INVESTBANK
(PUBLIC SHAREHOLDING COMPANY LIMITED)
AMMAN - JORDAN
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022

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INDEPENDENT AUDITORS' REPORT

To the Shareholders of Invest Bank
(Public Shareholding Company – Limited)
Amman – Jordan
As at December 31, 2022

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of invest Bank (the "Bank") and its subsidiaries (together the "Group") which comprise the consolidated statement of financial position as at December 31, 2022, and each of consolidated statements of profit or loss, consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, the notes to the consolidated financial statements comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Invest Bank (the "Bank") and its subsidiaries (together the "Group") as at December 31, 2022, and their consolidated financial performance and their consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as amended by the Central Bank of Jordan instructions.

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Bank in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is enough and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How we responded to the key audit matter
Measurement of expected credit losses The Group applies the Expected Credit Losses model (ECL) on all of its financial instruments measured at amortized cost, debt instruments measured at fair value through other comprehensive income and financial guarantee contracts including financing commitments in accordance with International Financial Reporting Standards (9) as amended by the Central Bank of Jordan instructions.	We performed the following audit procedures on the computation of the ECL included in the Group's consolidated financial statements for the year ended December 31, 2022: -We assessed and tested the design and operating effectiveness of the controls over the calculation of the excepted credit losses model. -We tested the completeness and accuracy of the data used in the calculation of ECL. -For a sample of exposures, we checked the appropriateness of the Group's application of the staging criteria.

The Group exercises significant judgement and makes a number of assumptions in developing its ECL models, which includes probability of default computation separately for corporate and individuals' portfolios, determining loss given default and exposure at default for both funded and unfunded exposures, forward looking adjustments and staging criteria. For defaulted exposures, the Group exercises judgements to estimate the expected future cash flows related to individual exposures, including the value of collateral. The Group's impairment policy under IFRS 9 as amended by the Central Bank of Jordan Instructions is presented in Note (3) to the consolidated financial statements. Measurement of ECL is considered as a key audit matter as the Group applies significant judgments and makes a number of assumptions in the staging criteria applied to the financial instruments as well as in developing ECL models for calculating its impairment provisions.	-We involved our internal specialists to assess the following areas: • Conceptual framework used for developing the Group's impairment policy in the context of its compliance with the requirements of IFRS 9 as amended by the Central Bank of Jordan instructions. • ECL modelling methodology and calculations used to compute the probability of default (PD), loss given default (LGD), and exposure at default (EAD) for the Group's classes of financial instruments for each stage. • Reasonableness of the assumptions made in developing the modelling framework including assumptions used for estimating forward looking scenarios and significant increase in credit risk. • Recalculation of the expected credit losses for a sample of the financial assets which are subject for impairment testing at each stage. -In addition, for the Stage 3 corporate portfolio, the appropriateness of provisioning assumptions was independently assessed for a sample of exposures selected on the basis of risk and the significance of individual exposures. The levels of recognized provisions were verified, based on the detailed loan and counterparty information available in the credit file For the Stage 3 retail portfolio, assumptions were independently assessed for each product category and an independent view was verified on the levels of provisions recognized at each category level. -We recalculated the provision for non-performing loans in accordance with the Central Bank of Jordan Instructions Number (47/2009). -We compared the expected credit loss calculated in accordance with IFRS 9 as amended by the Central Bank of Jordan Instructions with the provision for expected credit losses calculated in accordance with the instructions of the Central Bank of Jordan No. (47/2009) and ensured that the Group has recorded whichever is more strict at each stage. -We assessed the consolidated financial statement disclosures to ensure compliance with IFRS 7 and IFRS 9 as amended by the Central Bank of Jordan Instructions. We have also ensured completeness and accuracy of the disclosures by matching the information to accounting records.

Other Information

The board of directors are responsible for the other information. The other information comprises all the other information which is expected to be available to us after the date of this auditor's report (but does not include the consolidated financial statements and our auditor's report therein).

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the other information not yet received, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of management and those charged with governance for the consolidated financial statements

The management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as amended by the Central Bank of Jordan instructions and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's consolidated financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We are also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

The Group maintains proper accounting records duly organized prepared in accordance with International Financial Reporting Standards (IFRSs) as amended by the Central Bank of Jordan instructions and in line with the accompanying consolidated financial statements. We recommend that the General assembly of shareholders approve these consolidated financial statements.

Kawasmy and Partners
KPMG Jordan

شركة القواسمي وشركاه
KPMG
Kawasmy & Partners Company

Hatem Kawasmy
License No (656)

Amman – Jordan
February 13, 2023

INVESTBANK (PUBLIC SHAREHOLDING COMPANY LIMITED)
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2022

	Notes	December 31, 2022	December 31, 2021
		JOD	JOD
Assets			
Cash and balances at the Central Bank of Jordan	4	84,081,624	97,358,858
Balances at banks and financial institutions	5	73,657,044	64,351,278
Deposits at banks and financial institutions	6	3,544,932	-
Financial assets at fair value through statement of profit or loss	7	1	1
Direct credit facilities at amortized cost – net	10	849,619,656	788,635,277
Financial assets at fair value through other comprehensive income	8	61,794,622	37,815,983
Financial assets at amortized cost	9	231,184,848	187,390,518
Property and equipment- net	11	30,108,130	28,435,476
Intangible assets	12	3,063,082	3,003,777
Deferred tax assets	21	18,853,869	15,801,272
Other assets	13	67,858,837	54,359,771
Right of use of leased assets	14	4,108,272	3,884,618
		1,427,874,917	**1,281,036,829**
Assets held for sale	50	145,229	**-**
Total assets		**1,428,020,146**	**1,281,036,829**
Liabilities and Equity			
Liabilities			
Bank and financial institutions deposits	15	38,730,800	28,778,165
Customers deposits	16	881,704,812	792,518,004
Cash margins	17	36,433,056	31,587,528
Borrowed funds	18	224,968,902	196,973,301
Bonds	19	13,960,000	13,280,000
Lease liabilities	14	2,994,059	2,562,692
Sundry provisions	20	421,029	441,918
Provision for income tax	21	9,383,036	7,057,031
Deferred tax liabilities	21	3,981,771	3,490,066
Other liabilities	22	19,992,148	18,936,393
		1,232,569,613	**1,095,625,098**
Liabilities directly associated with assets held for sale	50	2,360	-
Total liabilities		**1,232,571,973**	**1,095,625,098**
Equity			
Bank's shareholders' equity			
Authorized share capital	23	100,000,000	100,000,000
Subscribed and paid in share capital	23	100,000,000	100,000,000
Statutory reserve	24	34,583,047	33,371,695
Financial asset revaluation reserve-net	25	6,435,777	6,362,363
Retained earnings	26	50,972,953	42,612,312
Total equity attributable to the Bank's shareholders		191,991,777	182,346,370
Non-controlling interest	28	3,456,396	3,065,361
Total equity		**195,448,173**	**185,411,731**
Total Liabilities and Equity		**1,428,020,146**	**1,281,036,829**

The accompanying notes from 1 to 52 are an integral part of these consolidated financial statements and shall be read in conjunction therewith.

INVESTBANK (PUBLIC SHAREHOLDING COMPANY LIMITED)
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Notes	For the year ended December 31, 2022	2021
Continuing operations:		**JOD**	**JOD**
Interest income	29	84,453,153	69,112,749
Interest expense	30	(40,322,198)	(32,653,396)
Net interest income		44,130,955	36,459,353
Net commissions revenue	31	15,470,567	11,748,543
Net interest and commissions income		59,601,522	48,207,896
Gains from foreign currencies	32	784,731	818,282
Gain from financial assets at amortized costs	9	-	590,162
Gains from financial assets at fair value through statement of profit or loss	33	684,611	584,868
Cash dividends from financial assets at fair value through other comprehensive income	8	1,145,252	914,630
Income resulted from acquisition on new subsidiaries.	51	3,596,992	-
Other revenue	34	2,937,703	2,640,682
Gross income		**68,750,811**	**53,756,520**
Employee expenses	35	(18,075,586)	(14,848,448)
Depreciation and amortization	11, 12, 14	(3,076,229)	(2,786,842)
Other expenses	36	(10,702,894)	(9,356,937)
(Provisions for) recoveries from the impairment of assets seized by the Bank in settlement of outstanding debts and the provision for assets seized in accordance with the instructions of the Central Bank of Jordan	13	(651,323)	92,383
(Provision for) recoveries from the expected credit losses on direct credit facilities at amortized cost.	10	(7,726,939)	1,709,356
Recoveries from (provision for) expected credit losses of other assets	37	1,463,979	(1,052,995)
Sundry provision	20	(17,848)	(144,786)
Total expenses		**(38,786,840)**	**(26,388,269)**
Profit for the year before income tax		**29,963,971**	**27,368,251**
Income tax	21	(9,570,577)	(9,788,641)
Net profit from continuing operations		**20,393,394**	**17,579,610**
Discontinuing operations			
(loss) profit from discontinued operations- net of tax	50	(143,374)	423,723
		20,250,020	**18,003,333**
Net profit for the year			
Attributable to:			
Shareholders of the Bank		19,826,223	17,812,151
Non-controlling interest		423,797	191,182
		20,250,020	**18,003,333**
		JOD/ share	**JOD/ share**
Basic and diluted earnings per share from net profit for the year attributable to shareholders of the Bank	38	0.198	0.178

The accompanying notes are 1 to 52 from an integral part of these consolidated financial statements and shall be read in conjunction therewith.

INVESTBANK (PUBLIC SHAREHOLDING COMPANY LIMITED)
CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2022

	For the year ended December 31,	
	2022	**2021**
	JOD	**JOD**
Net profit for the year	20,250,020	18,003,333
Other comprehensive income items that will not be reclassified to profit or loss in subsequent periods:		
Net Change in financial assets revaluation reserve -net of tax	413,215	(1,826,485)
Losses from sale of financial assets at fair value through other comprehensive income	(602,313)	(280,492)
Total other comprehensive income items	**(189,098)**	**(2,106,977)**
Total comprehensive income for the year	**20,060,922**	**15,896,356**
Total comprehensive income for the year Attributable to:		
Shareholders of the Bank	19,637,189	15,705,156
Non-controlling interests	423,733	191,200
	20,060,922	**15,896,356**

The accompanying notes are 1 to 52 from an integral part of these consolidated financial statements and shall be read in conjunction therewith.

INVESTBANK (PUBLIC SHAREHOLDING COMPANY LIMITED)
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2022

	Subscribed and paid in capital	Reserves: Statutory	Reserves: Valuation of financial assets-net	Retained earnings	Total equity attributable to the Bank's shareholders	Non-controlling interests	Total equity
	JOD	JOD	JOD	JOD	JOD	JOD	JOD
As at January 1, 2022	100,000,000	33,371,695	6,362,363	42,612,312	182,346,370	3,065,361	185,411,731
Profit for the year	-	-	-	19,826,223	19,826,223	423,797	20,250,020
Net change in financial assets revaluation reserve - net of tax	-	-	413,279	-	413,279	(64)	413,215
(Losses) from sale of financial assets at fair value through other comprehensive income transferred to retained earnings from equity instrument -net of tax	-	-	(339,865)	(262,448)	(602,313)	-	(602,313)
Total other comprehensive income	**-**	**-**	**73,414**	**19,563,775**	**19,637,189**	**423,733**	**20,060,922**
Dividends (note 27)	-	-	-	(10,000,000)	(10,000,000)	-	(10,000,000)
Transferred to reserves	-	1,211,352	-	(1,211,352)	-	-	-
Effect of the increase of Investment in subsidiaries	-	-	-	8,218	8,218	(32,698)	(24,480)
Balance at December 31, 2022	**100,000,000**	**34,583,047**	**6,435,777**	**50,972,953**	**191,991,777**	**3,456,396**	**195,448,173**
As at January 1, 2021	100,000,000	30,643,329	8,560,247	39,363,524	178,567,100	3,121,426	181,688,526
Profit for the year	-	-	-	17,812,151	17,812,151	191,182	18,003,333
Net change in financial assets revaluation reserve - net of taxes	-	-	(1,826,503)	-	(1,826,503)	18	(1,826,485)
(Losses) gain from sale of financial assets at fair value through other comprehensive income transferred to retained earnings from equity instrument net of tax	-	-	(371,381)	90,889	(280,492)	-	(280,492)
Total other comprehensive income	**-**	**-**	**(2,197,884)**	**17,903,040**	**15,705,156**	**191,200**	**15,896,356**
Transferred to reserves	-	2,728,366	-	(2,728,366)	-	-	-
Dividends (note.27)	-	-	-	(12,000,000)	(12,000,000)	-	(12,000,000)
Effect of the increase of Investment in subsidiaries	-	-	-	74,114	74,114	(247,265)	(173,151)
Balance at December 31, 2021	**100,000,000**	**33,371,695**	**6,362,363**	**42,612,312**	**182,346,370**	**3,065,361**	**185,411,731**

- Retained earnings include a restricted amount of JD 18,853,869 as at December 31, 2022 according to the instructions of the Central Bank of Jordan in exchange for deferred tax assets against JD 15,801,272 as at December 31, 2021.
- Retained earnings include a restricted amount of JD 1,039,200 as at December 31, 2022 and December 31, 2021, based on central bank of Jordan request, which represents the remaining balance of the non-statutory operations.
- Retained earnings include an amount of JD 415,199 as at December 31, 2022 and December 31, 2021, which represents the effect of the early adoption IFRS (9). Such amount is restricted and cannot be utilized unless realized through actual sale as instructed by Jordan Securities Commission.
- The retained earnings don't include any amounts that represents unrealized gain from financial assets at fair value through statement of profit or loss as of 31 December 2022 and 31 December 2021.
- In accordance with the instructions of the Central Bank of Jordan No. (13/ 2018), the accumulated balance of the general banking risk reserve item amounting to JD 6,365,000 as of 31 December 2017 has been transferred to the retained earnings item to offset with the impact of the IFRS 9. Surplus from the amount after offset amounting to JD 1,971,056 is restricted.
- Use of financial assets revaluation reserve is restricted to the extent of it's negative balance and require prior approval from the Central Bank of Jordan.

The accompanying notes are 1 to 52 from an integral part of these consolidated financial statements and shall be read in conjunction therewith.

INVESTBANK (PUBLIC SHAREHOLDING COMPANY LIMITED)
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Notes	For the year ended December 31, 2022	2021
		JOD	JOD
Operating activities			
Profit for the year before income tax		29,963,971	27,368,251
Adjustments for:			
Depreciation and amortization	11, 12, 14	3,076,229	2,786,842
Provision for (recovery from) expected credit losses on direct credit facilities	10	7,726,939	(1,709,356)
Provision for lawsuits against the bank	20	52,684	163,837
(Recovery from) provision of expected credit loss in financial assets and off- balance sheet items in accordance to IFRS (9)	37	(1,463,979)	1,052,995
Provision of (recovery from) provision against seized assets for more than 4 years	13	651,323	(92,383)
(Recovery from) provision for other miscellaneous provisions	20	(34,836)	(19,051)
(Gains) Losses on disposal of property and equipment		(4,958)	16,742
Net effect of Cancelling of operating lease contracts	14	-	(36,661)
Gains on sale of financial assets at amortized cost	9	-	(590,162)
Gains on sale of assets seized by the Bank	34	(561,254)	(304,757)
(Recovery from) impairment in investment property in subsidiaries		-	(81,149)
Interest expense on operating lease liabilities	14	155,896	137,241
Net interest (expense) Income		(737,187)	174,381
Gain from acquisition of a new subsidiary		(3,596,992)	
Amortization of the increase in the fair value of the assets acquired by subsidiaries as of the date of the acquisition		-	337,700
The effect of exchange rate fluctuations on cash and cash equivalents	32	(21,616)	(21,754)
		35,206,220	**29,182,716**
Changes in assets and liabilities			
Deposits at banks and financial institutions (maturing after more than 3 months)	6	(3,545,000)	400,000
Financial assets at fair value through Statement of Profit and loss	7	-	5,960
Direct credit facilities at amortized cost	10	(59,662,010)	(54,984,026)
Assets held for sale		(142,869)	-
Other assets	13	(12,814,458)	10,665,956
Customers' deposits	16	89,186,808	25,703,381
Cash margin	17	4,845,528	(4,063,261)
Other liabilities	22	1,750,770	1,968,706
Net cash flows from operating activities before income tax and provisions paid		**54,824,989**	**8,879,432**
Income tax and sundry provisions paid	20, 21	(9,113,484)	(8,198,277)
Net cash flows from operating activities		**45,711,505**	**681,155**
Investing activities			
Purchase of financial assets at fair value through comprehensive income		(28,799,554)	(4,772,500)
Sale of financial assets at fair value through other comprehensive income		5,046,233	2,745,930
Proceeds from sale of Financial assets at amortized cost	9	-	17,867,600
Purchase of financial assets at amortized cost		(83,032,838)	95,211,895
Matured financial assets at amortized cost		36,448,036	63,270,506
Purchase of property, equipment, and projects under construction	11	(3,406,254)	(967,567)
Proceeds from sale of property and equipment		20,654	54,524
Purchases of intangible assets	12	(502,410)	(626,225)
disposal of intangible assets	12	-	(10,771)
Net cash flow used in purchase of new shares in subsidiaries		(24,480)	(173,151)
Net cash flows used in investing activities		**(74,250,613)**	**(17,823,549)**
Financing activities			
Dividend paid	27	(10,000,000)	(12,000,000)
Operating lease liabilities payments	14	(881,526)	(823,559)
Net cash flow used for purchases subsidiaries		(3,438,366)	-
Net cash flow from purchases subsidiaries		238,672	-
Net change in Borrowed funds	18	27,995,601	30,176,094
(Settlement to Bonds)	19	680,000	1,870,000
Net cash flows from financing activities		**14,594,381**	**19,222,535**
Effect of exchange rate fluctuations on cash and cash equivalents	32	21,616	21,754
Net (decrease) in cash and cash equivalents		(13,923,111)	2,101,895
Cash and cash equivalents at 1 January		132,932,008	130,830,113
Cash and cash equivalents at December 31,	39	**119,008,897**	**132,932,008**

The accompanying notes from 1 to 52 are an integral part of these consolidated financial statements and shall be read in conjunction therewith.

(1) General information

INVESBANK (the Bank) is a Jordanian Shareholding public limited company established under No. (173) on 12 August 1982 under the Companies Law No. (12) for the year 1964 with a capital of JD 6,000,000 distributed over 6,000,000 shares with a nominal value of JD 1 per share. The Bank's capital was increased several times until it reached JD 77,500,000/ share as at December 31, 2010, and the Bank's capital was increased during the year 2011 so the subscribed and paid up capital was JD 85,250,000/ share. The Bank's capital was also increased by JD 14.750,000 on 10 April 2012, so the subscribed and paid-up capital of the Bank was JD 100 million/ 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 all banking and financial works related to its activity through its twelve branches and branches inside the Kingdom and through its subsidiaries.

INVESBANK is a public shareholding company and is listed in Amman Stock Exchange.

The consolidated financial statements were approved by the Board of Directors at its session number 01/ 2023 on 8 February 2023 and are subject to the approval of the General Assembly of Shareholders.

(2) Summary of significant accounting policies

The significant accounting policies adopted by the Bank in the preparation of these consolidated financial statements.

2-1 Basis of the preparation of the consolidated financial statements

- The consolidated financial statements for the year ended December 31, 2022 for the Bank and its subsidiaries (together “the Group”) were prepared in accordance with the standards issued by the International Accounting Standards Board and the interpretations issued by the International Financial Reporting Interpretations Committee affiliated to the International Accounting Standards Board, as amended by the Central Bank of Jordan instructions.

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

- 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, so that credit exposures are treated and guaranteed by the Jordanian government without credit losses.

• When calculating expected credit losses against credit exposures, a comparison between the calculation results is conducted as per IFRS 9, and in accordance with Central bank of Jordan no. (47/2009) December 10, 2009 at each stage, the stricter results are used, and classified in accordance with Central bank of Jordan requirements in this regard.

- According to the Central Bank of Jordan's instructions for the classification of credit facilities and the calculation of impairment provision number (2009/47) issued on December 10, 2009, the credit facilities were classified into the following categories:

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

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.

B- Acceptable risk credit facilities, which do not calculate provision:

1) Strong financial positions and adequate cash flows.
2) Contracted and covered with duly accepted guarantees.
3) Having good sources of payment.
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) for which impairment allowances 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%), 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 from the list upon proper according to careful 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 accrued, the principal and/or interest asset slackened, or the overdraft account has been freezing for the following terms:

Classification	Number of Breach days	Ratio of the provision in to the first year
Substandard credit facilities	(90) - (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 the accounts, for (90) days or more overdue.

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

- Interest and commissions are suspended on non-performing credit facilities granted to customers in accordance with the instructions of the Central Bank of Jordan accordance with the instructions of the supervisory authorities in the countries in which the bank operates, whichever is stricter.

- Assets seized by the bank presented in the consolidated statement of financial position within other assets at the amount of which they were seized by the Bank or the fair value, whichever is less, and are reassessed on the date of the consolidated financial statements individually. 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. deduction of the required provisions against real estate acquired is made at the rate of (5%) of the total book values of these properties (regardless of the period of violation) as of the year 2022, so that the required percentage of 50% of these properties are reached by the end of the year 2030 Also, in accordance with the letter of the Central Bank of Jordan No. 10/3/13246 dated October 10, 2022, the calculation of the gradual provision against seized assets was stopped, provided that the allocations allocated against expropriated real estate in violations of the provisions pf the banking laws, and that the allocations allocates against any of the infringing properties that are disposed of.
- Additional provisions are calculated in the consolidated financial statements against some of the Bank's external investments in some neighboring countries, if any, and in compliance to Central Bank of Jordan's request.
- The central bank's cash and balances caption includes the cash reserve requirements, which represents balances that are restricted in withdrawal sought in accordance with the instructions of the Central Bank and in accordance with the instructions of the regulatory authority in the countries in which the Bank operates, whichever is more strict.
- The consolidated financial statements have been prepared in accordance with the historical cost principle, except for financial assets at fair value through the consolidated income statement and financial assets at fair value through other comprehensive income that appear at fair value at the date of the consolidated financial statements, as well as financial assets and liabilities that have been hedged against the risks of change in their value at fair value.
- The Jordanian Dinar is the presentation currency for the consolidated financial statements which represent the functional currency of the bank.
- The accounting policies used in preparation of the consolidated financial statements for the year ended December 31, 2022 are consistent with the accounting policies adopted for the year ended December 31, 2021 except as mentioned in Note 2-2.

2-2 Changes in accounting policy and disclosures

- The accounting policies used in the preparation of these consolidated financial statements are consistent with those followed in the preparation of the last consolidated financial statements for the year ended December 31, 2021, except for the adoption of new standards and amendments to the existing standards as mentioned below.

A- SIGNIFICANT ACCOUNTING POLICIES:

New standards or amendments	Effective date
Loss-making contracts (a contract in which the total cost required to fulfil the contract is higher than the economic benefit that can be obtained from it) - the cost of implementing the contract (Amendments to IAS 37)	January 1st 2022
Annual improvement to IFRS standards 2018-2020	January1st 2022
Property, Plant and Equipment: Proceeds before intended use (Amendments to IFRS16)	January1st 2022
Reference to the conceptual framework (Amendments to IFRS3)	January1st 2022

The application of these amended standards did not have a significant effect on the consolidated financial statements.

B- New IFRSs and Amendments issued but not yet effective:

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

New standards or amendments	**Application Date**
IFRS 17 Insurance Contracts, including amendments Initial Application of IFRS 17 and IFRS 9 – Comparative Information	January 1st 2023
Definition of accounting estimates (Amendments to IAS 8)	January 1st 2023
Disclosure of accounting policies (Amendments to IAS 1 and IFRS practice statement 2)	January 1st 2023
Deferred tax related to assets and liabilities arising from a single transaction (Amendments to IAS 12)	January 1st 2023
Classification of liabilities into current or non-current liabilities (amendments to IAS 1)	January 1st 2024
Lease obligations in sale and leaseback (Amendments to IAS 16)	January 1st 2024
Sale or grant of assets between an investor and an affiliate company or a joint venture (amendments to IFRS 10 and IAS 28)	Optional

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

Basis of the consolidation of financial statements:

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;
- Is exposed to variable returns, or has the right to variable returns, resulting from its association with the investee;
- Has the ability to use its power to influence the returns of the investee.

The bank will re-estimate whether it controls the investees or not if the facts and circumstances indicate that there are changes on one or more of the control points referred to above.

In the event that the Bank's voting rights fall below the majority of voting rights in any of the investees, it will have the power to control when voting rights are sufficient to give the Bank the ability to unilaterally direct the related subsidiary activities. The bank takes into account all facts and circumstances when estimating whether the Bank has voting rights in the investee that are sufficient to give it the ability to control or not. These facts and circumstances include:

- The volume of voting rights the Bank has in relation to the number and distribution of other voting rights;
- Potential voting rights held by the Bank and any other voting rights holders or parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances indicating that the bank has, or does not have, a current responsibility to direct the relevant activities at the time the required decisions are taken, including how to vote in meetings of previous general assembly's meetings.

The subsidiary is consolidated when the Bank controls the subsidiary and is deconsolidated when the Bank loses control of the subsidiary. Specifically, the results of operations of subsidiaries acquired or excluded during the year are included in the consolidated statement of Profit or loss from the date on which control is achieved until the date that control of the subsidiary is lost.

Profits or losses and each item of the comprehensive income are distributed to the owners in the entity and the non-controlling interest, the comprehensive income for the subsidiaries is distributed to the owners in the entity and the non-controlling share even if this distribution will lead to a deficit in the balance of the non-controlling.

Adjustments are made to the financial statements of the subsidiaries, when required, to align their accounting policies with those used by the Bank.

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

The non-controlling interests in the subsidiaries are determined separately from the Bank's equity in these entities. The non-controlling interests of the shareholders currently present in the equity granted to their owners with a proportionate share of the net assets upon liquidation which be measured initially at fair value or by the proportionate share of non-controlling interests in the fair value of the identifiable net purchase amount of assets. The measurement is selected on an acquisition basis. Other non- controlling interests are initially measured at fair value. After acquisition, the carrying value of non- controlling interests is the value of these interests upon initial recognition, in addition to the non- controlling interest's share of subsequent changes in equity. Total comprehensive income is attributable to the non-controlling interests even if that results in a deficit in the non-controlling interests' balance.

Changes in the Bank's interest in subsidiaries that do not result in loss of control are accounted for as equity transactions. The present value of the Bank's and non-controlling interests are adjusted to reflect changes in their relative shares 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 attributed to the owners of the Bank.

When the bank loses control of a subsidiary, the profit or loss resulting from the disposal is calculated in the consolidated statement of profit or loss, with the difference between (1) the total fair value of the consideration received and the fair value of any remaining shares and (2) the present value of the assets (including goodwill), less the liabilities of the subsidiary and any non-controlling interests.

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

The fair value of the investment that is held in the previous subsidiary at the date of loss of control is considered to be the fair value upon initial recognition of subsequent accounting under IFRS (9) "Financial instruments" when the provisions of this standard apply, or the cost of initial recognition of investment in an associate or a joint venture.

These consolidated financial statements include the Bank its following subsidiaries as at December 31, 2022:

Name of the Company	Paid-in Capital (JOD)	Bank's Ownership %	Company's Activity Nature	Company's Head Office	Date of Acquisition
Tamkeen Leasing Co	20,000,000	97.5%	Finance lease	Amman	2006
Al Istethmari Latemweel Selselat Al Imdad Company	3,000,000	94%	Management and operation of bonded warehouses	Amman	2010
Jordanian Factoring Company*	208,000	100%	Factoring of receivables	Amman	2011
Jordan Trade Facilities Company	16,500,000	95.3%	Granting loans and facilities	Amman	2016
Trade Facilities for Finance Leasing Co.	2,000,000	95.3%	Finance lease	Amman	2016
Bindar Trade and Investment Company	20,000,000	96.5%	Granting loans and facilities	Amman	2017
Ruboua Al Sharq Real Estate Company	50,000	96.5%	Sale of lands and properties owned by the Company	Amman	2017
Rakeen Real Estate Company	30,000	96.5%	Sale of lands and properties owned by the Company	Amman	2017
Bindar Finance Lease Company	1,000,000	96.5%	Finance lease	Amman	2017
Al-Qimma commercial facilities for cars	2,130,000	96.5%	Finance leasing for cars	Amman	2022

* Based on the decision of the bank board of directors at its first meeting of 2022, it was approved to close the Jordanian factoring company, and based on the decision of the general assembly of the Jordanian factoring company (a subsidiary) in its extraordinary meeting held on November 16,2022, it was approved to reduce the company's capital by an amount 1,292,000 JD, so that the authorized and paid – up capital becomes 208,000 JD, and the reduction procedures have been completed on December 15, 2022.

** Based on the decision of the board of directors of Bindar Trade and Investment Company (a subsidiary) No. 18/2022 held on October 3, 2022, it was approved seize the operations of of Bindar Financial leasing company (a subsidiary) and liquidate it voluntarily during the year 2023.

***Based on the decision of the general assembly of Bindar Trade and Investment Company (a subsidiary) on its extraordinary meeting held on January 4, 2022 it was approved to purchase all shares of Al-Qimma for commercial facilities for car company, with a value of 3,438,366 JD, as it was obtained the approval of the central bank of Jordan on the acquisition process according to their letter No. (10/2/16687) dated October 31, 2021, acquisition of the company during the first quarter of 2022.

- The financial statements of the subsidiaries are prepared for the same financial year of the Bank, by using the same accounting policies used by the Bank. If the accounting policies adopted by the subsidiaries are different, the required adjustments are made on the financial statements of the subsidiaries to be consistent with the accounting policies used by the Bank.
- The financial statements of subsidiaries are consolidated into the consolidated profit or loss statement from the date they are owned, the date on which the bank's control over subsidiaries is actually transferred and ceased to be consolidated when the bank loses control.

Non - controlling interest represent the share in net profit or loss and net assets not owned - directly or indirectly by the Bank in subsidiaries and are shown in the consolidated profit or loss statement. Property rights are also included in the consolidated financial position list separately from the rights of the Bank's shareholders.

In the case of preparing separate financial statements for the Bank as a separate entity, the investments in the subsidiaries are stated at cost.

Segment Information

The business segment represents a group of assets and operations that jointly provide products or services subject to risks and returns that are different from those related to other business segments and that are measured According to the reports that are used by the executive management and decision makers in the Bank.

A geographical segment is associated with the provision of products or services in a particular economic environment that is subject to risks and rewards different from those related to segments operating in other.

Net interest income

Interest income and expense for all financial instruments with the exception of those classified as held for trading or measured or those determined at fair value through the consolidated statement of profit or loss in "net interest income" as "interest income" and "interest expenses" are recognized in the consolidated statement of profit or loss using the effective interest method. Interest on financial instruments measured at fair value through the consolidated statement of profit or loss is also included in the fair value movement during the period.

The effective interest rate (EIR) is the rate that discounts estimated future cash flows of the financial instrument through the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability. The future cash flows are estimated taking into account all the contractual terms of the instrument.

The interest income/ interest expense is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e., at the amortized cost of the financial asset before adjusting for any expected credit loss allowance), or to the amortized cost of financial liabilities. For credit-impaired financial assets the interest income is calculated by applying the EIR to the amortized cost of the credit-impaired financial assets (i.e., the gross carrying amount less the allowance for expected credit losses). For financial assets originated or purchased and are credit-impaired, the EIR reflects the ECL in determining the future cash flows expected to be received from the financial asset.

Interest income and expense in the Bank's consolidated statement of profit or loss also includes the effective portion of fair value changes for derivatives that are designated as hedging instruments in the cash flow hedges of interest rate risk. As for the fair value hedges of interest rate risk on interest expense and income, the effective portion of fair value changes for specific derivatives are also included, and fair value changes to the specific risks of the hedged item are also included in interest income and expense. Interest expenses also include the value of the interest against the lease obligations.

Net commissions income

Commissions' net income and expense include fees other than those that are an integral part of EIR. The commissions included in this part of the Bank's consolidated statement of profit or loss also include commissions charged for the loan service, non-use commissions related to loan obligations when this is unlikely to result in a specific arrangement for lending and commissions of co-financing loans.

Commission's expenses with regard to services upon receipt of services

Contracts with clients that result in recognition of financial instruments, part of which may be related to IFRS (9) or (15), in which case commissions are recognized in the part related to IFRS (9) and the remainder is recognized according to the IFRS (15).

Net income of financial instruments at fair value through the consolidated statement of profit or loss:

Net income from financial instruments at fair value through the consolidated statement of profit or loss includes all gains and losses resulting from changes in the fair value of financial assets and financial liabilities at fair value through the consolidated statement of profit or loss. The Bank has elected to present the movement at the full fair value of the assets and liabilities at fair value through the consolidated statement of profit or loss in this item, including interest income, expenses and related from dividends.

Dividend's income:

Dividend's income is recognized when the right to receive payment is established, being the date preceding the dividends of listed shares, and usually the date on which the shareholders agree to dividends of unlisted shares.

The dividends distribution in the consolidated statement of profit or loss depends on the classification and measurement of the shares, i.e.:

- With regard to equity instruments held through the consolidated statement of profit or loss, dividend income is included in the consolidated statement of profit or loss under the item of profit (loss) of financial assets at fair value through the consolidated statement of profit or loss.
- In the case of equity instruments classified as fair value through other comprehensive income, dividends are included in the consolidated statement of profit or loss as dividend from financial assets at fair value through other comprehensive income.

Financial instruments

Initial recognition of measurement:

Financial assets and financial liabilities are recognized in the consolidated statement of financial position of the Bank when the Bank becomes a party to the contractual provisions of the instrument and loans and advances to customers are recognized if they are credited to the customers' account.

Financial assets and liabilities are measured initially at fair value, and transaction costs that are directly attributable to the acquisition or issuance of financial assets and liabilities are added to the fair value of the financial assets or financial liabilities, or deducted therefrom, as necessary, upon initial recognition. Transaction costs that are directly related to the acquisition of financial assets or financial liabilities at fair value through the consolidated statement of profit or loss are recognized directly in the consolidated statement of profit or loss.

If the transaction price differs from fair value at initial recognition, the Bank will account for such difference as follows:

- When the fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets, the difference is recognized on initial recognition (i.e., profit or loss on the first day).

- In all other cases, the fair value will be adjusted to align with the transaction price (i.e., day 1 profit or loss will be deferred by including it in the initial carrying amount of the asset or liability).

After initial recognition, the deferred gain or loss will be released to the consolidated statement of profit or loss on a rational basis, only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability, or upon the de-recognition of such instrument.

Financial assets:

Initial recognition:

All financial assets are recognized on the trade date where the purchase or sale of a financial asset is made under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and is initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value in the consolidated statement of profit or loss. Transaction costs directly attributable to the acquisition of financial assets classified as at FVTPL are recognized immediately in the statement of profit or loss.

Subsequent measurement:

All recognized financial assets that are within the scope of IFRS (9 are required to be subsequently measured at amortized cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Specifically:

- The financing instruments held in the business model that aims to collect contractual cash flows, and which have contractual cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding and are subsequently measured at amortized cost.
- The financing instruments held within the business model that aim to both collect contractual cash flows and sell debt instruments, which have contractual cash flows that are SPPI on the principal amount outstanding and are subsequently measured at fair value through other comprehensive income.
- All other financing instruments (such as debt instruments managed on fair value basis, or held for sale), and equity investments are subsequently measured at fair value through the consolidated statement of profit or loss.

However, the Bank can take a non - irrevocable option/ determination after initial recognition of the financial asset on an asset-by-asset basis, as follows:

- The Bank can take the non - irrevocable option by including subsequent changes in the fair value of the investment in equity that is not held for trading or a possible replacement recognized by the buyer within the business combination to which the IFRS (3) applies, in other comprehensive income.
- The Bank can determine in a non-irrevocable manner the financing instruments that meet the criteria of amortized cost or fair value through other comprehensive income as measured by the fair value through the consolidated statement of profit or loss if it eliminates or significantly reduces mismatches in accounting (referred to as the fair value option).

Debt instruments at amortized cost or at fair value through other comprehensive income:

The Bank assesses the classification and measurement a financial asset based on the contractual cash flow characteristics and the Bank's business model for managing the asset.

For an asset to be classified and measured at amortized cost or at FVTOCI, its contractual terms should give rise to cash flows that are solely payments of principal and interest (SPPI) on the principal outstanding.

For the purpose of the SPPI test, the principal is the fair value of the financial asset at initial recognition. That principal amount may change over the life of the financial asset (e.g., if there are repayments of principal).

Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending options and risks, as well as a profit margin. The SPPI assessment is made in the currency in which the financial asset is denominated.

The contractual cash flows represent SPPI, which are consistent with the basic financing arrangement. Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic financing arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI. An originated or an acquired financial asset can be a basic financing arrangement irrespective of whether it is a loan in its legal form.

Business model assessment:

An assessment of business models for managing financial assets is fundamental to the classification of a financial asset. The Bank determines the business models at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. The Bank's business model does not depend on management's intentions for an individual instrument; therefore, the business model assessment is performed at aggregation rather than on an instrument-by-instrument basis.

The Bank may adopt more than one business model for managing its financial instruments which reflect how the Bank manages its financial assets in order to generate cash flows. The Bank's business models determine whether cash flows will result from collecting contractual cash flows, selling financial assets or both.

The Bank takes into account all relevant information available when making the business model assessment. However, this assessment is not performed on the basis of scenarios that expected to Bank does not reasonably expect to occur, such as the so-called 'worst case' or 'stress case' scenarios. The Bank also takes into account all relevant evidence available such as:

- The policies and declared objectives of the portfolio and the application of those policies and whether the management strategy focuses on obtaining contractual revenue, maintaining a specific rate of profit, and matching the period of financial assets with the period of financial liabilities in which those assets are financed cash flows are realized through the sale of assets.
- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the key management personnel.
- The risks that affect the performance of the business model (and financial assets held within that business model) and, in particular, the way in which those risks are managed.
- How managers of the business are compensated (e.g., whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

On initial recognition of the financial asset, the Bank determines whether the recently recognized financial assets are part of an existing business model or whether it reflects the beginning of a new business model. The Bank reassesses its business models in each reporting period to determine whether the business models have changed since the previous period.

When a debt instrument that is measured at fair value through other comprehensive income is derecognized, the cumulative gain/ loss previously recognized in other comprehensive income in equity is reclassified to the consolidated statement of profit or loss. On the other hand, as for equity investment measured at fair value through other comprehensive income, the cumulative gain/ loss previously recognized in other comprehensive income is not subsequently reclassified to the consolidated statement of profit or loss but is rather transferred directly within equity.

Debt instruments that are subsequently measured at amortized cost or at Fair value through other comprehensive income are tested for impairment.

Financial assets - Assessing whether contractual cash flows are payments of the principal and interest only:

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g., liquidity risk and administrative costs), as well as profit margin.

In assessing whether contractual cash flows are only SPPI, the Bank has considered the contractual terms of the instrument. This includes assessing whether the financial assets involve a contractual period that can change the timing or amount of contractual cash flows and therefore they do not meet the conditions of SPPI In making this assessment, the Bank considers:

- Contingent events that change the amount or timing of cash flows.
- Prepaid features and the possibility to extend.
- Terms that limit the Bank's claim to cash flows from specified assets.

Financial assets at fair value through the statement of profit or loss:

Financial assets at fair value through statement of profit or loss are:

- Assets of contractual cash flows, and which have been not Principal debt and interest on the principal amount.
- Assets held within the business model other than those held to collect contractual cash flows or held for collection and sale.
- Assets designated at fair value through the consolidated statement of profit or loss using fair value option.

These assets are measured at fair value, and any gains/ losses arising from re-measurement are recognized in the consolidated statement of profit or loss.

Reclassification:

If the business model under which the Bank holds financial assets changes, the financial assets that were affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that results in reclassifying the Bank's financial assets. Changes in contractual cash flows are considered within the framework of the accounting policy for the amendment and exclusion of financial assets set out below.

Foreign exchange gains and losses:

The carrying amount of financial assets recorded in foreign currency is determined and translated at the rates prevailing at the end of each reporting period. Specifically:

- For financial assets measured at amortized cost that are not part of a designated hedging relationship, exchange differences are recognized in the consolidated statement of profit or loss.
- For debt instruments measured at fair value through other comprehensive income that are not part of a designated hedging relationship, exchange differences on the amortized cost of the debt instrument are recognized in the consolidated statement of profit or loss. Other exchange differences are recognized in other comprehensive income in the investment's revaluation reserve.

- For financial assets measured at amortized cost through the consolidated statement of profit or loss that are not part of a designated hedging relationship, gains and losses of exchange differences are recognized in the consolidated statement of profit or loss.
- For equity instruments measured at fair value through other comprehensive income, exchange differences are recognized in other comprehensive income within investments revaluation reserve.

Fair value option:

A financial instrument with a fair value can be measured reliably at fair value through the consolidated statement of profit or loss (fair value option) upon initial recognition, even if the financial instruments are not acquired or incurred primarily for the purpose of selling or repurchasing.

The fair value option for financial assets can be used if it substantially eliminates or reduces the inconsistency of the measurement or recognition that would otherwise have arisen from the measurement of assets or liabilities, or the recognition of related profit and loss on a different basis ("accounting mismatch"). The fair value option for financial liabilities can be chosen in the following cases:

- If the choice leads to the cancellation or substantially reduces accounting mismatch.
- If the financial liabilities are part of a portfolio managed on a fair value basis, according to a documented risk or investment management strategy.
- If there is a derivative that is included in the host financial or non-financial contract and the derivative is not closely related to the host contract.

These tools cannot be reclassified to fair value through the consolidated statement of profit or loss while they are held or issued. Financial assets designated at fair value through the consolidated statement of profit or loss are recorded at fair value with any unrealized gains or losses arising from changes in the fair value of investment income.

Expected credit losses:

The Bank recognizes loss allowances for expected credit loss on the following financial instruments that are not measured at fair value through the consolidated statement of profit or loss:

- Loans and credit facilities (direct and indirect).
- Debt instruments carried at amortized cost.
- Debt instruments classified at fair value through other comprehensive income.
- Financial guarantees provided in accordance with the requirements of IFRS 9.
- Receivables related to leases are within the requirements of IAS (17) and IFRS (16).
- Trade receivables.
- Credit exposures to banks and financial institutions [excluding current balances used to cover the Bank's transactions such as remittances, guarantees and credits within a very short period of time (days)].

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

Impairment loss is not recognized in equity instruments.

With the exception and notes Impairment losses are Purchased or Originated Rating-Impaired' (POCI) financial assets (which are considered separately below), ECL are required to be measured through a loss allowance at an amount equal to:

- 12-month ECL, i.e., lifetime ECL that result from those default events on the financial instrument that can be realized within 12 months after the reporting date, referred to in Stage 1.
- 12-month ECL, i.e., lifetime ECL that result from those possible default events over the age of the financial instrument, referred to in Stage 2 and Stage 3.

A loss allowance for lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECL are measured at an amount equal to the 12-month ECL.

ECL are a probability-weighted estimate of the present value of credit losses. These are measured as the present value of the difference between the cash flows due to the Bank under the contract and the cash flows that the Bank expects to receive, which arise from the weighting of multiple future economic scenarios, discounted at the asset's effective interest rate.

For the unutilized limits, the expected credit loss is the difference between the present value of the difference between the contractual cash flows due to the Bank if the borrower withdraws the financing and the cash flows that the Bank expects to receive if the financing is utilized.

For financial guarantee contracts, the ECL is the difference between the expected payments to reimburse the holder of the guaranteed debt instrument less any amounts that the Bank expects to receive from the instrument holder, the customer or any other party.

The Bank measures ECL on an individual basis, or on the portfolio basis that share similar economic risk characteristics. The measurement of the loss allowance is based on the present value of the asset's expected cash flows using the asset's original EIR, regardless of whether it is measured on an individual basis or a portfolio basis.

Credit-impaired financial assets:

A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Credit-impaired financial assets are referred to as Stage 3 assets. Evidence of credit-impairment includes observable data about the following:

- Significant financial difficulty faced by borrower or issuer.
- Breach of contract, for example, default or delay in payment.
- The Bank grants the borrower a waiver for economic or contractual reasons related to the borrower's financial difficulty.
- The disappearance of an active market for that financial asset because of financial difficulties.
- The purchase of a financial asset at a deep discount that reflects the incurred credit losses.

It may not be possible to identify a single discrete event, instead, the combined effect of several events may have caused financial assets to become credit impaired. The Bank assesses whether debt instruments that are financial assets measured at amortized cost or FVTOCI are credit-impaired at each reporting date. To assess if sovereign and corporate debt instruments are credit impaired, the Bank considers factors such as bond yields, credit ratings and the ability of the borrower to increase funding.

A loan is considered credit-impaired when a concession is granted to the borrower due to a deterioration in the borrower's financial condition, unless there is evidence that as a result of granting the concession the risk of not receiving the contractual cash flows has reduced significantly and there are no other indicators of impairment. For financial assets where concessions are contemplated but not granted, the asset is deemed credit impaired when there is observable evidence of credit-impairment including meeting the definition of default. The definition of default includes possibility of a backstop if amounts are overdue for 90 days or more. However, cases where the asset's impairment is not recognized after (90) days of maturity, are supported by reasonable information.

Purchased or originated credit-impaired' (POCI) financial assets:

POCI financial assets are treated differently because the asset is credit-impaired at initial recognition. For these assets, the Bank recognizes all changes in lifetime ECL since initial recognition as a loss allowance with any changes recognized in the consolidated statement of profit or loss. A favorable change for such assets creates an impairment gain.

Definition of default:

The definition of default is deemed critical to the determination of ECL. The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL, as default is a component of the probability of default (PD) which affects both the measurement of ECL and the identification of a significant increase in credit risk as shown below.

The Bank considers the following as an event of default:

- The borrower defaults for more than 90 days on any significant credit obligation to the Bank.
- The borrower is unlikely to pay his credit obligations of the Bank in full.

The definition of default is appropriately tailored to reflect different characteristics of different types of assets. Overdrafts are considered as being past due once the customer has breached an advised limit or has been advised of a limit smaller than the current amount outstanding.

When assessing if the borrower is unlikely to pay its credit obligation, the Bank takes into account both qualitative and quantitative indicators. The information assessed depends on the type of the asset, for example in corporate lending a qualitative indicator used is the breach of covenants, which is not relevant for retail lending. Quantitative indicators, such as overdue status and non-payment of another obligation to the same counterparty are key inputs in this analysis. The Bank uses a variety of sources of information to assess default which are either developed internally or obtained from external sources.

Significant increase in credit risk:

The Bank monitors all financial assets, issued loan commitments and financial guarantee contracts that are subject to impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk, the Bank will measure the loss allowance based on lifetime rather than 12-month ECL.

The Bank will not consider that financial assets with 'low' credit risk at the reporting date did not have a significant increase in credit risk. As a result, the Bank monitors all financial assets, issued loan commitments and financial guarantee contracts that are subject to impairment for significant increase in credit risk.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Bank compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognized. In making this assessment, the Bank considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, based on the Bank's historical experience and expert credit assessment including forward-looking information.

Multiple economic scenarios form the basis of determining the probability of default at initial recognition and at subsequent reporting dates. Different economic scenarios will lead to a different probability of default. It is the weighting of these different scenarios that forms the basis of a weighted average probability of default that is used to determine whether credit risk has significantly increased.

For corporate financing, forward-looking information includes the future prospects of the industries in which the Bank's counterparties operate, that can be obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organizations, as well as taking into consideration various internal and external sources of actual and forecast economic information.

For individuals financing, forward looking lending information includes the same economic forecasts as corporate lending with additional forecasts of local economic indicators, particularly for regions with a concentration to certain industries, as well as internally generated information of customer payment behavior. The Bank allocates its counterparties to a relevant internal credit risk grade depending on their credit quality.

The quantitative information is a primary indicator of significant increase in credit risk and is based on the change in lifetime PD by comparing:

- The remaining lifetime PD at the date of reporting.
- The remaining lifetime PD at a point in time that was estimated based on facts and circumstances at the initial recognition of the exposure.

The PDs are considered forward-looking, and the Bank uses the same methodologies and data used to measure the expected credit loss provisions.

The qualitative factors that indicate significant increase in credit risk are reflected in PD models on a timely basis. However, the Bank still considers separately some qualitative factors to assess if credit risk has increased significantly. For corporate lending, there is particular focus on assets that are included on a 'watch list' given an exposure is on a watch list once there is a concern that the creditworthiness of the specific counterparty has deteriorated. For retail lending, the Bank considers the expectation of forbearance and payment holidays, credit scores and events such as unemployment, bankruptcy, divorce or death.

Given that a significant increase in credit risk since initial recognition is a relative measure, a given change, in absolute terms, in the PD will be more significant for a financial instrument with a lower initial PD than compared to a financial instrument with a higher PD.

As a backstop when an asset becomes 30 days past due, the Bank considers that a significant increase in credit risk has occurred and the asset is in stage 2 of the impairment model, i.e. the loss allowance is measured as the lifetime ECL.

Modification and de-recognition of financial assets

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and/ or timing of the contractual cash flows either immediately or at a future date. In addition, the introduction or adjustment of existing covenants of an existing loan would constitute a modification even if these new or adjusted covenants do not yet affect the cash flows immediately but may affect the cash flows depending on whether the covenant is or is not met (e.g., a change to the increase in the interest rate that arises when covenants are breached).

The bank renegotiates loans with customers who face financial difficulties to increase collection and reduce the risk of default. The terms of repayment of the loan are facilitated in cases where the borrower has made all reasonable efforts to pay under the original contractual terms, and an important risk of default or default has occurred, and it is expected that the borrower will be able to fulfil the revised terms. The revised terms in most of the cases include an extension of the maturity of the loan, changes to the timing of the cash flows of the loan (principal and interest repayment), reduction in the amount of cash flows due (principal and interest forgiveness) and amendments to covenants. The bank has a waiting policy that applies to corporate and individual lending.

When a financial asset is modified, the bank assesses whether this amendment leads to de-recognition. As per the Bank's policy, the modification leads to de-recognition when it causes a significant difference in the terms.

- Qualitative factors, such as the non-existence of contractual cash flows after modification as SPPI, change in currency or change in the counterparty, or extent of change in interest rates, maturity, or covenants. If this does not clearly indicate a fundamental modification.

- Conducting a quantitative evaluation to compare the present value of the remaining contractual cash flows under the original terms with the contractual cash flows in accordance with the revised terms and deduct both amounts based on the original effective interest.

In the case where the financial asset is derecognized, the loss allowance for ECL is remeasured at the date of de-recognition to determine the net carrying amount of the asset at that date the difference between this revised carrying amount and the fair value of the new financial asset with the new terms will lead to a gain or loss on de-recognition. The new financial asset will have a loss allowance measured based on 12-month ECL except in the rare occasions where the new loan is considered to be originated as credit- impaired. This applies only in the case where the fair value of the new loan is recognized at a significant discount to its revised paramount because there remains a high risk of default which has not been reduced by the modification. The Bank monitors credit risk of modified financial assets by evaluating qualitative and quantitative information, such as if the borrower is in past due status under the new terms.

When the contractual terms of a financial asset are modified and the modification does not result in de-recognition, the Bank determines if the financial asset’s credit risk has increased significantly since initial recognition by comparing:

- The remaining lifetime PD estimated based on data at initial recognition and the original contractual terms.
- The remaining PD at the reporting date based on the revised terms.

For financial assets modified as part of the Bank's forbearance policy, where modification did not result in de-recognition, the estimate of PD reflects the Bank's ability to collect the modified cash flows taking into account the Group's previous experience of similar forbearance action, as well as various behavioral indicators, including the borrower's payment performance against the modified contractual terms. If the credit risk remains significantly higher than what was expected at initial recognition, the loss allowance will continue to be measured at an amount equal to lifetime ECL.

The loss allowance on forborne loans will generally only be measured based on 12-month ECL when there is evidence of the borrower's improved repayment behavior following modification leading to a reversal of the previous significant increase in credit risk.

Where a modification does not lead to de-recognition, the Bank calculates the modification gain/loss comparing the gross carrying amount before and after the modification (excluding the ECL allowance). Then, the Bank measures ECL for the modified asset, where the expected cash flows arising from the modified financial asset are included in calculating the expected cash shortfalls from the original asset.

The Bank derecognizes a financial asset only when the contractual rights to the asset's cash flows expire, or when the financial asset and substantially all the risks and rewards of ownership of the asset are transferred to another entity. If the Bank neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Bank recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Bank retains substantially all the risks and rewards of ownership of a transferred financial asset, the Bank continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain/ loss that had been recognized in OCI and accumulated in equity is recognized in the consolidated statement of profit or loss, with the exception of equity investment designated as measured at FVTOCI, where the cumulative gain/ loss previously recognized in OCI is not subsequently reclassified to the consolidated statement of profit or loss.

Write-offs:

Financial assets are written off when there is no reasonable expectation of recovery, such as the customer not participating in a payment plan with the Bank. The Bank classifies the funds or amounts due for write-off after exhausting all possible payment methods and taking the necessary approvals. However, if the financing or receivable is written off, the Bank continues the enforcement activity to try to recover the outstanding receivables, which are recognized in the consolidated statement of profit or loss upon recovery.

ECL provision of presentation in the consolidated statement of financial position:

Loss allowances for ECL are presented in the consolidated statement of financial position as follows:

- For financial assets measured at amortized cost: as a deduction from the gross carrying amount of the assets.
- For debt instruments measured at FVTOCI: no provision is recognized in the consolidated statement of financial position as the carrying amount is at fair value. However, the loss allowance is included as part of the revaluation amount in the investments revaluation reserve;
- Loan's commitments and financial guarantee contracts: as a provision.
- Where a financial instrument includes both a drawn and an undrawn component, and the Bank cannot identify the ECL on the loan commitment component separately from those on the drawn component, the Bank presents a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn component is presented as a provision.

Financial liabilities and equity:

Issued Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

A financial liability is a contractual obligation to deliver cash or another financial asset or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Bank or a contract that will or may be settled in the Bank's own equity instruments and is a non- derivative contract for which the Bank is or may be obliged to deliver a variable number of its own equity instruments, or a derivative contract over own equity that will or may be settled other than by the exchange of a fixed amount of cash (or another financial asset) for a fixed number of the Bank's own equity instruments.

Loans and advances:

The "loans and advances" included in the statement of financial position comprise the following:

- Loans and advances measured at amortized cost; initially measured at fair value plus incremental direct transaction costs, and subsequently measured at amortized cost using the effective interest method.
- Loans and advances, which are measured at FVTPL or designated as at FVTPL; are measured at fair value with changes recognized immediately in profit or loss.
- Lease receivables.
- Interest and commissions are suspended on non-performing credit facilities granted to clients in accordance with the instructions of the Central Bank of Jordan.
- Credit facilities and their suspended interest covered by provisions are transferred entirely off the consolidated statement of financial position, in accordance with the decisions of the Board of Directors in this regard.

When the Group purchases a financial asset and concludes an agreement simultaneously to resell the asset (or a substantially similar asset) at a fixed price at a later date (repurchase or borrowing shares), the consideration paid is calculated as a loan or advance, and the asset is not recognized in the Group's financial statements.

Equity instruments:

Share capital:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Equity instruments issued by the Bank are recognized at the proceeds received, net of direct issue costs.

Treasury shares:

Repurchase of the Bank's own equity instruments is recognized and deducted directly in equity. No gain/ loss is recognized in profit or loss on the purchase, sale, issue, or cancellation of the Bank's own equity instruments.

Composite instruments:

The component parts of the composite instruments (such as convertible notes) issued by the Bank are classified separately as financial liabilities and equity in accordance with the content of the contractual arrangements, definitions of financial liabilities and equity instruments. The transfer option that will be settled by exchanging a fixed cash amount or other financial asset for a specified number of the company's equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing interest rate in the market for similar non-convertible instruments. In the case of non-embedded related derivatives, they are first **separated**, and the remaining financial liabilities are recorded on an amortized cost basis using the effective interest method until they are extinguished upon conversion or on the instrument's maturity date.

Financial liabilities:

Financial liabilities are classified either as financial liabilities at fair value through the consolidated statement of profit or loss or other financial liabilities.

Financial liabilities at fair value through the consolidated statement of profit or loss:

Financial liabilities are classified at fair value through the consolidated statement of profit or loss when financial liabilities (a) are held for trading or (b) are classified at fair value through the consolidated statement of profit or loss. A financial liability is classified as held for trading if:

- It is incurred principally for the purpose of repurchasing in the near term.
- Upon initial recognition it is part of a portfolio of identified financial instruments that the Bank and has a modern actual pattern of short-term profit taking.
- It is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for the purpose of trading or the potential consideration that a buyer may pay as part of a business combination at fair value is determined through the consolidated statement of profit or loss upon initial recognition if:

- This designation substantially eliminates or reduces the inconsistency of the measurement or recognition that may otherwise arise.
- The financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Bank's documented risk management or investment strategy, and information about the grouping is provided internally on that basis.
- If the financial obligation forms part of a contract that contains one derivative or more. IFRS 9 allows a fully hybrid contract (composite) to be determined at fair value through the consolidated statement of profit or loss.

Financial liabilities at fair value through profit or loss are stated at fair value through the consolidated statement of profit or loss with any gains or losses arising on re-measurement recognized in the consolidated statement of profit or loss to the extent that they are not part of a designated hedging relationship. The net gain or loss recognized in the consolidated statement of profit or loss includes any interest paid on the financial liabilities and is incorporated in the item "net profit or loss from other financial instruments" at fair value through the consolidated statement of profit or loss.
However, in respect of non-derivative financial liabilities classified at fair value through the consolidated statement of profit or loss, the amount of the change in the fair value of the financial liabilities that resulted from changes in the credit risk of those liabilities is recognized in other comprehensive income, unless recognition of the effects of changes in the credit risk of liabilities in other comprehensive income would create or increase accounting mismatch in the consolidated statement of profit or loss. The remaining amount of changes in the fair value of the liability is recognized in the consolidated statement of profit or loss, and changes in the fair value attributable to the credit risk of financial liabilities recognized in other comprehensive income are not reclassified subsequently to the consolidated statement of profit or loss. Instead, it is transferred to retained earnings upon de-recognition of the financial liability.

With regard to liabilities for issued loans and financial guarantee contracts classified as fair value through the consolidated statement of profit or loss, all gains and losses are recognized in the consolidated statement of profit or loss.

When determining whether recognition of changes in the credit risk of liabilities in other comprehensive income will create or increase the accounting mismatch in the consolidated statement of profit or loss, the Bank assesses whether it expects to offset the effects of changes in the credit risk of the liabilities in the consolidated statement of profit or loss with a change in the fair value of another financial instrument that has been measured at fair value through the consolidated statement of profit or loss.

<u>Other financial liabilities:</u>
Other financial liabilities, including deposits and loans, are initially measured at fair value, net of transaction costs. Other financial liabilities are then measured at amortized cost, using the effective interest method.

The effective interest method is a method for calculating the amortized cost of a financial liability and allocating interest expenses over the relevant period. An effective interest rate is the rate that exactly discounts estimated future cash payments during the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount at initial recognition to obtain details on the effective interest rate.

<u>De-recognition of financial liabilities:</u>

The Bank derecognizes financial liabilities when, and only when, the Bank's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in consolidated statement of profit or loss.

The exchange between the Bank and its existing lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Likely, the Bank treats the significant modification of the outstanding obligation conditions or part thereof as extinguishment of the original financial liabilities and the recognition of new liabilities. The terms are assumed to be substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability.

Derivative financial instruments:

The bank enters a variety of derivative financial instruments, some of which are held for trading while others are maintained to manage exposure to interest rate risk, credit risk, and foreign exchange rate risk. Financial derivatives include foreign currency forward contracts, interest rate swaps, interest rate swaps across currencies and credit default swaps.

Derivatives are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at their fair value at the date of each statement of financial position. The resulting profits/ losses are recognized in the consolidated statement of profit or loss immediately unless the derivative is identified and are effective as a hedging instrument, in which case the timing of recognition in the consolidated statement of profit or loss depends on the nature of the hedge relationship. The Bank identifies certain derivatives as either fair value hedges for recognized assets and liabilities, or for the company's obligations (fair value hedges), potential forecasting hedges, foreign currency risk hedges for fixed obligations (cash flow hedges) or net investments in foreign operations (net investment hedges).

Derivatives with positive fair value are recognized as a financial asset, while derivatives with negative fair value are recognized as financial liabilities. Derivatives are presented as non-current assets or non-current liabilities if the residual maturity of the instrument is more than (12) months and is not expected to be realized or settled within (12) months. Other derivatives are presented as current assets or current liabilities.

Embedded derivatives:

Derivatives embedded in financial liabilities or other non-financial asset host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at fair value through the consolidated statement of profit or loss.

An embedded derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the hybrid instrument to which the embedded derivative relates is more than 12 months and is not expected to be realized or settled within 12 months. Other embedded derivatives are presented as other assets or other liabilities.

Financial guarantee contracts:

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss incurred because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Bank's entity are initially measured at their fair value, and if they are not determined at fair value through the consolidated statement of profit or loss that does not result from the transfer of a financial asset, they are subsequently measured:

- The amount of the loss allowance determined in accordance with IFRS (9).
- The amount initially recognized, less, where appropriate, the amount of accumulated profit or loss recognised in accordance with the Bank's revenue collection policies, whichever is greater.

Financial guarantee contracts that are not designated at fair value through the consolidated statement of profit or loss are presented as provisions in the consolidated statement of financial position and remeasurement is presented in other income.

The Bank did not specify any financial guarantee contracts at fair value through the consolidated statement of profit or loss.

Commitments to provide a loan at an interest rate lower than the market price:

Commitments to provide a loan at an interest rate lower than the market price are measured initially at their fair value, and if they are not determined at fair value through the consolidated statement of profit or loss, they are subsequently measured:

- The amount of the loss allowance determined in accordance with IFRS (9).

- The amount initially recognized, less, where appropriate, the amount of accumulated profit or loss recognized in accordance with the Bank's revenue collection policies, whichever is greater.

Commitments to provide a loan at an interest rate lower than the market price, which are not designated at fair value through the consolidated statement of income are presented as provisions in the consolidated statement of financial position, and remeasurement is presented in other income.

The bank did not designate any commitments to provide a loan at an interest rate lower than the market price, which are designated at fair value through the consolidated statement of profit or loss.

Hedge accounting

- The Bank identifies certain derivatives as hedging instruments with respect to foreign currency risk and interest rate risk in fair value hedges, cash flow hedges or net investment hedges in foreign operations, as appropriate. Foreign exchange risk hedges on the Bank's commitments are also accounted for as cash flow hedges. The Bank does not apply fair value hedge accounting to hedges of interest rate risk portfolio. In addition, the Bank does not use the exemption to continue to use hedge accounting rules using IAS (39), i.e., the Bank applies the hedge accounting rules of IFRS (9).

- At the beginning of the hedge relationship, the Bank documents the relationship between the hedging instrument and the hedged item, as well as the risk management objectives and strategy for undertaking various hedging transactions. Furthermore, at the commencement of the hedging and on a continuous basis, the Bank documents whether the hedging instrument is effective in offsetting changes in the fair value or cash flows of the hedged item that can be attributed to the hedged risk, and for which all hedging relationships meet the following hedging effectiveness requirements:

- There is an economic relationship between the hedged item and the hedging instrument.
- The effect of credit risk does not dominate the value changes that result from this economic relationship.

- The hedge ratio for the hedge relationship is the same as that results from the amount of the hedged item to which the Bank actually hedges and the amount of the hedging instrument that the Bank actually uses to hedge that amount of the hedged item.

- The Bank rebalances the hedging relationship in order to comply with the requirements of the hedge rate when necessary. In such cases, the suspension may apply to only part of the hedge relationship. For example, the hedge ratio may be adjusted in such a way that part of the hedged item is not part of the hedge relationship, and therefore the hedge accounting is suspended only for the size of the hedging item that is no longer part of the hedge relationship.
- If the hedge relationship ceases to meet the hedge effectiveness requirements related to the hedge ratio but the risk management objective of this hedge relationship remains the same, the Group adjusts the hedge ratio for the hedging relationship (such as the hedge rebalance) so that the qualification criteria are combined again.
- In some hedging relationships, the Bank only determines the true value of the options. In this case, a change in the fair value of the component of the time value of the option in the other comprehensive income is deferred, over the hedging period, to the extent that it relates to the hedged item and is reclassified from equity to the consolidated statement of profit or loss when the hedged item does not lead to recognition of non-financial items. The Bank's risk management policy does not include hedging items that lead to recognition of non-financial items, because the Bank's risks relate to financial items only.

- The hedged items determined by the Bank are hedging items related to the period, which means that the original time value of the option related to the hedged item of equity is amortized to the consolidated statement of profit or loss on a rational basis (for example, according to the straight-line method) over the period of hedging relationship.

- In some hedging relationships, the Bank does not determine the forward component of a forward contract or the difference on a currency basis for the hedging instrument across the currencies. In this case, a similar treatment applies to the time value of the options. It is optional to treat the forward component of the forward contract and the difference on a currency basis, and the option is applied on a hedging basis separately, other than treating the time value of options that are mandatory. Regarding hedging relationships and forward derivatives or foreign currencies such as interest rate swaps across currencies, when the forward component or the difference on the currency basis is excluded from classification, the Bank generally recognizes the excluded item in other comprehensive income.
- Details of the fair values of the derivative instruments used for hedging purposes and movements in the hedging reserve are determined in equity.

Fair value hedges:

- The change in the fair value of the qualified hedging instrument is recognized in the consolidated statement of profit or loss except when the hedging instrument hedges the equity instrument designated at fair value through other comprehensive income, in which case it is recognized in other comprehensive income. The Bank has not specified fair value hedging relationships when the hedging instrument hedges the equity instrument designated at fair value through other comprehensive income.
- The carrying amount of the hedged item that was not measured at fair value is adjusted for the change in the fair value, which can be attributed to the hedged risk and a corresponding recognition in the consolidated statement of profit or loss. For debt instruments that are measured at fair value through other comprehensive income, the carrying amount is not adjusted as it is at fair value, but the profit or loss portion of the fair value on the hedged item associated with the risk hedged is included in the consolidated statement of profit or loss instead of the other comprehensive income. When the hedged item has a fair value equity instrument determined through other comprehensive income, the hedging gains/ losses remain in the other comprehensive income to match the hedging instrument.
- When the hedging gains/ losses are recognized in the consolidated statement of profit or loss, they are recognized in the same item as the hedged item.
- The Bank does not suspend hedging accounting except when the hedging relationship (or part of it) ceases to meet the qualifying criteria (after rebalancing, if any). This includes cases where the hedging instrument expires, is sold, terminated, or exercised, and exclusion is stated for the future effect. Amortization is accounted for the fair value adjustment to the book value of the hedged items for which the effective interest method is used (i.e., tools we have measured at amortized cost or at fair value through other comprehensive income) that results from the hedged risk in the consolidated statement of profit or loss as of a date not later than the date of suspension of hedge accounting.

Cash flow hedges

- The effective portion of changes in the fair value of derivatives and other qualified hedging instruments that are determined and qualify as cash flow hedges in the hedging reserve for cash flow is recognized, as a separate component, in other comprehensive income. This is limited to the cumulative change in the fair value of the hedged item from the start of the hedge less any amounts recycled to the consolidated statement of profit of loss.
- Amounts previously recognized in other comprehensive income and the accumulation of shareholders' equity in the consolidated statement of profit or loss in the periods in which the hedging item affects profit or loss are reclassified in the same line of the hedged recognized item. If the Bank no longer expects the transaction to occur, then this amount is immediately reclassified to the consolidated statement of profit or loss.
- The bank does not suspend hedging accounting except when the hedging relationship (or part of it) ceases to meet the qualifying criteria (after rebalancing, if any). This includes cases where the hedging instrument expires,

is sold, terminated, or exercised, or when the occurrence of a specific hedging transaction is not considered to be highly probable. Suspension is calculated with a future effect. Any gains/ losses recognized in other comprehensive income and accumulated in equity at that time remain in equity and recognized when the expected transaction is finally recorded in profit or loss. When the occurrence of a forecast transaction becomes unpredictable, the accumulated profits/ losses in shareholders' equity is reclassified and recognized directly in the consolidated statement of profit or loss.

Hedges of net investments in foreign operations

- Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gains/ losses on the hedging instrument relating to the effective portion of the hedge are recognized in other comprehensive income and accumulated in the reserve of foreign exchange.

- The profits and losses resulting from the hedging instrument related to the effective portion of the hedging accumulated in the foreign currency translation reserve are reclassified into profits or losses in the same way as the foreign exchange differences of the foreign operation as described above.

Offsetting

- Financial assets and liabilities are offset and net amounts are reported in the consolidated statement of financial position, only when legally enforceable rights are established and when such amounts are settled on a net basis, and when assets and liabilities are settled simultaneously.

Accounts managed for the interest of clients

- Accounts managed by the Bank on behalf of clients are not considered as assets of the Bank. Fees and commissions for managing these accounts are shown in the consolidated statement of profit or loss. A provision is made against the decrease in the value of the capital-guaranteed portfolios, which are managed for the interest of clients.

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 that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Bank takes into account, when pricing the asset or liability, if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/ or disclosure purposes in these financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value such as value as used in IAS (36).

- In addition, for the purposes of preparing financial reports, fair value measurements are categorized to level (1), (2) or (3) based on the clarity of the inputs in relation to the fair value measurements and the importance of the inputs in relation to the full fair value measurements, and they are defined as follows:

* **Level 1:** inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
* **Level 2:** inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.
* **Level 3:** inputs for the asset or liability that are not based on observable market data.

Provisions

- Provisions are recognized when the Bank has obligations at the date of the consolidated statement of financial position arising from past events and obligations can be paid and measured reliably.

Employees' benefits

Employees' short-term benefits

- Employee's short-term benefits are recognized as expenses when providing related services. The commitment relating to the amount expected to be paid is recognized when the Bank has a current legal or constructive obligation to pay for the previous services provided by the employee and the obligation can be estimated reliably.

Employees' other long-term benefits

- The Bank's net liabilities in relation to employees' benefits are the number of future benefits that employees have received for their services in the current and previous periods. Those benefits are deducted to determine their present value. The remeasurement is recognized in the consolidated statement of profit or loss in the period in which it arises.

Income tax

- Tax expenses represent amounts of tax payable and deferred tax.
- Payable tax expenses are calculated based on taxable profits. Taxable profits are different from profits disclosed in the consolidated financial statements, as the disclosed profits include revenue that is not subject to tax, expenses that are not deductible in the financial year but in subsequent years or accumulated losses that are accepted in terms of tax, or items that are not taxable or deductible for tax purposes.
- Taxes are calculated as per the tax rates established by the laws, regulations and instructions applicable in the countries where the Bank operates.
- Deferred tax is the tax expected to be paid or recovered as a result of temporary timing differences between the value of assets or liabilities in the consolidated financial statements and the value based on which taxable profit is calculated. Deferred tax is calculated using the liability method in the statement of financial position, and deferred tax is accounted for in accordance with tax rates expected to be applied to settle the tax liability or realize deferred tax assets.
- Deferred tax balance is reviewed at the consolidated financial statements date and written down when it is not probable to utilize tax assets partially or fully.

Assets seized by the Bank in settlement of due debts

- Assets seized by the Bank are recognized in the consolidated statement of financial position within the "other assets" item at the lower of the value reverted to the Bank and the fair value and are revaluated at the consolidated financial statements date at fair value separately. Any impairment is recorded as a loss in the consolidated statement of profit or loss and the increase is not recognized as revenue. Subsequent increase is included in the consolidated statement of profit or loss to the extent that impairment value does not exceed the previously recorded value.

The required provisions against real estate acquired is made at the rate of (5%) of the total book values of these properties (regardless of the period of violation) as of the year 2022, so that the required percentage of (50%) of these properties are reached by the end of the year 2030, According to the Central Bank's Circular No. 10/1/16239 dated 10 October 2022, the calculation of the gradual provision against seized assets was stopped , provided that the allocations allocated against expropriated real estate in violations of the provisions pf the banking laws, and that the allocations allocates against any of the infringing properties that are disposed of.

Pledged financial assets

- These are the financial assets pledged in favor of other parties, with the other party having the right to dispose of it (by selling or re-pledging). These assets continue to be evaluated according to the accounting policies used to evaluate each asset according to its original classification.

Repurchase or sale contracts

- Sold assets, which are simultaneously committed to be repurchased at a future date, because the Bank continues to control those assets and because any risks or benefits accrue to the Bank as they occur, continue to be recognized in the consolidated financial statements.

They continue to be evaluated according to the accounting policies used. (In the event that the buyer has the right to dispose of these assets (sale or re-pledging), they must be reclassified as pledged financial assets). The amounts corresponding to the amounts received for these contracts are included in the liabilities in the borrowed funds line item, and the difference between the sale and repurchase price is recognized as interest expense to be accrued over the life of the contract using the effective interest method.

- As for the assets purchased with the simultaneous commitment to resell them on a specific future date, they are not recognized in the consolidated financial statements, due to the lack of control over these assets and because any risks or benefits that are not assigned to the bank if they occur, and the amounts paid related to these contracts, are included in deposits at banks and other financial institutions or within credit facilities, as the case may be. The difference between the purchase price and the resale price is treated as interest income due over the contract period using the effective interest method.

<u>Property and equipment</u>

- Property and equipment are stated at cost, less the accumulated depreciation and any impairment. Property and equipment are depreciated (excluding) lands), when they are ready for use at the straight-line method over their expected useful lives using the following annual percentages:

	%
Buildings	2
Equipment, devices and furniture	10-25
Transport	15-20
Computers	20
Decorations	25

The value of an item of property and equipment is written down to its recoverable amount if its net carrying amount is greater than its recoverable amount. Impairment is recognized in the consolidated statement of profit or loss.

- The useful lives of property and equipment are reviewed at the end of each year, and if the expectations of the useful lives differ from the estimates made previously, then the change in the estimate for subsequent years is recognized as a change in the estimates.

- Property and equipment are derecognized at disposal or when there are no expected future benefits from their use or disposal.

<u>Intangible assets</u>

Goodwill

- Goodwill is recorded at cost which represents the increase in the acquisition or purchase cost of an investment over the fair value of the company's net assets at the acquisition date. Goodwill resulting from investing in subsidiaries is recorded in a separate item as intangible assets. Goodwill resulting from investing in associates appears as part of the investment account in the associate and the cost of goodwill is subsequently reduced by any impairment in the investment value.
- Goodwill is allocated to cash-generating unit(s) for the purpose of impairment testing.
- Goodwill impairment is tested at the reporting date. Goodwill is written down if there is an indication that it is impaired and if the estimated recoverable amount of cash-generating unit (s) to which the goodwill belongs is lower than the carrying amount of the cash-generating unit (s). Impairment is recognized in the consolidated statement of profit or loss.

Other intangible assets

- Intangible assets that are acquired through the merger are stated at fair value at the date of acquisition. The intangible assets that are obtained by a method other than the merger are stated at cost.
- Intangible assets are classified based on their estimated lifetime for a definite or indefinite period.

Intangible assets that have a definite lifetime are amortized during this lifetime and are recognized in the consolidated statement of profit or loss. For intangible assets that have a indefinite lifetime, their impairment is reviewed at the date of the consolidated financial statements and any impairment is recognized in the consolidated statement of profit or loss.

- Intangible assets resulting from the Bank's business are not capitalized and are recognized in the consolidated statement of profit or loss in the same period.
- Any indications for the impairment of intangible assets are reviewed at the date of the financial statements. The estimate of the useful lives of those assets is reviewed and any adjustments are made for subsequent periods.
- Computer software and systems: these are amortized using the straight-line method over a period not exceeding 5 years from the date of purchase.

Impairment of non-financial assets:

- The carrying value of the Group's non-financial assets is reviewed at the end of each fiscal year except for the deferred tax assets, to determine whether there is an indication of impairment. In the event of an indication of impairment, the amount recoverable from these assets will be estimated.
- If the carrying amount of the assets exceeds the recoverable amount from those assets, the impairment loss is recorded in those assets.
- The recoverable amount is the higher of an asset’s fair value -less costs to sale - and the value in use.
- All impairment losses are taken to the consolidated statement of profit or loss and other comprehensive.
- The impairment loss for goodwill is not reversed. For other assets, the impairment loss is reversed only if the carrying amount of the asset does not exceed the carrying amount that was determined after the depreciation or amortization has taken place if the impairment loss is not recognized.

Foreign currencies:

- For the purpose of the consolidated financial statements, the results and financial position of each company in the Group are expressed in the functional currency of the Bank, and the presentation currency of the consolidated financial statements.
- The separate financial statements of the Bank's subsidiaries are prepared, and the separate financial statements of each of the Group’s companies are presented in the main functional economic currency in which they operate. Transactions are recorded in currencies other than the Bank's functional currency, according to the exchange rates prevailing on the dates of those transactions. On the date of the statement of financial position, the financial assets and liabilities are translated into foreign currencies at the exchange rates prevailing on that date. Non-monetary items carried at fair value and denominated in foreign currencies are also translated at the exchange rates prevailing at the date when the fair value was determined. Non- monetary items that are measured in terms of historical cost in a foreign currency are not reclassified.
- Exchange differences are recognized in the consolidated statement of profit or loss in the period in which they arise, except for:

• Foreign currency exchange differences on transactions made in order to hedge foreign currency risk.

• Foreign currency exchange differences on monetary items required to/ from a foreign operation that are not planned or unlikely to be settled in the near future (and therefore these differences are part of the net investment in the foreign operation), which is recognized initially in the calculation of other consolidated comprehensive income and are reclassified from equity to the consolidated statement of profit or loss upon sale or partial disposal of net investment.

- For the purpose of the presentation of the consolidated financial statements, assets and liabilities of foreign operations of the Bank are transferred according to the exchange rates prevailing at the date of the statement of financial position. Revenue is also transferred according to the average exchange rates for the period, unless exchange rates change significantly during that period, in which case exchange rates are used on the date of transactions. Emerging differences, if any, are recognized in the consolidated statement of comprehensive income and grouped into a separate component of equity.

- When excluding foreign operations (i.e. eliminating the Bank's entire share in foreign operations, or that resulting from the loss of control of a subsidiary within foreign operations or partial disposal of its share in a joint arrangement or an associate of a foreign nature in which the held share becomes a financial asset), all foreign currency exchange differences accumulated in the separate item that represent the equity of that operation attributable to the owners of the bank, are reclassified to the consolidated statement of profit or loss.

- In addition, with regard to partial disposal of a subsidiary that includes foreign operations and does not result in the Bank losing control of the subsidiary, its share of the accumulated exchange differences is reversed to net comprehensive income at a rate that is excluded and is not recognized in the consolidated statement of profit or loss. As for all other partial liquidations (such as partial liquidation of associates or joint ventures that do not result in the Bank losing significant influence or joint control), the share of accumulated exchange differences is reclassified to the consolidated statement of profit or loss.

Leases contracts

- The Bank has implemented IFRS (16) "Leases" that have replaced existing guidance on leases as of 1 January 2019, including IAS (17) "Leases" and IFRIC (4) "Determining whether an arrangement contains a lease", SIC (15) "Operating lease -incentives "and SIC (27) retrospectively from 1 January 2018"Evaluating the substance of transactions involving the legal form of a lease contract".

A- Accounting policy applied:

- The Bank determines whether the contract is a lease or includes lease. A contract is considered a lease or includes a lease if it includes transferring control of a specific asset for a specific period in exchange for a consideration according to the definition of a lease in the standard.

B- The Bank as a lessee

- On the date of signing the contract, or on the date of the revaluation of the contract that contains the lease elements, the Bank distributes the entire contract value to the contract components in a proportional manner consistent with the value. It is to be noted that the Bank has decided for leases that include land and building to treat the components of the contract as one item.

Short-term leases and leases for low-value assets:

- The Bank chose not to recognize the right of use assets and lease obligations for short-term leases for items with a 12-month lease term or less and the low-value leases. The Bank recognizes the lease payments associated with these contracts as operating expenses on a straight-line basis over the lease term.

C- The Bank as a lessor

- When the bank is lessor, at the start of the lease, it determines whether each lease is a finance lease or an operating lease.

- To classify each lease, the Bank performs a comprehensive evaluation to demonstrate whether the lease largely transfers all risks and benefits associated with ownership of this asset. If this is the case, the lease is a finance lease; if not, it is an operating lease. As part of this assessment, the Bank takes into account certain indicators such as whether the lease is the greater part of the economic life of the asset.

- The Bank applies the requirements of de-recognition and impairment in IFRS 9 for net investment in the lease. The Bank performs a periodic review of the expected non-guaranteed residual value that was used to calculate the total investment amount in the lease.

Cash and cash equivalents:

- Cash and cash equivalents comprise cash and cash balances that mature within three months. They include cash balances at Central banks and balances at banks and financial institutions, less deposits at banks and financial institutions that mature within three months, as well as restricted balances.

Earnings per share (EPS):

- Basic and diluted earnings per share are calculated for ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to the company's shareholders by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is calculated by adjusting the profit or loss for the year, which is attributable to the company's shareholders and the weighted average of ordinary shares, so that it shows the effect on the share's profit on all the ordinary shares traded during the year and its return is likely to decrease.

(3) Critical accounting judgments and key sources of estimation uncertainty:

- The preparation of the consolidated financial statements and the application of accounting policies require the Bank's management to make estimates and judgements that affect the amounts of assets and liabilities and the disclosure of contingent liabilities. These estimates and judgments generally affect the revenues, expenses, provisions and ECLs, as well as the changes in fair value that appears in the consolidated statement of comprehensive income and within shareholders' equity. Specifically, the Bank's management is required to issue critical judgements and assumptions to estimate the amounts of future cash flows and their timings. Such estimates are necessarily based on assumptions and several factors involving varying degrees of estimations and uncertainty. Therefore, actual results may differ from the estimates as a result of changes in conditions and circumstances of those estimates in the future.

- Judgements, estimates and assumptions are reviewed on an ongoing basis. The impact of change in estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

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

3-1 Impairment of seized properties:

Impairment of seized properties is recognized based on recent property valuation approved by credited valuators for the purposes of calculating the impairment. The impairment is reviewed periodically.

3-2 Useful lives of tangible assets and intangible assets:

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

3-3 Income tax:

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

3-4 Lawsuits provision:

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

3-5 Provision for end of service benefits:

The provision for end-of-service benefits that represents the Bank's obligations to employees is calculated and computed according to the Bank's internal regulations.

3-6 Assets and liabilities that are stated at cost:

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

3-7 Provision for expected credit loss:

The Bank's management is required to use significant judgments and estimates to estimate future cash flows amounts and timings and estimate the risks of a significant increase in credit risk for financial assets after initial recognition and future measurement information for expected credit losses. The most significant policies and estimates used by the Bank's management are detailed in Note (41).

3-8 Business model assessment:

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Bank determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence, including how the performance of the assets is evaluated and their performance is measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Bank monitors financial assets measured at amortized cost or fair value through other comprehensive income that are derecognized prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

3-9 Significant increase in credit risk:

ECLs are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL assets for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased, the Bank takes into account qualitative and quantitative reasonable and supportable forward-looking information. Estimates used by the Bank's management, which are related to the significant change in credit risk that led to a change in classification within the three stages (1, 2, and 3) are detailed in Note (41).

3-10 Establishing groups of assets with similar credit risk characteristics:

When the expected credit losses are measured on a collective basis, the financial instruments are grouped based on common risk characteristics (such as the type of instrument, the degree of credit risk, the type of collateral, the initial recognition date, the remaining period of maturity date, the industry, the borrower's geographic location, etc.). The Bank monitors the appropriateness of the credit risk characteristics on an ongoing basis to assess whether they continue to be similar. This is required in order to ensure that should credit risk characteristics change there is appropriate re-segmentation of the assets. This may result in new portfolios being created or assets moving to an existing portfolio that better reflects the similar credit risk characteristics of that group of assets.

3-11 Re-segmentation of portfolios and movement between portfolios:

Re-segmentation of portfolios and movement between portfolios is more common when there is a significant increase in credit risk (or when that significant increase reverses) and so assets move from 12- month to lifetime ECL, or vice versa, but it can also occur within portfolios that continue to be measured on the same basis of 12-month or lifetime ECL but the amount of ECL changes because the credit risk of the portfolios differ.

3-12 Models and assumptions used:

The Bank uses various models and assumptions in measuring fair value of financial assets as well as in estimating ECL, as outlined in Note (41). Judgement is applied in identifying the most appropriate model for each type of asset, as well as for determining the assumptions used in these models, including assumptions that relate to key drivers of credit risk.

A- Classification and measurement of financial assets and liabilities

- The Bank classifies financial instruments or components of financial assets upon initial recognition, either as a financial asset, financial liability, or an equity instrument in accordance with the substance of the contractual agreements and the definition of the instrument. Reclassification of a financial instrument in the consolidated financial statements is subject to its substance rather than its legal form.

- The Bank determines the classification upon initial recognition as well as a reassessment of that determination, if possible and appropriate, at the date of each consolidated statement of financial position.

- When measuring financial assets and liabilities, some of the Bank's assets and liabilities are remeasured at fair value for the purposes of preparing financial reports. When estimating the fair value of any of the assets or liabilities, the Bank uses the observable available market data. In the absence of Level 1 inputs, the Bank performs the assessments using professionally qualified independent evaluators. The Bank works in close cooperation with qualified external evaluators to develop appropriate valuation techniques and data on the fair value estimation model.

B. Classification and measurement of financial assets and liabilities

- In the event that it is not possible to obtain from the active markets the fair values of the financial assets and financial liabilities included in the consolidated statement of financial position, those fair values are determined using a set of valuation techniques that include the use of mathematical models. The data entered for these models is obtained from the market data, if possible. In the absence of such market data, fair values are determined by judgment. These provisions include considerations of liquidity and data entered for the models, such as volatility of derivatives, longer-term discount ratios, prepayment ratios and default ratios on securities backed by the assets. Management believes that the valuation techniques used were appropriate to determine the fair value of the financial instruments.

3-13 Options of extension and termination of leases

Extension and termination options are included in a number of leases. These conditions are used to increase operational flexibility in terms of contract management. Most of the extension and termination options held are renewable by both the Bank and the lessor.

3-14 Determination of lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. The extension options (or periods after the termination options) are included only in the term of the lease if the lease is reasonably certain to be extended (or not terminated). The evaluation is reviewed in the event of a significant event or significant change in the circumstances that affect this evaluation and that are under the control of the lessee.

3-15 Key sources of estimation uncertainty

The following are key estimations that the management has used in the process of applying the of the Bank's accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements:

- **Establishing the number and relative weightings of forward-looking scenarios for each type of types product/ MARKET and determining the forward-looking information relevant to each scenario:**

When measuring ECL, the Bank uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

- **Probability of default (PD)**

PD is a key entry point in the measurement of expected credit loss. PD is an estimate of the probability of default, over a certain period of time, which includes the computation of historical data, assumptions and projections related to future conditions.

- **Loss given default (LGD)**
  LGD is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

- **Measurement and assessment procedures of fair value**
  When estimating the fair value of assets or liabilities, the Bank uses the observable available market data. In the absence of Level 1 inputs, the Bank performs the assessments using appropriate valuation models to determine the fair value of financial instruments.

- **Discounting lease payments**
  Lease payments are discounted using the bank's additional borrowing rate ("IBR"). Management applied provisions and estimates to determine the additional borrowing rate at the start of the lease.

(4) <u>Cash and balances at the Central Bank of Jordan</u>

The details of this item are as follows:

	December 31, 2022	December 31, 2021
	JOD	JOD
Cash on hand	15,634,069	13,646,336
Balances at the Central Bank of Jordan:		
Current and demand accounts and cash reserve requirements	46,047,555	42,212,522
Term and notice deposits	3,000,000	41,500,000
Certificate of deposit	19,400,000	-
Total	**84,081,624**	**97,358,858**

There are no restricted balances except for the statutory cash reserve which amounted to 44,861,860 as of December 31, 2022, and 40,881,814 as of December 31, 2021.

There are no amounts matured during a period of more than 3 months as of December 31, 2022, and December 31, 2021.

The Bank has not calculated and recorded the provision for expected credit losses on the balances with the Central Bank of Jordan, in accordance with the Central Bank of Jordan's instructions (13/2018) regarding the implementation of IFRS (9).

(5) <u>Balances at banks and financial institutions</u>

This item consists of the following:

	Local banks and financial institutions		Foreign banks and financial institutions		Total	
	December 31,		December 31,		December 31,	
	2022	2021	2022	2021	2022	2021
	JOD	JOD	JOD	JOD	JOD	JOD
Current and call accounts	1,122,178	537,219	25,479,530	41,631,829	26,601,708	42,169,048
Deposits maturing within 3 months or less	10,000,000	14,000,000	37,056,365	8,182,267	47,056,365	22,182,267
Less: provision for expected credit losses	(12)	(19)	(1,017)	(18)	(1,029)	(37)
Total	**11,122,166**	**14,537,200**	**62,534,878**	**49,814,078**	**73,657,044**	**64,351,278**

- Balances at banks and financial institutions, with no interest amounted to JD 26,608,622 as of December 31, 2022, compared to JD 42,549,205 as of December 31, 2021.
- There are no restricted balances as on December 31, 2022 and December 31, 2021.

Movement on the balances of cash at banks and financial institutions:

2022	Stage 1 Individual JOD	Stage 2 Individual JOD	Stage 3 JOD	Total JOD
Total balance as at the beginning of the year	64,351,315	-	-	64,351,315
New balances during the year	55,460,832	-	-	55,460,832
Repaid/ derecognized balances	(46,154,074)	-	-	(46,154,074)
Transferred to Stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
Written off balances	-	-	-	-
Changes resulting from amendments	-	-	-	-
Amendments resulting from changes in currency exchange	-	-	-	-
Total Balance as at the end of the year	**73,658,073**	**-**	**-**	**73,658,073**

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

Disclosure of the movement of provision for expected credit loss:

2022	Stage 1 Individual JOD	Stage 2 Individual JOD	Stage 3 Individual JOD	Total JOD
Balance at beginning of the year	37	-	-	37
Impairment loss on new balances during the year	1,029	-	-	1,029
Recoveries from impairment loss on (repaid/ derecognized)	(37)	-	-	(37)
Transferred to Stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
Effect on the provision -as at the end of the year- from the classification change among the three stages during the year	-	-	-	-
Changes resulting from adjustments	-	-	-	-
Written off balances	-	-	-	-
Amendments resulting from changes in currency exchange	-	-	-	-
Total Balance as at the end of the year	**1,029**	**-**	**-**	**1,029**

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

(6) Deposits at banks and financial institutions

The details of this item are as follows:

	Local banks and financial institutions December 31,		Foreign banks and financial institutions December 31,		Total	
	2022	2021	2022	2021	2022	2021
	JOD	JOD	JOD	JOD	JOD	JOD
Deposits matures within more than 3 months	3,545,000	-	-	-	3,545,000	-
Less: provision for expected credit losses	(68)	-	-	-	(68)	-
Total	**3,544,932**	**-**	**-**	**-**	**3,544,932**	**-**

* There are no restricted deposits as December 31, 2022, and December 31, 2021.

Movement of the deposits at banks and financial institutions:

2022	Stage 1 Individual JOD	Stage 2 Individual JOD	Stage 3 JOD	Total JOD
Balance as at the beginning of the year	-	-	-	-
New balances during the year	3,545,000	-	-	3,545,000
Repaid/ derecognized balances	-	-	-	-
Transferred to Stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
Changes resulting from adjustments	-	-	-	-
Written off balances	-	-	-	-
Amendments resulting from changes in currency exchange	-	-	-	-
Total Balance as at the end of the year	**3,545,000**	**-**	**-**	**3,545,000**

	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
2021	**JOD**	**JOD**	**JOD**	**JOD**
Balance as at the beginning of the year	400,000	-	-	400,000
New balances during the year	-	-	-	-
Repaid/ derecognized balances	(400,000)	-	-	(400,000)
Transferred to Stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
Changes resulting from adjustments	-	-	-	-
Written off balances	-	-	-	-
Amendments resulting from changes in currency exchange	-	-	-	-
Total Balance as at the end of the year	**-**	**-**	**-**	**-**

Disclosure of movement of provision for expected credit loss:

	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
2022	**JOD**	**JOD**	**JOD**	**JOD**
Balance at beginning of the year	-	-	-	-
Impairment loss on new balances during the year	68	-	-	68
Recoveries from impairment loss on (repaid/ derecognized) balances	-	-	-	-
Transferred to Stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
Impact on the provision -as at the end of the year- from the (change of classification) among the three stages during the year	-	-	-	-
Changes resulting from adjustments	-	-	-	-
Written off balances	-	-	-	-
Amendments resulting from changes in currency exchange	-	-	-	-
Total Balance as at the end of the year	**68**	**-**	**-**	**68**

2021	Stage 1 Individual JOD	Stage 2 Individual JOD	Stage 3 JOD	Total JOD
Balance at beginning of the year	51	-	-	51
Impairment loss on new balances during the year	-	-	-	-
Recoveries from impairment loss on (repaid/ derecognized) balances	(51)	-	-	(51)
Transferred to Stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
Impact on the provision -as at the end of the year- from the (change of classification) among the three stages during the year	-	-	-	-
Changes resulting from adjustments	-	-	-	-
Written off balances	-	-	-	-
Amendments resulting from changes in currency exchange	-	-	-	-
Total Balance as at the end of the year	-	-	-	-

(7) Financial assets at fair value through statement of profit or loss

The details of this item are as follows:

	December 31, 2022 JOD	December 31, 2021 JOD
Investment funds	1	1
Total	**1**	**1**

(8) Financial assets at fair value through other comprehensive profit or loss

The details of this item are as follows:

	December 31, 2022 JOD	December 31, 2021 JOD
Shares with available market prices	37,290,529	31,466,048
Shares with non-available market prices*	24,504,093	6,349,935
Total	**61,794,622**	**37,815,983**

* The fair value of unlisted shares was determined according to the third level of fair value, using the net book value (net assets value), which is the best available tool for measuring the fair value of these investments.

The value of loss realized from the sale of assets at fair value through other comprehensive income amounted to JD 262,448 for the year ended December 31, 2022, compared to losses of JD 90,889 for the year ended December 31, 2021, that was directly credited to the retained earnings in consolidated statement of owner equity.

- Cash dividends on the above financial assets at fair value through other comprehensive income amounted to JD 1,145,252 for the year ended December 31, 2022, compared to JD 914,630 for the year ended December 31, 2021.

(9) Financial assets at amortized cost

The details of this item are as follows:

	December 31, 2022	December 31, 2021
Financial assets with market prices:	**JOD**	**JOD**
Government bills and treasury bonds	176,472,207	117,266,045
Corporate loan bonds and bills	3,545,000	3,545,000
Total	**180,017,207**	**120,811,045**
Financial assets with no market prices available:		
Government treasury bonds	7,578,934	14,676,294
Corporate loan bonds and bills*	43,596,000	52,620,000
Total	**51,174,934**	**67,296,294**
Expected Credit loss provision as per IFRS (9)	(7,293)	(716,821)
Total financial assets at amortized cost	**231,184,848**	**187,390,518**
Analysis of bills and bonds		
Fixed rate	196,551,141	143,759,856
Floating rate	34,633,707	43,630,662
	231,184,848	**187,390,518**

- During 2021, the Bank sold financial assets at amortized cost, before maturity date at a value of JD 17,867,600 and this resulted in gains of JD 590,162.
- The Bank has not calculated and recorded the provision for expected credit losses on government bills and treasury bonds, in accordance with the Central Bank of Jordan's instructions (13/2018) regarding the implementation of IFRS (9).

Movement of financial assets at amortized cost:

2022	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	JOD	**JOD**	**JOD**	**JOD**
Amortized Value as at the beginning of the year	182,987,339	-	5,120,000	188,107,339
The impact of selling subsidiaries	(3,500,000)	-	-	(3,500,000)
New investment during the year	84,408,927	-	-	84,408,927
Matured/ derecognized investments	(36,800,125)	-	(1,024,000)	37,824,125
Change in fair value	-	-	-	-
Transferred to Stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
Changes resulting from amendments	-	-	-	-
Written off balances	-	-	-	-
Amendments resulting from changes in currency exchange	-	-	-	-
Total Balance as at the end of the year	**227,096,141**	**-**	**4,096,000**	**231,192,141**

2021	**Stage 1 Individual**	**Stage 2 Individual**	**Stage 3**	**Total**
	JOD	**JOD**	**JOD**	**JOD**
Amortized Value as at the beginning of the year	168,467,882	5,120,000	-	173,587,882
New investment during the year	95,321,225	-	-	95,321,225
Matured/ derecognized investments	(80,801,768)	-	-	(80,801,768)
Change in fair value	-	-	-	-
Transferred to Stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	(5,120,000)	5,120,000	-
Changes resulting from amendments	-	-	-	-
Written off balances	-	-	-	-
Amendments resulting from changes in currency exchange	-	-	-	-
Total Balance as at the end of the year	**182,987,339**	**-**	**5,120,000**	**188,107,339**

Provision for expected credit loss movement:

2022	**Stage 1 Individual**	**Stage 2 Individual**	**Stage 3**	**Total**
	JOD	**JOD**	**JOD**	**JOD**
Balance at beginning of the year	36,821	-	680,000	716,821
The impact of selling subsidiaries	(11,926)	-	-	(11,926)
Impairment loss on new Investment during the year	7,267	-	-	7,267
Recovery from impairment loss on due matured/ derecognized investments	(23,932)	-	(680,000)	(703,932)
Transferred to Stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
Impact on the provision -as at the end of the year- from the classification change among the three stages during the year	-	-	-	-
Changes resulting from amendments	(937)	-	-	(937)
Written off balances	-	-	-	-
Amendments resulting from changes in currency exchange	-	-	-	-
Total Balance as at the end of the year	**7,293**	**-**	**-**	**7,293**

2021	**Stage 1 Individual**	**Stage 2 Individual**	**Stage 3**	**Total**
	JOD	**JOD**	**JOD**	**JOD**
Balance at beginning of the year	36,246	680,000	-	716,246
Impairment loss on new Investment during the year	5,148	-	-	5,148
Recovery from impairment loss on due matured/ derecognized investments	(4,573)	-	-	(4,573)
Transferred to Stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	(680,000)	680,000	-
Impact on the provision -as at the end of the year- from the classification change among the three stages during the year	-	-	-	-
Changes resulting from amendments	-	-	-	-
Written off balances	-	-	-	-
Amendments resulting from changes in currency exchange	-	-	-	-
Total Balance as at the end of the year	**36,821**	**-**	**680,000**	**716,821**

(10) Direct credit facilities at amortized cost – net

The details of this item are as follows:

	December 31, 2022	December 31, 2021
	JOD	JOD
Individuals (retail)		
Overdrafts	1,625,935	7,430,986
Loans and bills*	261,298,820	223,765,567
Credit cards/ loans	82,582,084	59,964,500
Mortgage	130,294,396	143,109,146
Companies		
Large corporate		
Overdrafts	65,383,994	73,300,323
Loans and bills*	234,310,174	222,842,273
Small and Medium corporates		
Overdrafts	7,321,781	8,694,116
Loans and bills*	43,702,109	37,570,150
Government and public sector	93,599,640	66,538,061
Total	**920,118,933**	**843,215,122**
Less:		
Provision for expected credit losses	51,622,891	40,395,071
Interests in suspense**	18,876,386	14,184,774
Net direct credit facilities	**849,619,656**	**788,635,277**

* Net after deducting interest and commissions received in advance amounted to JD 55,472,581 as of December 31, 2022, against JD 42,147,073 as of December 31, 2021.

** Interests in suspense include an amount of JD 3,983,377 as of December 31, 2022, compared with an amount of JD 1,883,139 as of December 31, 2021, which represents interests in suspense against some of performing and watch list accounts stages 2 and 3.

- Non-performing credit facilities as per CBJ instructions amounted to JD 59,292,495 which is equivalent to 6.4% of total credit facilities as of 31 December 2022 against JD 48,408,644 which is equivalent to 5.7% of total credit facilities as of 31 December 2021.
- Non-performing credit facilities excluding interest in suspense amounted to JD44,399,486 which is equivalent to 4.9% of total direct credit facilities as of 31 December 2022 against JD 36,107,009 which is equivalent to 4.4% of total direct credit facilities excluding interest in suspense as of 31 December 2021.
- Credit facilities granted to the Jordanian government and/or by its guarantee amounted to JD 12,181,771 which is equivalent to 1.3% from total direct credit facilities as of 31 December 2022 against JD 17,054,479 which is equivalent to 2% from total direct credit facilities as of 31 December 2021.
- The non-performing debts that have been transferred to the consolidated off-balance sheet items amounted to 892,493 during the year 2022 against JD 439,690 during the year 2021.
- The non-performing debts transferred to the consolidated off-balance sheet items amounted to JD 61,374,980 as of 31 December 2022 against JD 60,722,801 as of 31 December 2021.

A- Provision for direct expected credit losses for direct facilities in gross:

Below is the movement on the provision for direct expected credit losses:

			Companies		
	Retail	Real estate loans	Corporate	SMEs	Total
2022	JOD	JOD	JOD	JOD	JOD
Balance at the beginning of the year	14,685,741	2,716,848	15,332,634	7,659,848	40,395,071
Balances from investment in subsidiaries	1,106,575	-	-	3,766,468	4,873,043
Impact of selling Subsidiary	(255,854)	-	-	(119)	(255,973)
Impact of liquidation of subsidiary	-	-	(22)	(707)	(729)
Deducted from (reversed to) revenue during the year	4,365,427	2,106,596	(2,079,074)	3,333,990	7,726,939
Provision utilized during the year (debts written off)	(172,423)	(368,750)	(5,071)	(569,216)	(1,115,460)
Balance at the end of the year	**19,729,466**	**4,454,694**	**13,248,467**	**14,190,264**	**51,622,891**
2021					
Balance at the beginning of the year	10,749,702	4,461,458	19,899,417	7,272,403	42,382,980
Deducted from (reversed to) revenue during the year	4,025,132	(1,607,419)	(4,563,650)	426,693	(1,719,244)
Provision utilized during the year (debts written off)	(89,093)	(137,191)	(3,133)	(39,248)	(268,665)
Balance at the end of the year	**14,685,741**	**2,716,848**	**15,332,634**	**7,659,848**	**40,395,071**

B- Movement of total facilities based on stages:

	Stage 1		Stage 2			
	Individual	Collective	Individual	Collective	Stage 3	Total
2022	JOD	JOD	JOD	JOD	JOD	JOD
Total balance as at the beginning of the year	644,682,736	-	122,320,781	-	76,221,605	843,215,122
Balances from investment in subsidiaries	7,053,922	-	936,845	-	6,849,445	14,840,212
Impact of selling Subsidiary	(8,585,741)	-	(85,611)	-	(660,820)	(9,332,172)
Impact of liquidation of subsidiary	(830,922)	-	-	-	-	(830,922)
New balances during the year/Additions	228,762,199	-	8,713,955	-	5,932,826	243,408,980
Repaid/ derecognized balances	(103,798,297)	-	(21,896,137)	-	(7,973,241)	(133,667,675)
Transferred to Stage 1	41,459,296	-	(40,757,727)	-	(701,569)	-
Transferred to stage 2	(37,841,466)	-	51,790,390	-	(13,948,924)	-
Transferred to stage 3	(7,370,290)	-	(7,192,445)	-	14,562,735	-
Changes from amendments	(30,681,071)	-	(4,320,270)	-	(637,272)	(35,638,613)
Written off	-	-	-	-	(1,875,999)	(1,875,999)
Amendments resulting from changes in currency exchange	-	-	-	-	-	-
Total Balance as at the end of the year	**732,850,366**	**-**	**109,509,781**	**-**	**77,758,786**	**920,118,933**

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

C- Provision for expected credit loss based on segment:

		Companies				
2022	**Retail**	**Real estate loans**	**Corporate**	**SMEs**	**Government and public sector**	**Total**
	JOD	**JOD**	**JOD**	**JOD**	**JOD**	**JOD**
Balance at beginning of the year	14,685,741	2,716,848	15,332,634	7,659,848	-	40,395,071
Balances from investment in subsidiaries	1,106,575	-	-	3,766,468	-	4,873,043
Impact of selling Subsidiary	(255,854)	-	-	(119)	-	(255,973)
Impact of liquidation of subsidiary	-	-	(22)	(707)	-	(729)
Impairment losses on the new balances during the year/Additions	7,180,149	2,904,482	1,753,176	2,552,840	-	14,390,647
Repaid/ derecognized balances	(2,097,257)	(590,992)	(1,355,101)	(2,543,097)	-	(6,586,447)
Transferred to Stage 1	399,653	76,133	470,708	100,752	-	1,047,246
Transferred to stage 2	(177,683)	71,007	(575,782)	(19,674)	-	(702,132)
Transferred to stage 3	(221,970)	(147,140)	105,074	(81,078)	-	(345,114)
The impact on the provision – as at the end of the year – as a result of changing the classification between the three stages during the year	-	-	-	-	-	-
Changes from amendments	(717,465)	(206,894)	(2,477,149)	3,324,247	-	(77,261)
Written off	(172,423)	(368,750)	(5,071)	(569,216)	-	(1,115,460)
Amendments resulting from changes in currency exchange	-	-	-	-	-	-
Total Balance as at the end of the year	**19,729,466**	**4,454,694**	**13,248,467**	**14,190,264**	**-**	**51,622,891**

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

D- Interests in suspense

The movement of interest in suspense is as follow:

	Retail	Real estate loans	Companies: Corporate	Companies: SMEs	Total
2022	JOD	JOD	JOD	JOD	JOD
Balance as at beginning of the year	3,852,831	1,771,634	5,646,871	2,913,438	14,184,774
Balances from investment in subsidiaries	215,181	-	-	702,681	917,862
Impact of selling Subsidiary	(144,433)	-	(22,129)	-	(166,562)
Interest in suspense during the year	1,425,609	790,851	2,595,513	598,409	5,410,382
Interests transferred to revenues	(201,432)	(73,115)	(164,237)	(270,747)	(709,531)
Interest in suspense written off*	(223,440)	(68,716)	(11)	(468,372)	(760,539)
Balance at the end of the year	**4,924,316**	**2,420,654**	**8,056,007**	**3,475,409**	**18,876,386**
2021					
Balance as at beginning of the year	3,427,284	1,122,807	3,743,678	2,177,433	10,471,202
Interest in suspense during the year	960,923	794,927	2,363,983	966,426	5,086,259
Interests transferred to revenues	(367,139)	(87,958)	(460,627)	(138,386)	(1,054,110)
Interest in suspense written off*	(168,237)	(58,142)	(163)	(92,035)	(318,577)
Balance at the end of the year	**3,852,831**	**1,771,634**	**5,646,871**	**2,913,438**	**14,184,774**

*According to the Board of Directors decision and the senior management of the subsidiaries, non-performing credit facilities along with their related interest in suspense which have been provided for, was written off amounted to JD 1,875,999 for the year ended December 31, 2022, against JD 587,242 for the year ended December 31, 2021.

E- Distribution of total facilities according to the Bank's internal credit classification categories:

	Stage 1		Stage 2				
	Individual	Collective	Individual	Collective	Stage 3	Total 2022	Total 2021
	JOD	JOD	JOD	JOD	JOD	JOD	JOD
(1 - 5)	310,498,900	-	42,427,912	-	100,429	353,027,241	310,463,634
(6- 7)	63,584,359	-	43,135,512	-	16,207,264	122,927,135	147,447,281
(8-10)	-	-	-	-	21,844,250	21,844,250	17,335,463
Unclassified	358,767,107	-	23,946,357	-	39,606,843	422,320,307	367,968,744
Total	**732,850,366**	**-**	**109,509,781**	**-**	**77,758,786**	**920,118,933**	**843,215,122**

F- Movement on expected credit loss provision:

	Stage 1		Stage 2			
	Individual	Collective	Individual	Collective	Stage 3	Total
2022	JOD	JOD	JOD	JOD	JOD	JOD
Balance as at the beginning of the year	2,885,428	-	2,812,451	-	34,697,192	40,395,071
Balances from investment in subsidiaries	351,913	-	174,657	-	4,346,473	4,873,043
Impact of selling Subsidiary	(215)	-	(1,346)	-	(254,412)	(255,973)
Impact of liquidation of subsidiary	(729)	-	-	-	-	(729)
Impairment losses on the new balances during the year/Additions	4,608,278	-	5,183,167	-	4,599,202	14,390,647
Recovery from impairment loss on repaid/ derecognized investments	(430,511)	-	(1,381,094)	-	(4,774,842)	(6,586,447)
Transferred to Stage 1	1,357,164	-	(1,003,638)	-	(353,526)	-
Transferred to stage 2	(213,820)	-	694,705	-	(480,885)	-
Transferred to stage 3	(96,099)	-	(393,199)	-	489,298	-
Impact on the provision -as at the end of the year- from the classification change among the three stages during the year	(5,198,008)	-	(1,525,257)	-	6,723,265	-
Changes resulting from adjustments	(734,004)	-	(182,916)	-	839,659	(77,261)
Written off	-	-	-	-	(1,115,460)	(1,115,460)
Amendments resulting from changes in currency exchange	-	-	-	-	-	-
Total Balance as at the end of the year	**2,529,397**	**-**	**4,377,530**	**-**	**44,715,964**	**51,622,891**

	Stage 1		Stage 2			
	Individual	Collective	Individual	Collective	Stage 3	Total
2021	JOD	JOD	JOD	JOD	JOD	JOD
Balance as at the beginning of the year	367,657	1,720,700	1,200,471	876,022	38,218,130	42,382,980
Impairment losses on the new balances during the year/Additions	3,794,154	2,332,028	1,655,404	1,195,164	7,925,819	16,902,569
Recovery from impairment loss on repaid/ derecognized investments	(64,291)	(581,278)	(439,911)	(357,316)	(14,662,725)	(16,105,521)
Transferred to Stage 1	725,842	-	(147,335)	(141,691)	(436,816)	-
Transferred to stage 2	(53,559)	(132,737)	408,619	-	(222,323)	-
Transferred to stage 3	(18,105)	(64,269)	(226,912)	(141,709)	450,995	-
Impact on the provision -as at the end of the year- from the classification change among the three stages during the year	(1,831,168)	(3,264,768)	201,864	(1,430,628)	6,324,700	-
Changes resulting from adjustments	(35,102)	(9,676)	160,251	158	(2,631,923)	(2,516,292)
Written off	-	-	-	-	(268,665)	(268,665)
Amendments resulting from changes in currency exchange	-	-	-	-	-	-
Total Balance as at the end of the year	**2,885,428**	**-**	**2,812,451**	**-**	**34,697,192**	**40,395,071**

F- 1 Impairment loss of credit facilities granted to individuals:

Distribution of total facilities according to the Bank's internal credit classification categories:

	Stage 1		Stage 2				
	Individual	Collective	Individual	Collective	Stage 3	Total 2022	Total 2021
	JOD	JOD	JOD	JOD	JOD	JOD	JOD
(1 - 5)	10,673,129	-	1,269,438	-	322	11,942,889	18,095,011
(6- 7)	3,987,869	-	428,921	-	-	4,416,790	3,035,154
(8-10)	-	-	-	-	423,734	423,734	923,589
Unclassified	287,373,462	-	16,045,741	-	25,304,223	328,723,426	269,107,299
Total	**302,034,460**	**-**	**17,744,100**	**-**	**25,728,279**	**345,506,839**	**291,161,053**

	Stage 1		Stage 2			
Movement on facilities:	Individual	Collective	Individual	Collective	Stage 3	Total
2022	JOD	JOD	JOD	JOD	JOD	JOD
Balance as at the beginning of the year	252,058,204	-	19,816,464	-	19,286,385	291,161,053
Balances from investment in subsidiaries	3,302,409	-	526,734	-	1,622,081	5,451,224
Impact of selling Subsidiary	(5,391,165)	-	(85,611)	-	(585,945)	(6,062,721)
New balances during the year/Additions	103,012,239	-	2,103,080	-	1,075,684	106,191,003
Repaid/ derecognized balances	(31,818,406)	-	(2,550,813)	-	(2,278,344)	(36,647,563)
Transferred to Stage 1	9,929,432	-	(9,397,935)	-	(531,497)	-
Transferred to stage 2	(10,442,212)	-	10,910,572	-	(468,360)	-
Transferred to stage 3	(4,752,687)	-	(3,518,153)	-	8,270,840	-
Changes resulting from adjustments	(13,863,354)	-	(60,238)	-	(266,702)	(14,190,294)
Written off	-	-	-	-	(395,863)	(395,863)
Amendments resulting from changes in currency exchange	-	-	-	-	-	-
Total Balance as at the end of the year	**302,034,460**	**-**	**17,744,100**	**-**	**25,728,279**	**345,506,839**

	Stage 1		Stage 2			
Movement on facilities:	Individual	Collective	Individual	Collective	Stage 3	Total
2021	JOD	JOD	JOD	JOD	JOD	JOD
Balance as at the beginning of the year	9,600,311	177,641,004	447,930	10,797,261	21,212,377	219,698,883
New balances during the year/Additions	91,911,622	18,958,817	1,493,263	884,527	1,959,844	115,208,073
Repaid/ derecognized balances	(772,630)	(39,231,641)	(227)	(1,497,492)	(2,229,254)	(43,731,244)
Transferred to Stage 1	6,192,286	-	-	(2,228,308)	(3,963,978)	-
Transferred to stage 2	(244,209)	(10,229,394)	11,068,870	-	(595,267)	-
Transferred to stage 3	-	(2,657,148)	-	(1,225,479)	3,882,627	-
Changes resulting from adjustments	145,370,824	(144,481,638)	6,806,628	(6,730,509)	(722,634)	242,671
Written off	-	-	-	-	(257,330)	(257,330)
Amendments resulting from changes in currency exchange	-	-	-	-	-	-
Total Balance as at the end of the year	**252,058,204**	**-**	**19,816,464**	**-**	**19,286,385**	**291,161,053**

Movement on the provision for expected credit loss:

	Stage 1		Stage 2			
2022	**Individual**	**Collective**	**Individual**	**Collective**	**Stage 3**	**Total**
	JOD	**JOD**	**JOD**	**JOD**	**JOD**	**JOD**
Balance at beginning of the year	1,970,016	-	836,075	-	11,879,650	14,685,741
Balances from investment in subsidiaries	146,401	-	50,790	-	909,384	1,106,575
Impact of selling Subsidiary	(96)	-	(1,346)	-	(254,412)	(255,854)
Impairment loss on new balances during the year/Additions	3,339,692	-	2,608,567	-	1,231,890	7,180,149
Recoveries from impairment loss on (repaid/ derecognized) balances	(221,602)	-	(407,185)	-	(1,468,470)	(2,097,257)
Transferred to Stage 1	591,734	-	(355,001)	-	(236,733)	-
Transferred to stage 2	(128,623)	-	392,247	-	(263,624)	-
Transferred to stage 3	(64,531)	-	(216,264)	-	280,795	-
Impact on the provision -as at the end of the year- from the classification change among the three stages during the year	(3,389,563)	-	(1,636,214)	-	5,025,777	-
Changes resulting from adjustments	(404,181)	-	(88,108)	-	(225,176)	(717,465)
Written off	-	-	-	-	(172,423)	(172,423)
Amendments resulting from changes in currency exchange	-	-	-	-	-	-
Total Balance as at the end of the year	**1,839,247**	**-**	**1,183,561**	**-**	**16,706,658**	**19,729,466**

	Stage 1		Stage 2			
2021	**Individual**	**Collective**	**Individual**	**Collective**	**Stage 3**	**Total**
	JOD	**JOD**	**JOD**	**JOD**	**JOD**	**JOD**
Balance at beginning of the year	6,087	1,310,223	2,350	446,438	8,984,604	10,749,702
Impairment loss on new balances during the year/Additions	910,040	1,691,222	96,431	665,051	2,594,489	5,957,233
Recoveries from impairment loss on (repaid/ derecognized) balances	(1,872)	(475,184)	-	(189,792)	(1,272,980)	(1,939,828)
Transferred to Stage 1	506,360	-	-	(108,483)	(397,877)	-
Transferred to stage 2	(516)	(99,274)	222,680	-	(122,890)	-
Transferred to stage 3	-	(45,088)	-	(68,790)	113,878	-
Impact on the provision -as at the end of the year- from the classification change among the three stages during the year	547,474	(2,381,107)	515,261	(747,161)	2,065,533	-
Changes resulting from adjustments	2,443	(792)	(647)	2,737	3,986	7,727
Written off	-	-	-	-	(89,093)	(89,093)
Amendments resulting from changes in currency exchange	-	-	-	-	-	-
Total Balance as at the end of the year	**1,970,016**	**-**	**836,075**	**-**	**11,879,650**	**14,685,741**

F-2 Impairment loss of credit facilities granted to real estate loans:

Distribution of total facilities according to the Bank's internal credit classification categories:

	Stage 1		Stage 2				
	Individual	Collective	Individual	Collective	Stage 3	Total 2022	Total 2021
	JOD	JOD	JOD	JOD	JOD	JOD	JOD
(1 - 5)	36,295,265	-	5,649,284	-	-	41,944,549	56,543,189
(6- 7)	5,612,130	-	14,777,698	-	-	20,389,828	16,394,783
(8-10)	-	-	-	-	1,249,934	1,249,934	358,844
Unclassified	58,707,124	-	4,691,400	-	3,311,561	66,710,085	69,812,330
Total	**100,614,519**	**-**	**25,118,382**	**-**	**4,561,495**	**130,294,396**	**143,109,146**

Movement on facilities:

	Stage 1		Stage 2			
	Individual	Collective	Individual	Collective	Stage 3	Total
2022	JOD	JOD	JOD	JOD	JOD	JOD
Balance at beginning of the year	111,594,159	-	14,928,443	-	16,586,544	143,109,146
New balances during the year/Additions	17,351,390	-	379,074	-	733,687	18,464,151
Repaid/ derecognized balances	(17,680,381)	-	(5,390,567)	-	(650,328)	(23,721,276)
Transferred to Stage 1	4,863,357	-	(4,803,844)	-	(59,513)	-
Transferred to stage 2	(7,928,505)	-	21,003,401	-	(13,074,896)	-
Transferred to stage 3	(871,095)	-	(591,579)	-	1,462,674	-
Changes resulting from adjustments	(6,714,406)	-	(406,546)	-	793	(7,120,159)
Written off	-	-	-	-	(437,466)	(437,466)
Amendments resulting from changes in currency exchange	-	-	-	-	-	-
Total Balance as at the end of the year	**100,614,519**	**-**	**25,118,382**	**-**	**4,561,495**	**130,294,396**

	Stage 1		Stage 2			
	Individual	Collective	Individual	Collective	Stage 3	Total
2021	JOD	JOD	JOD	JOD	JOD	JOD
Balance at beginning of the year	44,530,314	66,214,548	10,230,632	5,848,791	17,649,912	144,474,197
New balances during the year/Additions	19,028,119	1,205,826	575,382	134,068	750,434	21,693,829
Repaid/ derecognized balances	(4,860,270)	(10,120,929)	(1,063,973)	(1,207,768)	(2,513,376)	(19,766,316)
Transferred to Stage 1	6,991,864	-	(6,182,888)	(696,912)	(112,064)	-
Transferred to stage 2	(4,144,554)	(4,018,296)	8,369,547	-	(206,697)	-
Transferred to stage 3	-	(438,306)	-	(654,615)	1,092,921	-
Changes resulting from adjustments	50,048,686	(52,842,843)	2,999,743	(3,423,564)	120,747	(3,097,231)
Written off	-	-	-	-	(195,333)	(195,333)
Amendments resulting from changes in currency exchange	-	-	-	-	-	-
Total Balance as at the end of the year	**111,594,159**	**-**	**14,928,443**	**-**	**16,586,544**	**143,109,146**

- **Movement of the provision for expected credit loss:**

	Stage 1		Stage 2			
2022	**Individual**	**Collective**	**Individual**	**Collective**	**Stage 3**	**Total**
	JOD	**JOD**	**JOD**	**JOD**	**JOD**	**JOD**
Balance at beginning of the year	448,830	-	420,357	-	1,847,661	2,716,848
Impairment loss on new balances during the year/Additions	559,168	-	183,648	-	2,161,666	2,904,482
Recoveries from impairment loss on (repaid/ derecognized) balances	(90,971)	-	(296,559)	-	(203,462)	(590,992)
Transferred to Stage 1	133,029	-	(116,659)	-	(16,370)	-
Transferred to stage 2	(35,238)	-	208,260	-	(173,022)	-
Transferred to stage 3	(21,658)	-	(20,594)	-	42,252	-
Impact on the provision -as at the end of the year- from the classification change among the three stages during the year	(554,352)	-	1,847,285	-	(1,292,933)	-
Changes resulting from adjustments	(173,075)	-	(33,916)	-	97	(206,894)
Written off	-	-	-	-	(368,750)	(368,750)
Amendments resulting from changes in currency exchange	-	-	-	-	-	-
Total Balance as at the end of the year	**265,733**	**-**	**2,191,822**	**-**	**1,997,139**	**4,454,694**

	Stage 1		Stage 2			
2021	**Individual**	**Collective**	**Individual**	**Collective**	**Stage 3**	**Total**
	JOD	**JOD**	**JOD**	**JOD**	**JOD**	**JOD**
Balance at beginning of the year	20,558	242,187	23,317	145,336	4,030,060	4,461,458
Impairment loss on new balances during the year/Additions	176,124	317,662	134,839	216,128	444,633	1,289,386
Recoveries from impairment loss on (repaid/ derecognized) balances	(1,675)	(62,683)	(16,727)	(65,812)	(2,832,247)	(2,979,144)
Transferred to Stage 1	79,302	-	(19,846)	(20,517)	(38,939)	-
Transferred to stage 2	(922)	(19,575)	47,643	-	(27,146)	-
Transferred to stage 3	-	(7,343)	-	(34,388)	41,731	-
Impact on the provision -as at the end of the year- from the classification change among the three stages during the year	177,336	(469,883)	250,190	(240,747)	283,104	-
Changes resulting from adjustments	(1,893)	(365)	941	-	83,656	82,339
Written off	-	-	-	-	(137,191)	(137,191)
Amendments resulting from changes in currency exchange	-	-	-	-	-	-
Total Balance as at the end of the year	**448,830**	**-**	**420,357**	**-**	**1,847,661**	**2,716,848**

• **F-3** Impairment loss of credit facilities granted to large corporate:
Distribution of total facilities according to the Bank's internal credit classification categories:

	Stage 1 Individual	Stage 2 Individual	Stage 3	Total 2022	Total 2021
	JOD	JOD	JOD	JOD	JOD
(1 - 5)	162,237,852	34,822,296	-	197,060,148	161,612,756
(6- 7)	47,186,157	25,460,343	16,207,264	88,853,764	120,199,929
(8-10)	-	-	12,344,083	12,344,083	13,076,860
Unclassified	135,581	-	1,300,592	1,436,173	1,253,051
Total	**209,559,590**	**60,282,639**	**29,851,939**	**299,694,168**	**296,142,596**

Movement on facilities:

2022	Individual	Stage 2 Individual	Stage 3	Total
	JOD	JOD	JOD	JOD
Total balance as at the beginning of the year	187,549,679	80,194,772	28,398,145	296,142,596
Balances from investment in subsidiaries	-	-	-	-
Impact of selling Subsidiary	(626,034)	-	(74,875)	(700,909)
Impact of liquidation of subsidiary	(435,512)	-	-	(435,512)
New balances during the year/additions	65,423,539	5,022,639	3,367,682	73,813,860
Repaid/ derecognized balances during the year	(42,123,063)	(12,103,206)	(895,456)	(55,121,725)
Transferred to Stage 1	24,104,264	(24,104,264)	-	-
Transferred to stage 2	(17,435,433)	17,744,328	(308,895)	-
Transferred to stage 3	(521,554)	(2,213,107)	2,734,661	-
Changes resulting from adjustments	(6,376,296)	(4,258,523)	(3,364,241)	(13,999,060)
Written off	-	-	(5,082)	(5,082)
Amendments resulting from changes in currency exchange	-	-	-	-
Total Balance as at the end of the year	**209,559,590**	**60,282,639**	**29,851,939**	**299,694,168**

2021	Individual	Stage 2 Individual	Stage 3	Total
	JOD	JOD	JOD	JOD
Total balance as at the beginning of the year	228,713,833	73,652,516	27,988,560	330,354,909
New balances during the year/additions	39,267,438	2,763,909	2,930,421	44,961,768
Repaid/ derecognized balances during the year	(43,531,220)	(12,926,082)	(4,230,946)	(60,688,248)
Transferred to Stage 1	12,942,561	(12,316,527)	(626,034)	-
Transferred to stage 2	(32,458,427)	32,824,639	(366,212)	-
Transferred to stage 3	(2,348,476)	(1,750,605)	4,099,081	-
Changes resulting from adjustments	(15,036,030)	(2,053,078)	(1,393,429)	(18,482,537)
Written off	-	-	(3,296)	(3,296)
Amendments resulting from changes in currency exchange	-	-	-	-
Total Balance as at the end of the year	**187,549,679**	**80,194,772**	**28,398,145**	**296,142,596**

- **Movement of the provision for expected credit loss:**

2022	**Stage 1 Individual JOD**	**Stage 2 Individual JOD**	**Stage 3 JOD**	**Total JOD**
Balance at beginning of the year	224,752	1,190,054	13,917,828	15,332,634
Balances from investment in subsidiaries	-	-	-	-
Impact of selling Subsidiary	-	-	-	-
Impact of liquidation of subsidiary	(22)	-	-	(22)
Impairment loss on new balances during the year/additions	230,273	1,599,440	(76,537)	1,753,176
Recoveries from impairment loss on (repaid/ derecognized) balances	(46,668)	(539,383)	(769,050)	(1,355,101)
Transferred to Stage 1	409,533	(408,374)	(1,159)	-
Transferred to stage 2	(14,291)	18,806	(4,515)	-
Transferred to stage 3	(716)	(105,173)	105,889	-
Impact on the provision -as at the end of the year- from the classification change among the three stages during the year	(465,865)	(1,167,444)	1,633,309	-
Changes resulting from adjustments	(47,737)	(103,629)	(2,325,783)	(2,477,149)
Written off	-	-	(5,071)	(5,071)
Amendments resulting from changes in currency exchange	-	-	-	-
Total Balance as at the end of the year	**289,259**	**484,297**	**12,474,911**	**13,248,467**

2021	**Stage 1 Individual JOD**	**Stage 2 Individual JOD**	**Stage 3 JOD**	**Total JOD**
Balance at beginning of the year	303,827	1,152,460	18,443,130	19,899,417
Impairment loss on new balances during the year/additions	2,017,974	1,333,867	3,881,271	7,233,112
Recoveries from impairment loss on (repaid/ derecognized) balances	(39,101)	(417,362)	(8,886,970)	(9,343,433)
Transferred to Stage 1	121,329	(121,329)	-	-
Transferred to stage 2	(50,795)	65,231	(14,436)	-
Transferred to stage 3	(15,709)	(226,912)	242,621	-
Impact on the provision -as at the end of the year- from the classification change among the three stages during the year	(2,074,642)	(752,812)	2,827,454	-
Changes resulting from adjustments	(38,131)	156,911	(2,572,109)	(2,453,329)
Written off	-	-	(3,133)	(3,133)
Amendments resulting from changes in currency exchange	-	-	-	-
Total Balance as at the end of the year	**224,752**	**1,190,054**	**13,917,828**	**15,332,634**

- **F-4 Impairment loss of credit facilities granted to SMEs companies:**

Distribution of total facilities according to the Bank's internal credit classification categories:

	Stage 1		Stage 2				
	Individual	**Collective**	**Individual**	**Collective**	**Stage 3**	**Total 2022**	**Total 2021**
	JOD	**JOD**	**JOD**	**JOD**	**JOD**	**JOD**	**JOD**
(1 - 5)	7,693,016	-	686,894	-	100,106	8,480,016	7,674,617
(6- 7)	6,798,203	-	2,468,550	-	-	9,266,753	7,817,415
(8-10)	-	-	-	-	7,826,499	7,826,499	2,976,170
Unclassified	12,550,938	-	3,209,216	-	9,690,468	25,450,622	27,796,064
Total	**27,042,157**	**-**	**6,364,660**	**-**	**17,617,073**	**51,023,890**	**46,264,266**

Movement on facilities:

	Stage 1		Stage 2			
2022	**Individual**	**Collective**	**Individual**	**Collective**	**Stage 3**	**Total**
	JOD	**JOD**	**JOD**	**JOD**	**JOD**	**JOD**
Balance at beginning of the year	26,942,633	-	7,381,102	-	11,940,531	46,264,266
Balances from investment in subsidiaries	3,751,513	-	410,111	-	5,227,364	9,388,988
Impact of selling Subsidiary	(2,568,542)	-	-	-	-	(2,568,542)
Impact of liquidation of subsidiary	(395,410)	-	-	-	-	(395,410)
New balances during the year/additions	11,040,744	-	1,209,162	-	755,773	13,005,679
Repaid/ derecognized balances	(7,303,739)	-	(1,851,551)	-	(4,149,113)	(13,304,403)
Transferred to Stage 1	2,562,243	-	(2,451,684)	-	(110,559)	-
Transferred to stage 2	(2,035,316)	-	2,132,089	-	(96,773)	-
Transferred to stage 3	(1,224,954)	-	(869,606)	-	2,094,560	-
Changes resulting from adjustments	(3,727,015)	-	405,037	-	2,992,878	(329,100)
Written off	-	-	-	-	(1,037,588)	(1,037,588)
Amendments resulting from changes in currency exchange	-	-	-	-	-	-
Total Balance as at the end of the year	**27,042,157**	**-**	**6,364,660**	**-**	**17,617,073**	**51,023,890**

2021	**Individual**	**Collective**	**Individual**	**Collective**	**Stage 3**	**Total**
	JOD	**JOD**	**JOD**	**JOD**	**JOD**	**JOD**
Balance at beginning of the year	16,558,342	17,359,317	2,546,187	4,909,826	10,299,238	51,672,910
New balances during the year/additions	7,251,945	1,117,921	1,362,018	113,090	840,735	10,685,709
Repaid/ derecognized balances	(7,097,322)	(4,354,515)	(64,927)	(1,563,603)	(1,092,246)	(14,172,613)
Transferred to Stage 1	2,342,041	-	(962,458)	(246,495)	(1,133,088)	-
Transferred to stage 2	(535,273)	(1,143,868)	1,792,384	-	(113,243)	-
Transferred to stage 3	(1,840,910)	(880,565)	-	(670,531)	3,392,006	-
Changes resulting from adjustments	10,263,810	(12,098,290)	2,707,898	(2,542,287)	(121,588)	(1,790,457)
Written off	-	-	-	-	(131,283)	(131,283)
Amendments resulting from changes in currency exchange	-	-	-	-	-	-
Total Balance as at the end of the year	**26,942,633**	**-**	**7,381,102**	**-**	**11,940,531**	**46,264,266**

Movement of the provision for expected credit loss:

	Stage 1		Stage 2			
	Individual	**Collective**	**Individual**	**Collective**	**Stage 3**	**Total**
2022	**JOD**	**JOD**	**JOD**	**JOD**	**JOD**	**JOD**
Balance at beginning of the year	241,830	-	365,965	-	7,052,053	7,659,848
Balances from investment in subsidiaries	205,512	-	123,867	-	3,437,089	3,766,468
Impact of selling Subsidiary	(119)	-	-	-	-	(119)
Impact of liquidation of subsidiary	(707)	-	-	-	-	(707)
Impairment loss on new balances during the year/additions	479,145	-	791,512	-	1,282,183	2,552,840
Recoveries from impairment loss on (repaid/ derecognized) balances	(71,270)	-	(137,967)	-	(2,333,860)	(2,543,097)
Transferred to Stage 1	222,868	-	(123,604)	-	(99,264)	-
Transferred to stage 2	(35,668)	-	75,392	-	(39,724)	-
Transferred to stage 3	(9,194)	-	(51,168)	-	60,362	-
Effect on the provision -as at the end of the year- from the classification change among the three stages during the year	(788,228)	-	(568,884)	-	1,357,112	-
Changes resulting from adjustments	(109,011)	-	42,737	-	3,390,521	3,324,247
Written off	-	-	-	-	(569,216)	(569,216)
Amendments resulting from changes in currency exchange	-	-	-	-	-	-
Total Balance as at the end of the year	**135,158**	**-**	**517,850**	**-**	**13,537,256**	**14,190,264**

	Stage 1		Stage 2			
	Individual	**Collective**	**Individual**	**Collective**	**Stage 3**	**Total**
2021	**JOD**	**JOD**	**JOD**	**JOD**	**JOD**	**JOD**
Balance at beginning of the year	37,185	168,290	22,344	284,248	6,760,336	7,272,403
Impairment loss on new balances during the year/additions	690,016	323,144	90,267	313,985	1,005,423	2,422,835
Recoveries from impairment loss on (repaid/ derecognized) balances	(21,643)	(43,411)	(5,822)	(101,712)	(1,670,525)	(1,843,113)
Transferred to Stage 1	18,851	-	(6,160)	(12,691)	-	-
Transferred to stage 2	(1,326)	(13,888)	73,065	-	(57,851)	-
Transferred to stage 3	(2,396)	(11,838)	-	(38,531)	52,765	-
Effect on the provision -as at the end of the year- from the classification change among the three stages during the year	(481,336)	(413,778)	189,225	(442,720)	1,148,609	-
Changes resulting from adjustments	2,479	(8,519)	3,046	(2,579)	(147,456)	(153,029)
Written off	-	-	-	-	(39,248)	(39,248)
Amendments resulting from changes in currency exchange	-	-	-	-	-	-
Total Balance as at the end of the year	**241,830**	**-**	**365,965**	**-**	**7,052,053**	**7,659,848**

F-5 Impairment loss of credit facilities granted to government and public sector:
Distribution of total facilities according to the Bank's internal credit classification categories:

	Stage 1		Stage 2				
	Individual	**Collective**	**Individual**	**Collective**	**Stage 3**	**Total 2022**	**Total 2021**
	JOD	**JOD**	**JOD**	**JOD**	**JOD**	**JOD**	**JOD**
(1 - 5)	93,599,640	-	-	-	-	93,599,640	66,538,061
(6- 7)	-	-	-	-	-	-	-
(8-10)	-	-	-	-	-	-	-
Unclassified	-	-	-	-	-	-	-
Total	93,599,640	-	-	-	-	93,599,640	**66,538,061**

Movement of facilities:

	Stage 1		Stage 2			
	Individual	**Collective**	**Individual**	**Collective**	**Stage 3**	**Total**
2022	**JOD**	**JOD**	**JOD**	**JOD**	**JOD**	**JOD**
Total balance as at the beginning of the year	66,538,061	-	-	-	-	66,538,061
New balances during the year/additions	31,934,287	-	-	-	-	31,934,287
Repaid/ derecognized balances	(4,872,708)	-	-	-	-	(4,872,708)
Transferred to Stage 1	-	-	-	-	-	-
Transferred to stage 2	-	-	-	-	-	-
Transferred to stage 3	-	-	-	-	-	-
Changes resulting from adjustments	-	-	-	-	-	-
Written off facilities	-	-	-	-	-	-
Amendments resulting from changes in currency exchange	-					-
Total Balance as at the end of the year	**93,599,640**	**-**	**-**	**-**	**-**	**93,599,640**
2021	**JOD**	**JOD**	**JOD**	**JOD**	**JOD**	**JOD**
Total balance as at the beginning of the year	38,585,290	-	-	-	-	38,585,290
New balances during the year/additions	30,389,125	-	-	-	-	30,389,125
Repaid/ derecognized balances	(2,436,354)	-	-	-	-	(2,436,354)
Transferred to Stage 1	-	-	-	-	-	-
Transferred to stage 2	-	-	-	-	-	-
Transferred to stage 3	-	-	-	-	-	-
Changes resulting from adjustments	-	-	-	-	-	-
Written off facilities	-	-	-	-	-	-
Amendments resulting from changes in currency exchange	-	-	-	-	-	-
Total Balance as at the end of the year	**66,538,061**	**-**	**-**	**-**	**-**	**66,538,061**

* The Bank has not calculated and recorded the provision for expected credit losses on government bills and/ or guaranteed by government, in accordance with the Central Bank of Jordan's instructions regarding the implementation of IFRS (9).

Direct credit facilities are distributed according to the economic sector as follows, as all of these facilities are granted to entities within the Kingdom:

	December 31, 2022	December 31, 2021
	JOD	JOD
Financial	42,157,476	8,790,313
Manufacturing and mining	65,972,110	89,725,197
Commercial	111,615,647	107,426,825
Real-estate	130,294,396	143,109,146
Constructions	39,752,113	45,231,802
Agricultural	826,259	431,354
Tourism, restaurants, and public	97,960,798	94,754,953
Shares	-	9,332,171
Government and public sector	93,599,640	66,538,061
Individuals	337,940,494	277,875,300
Total	**920,118,933**	**843,215,122**

(11) Property and equipment- net

The details of this item are as follows:

2022	Lands*	Buildings*	Equipment devices furniture and decoration	Transport	Computers	Total
	JOD	JOD	JOD	JOD	JOD	JOD
Cost:						
Balance at the beginning of the year	10,349,066	16,002,332	17,950,753	553,823	3,679,849	48,535,823
Balances from investment in subsidiaries	-	-	224,816	50,300	110,749	385,865
Impact of selling Subsidiary	-	-	(17,925)	-	(43,871)	(61,796)
Impact of liquidation of subsidiary	-	-	(638)	-	(551)	(1,189)
Additions	-	-	2,031,219	-	263,876	2,295,095
Disposals	-	-	(655,225)	(37,600)	(864,859)	(1,557,684)
Transfers from payment of purchase property and equipment and projects under construction	-	-	122,836	-	11,022	133,858
Balance at the end of the year	**10,349,066**	**16,002,332**	**19,655,836**	**566,523**	**3,156,215**	**49,729,972**
Accumulated depreciation:						
Balance at the beginning of the year	-	3,511,049	13,376,963	421,122	2,925,071	20,234,205
Balances from investment in subsidiaries	-	-	197,100	50,300	89,668	337,068
Impact of selling Subsidiary	-	-	(17,690)	-	(38,790)	(56,480)
Impact of liquidation of subsidiary	-	-	(191)	-	(96)	(287)
Additions	-	327,205	1,070,607	48,835	270,594	1,717,241
Disposals	-	-	(643,194)	(37,598)	(861,196)	(1,541,988)
Balance at the end of the year	**-**	**3,838,254**	**13,983,595**	**482,659**	**2,385,251**	**20,689,759**
Net book value of property and equipment at the end of the year	**10,349,066**	**12,164,078**	**5,672,241**	**83,864**	**770,964**	**29,040,213**
Payment for purchase of property and equipment, and projects under construction	-	-	1,067,917	-	-	1,067,917
Net property and equipment	**10,349,066**	**12,164,078**	**6,740,158**	**83,864**	**770,964**	**30,108,130**

2021	Lands*	Buildings*	Equipment devices furniture and decoration	Transport	Computers	Total
	JOD	JOD	JOD	JOD	JOD	JOD
Cost:						
Balance at the beginning of the year	10,349,066	16,002,332	17,560,285	586,322	3,617,146	48,115,151
Additions	-	-	612,484	-	243,571	856,055
Disposals	-	-	(467,339)	(32,499)	(180,868)	(680,706)
Transfers from payment for purchase property and equipment and projects under construction	-	-	245,323	-	-	245,323
Balance at the end of the year	**10,349,066**	**16,002,332**	**17,950,753**	**553,823**	**3,679,849**	**48,535,823**
Accumulated depreciation:						
Balance at the beginning of the year	-	3,183,828	13,007,634	384,808	2,754,063	19,330,333
Additions	-	327,221	800,279	60,647	332,478	1,520,625
Disposals	-	-	(430,950)	(24,333)	(161,470)	(616,753)
Balance at the end of the year	**-**	**3,511,049**	**13,376,963**	**421,122**	**2,925,071**	**20,234,205**
Net book value of property and equipment at the end of the year	**10,349,066**	**12,491,283**	**4,573,790**	**132,701**	**754,778**	**28,301,618**
Payment for purchase of property and equipment, and projects under construction	-	-	133,858	-	-	133,858
Net property and equipment	**10,349,066**	**12,491,283**	**4,707,648**	**132,701**	**754,778**	**28,435,476**

-Property and equipment include JD 17,551,861 as of December 31, 2022, which represents fully depreciated consumed assets compared to JD 13,734,583 as of December 31, 2021.

*This item includes land and buildings mortgaged at JD 7,272,207 as of December 31, 2022, and December 31, 2021 for the specialized financing rental company against financing lease granted to Al Istethmari latemweel selselat Al Imdad company (subsidiary) for JD 2,140,982 as of December 31, 2022, compared to JD 2,698,642 as of December 31, 2021.

(12) Intangible assets

The details of this item are as follows:

	As of December 31, 2022			
	Advance payment for the purchase of systems	Software and programmed	Goodwill**	Total
	JOD	JOD	JOD	JOD
Balance at the beginning of the year	326,468	1,246,711	1,430,598	3,003,777
Impact of selling Subsidiary	-	(2,550)	-	(2,550)
Impact of liquidation of subsidiary	-	(24,980)	-	(24,980)
Additions*	175,688	354,252	-	529,940
Less:				
Impact of selling Subsidiary	-	(2,224)	-	(2,224)
Impact of liquidation of subsidiary	-	(13,119)	-	(13,119)
Disposals	-	-	-	-
Amortization for the year	-	458,448	-	458,448
Transfers	(208,225)	208,225	-	-
Balance at the end of the year	**293,931**	**1,338,553**	**1,430,598**	**3,063,082**

	As of December 31, 2021			
	Advance payment for the purchase of systems	**Software and programmed**	**Goodwill****	**Total**
	JOD	**JOD**	**JOD**	**JOD**
Balance at the beginning of the year	374,336	961,159	1,430,598	2,766,093
Additions*	110,029	537,738	-	647,767
Less:				
Disposals	-	10,771	-	10,771
Amortization for the year	-	399,312	-	399,312
Transfers	(157,897)	157,897	-	-
Balance at the end of the year	**326,468**	**1,246,711**	**1,430,598**	**3,003,777**

*Additions to computer systems and software represents the amounts paid for purchasing and developing of banking systems and programming.

**Resulting from the Bank acquiring 94.7% of Jordan Trade Facilities Company Public shareholding company (which owns 100% of Trade Facilities Company for Finance Leasing) via the subsidiary (Tamkeen Leasing) during 2016 through purchased of 15,390,385 shares with a par value of JD 1 per share. The investment cost amounted to JD 20,774,620 and the fair value of the net assets acquired upon acquisition amounted to JD 19,344,022 resulting in a goodwill of JD 1,430,598.

Goodwill impairment loss tested as December 31, 2022, and the result was that there was no impairment of goodwill.

(13) Other assets

The details of this item are as follows:

	December 31, 2022	**December 31, 2021**
	JOD	**JOD**
Interest and income under collection	3,776,935	2,931,535
Prepaid expenses	1,381,865	1,360,132
Assets seized by the bank in settlement of debts*	41,917,423	40,685,861
Refundable deposits	738,939	547,318
Clearing cheques	198,086	42,222
Balances attributable to non-statutory operations-net	1,039,200	1,039,200
Purchased acceptances	12,542,345	1,582,868
Other	6,264,044	6,170,635
Total	**67,858,837**	**54,359,771**

*According to the bank’s law the Bank must dispose of Assets seized by the bank in settlement of debts within two years from the date of foreclosure. However, Central Bank of Jordan can extend the period for maximum two years by certain exceptions. The balance is presented net after deduction of any impairment provision amounted to JD 62,758 as of December 31, 2022 and 26,110 JD December 31, 2021, and seized assets provision according Central Bank of Jordan instructions for an amount of JD 2,051,951 as of December 31, 2022, compared to JD 1,437,276 as of December 31, 2021.

Below is the movement of assets seized by the Bank in settlement of debts:

	December 31, 2022	December 31, 2021
	JOD	JOD
Balance at the beginning of the year	40,685,861	43,405,673
Additions	6,193,762	3,252,297
Disposals	(4,310,877)	(5,726,792)
Amortization of increase in fair value of assets seized by subsidiaries as at the date of acquisition	-	(337,700)
Recoveries from provision impairment seized assets	4,050	-
Recoveries from the (provision) of properties in accordance with the instructions of the Central Bank of Jordan	(655,373)	92,383
Balance at end of the year	**41,917,423**	**40,685,861**

** **This item represents the net balance attributable to non-statutory operations, less the provision prepared for as follows:**

	December 31, 2022	December 31, 2021
	JOD	JOD
Balance attributable to non-statutory operations	12,974,700	12,974,700
Less: Provision made for this balance	10,435,500	10,435,500
Less: Proceeds from insurance company	1,500,000	1,500,000
Balance at the end of the year	**1,039,200**	**1,039,200**

The bank was imposed during 2012 to embezzlement transaction in the balances at banks financial institutions account which led to a loss of approximately JD 12.9 million, this primarily relates to the possibility of collusion between some of the bank's employees. All the necessary legal procedures were taken by the bank's management and a provision for an amount of JD 10.4 million was booked for the transaction as of December 31, 2022 and December 31, 2021 after netting the amounts expected to be recovered from the repossessed assets and the deduction of the proceeds collected from the insurance company amounted to JD 1.5 million. Noting that the lawsuit procedures had been completed from the General Attorney and is now represented in front of Amman's Criminal Court.

(14) Operating lease contracts

A- Right of use assets:

	December 31, 2022	December 31, 2021
	JOD	JOD
Balance at the beginning of the year	3,884,618	5,102,151
Add:		
Right of use assets during the year	1,138,874	342,984
Less:		
Depreciation during the year	(915,220)	(889,251)
Impact of cancelling lease contracts	-	(671,266)
Balance at end of the year	**4,108,272**	**3,884,618**

B. Lease liabilities

	December 31, 2022	December 31, 2021
	JOD	JOD
Balance at the beginning of the year	2,562,692	3,611,852
Add:		
Lease liabilities during the year	1,156,996	345,085
Interest expense during the year	155,897	137,241
less:		
paid liabilities during the year	(881,526)	(823,559)
Impact of cancelling lease contract	-	(707,927)
Balance at end of the year	**2,994,059**	**2,562,692**
of which is:		
Lease liabilities due within less than one year	710,893	590,647
Lease liabilities due within more than one year	2,283,166	1,972,045
Total	**2,994,059**	**2,562,692**

(15) <u>Deposits from banks and financial institutions</u>

The details of this item are as follows:

	December 31, 2022			December 31, 2021		
	Inside the Kingdom	Outside the Kingdom	Total	Inside the Kingdom	Outside the Kingdom	Total
	JOD	JOD	JOD	JOD	JOD	JOD
Current and on demand accounts	29,671	9,575,182	9,604,853	29,671	3,322,008	3,351,679
Term and notice deposits*	3,025,947	26,100,000	29,125,947	26,486	25,400,000	25,426,486
Total	**3,055,618**	**35,675,182**	**38,730,800**	**56,157**	**28,722,008**	**28,778,165**

*There are no amounts matured during a period of more than 3 months as at December 31, 2022, and December 31, 2021.

(16) <u>Customers' deposits</u>

The details of this item are as follows:

	Individuals	Large corporates	SMEs	Government and public sector	Total
	JOD	JOD	JOD	JOD	JOD
December 31, 2022					
Current and on demand accounts	85,871,756	119,088,937	12,956,753	1,486,074	219,403,520
Saving deposits	54,006,691	3,055,337	8,059	-	57,070,087
Term and notice deposits	381,144,856	155,889,061	9,794,243	58,403,045	605,231,205
Total	**521,023,303**	**278,033,335**	**22,759,055**	**59,889,119**	**881,704,812**
December 31, 2021					
Current and on demand accounts	76,249,622	71,329,398	11,781,953	1,067,788	160,428,761
Saving deposits	48,792,277	3,436,058	7,819	-	52,236,154
Term and notice deposits	359,883,921	160,166,771	10,245,045	49,557,352	579,853,089
Total	**484,925,820**	**234,932,227**	**22,034,817**	**50,625,140**	**792,518,004**

- The value of government and public sector deposits amounted to JD 59,889,119 equivalent to 6.8% of total deposits as of December 31, 2022, against JD 50,625,140 equipment to 6.4% as of December 31, 2021.
- The value of non-interest-bearing deposits amounted to JD 187,808,100 equivalent 21.3% of total deposits as of December 31, 2022, against JD 189,337,965 equivalent 23.9% as of December 31, 2021.
- The value of deposits held (restricted) amounted to JD 6,722,225 as of December 31, 2022, equivalent to 0.8%, compared to JD 5,813,999 equivalent to 0.7%, as of December 31, 2021.
- The value of Dormant deposits amounted to JD 10,066,973 as of December 31, 2022, compared to JD 6,788,215 as of December 31, 2021.

(17) Cash margins

The details of this item are as follows:

	December 31, 2022	December 31, 2021
	JOD	JOD
Cash margins against direct facilities	10,431,732	13,176,910
Cash margins against indirect facilities	25,997,324	18,406,618
Other collaterals	4,000	4,000
Total	**36,433,056**	**31,587,528**

(18) Borrowed funds

The details of this item are as follows:

December 31, 2022	Amount	Number of Installments		Instalments frequency	Guarantees	Interest rate borrowings
		Aggregate	Remaining			
	JOD	JOD	JOD	JOD	JOD	JOD
Borrowing from the Central Bank of Jordan*	11,324,276	2,069	1,470	Monthly	Promissory notes	Zero to 1.0%
Borrowing from local banks/ institutions	202,816,069	594	283	Monthly, quarterly, semi-annual and at maturity	cash margin/ mortgage bonds/ equipment and property mortgage/ promissory notes	4.5% to 6.5%
Borrowing from foreign institutions	10,828,557	21	15	Semi-annual and at maturity	-*	3.1% to 6%
Total	**224,968,902**					

December 31, 2021	Amount	Number of Installments		Instalments frequency	Guarantees	Interest rate borrowings
		Aggregate	Remaining			
	JOD	JOD	JOD	JOD	JOD	JOD
Borrowing from the Central Bank of Jordan*	11,296,802	2,005	1,728	Monthly	Promissory notes	Zero to 1.0%
Borrowing from local banks/ institutions	176,394,980	605	400	Monthly, quarterly, semi-annual and at maturity	cash margin/ mortgage bonds/ equipment and property mortgage/ promissory notes	4.5% to 6.5%
Borrowing from foreign institutions	9,281,519	16	14	Semi-annual and at maturity	-*	1.76% to 5%
Total	**196,973,301**					

- The 11,324,276 JD borrowed from the Central Bank of Jordan represents borrowed amounts to refinance client loans under medium-term financing programs and the Central Bank of Jordan's SMEs Support Program to encounters for the Corona crisis, which has been re-lent at an interest rate of about 3.34%.
- 45 clients were eligible for the CBJ's Program to support Small and Medium-Sized Companies (SMEs) for facing Corona crisis as of December 31, 2022, where loans are due within 54 months of the date of the grants, including the grace period according to the program requirements.
- The funds borrowed include borrowing amounts from local banks of JD 172,316,069 including overdraft accounts and revolving loans granted to subsidiaries (Al Istithmari Latmweel selsalet Imdad, Tamkeen Leasing Company, Jordan Commercial Facilities Company and Bindar Trade and Investment Company).
- The funds borrowed from local institutions represent 30,500,000 JD borrowed from Jordan mortgage refinance company as at December 31, 2022, and 37,500,000 as at December 31, 2021, and housing loans have been refinanced at an interest rate of about 8.5% as at December 31, 2022, compared to 6.2% as December 31, 2021.
- Funds borrowed from external institutions are borrowed from the "Sanad" Fund to finance small and micro enterprises amounted to USD 15.3 million, equivalent to 10,828,557 JD for the bank and the subsidiary company (Jordan Trade Facilities Company) as of December 31, 2022, for USD 13.1 million, equivalent to 9,281,519 JD as of December 31, 2021.
- Fixed interest loans amounted to 70,064,986. However, the variable interest loans amounted to JD 154,903,916 December 31, 2022, against fixed interest loans of JD 68,238,500 and variable interest loans of JD 128,734,801 as of December 31, 2021.

*There is a letter of comfort issued by the bank.

(19) Bonds

This item represents bonds issued by subsidiaries as follows:

Subsidiary	Value of bonds	Interest rate	Gross instalments	Remaining instalments	Frequency of instalments maturity	Guarantees	Issue date	Maturity date
31 December 2022	**JOD**							
Tamkeen Leasing Co	7,500,000	6.5%	1	1	One payment at the date of maturity	N/A	2 October 2022	1 November 2023
Jordan Trade Facilities Company	6,460,000	7%	1	1	One payment at the date of maturity	N/A	14 December 2022	14 December 2023
Total	**13,960,000**							
31 December 2021								
Tamkeen Leasing Co	5,000,000	5.25%	1	1	One payment at the date of maturity	N/A	24 August 2021	22 September 2022
Bindar Trade and Investment Company	3,000,000	5.25%	1	1	One payment at the date of maturity	N/A	29 June 2021	23 June 2022
Jordan Trade Facilities Company	5,280,000	5.25%	1	1	One payment at the date of maturity	N/A	25 November 2021	24 November 2022
Total	**13,280,000**							

(20) Other provisions

The details of this item are as follows:

	Balance at beginning of the year	Balances from investment in subsidiaries	Formed during the year	Utilized during the year	Reversed to revenues	Balance at end of the year
December 31, 2022	**JOD**	**JOD**	**JOD**	**JOD**	**JOD**	**JOD**
Provision for legal cases against the Bank and its subsidiaries (note 49)	329,550	-	483,814	67,345	431,130	314,889
Other	112,368	91,531	3,529	62,923	38,365	106,140
Total	**441,918**	**91,531**	**487,343**	**130,268**	**469,495**	**421,029**
December 31, 2021						
Provision for legal cases against the Bank and its subsidiaries (note 49)	632,361	632,361	166,837	466,648	3,000	329,550
Other	133,305	133,305	73,829	1,886	92,880	112,368
Total	**765,666**	**765,666**	**240,666**	**468,534**	**95,880**	**441,918**

(21) Income tax

A) Provision for income tax

The movement in the income tax provision is as follows:

	December 31, 2022	December 31, 2021
	JOD	JOD
Balance at beginning of the year	7,057,031	6,189,284
Total income tax paid	(8,983,216)	(7,729,743)
Excluded balances from selling Subsidiary	(200,968)	-
Balances from investment in subsidiaries	75,352	-
(Recoveries from) prior years	-	(84,185)
Income tax	11,434,837	8,681,675
Balance at end of the year	**9,383,036**	**7,057,031**

Income tax has been calculated in accordance with the applicable regulations, laws and IFRS.

Income tax presented in the consolidated statement of Profit or loss are as follows:

	2022	2021
	JOD	JOD
Income tax payable for current year profit	11,434,837	8,681,675
Impact of selling/liquidation of Subsidiary	-	(223,028)
Income tax of prior years	-	13,051
Deferred tax assets for the year	(5,424,413)	(7,789,797)
Amortization of deferred tax assets for the year	3,560,153	9,106,740
	9,570,577	**9,788,641**

The statutory income tax rate in Jordan is 38% for the Bank (the parent company) and 28% for subsidiaries.

The Bank tax status:

- The financial Period is charged with its own income tax expense in accordance with the laws and regulations, IFRS and a necessary tax provision is calculated and recognized accordingly.
- A final clearance was made with the Income and Sales Tax Department for the Financial years until the end of the year 2018.
- The bank has submitted the tax returns for the years 2019, 2020 and 2021 on the legally specified date and in compliance with regulations.
- In the opinion of the management and the tax advisor, the provision for income tax expense is sufficient to meet tax liabilities Up to December 31, 2022.

Tax Status of Tamkeen leaseing Company (a subsidiary):

- The company did not submit the self-assessment statement for the period from its inception on 31 October 2006 until December 31, 2009, as it had not exercised its operations within these years.
- A final clearance was made with the Income and Sales Tax Department in respect of the income tax for the years from 2010 to 2017.
- The company submitted the tax return for the year 2018 on the legally specified date, and the statement was accepted without modification within the samples system.
- The company submitted the tax return for the years 2019, 2020 and 2021 on the legally specified date.
- The company submitted the sales tax returns on the legally specified date, and the Income and Sales Tax Department audited the general sales tax returns until December 31, 2017, and subsequent returns were submitted on the date specified by law and the related tax due was paid up to the date of preparing consolidated these financial statements.

- The company's management and tax advisor, believe that the company there is no need to book income tax provision for the period ended December 31, 2022.

Tax status of Al Istethmari Latmaweel Selselat Al-Imdad (a subsidiary):

- A final clearance was conducted with the Income and Sales Tax Department until the end of 2010.
- The company submitted annual income tax returns for the years from 2011 to 2014 within the legal period and paid all the obligations declared within the legal period and they were all accepted by the Income and Sales Tax Department as is without any modifications.
- A final clearance was made with the Income and Sales Tax Department for the fiscal years until the end of 2018, when the tax return for 2018 was accepted within the sampling system.
- The company submitted the tax return for the years 2019, 2020 and 2021 within the legally specified date and in compliance with regulations.
- The company submitted sales tax returns within the legal period and has no tax obligation to date.
- Sales tax returns were accepted without modification until the end of 2017, and subsequent tax returns were filed on the legally specified date and the related tax due was paid up until the date of preparing consolidated financial statements.
- In the opinion of the company's management and tax adviser believe there is no need to book income tax provision for the period ended December 31, 2022.

Tax Status of Jordan Trade Facilities Company (a subsidiary):

- A final clearance was conducted with the Income and Sales Tax Department until the end of 2017, when the tax return for 2018 was accepted within the sampling system.
- The company has submitted the tax return for the years 2019, 2020 and 2021 according to the rules and on the legally specified date.
- The company has submitted the general sales tax returns on the legally specified date, and the Income and Sales Tax Department has audited the returns submitted for the end of the fiscal year 2016 taking into consideration the returns submitted for the tax periods up to end of 2017 are considered accepted according to the law and the returns of subsequent periods were submitted on time.
- The subsidiary company (Trade Facilities for finance lease) submitted annual income tax returns until the end of 2018, and they were accepted by the Income and Sales Tax Department within sampling system.
- The subsidiary company (Trade Facilities for finance lease) has submitted the tax return for the years 2019, 2020 and 2021 according to the rules and on the legal deadline however it is not reviewed by the Income and Sales tax department yet.
- The subsidiary company (Trade Facilities for finance lease) has submitted the general sales tax returns in the date is set by law, Income and Sales Tax Department has audited the returns until 2013, the company also submitted the tax returns related to the end of 2017 is acceptable, the subsequent tax periods on time and according to the rules.
- The company's management and tax adviser believe that Jordan Trade Facilities Company and its subsidiaries will not have any liabilities above the provision made until December 31, 2022.

Tax status of Bindar Trade and Investment Company (a subsidiary):

- A final clearance was conducted with the Income and Sales Tax Department until the end of 2018 and 2020.
- The company submitted the tax return for the year 2019 and 2021and paid the accrued tax on the legally specified date.
- General sales tax returns were audited until the end of 2017, and subsequent tax returns were filed on the legally specified date and the related tax due was paid up until the date of preparing consolidated financial statements.

The subsidiary company (Bindar Finance Leasing Company) hade submitted final clearance for income tax and sales tax Department until the end of year 2020 in additions the company has submitted the tax return until end of the year 2021on the legally specified date and has no tax obligation until the date of preparing consolidation financial statements.

- The subsidiary (Bindar Finance Leasing Company) has register for sales tax as of January 1, 2017 the tax returns has submitted and tax due was paid up until the date of preparing consolidated financial statements.

The subsidiary company (Ruboua Al Sharq Real Estate Company) has made a final settlement with the Income and Sales Tax Department of the company until the end of the year 2018 and the year 2020.

- The subsidiary company (Ruboua Al Sharq Real Estate Company) has submitted the tax return for the year 2019 and 2021 and the tax due was paid on the legally specified date.
- The subsidiary company (Rakeen Real Estate Company) has made a final settlement with the Income and Sales Tax Department of the company until the end of 2018 and 2020.
- The subsidiary company (Rakeen Real Estate Company) has submitted the tax return for the year 2019 and 2021 and the tax due was paid on the date specified by law.
- The subsidiary (Al-Qimma for commercial facility for cars company) has made a final settlement with the Income and Sales Tax Department of the company until the end of the year 2019 and has submitted the tax return for the year 2020 and 2021 and the tax due was paid on the date specified by law.
- The subsidiary company (Al-Qimma for commercial facility for cars company) Income and Sales Tax Department has audited the returns until 2015 and the tax due has been paid up until the date of preparing consolidation financial statements.
- In the opinion of the company's management and tax advisor, Bindar Trade and Investment Co. and its subsidiaries will not have any obligations in excess of the provision taken until December 31, 2022.

Tax status of Jordan Takhseem company (a subsidiary):

- The company has submitted tax returns for the years from 2012 to 2021, according to the rules, as the tax returns for the years 2012 ,2013 and 2021 were accepted within the sampling system.
- The company has registered for sales tax as of July 7, 2020, and subsequent tax returns have been submitted and the tax due has been paid up until the date of preparing consolidation financial statements.
- The company’s management and the tax advisor believe that there is no need to book an income tax provision for the period ending on December 31, 2022, since the result of the company's business is a loss.

B) Deferred Tax assets/ liabilities

The details of this item are as follows:

		December 31, 2022				December 31, 2022
	Balance at beginning of the year	**Released amounts**	**Added amounts**	**Balance at the end of the year**	**Balance at beginning of the year**	**Deferred Tax**
Included accounts	**JOD**	**JOD**	**JOD**	**JOD**	**JOD**	**JOD**
A- Deferred tax assets						
Provision for cases filed by the bank	17,537	401,700	401,700	17,537	6,664	6,664
Provisions prepared as per IFRS 9/ Bank	9,054,395	2,072,739	3,061,793	10,043,449	3,816,511	3,440,670
Provision for impairment of assets seized	26,110	4,050	-	22,060	8,383	9,922
Provision for assets seized for more than 4 years	1,437,277	106,126	720,800	2,051,951	779,741	546,165
Provision for balances attributable to non-statutory operations*	10,435,500	-	-	10,435,500	3,965,490	3,965,490
Interest suspense against working accounts classified into the stages two and three in accordance with IFRS 9	1,728,036	339,174	2,326,726	3,715,588	1,411,923	656,654
Impact of adopting IFRS 16:	249,176	4,118	48,960	294,018	111,727	94,687
Employees' bonuses unpaid	1,648,176	1,154,409	1,720,000	2,213,767	841,231	626,307
Other accrued expenses	350,000	85,133	193,433	458,300	174,154	133,000
Net losses of foreign investments	671,487	671,487	-	-	-	87,293
Provision for impairment of financial brokerage clients/ Mawarid Company	255,974	255,974	-	-	-	71,673
Directors' remunerations and allowances unpaid/ Mawarid Company	23,715	23,715	-	-	-	6,640
Provisions made as per IFRS 9/ Mawarid Company	23,672	23,672	-	-	-	6,628
Provision for ECL/ Al Istithmari latemweel Selselt Al Imdad	4,002,779	235,175	516,274	4,283,878	1,199,486	1,120,777
Provision for ECL/ Tamkeen Leasing	2,508,496	1,238,336	1,072,686	2,342,846	655,996	702,379
Other provisions/ Tamkeen Leasing	-	-	231,134	231,134	64,717	-
Taxable income (loss) at 75%/ Tamkeenleasing	149,036	149,036	-	-	-	41,730
Taxable income (loss) at 75%/ %/ Jordan Takhseem company	324,388	324,388	-	-	-	90,829
Provision for ECl /Jordan Takhseem company	729	729	-	-	-	204
Provision for cases/ Jrodan Trade Facilities Co.	279,173	63,935	17,119	232,357	65,060	78,168
Provision for ECL/ Jordan Trade Facilities Company	6,447,554	2,412,862	4,051,265	8,085,957	2,264,069	1,805,315
Interest in suspense/ Jordan Trade Facilities Co.	2,270,048	672,036	1,044,541	2,642,553	739,915	635,613
Other provisions/ Jordan Trade Facilities Co.	114,737	43,368	6,568	77,937	21,822	32,125
Interests of operating lease obligations/ Jordan Trade Facilities Company	14,107	14,107	3,044	3,044	852	3,950
Provision for ECL/ Bindar Trade and Investment Company	5,791,580	2,685,125	6,537,330	9,643,785	2,700,259	1,621,642
Other provisions/ Bindar Trade and Investment Company	26,972	-	421	27,393	7,670	7,552
Provision for cases/ Bindar Trade and Investment	32,840	32,840	64,995	64,995	18,199	9,195
	47,883,494	**13,014,234**	**22,018,789**	**56,888,049**	**18,853,869**	**15,801,272**
B- Deferred tax liabilities						
Financial assets revaluation reserve	9,704,894	2,459,982	3,021,408	10,266,320	3,981,771	3,490,066
	9,704,894	**2,459,982**	**3,021,408**	**10,266,320**	**3,981,771**	**3,490,066**

- Deferred tax liabilities representing tax liabilities against profits of valuation of financial assets at fair value through other comprehensive income that appear in the financial assets revaluation reserve - net of equity.

*This item represents the deferred tax benefits expected from making a provision against balances due to non-statutory operations (Note 13) and the management believes that these amounts can be used in the near future.

***The movement of the account of tax assets/ liabilities is as follows:**

	December 31, 2022		December 31, 2021	
	Assets	**Liabilities**	**Assets**	**Liabilities**
	JOD	**JOD**	**JOD**	**JOD**
Balance at beginning of the year	15,801,272	3,490,066	17,118,215	5,117,743
Balances from investment in subsidiaries	1,588,189	-	-	-
Impact of selling Subsidiary	(84,941)	-	-	-
Impact of liquidation of subsidiary	(91,031)	-	-	-
Additions	5,424,413	1,030,999	7,789,797	174,757
Disposal	3,784,033	539,294	9,106,740	1,802,434
Balance at end of the year	**18,853,869**	**3,981,771**	**15,801,272**	**3,490,066**

C) Summary of reconciliation between accounting profit and taxable income:

	2022	2021
	JOD	**JOD**
Accounting profit	39,799,933	29,558,585
Non-taxable profits	(18,529,483)	(3,013,852)
Acceptable tax expenses for prior years	(5,228,422)	(21,107,146)
Non-acceptable expenses in terms of tax	14,081,512	20,445,982
	30,123,540	**25,883,569**
Taxable profit		
Percentage of the Bank's statutory income tax *	38%	38%
Percentage of statutory income tax for the subsidiaries*	28%	28%

* Excluding some items that are subject to different tax rates in accordance with the applicable tax income law.

(22) Other liabilities

The details of this item are as follows:

	December 31, 2022	December 31, 2021
	JOD	**JOD**
Certified and acceptable checks	1,667,068	1,124,883
Accrued Interest payable	5,065,147	4,956,934
Sundry creditors	4,682,787	4,087,044
Payables for financial brokerage clients	-	632,509
Unpaid dividend distribution	121,072	142,104
Iron safes insurance	148,423	147,778
Accrued expenses	2,758,303	2,114,090
Other liabilities	4,802,724	4,219,704
Provision for impairment off - statement of financial position sheet items according to IFRS (9)	746,624	1,511,347
Total	**19,992,148**	**18,936,393**

(23) Share capital

Authorized and paid-in capital amounted to JD 100 million distributed to 100 million shares with a par value of 1 JD for each as at December 31, 2022 and 2021.

(24) Reserves

Amounts accumulated in this account represent 10% of the annual profits before tax transferred in accordance with the Jordanian Companies Law. This reserve is not available for distribution to shareholders.

(25) Financial assets revaluation reserve – net

Movement in this item is as follows:

	JOD	JOD
Balance at the beginning of the year	6,362,363	8,560,247
Unrealized shares losses	302,671	(3,734,672)
Deferred tax liabilities	(491,705)	1,627,677
(Gains)Losses on of financial assets at fair value through other comprehensive income transferred to retained earnings as a result of sale	262,448	(90,889)
Balance at the end of the year*	**6,435,777**	**6,362,363**

*The Revaluation reserve of Financial Assets appears after the deduction of deferred tax liabilities of JD 3,981,771 as of December 31, 2022, compared to 3,490,066 JD as of December 31, 2021.

(26) Retained earnings

Movement on the retained earnings is summarized as follows:

	December 31, 2022	December 31, 2021
	JOD	JOD
Balance at the beginning of the year	42,612,312	39,363,524
Profit for the year	19,826,223	17,812,151
Transferred to reserves	(1,211,352)	(2,728,366)
Dividend distributed	(10,000,000)	(12,000,000)
Gains (Losses) on sale of financial assets at fair value through other comprehensive income	(262,448)	90,889
Effect of investment increase in subsidiaries	8,218	74,114
Balance at the end of the year	**50,972,953**	**42,612,312**

- Retained earnings include a restricted amount of JD 18,798,152 as at December 31, 2022, according to the instructions of the Central Bank of Jordan in exchange for deferred tax assets against JD 15,801,272 as at December 31, 2021.
- Retained earnings include a restricted amount of JD 1,039,200 as at December 31, 2022 and December 31, 2021, representing the remaining of the balances attributable to non-statutory operations as per the request of the Central Bank of Jordan.
- Retained earnings include an amount of JD 415,199 as at December 31, 2022, and December 31, 2021, which represents the impact of early adoption of IFRS 9 and cannot be disposed of except to the extent that it is actually realized through sales, according to the JSC's instructions.
- Retained earnings do not include any amounts represent gains from financial assets at fair value through statement of profit or loss as December 31, 2022, and December 31, 2021.
- In accordance with the instructions of the Central Bank of Jordan No. (13/2018), the accumulated balance of the general banking risk reserve item amounting to JD 6,365,000 as at December 31, 2017 has been transferred to the retained earnings item for offset with the impact of IFRS 9. Surplus from the amount after offset amounting to JD 1,971,056 is restricted.
- It is prohibited to dispose of an amount equal to the negative balance of the fair value reserve from retained earnings except with the prior approval of the Central Bank of Jordan.

(27) Proposed dividends

The Board of Directors decided to recommend to the Shareholders' General Assembly to distribute JD 10 million of retained earnings during the year 2023 for the year 2022, equivalent to 10% of the Bank's capital., which is subject to the approval of Central Bank of Jordan. and the general assembly of shareholders, pursuant to a decision of the general assembly of shareholders On April 20, 2022, 10 million JD were distributed from retained earnings for the year 2021, equivalent to 10% of the bank's capital.

(28) Non-controlling interests

The details of this item are as follows:

	December 31, 2022			December 31, 2021		
	% Non-controlling interests	Non-controlling interest in net profit	Non-controlling interest in net assets	% Non-controlling interests	Non-controlling interest in net profit	Non-controlling interest in net assets
	%	JOD	JOD	%		
Tamkeen Leasing Co	2.5	4,031	473,571	2.5	(1,403)	756,934
Al Istethmari Latemweel Selselat Al Imdad Company	6.0	(9,797)	240,658	6	(112,763)	250,457
Jordan Trade Facilities Company	4.7	186,325	1,734,150	4.7	179,605	1,561,059
Bindar Trade and Investment Company	3.5	243,238	1,008,017	3.5	125,743	496,911
		423,797	**3,456,396**		**191,182**	**3,065,361**

(29) Interests Income

The details of this item are as follows:

	2022	2021
Direct credit facilities:	**JOD**	**JOD**
Individuals (retail):		
Loans and bills	23,684,455	17,845,955
Overdrafts	63,382	43,514
Credit cards	8,443,598	5,628,805
Mortgage Loans	9,790,506	9,583,195
Large corporate:		
Loans and bills	16,154,956	15,555,683
Overdrafts	5,010,292	5,621,783
SMEs		
Loans and bills	3,775,319	3,277,808
Overdrafts	648,813	472,986
Government and public sector	4,869,519	3,070,051
Balances at the Central Bank of Jordan	1,377,472	927,126
Balances and deposits at banks and financial institutions	944,460	373,130
Financial assets at amortized cost	9,690,381	6,712,713
Total	**84,453,153**	**69,112,749**

(30) Interests Expense

The details of this item are as follows:

	2022	2021
	JOD	**JOD**
Deposits at banks and financial institutions	879,175	555,533
Customers deposits:		
Current and on demand accounts	324,580	178,373
Saving deposits	119,861	115,065
Term and notice deposits	23,494,792	19,874,817
Cash margins	631,157	644,686
Borrowed funds	13,033,421	9,523,585
Bonds	615,824	581,223
Deposits guarantees fees	1,067,492	1,042,873
Interest expense on lease liabilities	155,896	137,241
Total	**40,322,198**	**32,653,396**

(31) Net Commissions Income

The details of this item are as follows:

	2022	2021
Commissions income:	**JOD**	**JOD**
Direct facilities commissions	14,843,983	11,524,297
Indirect facilities commissions	2,162,752	1,131,193
Other commissions	2,242,882	1,944,002
Total commissions income	**19,249,617**	**14,599,492**
Less: commissions expense	**3,779,050**	**2,850,949**
Net commissions income	**15,470,567**	**11,748,543**

(32) Foreign currency exchange gains

The details of this item are as follows:

	2022	2021
	JOD	**JOD**
Profits resulting from trading/ transaction	763,115	796,528
Profits resulting from valuation	21,616	21,754
Total	**784,731**	**818,282**

(33) Profits of financial assets at fair value through the statement of profit and loss

The details of this item are as follows:

	Unrealized (loss) profit	Unrealized loss	Shares dividends returns	Total
2022				
companies Shares	181,805	-	402	182,207
share options	502,404	-	-	502,404
Total	**684,209**	**-**	**402**	**684,611**
2021				
companies Shares	(3,420)	-	391	(3,029)
share options	587,897	-	-	587,897
Total	**584,477**	**-**	**391**	**584,868**

(34) Other income

The details of this item are as follows:

	2022	2021
	JOD	JOD
Bounded revenues	1,410,225	1,371,866
Telecommunication revenues	54,221	42,464
Gains on sale of assets sized by the Bank	561,254	304,757
Recoveries from bad debts	240,314	266,508
Other	671,689	655,087
Total	**2,937,703**	**2,640,682**

(35) Employees' expenses

The details of this item are as follows:

	2022	2021
	JOD	JOD
Employees’ salaries, benefits and bonuses	15,541,784	12,634,713
Banks and subsidiaries’ contribution in the social security	1,338,242	1,248,493
Medical expenses and insurance	949,887	866,840
Traveling and transportation	31,132	11,882
Employees' training expenses	153,578	52,233
Employees’ life insurance expenses	40,911	32,026
Travel per diem	8,740	575
The Bank's contribution to the Social Activity Fund	11,312	1,686
Total	**18,075,586**	**14,848,448**

(36) Other expenses

	2022	2021
	JOD	JOD
Stationery and printing	190,140	173,797
Advertisement	1,021,289	1,068,800
Subscription and fees	1,175,804	1,043,868
Telecommunication and post expenses	737,930	633,588
Maintenance and repairs of buildings and equipment	447,054	393,199
Maintenance of systems and software license	1,121,600	1,173,728
Rewards fees on credit cards and accounts	1,421,418	1,258,451
Insurance expenses	789,317	596,124
Judicial charges and fees	113,468	100,888
Electricity, water and fuel	169,593	135,560
Professional and consultation fees	629,199	307,113
Donations	261,640	70,813
Credit card expenses	141,607	88,131
Board of Directors transportation fees and bonuses	509,409	481,576
Safety and security expenses	229,883	201,433
Cleaning expenses	208,379	193,739
Other expenses	1,535,164	1,436,129
Total	**10,702,894**	**9,356,937**

(37) Provision (Recoveries) from expected credit losses of financial assets and off the statement of financial position items

The details of this item are as follows:

	2022	2021
	JOD	JOD
Provision (Recoveries from) for expected credit losses on Deposits at banks and financial institutions	1,060	(1,072)
(Recoveries from) Provision for expected credit losses on financial assets in amortized cost	(697,602)	(9,028)
(Recoveries from) Provision for expected credit losses on other assets	(2,714)	15,596
(Recoveries from) Provision from off balance sheet items	(764,723)	1,047,499
Total	**(1,463,979)**	**1,052,995**

(38) Basic and diluted earnings per share from net profit for the year attributable to shareholders of the Bank

The details of this item are as follows:

	2022	2021
	JOD	JOD
Net profit of the year attributable to the Bank's shareholders	19,826,223	17,812,151
Weighted average of the number of shares	100,000,000	100,000,000
Basic and diluted earnings per share from net profit for the year	**0.198**	**0.178**

The basic earnings per share from the net profit for the year attributable to the shareholders of the Bank equals the diluted earnings as the Bank does not issue any financial instruments that have an impact on the basic.

(39) Cash and cash equivalents

The details of this item are as follows:

	December 31, 2022	December 31, 2021
	JOD	JOD
Cash and balances at the Central Bank of Jordan with maturity within three months	84,081,624	97,358,858
Add: Balances at banks and financial institutions with maturity within three months	73,658,073	64,351,315
Less: Deposits at banks and financial institutions with maturity within three months	38,730,800	28,778,165
	119,008,897	**132,932,008**

(40) Related parties

The consolidated financial statements include the financial statements of the Bank and its following subsidiaries:

		Company's share capital	
Company Name	Shareholding Percentage	December 31, 2022	December 31, 2021
	%	JOD	JOD
Al-Mwared for Financial Brokerage*	0%	-	3,000,000
Tamkeen Leasing Co	97.5%	20,000,000	20,000,000
Al Istethmari Latemweel Selselat Al Imdad Company	94%	3,000,000	3,000,000
Jordanian Takhseem Company**	100%	208,000	1,500,000
Jordan Trade Facilities Company	95.3%	16,500,000	16,500,000
Trade Facilities for Finance Leasing Co.	95.3%	2,000,000	2,000,000
Bindar Trade and Investment Company	96.5%	20,000,000	20,000,000
Ruboua Al Sharq Real Estate Company	96.5%	50,000	50,000
Rakeen Real Estate Company	96.5%	30,000	30,000
Bindar Financial Leasing Company	96.5%	1,000,000	1,000,000

* During the first quarter of the year 2022, the board of directors of the bank, in its meeting held in February 9, 2022, approved to sale the entire shares of the bank of Al-Mwared for Financial Brokerage, the sale process was in June 30 ,2022.

**According on the decision of the general assembly of Jordanian Takhseem Company (a subsidiary) in its extra ordinary meeting held on November 16,2022, It was approved to reduce the company's capital by an amount of 1,292,000 JD, so that the authorized and paid- up capital became JD 208,000 reduction produced in December 15, 2022.

The Bank has entered into transactions with members of the Board of Directors, key management, subsidiaries and major shareholders within the normal activities of the Bank and by using normal interest rates and commercial commissions. All credit facilities granted to related parties are considered performing and no provisions are made for them, except as mentioned below.

The following is the summary of transactions and balances with related parties:

	Related party			Total	
	Subsidiaries*	**Directors and key executive management**	**Others (staff and their relatives, and relative of Board of Directors and key executive management and companies controlled)**	**December 31,2022**	**December 31, 2021**
	JOD	**JOD**	**JOD**	**JOD**	**JOD**
Balance sheet items:					
Credit facilities	2,343,026	2,994,147	24,778,586	30,115,759	51,608,649
Provision for impairment of direct credit facilities**	-	-	33,591	33,591	39,657
Financial assets at amortized cost	-	-	-	-	5,120,000
Deposits, current accounts and cash Insurance	3,481,598	4,213,033	11,766,365	19,460,996	20,781,448
Deposits at banks and financial instiuitions	-	16,260,413	-	16,260,413	25,120,396
Off balance sheet items:					
Guarantees	144,000	188,592	957,801	1,290,393	3,062,451
Elements of the statement of profit or loss:				**2022**	**2021**
				JOD	**JOD**
Interests and commissions income	428,971	177,018	1,772,459	2,378,448	2,469,895
Interests and commissions expense	12,491	775,884	295,756	1,084,131	1,035,593
Provision for impairment of credit facilities**	-	-	(6,066)	(6,066)	3,370

Highest interest rate on direct credit facilities in Jordanian Dinar	21%	Lowest interest rate on direct credit facilities in Jordanian Dinar	2%
Highest interest rate on direct credit facilities in foreign currency	12 %	Lowest interest rate on direct credit facilities in foreign currency	8.9%
Highest interest rate on deposits in Jordanian Dinar	6%	Lowest interest rate on deposits in Jordanian Dinar	Zero
Highest interest rate on deposits in foreign currency	3%	Lowest interest rate on deposits in foreign currency	Zero
Highest commission on facilities	1%	Lowest commission on facilities	Zero

- Salaries, bonuses for key executive management of the Bank and subsidiaries amounted to JD 3,378,436 for the year ended December 31, 2022, against 2,910,651 for year ended December 31, 2021.

As at December 31, 2022, the number of related clients reached 936, against 1,001 as of December 31, 2021.

The value of the collaterals provided by the related clients against the granted credit facilities amounted to 20,322,863 JD as at December 31, 2022, against 34,999,069 JD as at December 31, 2021.

* Balances and transactions with subsidiaries are eliminated in these consolidated financial statements and are shown for reference only.

**This represents the provisions prepared according to the instructions of the Central Bank of Jordan (No. 47/2009).

(41) Risk management

The overall risk management framework:

The Bank has set the supervisory levels (defense lines) to manage risk at the Bank's level, by setting the general framework for these levels as follows:

- **Business Units**: Employees within the business units represent the first line of defense and are directly responsible for managing risks and evaluating control procedures related to them.
- **Risk Management Function**: The risk management staff represents one of the elements of the second defense line and they are responsible for coordinating the risk management efforts and facilitating the process of supervising the mechanisms used and followed by the Bank to manage the risks.
- **Compliance Department**: Compliance Department is another component of the second line of defense. Compliance Department staff are concerned with ensuring compliance with laws, regulations, instructions, orders, codes of conduct, standards and sound banking practices.
- **Internal Audit**: The internal audit staff represents the third line of defense and are responsible for conducting the independent review of the control procedures, processes, and systems associated with risk management at the Bank's level.

The Bank formed a risk and compliance management committee emanating from the Board of Directors.
This committee is concerned with risk management to ensure that all risks to which the Bank is exposed or may be exposed, are managed in an efficient manner to mitigate its impact on the various activities of the Bank and to ensure the proper functioning of its management, and its consistency with the Bank's strategy to maximize equities and maintain the Bank's growth within the approved risk framework the committee has the following main tasks:

A- Reviewing the Bank's risk management strategy before approving it by the Board of Directors.

B- Reviewing the Bank's risk management policies before approving it by the Board of Directors.

C- Reviewing the Banks risk management policies prior to their approval by the Board of Birector

D- Ensuring the availability of policies and a framework for managing the necessary risks, programmed and tools, with annual reviews as a minimum to ensure their effectiveness and amending them if necessary.

E- Ensuring that adequate and appropriate support is provided to the Risk Management Function to perform its tasks in accordance with the approved policies and procedures and the instructions of the Central Bank of Jordan.

F- Ensuring the use of modern methods in managing and evaluating the Bank's risks.

G- Reviewing periodic risk management reports.

H- Reviewing the Bank's acceptable risks documents and before approving it by the Board of Directors.

I- Reviewing the methodology by which the expected credit loss is calculated and submitted to the Board for approval.

J- Verifying the existence and application of effective internal control systems, internal credit rating systems, and automated systems for calculating expected credit losses and appropriate screening and verification procedures so that this system is able to reach results within adequate hedging against expected credit risks.

K- Ensuring that there is an independent body that has the power to decide on exception or amendment on the calculation of ECL and to present these cases to the Board of Directors or its relevant committees at its first meeting and to obtain its approval.

L- Reviewing the internal evaluation methodology of the Bank's capital adequacy and submitting the same to the Board of Directors for approval, so that this methodology is comprehensive, effective and capable of identifying all risks that the Bank may face and take into account the Bank's strategic plan and capital plan. Reviewing this methodology periodically and verifying its application and ensuring that the bank maintains sufficient capital to meet all the risks it faces.

M-Ensuring the independence of the risk management.

As for compliance management, the Committee aims to add value to the Bank's operations by improving the effectiveness of risk management, internal control systems and corporate governance, through ensuring that the Bank and its internal policies comply with all laws, regulations, instructions, orders, codes of conduct, standards, and sound banking practices issued by local and international oversight bodies and reporting to the Board of Directors on the Bank's compliance.

The Committee carries out the following main tasks:

A-Ensuring full compliance with the laws, regulations, policies and orders that the Bank's business is subject to and the existence of a general framework for correct professional behavior and monitoring the Bank's compliance and commitment to implementing the provisions of the legislation in force and the requirements of regulatory authorities.

B-Ensuring that there is an integrated general framework for internal control, improving it when necessary, and reviewing compliance with the corporate governance manual.

C- Reviewing the related parties 'dealings with the Bank and giving recommendations to the Board of Directors before concluding them.

D-Verifying that sufficient qualified human resources are available to comply with compliance management and to train them and is responsible for assessing the performance of the compliance manager and staff and determining their remuneration.

E -Reviewing and approving any disclosures in the annual report related to risks and internal control systems.

F- Adopting the compliance control policy, money laundering and terrorist financing policy, and evaluating the degree of effectiveness with which the Bank manages the compliance department at least once a year and reviewing it when making any changes to it.

G-Monitoring and following up the implementation of the compliance policy and verifying compliance with the Bank's internal policies, international standards and related.

H- Reviewing clients' complaints reports and making sure that appropriate measures are taken to follow up on these complaints.

I- Taking the necessary measures to enhance the values of integrity and sound professional practice within the Bank in a manner that makes compliance with applicable laws, regulations, instructions, orders and standards a primary goal to be achieved.

J- Reviewing and approving compliance programmers and plans annually.

In addition, the Bank has formed an Executive Risk Management Committee, which in turn supervises efforts to manage all types of risks that the Bank may face in addition to the overall risk management framework. The Risk Management Committee submits the necessary reports to the Risk Committee of the Board of Directors.

The Risk Management Function undertakes the process of managing the Bank's various risks on a daily basis (credit, operating and market risks) within the general framework of the approved risk management policies, through:

- Risk identification.
- Risk assessment.
- Risk control mitigation.
- Risk monitoring.

Noting that the Bank adheres to the requirements of the Central Bank of Jordan related to each of the Basel III decisions and the process of (ICAAP) in addition to the requirements of stress tests and the requirements of the IFRS No. (9).

41/ A Credit risk:

Credit risk is defined as: "the probability that the principal or interest will not be recovered on time and completely, resulting in a financial loss for the Bank.

Given the importance of credit risks as the largest part of the risks to which the Bank is exposed in general, the Bank has given credit management great importance by activating the appropriate tools to monitor and identify these risks at the level of the credit portfolio. To achieve this, the Bank, based on its risk management strategy, conducted the following:

1- Approving a document of acceptable risks, setting credit limits for credit risks and monitoring them periodically to mitigate the credit risks that the Bank can be exposed to.

2- The Bank implements a credit risk rating system from Moody's for clients of major companies and commercial companies, which would reflect on the quality of the credit portfolio and help in making appropriate credit decisions as follows:

- Through the system, the clients' credit rating is obtained as follows:
  - Large corporate
  - SMEs
- Classification of clients on the system to ten levels, where the rating scores are distributed from 1 (high quality companies with few risks) to 10 (classified company not preforming), as the classification system includes classification of performing debts within (7) degrees and non-performing.
- Analyzing the borrower's risks as per economic sector, management, financial status, experience, etc.
- Analyzing client's data and financial statements to extract the most important financial ratios and indicators that help in making credit decisions.
- There is a specific matrix for each credit rating on the Moody's system, as the rating is correlated with the likelihood of default corresponding to that rating.

3- Mitigating credit risk through credit risk mitigators (cash, real estate, shares or other guarantees) that are commensurate with the credit risk to which the Bank is exposed and in a manner that ensures that appropriate guarantees are met.

4- Preparing and conducting stress testing for credit risk.

5- Approved business policies and procedures that cover the approved basis for managing credit related operations and which include the following:

- Specific powers of approval of granting credit
- Defining the tasks and responsibilities of all parties and departments related to the credit granting process.
- Defining the necessary supervisory reports and statements that ensure that activities related to credit granting operations are monitored and followed up by the various departments involved in credit granting operations.

6- The existence of departments and committees to manage credit granting operations, in a manner that ensures separation of duties between the various business departments and the credit monitoring and reviewing of credit risk management departments, as follows:

- Specialized committees for the approval of credit.
- Specialized departments for reviewing credit.
- Specialized departments for managing credit.
- A specialized unit for legal documentation.
- Specialized departments for following up the collection of receivables and past-due debts.

7- The Bank ensures that it is committed to the instructions of the Central Bank of Jordan regarding credit concentrations in addition to preparing and monitoring credit concentrations and declaring banking risks to the Bank's customers.

8- Sound and appropriate legal and credit documentation for all conditions associated with credit facilities, including legal documentation required for the Bank's guarantees.

Descriptive disclosure (IFRS 9)

Duties and responsibilities of the board of directors and its (related committees):

- Provide an appropriate governance's structure and procedures that ensure the proper application of the standard by defining the role of the committees, department and units.
- Adopting a business models/model through which the objectives and bases for the acquisition and classification of financial instruments are defined, in a manner that guarantees integration with other business requirements.
- Adopting the mythology through which the expected credit losses (ECL) are calculated according to the requirements of (IFRS 9).
- Ensuring that the control units in the bank, in particular the risk management and the internal audit department , curry out all the necessary work to verify the correctness and integrity of the methodologies and systems used in the framework of implementing (IFRS 9) and work to provide the necessary support for these control units .
- Approval or rejection of exceptional cases and the justifications in which amendments are requested to the outputs of calculate (ECL).
- Reviewing the methodology by which the expected credit loss (ECL) is calculated, or any amendments that was submitted to the Board of Directors.
- The audit committee verifies the adequacy of the expected credit loss (impairment loss) allocated by the bank.

- **Detailed explanation of the banks internal credit rating system and it work:**
- The bank implements a credit risk rating system for MOODY'S for large corporate and commercial companies, which would be reflected in the quality of the credit portfolio and assist in making appropriate credit decision as follows:
- Through the system, the credit rating of customers is obtained as follows:
- Large companies.
- Small and medium size companies

Classification of customers on the system into ten levels, where the classification degrees are distributed from 1 (High quality companies with low risk) to 10 (companies classified as non-operating), where the classification systems includes the classification of operating debts within (7) grades and non-operating working with (3) grades.

Analyzing borrower risks by economic sector, management, financial status, experience … etc.

Analyzing customer data and financial statements to extract the most important financial ratios and indicators that help in making decisions fiduciary.

There is specific matrix for each credit rating on the system (MOODY'S) where the rating is linked with the probability of default corresponding to this rating.

<u>General framework for the application of the requirements of IFRS (9):</u>

- Based on INVESTBANK's keenness to adhere to the IFRS (9), and based on the instructions of the Central Bank of Jordan regarding the implementation of the IFRS (9), INVESTBANK implemented the standard within the following:

1. Engaging with a specialized company to provide necessary consultations on the application of the standard.
2. Purchasing an automated system specialized to apply the standard requirements.
3. Developing the framework document for the implementation of the standard and its approval by the Board of Directors.
4. Contracting with another specialized company, and independent third party, to evaluate the general framework documents for the application.
5. Recognizing (classifying) all credit exposures/ debt instruments that are subject to the measurements and calculation of ECL within one of the following stages:
   - **Stage 1**: This represents the expected credit loss weighted with PD for credit exposure/ debt instrument during the next (12) months, as credit exposures/ debt instruments have been included in this item, which did not have a significant increase or affecting its credit risks since the initial recognition of exposure/ instrument or that which has low credit risk at the date of preparing the financial statements, and credit risk is considered low if the conditions mentioned within the instructions of the Central Bank of Jordan based on the requirements of the standard are met, and examples of these indicators include the following:

- Low default risk.
- The debtor has a high ability in the short term to meet commitments.

- **Stage 2**: This stage includes credit exposure/ debt instruments, which had a significant increase in credit risk since their initial recognition but have not yet reached a default stage due to the lack of objective evidence to establish default. The expected credit loss for the entire lifetime of the credit exposure/ debt instrument is calculated as the ECL resulting from all PDs over the remaining time period of the credit exposure/ debt instrument.
- **Stage 3**: The Bank is taking into account the indicators included in the instructions of the Central Bank of Jordan, which is derived from the requirements of the standard relative to the classification of credit exposures/ debt instruments within this stage. Examples of these indicators are as follows:

- Non-compliance with contractual conditions such as the existence of maturities equal to or greater than (90) days.
- The existence of clear indications that the debtor is near bankruptcy.
- In addition to the indicators received in the instructions of the Central Bank No. 2009/47.

6. The mechanism adopted to calculate expected credit losses (ECL) on financial instruments for each item:

- The calculation of ECL depends on the PD, which is calculated according to credit risk and economic factors, and the LGD ratio, which is based on the collectible value of the collateral, the EAD. Accordingly, the Bank adopted the following mathematical model to calculate the ECL in accordance with IFRS No. (9). The following equation applies to all exposures as follows:
  ECL = PD% x EAD (JOD) x LGD%
  ECL: Expected credit loss
  PD: Probability of default
  EAD: Exposure at Default
  LGD: Loss Given Default
- Scope of application/ ECL:
- In accordance with the requirements of IFRS (9), ECL measurement model is applied within the following framework (except as measured at fair value through the consolidated statement of profit or loss):

- Loans and credit facilities (direct and indirect).
- Debt instruments carried at amortized cost.
- Debt instruments classified at fair value through other comprehensive income.
- Financial guarantees provided in accordance with the requirements of IFRS 9.
- Receivables related to leases are within the requirements of IAS (17) and IFRS (16).
- Trade receivables.
- Credit exposures to banks and financial institutions [excluding current balances used to cover bank transactions such as remittances, guarantees and credits within a very short period of time (days)].

6. Calculation of the PD: The Bank calculates the PD according to the following data:
   - Economic indicators and macroeconomic factors (GDP, unemployment and inflation, real interest rates) to be used in calculating ECL (PD) were taken into account.
   - With regard to clients who are treated on an individual basis and classified through the credit rating system, the PD extracted from the credit rating system has been relied upon as a calibration of the default rates on the system to align with the requirements of the standard and after taking into account the historical defaults data of the Bank.
7. Calculation of (EAD): The Bank has taken the following data into account when calculating EAD:
   - Credit exposure type.
   - Balance of credit exposure.
8. Calculating LGD, as the Bank made the calculation by analyzing historical data of the Bank's recovery rates (recovery rates), after taking into consideration a set of factors, the most important of which are the nature of guarantees and products and clients’ classification. Accordingly, LGD ratios have been developed either on individual level for clients classified through the credit rating system or at collective basis for exposures that bear similar characteristics to clients not rated on the credit rating system.

1- Credit risk exposures (after provision for impairment, interest in suspense, collaterals and other risk mitigation)

	December 31, 2022	December 31, 2021
	JOD	JOD
Items in the statement of financial position:		
Balances at the Central Bank of Jordan	68,447,555	83,712,522
Balances at banks and financial institutions	73,657,044	64,351,278
Deposits at banks and financial institutions	3,544,932	-
Credit facilities:		
Individuals	320,853,057	272,622,481
Real estate mortgage	123,419,048	138,620,664
corporates		
Large corporate	278,389,694	275,163,091
SMEs	33,358,217	35,690,980
government and public sector	93,599,640	66,538,061
Bills and bonds:		
Financial assets at amortized cost	231,184,848	187,390,518
Other assets	20,957,446	8,914,015
Total Statement of financial position items	**1,247,411,481**	**1,133,003,610**
Off Statement of financial position items		
Guarantees	62,167,820	71,702,025
Letters of credit	14,019,628	5,272,173
Acceptances and time-drawings	5,490,386	5,790,817
Unutilized direct credit facilities limits	24,771,030	21,607,956
Unutilized indirect credit facilities limits	31,395,217	23,971,208
Total off balance sheet items	**137,844,082**	**128,344,179**
Total balance sheet and off-balance sheet items	**1,385,255,563**	**1,261,347,789**

To hedge the credit exposures mentioned above, the Bank uses the following mitigators and within specific conditions in the Bank's credit policy:

1- Cash margins.
2- Bank guarantees accepted.
3- Real estate guarantees.
4- Mortgage of traded shares.
5- Mortgage of vehicles and machineries.
6- Collateral of funded goods.

2- Distribution of credit exposure by risk degree:

2022	Retail	Real estate loans	Companies: corporate	Companies: SMEs	Government and public sector	Banks and other financial institutions	Total
	JOD	JOD	JOD	JOD	JOD	JOD	JOD
Low risk	8,309,792	-	332,140	2,243	313,479,056	-	322,123,231
Acceptable risk	305,996,103	111,345,290	322,032,021	33,182,660	32,619,280	95,290,418	900,465,772
Of which are matured (*):							
Up to 30 days	195,799	112,909	2,925,798	15,755	-	-	3,250,261
31 to 60 days	62,100	25,739	1,224,310	24,917	-	-	1,337,066
Watch list	6,556,860	14,524,513	10,246,153	4,710,123	-	-	36,037,649
Non-performing:							
Sub-standard	2,482,311	594,405	311,108	208,147	-	-	3,595,971
Doubtful	4,881,375	671,397	1,029,689	1,683,295	-	-	8,265,756
Defaulted	17,280,398	3,158,791	15,754,158	11,237,422	-	-	47,430,769
Total	345,506,839	130,294,396	349,705,269	51,023,890	346,098,336	95,290,418	1,317,919,148
Less: expected credit loss Provision.	19,729,466	4,454,694	13,248,467	14,190,264	-	8,390	51,631,281
Interests in suspense	4,924,316	2,420,654	8,056,007	3,475,409	-	-	18,876,386
Net	320,853,057	123,419,048	328,400,795	33,358,217	346,098,336	95,282,028	1,247,411,481

The credit exposures (financial assets and financial investments) are distributed as per the credit rating:

Credit rating	Government and public sector	Financial institutions
(AAA to -AA)	-	9,847,122
(A+ to -A)	-	46,686,585
(BBB+ to -BBB)	-	7,893,443
(BB+ to -B)	346,098,336	7,055,061
Less than (-B)	-	-
Unclassified	-	23,799,817
	346,098,336	**95,282,028**

2021	Retail	Real estate loans	Companies: corporate	Companies: SMEs	Government and public sector	Banks and other financial institutions	Total
	JOD	JOD	JOD	JOD	JOD	JOD	JOD
Low risk	10,014,128	-	1,321,169	6,782	282,192,922	-	293,535,001
Acceptable risk	259,077,194	126,454,464	328,665,286	30,393,776	-	79,479,146	824,069,866
Of which are matured (*):							
Up to 30 days	131,011	90,210	3,651,048	1,298,758	-	-	5,171,027
31 to 60 days	58,681	15,428	969,476	624,145	-	-	1,667,730
Watch list	3,656,800	12,705,606	1,882,593	4,386,532	-	-	22,631,531
Non-performing:							
Sub-standard	1,533,890	237,969	1,583,869	476,287	-	-	3,832,015
Doubtful	1,981,659	265,072	6,547	263,944	-	-	2,517,222
Defaulted	14,897,382	3,446,035	12,979,045	10,736,945	-	-	42,059,407
Total	**291,161,053**	**143,109,146**	**346,438,509**	**46,264,266**	**282,192,922**	**79,479,146**	**1,188,645,042**
Less: expected credit loss Provision.	14,685,741	2,716,848	16,012,635	7,659,848	-	36,820	41,111,892
Interests in suspense	3,852,831	1,771,634	5,991,637	2,913,438	-	-	14,529,540
Net	**272,622,481**	**138,620,664**	**324,434,237**	**35,690,980**	**282,192,922**	**79,442,326**	**1,133,003,610**

The credit exposures (financial assets and financial investments) are distributed as per the credit rating:

Credit rating	Government and public sector	Financial institutions
(AAA to -AA)	-	12,487,451
(A+ to -A)	-	23,956,149
(BBB+ to -BBB)	-	16,220,320
(BB+ to -B)	282,192,922	78,906
Less than (-B)	-	26,699,500
	282,192,922	**79,442,326**

* The entire debt balance is considered due in the event of a premium or interest being due, and the overdraft accounts is considered receivable and due if the ceiling is exceeded the limit.
Credit exposures include facilities, bank balances and deposits, as well as financial assets.
The following is the distribution of the fair value of collaterals provided against facilities**:**

2022	Retail	Real Estate Mortgage	Large Corporate	SMEs	Total
	JOD	JOD	JOD	JOD	JOD
Collaterals against:					
Low risk	8,309,792	-	332,140	2,243	8,644,175
Acceptable risk	156,984,269	129,389,175	230,391,445	20,425,247	537,190,136
Watch list	51,254	48,474	13,521,226	352,958	13,973,912
Non-performing:					
Sub-standard	2,562,147	452,362	55,222	257,829	3,327,560
Doubtful	3,813,250	152,365	259,658	31,433	4,256,706
Defaulted	8,811,039	252,020	166,588	379,854	9,609,501
	180,531,751	**130,294,396**	**244,726,279**	**21,449,564**	**577,001,990**
Including:					
Cash margins	8,311,748	-	332,140	2,243	8,646,131
Real estate	89,656,338	130,294,396	206,536,998	9,922,547	436,410,279
Trade stocks	-	-	311,254	-	311,254
Vehicles and equipment	82,563,665	-	37,545,887	11,524,774	131,634,326
	180,531,751	**130,294,396**	**244,726,279**	**21,449,564**	**577,001,990**

2021	Retail	Real Estate Mortgage	Large Corporate	SMEs	Total
	JOD	JOD	JOD	JOD	JOD
Collaterals against:					
Low risk	10,014,128	-	1,321,169	6,782	11,342,079
Acceptable risk	84,563,657	139,903,075	221,523,657	17,458,950	463,449,339
Watch list	21,547	55,630	12,311,254	210,254	12,598,685
Non-performing:					
Sub-standard	986,540	201,254	35,647	113,918	1,337,359
Doubtful	1,015,236	379,547	25,365	226,890	1,647,038
Defaulted	4,254,680	2,569,640	659,670	3,244,160	10,728,150
	100,855,788	**143,109,146**	**235,876,762**	**21,260,954**	**501,102,650**
Including:					
Cash margins	10,022,960	-	1,321,169	6,782	11,350,911
Real estate	66,263,970	143,109,146	193,513,248	17,997,804	420,884,168
Trade stocks	6,563,571	-	452,658	-	7,016,229
Vehicles and equipment	18,005,287	-	40,589,687	3,256,368	61,851,342
	100,855,788	**143,109,146**	**235,876,762**	**21,260,954**	**501,102,650**

The fair value of collateral is valued upon granting the facilities based on the valuation techniques usually adopted for these collaterals, and in subsequent periods the value is updated at market prices or the prices of similar assets.

- Rescheduled debts

These are the debts that were previously classified as non-performing credit facilities and were taken out of the framework of non-performing credit facilities under a fundamental schedule and classified as watch list debt or transferred to performing and they amounting to 9,403,335 as at December 31, 2022 compared to JD 3,227,741 as at December 31, 2021.

- **Restructured debt**

Restructuring means re-arranging the status of credit facilities in terms of adjusting the premiums, extending the life of credit facilities, postponing some of the instalments or extending the grace period, amounting to JD 131,601,799 as at December 31, 2022 compared to JD 39,220,949 for the year 2021.

- **Provisions that are no longer required as a result of debt settlement or repayment:**

The value of provisions for the impairment of non-performing debt and watch list debt that were no longer required as a result of settlements or repayment of debts and transferred against other debts amounted to JD 3,934,716 for the period ended 31 December 2022 compared to JD 2,978,061as at December 31, 2021,

3-Bills, bonds and notes

The following table shows the classifications of bills, bonds and notes according to the external rating institutions and the internal classification of the Bank:

2022

Rating grade	Within financial assets at fair value through statement of profit or loss	Within financial assets at amortized cost	Total
Unrated	-	43,588,733	43,588,733
Rated (A - B+)	-	3,544,974	3,544,974
According to the Bank's internal rating	-	-	-
Governmental and under its guarantee	-	184,051,141	184,051,141
Total	-	231,184,848	231,184,848

2021

Rating grade	Within financial assets at fair value through statement of profit or loss	Within financial assets at amortized cost	Total
Unrated	-	37,500,000	37,500,000
Rated (A - B+)	-	3,521,068	3,521,068
According to the Bank's internal rating	-	14,427,111	14,427,111
Governmental and under its guarantee	-	131,942,339	131,942,339
Total	**-**	**187,390,518**	**187,390,518**

Distribution of credit exposures

Bank's internal rating grade	Rating category as per the instructions (47/ 2009)	Gross amount of exposure	Expected credit losses (ECL)	Probability of Default (PD)	Rating according to external rating institutions	Exposure at default (EAD)	Loss given default (LGD)%
	JOD	JOD	JOD	JOD	JOD	JOD	JOD
Performing exposures							
1	Performing exposures	112,391,526	-	(00.00%)	-	112,391,526	16.91%
2+	Performing exposures	-	-	-	-	-	-
2	Performing exposures	5,072,740	-	(00.00%)	-	5,072,740	9.85%
2-	Performing exposures	13,251,252	2,720	(00.01% - 20.95%)	-	13,251,252	13.15%
3+	Performing exposures	20,110,046	3,774	(00.00% - 02.40%)	-	20,125,904	12.25%
3	Performing exposures	12,275,351	665	(00.00% - 02.53%)	-	12,288,396	13.50%
3-	Performing exposures	21,879,927	6,778	(00.00% - 03.71%)	-	21,659,098	15.66%
4+	Performing exposures	41,243,000	88,765	(00.00% - 03.81%)	-	41,254,432	12.37%
4	Performing exposures	40,228,626	38,072	(00.00% - 42.80%)	-	40,252,947	13.08%
4-	Performing exposures	36,501,774	15,098	(00.00% - 04.01%)	-	36,501,774	14.64%
5+	Performing exposures	29,500,244	35,356	(00.00% - 04.11%)	-	29,515,473	14.28%
5	Performing exposures	74,185,803	188,476	(00.00% - 100.00%)	-	74,181,115	15.36%
5-	Performing exposures	32,292,469	120,607	(00.00% - 04.31%)	-	32,291,357	10.86%
6+	Performing exposures	19,299,263	59,811	(00.03% - 100.00%)	-	19,299,262	12.78%
6	Performing exposures	15,797,539	99,828	(00.00% - 16.91%)	-	15,860,037	11.53%
6-	Performing exposures	63,699,867	747,834	(00.00% - 44.54%)	-	63,781,746	14.05%
7+	Performing exposures	8,662,487	105,492	(04.71% - 30.64%)	-	8,639,761	14.89%
7	Performing exposures	13,089,905	347,168	(04.81% - 100.00%)	-	13,045,748	10.88%
7-	Performing exposures	30,971,303	4,747,606	(00.00% - 100.00%)	-	27,305,105	11.54%
Unclassified	Performing exposures	737,801,543	4,880,713	(00.00% - 100.00%)	(+3 - 7-)	737,553,614	20.64%
Gross performing exposures/ current year		**1,328,254,665**	**11,488,763**			**1,324,271,287**	
Gross performing exposures/ comparative year		**1,185,979,354**	**13,019,432**			**1,183,751,448**	

Bank's internal rating grade	Rating category as per the instructions (47/ 2009)	Gross amount of exposure	Expected credit losses (ECL)	Probability of Default (PD)	Rating according to external rating institutions	Exposure at default (EAD)	Loss given default (LGD)%
	JOD	JOD	JOD	JOD	JOD	JOD	JOD
Non-performing exposures							
8	Sub-standard	717,810	135,607	(%100,00)	-	680,102	% 15,9
Unclassified	Sub-standard	2,953,092	1,148,398	(%100,00)	-	2,871,808	% 54,8
9	Doubtful	2,659,635	996,928	(%100,00)	-	2,537,923	% 20,0
Unclassified	Doubtful	5,591,794	4,161,626	(%100,00)	-	5,357,309	% 84,8
10	Defaulted	19,193,784	14,662,103	(%100,00)	-	13,801,390	% 64,0
Unclassified	Defaulted	28,697,755	19,790,718	(%100,00)	-	19,672,330	% 90,1
Total non-performing exposures/ current year		**59,813,870**	**40,895,380**			**44,920,862**	
Total non-performing exposures/ comparative year		**48,829,426**	**29,624,541**			**36,527,792**	
Total exposures/ current year		**1,388,068,535**	**52,384,143**			**1,369,192,149**	
Total exposures/ comparative year		**1,234,808,780**	**42,643,973**			**1,220,279,240**	

4- Total distribution of exposures by financial instruments

Item	Financial	Manufacturing	Commercial	Real Estate	Agricultural	Shares	Individuals	Government and public sector	Other	Total	Interest in suspense	Provision	Net
Balances at banks and financial institutions	73,658,073	-	-	-	-	-	-	-	-	73,658,073	-	1,029	73,657,044
deposit at banks and financial institutions	3,545,000	-	-	-	-	-	-	-	-	3,545,000	-	68	3,544,932
Credit facilities	42,157,476	65,972,110	111,615,647	170,046,509	826,259		337,940,494	93,599,640	97,960,798	920,118,933	18,876,386	51,622,891	849,619,656
bonds and Bills:													
Within financial assets at amortized cost	5,545,000	-	-	-	-	-	-	184,051,141	41,596,000	231,192,141	-	7,293	231,184,848
Other Assets	-	-	-	881,782	-	-	-	-	20,081,902	20,963,684	-	6,238	20,957,446
Total/ current year	124,905,549	65,972,110	111,615,647	170,928,291	826,259	-	337,940,494	277,650,781	159,638,700	1,249,477,831	18,876,386	51,637,519	1,178,963,926
Total/ comparative year	**86,686,628**	**89,725,197**	**107,426,825**	**189,184,558**	**431,354**	**9,343,917**	**277,875,300**	**198,480,400**	**145,799,075**	**1,104,953,254**	**14,529,540**	**41,132,626**	**1,049,291,088**
guarantees	13,364,587	2,787,827	9,583,056	17,391,295	1,101,257	-	5,000	9,273,970	8,972,234	62,479,226	-	311,406	62,167,820
Letters of credit	5,470,992	1,275,584	6,964,525	373,806	-	-	-	-	-	14,084,907	-	65,279	14,019,628
Acceptances and time-drawing	1,934,849	220,903	2,280,520	12,272	-	-	1,053,130	-	-	5,501,674	-	11,288	5,490,386
Other obligations (unutilized	2,095,474	11,181,819	17,836,510	7,987,824	-	-	33,691	9,325,011	8,064,569	56,524,898	-	358,651	56,166,247
Including direct credit limits	961,721	8,013,463	7,679,688	655,202	-	-	33,691	53,441	7,637,287	25,034,493	-	263,463	24,771,030
Including indirect credit limits	1,133,753	3,168,356	10,156,822	7,332,622	-	-	-	9,271,570	427,282	31,490,405	-	95,188	31,395,217
Grand total/ current year	**147,771,451**	**81,438,243**	**148,280,258**	**196,693,488**	**1,927,516**	**-**	**339,032,315**	**296,249,762**	**176,675,503**	**1,388,068,536**	**18,876,386**	**52,384,143**	**1,316,808,007**
Grand total/ comparative year	**109,691,737**	**104,061,913**	**141,920,075**	**232,658,112**	**1,599,126**	**9,343,917**	**278,190,794**	**198,480,400**	**158,862,706**	**1,234,808,780**	**14,529,540**	**42,643,973**	**1,177,635,267**

B- Distribution of exposures by classification stages under (IFRS 9)

Item	Stage 1 Individual	Stage 1 Collective	Stage 2 Individual	Stage 2 Collective	Stage 3	Total	Interest in suspense	Provision	Net
	JOD	JOD	JOD	JOD	JOD	JOD	JOD	JOD	JOD
Financial	146,348,193	-	1,123,290	-	299,968	147,771,451	42,339	419,100	147,310,012
Industrial	60,722,244	-	13,771,115	-	6,944,884	81,438,243	1,903,880	5,035,158	74,499,205
Commercial	109,904,109	-	27,252,524	-	11,123,625	148,280,258	3,648,753	7,961,689	136,669,816
Real Estate	140,394,253	-	48,688,469	-	7,610,766	196,693,488	3,653,405	6,205,686	186,834,397
Agricultural	1,566,370	-	171,620	-	189,526	1,927,516	2,616	26,697	1,898,203
Shares	-	-	-	-	-	-	-	-	-
Individuals	295,126,053	-	18,072,896	-	25,833,366	339,032,315	4,850,608	18,658,623	315,523,084
Government and public sector	296,249,762	-	-	-	-	296,249,762	-	-	296,249,762
Other	133,635,893	-	12,313,470	-	30,726,140	176,675,503	4,774,785	14,077,190	157,823,528
Total/ current year	**1,183,946,877**	**-**	**121,393,384**	**-**	**82,728,275**	**1,388,068,536**	**18,876,386**	**52,384,143**	**1,316,808,007**
Total/ comparative year	**1,008,328,731**	**-**	**144,069,358**	**-**	**82,410,691**	**1,234,808,780**	**14,529,540**	**42,643,973**	**1,177,635,267**

5- Total distribution of exposures by geographical areas

Item	Inside the Kingdom	Other Middle East	Europe	Asia	Africa	America	Other countries	Total	Interest in Suspense	Provision	Net
Balances at banks and financial institution	11,122,178	4,179,511	38,016,755	89,887	-	19,595,320	654,422	73,658,073	-	1,029	73,657,044
deposit at banks and financial institutions	3,545,000	-	-	-	-	-	-	3,545,000	-	68	3,544,932
Credit facilities	920,118,933	-	-	-	-	-	-	920,118,933	18,876,386	51,622,891	849,619,656
Bills, bonds and notes:											
Within financial assets at amortized cost	227,647,141	-	-	-	-	3,545,000	-	231,192,141	-	7,293	231,184,848
Other Assets	20,963,684	-	-	-	-	-	-	20,963,684	-	6,238	20,957,446
Total/ current year	**1,183,396,936**	**4,179,511**	**38,016,755**	**89,887**	**-**	**23,140,320**	**654,422**	**1,249,477,831**	**18,876,386**	**51,637,519**	**1,178,963,926**
Total/ comparative year	**1,051,594,158**	**1,521,824**	**23,968,511**	**41,487**	**-**	**26,577,154**	**1,250,120**	**1,104,953,254**	**14,529,540**	**41,132,626**	**1,049,291,088**
Financial guarantees	62,479,226	-	-	-	-	-	-	62,479,226	-	311,406	62,167,820
Letters of credit	14,084,907	-	-	-	-	-	-	14,084,907	-	65,279	14,019,628
Acceptances and time-drawings	5,501,674	-	-	-	-	-	-	5,501,674	-	11,288	5,490,386
Other obligations (unutilized credit limits)	56,524,898	-	-	-	-	-	-	56,524,898	-	358,651	56,166,247
Including direct credit limits	25,034,493	-	-	-	-	-	-	25,034,493	-	263,463	24,771,030
Including indirect credit limits	31,490,405	-	-	-	-	-	-	31,490,405	-	95,188	31,395,217
Total/ current year	**1,321,987,641**	**4,179,511**	**38,016,755**	**89,887**	**-**	**23,140,320**	**654,422**	**1,388,068,536**	**18,876,386**	**52,384,143**	**1,316,808,007**
Total/ comparative year	**1,181,449,684**	**1,521,824**	**23,968,511**	**41,487**	**-**	**26,577,154**	**1,250,120**	**1,234,808,780**	**14,529,540**	**42,643,973**	**1,177,635,267**

d)Distribution of exposures by classification stages under IFRS 9

Item	Stage 1	Stage 1	Stage 2	Stage 2					
	Individual	Collective	Individual	Collective	Stage 3	Total	Interest in suspense	Provision	Net
	JOD	JOD	JOD	JOD	JOD	JOD	JOD	JOD	JOD
Inside the Kingdom	1,117,865,982	-	121,393,384	-	82,728,275	1,321,987,641	18,876,386	52,383,101	1,250,728,154
Other Middle East	4,179,511	-	-	-	-	4,179,511	-	-	4,179,511
Europe	38,016,755	-	-	-	-	38,016,755	-	1,008	38,015,747
Asia	89,887	-	-	-	-	89,887	-	-	89,887
Africa	-	-	-	-	-	-	-	-	-
America	23,140,320	-	-	-	-	23,140,320	-	34	23,140,286
Other countries	654,422	-	-	-	-	654,422	-	-	654,422
Grand total/ current year	1,183,946,877	-	121,393,384	-	82,728,275	1,388,068,536	18,876,386	52,384,143	1,316,808,007
Grand total/ comparative year	1,008,328,731	-	144,069,358	-	82,410,691	1,234,808,780	14,529,540	42,643,973	1,177,635,267

Distribution of fair value of collaterals against credit exposures:

A. Distribution of fair value of collaterals against gross credit exposures as at 31/12/2022 according to requirements of IFRS (9):

		Fair value of collaterals								
Item	Gross amount of exposure	Cash margins	Trade shares	Bank guarantees accepted	Real estate	Vehicles and equipment	Other	Gross amount of collaterals	Net exposures after collaterals	ECL
	JOD	JOD	JOD	JOD	JOD	JOD	JOD	JOD	JOD	JOD
Balances at banks and financial institutions	73,658,073	-	-	-	-	-	-	-	73,658,073	1,029
Deposits at banks and financial institutions	3,545,000	-	-	-	-	-	-	-	3,545,000	68
Credit facilities:	920,118,933	13,664,180	577,684	-	214,797,610	6,102,336	28,238,194	263,380,004	733,800,224	51,622,891
Individuals	345,506,839	13,033,450	-	-	11,663,938	4,913,013	-	29,610,401	327,739,680	19,729,466
Real estate loans	130,294,396	253,000	-	-	100,210,850	-	-	100,463,850	45,208,282	4,454,694
Large corporate	299,694,168	377,730	577,684	-	96,407,310	-	26,599,541	123,962,265	227,649,925	13,248,467
SMEs	51,023,890	-	-	-	6,515,512	1,189,323	1,638,653	9,343,488	39,602,697	14,190,264
Government and public sector	93,599,640	-	-	-	-	-	-	-	93,599,640	-
Bills and bonds:	231,192,141	-	2,378,245		2,335,231	-		4,713,476	227,096,142	7,293
Including Financial assets at fair value through the statement of profit or loss	-	-	-	-	-	-	-	-	-	-
Including Financial assets at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	-
Including Financial assets at amortized cost	231,192,141	-	2,378,245	-	2,335,231	-	-	4,713,476	227,096,142	7,293
Other assets	20,963,684	-	-	-	-	-	-	-	20,963,684	6,238
Total/ current year	**1,249,477,831**	**13,664,180**	**2,955,929**		**217,132,841**	**6,102,336**	**28,238,194**	**268,093,480**	**1,059,063,123**	**51,637,519**
Total/ comparative year	**1,104,608,488**	**15,365,319**	**15,645,439**	-	**444,635,577**	**24,290,436**	**17,876,976**	**517,813,747**	**870,873,224**	**41,132,626**
Financial guarantees	62,479,226	8,016,864	73,755	-	10,221,645	-	-	18,312,264	44,166,962	311,406
Letters of credit	14,084,907	29,402,071	19,186	-	424,553	-	-	29,845,810	11,480,549	65,279
Acceptances and time-drawings	5,501,674	-	-		-	-	-	-	5,501,674	11,288
Other obligations (unutilized credit limits)	56,524,898	-	-	-	-	-	-	-	56,524,898	358,651
Including direct credit limits	25,034,493	-	-	-	-	-	-	-	25,034,493	263,463
Including indirect credit limits	31,490,405	-	-	-	-	-	-	-	31,490,405	95,188
Grand total/ current year	**1,388,068,536**	**51,083,115**	**3,048,870**	-	**227,779,039**	**6,102,336**	**28,238,194**	**316,251,554**	**1,176,737,206**	**52,384,143**
Grand total/ comparative year	**1,234,464,014**	**27,099,817**	**15,836,133**	-	**478,155,814**	**24,290,436**	**17,876,976**	**563,259,176**	**984,017,611**	**42,643,973**

Distribution of fair value of collaterals against credit exposures:

B. Distribution of fair value of collaterals against gross credit exposures listed within (stage 3) as at 31/12/2022 according to requirements of IFRS (9):

Fair value of collaterals

Item	Gross amount of exposure	Cash margins	Trade shares	Bank guarantees accepted	Real estate	Vehicles and equipment	Other	Gross amount of collaterals	Net exposures after collaterals	ECL
	JOD	JOD	JOD	JOD	JOD	JOD	JOD	JOD	JOD	JOD
Balances at banks and financial institutions	-	-	-	-	-	-	-	-	-	-
Deposits at banks and financial institutions	-	-	-	-	-	-	-	-	-	-
Credit facilities:	77,758,786	220,899	-	-	19,203,079	6,102,336	1,229,134	26,755,448	55,312,176	44,715,964
Individuals	25,728,279	130,900	-	-	1,575,230	5,259,819	-	6,965,949	21,839,645	16,706,658
Real estate loans	4,561,495	-	-	-	1,527,920	-	-	1,527,920	3,962,611	1,997,139
Large corporate	29,851,939	89,999	-	-	15,136,109	-	698,175	15,924,283	17,898,461	12,474,911
SMEs	17,617,073	-	-	-	963,820	842,517	530,959	2,337,296	11,611,459	13,537,256
Government and public sector	-	-	-	-	-	-	-	-	-	-
, bonds and Billss:	4,096,000	-	2,378,245	-	2,335,231	-	-	4,713,476	-	-
Financial assets at fair value through the statement of profit or loss	-	-	-	-	-	-	-	-	-	-
Financial assets at fair value through the statement of comprehensive income	-	-	-	-	-	-	-	-	-	-
Financial assets at amortized cost	4,096,000	-	2,378,245	-	2,335,231	-	-	4,713,476	-	-
Other assets	-	-	-	-	-	-	-	-	-	-
Total/ current year	**81,854,786**	**220,899**	**2,378,245**	**-**	**21,538,310**	**6,102,336**	**1,229,134**	**31,468,924**	**55,312,176**	**44,715,964**
Total/ comparative year	**81,331,605**	**449,331**	**3,833,975**	**-**	**63,424,162**	**1,929,740**	**1,433,124**	**71,070,332**	**38,592,053**	**35,377,192**
Financial guarantees	872,919	138,715	-	-	-	-	-	138,715	734,803	153,609
Letters of credit	-	-	-	-	-	-	-	-	-	-
Acceptances and time	-	-	-	-	-	-	-	-	-	-
Other obligations (unutilized credit limits)	568	-	-	-	-	-	-	-	568	97
Including direct credit limits	568	-	-	-	-	-	-	-	568	97
Including indirect credit limits	-	-	-	-	-	-	-	-	-	-
Grand total/ current year	**82,728,273**	**359,614**	**2,378,245**	**-**	**21,538,310**	**6,102,336**	**1,229,134**	**31,607,639**	**56,047,547**	**44,869,670**
Grand total/ comparative year	**82,054,179**	**540,449**	**3,833,975**	**-**	**63,524,666**	**1,929,740**	**1,433,124**	**71,261,954**	**39,163,396**	**35,948,535**

6- Reclassified credit exposures:

A. Total credit exposures classified:

	Stage 2		Stage 3			
	Gross Amount of Exposure	Exposures Reclassified	Gross Amount of Exposure	Exposures Reclassified	Gross Reclassified Exposures	Percentage of Exposures Reclassified
Item	**JOD**	**JOD**	**JOD**	**JOD**	**JOD**	**JOD**
Balances at banks and financial institutions	-	-	-	-	-	-
Deposits at banks and financial institutions	-	-	-	-	-	-
Credit facilities	109,509,781	51,790,390	77,758,787	14,562,735	66,353,125	35.43%
Bonds and Bills						
Including financial assets at amortized cost	-	-	4,096,000	-	-	-
Other assets	-	-	-	-	-	-
Total/ current year	**109,509,781**	**51,790,390**	**81,854,787**	**14,562,735**	**66,353,125**	**34.67%**
Total/ comparative year	**122,320,781**	**54,055,440**	**81,343,351**	**17,586,635**	**71,642,075**	**35.18%**
Financial guarantees	7,596,120	1,472,260	872,919	198,900	1,671,160	19.73%
Letters of credit	26,609	-	-	-	-	-
Acceptances and time-drawings	59,611	-	-	-	-	-
Other obligations (unutilized credit limits)	4,201,263	961,125	568	-	961,125	22.87%
Including direct credit limits	2,108,138	31,176	568	-	31,176	1.48%
Including indirect credit limits	2,093,125	929,949	-	-	929,949	44.43%
Grand total/ current year	**121,393,384**	**54,223,775**	**82,728,274**	**14,761,635**	**68,985,410**	**33.80%**
Grand total/ comparative year	**144,069,358**	**60,376,829**	**82,065,925**	**17,764,703**	**78,141,532**	**34.56%**

B. Reclassified exposures of ECL:

	Reclassified exposures			ECL for reclassified exposures				
Item	Gross reclassified exposures to Stage 2	Gross reclassified exposures to Stage 3	Gross reclassified exposures	Stage 2 Individual	Stage 2 Collective	Stage 3 Individual	Stage 3 Collective	Total
Balances at banks and financial institutions	-	-	-	-	-	-	-	-
Deposits at banks and financial institutions	-	-	-	-	-	-	-	-
Credit facilities	51,790,390	14,562,735	66,353,125	694,705	-	489,298	-	1,184,003
Bills, bonds and notes:	-	-	-	-	-	-	-	-
Within financial assets at amortized cost	-	-	-	-	-	-	-	-
other assets	-	-	-	-	-	-	-	-
Total/ current year	**51,790,390**	**14,562,735**	**66,353,125**	**694,705**	**-**	**489,298**	**-**	**1,184,003**
Total/ comparative year	**54,055,440**	**17,586,635**	**71,642,075**	**408,619**	**-**	**1,130,995**	**-**	**1,539,614**
Financial guarantees	1,472,260	198,900	1,671,160	969	-	690	-	1,659
Letters of credit	-	-	-	-	-	-	-	-
Acceptances and time-drawings	-	-	-	-	-	-	-	-
Other obligations (unutilized credit limits)	961,125	-	961,125	4,605	-	-	-	4,605
Including direct credit limits	31,176	-	31,176	1,114	-	-	-	1,114
Including indirect credit limits	929,949	-	929,949	3,491	-	-	-	3,491
Grand total/ current year	**54,223,775**	**14,761,635**	**68,985,410**	**700,279**	**-**	**489,988**	**-**	**1,190,267**
Grand total/ comparative year	**60,376,829**	**17,764,703**	**78,141,532**	**488,114**	**-**	**1,131,022**	**-**	**1,619,136**

Distribution of the total ECL by classification stages:

2022	Stage 1 Individual	Stage 1 Collective	Stage 2 Individual	Stage 2 Collective	Stage 3	Total
	JOD	JOD	JOD	JOD	JOD	JOD
Balances at banks and financial institutions	1,029	-	-	-	-	1,029
Deposits at banks and financial institutions	68	-	-	-	-	68
Credit facilities	2,529,397	-	4,377,530	-	44,715,964	51,622,891
Financial assets at amortized cost	7,293	-	-	-		7,293
Financial guarantees	46,399	-	111,398	-	153,609	311,406
Utilized credit limits	220,875	-	137,679	-	97	358,651
Letters of credit	70,404	-	6,163	-	-	76,567
Other assets	6,238	-	-	-	-	6,238
Total	**2,881,703**	**-**	**4,632,770**	**-**	**44,869,670**	**52,384,143**

Distribution of the total ECL by classification stages:

2021	Stage 1 Individual	Stage 1 Collective	Stage 2 Individual	Stage 2 Collective	Stage 3	Total
	JOD	JOD	JOD	JOD	JOD	JOD
Balances at banks and financial institutions	37	-	-	-	-	37
Deposits at banks and financial institutions	-	-	-	-	-	-
Credit facilities	2,885,428	-	2,812,451	-	34,697,192	40,395,071
Financial assets at amortized cost	36,821	-	-	-	680,000	716,821
Financial guarantees	77,275	-	224,775	-	571,343	873,393
Utilized credit limits	224,309	-	378,952	-	-	603,261
Letters of credit	32,435	-	2,258	-	-	34,693
Other assets	8,951	-	-	-	11,746	20,697
Total	**3,265,256**	**-**	**3,418,436**	**-**	**35,960,281**	**42,643,973**

Distribution of the total ECL on financial assets deducted from the income statement by classification stages:

	Stage 1		Stage 2			
2022	**Individual**	**Collective**	**Individual**	**Collective**	**Stage 3**	**Total**
	JOD	**JOD**	**JOD**	**JOD**	**JOD**	**JOD**
Balances at banks and financial institutions	992	-	-	-	-	992
Deposits at banks and financial institutions	68	-	-	-	-	68
Credit facilities	(707,000)	-	1,391,768	-	7,042,171	7,726,939
Financial assets at amortized cost	(17,602)	-	-	-	(680,000)	(697,602)
Financial guarantees	(30,876)	-	(113,377)	-	(417,734)	(561,987)
Utilized credit limits	(3,434)	-	(241,273)	-	97	(244,610)
Letters of credit	37,969	-	3,905	-	-	41,874
Other assets	(2,714)	-	-	-	-	(2,714)
Total	**(722,597)**	**-**	**1,041,023**	**-**	**5,944,534**	**6,262,960**

Distribution of the total ECL by classification stages:

	Stage 1		Stage 2			
2021	**Individual**	**Collective**	**Individual**	**Collective**	**Stage 3**	**Total**
	JOD	**JOD**	**JOD**	**JOD**	**JOD**	**JOD**
Balances at banks and financial institutions	1,021	-	-	-	-	1,021
Deposits at banks and financial institutions	51	-	-	-	-	51
Credit facilities	(2,518,301)	1,720,700	(1,611,980)	876,022	3,252,273	1,718,714
Financial assets at amortized cost	(330)	-	680,000	-	(680,000)	(330)
Financial guarantees	(65,388)	823	(170,535)	235	(481,265)	(716,130)
Utilized credit limits	(73,116)	144	(226,177)	-	-	(299,149)
Letters of credit	(30,355)	-	(1,866)	-	-	(32,221)
Other assets	(5,957)	-	-	-	(9,638)	(15,595)
Total	(2,692,375)	1,721,667	(1,330,558)	876,257	2,081,370	656,361

*The following are credit exposures as instructed by Circular No. (2009/47) and in comparison, with the International Financial Reporting Standard (9) (Mapping):

As of 31 Dec 2022:

	As per circular (2009/47)				In accordance with IFRS (9)								
					Stage 1			Stage 2			Stage 3		
Item	**Gross**	**Interest in suspense**	**Face value**	**Provision**	**Gross**	**ECL**	**Interest in suspense**	**Gross**	**ECL**	**Interest in suspense**	**Gross**	**ECL**	**Interest in suspense**
	JOD	**JOD**	**JOD**	**JOD**	**JOD**	**JOD**	**JOD**	**JOD**	**JOD**	**JOD**	**JOD**	**JOD**	**JOD**
Performing	824,788,789	2,561,893	822,226,896	-	732,675,016	2,529,030	15,338	76,156,719	1,649,300	42,414	15,957,054	2,899,063	2,504,141
Watch list	36,037,648	1,421,485	34,616,163	989,659	175,350	367	622	33,353,062	2,570,599	1,237,723	2,509,236	1,207,397	183,140
Non-performing facilities	59,292,496	14,893,008	44,399,488	35,589,975	-	-	-	-	-	-	59,292,496	38,786,397	14,893,008
Substandard	3,595,971	122,273	3,473,698	574,594	-	-	-	-	-	-	3,595,971	1,519,864	122,273
Doubtful	8,265,756	435,462	7,830,294	4,192,580	-	-	-	-	-	-	8,265,756	4,828,852	435,462
Defaulted	47,430,769	14,335,273	33,095,496	30,822,801	-	-	-	-	-	-	47,430,769	32,437,681	14,335,273
Total	920,118,933	18,876,386	901,242,547	35,579,634	732,850,366	2,529,397	15,960	109,509,781	4,219,899	1,280,137	77,758,786	42,892,857	17,580,289

As of December 31, 2021:

	As per circular (2009/47)				In accordance with IFRS (9)								
					Stage 1			Stage 2			Stage 3		
Item	**Gross**	**Interest in suspense**	**Face value**	**Provision**	**Gross**	**ECL**	**Interest in suspense**	**Gross**	**ECL**	**Interest in suspense**	**Gross**	**ECL**	**Interest in suspense**
	JOD	**JOD**	**JOD**	**JOD**	**JOD**	**JOD**	**JOD**	**JOD**	**JOD**	**JOD**	**JOD**	**JOD**	**JOD**
Performing	772,174,947	1,131,952	771,042,995	-	644,682,736	2,885,428	-	113,148,257	2,226,037	3,116	14,343,954	5,440,473	1,128,836
Watch list	22,631,531	751,188	21,880,343	841,542	-	-	-	9,172,524	586,414	116,712	13,459,007	437,993	634,476
Non-performing facilities	48,408,644	12,301,634	36,107,010	29,416,344	-	-	-	-	-	-	48,408,644	27,920,358	12,301,634
Substandard	3,832,015	165,607	3,666,408	1,842,163	-	-	-	-	-	-	3,832,015	2,305,118	165,607
Doubtful	2,517,222	117,907	2,399,315	1,009,947	-	-	-	-	-	-	2,517,222	1,254,798	117,907
Defaulted	42,059,407	12,018,120	30,041,287	26,564,234	-	-	-	-	-	-	42,059,407	24,360,442	12,018,120
Total	**843,215,122**	**14,184,774**	**829,030,348**	**30,257,886**	**644,682,736**	**2,885,428**	**-**	**122,320,781**	**2,812,451**	**119,828**	**76,211,605**	**33,798,824**	**14,064,946**

41 B <u>Operational risk</u>

This represents the "loss resulting from the failure or inadequacy of internal procedures, human element, systems, or external events. This definition includes legal risk".

The Invest Bank adopted the Control and Risk Self-Assessment methodology for managing operational risks through the use of an automated system designed for this purpose (CARE System). The Invest Bank manages operational risk within the following data:

- Preparing a policy for managing operational risks and adopting it by the Bank's Board of Directors.
- Preparing the Operational Risk Accountability Policy and approving it by the Bank's Board of Directors.
- Preparing the Invest Bank Anti-Fraud Policy and approving it by the Bank's Board of Directors.
- Preparing the Reputable Risk Management Policy and approving it by the Bank's Board of Directors.
- Creating risk profiles (risk profile) through which risks and control measures that limit them are identified for the important departments of the Bank, and work is underway to complete all the Bank's departments within the plans of approved work programs.
- Applying an automated system for operating risk management (core system) to implement the methodology of self-assessment of risks and control procedures.
- Building a database of events resulting from risks and operational errors.
- Expressing an opinion on work procedures to state the risks contained therein and adequacy of control procedures associated with them.
- Preparing the procedures of stress testing of operational risk.
- Providing the risk management committees (the Risk Management Committee of the Board of Directors and the Executive Risk Management Committee) with the necessary reports.

41- C <u>Compliance risks:</u>

Compliance risks are defined as the risks of legal and regulatory penalties, material loss or reputation risks to which the Bank may be exposed due to non-compliance with laws, regulations, instructions, orders, codes of conduct, standards and sound banking practices.

Non-compliance with the instructions and laws issued by the various supervisory authorities is considered one of the most important risks that any bank can be exposed to, due to the large financial losses resulting from violating these instructions and laws, which in turn are reflected in the bank's reputation. Recent years witnessed a significant increase in issuing instructions and laws related to organizing the work of various institutions. In view of this, the need to manage compliance risks across the Bank has become an imperative, as the existence of the compliance function leads to increased efficiency in risk management and a reduction in the costs to which the Bank may be exposed as a result of non-compliance with laws and regulations.

41- D <u>Market risk</u>

Market risks are defined as the risks that affect the value of investments and financial assets of the Bank resulting from a change in market factors (such as interest rates, exchange rates, stock prices, commodity prices ...).

The Bank monitors market risks through the use of appropriate methodologies to evaluate and measure these risks in addition to conducting stress tests based on a set of assumptions and changes in different market conditions and according to the instructions of the regulatory authorities. These methods include:

1- Value at Risk (VaR).

VaR is determined by using special calculation models such that the standard deviation is calculated and then VaR is at the confidence levels (99% - 95%) of the total investment portfolio and the ratio is extracted via dividing the result by equity.

2- Stress testing.

3- Stop loss limit.

4- Monitoring open financial positions in foreign currencies.

D- 1 Interest rate risk

Interest rate risk arises from the possibility of a change in interest rates and thus affects cash flows or the fair value of financial instruments. The Bank is exposed to interest rate risk due to the existence of a time gap for re-pricing between assets and liabilities. These gaps are monitored periodically by ALCO.

- **Sensitivity analysis:**

As of December 31, 2022 Currency	Change of increase in interest rate (percentage point)	Sensitivity of interest and profit and (loss) income	Sensitivity of equity
US Dollar	2	(181,228)	-
Euro	2	(13,400)	-
Sterling Pound	2	(2,325)	-
JPY	2	37	-
Other currencies	2	12,452	-

Currency	Change of (decrease) in interest rate (percentage point)	Sensitivity of interest and profit and (loss) income	Sensitivity of equity
US Dollar	2	181,228	-
Euro	2	13,400	-
Sterling Pound	2	2,325	-
JPY	2	(37)	-
Other currencies	2	(12,452)	-

As of December 31, 2021 Currency	Change of increase in interest rate (percentage point)	Sensitivity of interest and profit and (loss) income	Sensitivity of equity
US Dollar	2	(17,771)	-
Euro	2	(105,270)	-
Sterling Pound	2	(1,742)	-
JPY	2	179	-
Other currencies	2	14,056	-

Currency	Change of (decrease) in interest rate (percentage point)	Sensitivity of interest and profit and (loss) income	Sensitivity of equity
US Dollar	2	17,771	-
Euro	2	105,270	-
Sterling Pound	2	1,742	-
JPY	2	(179)	-
Other currencies	2	(14,056)	-

D- 2 Currency risk

The table below shows the currencies that the Bank is exposed to and the effect of a possible and reasonable change on their prices against the Jordanian Dinar on the statement of profit or loss, given that the currency centers are monitored on a daily basis to verify they remain within the specified ceilings and the market risk unit submits a daily report thereon to the Head of Risk Management Function.

2022

Currency	Change (increase) in exchange rate	Impact on profit and loss	Impact on equity
Euro	+5	(33,499)	134,156
Sterling Pound	+5	(5,813)	-
JPY	+5	92	-
Other currencies	+5	31,131	18,118

2021

Currency	Change (increase) in exchange rate	Impact on profit and loss	Impact on equity
	%		
Euro	5+	(263,174)	103,585
Sterling Pound	5+	(4,355)	-
JPY	5+	448	-
Other currencies	5+	35,139	17,930

In the case that there is a negative change in the exchange rate, the effect will be equal to the change above, with a reversed sign.

D- 3 Risk of change in shares prices:

It is the risk of a decrease in the fair value of the shares portfolio because of the change in the value of shares indices and the change in the value of individual shares.

2022

Ticker	Change in index (%)	Impact on profit and loss	Impact on equity
Amman market index	5	-	(1,188,905)
Palestine market index	5	-	(105,121)
International markets index	5	-	(570,499)

2021

Ticker	Change in index (%)	Impact on profit and loss	Impact on equity
Amman market index	5	-	(984,785)
Palestine market index	5	-	(98,060)
International markets index	5	-	(490,456)

Re-pricing interest gap:

Adopting the methodology for assessing interest rate risk by analyzing the average lifetime of gaps (assuming that interest rates change by a certain amount is determined based on market conditions and then calculating the gap by identifying the categories of interest rate risk in the banking portfolio and distributing the Bank's assets and liabilities, which are sensitive to change in interest rates by specific categories then the gaps for each of the categories are identified.

Interest rate sensitivities are as follows:

	Re-pricing interest gap							
	Less than 1 month	**1 to 3 months**	**3 to 6 months**	**6 months to 1 year**	**1 to 3 years**	**3 years and above**	**Non-interest-bearing elements**	**Total**
As of December 31, 2022	**JOD**	**JOD**	**JOD**	**JOD**	**JOD**	**JOD**	**JOD**	**JOD**
Assets:								
Cash and balances at the Central Bank of Jordan	68,447,555	-	-	-	-	-	15,634,069	84,081,624
Balances at banks and financial Institutions	47,048,422	-	-	-	-	-	26,608,622	73,657,044
Deposit at banks and financial institutions	3,544,932	-	-	-	-	-	-	3,544,932
Financial assets at fair value through statement of profit or loss	-	-	-	-	-	-	1	1
Direct credit facilities - net	43,626,704	66,219,046	89,188,873	104,045,319	294,318,373	252,221,341	-	849,619,656
Financial assets at fair value through other comprehensive income	-	-	-	-	-	-	61,794,622	61,794,622
Financial assets at amortized cost	3,544,974	39,947,139	20,793,706	35,150,831	62,549,164	69,199,034	-	231,184,848
Property and equipment- net	-	-	-	-	-	-	30,108,130	30,108,130
Intangible assets	-	-	-	-	-	-	3,063,082	3,063,082
Deferred tax assets	-	-	-	-	-	-	18,853,869	18,853,869
Other assets	-	-	-	-	-	-	67,858,837	67,858,837
Right of use of leased assets	-	-	-	-	-	-	4,108,272	4,108,272
Assets held for sale	-	-	-	-	-	-	145,229	145,229
Total assets	166,212,587	106,166,185	109,982,579	139,196,150	356,867,537	321,420,375	228,174,733	1,428,020,146
			-	-	-	-		
Liabilities:								
Deposits at banks and financial institutions	17,157,440	12,000,000	-	-	-	-	9,573,360	38,730,800
Customers' deposits	217,861,418	127,829,234	113,034,456	213,347,449	21,824,155	-	187,808,100	881,704,812
Cash margins	1,228,112	3,173,848	4,380,498	4,626,434	11,626,674	11,397,490	-	36,433,056
Borrowed funds	12,551,381	11,951,292	51,947,042	64,142,201	63,195,449	21,181,537	-	224,968,902
Bonds	-	-	-	13,960,000	-	-	-	13,960,000
Lease liabilities	93,271	131,342	146,560	339,720	1,179,379	1,103,787	-	2,994,059
Sundry provisions	-	-	-	-	-	-	421,029	421,029
Provision for income tax	-	-	-	-	-	-	9,383,036	9,383,036
Deferred tax liabilities	-	-	-	-	-	-	3,981,771	3,981,771
Other liabilities	-	-	-	-	-	-	19,992,148	19,992,148
Liabilities directly connected to assets held for sale	-	-	-	-	-	-	2,360	2,360
Total Liabilities	248,891,622	155,085,716	169,508,556	296,415,804	97,825,657	33,682,814	231,161,804	1,232,571,973
Repricing interest gap	(82,679,035)	(48,919,531)	(59,525,977)	(157,219,654)	259,041,880	287,737,561	(2,987,071)	195,448,173
December 31, 2021								
Total assets	155,764,037	90,615,442	87,645,424	103,005,527	379,222,568	270,754,878	194,028,953	1,281,036,829
Total liabilities	141,660,781	136,201,386	164,619,529	282,641,742	89,618,942	58,329,516	222,553,202	1,095,625,098
Re-pricing interest gap	14,103,256	(45,585,944)	(76,974,105)	(179,636,215)	289,603,626	212,425,362	(28,524,249)	185,411,731

-Foreign currency risk:

	Currency (equivalent to JD)					
	US Dollar	**Euro**	**GBP**	**JPY**	**Others**	**Total**
2022						
Item						
Assets:						
Cash and balances at the Central Bank of Jordan	17,139,135	725,931	293,859	-	547,737	18,706,662
Balances at banks and financial institutions	37,881,622	15,802,104	5,112,612	89,887	3,648,652	62,534,877
Deposits at banks and financial institutions	3,544,932	-	-	-	-	3,544,932
Financial assets at fair value through statement of profit or loss	1	-	-	-	-	1
Direct credit facilities - net	23,191,393	156,706	61,596	-	64,671	23,474,366
Financial assets at fair value through other comprehensive income	10,829,279	2,683,121	-	-	362,355	13,874,755
Financial assets at amortized cost	91,412,162	-	-	-	-	91,412,162
Other assets	14,360,954	17,893	10,042	8,040	996	14,397,925
Total assets	**198,359,478**	**19,385,755**	**5,478,109**	**97,927**	**4,624,411**	**227,945,680**
Liabilities:						
Deposits at banks and financial institutions	7,987,276	464,709	-	-	125,556	8,577,541
Customers' deposits	171,116,461	17,197,051	5,571,214	96,087	3,865,257	197,846,070
Cash margins	17,281,641	737,847	12,127	-	7,841	18,039,456
Borrowed funds	10,828,557	-	-	-	-	10,828,557
Other liabilities	206,958	1,656,137	11,022	-	3,139	1,877,256
Total liabilities	207,420,893	20,055,744	5,594,363	96,087	4,001,793	237,168,880
Net concentration in the statement of financial position	**(9,061,415)**	**(669,989)**	**(116,254)**	**1,840**	**622,618**	**(9,223,200)**
Contingent liabilities off the statement of financial position	**42,420,824**	**2,396,818**		**-**	**537,610**	**45,355,252**

	Currency (equivalent to JD)					
	US Dollar	**Euro**	**GBP**	**JPY**	**Others**	**Total**
2021						
Item						
Assets:						
Cash and balances at the Central Bank of Jordan	12,567,879	1,973,933	382,848	-	592,434	15,517,094
Balances at banks and financial institutions	24,046,337	18,101,195	2,757,228	41,487	4,868,757	49,815,004
Financial assets at fair value through statement of profit or loss	1	-	-	-	-	1
Direct credit facilities - net	46,338,392	13,369	62,707	-	47,377	46,461,845
Financial assets at fair value through other comprehensive income	9,698,632	2,071,692	-	-	358,597	12,128,921
Financial assets at amortized cost	54,912,958	-	-	-	-	54,912,958
Other assets	2,461,472	15,039	10,192	9,337	995	2,497,035
Total assets	**150,025,671**	**22,175,228**	**3,212,975**	**50,824**	**5,868,160**	**181,332,858**
Liabilities:						
Deposits at banks and financial institutions	2,118,484	391,388	-	-	227,358	2,737,230
Customers' deposits	131,412,436	24,227,052	3,276,574	41,871	4,913,230	163,871,163
Cash margins	8,015,091	1,067,430	12,713	-	23,337	9,118,571
Borrowed funds	9,281,519	-	-	-	-	9,281,519
Other liabilities	86,681	1,752,845	10,780	-	1,448	1,851,754
Total liabilities	**150,914,211**	**27,438,715**	**3,300,067**	**41,871**	**5,165,373**	**186,860,237**
Net concentration in the statement of financial position	**(888,540)**	**(5,263,487)**	**(87,092)**	**8,953**	**702,787**	**(5,527,378)**
Contingent liabilities off the statement of financial position	**35,122,280**	**2,960,368**	**-**	**5,177,197**	**276,852**	**43,536,697**

42/ d Liquidity risk

Liquidity risk is the Bank's inability to provide the necessary financing to fulfil its liabilities at their maturity dates. In order to prevent these risks, the Bank adopts a conservative policy in managing liquidity risk, which includes managing assets and liabilities, aligning and analyzing their maturities, and meeting short or long-term maturities of assets and liabilities with a sufficient balance of cash and cash equivalents and negotiable securities. The cash liquidity is reviewed and managed periodically and at several levels. According to the instructions issued by the Central Bank of Jordan, the Bank maintains cash reserves with the Central Bank of Jordan to reduce liquidity

Noting that the Bank prepares the procedures of stress testing of operational risk.

First: The table below summarizes the distribution of liabilities (not discounted) based on the remaining time period for contractual maturity at the date of the consolidated financial statements.

December 31, 2022	Less than 1 month	1 to 3 Months	3 to 6 Months	6 months to 1 year	1 to 3 Years	3 years and above	Non-matured elements	Total
	JOD	JOD	JOD	JOD	JOD	JOD	JOD	JOD
Liabilities:								
Deposits at banks and financial institutions	26,835,919	12,070,785	-	-	-	-	-	38,906,704
Customers' deposits	290,558,651	160,580,545	141,379,816	241,532,767	60,886,410	-	-	894,938,189
Cash margins	1,229,883	3,180,714	4,408,929	4,686,488	11,928,516	11,989,275	-	37,423,805
Borrowed funds	12,624,138	12,055,210	53,302,100	67,488,548	69,789,357	25,601,764	-	240,861,117
Bonds	-	-	-	14,539,750	-	-	-	14,539,750
Operating lease liabilities	93,271	131,342	146,560	339,720	1,179,379	1,103,787	-	2,994,059
Sundry provisions	-	-	-	-	-	-	421,029	421,029
Provision for income tax	3,753,214	5,629,822	-	-	-	-	-	9,383,036
Deferred tax liabilities	-	-	-	-	-	-	3,981,771	3,981,771
Other liabilities	1,788,140	13,138,861	-	-	-	-	-	14,927,001
Liability directly associates with assets held for sale	-	2,360	-	-	-	-	-	2,360
Total liabilities	336,883,216	206,789,639	199,237,405	328,587,273	143,783,662	38,694,826	4,402,800	1,258,378,821
Total assets	212,430,299	106,166,185	109,982,579	139,196,150	356,867,537	321,420,375	181,957,021	1,428,020,146

December 31, 2021	Less than 1 month	1 to 3 Months	3 to 6 Months	6 months to 1 year	1 to 3 Years	3 years and above	Non-matured elements	Total
	JOD	JOD	JOD	JOD	JOD	JOD	JOD	JOD
Liabilities:								
Deposits at banks and financial institutions	12,308,247	16,560,638	-	-	-	-	-	28,868,885
Customers' deposits	202,695,498	139,174,533	160,479,615	250,643,505	49,128,095	-	-	802,121,246
Cash margins	1,380,876	3,110,677	3,500,616	4,198,456	9,766,290	10,529,421	-	32,486,336
Borrowed funds	1,714,703	11,213,488	27,097,310	45,828,219	69,010,756	52,712,938	-	207,577,414
Bonds	-	-	3,057,944	10,677,111	-	-	-	13,735,055
Operating lease liabilities	177,743	64,142	256,983	91,779	1,049,213	922,832	-	2,562,692
Sundry provisions	-	-	-	-	-	-	441,918	441,918
Provision for income tax	1,045,511	6,011,520	-	-	-	-	-	7,057,031
Deferred tax liabilities	-	-	-	-	-	-	3,490,066	3,490,066
Other liabilities	1,266,987	12,712,472	-	-	-	-	-	13,979,459
Total liabilities	**220,589,565**	**188,847,470**	**194,392,468**	**311,439,070**	**128,954,354**	**64,165,191**	**3,931,984**	**1,112,320,102**
Total assets	**214,933,335**	**90,615,442**	**87,645,424**	**103,005,527**	**379,222,568**	**270,754,878**	**134,859,655**	**1,281,036,829**

Second: Items off the statement of financial position:

	Up to 1 year	1 to 5 years	Over 5 years	Total
	JOD	JOD	JOD	JOD
2022				
Letters of credits and acceptances	19,510,014	-	-	19,510,014
Utilized credit limits	56,166,247	-	-	56,166,247
Guarantees	58,818,354	2,817,716	531,750	62,167,820
Capital commitments	431,216	-	-	431,216
	134,925,832	2,817,716	531,750	138,275,298
2021				
Letters of credits and acceptances	11,062,990	-	-	11,062,990
Utilized credit limits	45,579,164	-	-	45,579,164
Guarantees	68,618,560	2,551,715	531,750	71,702,025
Capital commitments	241,133	-	-	241,133
	125,501,847	**2,551,715**	**531,750**	**128,585,312**

(42) Segment analysis

A) Information on the Bank’s segments and subsidiaries:

The Bank is organized for administrative purposes. This is used by the general manager and decision makers of the Bank through three main business sectors shown below. The Bank also owns subsidiaries that are specialized in the following areas: financial brokerage services, financial leasing services, operating services and management of bounded warehouses.

- Retail accounts; Includes handling individual customers' deposits, and providing credit facilities, credit cards and other services.
- Corporates’ accounts: Includes handling deposits, credit facilities, and other credit facilities granted to customers services related to corporates’ customers.
- Treasury: Includes providing trading and treasury services and the management of the Bank's funds.

The following is information on the Bank's business sectors distributed by according to activity:

	Individuals	Corporates	Treasury	Financial brokerage	Finance leasing	Manageme nt of bounded	Factoring of receivable s	Others	Total As of December 31, 2022	Total As of December 31, 2021
	JOD	JOD	JOD	JOD	JOD	JOD	JOD	JOD	JOD	JOD
Gross income	38,647,155	20,012,320	5,558,498	-	1,527,043	1,723,669	-	1,282,126	68,750,811	53,756,520
provision for expected credit losses on direct credit facilities	(5,718,848)	(1,823,697)	-	-	96,705	(281,099)	-	-	(7,726,939)	1,709,356
(Provision)Recoveries from provision for expected credit loss of financial assets and items off the statement of financial position in accordance with IFRS (9)	-	-	696,543	-	-	-	-	767,436	1,463,979	(1,052,995)
Sundry provisions	-	-	-	-	(12,357)	-	-	(5,491)	(17,848)	(144,786)
Business sector results	32,928,307	18,188,623	6,255,041	-	1,611,391	1,442,570	-	2,044,071	62,470,003	54,268,095
Unallocated expenses on segments	-	-	-	-	(1,182,964)	(1,681,499)	-	(29,641,569)	(32,506,032)	(26,899,844)
Profit before tax	32,928,307	18,188,623	6,255,041	-	428,427	(238,929)	-	(27,597,498)	29,963,971	27,368,251
Income tax	-	-	-	-	(141,675)	63,462	-	(9,492,364)	(9,570,577)	(9,788,641)
(Loss) net profit from discontinuing operations after tax	-	-	-	16,218	-	-	(159,592)	-	(143,374)	423,723
Net profit for the year	32,928,307	18,188,623	6,255,041	16,218	286,752	(175,467)	(159,592)	(37,089,862)	20,250,020	18,003,333

	Individuals	Corporates	Treasury	Financial brokerage	Finance leasing	Management of bounded	Factoring of receivables	Others	Total As of December 31, 2022	Total As of December 31, 2021
	JOD	JOD	JOD	JOD	JOD	JOD	JOD	JOD	JOD	JOD
Segment assets	402,856,325	429,052,490	452,656,026	-	95,472,387	27,155,189	-	-	1,407,192,417	1,238,750,932
Unallocated assets on segments	-	-	-	-	-	-	-	20,682,500	20,682,500	42,285,897
Assets held for sale	-	-	-	-	145,229	-	-	-	145,229	
Total assets	402,856,325	429,052,490	452,656,026	-	95,617,616	27,155,189	-	20,682,500	1,428,020,146	1,281,036,829
Segment of liabilities	547,026,162	391,074,139	66,730,800	-	73,110,874	23,163,487	-	-	1,101,105,462	1,000,279,371
Unallocated liabilities on segments	-	-	-	-	-	-	-	131,464,151	131,464,151	95,345,727
Liabilities directly connected with assets held for sale	-	-	-	-	2,360	-	-	-	2,360	-
Total liabilities	547,026,162	391,074,139	66,730,800	-	73,113,234	23,163,487	-	131,464,151	1,232,571,973	1,095,625,098
Capital expenses									3,908,664	1,561,614
Depreciation and amortization									3,076,229	2,786,842

(B) Geographical distribution information

The Bank and its subsidiaries practice their activities mainly in the Kingdom. These activities represent the local business. Therefore, most of the income, assets and capital expenditures are within the Kingdom.

(43) Capital management

(A) Description of what is considered to be capital:

Regulatory qualified capital comprises the following elements:

- Tier 1 of capital (capital that guarantees the going concern). This comprises the following:

1-Common equity tier 1 (CET1).

2- Additional tier 1 (AT1).

- Tier 2 (T2) is the capital used in case of failure of going concern (liquidation)
- Each of the three types of capital (CET1, AT1, T2) has a specific set of criteria that a financial instrument must meet before including it in the relevant category.

The bank is also committed, according to Article (62) of the Banking Law, to deduct annually 10% of its net profit to the legal reserve account and continues to deduct it until the reserve reaches the equivalent of the Bank's subscribed capital.

(B) Regulatory requirements for capital, and how to meet these requirements:

Banks must meet the minimum capital requirements in relation to risk-weighted assets, and they should be as follows:

1- The minimum of (CET1) should not be less than (6%) of the risk weighted assets.
2- The minimum of (Tier 1) should not be less than (7.5%) of the risk weighted assets.
3- The minimum (CAR) should not be less than (12%) of the risk weighted assets.

(C) How to achieve the capital objectives:

The management of the Bank aims to achieve the goals of managing the Bank's capital, achieving a surplus in operating profits and revenues, and optimizing the operation of available sources of funds in order to achieve the targeted growth in shareholders' equity through growth in the legal reserve, realized profits and retained earnings.

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

The capital adequacy ratio is calculated according to the instructions of the Central Bank of Jordan based on Basel III decisions as at December 31, 2022 and December 31, 2021.

(D) Liquidity Coverage Ratio:

- The liquidity coverage ratio in total for consolidated financial statements based on monthly average (209,9 %) as on December 31, 2022, against to (253,0%) as on December 31, 2021.

- The liquidity coverage ratio in JD for consolidated financial statements based on monthly average was (228,1%) as on December 31, 2022, against to (263,9%) as on December 31, 2021.

	December 31, 2022	December 31, 2021
	(Thousands)JOD	(Thousands)JOD
Total high-quality liquid assets before adjustment	275,863	234,328
Total high-quality liquid assets after adjustment	275,863	234,328
Total cash outflows	247,236	178,478
Total cash inflows before applying the 75% cap	68,213	46,633
Total cash inflows after applying the 75% cap	68,213	46,633
Net cash outflows	179,023	131,845
Liquidity coverage Ratio (LCR)	**154.10٪**	**177.70٪**

(D) Below is the table of the amount that the bank considers as capital and capital adequacy ratio

	December 31, 2022	December 31, 2021
	JOD	JOD
Basic capital items for common shares		
Subscribed capital (paid in)	100,000,000	100,000,000
Retained earnings (less any restricted amounts)	47,547,498	39,186,857
Financial assets revaluation reserve - net, according to IFRS (9)	6,435,777	6,362,363
Statutory reserve	34,583,047	33,371,695
Total basic capital for common shares	**188,566,322**	**178,920,915**
Regulatory amendments (subtraction from capital):		
Goodwill and intangible assets	(3,063,082)	(3,003,777)
Deferred tax assets resulting from debt provisions	(18,853,869)	(15,801,272)
Proposed dividends	(10,000,000)	(10,000,000)
Investments affecting the capital of banks, financial companies and insurance companies in which the Bank owns less than 10%, as shown in the instructions	-	-
Net ordinary shareholders' equity	**156,649,371**	**150,115,866**
Tier 2 (T2) Capital:		
The balance of the required provisions against debt instruments included Stage 1, by no more than 1.25% of the total assets weighted by credit risk according to the standard method	2,881,699	3,265,252
Total cushion capital	**2,881,699**	**3,265,252**
Regulatory amendments (subtraction from capital):		
Investments affecting the capital of banks, financial companies and insurance companies in which the Bank owns less than 10%, as shown in the instructions	-	-
Net cushion capital (T2)	**2,881,699**	**3,265,252**
Total regulatory capital	**159,531,070**	**153,381,118**
Total risk-weighted assets	**1,119,484,052**	**980,148,184**
Adequacy capital ratio (٪)	**14.25٪**	**15.65٪**
Percentage of ordinary shareholders' equity (٪)	**13.99٪**	**15.32٪**
Basic capital percentage (%)	**13.99٪**	**15.32٪**

(44) Analysis of maturities of assets and liabilities

The following table shows the analysis of assets and liabilities according to the expected period of recovery or settlement:

	Up to 1 year	Over 1 year	Total
2022	**JOD**	**JOD**	**JOD**
Assets:			
Cash and balances at the Central Bank of Jordan	84,081,624	-	84,081,624
Balances at banks and financial institutions	73,657,044	-	73,657,044
Deposit at banks and financial institutions	3,544,932	-	3,544,932
Financial assets at fair value through statement of profit or loss	1	-	1
Direct credit facilities - net	303,079,942	546,539,714	849,619,656
Financial assets at fair value through other comprehensive income	-	61,794,622	61,794,622
Financial assets at amortized cost	99,436,650	131,748,198	231,184,848
Property and equipment- net	1,969,133	28,138,997	30,108,130
Intangible assets	707,745	2,355,337	3,063,082
Deferred tax assets	2,260,832	16,593,037	18,853,869
Other assets	24,902,214	42,956,623	67,858,837
Right of use assets	886,382	3,221,890	4,108,272
Assets held for sale	145,229	-	145,229
Total assets	**594,671,728**	**833,348,418**	**1,428,020,146**
Liabilities:			
Deposits at banks and financial institutions	38,730,800	-	38,730,800
Customers' deposits	824,006,548	57,698,264	881,704,812
Cash margins	13,408,892	23,024,164	36,433,056
Borrowed funds	140,591,916	84,376,986	224,968,902
Bonds	13,960,000	-	13,960,000
Operating lease liabilities	710,893	2,283,166	2,994,059
Sundry provisions	-	421,029	421,029
Provision for income tax	9,383,036	-	9,383,036
Deferred tax liabilities	3,981,771	-	3,981,771
Other liabilities	19,992,148	-	19,992,148
Liabilities directly related to assets held for sale	2,360	-	2,360
Total liabilities	**1,064,768,364**	**167,803,609**	**1,232,571,973**
Net	**(470,096,636)**	**665,544,809**	**195,448,173**

The following table shows the analysis of assets and liabilities according to the expected period of recovery or settlement:

	Up to 1 year	Over 1 year	Total
2021	**JOD**	**JOD**	**JOD**
Assets:			
Cash and balances at the Central Bank of Jordan	97,358,858	-	97,358,858
Balances at banks and financial institutions	64,351,278	-	64,351,278
Financial assets at fair value through statement of profit or loss	1	-	1
Direct credit facilities - net	298,991,628	489,643,649	788,635,277
Financial assets at fair value through other comprehensive income	-	37,815,983	37,815,983
Financial assets at amortized cost	29,986,180	157,404,338	187,390,518
Property and equipment- net	1,554,506	26,880,970	28,435,476
Intangible assets	457,159	2,546,618	3,003,777
Deferred tax assets	2,135,294	13,665,978	15,801,272
Other assets	12,634,710	41,725,061	54,359,771
Right of use assets	955,159	2,929,459	3,884,618
Total assets	**508,424,773**	**772,612,056**	**1,281,036,829**
Liabilities:			
Deposits at banks and financial institutions	28,778,165	-	28,778,165
Customers' deposits	745,338,879	47,179,125	792,518,004
Cash margins	12,100,720	19,486,808	31,587,528
Borrowed funds	84,181,343	112,791,958	196,973,301
Bonds	13,280,000	-	13,280,000
Operating lease liabilities	590,647	1,972,045	2,562,692
Sundry provisions	-	441,918	441,918
Provision for income tax	7,057,031	-	7,057,031
Deferred tax liabilities	3,490,066	-	3,490,066
Other liabilities	18,936,393	-	18,936,393
Total liabilities	**913,753,244**	**181,871,854**	**1,095,625,098**
Net	**(405,328,471)**	**590,740,202**	**185,411,731**

(45) Accounts managed for the interest of clients

There are no portfolios guaranteed by capital managed by the Bank or its subsidiaries for the interest of clients.

(46) Fair value hierarchy

The following table represents financial instruments carried at fair value based on the valuation method, where different levels are defined as follows:

Level 1: inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: inputs for the asset or liability that are not based on observable market data.

	Level 1	Level 2	Level 3*	Total
2022	**JOD**	**JOD**	**JOD**	**JOD**
Financial assets at fair value through statement of profit or loss	1	-	-	1
Financial assets at fair value through other comprehensive income	36,840,529	-	24,954,093	61,794,622
	36,840,530	**-**	**24,954,093**	**61,794,623**

	Level 1	Level 2	Level 3	Total
2021	**JOD**	**JOD**	**JOD**	**JOD**
Financial assets at fair value through statement of profit or loss	1	-	-	1
Financial assets at fair value through other comprehensive income	31,016,048	-	6,799,935	37,815,983
	31,016,049	**-**	**6,799,935**	**37,815,984**

Other assets include non-financial assets, which represent investments properties in subsidiaries (Jordan Trade facilities and Bindar Trade and investment), and are not measured through fair value in financial statements, considering that the fair value of investments properties are within the level two which amounted to 3,204,444 JD as at December 31, 2022, against 3,234,644 JD as at December 31, 2021.

* Investments at fair value through other comprehensive income include JD 450,000, which is due to investments in a listed company, but the market price of the share has not been adopted in determining the fair value of the investment as there is no active trading on the company's shares, as the company distributed free shares during 2021 by increasing the company's capital and the impact on the market price of the share was not reflected as a result of the absence of any trading per share during the year.

(47) Fair value of financial instruments

The fair value of financial instruments that are not measured in the consolidated statement of financial position at fair value is not materially different from the carrying amount included in the consolidated financial statements. Also, the fair value of direct credit facilities, investments at amortized cost, banks' and financial institutions' deposits, clients' deposits, cash insurance, borrowed funds and loan bonds that are included at amortized cost are not fundamentally different from the book value included in the consolidated financial statements because there is no material difference in the market interest rates for similar financial instruments for the contracted rates, as well as due to the short periods in relation to the deposits of banks and financial institutions. The fair value stated at amortized cost is determined through the quoted prices in the market on availability or through assessment forms used with some bonds at a fixed commission.

(48) Contingent and commitments liabilities (off the statements of financial position)-Net

(A) Credit commitments and liabilities

	December 31, 2022	December 31, 2021
Letters of credit	14,019,628	5,272,173
Acceptances and time-drawings	5,490,386	5,790,817
Guarantees:		
Payment	17,727,592	18,897,905
Performance bonds	27,585,564	35,807,941
Other	16,854,664	16,996,179
unutilized direct credit facilities credit limits	24,771,030	21,607,956
unutilized indirect credit facilities credit limits	31,395,217	23,971,208
Total	**137,844,082**	**128,344,179**

(B) Contractual liabilities

Project construction contracts	431,216	241,133
	431,216	**328,831**

Movement of total contingent commitments and liabilities by stage	Stage		Stage 2			
2022	**Individual**	**Collective**	**Individual**	**Collective**	**Stage 3**	**Total**
	JOD	**JOD**	**JOD**	**JOD**	**JOD**	**JOD**
Balance as at the beginning of the year	107,384,374	-	21,748,578	-	722,574	129,855,526
New exposures during the year/Additions	48,911,073	-	2,670,955	-	568	51,582,596
Matured/ derecognized	(39,320,558)	-	(5,785,687)	-	(43,554)	(45,149,799)
Transferred to Stage 1	8,527,826	-	(8,522,826)	-	(5,000)	-
Transferred to stage 2	(2,433,385)	-	2,433,385	-	-	-
Transferred to stage 3	(138,400)	-	(60,500)	-	198,900	-
Changes resulting from adjustments	2,902,684	-	(600,301)	-	-	2,302,383
Written off Balances	-	-	-	-	-	-
Amendments resulting from changes in currency exchange	-	-	-	-	-	-
Total Balance as at the end of the year	**125,833,614**	**-**	**11,883,604**	**-**	**873,488**	**138,590,706**

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

Allowances for total credit losses for commitments and liabilities	**Stage 1**		**Stage 2**			
2022	**Individual**	**Collective**	**Individual**	**Collective**	**Stage 3**	**Total**
	JOD	**JOD**	**JOD**	**JOD**	**JOD**	**JOD**
Balance as at the beginning of the year	334,019	-	605,985	-	571,343	1,511,347
Impairment loss new exposures during the year/ Additions	188,158	-	43,668	-	11,722	243,548
Recoveries from impairment loss on repaid exposures (repaid/ derecognized)	(122,219)	-	(307,367)	-	(443,553)	(873,139)
Transferred to Stage 1	269,402	-	(265,218)	-	(4,184)	-
Transferred to stage 2	(5,574)	-	5,574	-		-
Transferred to stage 3	(145)	-	(545)	-	690	-
Effect on the provision -as at the end of the year- from the classification change among the three stages during the year	(287,939)		251,707		36,232	-
Changes resulting from adjustments	(38,024)	-	(78,564)	-	(18,544)	(135,132)
Written off balances	-	-	-	-	-	-
Amendments resulting from changes in currency exchange	-	-	-	-	-	-
Total Balance as at the end of the year	**337,678**	**-**	**255,240**	**-**	**153,706**	**746,624**

Allowances for total credit losses for commitments and liabilities	**Stage 1**		**Stage 2**			
2021	**Individual**	**Collective**	**Individual**	**Collective**	**Stage 3**	**Total**
	JOD	**JOD**	**JOD**	**JOD**	**JOD**	**JOD**
Balance as at the beginning of the year	165,155	967	207,413	235	90,074	463,844
Impairment loss new exposures during the year/ Additions	342,455	15,771	30,169	54	389,322	777,771
Recoveries from impairment loss on repaid exposures (repaid/ derecognized)	(37,789)	(282)	(68,021)	(229)	(19,212)	(125,542)
Transferred to Stage 1	60,685	-	(60,002)	(227)	(456)	-
Transferred to stage 2	(39,481)	-	79,495	-	(40,014)	-
Transferred to stage 3	(27)	-	-	-	27	-
Effect on the provision -as at the end of the year- from the classification change among the three stages during the year	(236,474)	(16,456)	166,258	167	86,505	-
Changes resulting from adjustments	79,504	-	250,673	-	65,097	395,274
Written off balances	-	-	-	-	-	-
Amendments resulting from changes in currency exchange	-	-	-	-	-	-
Total Balance as at the end of the year	**334,019**	**-**	**605,985**	**-**	**571,343**	**1,511,347**

Movement of contingent commitments and liabilities – letter of credit	**Stage 1**		**Stage 2**			
2022	**Individual**	**Collective**	**Individual**	**Collective**	**Stage 3**	**Total**
	JOD	**JOD**	**JOD**	**JOD**	**JOD**	**JOD**
Balance as at the beginning of the year	5,177,498	-	106,832	-	-	5,284,330
New exposures during the year/Additions	13,343,976	-	26,609	-	-	13,370,585
Matured/ derecognized	(4,461,956)	-	(106,832)	-	-	(4,568,788)
Transferred to Stage 1	-	-	-	-	-	-
Transferred to stage 2	-	-	-	-	-	-
Transferred to stage 3	-	-	-	-	-	-
Changes resulting from adjustments	(1,220)	-	-	-	-	(1,220)
Written off Balances	-	-	-	-	-	-
Amendments resulting from changes in currency exchange	-	-	-	-	-	-
Total Balance as at the end of the year	**14,058,298**	**-**	**26,609**	**-**	**-**	**14,084,907**

Movement of contingent commitments and liabilities – letter of credit	**Stage 1**		**Stage 2**			
2021	**Individual**	**Collective**	**Individual**	**Collective**	**Stage 3**	**Total**
	JOD	**JOD**	**JOD**	**JOD**	**JOD**	**JOD**
Balance as at the beginning of the year	3,208,250	-	381,435	-	-	3,589,685
New exposures during the year/Additions	3,847,841	-	-	-	-	3,847,841
Repaid/ derecognized	(1,876,883)	-	(274,603)	-	-	(2,151,486)
Transferred to Stage 1	-	-	-	-	-	-
Transferred to stage 2	-	-	-	-	-	-
Transferred to stage 3	-	-	-	-	-	-
Changes resulting from adjustments	(1,710)	-	-		-	(1,710)
Written off Balances	-	-	-	-	-	-
Amendments resulting from changes in currency exchange	-	-	-	-	-	-
Total Balance as at the end of the year	**5,177,498**	**-**	**106,832**	**-**	**-**	**5,284,330**

Movements of expected credit losses – Letter of Credit

	Stage 1		Stage 2			
2022	**Individual**	**Collective**	**Individual**	**Collective**	**Stage 3**	**Total**
Total balance as at the beginning of the year	11,223	-	934	-	-	12,157
Impairment loss new exposures during the year/ Additions	59,675	-	5,552	-	-	65,227
Recoveries from impairment loss on repaid exposures (repaid/ derecognized)	(10,815)	-	(937)	-	-	(11,752)
Transferred to Stage 1	-	-	-	-	-	-
Transferred to stage 2	-	-	-	-	-	-
Transferred to stage 3	-	-	-	-	-	-
Effect on the provision -as at the end of the year- from the classification change among the three stages during the year	-	-	-	-	-	-
Changes resulting from adjustments	(353)	-	-	-	-	(353)
Written off Balances	-	-	-	-	-	-
Amendments resulting from changes in currency exchange	-	-	-	-	-	-
Total Balance as at the end of the year	**59,730**	**-**	**5,549**	**-**	**-**	**65,279**

	Stage 1		Stage 2			
2021	**Individual**	**Collective**	**Individual**	**Collective**	**Stage 3**	**Total**
Total balance as at the beginning of the year	707	-	247	-	-	954
Impairment loss new exposures during the year/ Additions	10,523	-	849	-	-	11,372
Recoveries from impairment loss on repaid exposures (repaid/ derecognized)	(7)	-	(162)	-		(169)
Transferred to Stage 1	-	-	-	-	-	-
Transferred to stage 2	-		-	-	-	-
Transferred to stage 3	-	-	-	-	-	-
Effect on the provision -as at the end of the year- from the classification change among the three stages during the year	-	-	-	-	-	-
Changes resulting from adjustments	-	-	-	-	-	-
Written off Balances	-	-	-	-	-	-
Amendments resulting from changes in currency exchange	-	-	-	-	-	-
Total Balance as at the end of the year	**11,223**	**-**	**934**	**-**	**-**	**12,157**

Movements of contingent commitments and liabilities - discounted Acceptances

	Stage 1		Stage 2			
2022	**Individual**	**Collective**	**Individual**	**Collective**	**Stage 3**	**Total**
	JOD	**JOD**	**JOD**	**JOD**	**JOD**	**JOD**
Total balance as at the beginning of the year	5,662,223	-	151,130	-	-	5,813,353
New exposures during the year/Additions	5,442,063	-	59,611	-	-	5,501,674
Repaid/ derecognized balances	(5,662,224)	-	(151,129)	-	-	(5,813,353)
Transferred to Stage 1	-	-	-	-	-	-
Transferred to stage 2	-	-	-	-	-	-
Transferred to stage 3	-	-	-	-	-	-
Changes resulting from adjustments	-	-	-	-	-	-
Written off Balances	-	-	-	-	-	-
Amendments resulting from changes in currency exchange	-	-	-	-	-	-
Total Balance as at the end of the year	**5,442,062**	**-**	**59,612**	**-**	**-**	**5,501,674**

	Stage 1		Stage 2			
2021	**Individual**	**Collective**	**Individual**	**Collective**	**Stage 3**	**Total**
	JOD	**JOD**	**JOD**	**JOD**	**JOD**	**JOD**
Total balance as at the beginning of the year	5,112,240	-	230,070	-	-	5,342,310
New exposures during the year/Additions	5,610,117	-	-	-	-	5,610,117
Repaid/ derecognized balances	(5,060,134)	-	(78,940)	-		(5,139,074)
Transferred to Stage 1	-	-	-	-	-	-
Transferred to stage 2	-		-	-	-	-
Transferred to stage 3	-	-	-	-	-	-
Changes resulting from adjustments	-	-	-	-	-	-
Written off Balances	-	-	-	-	-	-
Amendments resulting from changes in currency exchange	-	-	-	-	-	-
Total Balance as at the end of the year	**5,662,223**	**-**	**151,130**	**-**	**-**	**5,813,353**

Movements of expected credit losses – discounted Acceptance

	Stage 1		**Stage 2**			
2022	**Individual**	**Collective**	**Individual**	**Collective**	**Stage 3**	**Total**
	JOD	**JOD**	**JOD**	**JOD**	**JOD**	**JOD**
balance as at the beginning of the year	21,212	-	1,324	-	-	22,536
Impairment loss on new exposures during the year/ Additions	10,673	-	615	-	-	11,288
Recoveries from impairment loss on repaid exposures (repaid/ derecognized)	(21,211)	-	(1,325)	-	-	(22,536)
Transferred to Stage 1	-	-	-	-	-	-
Transferred to stage 2	-	-	-	-	-	-
Transferred to stage 3	-	-	-	-	-	-
Effect on the provision -as at the end of the year- from the classification change among the three stages during the year	-	-	-	-	-	-
Changes resulting from adjustments	-	-	-	-	-	-
Written off Balances	-	-	-	-	-	-
Amendments resulting from changes in currency exchange	-	-	-	-	-	-
Total Balance as at the end of the year	**10,674**	**-**	**614**	**-**	**-**	**11,288**

	Stage 1		**Stage 2**			
2021	**Individual**	**Collective**	**Individual**	**Collective**	**Stage 3**	**Total**
	JOD	**JOD**	**JOD**	**JOD**	**JOD**	**JOD**
balance as at the beginning of the year	1,369	-	149	-	-	1,518
Impairment loss on new exposures during the year/ Additions	21,211	-	1,175	-	-	22,386
Recoveries from impairment loss on repaid exposures (repaid/ derecognized)	(1,368)	-	-	-		(1,368)
Transferred to Stage 1	-	-	-	-	-	-
Transferred to stage 2	-		-	-	-	-
Transferred to stage 3	-	-	-	-	-	-
Effect on the provision -as at the end of the year- from the classification change among the three stages during the year	-	-	-	-	-	-
Changes resulting from adjustments	-	-	-	-	-	-
Written off Balances	-	-	-	-	-	-
Amendments resulting from changes in currency exchange	-	-	-	-	-	-
Total Balance as at the end of the year	**21,212**	**-**	**1,324**	**-**	**-**	**22,536**

Movement of contingent commitments and liabilities – guarantees:

2022	Stage 1 Individual	Stage 1 Collective	Stage 2 Individual	Stage 2 Collective	Stage 3	Total
	JOD	JOD	JOD	JOD	JOD	JOD
Total balance as at the beginning of the year	58,841,229	-	13,011,615	-	722,574	72,575,418
New exposures during the year/Additions	15,630,734	-	1,208,954	-	-	16,839,688
Repaid/ derecognized balances	(22,213,952)	-	(3,552,058)	-	(43,554)	(25,809,564)
Transferred to Stage 1	4,356,255	-	(4,351,255)	-	(5,000)	-
Transferred to stage 2	(1,472,260)	-	1,472,260	-		-
Transferred to stage 3	(138,400)	-	(60,500)	-	198,900	-
Changes resulting from adjustments	(993,420)	-	(132,896)	-	-	(1,126,316)
Written off Balances	-	-	-	-	-	-
Amendments resulting from changes in currency exchange	-	-	-	-	-	-
Total Balance as at the end of the year	**54,010,186**	**-**	**7,596,120**	**-**	**872,920**	**62,479,226**

2021	Stage 1 Individual	Stage 1 Collective	Stage 2 Individual	Stage 2 Collective	Stage 3	Total
	JOD	JOD	JOD	JOD	JOD	JOD
Total balance as at the beginning of the year	63,516,510	2,175,725	17,320,388	14,530	2,097,355	85,124,508
New exposures during the year/Additions	9,247,359	58,410	362,077	-	-	9,667,846
Matured/ derecognized	(11,221,835)	(494,867)	(3,504,968)	(1,000)	(100,407)	(15,323,077)
Transferred to Stage 1	5,778,676	(1,494,768)	(4,168,508)	(11,050)	(104,350)	-
Transferred to stage 2	(2,979,868)	(9,000)	4,339,440	(2,480)	(1,348,092)	-
Transferred to stage 3	(153,568)	(14,500)	(10,000)	-	178,068	-
Changes resulting from adjustments	5,346,045)	(221,000)	(1,326,814)	-	-	(6,893,859)
Written off Balances	-	-	-	-	-	-
Amendments resulting from changes in currency exchange	-	-	-	-	-	-
Total Balance as at the end of the year	**58,841,229**	**-**	**13,011,615**	**-**	**722,574**	**72,575,418**

Movement of expected credit losses – guarantees:

	Stage 1		Stage 2			
2022	**Individual**	**Collective**	**Individual**	**Collective**	**Stage 3**	**Total**
	JOD	**JOD**	**JOD**	**JOD**	**JOD**	**JOD**
Total balance as at the beginning of the year	77,275	-	224,775	-	571,343	873,393
Impairment loss on new exposures during the year/ Additions	73,485	-	26,906	-	11,625	112,016
Recoveries from impairment loss on repaid exposures (repaid/ derecognized)	(59,187)	-	(116,617)	-	(443,553)	(619,357)
Transferred to Stage 1	93,643	-	(89,459)	-	(4,184)	-
Transferred to stage 2	(969)	-	969	-	-	-
Transferred to stage 3	(145)	-	(545)	-	690	-
Effect on the provision -as at the end of the year- from the classification change among the three stages during the year	(132,023)	-	95,791	-	36,232	-
Changes resulting from adjustments	(5,680)	-	(30,422)	-	(18,544)	(54,646)
Written off Balances	-	-	-	-	-	-
Amendments resulting from changes in currency exchange	-	-	-	-	-	-
Total Balance as at the end of the year	**46,399**	**-**	**111,398**	**-**	**153,609**	**311,406**

	Stage 1		Stage 2			
2021	**Individual**	**Collective**	**Individual**	**Collective**	**Stage 3**	**Total**
	JOD	**JOD**	**JOD**	**JOD**	**JOD**	**JOD**
Total balance as at the beginning of the year	11,887	823	54,241	235	90,074	157,260
Impairment loss on new exposures during the year/ Additions	175,353	15,679	19,544	54	389,322	599,952
Recoveries from impairment loss on repaid exposures (repaid/ derecognized)	(2,086)	(219)	(2,555)	(229)	(19,212)	(24,301)
Transferred to Stage 1	4,151	-	(3,468)	(227)	(456)	-
Transferred to stage 2	(397)	-	40,411	-	(40,014)	-
Transferred to stage 3	(27)	-	-	-	27	-
Effect on the provision -as at the end of the year- from the classification change among the three stages during the year	(123,527)	(16,283)	53,138	167	86,505	-
Changes resulting from adjustments	11,921	-	63,464	-	65,097	140,482
Written off Balances	-	-	-	-	-	-
Amendments resulting from changes in currency exchange	-	-	-	-	-	-
Total Balance as at the end of the year	**77,275**	**-**	**224,775**	**-**	**571,343**	**873,393**

Movements of non-utilized direct credit limits	**Stage 1**		**Stage 2**			
	Individual	**Collective**	**Individual**	**Collective**	**Stage 3**	**Total**
2022	**JOD**	**JOD**	**JOD**	**JOD**	**JOD**	**JOD**
Balance as at the beginning of the year	19,311,011	-	2,668,734	-	-	21,979,745
New exposures during the year/Additions	1,230,771	-	1,051,735	-	568	2,283,074
Repaid/ derecognized balances	(4,308,887)	-	(723,711)	-	-	(5,032,598)
Transferred to Stage 1	1,310,675	-	(1,310,675)	-	-	-
Transferred to stage 2	(31,176)	-	31,176	-	-	-
Transferred to stage 3	-	-	-	-	-	-
Changes resulting from adjustments	5,413,394	-	390,878	-	-	5,804,272
Written off Balances	-	-	-	-	-	-
Amendments resulting from changes in currency exchange	-	-	-	-	-	-
Total Balance as at the end of the year	**22,925,788**	**-**	**2,108,137**	**-**	**568**	**25,034,493**

Movements of non-utilized direct credit limits	**Stage 1**		**Stage 2**			
	Individual	**Collective**	**Individual**	**Collective**	**Stage 3**	**Total**
2021	**JOD**	**JOD**	**JOD**	**JOD**	**JOD**	**JOD**
Balance as at the beginning of the year	16,195,066	8,030	2,517,025	-	-	18,720,121
New exposures during the year/Additions	4,287,904	26,132	111,331	-	-	4,425,367
Repaid/ derecognized balances	(1,260,977)	(566)	(56,942)	-	-	(1,318,485)
Transferred to Stage 1	348,127	(33,596)	(314,531)	-	-	-
Transferred to stage 2	(985,285)	-	985,285	-	-	-
Transferred to stage 3	-	-	-	-	-	-
Changes resulting from adjustments	726,176	-	(573,434)	-	-	152,742
Written off Balances	-	-	-	-	-	-
Amendments resulting from changes in currency exchange	-	-	-	-	-	-
Total Balance as at the end of the year	**19,311,011**	**-**	**2,668,734**	**-**	**-**	**21,979,745**

Movements of expected credit losses – non-utilized direct credit limits:

	Stage 1		Stage 2			
2022	**Individual**	**Collective**	**Individual**	**Collective**	**Stage 3**	**Total**
	JOD	**JOD**	**JOD**	**JOD**	**JOD**	**JOD**
Balance as at the beginning of the year	179,040	-	192,749	-	-	371,789
Impairment loss new exposures during the year/Additions	22,367		13,277		97	35,741
Recoveries from impairment loss on repaid exposures (repaid/ derecognized)	(12,313)		(78,091)		-	(90,404)
Transferred to Stage 1	41,492	-	(41,492)	-	-	-
Transferred to stage 2	(1,114)	-	1,114	-	-	-
Transferred to stage 3	-	-	-	-	-	-
Effect on the provision -as at the end of the year- from the classification change among the three stages during the year	(40,040)		40,040		-	-
Changes resulting from adjustments	(22,574)	-	(31,089)	-	-	(53,663)
Written off Facilities	-	-	-	-	-	-
Amendments resulting from changes in currency exchange	-	-	-	-	-	-
Total Balance as at the end of the year	**166,858**	**-**	**96,508**	**-**	**97**	**263,463**

	Stage 1		Stage 2			
2021	**Individual**	**Collective**	**Individual**	**Collective**	**Stage 3**	**Total**
	JOD	**JOD**	**JOD**	**JOD**	**JOD**	**JOD**
Total balance as at the beginning of the year	109,864	77	91,468	-	-	201,409
Impairment loss on new exposures during the year	106,737	10	8,601	-	-	115,348
Repaid/ derecognized balances	(22,557)	(63)	(42,742)	-		(65,362)
Transferred to Stage 1	31,044	-	(31,044)	-	-	-
Transferred to stage 2	(34,018)	-	34,018	-	-	-
Transferred to stage 3	-	-	-	-	-	-
Effect on the provision -as at the end of the year- from the classification change among the three stages during the year	(74,489)	(24)	74,513	-	-	-
Changes resulting from adjustments	62,459	-	57,935	-	-	120,394
Written off Facilities	-	-	-	-	-	-
Amendments resulting from changes in currency exchange	-	-	-	-	-	-
Total Balance as at the end of the year	**179,040**	**-**	**192,749**	**-**	**-**	**371,789**

Movement of non-utilized indirect facilities limits:

2022	Stage 1 Individual	Stage 1 Collective	Stage 2 Individual	Stage 2 Collective	Stage 3	Total
	JOD	JOD	JOD	JOD	JOD	JOD
Total balance as at the beginning of the year	18,392,413	-	5,810,267	-	-	24,202,680
New exposures during the year /Additions	11,021,002		324,046			11,345,048
(Repaid/ derecognized) balances	(2,673,540)	-	(1,251,957)	-	-	(3,925,497)
Transferred to Stage 1	2,860,896		(2,860,896)			-
Transferred to stage 2	(929,949)	-	929,949	-	-	-
Transferred to stage 3	-	-	-	-	-	-
Effect on the provision -as at the end of the year- from the classification change among the three stages during the year	(1,516,070)	-	(858,283)	-	-	(2,374,353)
Changes resulting from adjustments	-	-	-	-	-	-
Written off Facilities	-	-	-	-	-	-
Amendments resulting from changes in currency exchange	-	-	-	-	-	-
Total Balance as at the end of the year	**27,154,752**	**-**	**2,093,126**	**-**	**-**	**29,247,878**

2021	Stage 1 Individual	Stage 1 Collective	Stage 2 Individual	Stage 2 Collective	Stage 3	Total
	JOD	JOD	JOD	JOD	JOD	JOD
Total balance as at the beginning of the year	21,192,404	42,800	3,467,986	-	-	24,703,190
New exposures during the year /Additions	2,653,085	182,900	402,355	-	-	3,238,340
(Repaid/ derecognized) balances	(4,091,813)	-	(36,364)	-	-	(4,128,177)
Transferred to Stage 1	1,261,896	(225,700)	(1,036,196)	-	-	-
Transferred to stage 2	(996,664)	-	996,664	-	-	-
Transferred to stage 3	-	-	-	-	-	-
Effect on the provision -as at the end of the year- from the classification change among the three stages during the year	(1,626,495)	-	2,015,822	-	-	389,327
Changes resulting from adjustments	-	-	-	-	-	-
Written off Balances	-	-	-	-	-	-
Amendments resulting from changes in currency exchange	-	-	-	-	-	-
Total Balance as at the end of the year	**18,392,413**	**-**	**5,810,267**	**-**	**-**	**24,202,680**

Movement of expected credit losses – non-utilized indirect limits:

2022	Stage 1 Individual	Stage 1 Collective	Stage 2 Individual	Stage 2 Collective	Stage 3	Total
	JOD	JOD	JOD	JOD	JOD	JOD
Balance at beginning of the year	45,269	-	186,203	-	-	231,472
Impairment loss on new exposures during the year/Addition	21,958	-	(2,682)	-	-	19,276
Recoveries from impairment loss on repaid exposures (repaid/ derecognized)	(18,693)	-	(110,397)	-	-	(129,090)
Transferred to Stage 1	134,267	-	(134,267)	-	-	-
Transferred to stage 2	(3,491)	-	3,491	-	-	-
Transferred to stage 3	-	-	-	-	-	-
Effect on the provision -as at the end of the year- from the classification change among the three stages during the year	(115,876)	-	115,876	-	-	-
Changes resulting from adjustments	(9,417)	-	(17,053)	-	-	(26,470)
Written off facilities	-	-	-	-	-	-
Amendments resulting from changes in currency exchange	-	-	-	-	-	-
Total Balance as at the end of the year	**54,017**	**-**	**41,171**	**-**	**-**	**95,188**

2021	Stage 1 Individual	Stage 1 Collective	Stage 2 Individual	Stage 2 Collective	Stage 3	Total
	JOD	JOD	JOD	JOD	JOD	JOD
Balance at beginning of the year	41,328	67	61,308	-	-	102,703
Impairment loss on new exposures during the year/ Addition	28,631	82	-	-	-	28,713
Recoveries from impairment loss on repaid exposures (repaid/ derecognized)	(11,780)	-	(22,562)	-	-	(34,342)
Transferred to Stage 1	25,490	-	(25,490)	-	-	-
Transferred to stage 2	(5,066)	-	5,066	-	-	-
Transferred to stage 3	-	-	-	-	-	-
Effect on the provision -as at the end of the year- from the classification change among the three stages during the year	(38,458)	(149)	38,607	-	-	-
Changes resulting from adjustments	5,124	-	129,274	-	-	134,398
Written off facilities	-	-	-	-	-	-
Amendments resulting from changes in currency exchange	-	-	-	-	-	-
Total Balance as at the end of the year	**45,269**	**-**	**186,203**	**-**	**-**	**231,472**

(49) Lawsuits against the Bank

The value of lawsuits against the Bank amounted to JD 4,646,217 as of December 31, 2022, compared to JD 3,591,232 as of December 31, 2021, while the balance of provisions to address these cases was JD 17,537 as of December 31, 2022, and on December 31, 2021. In the estimates of the management and its legal consultant and there are no obligations in exchange for these cases.

There are no cases against the Al Istethmari latemweel selselat Al Imdad company as of December 31, 2022, and there is one case against them as of December 31, 2021, and at the discretion of the management and legal counsel of the company, there is no need to take provisions for this case at this stage.

There are no lawsuits Jordanian Factoring Company as of December 31, 2022 and December 31, 2021.

The cases against Tamkeen Leasing company amounted to JD 167,979 as of December 31, 2022, and JD 221,540 as of December 31, 2021, and at the discretion of the company's management and legal counsel, the company will not have any obligations in exchange for these cases.

The value of the cases against The Jordanian Trade Facilities Company was JD 79,090 as of December 31, 2022, compared to JD 117,311 as of December 31, 2021. As of December 31, 2022, the balances of previous to address these cases were JD 220,000, compared to JD 279,173 as of December 31, 2021. In the discretion of the management and legal counsel of the company, the company will not have any obligations in exchange for these cases.

The value of the cases against the Trade Facilities for finance Leasing Company (subsidiary of the Facilities Company) amounted to JD 10,601 as of December 31, 2022, compared to JD 12,301 as of December 31, 2021, while the balance of provision to address these case was for these cases was JD 12,357 as of December 31, 2022, and Zero at December 31, 2021. And in the discretion of the company's management and legal counsel, the company will not have any obligations in exchange for these cases.

The value of cases against Bindar Trade and Investment Company was JD 64,995 as of December 31, 2022, against to JD 42,840 as of December 31, 2021, while the balance of provision to address these cases was for these cases was JD 64,995 as of December 31, 2022, against JD 32,340 at December 31, 2021. In the discretion of the management and legal counsel of the company, the company will not incur any additional obligations in exchange for these cases.

The cases against Al-Qimma for commercial facilities for Cars Company amounted to JD 2,000 as of December 31, 2022, and at the discretion of the company's management and legal counsel, the company will not have any provisions in exchange for these cases.

There are no cases against Bindar Finance Leasing, Ruboua Al-sharq Real Estate Company and Rakeen Real Estate (subsidiaries of Bindar Trade and Investment Company) as of December 31, 2022, and December 31, 2021.

(50) Discontinued operations

A-Assets held for sale and liabilities directly connected with assets held for sale

Jordan factoring company (subsidiary)

During the first half of the year 2022, the bank’s Board of Directors approved the liquidation of the Jordanian factoring company, and accordingly each the company’s assets and liabilities were classified under a separate item in accordance with requirements of (IFRS5). The total assets of the company amounted to JD 55,822 as of December 31, 2022, and the total liabilities of the company amounted to Zero on December 31, 2022. Below are the details of each the company’s assets and liabilities.

	December,31 2022
	JD
Assets	
Cash and cash at banks	55,822
Total assets held for sale	**55,822**
Disposal from operation between company and bank	(55,822)
Total assets held for sale	**-**
Liabilities	
Other liabilities	-
Total liabilities related directly to asset held for sale	**-**
Disposal from operation between company and bank	-
Total liabilities related directly to asset held for sale	**-**

Bindar finance leasing company (subsidiary)

During the last quarter of the year 2022, the Board of Director of Bindar trade and investment company (a subsidiary) decided to liquidate Bindar finance leasing company (a subsidiary), accordingly each of the company's assets and liabilities classified under separate item in accordance with requirements of (IFRS5) . The total assets of the company amounted to 1,095,530 JD as of December 31, 2022, and the total liabilities amounted to 2,360 JD as of December 31, 2022.

Details of each company's assets and liabilities:

	December,31 2022
	JD
Assets	
Cash and cash at banks	144,396
Due to related parties	950,301
Other assets	833
Total assets held for sale	**1,095,530**
Disposal from operation between company and parent	(950,301)
Total assets held for sale	**145,229**
Liabilities	
Other liabilities	2,360
Total liabilities related directly to asset held for sale	**2,360**
Disposal from operation between company and bank	-
Total liabilities related directly to asset held for sale	**2,360**

B-Cash flows (used in) discontinuing operations - Jordan factoring company (subsidiary) :

	For the year ended December 31,	
	2022	2021
	JD	JD
Cash flow from (used in) operating activities	848,861	(621,150)
Cash flow from investing activities	727	-
Cash flow (used in) Financing activities	(1,047,781)	(3,621)
Net cash flow	**(198,193)**	**(624,771)**

C-Profit (loss) from discontinuing operations – Net after tax:

C1- Profit from discontinuing operations Al-Mawared financial brokerage company (Former subsidiary)

	For the year ended December 31,	
	2022	2021
	JD	JD
Revenue	680,520	1,255,988
Disposal from operation between company and Bank	(17,091)	(117,453)
Total Revenue	**663,429**	**1,138,535**
Expenses	(471,636)	(364,302)
Disposal from operation between company and Bank	2,171	20,024
Total Expenses	**(469,465)**	**(344,278)**
Gross profit from discontinuing	193,964	794,257
Income tax	(58,500)	(252,948)
Tax expense and assignment fees from the sale	(119,246)	-
Net profit from discontinuing	**16,218**	**541,309**

During the first half of the year 2022, the bank sold its entire invested stake in the capital of Al-Mawared financial brokerage company at a cost of 3,000,000 JD distributed over 3 million shares, the sale amounted to 4,798,993 JD.

C2- Loss from discontinuing operations Jordan factoring company (subsidiary):

	For the year ended December 31,	
	2022	2021
	JD	JD
Revenue	63,321	74,421
Disposal from operation between company and Bank	(9,576)	(8,756)
Total Revenue	**53,745**	**65,665**
Expenses	(124,468)	(215,651)
Disposal from operation between company and Bank	2,162	2,480
Total Expenses	**(122,306)**	**(213,171)**
Gross loss from discontinuing	(68,561)	(147,506)
Income tax	(91,031)	29,920
Net profit from discontinuing	**(159,592)**	**(117,586)**

Based on the decision of the bank's Board of Directors in its first meeting in 2022, it was approved to close the Jordanian Factoring company. It was approved to reduce the company's capital by 1,292,000 JD So that the authorized and paid-up capital became 208,000 JD .The reduction procedures were completed on December 15 , 2022 , and the loss of the period has been amortized and recorded as a decrease in the investment in the company's capital was (152,187) JD during 2022.

D- Comparative figures

Some comparative figures of the year ended December 31, 2021, have been reclassified to conform with the presentation of the financial statements for the year ended December 31, 2022.

(51) Profit resulting from the acquisition of a subsidiary.

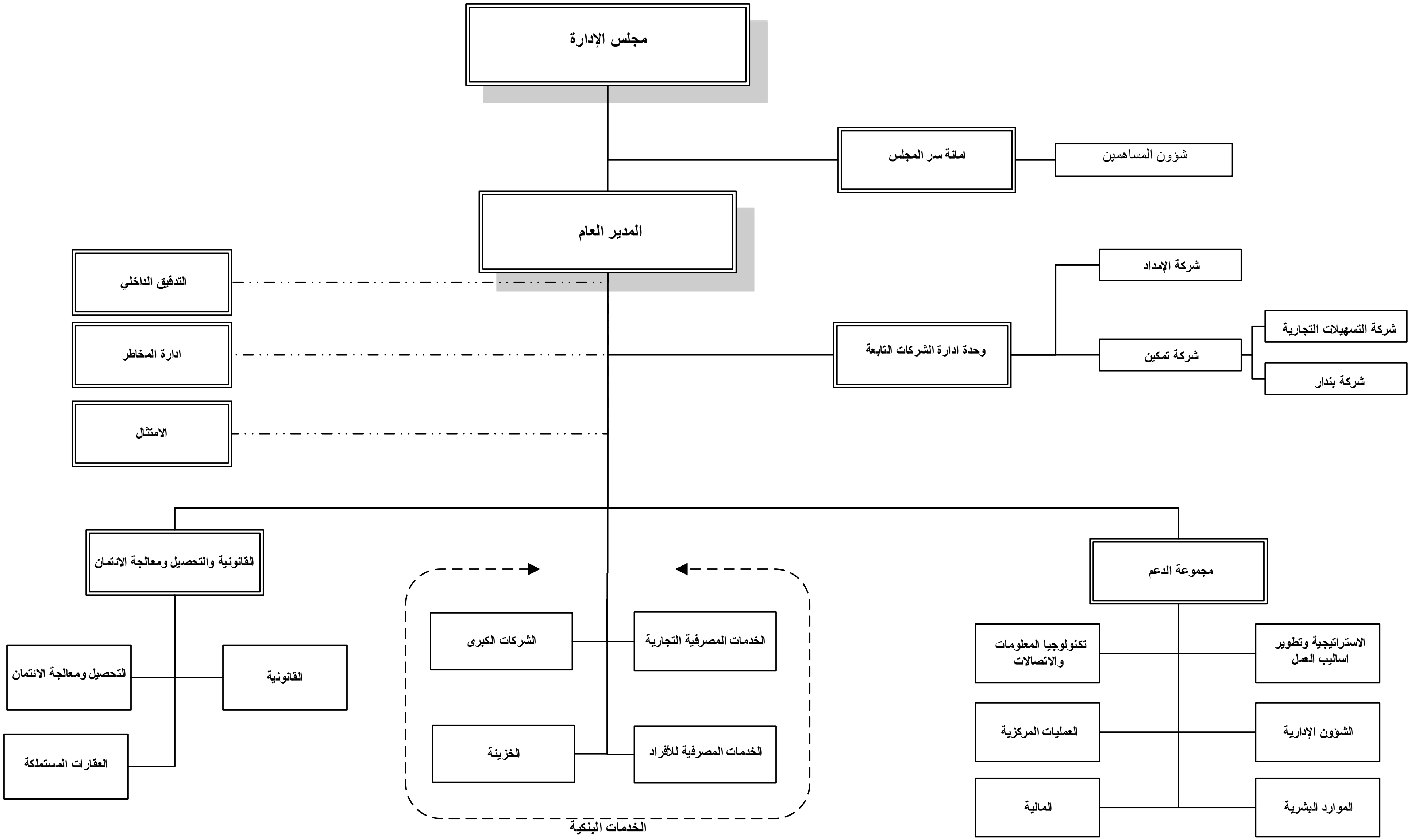
During the period, the bank through its subsidiary (Bindar trade and investment) acquired 100% of Al-Qimma Commercial facility for cars, through the purchase of 2,130,000 shares with par value of 1.6 JD per share, as investment cost amounted to 3,438,366 JD, and the fair value of the net assets acquisition amounted to 7,035,358 JD, which resulted a profit by 3,596,992 JD.

(52) Subsequent events

Based on the decision of the General Authority of Bindar Trade and Investment Company (subsidiary) No 18/2022 in October 3, 2022, It was approved to stop the activity of Bindar finance leasing company (subsidiary) and liquidate it voluntarily during 2023.

Based on the decision of the General Authority of Bindar Trade and Investment Company (subsidiary) at its extraordinary meeting held on November 23, 2022, it was approved to merge Al-Qimma commercial facilities for cars (a subsidiary) with Bindar trade and investment and completed the merge process during the first quarter of 2023.

INVESTBANK Organization Structure



اقرارات اعضاء مجلس الادارة:

يقر مجلس ادارة البنك الإستثماري بعدم وجود أية أمور جوهرية قد تؤثر على استمرارية البنك خلال السنة المالية 2023.
يقر مجلس ادارة البنك الإستثماري بمسؤوليته عن اعداد البيانات المالية وكفاية أنظمة الضبط والرقابة الداخلية وتوفر نظام رقابة فعال في البنك.

الاسم	الصفة	التوقيع
السيد/ فهمي أبوخضرا	رئيس مجلس الإدارة	
السيد / أيمن شفيق جميعان	نائب رئيس مجلس الإدارة	
السيد/ جريس سبيرو العيسى	عضو مجلس الإدارة ممثل شركة عبد الرحيم جردانة واولاده	
السيد/ أسامة منير فتالة	عضو مجلس الإدارة ممثل شركة مستودع الأدوية الأردني	
السيدة/ زينة نزار جردانة	عضو مجلس الادارة	
السيد/ دريد أكرم جراب	عضو مجلس الادارة	
السيد / رشدي محمود الغلاييني	عضو مجلس الإدارة ممثل شركة بنك فلسطين	
الدكتور/ بسام خليل الساكت	عضو مجلس الإدارة	
السيد / عزت نجم الدين الدجاني	عضو مجلس الإدارة	
السيد / عادل غازي عقل	عضو مجلس الإدارة	
الدكتور/ نعيم عمرعبد الهادي	عضو مجلس الإدارة	Haleem Abdulhadi

نقر نحن الموقعون ادناه بصحة ودقة واكتمال المعلومات والبيانات الواردة في هذا التقرير.

مدير دائرة المحاسبة المالية والإدارية الفاضلة / هبة القاسم	المدير العام السيد/ منتصرعزت دواس	رئيس مجلس الإدارة السيد/ فهمي أبوخضرا