

BANK AL ETIHAD  
(PUBLIC SHAREHOLDING COMPANY)  
AMMAN – HASHEMITE KINGDOM OF JORDAN

CONDENSED CONSOLIDATED INTERIM FINANCIAL  
INFORMATION FOR THE  
SIX MONTHS PERIOD ENDED JUNE 30, 2023  
TOGETHER WITH THE REVIEW REPORT

BANK AL ETIHAD  
(PUBLIC SHAREHOLDING COMPANY)  
AMMAN - HASHEMITE KINGDOM OF JORDAN  
JUNE 30, 2023

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## **Independent Auditor's Review Report**

AM/ 010932

To the Chairman and Board of Directors Members  
Bank Al Etihad  
(A Public Shareholding Company)  
Amman – Hashemite Kingdom of Jordan

### **Introduction**

We have reviewed the accompanying condensed consolidated interim statement of financial position of Bank Al Etihad (a Public Shareholding Company) "Bank" and its subsidiaries "Group" as of June 30, 2023 and the related condensed consolidated interim statements of profit or loss, and comprehensive income for the three months and six months period ended June 30, 2023, and changes in owners' equity and cash flows for the six months period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for preparation and fair presentation of this consolidated condensed interim financial information in accordance with the international accounting standard (34) "Interim Financial Reporting" as adopted by Central Bank of Jordan. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

### **Scope of Review**

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

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated condensed interim financial information is not prepared, in all material respects, in accordance with amended International Accounting Standard (34) "Interim Financial Reporting" as adopted by Central Bank of Jordan.

### **Other Matter**

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

Amman – Jordan  
July 30, 2023

  
**Deloitte & Touche (M.E.) – Jordan**  
**Deloitte & Touche (M.E.)**  
ديلويت أند توش (الشرق الأوسط)  
010105

**BANK AL ETIHAD**  
**(A PUBLIC SHAREHOLDING LIMITED COMPANY)**  
**AMMAN - THE HASHEMITE KINGDOM OF JORDAN**  
**CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION**

	Note	June 30, 2023 (Reviewed Not Audited)	December 31, 2022 (Audited)
<b>Assets:</b>			
		JD	JD
Cash and balances at the Central Bank of Jordan	5	713,934,081	761,806,411
Balances at banks and financial institutions - net	6	288,517,409	207,342,608
Deposits at banks and financial institutions - net	7	9,581,214	14,013,824
Financial assets at fair value through profit or loss	8	17,841,392	18,423,896
Direct credit facilities and financing - net	9	4,133,736,283	3,991,118,781
Financial assets at fair value through other comprehensive income	10	64,441,074	61,301,069
Financial assets at amortized cost - net	11	1,463,917,854	1,325,766,644
Investments in associate		349,622	345,954
Property and equipment - net		71,018,593	68,516,377
Deferred tax assets	14/b	29,549,064	32,820,280
Right of use assets - net	25	30,146,582	29,461,656
Intangible assets - net		27,495,702	26,893,693
Other assets - net	12	144,178,451	153,079,760
<b>TOTAL ASSETS</b>		<b>6,994,707,321</b>	<b>6,690,890,953</b>
<b>LIABILITIES AND OWNERS' EQUITY:</b>			
<b>LIABILITIES:</b>			
Banks' and financial institutions' deposits		295,472,137	337,850,140
Customers' deposits	13	5,430,863,655	5,186,344,444
Cash margins		297,312,048	257,368,027
Borrowed funds	16/a	171,400,867	141,707,946
Subordinated loans	16/b	60,295,000	46,115,000
Sundry provisions		480,293	631,897
Leasing liabilities	25	30,152,377	29,680,581
Income tax provision	14/a	13,923,318	28,930,915
Deferred tax liabilities	14/b	820,873	844,854
Other liabilities	15	123,695,156	101,380,499
<b>TOTAL LIABILITIES</b>		<b>6,424,415,724</b>	<b>6,130,854,303</b>
<b>OWNERS' EQUITY:</b>			
<b>BANK'S SHAREHOLDERS' EQUITY:</b>			
Authorized and paid-up Capital	26	200,000,000	160,000,000
Share premium	26	68,213,173	80,213,173
Statutory reserve	27	76,227,974	76,227,974
Voluntary reserve	27	51,192,173	51,192,173
Fair value reserve - net	18	6,516,552	6,482,816
Retained earnings	17	34,596,211	78,930,524
Profit for the period		24,596,969	-
<b>TOTAL BANK'S SHAREHOLDERS' EQUITY</b>		<b>461,343,052</b>	<b>453,046,660</b>
Non-controlling interests		108,948,545	106,989,990
<b>TOTAL OWNERS' EQUITY</b>		<b>570,291,597</b>	<b>560,036,650</b>
<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b>6,994,707,321</b>	<b>6,690,890,953</b>

THE ACCOMPANYING NOTES FROM (1) TO (34) CONSTITUTE AN INTEGRAL PART OF THESE CONDENSED  
CONSOLIDATED INTERIM FINANCIAL INFORMATION AND SHOULD BE READ WITH THEM AND WITH THE  
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**BANK AL ETIHAD**  
(PUBLIC SHAREHOLDING COMPANY)  
**AMMAN - HASHEMITE KINGDOM OF JORDAN**  
**CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS**  
**(REVIEWED NOT AUDITED)**

		For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	Note	2023	2022	2023	2022
		JD	JD	JD	JD
Interest income and returns	19	105,237,543	72,216,206	205,917,142	139,886,039
Interest and debit expenses	20	53,147,250	29,956,249	101,125,734	57,824,475
<b>Net Interest Income and returns</b>		<b>52,090,293</b>	<b>42,259,957</b>	<b>104,791,408</b>	<b>82,061,564</b>
Net commission income		7,346,600	8,747,700	15,885,132	16,441,198
<b>Net Interest, return and Commission Income</b>		<b>59,436,893</b>	<b>51,007,657</b>	<b>120,676,540</b>	<b>98,502,762</b>
Gain from foreign currency		3,223,906	1,158,052	5,964,936	4,113,419
Gain (loss) from financial assets at fair value through profit or loss	21	(241,135)	(234,239)	478,354	(1,000,270)
Gain from financial assets at amortized cost		673	1,418	673	4,777
Dividends from financial assets at fair value through other comprehensive income	10	562,896	189,230	1,041,404	663,400
Other income		505,869	190,829	873,372	653,120
<b>Total Income</b>		<b>63,489,102</b>	<b>52,312,947</b>	<b>129,035,279</b>	<b>102,937,208</b>
Expenses:					
Employees expenses		15,721,114	14,314,852	31,337,664	28,169,629
Depreciation and amortization		3,797,676	3,905,677	7,381,455	7,763,966
Other expenses		11,042,350	9,473,322	22,051,202	18,656,186
Allowance for expected credit loss	23	8,820,093	6,512,139	19,078,820	11,788,999
Amortization of right of use assets	25	1,165,846	1,008,047	2,262,261	2,042,620
Rent expense	25	163,861	134,676	331,143	258,004
Interest on lease liabilities	25	308,593	370,977	600,144	629,043
(Surplus) provision for impairment of seized assets		(360,395)	218,929	(497,627)	437,997
Sundry provisions		74,223	170,739	124,677	103,600
<b>Total Expenses</b>		<b>40,733,361</b>	<b>36,109,358</b>	<b>82,669,739</b>	<b>69,850,044</b>
<b>Operating profit</b>		<b>22,755,741</b>	<b>16,203,589</b>	<b>46,365,540</b>	<b>33,087,164</b>
Banks share from associates profits		3,668	2,246	3,668	2,246
<b>Profit for the Period before Income Tax Expense</b>		<b>22,759,409</b>	<b>16,205,835</b>	<b>46,369,208</b>	<b>33,089,410</b>
Income tax	14	(8,056,450)	(6,401,684)	(16,782,382)	(12,785,704)
<b>Profit for the Period</b>		<b>14,702,959</b>	<b>9,804,151</b>	<b>29,586,826</b>	<b>20,303,706</b>
<u>Attributable to:</u>					
Bank's Shareholders		12,039,898	7,278,354	24,596,969	15,562,146
Non-Controlling Interests		2,663,061	2,525,797	4,989,857	4,741,560
		<b>14,702,959</b>	<b>9,804,151</b>	<b>29,586,826</b>	<b>20,303,706</b>
		JD/ FILS	JD/ FILS	JD/ FILS	JD/ FILS
Basic and diluted earnings per share for the period attribut able to the Bank's Shareholders	22	0.060	0.036	0.123	0.078

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**BANK AL ETIHAD**  
**(PUBLIC SHAREHOLDING COMPANY)**

**AMMAN - HASHEMITE KINGDOM OF JORDAN**

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME**

(REVIEWED NOT AUDITED)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2023	2022	2023	2022
	JD	JD	JD	JD
Profit for the Period	14,702,959	9,804,151	29,586,826	20,303,706
Comprehensive income items				
Items that will not be reclassifiable to the consolidated statement				
profit or loss in the subsequent period				
Net change in the fair value reserve after-tax	(145,576)	3,729,241	350,570	3,821,889
<b>Total Comprehensive Income for the Period</b>	<b>14,557,383</b>	<b>13,533,392</b>	<b>29,937,396</b>	<b>24,125,595</b>
Total Comprehensive Income for the Period Attributable to:				
Bank's Shareholders	11,919,739	11,007,595	24,965,250	19,384,035
Non-controlling interest	2,637,644	2,525,797	4,972,146	4,741,560
	<b>14,557,383</b>	<b>13,533,392</b>	<b>29,937,396</b>	<b>24,125,595</b>

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AMMAN - HASHEMITE KINGDOM OF JORDAN  
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN OWNERS' EQUITY  
(REVIEWED NOT AUDITED)

Equity- Bank's Shareholders										
Reserves										
Note	Authorized and paid-up Capital	Share Premium	Statutory	Voluntary	Fair Value Reserve - net	Retained Earnings	Income for the Period	Total Shareholders Equity	Non-controlling Interests	Total Owners Equity
For the Six Months Ended June 30, 2023										
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Balance - Beginning of the Period	160,000,000	80,213,173	76,227,974	51,192,173	6,482,816	78,930,524	-	453,046,660	106,989,990	560,036,650
Total comprehensive income for the period	-	-	-	-	368,281	-	24,596,969	24,965,250	4,972,146	29,937,396
Increase in the capital	26	40,000,000	(12,000,000)	-	-	(28,000,000)	-	-	-	-
Capital increase fees		-	-	-	-	(250,150)	-	(250,150)	-	(250,150)
Dividends distributed	26	-	-	-	-	(16,000,000)	-	(16,000,000)	-	(16,000,000)
Acquisition shares in subsidiaries		-	-	-	-	(418,708)	-	(418,708)	(3,013,591)	(3,432,299)
Realized gain from sale financial assets at fair value through other comprehensive income.		-	-	-	(334,545)	334,545	-	-	-	-
Balance - End of the Period	200,000,000	68,213,173	76,227,974	51,192,173	6,516,552	34,596,211	24,596,969	461,343,052	108,948,545	570,291,597
For the Six Months Ended June 30, 2022										
Balance - Beginning of the Period	160,000,000	80,213,173	68,169,340	46,167,117	1,741,270	71,721,054	-	428,011,954	101,455,563	529,467,517
Total comprehensive income for the period	-	-	-	-	3,821,889	-	15,562,146	19,384,035	4,741,560	24,125,595
Dividends distributed	26	-	-	-	-	(16,000,000)	-	(16,000,000)	(2,176,201)	(18,176,201)
Acquisition shares in subsidiaries		-	-	-	-	(229)	-	(229)	(1,632)	(1,861)
Realized (Losses) from sale financial assets at fair value through other comprehensive income.		-	-	-	(173,071)	173,071	-	-	-	-
Balance - End of the Period	160,000,000	80,213,173	68,169,340	46,167,117	5,390,088	55,893,896	15,562,146	431,395,760	104,019,290	535,415,050

- A restricted balances from the retained earnings and profit for the period which amounted to JD 29,549,064 as of June 30, 2023 (JD 32,820,280 as on December 31, 2022), represent deferred tax assets, and according to the Central Bank of Jordan instructions, these amounts can not be used unless a prior approval is obtained.

- Retained earnings balance includes an amount of JD 764,186 which represents unrealized gain from revaluation of financial assets at fair value through profit and loss as of June 30, 2023.

- It is forbidden to use the excess from the general banking risk reserve balance and the amount of JD 108,397 transferred to retained earnings as of June 30, 2023, that belongs to Safwa Islamic Bank without a pre-approval from the Central Bank of Jordan.

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**BANK AL ETIHAD**  
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**AMMAN - HASHEMITE KINGDOM OF JORDAN**  
**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS**  
(REVIEWED NOT AUDITED)

		For the Six Months Ended June 30,	
	Note	2023	2022
Cash flow from operating activities:		JD	JD
Profit for the period before income tax		46,369,208	33,089,410
Adjustments:			
Depreciation and amortization		7,381,455	7,763,966
Expected credit loss	23	19,078,820	11,788,999
Amortization of right of use assets	25	2,262,261	2,042,620
Interests on lease liabilities	25	600,144	629,043
(Gain) from sales of financial assets at amortized cost	11	(673)	(4,777)
Provision for impairment of sized assets	12	(497,627)	437,997
Unrealized losses from financial assets valuation	21	266,650	816,058
Losses from sale of property and equipment		2,244	80,756
(Gain) from valuation of convertible loans		-	(262)
Sundry provisions		124,677	103,600
Bank's share of (gain) in an associate companies		(3,668)	(2,246)
Effect of exchange rate fluctuations on cash and cash equivalents		(1,398,611)	(1,876)
Losses (gain) from sale of seized assets against debts		125,799	(136,706)
<b>Profit before changes in assets and liabilities</b>		<b>74,310,679</b>	<b>56,606,582</b>
CHANGES IN ASSETS AND LIABILITIES:			
Restricted cash balances		(1,920,717)	(523,659)
Direct credit and financing facilities		(161,601,355)	(365,972,769)
Financial assets at fair value through profit or loss		315,854	(3,110,291)
Deposits at banks and financial institutions		4,431,126	2,916,136
Deposits at banks and financial institutions exceeding 3 months		1,495,474	(9,045,000)
Other assets		9,273,137	(9,959,894)
Customers' deposits		244,519,211	155,929,996
Cash margins		39,944,021	26,123,803
Other liabilities		22,196,923	24,619,214
<b>Net Cash Flow from (used in) Operating Activities before Income tax and Other Provisions Paid</b>		<b>232,964,353</b>	<b>(122,415,882)</b>
Income tax paid	14/a	(28,532,303)	(21,513,444)
Sundry provisions paid		(276,281)	(6,000)
<b>Net Cash Flow From (used in) Operating Activities</b>		<b>204,155,769</b>	<b>(143,935,326)</b>
Net Cash Flow from Investing activities:			
Net (purchase) of financial assets at fair value through other comprehensive income		(2,799,876)	(6,696,092)
Net (purchase) of financial assets at amortized cost		(314,318,609)	(296,440,392)
Matured/sale of financial assets at amortized cost		176,220,111	185,178,734
(Increase) of intangible assets		(3,904,351)	(3,755,553)
(Purchase) of property and equipment		(6,590,457)	(4,792,068)
Proceeds from sale of property and equipment		6,885	182,907
<b>Net Cash Flow (used in) Investing Activities</b>		<b>(151,386,297)</b>	<b>(126,322,464)</b>
Cash Flow from Financing activities:			
Capital increase fees		(250,150)	-
Increase in borrowed funds		29,692,921	9,825,763
Dividends distributed to shareholders		(15,934,363)	(18,148,004)
Payments of the lease liability principal		(2,922,753)	(3,027,088)
Repayment of part of the lease liability interest		(152,782)	(137,092)
Increase in the subordinated loan	16/b	14,180,000	-
Acquisition share in subsidiary		(3,432,299)	(1,861)
<b>Net Cash Flow From (used in) Financing Activities</b>		<b>21,180,574</b>	<b>(11,488,282)</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>		<b>73,950,046</b>	<b>(281,746,072)</b>
Effect of exchange rate changes on cash and cash equivalents		1,398,611	1,876
Cash and cash equivalents at the beginning of the year		663,792,609	1,205,726,235
<b>Cash and Cash Equivalents at the End of the Period</b>	24	<b>739,141,266</b>	<b>923,982,039</b>

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BANK AL ETIHAD  
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AMMAN - HASHEMITE KINGDOM OF JORDAN  
NOTES TO THE CONDENSED CONSOLIDATED INTERIM  
FINANCIAL STATEMENTS  
(REVIEWED NOT AUDITED)

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1. General Information

- Bank Al Etihad is a public shareholding company incorporated in Jordan in 1978, in accordance with the Companies Law No (12) of (1964). Its main branch is located in Amman, and it was transformed into a bank during the year 1991.
- The Bank provides its financial and banking services through its main branch located in Amman and through its (59) branches and its subsidiaries in Jordan.
- The Bank shares are listed and traded on the Amman Stock Exchange-Jordan.
- The condensed consolidated interim financial information was approved by the audit committee on July 27, 2023, authorized by the Board of Directors.

2. Basis of Preparation

- The accompanying condensed consolidated interim financial information for the six months ended June 30, 2023, in accordance with "International Accounting Standard (34)" Interim Financial Reporting (IAS 34)" as adopted by the Central Bank of Jordan.

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

- a. Provisions for expected credit losses are calculated in accordance with IFRS 9 and according to the instructions of the Central Bank of Jordan, whichever is tougher, the material differences are as follows:
  - Elimination of debt instrument issued or guaranteed by the Jordanian government, in addition to other credit exposures with the Jordanian government or guaranteed, in which credit exposures over the Jordanian government are amended and guaranteed without any credit losses.
  - When calculating the credit losses against credit exposures, the calculation results according to IFRS No. (9) are compared with those according to the Central Bank of Jordan's Instructions No. (2009/47) dated December 10, 2009, for each stage separately and the toughest results are taken.
  - In some special cases, the Central Bank of Jordan agrees on special arrangements related to the calculation of the expected credit losses' provision of direct credit facilities customers over the determined period.
  - The facilities related to governmental project outcomes (transferred of Government dues) are excluded from provisions calculation.
- b. Interests, revenues and commissions on non-performing credit facilities granted to clients are suspended, in accordance with the instructions of Central Bank of Jordan.

- c. Assets seized by Bank are shown in the condensed consolidated interim statement of financial position among other assets at their current value when it seized to the Bank, or at their fair value, whichever is lower. Furthermore, they are reevaluated on the date of the condensed consolidated interim financial information separately, and any decrease in its value is recorded in the consolidated statement of profit or loss and comprehensive income while no increase in its value is recorded as revenue, and where, any subsequent increase is taken to the consolidated statement of profit or loss and consolidated statement of comprehensive income to the extent of not exceeding the previously recorded impairment value. A gradual provision has been taken for real estate acquired in exchange for debts according to the circular of Central Bank of Jordan No. (10/3/13246) dated September 2, 2021, which is 5% of the total book value of these real estates from the year of 2022 until the required percentage is reached (50% of these properties by the end of the year 2030. According to the Central Bank of Jordan circular No. 10/3/16234 dated October 10, 2022, the gradual provision booked against seized assets is suspended, under a condition that the provision booked against the breached assets should be maintained, and only provisions against sold breached assets can be released.
- The reporting currency of the condensed consolidated interim financial information is the Jordanian Dinar, which is the functional currency of the Bank.
  - The condensed consolidated interim financial information does not include all the information and notes required in the annual financial statements and should be read with the Bank's annual financial statements as of December 31, 2022. Also, operations results as of June 30, 2023, do not necessarily represent an indicator for the expected operations for the year ending December 31, 2023. In addition, no provision has been taken over the profits for the six months ended June 30, 2023, which is done at the end of the fiscal year.
  - **Significant Accounting Judgments and key Sources of Uncertainty Estimates, and Risk Management:**

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

We believe that our estimates in the preparation of summary condensed consolidated interim financial information are reasonable and similar to those adopted in the preparation of consolidated financial statements for the year 2022.

### **3. Significant Accounting Policies**

The accounting policies used in the preparation of the condensed consolidated interim financial information for the period ended June 30, 2023 are consistent with those used in the preparation of the annual consolidated financial statements for the year ended December 31, 2022. However, the Bank has adopted the following amendments and interpretation that was effective for all period after January 1, 2023 in preparing the condensed consolidated interim financial information for the group and have not materially affected the amounts and disclosures in the condensed consolidated interim financial information for the period and prior years, which may have an impact on the accounting treatment of future transactions and arrangements.

#### **Amendments to IAS 1 – Classification of Liabilities as Current or Non-current**

The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or noncurrent is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

#### **Amendments to IFRS 3 – Reference to the Conceptual Framework**

The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date.

Finally, the amendments add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

#### **Amendments to IAS 37 – Onerous Contracts—Cost of Fulfilling a Contract**

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated. Instead, the entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

#### **Amendments to IAS 16 – Property, Plant and Equipment—Proceeds before Intended Use**

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Consequently, an entity recognises such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2 Inventories.

The amendments also clarify the meaning of 'testing whether an asset is functioning properly'. IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes.

If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity's ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost.

The amendments are applied retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments.

The entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

## **IFRS Financial Enhancements 2018-2020**

### IFRS 1 First-time Adoption of International Financial Reporting Standards

The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. As a result of the amendment, a subsidiary that uses the exemption in IFRS 1:D16 (a) can now also elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to IFRS Standards, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. A similar election is available to an associate or joint venture that uses the exemption in IFRS 1:D16 (a).

### IFRS 9 Financial Instruments

The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognise a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

The amendment is applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendment.

### IAS 41 Agriculture

The amendment removes the requirement in IAS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in IAS 41 with the requirements of IFRS 13 Fair Value Measurement to use internally consistent cash flows and discount rates and enables preparers to determine whether to use pretax or post-tax cash flows and discount rates for the most appropriate fair value measurement.

The amendment is applied prospectively, i.e. for fair value measurements on or after the date an entity initially applies the amendment.

#### **4. Basis of preparation of the condensed consolidated interim financial statements**

The condensed consolidated interim financial statements include the financial statements of the Bank and its subsidiaries under its control, meanwhile, control exists when the Bank has control over the investee company, or it is exposed to variable returns or holds rights for its participation in the investee company, and the Bank is able to use its control over the investee company to affect those returns.

- The Bank reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control listed above.
- When the Bank has less than the majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally, In this regard, the Bank considers all relevant facts and circumstances in assessing whether or not the Bank's voting rights in an investee are sufficient to give it power, including:
  - The size of the Banks's holding of voting rights relative to the size of holdings of the other vote holders,
  - Potential voting rights held by the Bank, other vote holders or other parties,
  - Rights arising from other contractual arrangements.
  - Any other facts and circumstances indicate that the Bank has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Control is achieved when the Bank:

- has the ability to control the investee.
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect the investee's returns,

The Bank reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control listed above.

When the Bank has less than the majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally, In this regard, the Bank considers all relevant facts and circumstances in assessing whether or not the Bank's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Bank has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

When it loses control of a subsidiary, the Bank performs the following:-

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary.
- Derecognizes the book value of any non-controlling interests,
- Derecognizes transfer differences accumulated in Owners' Equity.
- Derecognizes the fair value to the next controlling party.
- Derecognizes the fair value of any investment retained.
- Derecognizes any surplus or deficiency in the income statement.
- Reclassifies owners' equity already booked in other comprehensive income to the statement of profit or loss or retained earnings, as appropriate.

The subsidiaries' financial statements are prepared under the same accounting policies adopted by the Bank, If the subsidiaries apply different accounting policies than those used by the Bank, the necessary modifications shall be made to the subsidiaries' financial statements to make them comply with the accounting policies used by the Bank.

The non-controlling interests represent the portion not owned by the Bank relating to ownership of the subsidiaries.

- All balances, transactions, income, and expenses between the Bank and its subsidiaries are eliminated.
- The subsidiaries financial statements are prepared under the same accounting policies adopted by the Bank. If the subsidiaries apply different accounting policies than those used by the Bank, the necessary modifications shall be made to the subsidiaries' financial statements to make them comply with the accounting policies used by the Bank.
- The results of the subsidiaries' operations are consolidated in the consolidated income statement from their acquisition date, which is the date that the control over subsidiaries is effectively transferred to the Bank, Furthermore, the results of the disposed of subsidiaries are consolidated in the consolidated income statement up to the date of their disposal, which is the date on which the Bank loses control over the subsidiaries.
- The non-controlling interests represent the portion not owned by the Bank in the subsidiaries, Non-controlling interests are shown in the subsidiaries' net assets as a separate line item within the Bank's statement of shareholders' equity.

The Bank owns the following subsidiaries as of June 30, 2023:

Company's Name	Ownership of the Bank %	June 30, 2023		Nature of Operation	Date of Acquisition	Location	For the Six Month Ended June 30, 2023			
		Paid-up Capital	Investment Value				Total Assets	Total Liabilities	Total Revenue	Total Expenses
		JD					JD	JD	JD	JD
Al-Ethad for Financial Brokerage Company L.L.C	100	5,000,000	5,000,000	Financial Brokerage	2006	Jordan	11,274,553	1,228,803	445,746	185,610
Al-Ethad for Financial Leasing Company L.L.C	100	12,000,000	12,000,000	Finance Leasing	2015	Jordan	55,762,250	39,754,692	2,446,291	1,732,452
Al-Ethad Islamic Investment Company L.L.C*	58	113,039,028	65,562,636	Acquisition of bonds and shares in companies and borrowing the necessary funds from banks	2016	Jordan	114,579,006	33,064	-	(3,910)
Al-Ethad for Financial Technology Company L.L.C	100	100,000	100,000	Manufacturing, programming, preparing, developing, and supplying programs	2019	Jordan	805,595	1,006,859	150,211	(319,478)
		130,139,028	82,662,636							

\* The subsidiary, Al-Ethad Islamic Investment Company LLC, which is owned by Bank Al-Ethad with a total percentage of 58% and a controlling interest equivalent to 62.4% over Safwa Islamic bank and their accounts have been consolidated in the condensed interim financial information for the group where the total asset of amounted to JD 2,720,249,482 and total liability amounted to JD 454,874,208 and total revenue amounted to JD 29,080,720 and total expenses amounted to JD 15,834,311.

- Bank Al- Ethad directly owns shares in Safwa Bank amounting to around 3.31% of the total shares of Safwa Islamic Bank.

## 5. Cash and Balances at Central Bank of Jordan

Details of this item are as follows:

	June 30, 2023	December 31, 2022
	JD	JD
Cash in treasury	130,638,974	130,128,294
Balances at the Central Bank of Jordan:		
Current accounts and demand deposits	151,017,352	90,036,171
Term and notice deposits	182,100,000	303,200,000
Statutory cash reserve	250,177,755	238,441,946
<b>Total</b>	<b>713,934,081</b>	<b>761,806,411</b>

Disclosure on the movements of the total balances at the Central Bank of Jordan:

	June 30, 2023	December 31, 2022
	Stage (1)- Individual	Stage (1)- Individual
	JD	JD
Balance at the beginning of the period / year	631,678,117	809,253,935
New balances during the period / year	260,426,457	311,340,186
Paid balances	(308,809,467)	(488,916,004)
<b>Balance at the end of the period / year</b>	<b>583,295,107</b>	<b>631,678,117</b>

- All balances with the Central Bank of Jordan are classified within the first stage in accordance with the requirements of International Financial Reporting Standard No. 9. There are no transfers between the first, second and third stages or write-off balances during the six months ended June 30, 2023 and the year ended December 31, 2022.
- Except for the statutory cash reserve, there are no restricted balances as of June 30, 2023 and December 31, 2022.
- There are no amounts matured during a period exceeding three months as of June 30, 2023 and December 31, 2022.



## 6. Balances at Banks and Financial Institutions - Net

The details of this item is as follows:

	Local Banks and Financial Institutions		Foreign Banks and Financial Institutions		Total	
	June 30,	December 31,	June 30,	December 31,	June 30,	December 31,
	2023	2022	2023	2022	2023	2022
	JD	JD	JD	JD	JD	JD
Current accounts and demand deposits	581,288	571,944	141,342,705	115,927,270	141,923,993	116,499,214
Deposits maturing within 3 months or less	36,000,000	13,000,000	110,967,492	78,124,044	146,967,492	91,124,044
Total	<b>36,581,288</b>	<b>13,571,944</b>	<b>252,310,197</b>	<b>194,051,314</b>	<b>288,891,485</b>	<b>207,623,258</b>
Provision for expected credit losses *	-	-	(374,076)	(280,650)	(374,076)	(280,650)
Net balance at banks and financial institutions	<b>36,581,288</b>	<b>13,571,944</b>	<b>251,936,121</b>	<b>193,770,664</b>	<b>288,517,409</b>	<b>207,342,608</b>

- Non-interest bearing balances at banks and financial institutions amounted to JD 28,425,045 as of June 30, 2023 (JD 41,462,493 as of December 31, 2022).

- Restricted balances amounted to JD 11,712,163 as of June 30, 2023 and (JD 9,791,446 as of December 31, 2022).

The following is the movement of the total balances at banks and financial institutions:

	June 30, 2023		December 31, 2022	
	Stage (1) Individual	Total	Stage (1) Individual	Total
	JD	JD	JD	JD
Total balance at the beginning of the period / year	207,623,258	207,623,258	542,036,819	542,036,819
New balances during the period / year	274,409,636	274,409,636	156,629,856	156,629,856
Paid balances during the period / year	(189,158,079)	(189,158,079)	(495,709,078)	(495,709,078)
Changes resulting from adjustments	(3,983,330)	(3,983,330)	4,665,661	4,665,661
Total Balance At the End of the Period / Year	<b>288,891,485</b>	<b>288,891,485</b>	<b>207,623,258</b>	<b>207,623,258</b>

\* Disclosure of the provision for expected credit losses of balances at banks and financial institutions:

	June 30, 2023		December 31, 2022	
	Stage (1) Individual	Total	Stage (1) Individual	Total
	JD	JD	JD	JD
Balance at the beginning of the period / year	280,650	280,650	560,112	560,112
Impairment loss on new balances during the period / year	374,076	374,076	280,650	280,650
Recovered from the loss on the paid deposits	(280,650)	(280,650)	(560,112)	(560,112)
Changes resulting from adjustments	-	-	-	-
Total balance at the end of the period / year	<b>374,076</b>	<b>374,076</b>	<b>280,650</b>	<b>280,650</b>

## 7. Deposits at Banks and Financial Institutions - Net

Details of the following item are as follows:

Description	Local Banks and Financial Institutions		Foreign Banks and Financial Institutions		Total	
	June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022
	JD	JD	JD	JD	JD	JD
Deposits due within 3 months to 6 months	-	-	3,865,125	2,127,000	3,865,125	2,127,000
More than 6 months to 9 months	-	6,000,000	2,179,324	2,127,000	2,179,324	8,127,000
More than 9 months to 12 months	-	-	3,545,000	3,766,575	3,545,000	3,766,575
Total	-	<b>6,000,000</b>	<b>9,589,449</b>	<b>8,020,575</b>	<b>9,589,449</b>	<b>14,020,575</b>
Provision for expected credit losses*	-	-	(8,235)	(6,751)	(8,235)	(6,751)
Net deposits at banks and financial institutions	-	<b>6,000,000</b>	<b>9,581,214</b>	<b>8,013,824</b>	<b>9,581,214</b>	<b>14,013,824</b>

- There are no restricted deposits as of June 30, 2023 and December 31, 2022.

- The following is the movement on the total deposits at Banks and Financial Institutions:

	June 30, 2023		December 31, 2022	
	Stage (1) Individual	Total	Stage (1) Individual	Total
	JD	JD	JD	JD
Total balance at the beginning of the period / year	14,020,575	14,020,575	8,771,936	8,771,936
New deposits during the period / year	9,589,449	9,589,449	14,020,575	14,020,575
Settled balances during the period / year	(14,020,575)	(14,020,575)	(8,771,936)	(8,771,936)
Total Balance at the End of the Period / Year	<b>9,589,449</b>	<b>9,589,449</b>	<b>14,020,575</b>	<b>14,020,575</b>

\* Movement of expected credit losses on deposits at banks and financial institutions:

	June 30, 2023		December 31, 2022	
	Stage (1) Individual	Total	Stage (1) Individual	Total
	JD	JD	JD	JD
Balance at the beginning of the period / year	6,751	6,751	1,251	1,251
Impairment loss on new deposits during the period / year	8,235	8,235	6,751	6,751
Recovered from the loss on the settled balances	(6,751)	(6,751)	(1,251)	(1,251)
Total Balance at the End of the Period / Year	8,235	8,235	6,751	6,751

## 8. Financial Assets at Fair Value Through Profit or Loss

Details of the following item are as follows:

	June 30, 2023	December 31, 2022
	JD	JD
Government bonds listed in financial markets	948,991	649,405
Corporate bonds listed in financial markets	1,241,947	105,388
Corporate shares listed in financial markets	4,139,774	4,813,576
Investment Funds	11,510,680	12,855,527
	<b>17,841,392</b>	<b>18,423,896</b>

- Note 34 provides details on classification per fair value inputs.

## 9. Direct Credit and Financing Facilities - Net

The details of this item are as follows:

	June 30, 2023	December 31, 2022
	JD	JD
<b>Individuals (retail):</b>		
Overdraft accounts	3,156,978	3,184,269
Loans and Bills *	998,620,207	942,769,009
Credit cards	36,495,494	32,826,520
<b>Real estate loans</b>	1,093,354,341	1,020,109,367
<b>Large Companies</b>		
Overdraft accounts	85,435,871	59,792,215
Loans and Bills *	1,244,546,628	1,269,222,605
<b>Small and Medium entities</b>		
Overdraft accounts	27,163,461	26,032,619
Loans and Bills *	252,089,873	226,258,176
<b>Government and public sector</b>	592,686,674	599,215,519
<b>Total</b>	<b>4,333,549,527</b>	<b>4,179,410,299</b>
<u>Less:</u> Interest and return in suspense	17,521,288	16,346,736
Provision of expected credit losses	182,291,956	171,944,782
<b>Net Direct Credit and Financing Facilities</b>	<b>4,133,736,283</b>	<b>3,991,118,781</b>

\* Net after deducting the interests and commissions received in advance amounting to JD 11,999,275 as on June 30, 2023. (JD 9,567,287 as of December 31, 2022).

- Direct credit facilities and financing within the third stage amounted to JD 184,178,786 which represent 4.25 % of total Direct Credit facilities and financing as of June 30, 2023. ( JD 153,168,123 which represent 3.66% of total credit facilities and financing as of December 31, 2022).
- The direct credit facilities and financing within the third stage, after deducting the interest and commissions in suspense amounted to JD 166,657,498 which represent 3.86% of total direct credit facilities commissions, and financing after deducting interests, revenues and commissions in suspense as on June 30, 2023 (JD 136,821,387 which represent 3.29% of total Direct Credit facilities and financing after deducting interests, revenues and commissions in suspense as of December 31, 2022).
- Direct credit facilities and financing granted to the Jordanian government amounted to JD 610,674,480 which represent 14.09% of total direct credit facilities and financing as of June 30, 2023 (JD 597,310,735 which represent 14.29% of the total direct credit facilities and financing as of December 31, 2022).
- Financing in accordance with Islamic law, which belongs to Safwa Islamic Bank, amounted to JD 2,042,486,588 which represent 47.13% of total direct credit facilities as of June 30, 2023 (JD 1,988,082,241 representing a percentage of 47.57% as of December 31, 2022).

Disclosure on the movement of gross credit facilities and financing:

For the Six Months Period Ended June 30, 2023

	Stage (1)		Stage (2)		Stage (3)		Total
	Individual	Collective	Individual	Collective	Individual	Collective	
Balance - beginning of the Year	JD	JD	JD	JD	JD	JD	JD
	2,683,829,394	809,882,358	479,606,976	52,923,448	153,168,123	4,179,410,299	
New exposures during the period	391,442,281	136,971,212	82,348,307	7,164,635	3,490,615	621,417,050	
Exposures settled during the period	(213,739,188)	(29,543,645)	(29,441,028)	(4,727,208)	(8,567,179)	(286,018,248)	
Transferred to stage (1)	29,487,133	5,598,952	(29,234,259)	(5,598,907)	(252,939)	-	
Transferred to stage (2)	(72,064,406)	(57,067,319)	75,299,730	59,344,864	(5,512,869)	-	
Transferred to stage (3)	(4,034,814)	(1,431,375)	(42,892,267)	(805,610)	49,164,066	-	
The total impact on the volume of exposures as a result of changing the reclassification between stages	(297,966)	1,331,515	(27,460)	(779,413)	(206,061)	20,615	
Changes resulting from adjustments	(108,220,914)	(46,857,851)	(17,242,785)	(1,853,669)	2,557,825	(171,617,394)	
Written off credit facilities or transferred as off financial position items	-	-	-	-	(9,662,795)	(9,662,795)	
<b>Gross Balance as at the End of the Period</b>	<b>2,706,401,540</b>	<b>818,883,847</b>	<b>518,417,214</b>	<b>105,668,140</b>	<b>184,178,786</b>	<b>4,333,549,527</b>	

December 31, 2022

Balance - beginning of the year	2,236,721,529	671,650,120	405,064,033	65,230,476	130,919,534	3,509,585,692
New exposures during the year	873,192,344	248,803,782	91,188,989	13,149,999	11,612,388	1,237,947,502
Exposures settled during the year	(278,403,995)	(58,381,601)	(40,054,005)	(8,245,413)	(10,846,118)	(395,931,132)
Transferred to stage (1)	39,922,235	22,390,672	(39,080,246)	(22,361,845)	(870,816)	-
Transferred to stage (2)	(95,708,692)	(9,412,106)	98,578,866	11,081,587	(4,539,655)	-
Transferred to stage (3)	(8,850,386)	(3,007,140)	(30,105,610)	(4,400,701)	46,363,837	-
The total impact on the volume of exposures as a result of changing the reclassification between stages	(5,161,410)	(1,404,834)	2,413,745	(636,335)	(5,920,260)	(10,709,094)
Changes resulting from adjustments	(77,882,231)	(60,756,535)	(8,398,796)	(894,320)	(4,683,147)	(152,615,029)
Written off credit facilities or transferred as off financial position items *	-	-	-	-	(8,867,640)	(8,867,640)
<b>Gross balance at the end of the year</b>	<b>2,683,829,394</b>	<b>809,882,358</b>	<b>479,606,976</b>	<b>52,923,448</b>	<b>153,168,123</b>	<b>4,179,410,299</b>

- An amount of JD 9,283,849 was transferred to off - statement of financial position items during the six months period ended June 30, 2023 (JD 6,924,913 as at December 31, 2022) and an amount of JD 378,946 of direct credit facilities and financing was written off during the six months according to the BOD decisions in this regards (JD 1,942,727 as at December 31, 2022).

### Expected credit loss

Following is the movement for the expected credit loss during the period/year:

	Government and					
	Individuals	Real Estate Loans	Corporates	SMEs	Public Sector	Total
	JD	JD	JD	JD	JD	JD
<u>For the Six Months Period Ended June 30, 2023</u>						
Balance at the beginning of the period	33,601,233	11,614,714	110,154,001	16,574,834	-	171,944,782
Impairment loss on new facilities during the period	2,900,597	755,479	3,137,685	1,301,067	-	8,094,828
Recovered from impairment on settled credit facilities during the period	(845,187)	(734,304)	(4,970,584)	277,538	-	(6,272,537)
Transferred to stage (1)	246,901	278	(12,001)	(256,216)	-	(21,038)
Transferred to stage (2)	1,938,328	(151,386)	(15,686,922)	465,646	-	(13,434,334)
Transferred to stage (3)	(2,185,229)	151,108	15,698,923	(209,430)	-	13,455,372
Effect on the impairment losses due to changes in the classification between the stages	2,957,699	3,165,399	(1,655,390)	548,518	-	5,016,226
Changes due to adjustments	2,404,076	2,385,665	6,173,523	1,182,072	-	12,145,336
Written off credit facilities or transferred	(715,437)	-	(6,155,016)	(1,766,226)	-	(8,636,679)
<b>Gross balance at the End of the Period</b>	<b>40,302,981</b>	<b>17,186,953</b>	<b>106,684,219</b>	<b>18,117,803</b>	<b>-</b>	<b>182,291,956</b>
Redistribution:						
Provision on individual basis	33,512,486	17,174,777	106,684,219	17,669,080	-	175,040,562
Provision on Collective basis	6,790,495	12,176	-	448,723	-	7,251,394
	<b>40,302,981</b>	<b>17,186,953</b>	<b>106,684,219</b>	<b>18,117,803</b>	<b>-</b>	<b>182,291,956</b>

For the Year Ended December 31, 2022

	Individuals	Real Estate Loans	Corporates	SMEs	Public Sector	Total
	JD	JD	JD	JD	JD	JD
Balance at January 1, 2022	29,479,940	12,703,958	85,512,145	13,844,955	-	141,540,998
Impairment on new Credit facilities during the year	4,753,678	1,720,420	18,462,315	2,767,331	-	27,703,744
Recovered from Impairment on settled credit facilities during the year	(2,728,178)	(1,878,967)	(6,089,828)	(1,377,776)	-	(12,074,749)
Transferred to stage (1)	2,049,575	244,990	(547,367)	62,925	-	1,810,123
Transferred to stage (2)	(740,042)	(517,527)	(345,844)	(1,231,760)	-	(2,835,173)
Transferred to stage (3)	(1,309,533)	272,537	893,211	1,168,835	-	1,025,050
Effect on the impairment losses due to changes in the classifications between stages	3,122,664	930,459	7,765,372	4,167,866	-	15,986,361
Changes due to adjustments	(588,018)	(1,861,156)	5,341,033	575,915	-	3,467,774
Written-off credit facilities or transferred	(438,853)	-	(837,036)	(3,403,457)	-	(4,679,346)
<b>Gross balance at the End of the Year</b>	<b>33,601,233</b>	<b>11,614,714</b>	<b>110,154,001</b>	<b>16,574,834</b>	<b>-</b>	<b>171,944,782</b>
Redistribution:						
Provision on individual basis	31,004,301	11,609,978	110,154,001	16,139,066	-	168,907,346
Provision on Collective basis	2,596,932	4,736	-	435,768	-	3,037,436
	<b>33,601,233</b>	<b>11,614,714</b>	<b>110,154,001</b>	<b>16,574,834</b>	<b>-</b>	<b>171,944,782</b>

- The value of the provision that were no longer needed as a result of debit settlement and transferred to other debit amounted to JD 6,272,537 as of June 30, 2023 (JD 12,074,749 as of December 31, 2022).

## Interest In Suspense

The movement of the interests in suspended are as follows:

	Corporates entities					Banks and financial institutions	Total
	Individuals	Real estate loans	Corporate	SMEs			
	JD	JD	JD	JD	JD		JD
<u>For the Six Months Period Ended June 30, 2023</u>							
Balance- beginning of the period	5,570,164	2,709,063	5,436,609	2,630,900	-		16,346,736
Add: Interest and returns suspended during period	1,579,991	(105,856)	726,286	598,859	-		2,799,280
Less: Interests and returns transferred to revenue	(380,484)	(94,494)	(5,397)	(118,237)	-		(598,612)
Written off suspended interests	(332,442)	-	(350,926)	(342,748)	-		(1,026,116)
Balance- End of the Period	<b>6,437,229</b>	<b>2,508,713</b>	<b>5,806,572</b>	<b>2,768,774</b>	<b>-</b>		<b>17,521,288</b>
<u>For the Year Ended December 31, 2022</u>							
Balance- beginning of the Year	4,102,597	2,471,153	7,707,710	2,638,906	-		16,920,366
Add: Interest and returns suspended during year	2,571,842	270,601	1,539,725	908,266	-		5,290,434
Less: Interests and returns transferred to revenue	(740,249)	(25,038)	(767,070)	(143,413)	-		(1,675,770)
Written off suspended interests	(364,026)	(7,653)	(3,043,756)	(772,859)	-		(4,188,294)
Balance- End of the Year	<b>5,570,164</b>	<b>2,709,063</b>	<b>5,436,609</b>	<b>2,630,900</b>	<b>-</b>		<b>16,346,736</b>

#### 10. Financial Assets at Fair Value through Other Comprehensive Income

The details of this item are as follows:

	June 30, 2023	December 31, 2022
	JD	JD
Quoted shares in active markets	32,997,766	31,168,445
Unquoted shares in active markets	15,770,153	15,601,160
Investment funds	15,673,155	14,531,464
Total	<b>64,441,074</b>	<b>61,301,069</b>

- Transferred losses as a result of selling financial assets at fair value through the statement of other comprehensive income amounted to JD 355,614 of which JD 21,069 belongs to non-controlling interests as of June 30, 2023. (JD 173,071 losses transferred as of June 30, 2022).

- Cash dividends on the above financial assets amounted to JD 1,041,404 for the six months ended June 30, 2023 (JD 663,400 for the six months ended June 30, 2022).

#### 11. Financial Assets at Amortized Cost - Net

The details of this item are as follows:

	June 30, 2023	December 31, 2022
	JD	JD
<u>Quoted Financial Assets:</u>		
Foreign treasury bonds	101,909,985	104,144,987
Corporate bonds and debentures	164,947,450	138,050,446
<u>Unquoted Financial Assets:</u>		
Governmental treasury bonds	165,184,438	65,623,344
Governmental guaranteed bonds and bills	1,003,792,041	989,915,966
Corporate bonds and debentures	28,702,000	28,702,000
	<b>1,464,535,914</b>	<b>1,326,436,743</b>
<u>Less:</u> Provision for excepted credit loss related to financial assets within stage (1)	618,060	670,099
Provision for excepted credit loss related to financial assets within stage (2)	-	-
Provision for expected credit loss related to financial assets within stage (3)	-	-
	<b>1,463,917,854</b>	<b>1,325,766,644</b>
<u>Bonds and Bills Analysis (before provisions):</u>		
With Fixed rate	1,464,031,192	1,326,045,700
With Floating rate	504,722	391,043
Total	<b>1,464,535,914</b>	<b>1,326,436,743</b>
<u>Bond Analysis IFRS 9 (before provisions):</u>		
Stage (1)	1,464,535,914	1,326,436,743
Stage (2)	-	-
Stage (3)	-	-
	<b>1,464,535,914</b>	<b>1,326,436,743</b>



Movement disclosures of total financial assets at amortized cost before provisions:

June 30, 2023					2022
Stage (1) - Individual	Stage (2)	Stage (3)	Total	Total	
JD	JD	JD	JD	JD	
Balance - beginning of the period / Year	1,326,436,743	-	1,326,436,743	1,099,994,870	
New investments during the period	316,509,091	-	316,509,091	488,046,763	
Sold / Accrued investments*	(176,219,438)	-	(176,219,438)	(275,659,727)	
The effects on the exposure due to reclassifications between stages	-	-	-	-	
Changes resulted from adjustments	(2,190,482)	-	(2,190,482)	14,304,837	
Written off investments	-	-	-	(250,000)	
<b>Balance - End of the Period / Year</b>	<b>1,464,535,914</b>	<b>-</b>	<b>1,464,535,914</b>	<b>1,326,436,743</b>	

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

June 30, 2023					2022
Stage (1) - Individual	Stage (2)	Stage (3)	Total	Total	
JD	JD	JD	JD	JD	
Balance - beginning of the period / Year	670,099	-	670,099	898,639	
Impairment loss on the new investment during the period / year	23,748	-	23,748	134,818	
(Recovered) from the impairment loss on the accrued investments	(56,223)	-	(56,223)	(102,740)	
Impact on the provision - for the year ended- due to reclassifications between stages	-	-	-	-	
Changes resulted from adjustments	(19,564)	-	(19,564)	(10,618)	
Impairment loss on Written off investments	-	-	-	(250,000)	
<b>Balance - End of the Period / Year</b>	<b>618,060</b>	<b>-</b>	<b>618,060</b>	<b>670,099</b>	

\* During the first half of 2023, financial assets at amortized cost were sold with a nominal value of JD 70,900 for Safwa Bank (JD 709,000 during the same period of the previous year) , the operation resulted in a profit of JD 673 for the period ended on June 30, 2023 (a profit of JD 4,777 for the period ended on June 30, 2022).

## 12. Other Assets - Net

The details of this item are as follows:

	June 30, 2023	December 31, 2022
	JD	JD
Interests and revenue under collection	25,144,592	21,157,525
Prepaid expenses	10,853,368	5,923,531
Assets seized by bank in repayment debts *	50,712,577	52,978,257
Clearing cheques	5,180,050	168,219
Transfers and cheques under collection	852,476	261,956
Margins on letter of guarantees paid	6,179,274	4,050,439
Discounted commercial papers	29,003,570	55,057,239
Convertible loan	177,250	177,250
Other	16,075,294	13,305,344
	<b>144,178,451</b>	<b>153,079,760</b>

\* The regulations of the central Bank of Jordan require to dispose the assets seized by bank in repayment of debts during a maximum period of two years from the acquisition date, however in some exceptional case the central bank of Jordan has the right to extend the period for a maximum of two subsequent years.

Below is a summary of assets seized by Bank assets against debts net of provision:

	June 30, 2023	December 31, 2022
	JD	JD
Balance beginning of period / year	52,978,257	51,302,874
Additions	91,196	6,002,533
Disposals	(2,854,503)	(3,431,969)
Surplus (Provision) impairment loss	497,627	(895,181)
Balance End of Period / Year	<b>50,712,577</b>	<b>52,978,257</b>

Below is a summary of the movement on foreclosed assets provision:

	For the six months ended June 30,	
	2023	2022
	JD	JD
Balance beginning of period	6,070,677	5,175,496
(Surplus) deducted during the period	(497,627)	437,997
Balance End of Period	<b>5,573,050</b>	<b>5,613,493</b>

The impairment provision against the assets seized by the bank amounted to JD 1,516,149 as of June 30, 2023 (JD 1,801,256 as of December 31, 2022), and the provision for the assets seized by the bank for a period of more than (4) years amounted to JD 4,056,901 as of June 30, 2023 (JD 4,269,421 as of December 31, 2022).

### 13. Customers Deposits

The details for this item are as follows:

	Corporate entities				Government and Public Sector	Total
	Individual	Corporate	SMEs			
	JD	JD	JD	JD	JD	JD
<b>As of June 30, 2023</b>						
Current and demand accounts	529,091,188	214,827,046	349,437,766	10,418,462	1,103,774,462	
Saving deposits	880,243,581	32,610,088	55,671,267	4,641,072	973,166,008	
Term deposits and notice deposits	1,695,853,066	563,338,361	149,554,530	413,947,138	2,822,693,095	
Certificate of deposits	443,492,143	23,599,740	22,861,207	41,277,000	531,230,090	
	<b>3,548,679,978</b>	<b>834,375,235</b>	<b>577,524,770</b>	<b>470,283,672</b>	<b>5,430,863,655</b>	
<b>As of December 31, 2022</b>						
Current and demand accounts	511,295,365	268,196,672	297,624,686	6,694,002	1,083,810,725	
Saving deposits	898,433,383	30,052,609	64,363,067	5,765,644	998,614,703	
Term deposits and notice deposits	1,602,562,585	539,777,036	148,271,873	391,872,109	2,682,483,603	
Certificate of deposits	368,987,701	6,795,000	16,995,712	28,657,000	421,435,413	
Total	<b>3,381,279,034</b>	<b>844,821,317</b>	<b>527,255,338</b>	<b>432,988,755</b>	<b>5,186,344,444</b>	

- The Jordanian government and public sector's deposits inside the kingdom reached JD 470,283,672 , representing 8.66% of total deposits as of June 30, 2023 (JD 432,988,755 representing 8.35% as of December 31, 2022).

- Non-interest bearing deposits reached JD 1,098,162,180 , representing 20.22% of the total deposits as of June 30, 2023 (JD 1,095,540,368 representing 21.12% as of December 31, 2022).

- Restricted deposits (withdrawal restricted) reached JD 12,221,443, representing 0.23% of the total deposits as of June 30, 2023 (JD 5,594,094 representing 0.11% of the total deposits as of December 31, 2022).

- Dormant deposits reached JD 35,196,894 , representing 0.65% of the total deposits as of June 30, 2023 (JD 46,969,179 representing 0.91% of the total deposits as of December 31, 2022).

- Customer deposits include JD 1,986,276,557 which represents the shared customer investment related of Safwa Islamic Bank as of June 30, 2023 (JD 1,900,147,848 as of December 31, 2022).

#### 14. Income Tax Provision

a. The movement on the provision for income tax is as follows:

	For the Six Months Ended June 30, 2023	For the Year Ended December 31, 2022
	JD	JD
Balance beginning of the period / year	28,930,915	21,931,794
Income tax paid	(28,532,303)	(26,590,128)
Income tax for the period / year	13,511,166	33,457,335
Income tax on profits from the sale of financial assets	13,540	-
Provision for prior years income tax	-	131,914
Balance End of the Period / Year	<b>13,923,318</b>	<b>28,930,915</b>

The Income tax in the consolidated interim condensed statements of profit or loss represent the following:

	For the Six Months Ended June 30, 2023	2022
	JD	JD
Accrued income tax for the profits of the period	13,511,166	11,674,486
Prior years income tax	-	127,074
Amortization of deferred tax assets for the period	3,271,216	619,668
Deferred tax liability for the period	-	364,476
	<b>16,782,382</b>	<b>12,785,704</b>

- The legal income tax rate for the Bank was 35% in addition to the national contribution of 3%, the legal income tax rate for Al Etihad Leasing Company and AL Etihad Financial Brokerage companies has reached to 24% in addition to the national contribution of 4% and the income tax rate for Al Etihad Financial Technology has reached to 20% in addition to the national contribution of 1%.
- The Bank submitted the tax return until the year 2022 and a final settlement was reached with Income Tax and sales Department on the results of the bank until end of the year 2018, and The Income and Sales Tax Department are reviewing the bank's accounting records for the years 2019 and 2020, and no decision has been issued until the date of preparing the consolidated financial information. The Income and Sales Tax Department has not reviewed the bank's accounting records for the years 2021 and 2022.
- A final settlement with the income tax department for Safwa Islamic Bank has been reached up to the year 2020. The tax return for the year 2021 and 2022 was submitted within the legal period, and the income and sales tax department did not review the accounting records until the date of preparing the interim consolidated financial statements.
- A tax clearance was obtained from the Income and Sales Tax Department on the business results of Misk Financial Brokerage Company (a subsidiary of Safwa Islamic Bank) until the end of 2021, except for the year 2019, when the company submitted tax statements for the year 2019 and it was not reviewed by the Income and Sales Tax Department.
- A final settlement for Al Etihad for Financial Brokerage Company has been reached, with the income tax department up to the year 2021. And the Self detection has been submitted for the year 2022 and the income tax and sales department did not review the accounting records until the date of the consolidated condensed interim financial information.
- A final settlement with the Income Tax Department for Al Etihad for Financial Leasing Company has been reached up to the year 2021. And the Self detection has been submitted for the year 2022 and the income tax and sales department did not review the accounting records until the date of the consolidated condensed interim financial information.
- A final settlement with the Income Tax Department for Al Etihad for Financial Technology Company has been reached up to the year 2020. The tax return for the year 2021 and 2022 was submitted, and the income tax and sales department did not review the accounting records until the date of preparing the consolidated condensed interim financial information.
- A final settlement with the Income Tax Department for Etihad Islamic Investment company has been reached up to the year 2020. The tax return for the year 2021 and 2022 was submitted, and the income tax and sales department did not review the accounting records until the date of preparing the consolidated condensed interim financial information.
- A provision for tax is calculated and entered for the six months ending on June 30, 2022 for the bank and its subsidiaries, and according to management and the tax advisor, that will not be any obligations that exceed the provision recorded in the consolidated condensed interim financial information.
- The percentage of deferred tax was 38% for the income from inside Jordan and 13% for the income from outside Jordan and in the Bank's management opinion these deferred taxes will be realized in the future.

**b. Deferred tax assets and Liabilities:**

Details of the following item are as follows:

	June 30, 2023				December 31, 2022	
	Beginning balance of the year	Released	Added	Ending balance of the period	Deferred tax	Deferred tax
<b>Deferred tax assets</b>						
Financial assets at fair value through profit or loss	JD 711,192	JD 545,158	JD 598,152	JD 764,186	176,371	150,624
Provision on seized assets	5,968,986	497,627	-	5,471,359	2,079,116	2,268,215
Bonus provisions	5,885,861	5,885,861	3,949,525	3,949,525	1,500,820	2,236,627
Advertising expenses	75,000	37,500	-	37,500	14,250	28,500
Provision for lawsuits against the bank	445,794	179,993	-	265,801	101,004	169,402
Provision for credit and financing facilities	1,459,792	1,459,792	-	-	-	554,721
General provision	190,000	-	60,261	250,261	70,073	53,200
Provision for contingent liabilities	100,000	-	-	100,000	38,000	38,000
Differences after the application of IFRS 16	773,338	-	-	773,338	293,868	293,868
Provision for expected credit losses (stage 1 & 2)	70,986,477	4,623,341	-	66,363,136	25,217,992	26,974,861
Provision end of service indemnity	79,722	-	28,389	108,111	41,082	30,294
Provision for finance lease awards	72,075	19,572	-	52,503	14,701	20,181
Legal expenses	6,381	-	-	6,381	1,787	1,787
Total	<b>86,754,618</b>	<b>13,248,844</b>	<b>4,636,327</b>	<b>78,142,101</b>	<b>29,549,064</b>	<b>32,820,280</b>
<b>Deferred tax liabilities</b>						
Financial assets at fair value through statement of comprehensive income	7,364,272	1,524,273	1,332,369	7,172,368	820,873	844,854
Total	<b>7,364,272</b>	<b>1,524,273</b>	<b>1,332,369</b>	<b>7,172,368</b>	<b>820,873</b>	<b>844,854</b>

- The movement on the deferred income tax assets/liabilities is as follows:

	June 30, 2023		December 31, 2022	
	Assets	Liabilities	Assets	Liabilities
Balance - beginning of the period / year	JD 32,820,280	844,854	27,747,673	161,769
Additions	1,528,480	-	7,936,382	844,854
Disposals	(4,799,696)	(23,981)	(2,863,775)	(161,769)
Balance - End of the period / year	<b>29,549,064</b>	<b>820,873</b>	<b>32,820,280</b>	<b>844,854</b>

# 15. Other Liabilities

The details of this item are as follows:

	June 30, 2023	December 31, 2022
	JD	JD
Accrued interest expense	55,406,980	40,431,290
Revenue received in advance	1,675,941	2,223,903
Accounts payable	965,750	653,729
Accrued and unpaid expenses	14,250,280	15,165,919
Incoming transfers	282,623	236,318
Postdated cheques	14,414,568	13,044,653
Temporary deposits	10,144,890	12,550,904
Provision for expected credit losses for off balance sheet items *	5,073,983	5,021,887
Dividends payable	526,740	461,103
Electronic Payment System reconciliation	2,594,968	1,980,162
Other liabilities	18,358,433	9,610,631
Total	<b>123,695,156</b>	<b>101,380,499</b>

	For the six months ended June 30, 2023				For the year ended December 31, 2022
	Stage (1) - Individual	Stage(2) - Individual	Stage (3)	Total	Total
	JD	JD	JD	JD	JD
Total balance at the beginning of the period / year	1,303,196,285	106,484,731	2,248,572	1,411,929,588	1,114,434,856
New exposures during the period/year	703,154,402	23,557,817	-	726,712,219	925,078,736
Accrued exposures	(618,358,577)	(44,753,911)	(587,898)	(663,700,386)	(641,250,540)
Transferred into the stage (1)	6,713,075	(6,705,075)	(8,000)	-	-
Transferred into the stage (2)	(2,905,103)	2,915,103	(10,000)	-	-
Transferred into the stage (3)	(538,482)	-	538,482	-	-
Effect on the provision as of the end of the period due to the reclassifications between the three stages during the period	(3,188,339)	(199,566)	(6,000)	(3,393,905)	379,145
Changes resulted from adjustments	6,145,180	(6,976,204)	(102)	(831,126)	13,287,391
Total balance at the end of the Period / Year	<b>1,394,218,441</b>	<b>74,322,895</b>	<b>2,175,054</b>	<b>1,470,716,390</b>	<b>1,411,929,588</b>

\* The movement on the provision for expected credit losses for the indirect credit facilities during the period / year is as follows:

	For the six months ended June 30, 2023				For the year ended December 31, 2022
	Stage (1) - Individual	Stage(2) - Individual	Stage (3)	Total	Total
	JD	JD	JD	JD	JD
Balance at the beginning of the period/year	4,143,411	667,307	211,169	5,021,887	5,615,184
Impairment loss on the new exposures during the period / year	2,193,250	155,399	-	2,348,649	2,443,780
Recovered from the impairment loss on the accrued exposures	(1,365,822)	(385,884)	(142,500)	(1,894,206)	(2,864,378)
Transferred to stage 1	33,330	(33,330)	-	-	-
Transferred to stage 2	(24,351)	34,351	(10,000)	-	-
Transferred to stage 3	-	-	-	-	-
Effect on the provision as of the end of the period due to the reclassifications between the three stages during the period	(29,213)	5,625	-	(23,588)	5,032
Changes resulted from adjustments	(397,762)	19,003	-	(378,759)	(177,731)
Total balance at the End of the Period / Year	<b>4,552,843</b>	<b>462,471</b>	<b>58,669</b>	<b>5,073,983</b>	<b>5,021,887</b>

#### 16/a. Borrowed Funds

The details of this item are as follows:

	Amount	Number of Payments		Installment Maturity Period	Guarantees	Loan Interest Price
		Total	What's left			
	JD					%
<u>June 30, 2023</u>						
Central Bank of Jordan borrowing *	47,873,868	11,905	7,528	Monthly	Bank Promissory	0.5% - 1.75%
Central Bank of Jordan borrowing *	393,000	37	26	Quarterly	Bank Promissory	1.00%
Central Bank of Jordan borrowing *	3,251,145	36	23	semi-annual	Bank Promissory	0.50% - 1.00%
Central Bank of Jordan borrowing *	1,062,283	23	10	Annual	Bank Promissory	0.50% - 1.00%
Central Bank of Jordan borrowing *	60,678,957	30,540	17,756	Monthly	Bank Promissory	0.00%
International Bank for Reconstruction and Development **	2,700,000	20	9	Semi-annual starting from September 15, 2018	Bank Promissory	1.95%
Arab Fund for Economic and Social Development ***	480,000	15	3	semi-annual	Bank Promissory	2.5%
Arab Fund for Economic and Social Development ***	6,154,191	34	32	semi-annual	Bank Promissory	3.00%
Jordan Mortgage Refinance Company (Related to a subsidiary)	10,000,000	1	1	one installment	Bank Promissory	4.40%
European Bank for Reconstruction and Development	2,020,650	7	7	Semi-annual starting from September 1, 2024	-	8.70%
European Bank for Reconstruction and Development	106,350	7	7	Semi-annual starting from September 1, 2024	-	5.77%
Jordan Mortgage Refinance Company (Related to a subsidiary)	2,000,000	1	1	one installment	-	7.75%
Jordan Mortgage Refinance Company (Related to a subsidiary)	2,000,000	1	1	one installment	-	4.70%
Jordan Mortgage Refinance Company (Related to a subsidiary)	2,500,000	1	1	one installment	-	4.60%
Local Banks (related to a subsidiary)	6,000,000	92	92	Quarterly	-	6.50%
Local Banks (related to a subsidiary)	4,700,000	324	324	Monthly	-	8.00%
Local Banks (related to a subsidiary)	14,930,423	828	827	Monthly	-	6.00%
Local Banks (related to a subsidiary)	3,000,000	180	180	Monthly	-	7.25%
Local Banks (related to a subsidiary)	1,550,000	38	36	Monthly	-	8.00%
<b>Total</b>	<b>171,400,867</b>					

	Amount	Number of Payments		Installment maturity period	Guarantees	Loan interest price
		Total	What's left			
	JD					%
<u>December 31, 2022</u>						
Central Bank of Jordan borrowing *	37,065,805	11,124	7,079	Monthly	Bank Promissory	0.5% - 1.75%
Central Bank of Jordan borrowing *	408,700	37	34	Quarterly	Bank Promissory	1.00%
Central Bank of Jordan borrowing *	3,425,153	36	31	semi-annual	Bank Promissory	0.50% - 1.00%
Central Bank of Jordan borrowing *	1,125,104	22	9	Annual	Bank Promissory	0.50% - 1.00%
Central Bank of Jordan borrowing *	51,672,440	26,293	16,864	Monthly	Bank Promissory	0.00%
International Bank for Reconstruction and Development **	3,000,000	20	9	Semi-annual starting from September 15, 2018	Bank Promissory	1.95%
Arab Fund for Economic and Social Development ***	690,000	15	4	semi-annual	Bank Promissory	2.50%
Arab Fund for Economic and Social Development ***	5,327,732	34	34	semi-annual	Bank Promissory	3.00%
Jordan Mortgage Refinance Company	10,000,000	1	1	one installment	Bank Promissory	4.40%
The European Bank for Reconstruction and Development	673,550	7	7	Semi-annual starting from September 1, 2024	-	7.45%
The European Bank for Reconstruction and Development	35,450	7	7	Semi-annual starting from September 1, 2024	-	4.85%
Jordan Mortgage Refinance Company (related to subsidiary)	2,000,000	1	1	one installment	-	7.75%
Jordan Mortgage Refinance Company (related to subsidiary)	2,000,000	1	1	one installment	-	4.70%
Jordan Mortgage Refinance Company (related to subsidiary)	2,500,000	1	1	one installment	-	4.60%
Local Banks (related to a subsidiary)	6,000,000	92	92	Quarterly	-	6.50%
Local Banks (related to a subsidiary)	265,012	48	12	Monthly	-	5.90%
Local Banks (related to a subsidiary)	7,971,000	432	432	Monthly	-	6.00%
Local Banks (related to a subsidiary)	4,998,000	288	288	Monthly	-	6.00%
Local Banks (related to a subsidiary)	2,550,000	144	144	Monthly	-	6.00%
<b>Total</b>	<b>141,707,946</b>					

\* Funds have been reborrowed from the Central Bank of Jordan to SMEs' and corporates' sectors at an interest rate ranging between 0%-12%.

\*\* Funds have been reborrowed from the International Bank for Reconstruction and Development to SMEs' and corporates' sectors at an interest rate ranging between 6% - 11.25%.

\*\*\* Funds have been reborrowed from the Arab Fund for Economic and Social Development to SMEs' and corporates' sectors at an interest rate ranging from 4.5% 10.75%.

#### 16/b. Subordinated Loan

The details of this items are as follows:

	Amount	Number of settlements		settlements' maturity	Collaterals	Interest's lending Price
		Total	Remaining			
	JD					%
<u>June 30, 2023</u>						
European Bank for Restructuring and Development (EBRD)	24,815,000	1	1	one installment dated December 6, 2032	-	11.85%
European Bank for Restructuring and Development (EBRD)	21,300,000	1	1	one installment dated April 8, 2027	-	10.75%
Sanad Fund for financing micro, SME's	14,180,000	1	1	one installment dated March 30, 2030	-	10.39%
	<b>60,295,000</b>					
<u>December 31, 2022</u>						
European bank for restructuring and development (EBRD)	24,815,000	1	1	one installment dated December 6, 2032	-	11.85%
European Bank for Restructuring and Development (EBRD)	21,300,000	1	1	one installment dated April 8, 2027	-	9.50%
	<b>46,115,000</b>					

### 17. Retained Earnings

The details of this item are as follows:

	June 30, 2023	December 31, 2022
	JD	JD
Balance - beginning of the period/year	78,930,524	71,721,054
Profit for the year	-	34,327,652
Gains from sale of financial assets through other comprehensive income	334,545	2,015,419
Transferred to reserves	-	(13,083,690)
Increase in paid-up capital	(28,000,000)	-
Dividends distributed	(16,000,000)	(16,000,000)
Shares in subsidiaries	(418,708)	(49,911)
Capital increase fees	(250,150)	-
Balance - end of the period/year	<b>34,596,211</b>	<b>78,930,524</b>

- The General Assembly decided, in its extraordinary meeting held on April 19, 2023, to increase the bank's capital by an amount of JD 40 million by capitalizing part of the retained earnings at an amount of JD 28 million and capitalizing part of the share premium at an amount of JD 12 million.
- The retained earnings balance includes an amount of JD 764,186 which represents the gain from revaluation of financial assets at fair value through profit or loss as of June 30, 2023.
- An amount of JD 29,549,064 of retained earnings and profit for the period as on June 30, 2023 is restricted (JD 32,820,280 as on December 31, 2022) , which represent deferred tax assets, and based on the instructions of the Central Bank of Jordan, it is prohibited to dispose of them without its prior approval.

### 18. Fair Value Reserve - Net

The details of this item are as follows:

	June 30, 2023	December 31, 2022
	JD	JD
Balance at the beginning of the period / year	6,482,816	1,741,270
Unrealized profit	344,300	8,022,682
Deferred tax assets	-	(420,863)
Deferred tax liabilities	23,981	(844,854)
(Gains) from sale of financial assets at fair value through other comprehensive income	(334,545)	(2,015,419)
Balance at the end of the period / year	<b>6,516,552</b>	<b>6,482,816</b>

The reserve of the fair value appears in the net after the offset of deferred tax liability balances amounted by JD 820,873 as of 30 June 2023 (Offset deferred tax liability amounted by JD 844,854 as of December 31, 2022).



#### 19. Interest and Returns Income

The details of this item are as follows:

Direct credit facilitates and financing:

##### **Individuals (Retail):**

overdraft accounts	67,683	67,800
Loans and discounted bills	44,825,415	32,533,481
Credit cards	1,532,728	837,786
<b>Real estate Loans</b>	43,566,618	32,187,847

##### **Corporates:**

##### **Large Companies:**

overdraft accounts	3,072,996	2,602,881
Loans and discounted bills	44,852,388	30,044,928

##### **SME's:**

overdraft accounts	1,336,915	930,142
Loans and discounted bills	7,710,444	5,645,767

##### **Government and public sector**

Balances at central bank	7,995,739	2,134,014
Balances and deposits at banks and financial institutions	3,820,735	832,568
Financial assets at fair value through statement of profit or loss	96,996	9,491
Financial assets at amortized costs	32,227,215	22,242,138
Others	1,001,771	502,806

<b>205,917,142</b>	<b>139,886,039</b>
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#### 20. Interest and Debit expenses

The details of this item are as follows:

For The Six Months Ended June 30,		
	2023	2022
	JD	JD
Banks and financial institutions deposits	5,120,259	2,000,863
Customers' deposits:		
Current and demand accounts	3,441,316	1,159,743
Saving deposits	3,146,774	2,437,662
Term deposits and notice deposits	67,486,218	39,775,850
Certificates of deposits	11,635,156	5,868,713
Cash margins	2,263,834	1,234,491
Borrowed funds	1,715,635	812,655
Subordinated loan	3,004,379	708,077
Deposits guarantee fees	3,312,163	3,826,421
<b>Total</b>	<b>101,125,734</b>	<b>57,824,475</b>

**21. Gain (Losses) of Financial Assets Through Statement of Profit or Loss**

The details of this item are as follows:

	Realized Gain (Losses )	Unrealized (Losses)	Dividends	Total
	JD	JD	JD	JD
<b><u>For The Six Months Ended June 30, 2023</u></b>				
Treasury bills and bonds	119,507	(1,827)	-	117,680
Corporate shares	504,594	(200,236)	139,392	443,750
Financial derivatives	(7)	-	-	(7)
Investment funds	(18,482)	(64,587)	-	(83,069)
	<b>605,612</b>	<b>(266,650)</b>	<b>139,392</b>	<b>478,354</b>
<b><u>For The Six Months Ended June 30, 2022</u></b>				
Treasury bills and bonds	(4,969)	(30,469)	-	(35,438)
Corporate shares	(306,718)	(63,130)	117,687	(252,161)
Financial derivatives	8,050	-	-	8,050
Investment funds	(665)	(722,459)	2,403	(720,721)
	<b>(304,302)</b>	<b>(816,058)</b>	<b>120,090</b>	<b>(1,000,270)</b>

**22. Basic and Diluted Earnings Per Share for the Period Attributable to the Bank's Shareholders**

Details of this item are as follows:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2023	2022	2023	2022
Income for the period	JD	JD	JD	JD
Weighted average number of (shares)	12,039,898	7,278,354	24,596,969	15,562,146
	200,000,000	200,000,000	200,000,000	200,000,000
	JD / FL\$	JD / FL\$	JD / FL\$	JD / FL\$
Earnings per share for the period (Basic and Diluted)	0.060	0.036	0.123	0.078

\* The weighted average number of shares per share of the profit attributable to the shareholders of the company was calculated based on the number of shares for the periods ending on June 30, 2023 and 2022 where the figures for the period ending on June 30, 2022 were calculated for the average profit for the number of shares , after taking into account the share dividends being free.

**23. Provision for Expected Credit Losses.**

Details of this item are as follows:

	For the Six Months Ended June 30,	
	2023	2022
Balances at banks and financial institutions	JD	JD
Deposits at banks and financial institutions	93,426	306,240
Financial assets at amortized costs	1,484	1,392
	(52,039)	260,035
Direct credit facilities and financing	18,983,853	12,241,782
Contingent liabilities	52,096	(1,020,450)
	19,078,820	11,788,999

**24. Cash and Cash Equivalent**

Details of this item are as follows:

	For the Six Months Ended June 30,	
	2023	2022
Cash and balances with CBJ maturing within three months	JD	JD
713,934,081	683,999,717	
Add: Balances at banks and financial institutions maturing within three months	288,891,485	464,767,318
251,972,137	216,713,124	
Less: Deposits at banks and financial institutions maturing within three months	11,712,163	8,071,872
Restricted balances	739,141,266	923,982,039

## 25. Right of Use Assets/ Leasing Liabilities

This item includes the following:

### 1. Right of use assets

The Bank leases many assets including land and buildings, the average lease term is 8 years, below the movement on the assets of the right to use during the year:

	For the period ended June 30, 2023	For the year ended December 31, 2022
	JD	JD
Balance - beginning of the period / year	29,461,656	27,555,989
<u>Add:</u> additions during the period / year	3,111,116	6,316,819
<u>Less:</u> disposals during the period/ year	(163,929)	(223,810)
<u>Less:</u> depreciation for the period / year	(2,262,261)	(4,187,342)
Balance - end of the period/ year	<b><u>30,146,582</u></b>	<b><u>29,461,656</u></b>

### Balances recorded in the statement of profit or loss

	For the Six Months Ended June 30, 2023	2022
	JD	JD
Depreciation for the period	(2,262,261)	(2,042,620)
Interest during the period	(600,144)	(629,043)
Rent expense during the period	(331,143)	(258,004)

### 2. Lease liabilities

	For the period ended June 30, 2023	For the year ended December 31, 2022
	JD	JD
Balance - beginning of the period / year	29,680,581	27,366,812
<u>Add:</u> additions during the period / year	3,111,116	6,316,819
Interest during the period / year	600,144	1,171,165
<u>Less:</u> disposals during the period / year	(163,929)	(223,810)
<u>Less:</u> paid during the period / year	(3,075,535)	(4,950,405)
Balance - end of the period/ year	<b><u>30,152,377</u></b>	<b><u>29,680,581</u></b>

## 26. Capital

### Capital

- The authorized and paid capital amounted to JD 200 Million divided over 200 Million shares, where the par value of the share was JD 1 as of June 30, 2023 and JD 160 Million divided over 160 Million shares, where the par value per share was JD 1 as of December 31, 2022.
- The General Assembly decided, in its extraordinary meeting held on April 19, 2023, to increase the bank's capital by an amount of JD 40 million by capitalizing part of the retained earnings at an amount of JD 28 million and capitalizing part of the share premium at an amount of JD 12 million.

### Share premium

- The share premium amounted to JD 68,213,173 as of June 30, 2023 and JD 80,213,173 as of December 31, 2022.

### Dividends distributed

- The dividends distributed to shareholders during the year 2023 reached to JD 16 Million for the year 2022 (JD 16 Million for the year 2021).

## 27. Reserves

- The Bank did not deduct the statutory reserves for the period; as these are Consolidated condensed interim financial statements, in which this deduction will be done at the end of the fiscal year.

## 28. Contingent Liabilities and Commitments

The details of this item is as follows:

	June 30, 2023	December 31, 2022
	JD	JD
Letters of credit	247,152,203	326,892,952
Acceptances	234,368,265	208,226,860
Letters of guarantee:		
- Payments	67,647,316	69,272,424
- Performance	91,485,054	93,575,650
- Other	64,175,974	59,273,319
Futures currency contracts	52,136,839	193,778,988
Unutilized limits of credit facilities and financing	765,887,578	654,688,383
Total	1,522,853,229	1,605,708,576

## 29. Lawsuits against the Bank

The total lawsuits raised against the Group were amounted to JD 34,402,517 as of June 30, 2023 in addition to other customs lawsuits (JD 3,728,619 as of December 31, 2022 in addition to other customs lawsuits), provisions booked against them was amounted to JD 272,182 as of June 30, 2023 (JD 452,175 as of December 31, 2022). The Bank management and it legal counsel believe that the provisions booked for these lawsuits are adequate.

### 30. Transactions and Balances with Related Parties

The Bank entered into transactions with major shareholders, Board of Directors, and executive management within the normal banking practice and according to the interests' prices and commercial commissions.

All of the credit facilities granted to related parties are considered to be performing facilities, and provisions have not been taken at stage 3 except for the below:

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

	Total				
	Board of Directors Members	Top Executive Management and Shareholder	Subsidiaries	Others (executive management members and their relatives)	
	JD	JD	JD	JD	June 30, 2023
					December 31, 2022
<u>On- Condensed Consolidated Interim Statement of Financial Position Items:</u>					
Direct credit facilities and financing	2,504,696	3,104,038	1,956,426	59,274,998	66,840,158
Deposits	177,378,735	5,196,812	18,433,762	14,620,361	215,629,670
Deposits at banks and financial institutions	-	-	640,226	-	640,226
Intangible assets	-	-	2,194,874	-	2,194,874
					2,615,855
<u>Off- Condensed Consolidated Interim Statement of Financial Position Items:</u>					
Letter of credits	-	-	-	3,583,651	3,583,651
Acceptances	-	-	-	1,959,153	1,959,153
Letter of guarantee	101,500	-	900,670	9,645,816	10,647,986
					10,121,834

	For the Six Months Ended June 30,	
	2023	2022
<u>Condensed Consolidated Statement of Income items:</u>		
Interests income, returns and commissions	97,677	44,102
Interests expenses, returns and commissions	3,977,972	71,916
	44,636	2,770,901
	309,334	254,697
	4,613,919	1,623,608

b. The Salaries, bonuses of bank's Executive management and the fees, transportation and bonuses allowances of the board of directors amounted to JD 4,401,999 for six months period ended June 30, 2023 (JD 4,635,660 for six months period ended June 30, 2022).

### 31. Information on the Bank's Business Activities

#### 1. Bank Activities Information

For management purposes, the Bank is organized into the following major business segments based on the reports used by the chief operating decision maker:

- Individual accounts: This item includes following up on individual customer's deposits and granting them credit facilities, credit cards and other services.
- Small and Medium Enterprises: This item includes following up on the client's deposits and credit facilities. Moreover, these clients are classified based on the volume of the granted deposits and facilities according to the Bank's instructions and principles and in compliance with the regulatory bodies' instructions.
- Large Companies' Accounts: This item includes following up on the client's deposits and credit facilities. Moreover, these clients are classified based on the volume of the granted deposits and facilities according to the Bank's instructions and principles and in compliance with the regulatory bodies' instructions.
- Treasury: This item includes providing treasury and trading services and managing the Bank's funds and long- term investments at amortized costs, which are maintained to collect the contractual cash flows.
- Investments and Foreign Currencies Management: This item includes the Bank's local and foreign investments which are recorded at fair value, in addition to the foreign currencies trading\ services.
- Others: This sector includes all the accounts not listed within the sectors mentioned above, such as shareholder's rights, investments in associates, property and equipment, general management and support management.

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

	Total						
	For the Six Months Ended June 30,						
	Individuals	Corporates	SMEs	Treasury	Other	2023	2022
	JD	JD	JD	JD	JD	JD	JD
Gross Income	80,780,740	71,246,593	22,519,714	56,430,341	422,205	231,399,593	161,524,329
Expected credit loss	(10,411,006)	(6,667,805)	(3,099,357)	1,099,348	-	(19,078,820)	(11,788,999)
Results of segment's activities	14,797,301	32,492,908	14,167,939	48,138,213	360,098	109,956,459	91,148,209
Unallocated (expenses) - net						(63,590,919)	(58,061,045)
Operating income						46,365,540	33,087,164
Bank's share of profit from investments in associates						3,668	2,246
Income before tax						46,369,208	33,089,410
Income tax						(16,782,382)	(12,785,704)
Profit for the period						<b>29,586,826</b>	<b>20,303,706</b>

#### Other Information

Capital expenses						10,494,808	8,547,621
Depreciation and Amortization						7,381,455	7,763,966

	Total						
	June 30, December 31,						
	2023 2022						
	JD JD						
Segment's Assets	1,738,455,721	1,925,717,867	320,594,221	2,707,041,539	-	6,691,809,348	6,379,745,729
Undistributed assets	-	-	-	-	302,897,973	302,897,973	311,145,224
Total Assets	<b>1,738,455,721</b>	<b>1,925,717,867</b>	<b>320,594,221</b>	<b>2,707,041,539</b>	<b>302,897,973</b>	<b>6,994,707,321</b>	<b>6,690,890,953</b>
Segment's Liabilities	3,651,531,761	1,424,074,600	615,266,394	558,574,936	-	6,249,447,691	5,960,196,127
Undistributed liabilities	-	-	-	-	174,968,033	174,968,033	170,658,176
Total Liabilities	<b>3,651,531,761</b>	<b>1,424,074,600</b>	<b>615,266,394</b>	<b>558,574,936</b>	<b>174,968,033</b>	<b>6,424,415,724</b>	<b>6,130,854,303</b>

### 32. Capital Adequacy

In addition to subscribed capital, the capital includes the statutory reserve, voluntary reserve, share premium, retained earnings, fair value reserve, general banking risk reserve, other reserves and treasury stocks.

The Bank is committed to apply the requirements set forth by regulators concerning capital adequacy as follows:

1. Central Bank of Jordan instructions that capital adequacy ratio does not go below 12.50%.
2. Comply with the minimum limit set for the paid-up capital for Jordanian Banks, which should not be less than JD 100 million.
3. The Bank's investments in stocks and shares which should not exceed 50% of the subscribed capital.
4. The ratio of credit limits (credit concentration) to regulatory capital.
5. Banks' and Companies' law related to the deduction of the legal reserve at a rate of 10% of the Bank's profit before tax.

	June 30, 2023	December 31, 2022
	JD	JD
<b>Common Equity Shareholders' Rights</b>		
Authorized and paid-up capital	200,000,000	160,000,000
Retained earnings after deduction of the expected distributions	34,596,211	62,930,524
Cumulative change in fair value	6,516,552	6,482,816
Share premium	68,213,173	80,213,173
Statutory reserve	76,227,974	76,227,974
Voluntary reserve	51,192,173	51,192,173
Recognizable non controlling interests shareholders	49,757,512	52,695,298
Interim profit after tax and deduction of the expected dividends	16,596,969	-
<b>Total Equity Capital for common stocks</b>	<b>503,100,564</b>	<b>489,741,958</b>
<b>Regulatory Adjustments (Deductions from the Capital)</b>		
Goodwill and intangible assets	(27,495,702)	(26,893,693)
Deferred tax assets resulting from investments within Tier 1 (10%)	(29,549,064)	(32,820,280)
<b>Net equity of common shareholder</b>	<b>446,055,798</b>	<b>430,027,985</b>
<b>Additional capital</b>		
Recognizable minority rights	8,780,737	9,508,557
<b>Total capital Tier 1</b>	<b>454,836,535</b>	<b>439,536,542</b>
<b>Tier 2 Capital</b>		
Provision for debts tools listed in Tier 1	15,366,735	16,918,596
Recognizable non-controlling shareholders	11,707,650	12,440,771
Financial tools issued by the bank that bear supporting capital	51,775,000	41,855,000
<b>Total Supporting Capital</b>	<b>78,849,385</b>	<b>71,214,367</b>
<b>Total Regulatory Capital</b>	<b>533,685,920</b>	<b>510,750,909</b>
<b>Total Risk Weighted Assets</b>	<b>3,755,554,176</b>	<b>3,703,440,657</b>
Capital Adequacy Ratio (CET 1)	<b>%14.21</b>	<b>%13.79</b>
Primary Capital Adequacy Ratio	<b>%11.88</b>	<b>%11.61</b>
Supporting Capital Adequacy Ratio	<b>%2.10</b>	<b>%1.92</b>
	June 30, 2023	December 31, 2022
	JD	JD
Financial leverage rate		
Tier 1 Capital	454,836,535	439,536,543
Total assets in and out of the statement of financial positions after removing deductible items from Tier 1	<b>7,659,034,066</b>	<b>7,540,758,028</b>
Financial leverage rate	<b>%5.94</b>	<b>%5.83</b>

Capital adequacy was calculated on June 30, 2023 and December 31, 2022 based on the instruction of Basel committee III.

	June 30, 2023	December 31, 2022
	JD	JD
<b>Liquidity Coverage Ratio (LCR):</b>		
Total high quality liquid assets	1,838,506,998	1,558,144,018
Total high-quality liquid assets after deduction and minus the adjustments for both level 2 (A) and (B) assets	1,808,860,655	1,537,265,604
Net cash outflow	713,166,599	800,257,317
Liquidity Coverage Ratio (LCR)	%253.64	%192.10
The liquidity coverage ratio is according to the average end of each month	%208.58	%189.23



### 3.3. Risk management:

The Bank continuously develops the structure of risk and credit management to ensure the effective administration of all its operations. Also to ensure efficiency of the risk and credit management process and the proper application of regulatory controls across all of the Bank's operations.

The bank's regulations related to risk management for the six months ended June 30, 2023, are consistent with the regulations disclosed for the year ended December 31, 2022, which also has disclosed in the annual report as of December 2022. □

#### Exposure distribution according to Economic sectors:

##### a. Distribution of exposure according to financial instruments

	Financial	Industrial	Trading	Real estates	Agriculture	Shares	Individual	Government and public sector	Other	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Balances at central banks										583,295,107
Balances at banks and financial institutions	583,295,107	-	-	-	-	-	-	-	-	288,517,409
Deposits at banks and financial institutions	288,517,409	-	-	-	-	-	-	-	-	9,581,214
Direct credit facilities & financing	9,581,214	-	-	-	-	-	-	-	-	
Treasury bills and bonds as follows:	33,359,251	341,283,391	562,943,662	1,073,658,674	107,614,222	247,657,012	769,959,811	592,686,674	404,573,586	4,133,736,283
Within financial assets at fair value through statement of profit or loss	144,587,507	37,285,521	6,076,648	-	-	-	-	1,273,906,319	4,252,797	1,466,108,792
Within financial assets at fair value through statement of other comprehensive income	1,241,947	-	-	-	-	-	-	948,991	-	2,190,938
Within financial assets at amortized costs	-	-	6,076,648	-	-	-	-	-	-	-
Other assets	143,345,560	37,285,521	21,453,269	862,798	9,553,193	19,199	1,307,407	12,899,938	4,252,797	1,463,917,854
Total	5,307,239	1,227,637	21,453,269	862,798	9,553,193	19,199	1,307,407	12,899,938	33,958,178	86,588,858
Letter of guarantees	<b>1,064,647,727</b>	<b>379,796,549</b>	<b>590,473,579</b>	<b>1,074,521,472</b>	<b>117,167,415</b>	<b>247,676,211</b>	<b>771,267,218</b>	<b>1,879,492,931</b>	<b>442,784,561</b>	<b>6,567,827,663</b>
Letter of credits	31,922,135	41,042,441	22,143,361	3,721,347	3,539,461	3,760,205	57,736,810	-	58,973,367	222,839,127
Acceptances	7,134,919	17,312,873	68,583,087	-	2,272,946	2,121,342	50,754,154	-	40,423,454	188,602,775
Other liabilities	3,437,996	9,163,069	84,707,968	-	267,068	-	80,307,776	-	56,374,993	234,258,870
Total as of June 30, 2023	3,462,166	135,730,656	147,458,576	4,040,996	8,154,677	-	190,813,918	-	271,838,263	761,499,252
Total as of December 31, 2022	<b>1,110,604,943</b>	<b>583,045,588</b>	<b>913,366,571</b>	<b>1,082,283,815</b>	<b>131,401,567</b>	<b>253,557,758</b>	<b>1,150,879,876</b>	<b>1,879,492,931</b>	<b>870,394,638</b>	<b>7,975,027,687</b>
	<b>1,039,573,461</b>	<b>645,607,385</b>	<b>884,004,422</b>	<b>1,014,380,851</b>	<b>101,282,735</b>	<b>242,666,020</b>	<b>915,454,042</b>	<b>1,772,566,756</b>	<b>1,010,968,236</b>	<b>7,626,503,908</b>

##### b. Distribution of exposures according to IFRS (9) stages:

	Stage (1)		Stage (2)		Stage (3)		Total
	Individual	Collective	Individual	Collective	JD	JD	JD
Financial	JD	JD	JD	JD			
Industrial	1,095,106,092	-	15,492,151	1,826	4,874	1,110,604,943	
Trading	513,672,409	6,918,284	54,902,029	1,534,598	6,018,268	583,045,588	
Real estates	787,088,157	17,235,136	95,167,642	8,971,709	4,903,927	913,366,571	
Agriculture	429,048,736	442,477,290	134,797,406	59,786,354	16,174,029	1,082,283,815	
Shares	59,788,171	909,385	69,967,660	430,066	306,285	131,401,567	
Individual	23,244,196	203,281,188	16,732,187	9,592,460	707,727	233,557,758	
Government and public sector	962,973,114	129,732,624	40,064,090	15,642,253	2,467,795	1,150,879,876	
Other	1,879,492,931	-	-	-	-	1,879,492,931	
Total as of June 30, 2023	711,620,976	10,765,003	119,248,495	6,202,171	22,557,993	870,394,638	
Total as of December 31, 2022	<b>6,462,034,782</b>	<b>811,318,910</b>	<b>546,371,660</b>	<b>102,161,437</b>	<b>53,140,898</b>	<b>7,975,027,687</b>	
	<b>6,195,228,794</b>	<b>807,352,698</b>	<b>533,198,395</b>	<b>52,415,672</b>	<b>38,308,349</b>	<b>7,626,503,908</b>	

Exposure distribution according to geographical distribution

**a. Distribution of exposure according to geographical areas after provisions:**

	Inside		Other Middle		Europe		Asia *		Africa		America		Other countries		Total
	Jordan	East countries	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Balances at central banks															
Balances at banks and financial institutions	583,295,107	-			-		-		-		-		-		583,295,107
Deposits at banks and financial institutions	33,945,631	126,945,256			44,325,358		23,153,070		-		60,021,627		126,467		288,517,409
Direct credit and financing facilities	-	-			9,581,214		-		-		-		-		9,581,214
Treasury bills and bonds as follows:	4,133,736,283	-			-		-		-		-		-		4,133,736,283
Within financial assets at fair value through statement of profit or loss	1,198,488,014	64,897,700			73,750,773		14,740,056		-		114,232,249		-		1,466,108,792
Within financial assets at fair value through statement of other comprehensive income	-	-			-		-		-		2,190,938		-		2,190,938
Within financial assets at amortized costs	-	-			-		-		-		-		-		-
Other assets	1,198,488,014	64,897,700			73,750,773		14,740,056		-		112,041,311		-		1,463,917,854
Total for period	86,588,858	-			-		-		-		-		-		86,588,858
Letter of guarantees	<b>6,036,053,893</b>	<b>191,842,956</b>			<b>127,657,345</b>		<b>37,893,126</b>		<b>-</b>		<b>174,253,876</b>		<b>126,467</b>		<b>6,567,827,663</b>
Letter of credit	221,732,372	1,106,755			-		-		-		-		-		222,839,127
Acceptances	183,485,246	5,117,529			-		-		-		-		-		188,602,775
Other liabilities	231,353,721	2,905,149			-		-		-		-		-		234,258,870
Total as of June 30, 2023	761,499,252	-			-		-		-		-		-		761,499,252
Total as of December 31, 2022	<b>7,434,124,484</b>	<b>200,972,389</b>			<b>127,657,345</b>		<b>37,893,126</b>		<b>-</b>		<b>174,253,876</b>		<b>126,467</b>		<b>7,975,027,687</b>
	<b>7,168,222,525</b>	<b>79,809,467</b>			<b>189,656,010</b>		<b>35,896,652</b>		<b>2,795,297</b>		<b>148,636,393</b>		<b>1,487,564</b>		<b>7,626,503,908</b>

\* Excluding the middle east countries.

**b. Distribution of exposures according to IFRS (9) stages**

	Stage (1)		Stage (2)		Stage (3)		Total
	Individual	Collective	Individual	Collective	JD	JD	JD
Inside Jordan	JD	JD	JD	JD	JD	JD	JD
Other middle east countries	5,921,131,579	811,318,910	546,371,660	102,161,437	53,140,898	7,434,124,484	200,972,389
Europe	200,972,389	-	-	-	-	127,657,345	37,893,126
Asia	127,657,345	-	-	-	-	-	-
Africa	37,893,126	-	-	-	-	-	-
America	-	-	-	-	-	-	-
Other countries	174,253,876	-	-	-	-	174,253,876	-
Total as of June 30, 2023	126,467	-	-	-	-	126,467	-
Total as of December 31, 2022	<b>6,462,034,782</b>	<b>811,318,910</b>	<b>546,371,660</b>	<b>102,161,437</b>	<b>53,140,898</b>	<b>7,975,027,687</b>	<b>7,626,503,908</b>
	<b>6,195,228,794</b>	<b>807,352,698</b>	<b>533,198,395</b>	<b>52,415,672</b>	<b>38,308,349</b>	<b>7,626,503,908</b>	<b>7,626,503,908</b>

Reclassified credit exposures:

a. Total credit exposures that were classified:

	Stage (2)		Stage (3)		
	Total exposure value	Exposures that were reclassified	Total exposure value	Exposures that were reclassified	Total exposures that were reclassified
Direct credit facilities and financing					
Within financial assets at fair value through other comprehensive income					
Total					
Letter of guarantees	23,759,770	577,330	2,175,054	538,482	1,115,812
Letter of credit	7,970,051	(2,450,387)	-	-	(2,450,387)
Acceptances	9,736,885	-	-	-	-
Other liabilities	33,324,640	603,281	-	-	603,281
Grand total	<b>669,557,685</b>	<b>108,390,677</b>	<b>177,329,750</b>	<b>46,902,319</b>	<b>155,292,996</b>

b. Expected credit losses for the exposures that were reclassified:

	Exposures that were reclassified			Expected Credit Losses for the Exposures that were Reclassified				
	Total Exposures that were Reclassified from Stage (2)	Total Exposures that were Reclassified from Stage (3)	Total Reclassified Exposures	Stage (2) Individual	Stage (2) Collective	Stage (3) Individual	Stage (3) Collective	Total
Direct credit facilities and financing								
Total								
Letter of guarantees	109,660,453	46,363,837	156,024,290	2,519,083	1,461,107	2,420,571	(1,359,166)	5,041,595
Letter of credit	<b>109,660,453</b>	<b>46,363,837</b>	<b>156,024,290</b>	<b>2,519,083</b>	<b>1,461,107</b>	<b>2,420,571</b>	<b>(1,359,166)</b>	<b>5,041,595</b>
Letter of credit	577,330	538,482	1,115,812	(554)	-	-	-	(554)
Letter of credit	(2,450,387)	-	(2,450,387)	-	-	-	-	-
Acceptances	-	-	-	-	-	-	-	-
Other liabilities	603,281	-	603,281	5,532	-	-	-	5,532
Grand total	<b>108,390,677</b>	<b>46,902,319</b>	<b>155,292,996</b>	<b>2,524,061</b>	<b>1,461,107</b>	<b>2,420,571</b>	<b>(1,359,166)</b>	<b>5,046,573</b>

### 34. Fair Value Hierarchy

a. The fair value of financial assets and financial liabilities of the Bank, which are specified at fair value on an ongoing basis:

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

Financial Assets	Fair Value		The Level of Fair Value	Evaluation Method and Inputs used	Important Intangible Inputs	Relation between the Fair Value and the Important Intangible Inputs
	June 30, 2023	December 31, 2022				
	JD	JD				
Financial Assets at Fair Value						
Financial Assets at Fair Value Through Statement of Profit or Loss:						
Government bonds listed on financial markets	948,991	649,405	Level 1	Quoted prices in financial markets	N/A	N/A
Corporate bonds listed on financial markets	1,241,947	105,388	Level 1	Quoted prices in financial markets	N/A	N/A
Corporate shares listed on financial market	4,139,774	4,813,576	Level 1	Quoted prices in financial markets	N/A	N/A
Investment Funds	11,510,680	12,855,527	Level 2	The fund manager evaluation of fair value	N/A	N/A
Total	17,841,392	18,423,896				
Financial Assets at Fair Value Through Other Comprehensive Income:						
Quoted Shares in active markets	32,997,766	31,168,445	Level 1	Quoted prices in financial markets	N/A	N/A
Investment funds	15,673,155	14,531,464	level 2	The fund manager evaluation of fair value	N/A	N/A
Unquoted Shares in active markets	15,770,153	15,601,160	Level 3	Through using equity method and based on the latest available information	N/A	N/A
Total	64,441,074	61,301,069				
Total Financial Assets at Fair Value	82,282,466	79,724,965				

There were no transfers between level 1, level 2, and level 3 during the six months ended June 30, 2023 and December 31, 2022.

b. Financial assets and liabilities of the Bank, which are not specified at fair value on going basis.:

Except for what is set out in the table below, we believe that the carrying amount of financial assets and liabilities shown in the consolidated financial statements of the Bank, approximates their fair value.

	June 30, 2023		December 31, 2022		The level of Fair Value
	Book value	Fair value	Book value	Fair value	
Financial Assets of Non-specified Fair Value	JD	JD	JD	JD	
Term deposits, notice deposits and certificate of deposits at Central Bank	182,100,000	182,421,342	303,200,000	303,373,603	Level 2
Current accounts, and deposits at Banks and Financial Institutions	298,098,623	298,330,353	221,356,432	221,576,199	Level 2
Direct credit facilities at amortized costs	4,133,736,283	4,142,217,898	3,991,118,781	3,997,546,728	Level 2
Other financial assets at amortized costs	1,463,917,854	1,479,783,691	1,325,766,644	1,339,871,884	Level 2
<b>Total Financial Assets of Non-specified Fair Value</b>	<b>6,077,852,760</b>	<b>6,102,753,284</b>	<b>5,841,441,857</b>	<b>5,862,368,414</b>	
Financial Liabilities of Non-specified Fair Value					
Banks and Financial Institutions Deposits	295,472,137	296,473,923	337,850,140	338,859,787	Level 2
Customers' Deposits	5,430,863,655	5,483,496,904	5,186,344,444	5,224,671,507	Level 2
Cash Margin	297,312,048	297,576,884	257,368,027	257,570,975	Level 2
Borrowed Funds	171,400,867	171,817,659	141,707,946	142,050,271	Level 2
Subordinated Loan	60,295,000	61,386,835	46,115,000	46,665,807	Level 2
<b>Total Financial Liabilities of Non-specified Fair Value</b>	<b>6,255,343,707</b>	<b>6,310,752,205</b>	<b>5,969,385,557</b>	<b>6,009,818,347</b>	

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