stage 2	(364,062)	-	364,062	-	-	-
Transferred to stage 3	(11,967)	-	-	-	11,967	-
Changes due to amendments	1,354,495	-	1,111,148	-	-	2,465,643
Written off facilities	-	-	-	-	-	-
Adjustments due to changes in exchange rates	-	-	-	-	-	-
Total Balance at the end of the period	21,574,295	-	4,872,076	-	11,967	26,458,338

For the year ended 31 December 2020
(Audited)

	Stage 1		Stage 2		Stage 3	Total
	Individually	Collective	Individually	Collective		
Total balance at the beginning of the year	26,263,747	-	4,844,382	-	56,760	31,164,889
New exposure during the year	5,927,345	42,800	141,010	-	-	6,111,155
Matured exposures (Matured/ Derecognized)	(10,327,339)	-	(2,218,755)	-	(26,760)	(12,572,854)
Transferred to stage 1	454,322	-	(454,322)	-	-	-
Transferred to stage 2	(1,125,671)	-	1,155,671	-	(30,000)	-
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	21,192,404	42,800	3,467,986	-	-	24,703,190

INVEST BANK
(PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2021 (UNAUDITED)

Provision for expected credit loss movement:

For the period ended 30 June 2021
(Unaudited)

	Stage 1		Stage 2		Stage 3	Total
	Individually	Collective	Individually	Collective		
Balance at the beginning of the period	41,328	67	61,308	-	-	102,703
Impairment loss over new exposure during the period	4,430	83	-	-	-	4,513
Recovered from impairment loss over paid exposure (Repaid/ Derecognized)	(2,938)	-	(1,278)	-	-	(4,216)
Transferred to stage 1	1,019	-	(1,019)	-	-	-
Transferred to stage 2	(3,111)	-	3,111	-	-	-
Transferred to stage 3	(18)	-	-	-	18	-
Impact on provision – as at period end – due to reclassification between the 3 stages during the period	(4,294)	(150)	2,069	-	2,375	-
Changes due to amendments	14,024	-	54,675	-	-	68,699
Written off facilities	-	-	-	-	-	-
Adjustments due to changes in exchange rates	-	-	-	-	-	-
Total Balance at the end of the period	50,440	-	118,866	-	2,393	171,699

For the year ended 31 December 2020
(Audited)

	Stage 1		Stage 2		Stage 3	Total
	Individually	Collective	Individually	Collective		
Balance at the beginning of the period	65,290	-	70,790	-	12,488	148,568
Impairment loss over new exposure during the year	21,426	67	6,628	-	-	28,121
Recovered from impairment loss over paid exposure (Repaid/ Derecognized)	(29,518)	-	(32,110)	-	(12,358)	(73,986)
Transferred to stage 1	6,969	-	(6,969)	-	-	-
Transferred to stage 2	(25,837)	-	32,437	-	(6,600)	-
Transferred to stage 3	-	-	-	-	-	-
Impact on provision – as at year end – due to reclassification between the 3 stages during the year	2,998	-	(9,468)	-	6,470	-
Changes due to amendments	-	-	-	-	-	-
Written off balances	-	-	-	-	-	-
Adjustments due to changes in exchange rates	-	-	-	-	-	-
Total Balance at the end of the year	41,328	67	61,308	-	-	102,703

INVESTBANK
(PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2021 (UNAUDITED)

(32) RISK MANAGEMENT

1. TOTAL DISTRIBUTION OF EXPOSURES ACCORDING TO THE ECONOMIC SECTORS

A- 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 2021 (Unaudited)													
Balances at banks and financial institutions	65,194,471	-	-	-	-	-	-	-	-	65,194,471	-	94	65,194,377
Credit facilities	10,421,662	90,329,161	115,286,079	192,204,178	403,157	8,032,647	233,964,692	49,054,662	93,788,890	793,485,128	12,246,023	40,888,612	740,350,493
Bonds, bills and debentures:													
Within Financial assets at amortised cost	13,545,000	-	-	-	-	-	-	124,646,185	47,620,000	185,811,185	80,252	719,600	185,011,333
Other assets	-	-	-	1,010,104	-	11,746	-	-	2,948,231	3,970,081	-	16,543	3,953,538
Total /the current period	89,161,133	90,329,161	115,286,079	193,214,282	403,157	8,044,393	233,964,692	173,700,847	144,357,121	1,048,460,865	12,326,275	41,624,849	994,509,741
Total /the prior year	130,096,746	95,921,914	123,441,064	196,020,957	289,107	7,633,120	207,916,347	158,301,889	126,445,485	1,046,066,629	10,471,202	43,105,130	992,490,297
Financial guarantees	9,214,602	3,011,995	15,460,341	35,339,219	1,223,842	-	5,000	-	8,914,244	73,169,243	-	667,177	72,502,066
Letters of Credits	1,557,649	436,701	956,171	133,465	-	-	-	-	-	3,083,986	-	1,111	3,082,975
Acceptances and time withdrawals	-	1,077,433	594,428	48,529	-	-	-	-	-	1,720,390	-	784	1,719,606
Other liabilities (unutilized limits)													
From which there are direct limits	1,073,292	6,204,911	5,443,952	45,528	-	-	37,420	-	4,624,057	17,429,160	-	341,938	17,087,222
From which there are indirect limits	642,895	6,705,184	7,499,871	10,234,444	-	-	-	-	1,375,944	26,458,338	-	171,699	26,286,639
Total /the current period	101,649,571	107,765,385	145,240,842	239,015,467	1,626,999	8,044,393	234,007,112	173,700,847	159,271,366	1,170,321,982	12,326,275	42,807,458	1,115,188,249
Total /the prior year	149,422,935	114,846,572	158,722,007	246,376,040	1,550,136	7,633,120	207,964,588	158,301,889	138,729,152	1,183,546,439	10,471,202	43,568,970	1,129,506,267

INVESTBANK
(PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2021 (UNAUDITED)

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

30 June 2021 (Unaudited)	Stage 1	Stage 1	Stage 2	Stage 2	Stage 3	Total	Interest in	Provision	Net
Item	Individually	Collective	Individually	Collective	JD	JD	suspense	JD	JD
	JD	JD	JD	JD	JD	JD	JD	JD	JD
Financial	99,682,557	-	1,648,298	-	318,716	101,649,571	37,173	441,938	101,170,460
Industrial	75,305,409	-	23,053,079	-	9,406,897	107,765,385	1,707,413	1,640,750	104,417,222
Trading	94,102,713	-	38,538,212	-	12,599,917	145,240,842	2,585,352	5,758,255	136,897,235
Real estate	181,468,305	-	38,660,457	-	18,886,705	239,015,467	2,339,102	5,222,990	231,453,375
Agricultural	195,188	-	260,962	-	1,170,849	1,626,999	12,118	220,985	1,393,896
Shares	6,645,763	-	-	-	1,398,630	8,044,393	273,127	41,659	7,729,607
Individuals	195,755,206	-	20,159,465	-	18,092,441	234,007,112	3,544,977	12,376,220	218,085,915
Government and public sector	173,700,847	-	-	-	-	173,700,847	-	-	173,700,847
Others	122,504,709	-	14,118,936	-	22,647,721	159,271,366	1,827,013	17,104,670	140,339,683
Total /the current period	949,360,697	-	136,439,409	-	84,521,876	1,170,321,982	12,326,275	42,807,467	1,115,188,249
Total /the prior year	703,363,879	263,441,421	115,914,173	21,570,405	79,256,561	1,183,546,439	10,471,202	43,568,970	1,129,506,240

INVESTBANK
(PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2020 (UNAUDITED)

2. TOTAL DISTRIBUTION OF EXPOSURE ACCORDING TO THE GEOGRAPHICAL AREA

A. Credit risk exposure according to geographic area as follows:

Item:	Inside Jordan JD	Middle east countries JD	Europe JD	Asia JD	Africa JD	America JD	Other Countries JD	Total JD	Interest in suspense JD	Provision JD	Net JD
30 June 2021 (Unaudited)											
Balances at banks and financial institutions	22,532,825	1,398,446	34,940,912	7,959	-	5,784,919	529,410	65,194,471	-	94	65,194,377
Deposits at banks and financial institutions	-	-	-	-	-	-	-	-	-	-	-
Credit facilities	793,485,128	-	-	-	-	-	-	793,485,128	12,246,023	40,888,612	740,350,493
Bonds, bills and debentures:											
Within Financial assets at amortized cost	182,266,185	-	-	-	-	3,545,000	-	185,811,185	80,252	719,600	185,011,333
Other assets	3,970,081	-	-	-	-	-	-	3,970,081	-	16,543	3,953,538
Total /the current period	1,002,254,219	1,398,446	34,940,912	7,959	-	9,329,919	529,410	1,048,460,865	12,326,275	41,624,849	994,509,741
Total /the prior year	995,407,495	1,035,105	34,729,968	3,417	-	14,389,595	501,049	1,046,066,629	10,471,202	43,105,130	992,490,297
Financial guarantees	73,169,243	-	-	-	-	-	-	73,169,243	-	667,177	72,502,066
Letters of Credit	3,083,986	-	-	-	-	-	-	3,083,986	-	1,012	3,082,975
Acceptances and time withdrawals	1,720,390	-	-	-	-	-	-	1,720,390	-	784	1,719,606
Other liabilities (unutilized limits)	43,887,498	-	-	-	-	-	-	43,887,243	-	513,637	43,373,861
From which there are Direct limits	17,429,160	-	-	-	-	-	-	17,429,160	-	341,938	17,087,222
From which there are Indirect limits	26,458,338	-	-	-	-	-	-	26,458,338	-	171,699	26,286,639
Total /the current period	1,124,115,345	1,398,446	34,940,912	7,959	-	9,329,919	529,410	1,170,321,982	12,326,275	42,807,458	1,115,188,249
Total /the prior year	1,132,887,336	1,035,105	34,729,968	3,417	-	14,389,595	501,049	1,183,546,440	10,471,202	43,568,971	1,129,506,267

INVESTBANK
(PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2021 (UNAUDITED)

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 2021 (Unaudited)	JD	JD	JD	JD	JD	JD	JD	JD	JD
Inside Jordan	903,154,051	-	136,439,409	-	84,521,876	1,124,115,336	12,326,275	42,806,394	1,068,982,667
Other Middle east countries	1,398,446	-	-	-	-	1,398,446	-	-	1,398,446
Europe	34,940,912	-	-	-	-	34,940,912	-	75	34,940,837
Asia	7,959	-	-	-	-	7,959	-	-	7,959
Africa	-	-	-	-	-	-	-	-	-
America	9,329,919	-	-	-	-	9,329,919	-	989	9,328,930
Other Countries	529,410	-	-	-	-	529,410	-	-	529,410
Total /the current period	949,360,697	-	136,439,409	-	84,521,876	1,170,321,982	12,326,275	42,807,458	1,115,188,249
Total /the prior year	703,363,884	263,441,421	115,914,166	21,570,405	79,256,564	1,183,546,440	10,471,202	43,568,971	1,129,506,267

INVESTBANK
(PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2021 (UNAUDITED)

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

	Stage 2		Stage 3		Total exposure reclassified JD	Percentage for exposure reclassified
	Total exposures	Total exposures that have been reclassified	Total exposures	Total exposures that have been reclassified		
	JD	JD	JD	JD		
30 June 2021 (Unaudited)						
Balances at banks and financial institutions	-	-	-	-	-	-
Deposits at banks and financial institutions	-	-	-	-	-	-
Credit facilities	116,376,284	28,176,174	77,140,935	10,199,056	38,375,230	19.83%
Bonds, bills and debentures:						
Within Financial assets at amortized cost	-	-	5,120,000	5,120,000	5,120,000	100.00%
Other assets	-	-	-	-	-	-
Total /the current period	116,376,284	28,176,174	82,260,935	10,199,056	38,375,230	21.90%
Total /the prior year (audited)	113,553,145	6,198,532	77,159,215	2,942,972	9,141,504	4.79%
Financial guarantees	13,438,746	160,453	2,237,231	317,800	478,253	3.05%
Letter of credit	-	-	-	-	-	-
Acceptances and time withdrawals	-	-	-	-	-	-
Other liabilities (unutilized limits)	6,624,383	423,881	11,967	11,967	435,848	6.57%
From which there are Direct limits	1,752,304	59,819	-	-	59,819	3.41%
From which there are Indirect limits	4,872,079	364,062	11,967	11,967	376,029	7.70%
Total /the current period	136,439,413	28,760,508	84,510,133	15,648,823	44,409,331	20.10%
Total /the prior year	137,484,578	10,326,788	79,256,570	3,589,046	13,915,834	6.42%

INVESTBANK
(PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2020 (UNAUDITED)

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

30 June 2021 (Unaudited) Item	The exposures that have been reclassified			Expected credit loss on exposures that have been reclassified				
	Total exposures that have been reclassified to Stage 2	Total exposures that have been reclassified to Stage 3	Total exposures that have been reclassified	Stage 2 Individual	Stage 2 Collective	Stage 3 Individual	Stage 3 Collective	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Balances at banks and financial institutions	-	-	-	-	-	-	-	-
Deposits at banks and financial institutions credit facilities	28,176,174	10,199,056	38,375,230	456,513	-	400,012	-	856,525
Bonds, bills and debentures:								
Financial assets at amortized cost	-	5,120,000	5,120,000	680,000	-	-	-	680,000
Total /the current period	<u>28,176,174</u>	<u>10,199,056</u>	<u>38,375,230</u>	<u>456,513</u>	<u>-</u>	<u>400,012</u>	<u>-</u>	<u>77,606,985</u>
Total /the prior year (audited)	<u>6,198,532</u>	<u>2,942,972</u>	<u>9,141,504</u>	<u>1,454</u>	<u>109,930</u>	<u>156,428</u>	<u>-</u>	<u>267,812</u>
Financial guarantees	160,453	317,800	478,253	576	-	197	-	773
Letter of Credits	-	-	-	-	-	-	-	-
Acceptances and time withdrawals	-	-	-	-	-	-	-	-
Other liabilities (unutilized limits)	423,881	11,967	435,848	6,314	-	18	-	6,332
From which there are Direct limits	59,819	-	59,819	3,203	-	-	-	3,203
From which there are Indirect limits	364,062	11,967	376,029	3,111	-	18	-	3,129
Total /the current period	<u>28,760,508</u>	<u>15,648,823</u>	<u>44,409,331</u>	<u>1,143,403</u>	<u>-</u>	<u>400,227</u>	<u>-</u>	<u>1,543,630</u>
Total /the prior year (audited)	<u>10,326,788</u>	<u>3,589,046</u>	<u>13,915,834</u>	<u>83,384</u>	<u>109,972</u>	<u>158,472</u>	<u>-</u>	<u>351,828</u>

**INVESTBANK
(PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2020 (UNAUDITED)**

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

Lawsuits held against the bank are amounted to JD 3,660,801 as at 30 June 2021 against JD 4,655,510 as at 31 December 2020. The total booked provisions against these lawsuits amounted to JD 17,537 as at 30 June 2021 against JD 359,000 as of 31 December 2020. 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 Al Mawared for financial brokerage amounted to JD 10,001 as at 30 June 2021 and Nil as at 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.

The lawsuits held against Tamkeen Financial Leasing amounted to JD 221,540 as at 30 June 2021 and Nil as at 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 at 30 June 2021 and as at 31 December 2020 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 at 30 June 2021 and 31 December 2020.

The lawsuits held against Jordan Trade Facilities amounted to JD 105,507 as at 30 June 2021 against JD 86,549 as at 31 December 2020. The total booked provisions against these lawsuits amounted to JD 222,173 as of 30 June 2021 against 240,521 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.

Lawsuits held against Trade Facilities for Financial Leasing (Subsidiary of JOTF) amounted to JD 11,863 as of 30 June 2021 against JD 81,047 as of 31 December 2020, 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 43,840 as of 30 June 2021 against JD 47,840 as of 31 December 2020. The total booked provisions against these lawsuits amounted to JD 32,840 as of 30 June 2021 and 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.

No lawsuits were raised against Bindar for Financial Leasing, Robou Alsharq, and Rakeen Investment Company (Subsidiaries of Bindar for Trading and Investments) as at 30 June 2021 and 31 December 2020.

(34) COMPARATIVE FIGURES

Some of comparative figures for the period ended 30 June 2020 and year ended 31 December 2020 have been reclassified to conform with the classification of the financial statements for the period ended 30 June 2021.