

**BANK OF JORDAN**  
**(PUBLIC SHAREHOLDING LIMITED COMPANY)**  
**AMMAN - JORDAN**

**CONDENSED CONSOLIDATED**  
**INTERIM FINANCIAL INFORMATION**  
**FOR THE THREE-MONTH**  
**PERIOD ENDED MARCH 31, 2022**  
**TOGETHER WITH THE**  
**INDEPENDENT AUDITOR'S REVIEW REPORT**

**BANK OF JORDAN**  
**(PUBLIC SHAREHOLDING LIMITED COMPANY)**  
**AMMAN – JORDAN**  
**CONDENSED CONSOLIDATED**  
**INTERIM FINANCIAL INFORMATION**  
**FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022**

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## **Report on the Review of the Condensed Consolidated Interim Financial Information**

AM / 8572

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

### **Introduction**

We have reviewed the accompanying condensed interim statement of financial position of Bank of Jordan (A Public Shareholding Limited Company) as of March 31, 2022 and the related condensed consolidated interim statements of profit or loss and comprehensive income for the three months ended March 31, 2021, condensed consolidated interim statement of changes in owners' equity and cash flows for the three-month period then ended, and a summary of significant accounting policies and other explanatory information. Management is responsible for the preparation and fair presentation of this condensed consolidated interim financial information in accordance with International Accounting Standard No. (34) relating to interim financial reporting as adopted by the Central Bank of Jordan. Our responsibility is to express a conclusion on these condensed consolidated interim financial information based on our review.

### **Scope of Review**

We conducted our review in accordance with International Standard on Review Engagement 2410 "Review of Condensed Interim Financial Information performed by an Independent Auditor of the Entity". A review of condensed consolidated interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, 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 condensed consolidated interim financial information is not prepared, in all material aspects, in accordance with International Accounting Standards No. (34) relating to condensed interim financial reporting as adopted by the Central Bank of Jordan.

### **Other Matters**

- The consolidated financial statements of the Bank for the year ended December 31, 2021 and the interim financial information for the three months period ended March 31, 2021 were audited and reviewed by another auditor who expressed an unmodified opinion and unmodified conclusion on those statements and this information on February 10, 2022 and April 29, 2021 respectively.
- The accompanying condensed consolidated interim financial information are a translation of the condensed consolidated interim financial information in the Arabic language to which reference is to be made.

Amman – Jordan  
April 28, 2022

  
Deloitte & Touche (M.E.) – Jordan  
Deloitte & Touche (M.E.)

ديلويت آند توش (الشرق الأوسط)

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**BANK OF JORDAN**  
**(PUBLIC SHAREHOLDING LIMITED COMPANY)**  
**AMMAN – JORDAN**  
**CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION**

	Note	March 31, 2022 (Reviewed Not Audited) JD	December 31, 2021 (Audited) JD
<b><u>Assets</u></b>			
Cash and balances with central banks – Net	5	392,201,690	382,035,460
Balances with banks and financial institutions – Net	6	81,159,886	136,002,180
Deposits with banks and financial institutions - Net	7	89,251,678	89,249,477
Financial assets at fair value through profit or loss		15,223,690	15,234,423
Financial assets at fair value through comprehensive income		62,265,564	62,163,227
Direct credit facilities at amortized cost - Net	8	1,572,957,200	1,486,114,693
Financial assets at amortized cost - Net	9	324,625,811	383,830,120
Property and equipment – Net	10	60,090,076	59,663,986
Intangible assets - Net		7,873,684	8,012,000
Deferred tax assets		24,437,967	24,556,699
Other assets	11	99,569,709	93,342,183
<b>Total Assets</b>		<b><u>2,729,656,955</u></b>	<b><u>2,740,204,448</u></b>
<b><u>Liabilities and Owners' Equity</u></b>			
<b>Liabilities:</b>			
Banks and financial institutions' deposits		91,097,295	93,795,838
Customers' deposits		1,894,575,307	1,908,030,640
Cash margins		113,998,770	112,659,076
Other provisions		5,092,793	5,156,233
Income tax provision	12	19,192,182	20,055,494
Deferred tax liabilities		53,333	51,871
Borrowed funds	13	69,466,550	72,139,327
Other liabilities	14	76,012,137	42,250,993
<b>Total Liabilities</b>		<b><u>2,269,488,367</u></b>	<b><u>2,254,139,472</u></b>
<b>Owners' Equity:</b>			
Equity Attributable to the Bank's shareholders			
Authorized and paid-up capital		200,000,000	200,000,000
Statutory reserve		104,362,505	104,362,505
Voluntary reserve		49,406	49,406
General banking risks reserve		4,102,021	4,102,021
Special reserve		5,849,743	5,849,743
Foreign currency translation differences		(13,009,685)	(13,009,685)
Fair value reserve		(3,878,449)	(3,979,324)
Retained earnings		140,032,362	176,032,362
Profit for the period after tax		9,892,669	-
<b>Total Equity Attributable to the Bank's Shareholders</b>		<b><u>447,400,572</u></b>	<b><u>473,407,028</u></b>
Non-controlling interests		12,768,016	12,657,948
<b>Total Owners' Equity</b>		<b><u>460,168,588</u></b>	<b><u>486,064,976</u></b>
<b>Total Liabilities and Owners' Equity</b>		<b><u>2,729,656,955</u></b>	<b><u>2,740,204,448</u></b>

Board of Director's Chairman

Chief Executive Officer

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

	Note	For the Three-Month Period Ended March 31,	
		2022 JD	2021 JD
Interest income		31,849,288	32,156,291
Less: Interest expense		4,812,218	5,284,191
<b>Net Interest Income</b>		<b>27,037,070</b>	<b>26,782,100</b>
Commission's income – Net		5,378,459	5,025,134
<b>Net Interest and Commissions Income</b>		<b>32,415,529</b>	<b>31,897,234</b>
Gain from foreign currencies		1,168,436	680,853
(Loss) Gain from financial assets at fair value through profit or loss		(10,733)	39,483
Cash Dividends from financial assets at fair value through comprehensive income		60,0000	-
Gain from sale of financial assets at fair value through comprehensive income - debt instruments		-	975,577
Other income		1,311,035	1,156,672
<b>Total income for the period</b>		<b>34,944,267</b>	<b>34,749,819</b>
Employees expenses		7,722,362	7,469,419
Depreciation and amortization		2,758,992	2,419,451
Other expenses		7,892,959	6,703,409
Expected credit loss on financial assets	15	1,024,717	8,970,279
(Recovered from) provision for assets seized by the Bank		487,178	(16,897)
Sundry provisions		119,957	78,631
<b>Total expenses</b>		<b>20,006,165</b>	<b>25,624,292</b>
<b>Profit for the period before Income Tax</b>		<b>14,938,102</b>	<b>9,125,527</b>
Less: Income tax	12	4,935,365	2,055,248
<b>Profit for the period</b>		<b>10,002,737</b>	<b>7,070,279</b>
<b>Attributable to:</b>			
Bank's Shareholders		9,892,669	6,956,601
Non-controlling Interest		110,068	113,678
		<b>10,002,737</b>	<b>7,070,279</b>
		<b>JD / Fils</b>	<b>JD / Fils</b>
<b>Earnings per share for the period attributable to the (Banks' shareholders) / Basic and diluted</b>	16	<b>0.049</b>	<b>0.035</b>

Board of Director's Chairman

Chief Executive Officer

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**BANK OF JORDAN**  
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**AMMAN – JORDAN**  
**CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME**  
**(REVIEWED NOT AUDITED)**

	<b>For the Three-Month Period Ended March 31,</b>	
	<b>2022</b>	<b>2021</b>
	<b>JD</b>	<b>JD</b>
Profit for the Period	10,002,737	7,070,279
<b>Other Comprehensive Income items:</b>		
<b>Other comprehensive income items that may be reclassified subsequently to the condensed consolidated interim statement of profit or loss:</b>		
(Loss) Realized from sale of financial instruments classified as financial assets at fair value through comprehensive income	-	(618,992)
	-	<b>(618,992)</b>
<b>Items that will not be reclassified subsequently to condensed consolidated interim statement of profit or loss:</b>		
Change in fair value of equity instruments classified as financial assets through comprehensive income – Net of tax	100,875	(251,378)
	<b>100,875</b>	<b>(251,387)</b>
<b>Total Comprehensive Income for the period</b>	<b>100,875</b>	<b>6,199,909</b>
<b>Total Comprehensive Income Attributable to:</b>		
The Bank's Shareholders	9,993,544	6,086,231
Non-controlling Interest	110,068	113,678
	<b>10,103,612</b>	<b>6,199,909</b>

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**BANK OF JORDAN**  
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**AMMAN – JORDAN**  
**CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN OWNERS' EQUITY**  
**(REVIEWED NOT AUDITED)**

	Reserves										Total Banks' Shareholders' Equity	Non-Controllers' Interest	Total Owner's Equity
	Authorized and Paid-up Capital	Statutory	Voluntary	General Banking Risks	Special	Foreign Currencies Translation Differences	Fair Value Reserve	Retained Earnings	Profit for the Period				
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
<b>For the Period Ended March 31, 2022</b>													
Balance - Beginning of the Period	200,000,000	104,462,505	49,406	4,102,021	5,849,743	(13,009,685)	(3,979,324)	176,032,362	-	473,407,028	12,657,948	486,064,976	
Profit for the Period	-	-	-	-	-	-	-	-	9,892,669	9,892,669	110,068	10,002,737	
Change in fair value of equity instruments classified as financial assets at fair value through comprehensive income – net of tax	-	-	-	-	-	-	100,875	-	-	100,875	-	100,875	
Total Comprehensive Income	-	-	-	-	-	-	100,875	-	9,892,669	9,993,544	110,068	10,103,612	
Distributed cash dividends*	-	-	-	-	-	-	-	(36,000,000)	-	(36,000,000)	-	(36,000,000)	
<b>Balance - End of the Period</b>	<b>200,000,000</b>	<b>104,362,505</b>	<b>49,406</b>	<b>4,102,021</b>	<b>5,849,743</b>	<b>(13,009,685)</b>	<b>(3,878,449)</b>	<b>140,032,362</b>	<b>9,892,669</b>	<b>447,400,572</b>	<b>12,867,016</b>	<b>460,168,588</b>	
<b>For the Period Ended March 31, 2021</b>													
Balance - Beginning of the Period	200,000,000	99,190,875	46,537	2,804,326	5,849,743	(12,855,521)	(6,092,218)	165,814,735	-	454,758,477	7,648,571	462,407,048	
Profit for the Period	-	-	-	-	-	-	-	-	6,956,601	6,956,601	113,378	7,070,279	
Realized gain from sale of debt instruments classified as financial assets at fair value through comprehensive income	-	-	-	-	-	-	(618,992)	-	-	(618,992)	-	(618,992)	
Change in fair value of equity instruments classified as financial assets at fair value through comprehensive income – net of tax	-	-	-	-	-	-	(251,378)	-	-	(251,378)	-	(251,378)	
Total Comprehensive Income	-	-	-	-	-	-	(870,370)	-	6,956,601	6,086,231	113,678	6,199,909	
<b>Balance - End of the Period</b>	<b>200,000,000</b>	<b>99,190,875</b>	<b>46,537</b>	<b>2,804,326</b>	<b>5,849,743</b>	<b>(12,855,521)</b>	<b>(6,962,588)</b>	<b>165,814,735</b>	<b>6,956,601</b>	<b>460,844,708</b>	<b>7,762,249</b>	<b>468,606,957</b>	

\* In accordance with the Ordinary General Assembly meeting held on 31 March 2022, the bank has decided to distribute Cash dividends at 18% of the Bank's capital (equivalent to JOD 36,000,000)

**According to the instructions of the regulatory bodies:**

- The general banking risks reserve and the special reserve cannot be utilized without prior approval from Palestine Monetary Authority.
- Retained earnings include a restricted amount of JD 24,437,967 against deferred tax benefits as of March 31, 2022 (JD 24,556,699 as of December 31, 2021) in accordance with the Central Bank of Jordan instructions, this amount is restricted and cannot be utilized for capitalization or distribution unless actually realized.
- Retained earnings include an amount of JD 439,810 as of March 31, 2022 that represents the effect of early adoption of IFRS (9). These restricted amounts cannot be utilized unless realized through actual sale.
- The fair value reserve cannot be utilized for capitalization, distribution, write-off losses or any other commercial acts unless realized through actual sale as instructed by Central Bank of Jordan and Jordan Security Commission, the balance of retained earnings include an amount of JD 813,437 as of March 31, 2022 which cannot be utilized through dividends distribution to the shareholders or use for any other purposes, without prior approval of Central Bank of Jordan, this amount has resulted from the application of Central Bank of Jordan circular No. 10/1/1359 on January 25, 2018. and Central Bank of Jordan circular No. 13/2018 dated June 6, 2018.

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**BANK OF JORDAN**  
**(PUBLIC SHAREHOLDING LIMITED COMPANY)**  
**AMMAN – JORDAN**  
**CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASHFLOWS**  
**(REVIEWED NOT AUDITED)**

	Note	For the Three-Month Period Ended March 31,	
		2022 JD	2021 JD
<b>Cash Flows from Operating Activities:</b>			
Profit for the period before tax		14,938,102	9,125,527
<b>Adjustments for non-cash items:</b>			
Depreciation and amortization		2,758,992	2,419,451
Expected credit loss on financial assets	15	1,024,717	8,970,279
(Gain) Loss from sale of property and equipment		(15,468)	2,557
Loss (Gain) from financial assets at fair value through profit or loss		10,773	(39,483)
Other provisions		119,957	78,631
Effect of exchange rate fluctuations		(1,143,549)	(661,127)
provision for (Recovered from) assets seized by the Bank		487,178	(16,897)
<b>Profit before Changes in Assets and Liabilities</b>		<b>18,180,662</b>	<b>19,878,938</b>
<b>Changes in Assets and Liabilities:</b>			
Decrease in restricted balances		2,241,942	574,638
(Increase) in direct credit facilities at amortized cost		(88,045,405)	(11,947,910)
(Increase) in other assets		(7,907,475)	(6,239,660)
(Decrease) in deposits and financial institutions (maturing over 3 months)		(282,000)	-
(Decrease) in customers deposits		(13,455,333)	(19,317,577)
Increase (Decrease) in cash margins		1,339,694	(5,269,383)
(Decrease) in borrowed funds		(2,672,777)	(7,538,769)
(Decrease) in other liabilities		(2,090,176)	(1,229,279)
<b>Net change in Assets and Liabilities</b>		<b>(110,871,530)</b>	<b>(50,967,940)</b>
<b>Net Cash Flows (Used in) Operating Activities before Paid Taxes and End-of-Service Indemnity Provision</b>		<b>(92,690,868)</b>	<b>(31,089,002)</b>
End-of-service indemnity provision and lawsuits provision settled		(183,397)	(18,138)
Income tax settled	12	(5,679,945)	(4,795,953)
<b>Net Cash Flows (Used in) Operating Activities</b>		<b>(98,554,210)</b>	<b>(35,903,093)</b>
<b>Cash Flows from Investing Activities</b>			
Sale of financial assets at fair value through comprehensive income		-	24,925,272
(Purchase) of financial assets at amortized cost		-	(20,775,488)
Maturity of financial assets at amortized cost		59,247,210	24,462,169
(Purchase) of financial derivatives		(688,612)	(976,514)
(Purchase) of property and equipment		(975,616)	(1,356,676)
Proceeds from sale of property and equipment		44,295	25,409
(Purchase) of intangible assets		(224,042)	(237,623)
<b>Net Cash Flows from (Used in) Investing Activities</b>		<b>(57,406,235)</b>	<b>26,066,549</b>
<b>Cash Flows from Financing Activities</b>			
Dividends distributed to shareholders		(27,517)	(7,867)
<b>Net Cash Flows from (Used in) Financing Activities</b>		<b>(27,517)</b>	<b>(7,867)</b>
Effect of exchange rate fluctuations on cash and cash equivalents		1,143,549	661,127
<b>Net (Decrease) in Cash and Cash Equivalents</b>		<b>(40,034,943)</b>	<b>(9,183,284)</b>
Cash and cash equivalents - Beginning of the year		365,192,576	412,918,196
<b>Cash and Cash Equivalents - End of the period</b>	17	<b>325,157,633</b>	<b>403,734,912</b>

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**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION**  
**(REVIEWED NOT AUDITED)**

**1. General**

Bank of Jordan was established in 1960 as a public shareholding limited company with headquarters in Amman – Jordan. On March 3, 1960, it was registered under number (1983) according to the Companies Law No. 33 for the Year 1962 with an authorized capital of JD 350,000 represented by 70,000 shares at a par value of JD 5 per share. The Bank's authorized and paid-up capital was increased in several stages, the last of which took place in accordance to the resolution of the general assembly in their extraordinary meeting held on April 9, 2016 where the Bank's capital was increased from JD 155.1 million to become JD 200 million and for which all the legal procedures related to this decision were completed on April 19, 2016.

The Bank provides all financial and banking services within its scope of activities. Those services are offered through its (83) branches in Jordan, (17) branches in Palestine and the bank branch in the Kingdom of Bahrain and its subsidiaries in Jordan and Syria (Bank of Jordan - Syria ,Excel for Financial Investments Company and Jordan Leasing Company).

The Bank has obtained the necessary approvals from the Central Bank of Jordan and the regulatory authorities in Iraq for the establishment of a branch in Iraq. The branch is still in the establishment phase.

The accompanying consolidated condensed interim financial information were approved by the Board of directors in their meeting dated April 27, 2022.

**2. Basis of Preparation of consolidated condensed interim financial information**

- The accompanying condensed consolidated interim financial information have been prepared in accordance with the International Accounting Standard No. (34) "Interim Financial Reporting" as adopted by the Central Bank of Jordan.

The main differences between IFRS that should be applied and what have been adopted by the Central Bank of Jordan are as follow:

- When calculating credit losses against credit exposures, the calculation results in accordance with International Financial Reporting Standards (9) are compared with the calculation as per the instructions of the Central Bank of Jordan. for each stage separately and the stricter results are recorded, the main differences are:
  - Exclusion of the Debt instruments issued or guaranteed by the Jordanian Government, so that credit exposures issued or guaranteed by the Jordanian Government are treated with no credit losses
  - When calculating credit losses against credit exposures, the results of the calculation are compared in accordance with International Financial Reporting Standard No. (9) with the instructions of the Central Bank of Jordan No. (47/2009) dated December 10, 2009 for each stage separately, and the stricter results are recorded
- Interests, returns and commissions shall be suspended on non-performing credit facilities and funds granted to clients in accordance with the instructions of the Central Bank of Jordan.



- 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 revaluated on the date of the condensed consolidated interim financial information separately, and any decrease in its value is recorded in the condensed consolidated interim statement of profit or loss and condensed consolidated interim statement of comprehensive income while no increase in its value is recorded as revenue, and where, any subsequent increase is taken to the condensed consolidated interim statement of profit or loss and condensed consolidated interim 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 Central Bank of Jordan's generalization (10/1/16239) dated November 21, 2020, which is 5% of the total book value of these real estates from the year of 2021 until the required percentage is reached (50% of these properties by the end of the year 2030).
- Specific provisions have been recorded in accordance with the instructions of the Central Bank of Jordan against the bank's foreign investments in foreign countries.
- The net outcome of the differences between the Central Bank of Jordan instructions and the International Financial Reporting Standards represented by having the Bank to book additional provisions to comply with these instructions.
- The condensed consolidated interim financial information are prepared in accordance with the historical cost principle, except for financial assets and financial liabilities which are stated at fair value at the date of the condensed consolidated interim financial information.
- 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 notes and information presented in the annual financial statements and should be read with the bank's annual report for the year ended December 31, 2021. The results of the nine months ended March 31, 2022 do not indicate the expected results for the fiscal year ending December 31, 2021. Furthermore, provisions have not been made as of March 31, 2022 in the same manner these would be conducted at the end of the fiscal year.

The consolidated condensed interim financial information includes the financial statements of the Bank and the subsidiary companies controlled by the Bank. Control is achieved when the Bank has the power to govern the financial and operating policies of the subsidiaries to obtain benefits from their activities. All intra-group transactions, balances, income, and expenses are eliminated.

The Bank has the following subsidiary companies as of March 31, 2022:

<b>Name of Subsidiary</b>	<b>Paid-up Capital</b>	<b>Bank's Ownership Percentage %</b>	<b>Subsidiary's Nature of Business</b>	<b>Place of Operation</b>	<b>Acquisition Date</b>
Bank of Jordan – Syria*	3,000 Million Syrian – Lira (Investment amount 21,19 Million JOD)	49	Banking Activities	Syria	May 17, 2008
Jordan Leasing Company	JD 20 Million	100	Finance Lease	Amman	October 24, 2011
Excel for Financial Investments Company	JD 3.5 Million	100	Financial Brokerage	Amman	March 23, 2006



- The condensed consolidated interim financial information for the bank and its subsidiaries under its control. Control is achieved when the Bank has the ability to control the financial and operational policies of subsidiaries in order to obtain benefits from their activities. Transactions, balances, revenue and expenses between the Bank and its subsidiaries are eliminated.
- The subsidiaries' financial information 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 information ensure compliance with the accounting policies used by the Bank.
- The results of the subsidiary companies are incorporated into the condensed consolidated interim statement of profit or loss from the effective date of acquisition, which is the date when the Bank assumes actual control over the subsidiary. Moreover, the operating results of the disposed subsidiary are incorporated into the consolidated condensed interim statement of profit or loss up to the effective date of disposal which is the date on which the Bank loses control over the subsidiary companies.
- Non-controlling interest represents the portion of equity not held by the Bank in the subsidiary.
- \* The results of Bank of Jordan – Syria have been incorporated in the consolidated condensed interim financial information due to The Bank's power to govern the financial and operating policies of the subsidiary.

### **3. Significant accounting policies**

The accounting policies used in preparing the condensed consolidated interim financial information for the period ending on March 31, 2022 are identical with the accounting policies that were followed in preparing the consolidated financial information for the year ended December 31, 2021. However, it has adopted a set of the following amendments and interpretations that are effective for the first time in 2021, which has no impact on the Bank's condensed consolidated interim financial information:

#### **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.

### **Standards issued but not effective**

At the date of authorization of these condense consolidated interim financial information, the Group has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

<b>New and revised IFRSs</b>	<b>Effective date</b>
<b>IFRS 17 Insurance Contracts (including the June 2020 amendments to IFRS 17)</b> IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts.  IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach.  The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees.  In June 2020, the Board issued Amendments to IFRS 17 to address concerns and implementation challenges that were identified after IFRS 17 was published. The amendments defer the date of initial application of IFRS 17 (incorporating the amendments) to annual reporting periods beginning on or after January 1, 2023. At the same time, the Board issued Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4) that extends the fixed expiry date of the temporary exemption from applying IFRS 9 in IFRS 4 to annual reporting periods beginning on or after January 1, 2023.  For the purpose of the transition requirements, the date of initial application is the start of the annual reporting period in which the entity first applies the Standard, and the transition date is the beginning of the period immediately preceding the date of initial application.	<b>The amendments are applied retrospectively for annual periods beginning on or after January 1, 2023, unless impracticable, in which case the modified retrospective approach or the fair value approach is applied.</b>



## **New and revised IFRSs**

### **Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The directors of the Company anticipate that the application of these amendments may have an impact on the Group's consolidated financial statements in future periods should such transactions arise.

### **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 IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements - Disclosure of Accounting Policies**

The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

## **Effective date**

**The effective date is yet to be set. Earlier application is permitted.**

**The amendments are applied retrospectively for annual periods beginning on or after January 1, 2023, with early application permitted.**

**January 1, 2023, with earlier application permitted and are applied prospectively.**

The Board has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.

#### **Amendments to IAS 8 - Definition of Accounting Estimates**

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty".

**January 1, 2023,  
with earlier  
application permitted**

The definition of a change in accounting estimates was deleted. However, the Board retained the concept of changes in accounting estimates in the Standard with the following clarifications:

- A change in accounting estimate that results from new information or new developments is not the correction of an error
- The effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors

The Board added two examples (Examples 4-5) to the Guidance on implementing IAS 8, which accompanies the Standard. The Board has deleted one example (Example 3) as it could cause confusion in light of the amendments.

#### **Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction**

The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences.

**January 1, 2023,  
with earlier  
application permitted**

Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting nor taxable profit. For example, this may arise upon recognition of a lease liability and the corresponding right-of-use asset applying IFRS 16 at the commencement date of a lease.

Following the amendments to IAS 12, an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12.

The Board also adds an illustrative example to IAS 12 that explains how the amendments are applied.

The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period an entity recognises:



A deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary differences associated with:

Right-of-use assets and lease liabilities

Decommissioning, restoration and similar liabilities and the corresponding amounts recognised as part of the cost of the related asset

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 that date.

Management anticipates that these new standards, interpretations and amendments will be adopted in the Group's condensed consolidated interim financial information as and when they are applicable and adoption of these new standards, interpretations and amendments, may have no material impact on the condensed consolidated interim financial information of the Group in the period of initial application.

#### **4. Significant Accounting Judgments and key Sources of Uncertainty Estimates**

Preparation of the condensed consolidated interim financial information and application of the accounting policies require management to make judgments, estimates, and assumptions that affect the amounts of financial assets and financial liabilities and to disclose potential liabilities. Moreover, these estimates and judgments affect revenue, 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, the Bank's management requires judgments to be made to estimate the amounts and timing of future cash flows. These estimates are necessarily based on multiple hypotheses and 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 the estimates used in the preparation of these condensed consolidated interim financial information are consistent with those used in the annual consolidated financial statements for the year ended December 31, 2021

#### **5. Cash and Balances with Central Banks-Net**

This item consists of the following:

	<b>March 31, 2022 (Reviewed Not Audited) JD</b>	<b>December 31, 2021 (Audited) JD</b>
Cash at vaults	73,950,828	81,776,632
Balances at Central Banks:		
- Current and on demand accounts	107,942,300	108,725,417
- Term and notice deposits	118,867,760	97,867,760
- Statutory cash reserve	91,540,976	93,783,314
<b>Balances at Central Banks - Gross</b>	<b>318,351,035</b>	<b>300,376,491</b>
<u>Less: Expected credit loss</u>	<u>(100,174)</u>	<u>(117,663)</u>
<b>Balances at Central Banks - Net</b>	<b>318,250,862</b>	<b>300,258,828</b>
<b>Total</b>	<b>392,201,690</b>	<b>382,035,460</b>

- Cash balances at Central Bank of Jordan amounted to JD 318,351,036 as of March 31, 2022 (JD 300,376,491 as of December 31, 2021)



- Statutory cash reserve amounted to JD 91,540,976 as of March 31, 2022 (JD 93,783,314 As of December 31, 2021).
- Except for the statutory cash reserve, restricted balances amounted to JD 2,232,760 as of March 31, 2022 (JD 2,232,760 as of December 31, 2021).
- Time and notice deposit include JD 10,635,000 maturing within a period exceeding three months as of March 31, 2022 (JD 10,635,000 As of December 31, 2021).
- Expected credit losses allowance was not calculated against Central Bank Jordan balances as of March 31, 2022 and December 31, 2021 in accordance with the Central Bank of Jordan Instructions No.13/2018 regarding the implementation of International Financial Reporting Standard No. (9).

## **6. Balances with Banks and Financial Institutions-Net**

This item consists of the following:

	<b>Local Banks and Financial Institutions</b>		<b>Foreign Banks and Financial Institutions</b>		<b>Total</b>	
	<b>March 31, 2022</b>	<b>December 31, 2021</b>	<b>March 31,2022</b>	<b>December 31, 2021</b>	<b>March 31,2022</b>	<b>December 31, 2021</b>
	<b>(Reviewed Not Audited)</b>	<b>(Audited)</b>	<b>(Reviewed Not Audited)</b>	<b>(Audited)</b>	<b>(Reviewed Not Audited)</b>	<b>(Audited)</b>
	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>
Current accounts and demand deposits	-	-	50,883,205	132,426,724	50,883,205	132,426,724
Deposits maturing within 3 months or less	30,000,000	-	282,000	3,580,650	30,282,000	3,580,650
<b>Gross Balance</b>	<b>30,000,000</b>	<b>-</b>	<b>51,165,205</b>	<b>136,007,374</b>	<b>81,165,205</b>	<b>136,007,374</b>
<b>Less:</b> Expected credit loss	(62)	-	(5,257)	(5,194)	(5,319)	(5,194)
<b>Net Balance</b>	<b>29,999,938</b>	<b>-</b>	<b>51,159,948</b>	<b>136,002,180</b>	<b>81,159,886</b>	<b>136,002,180</b>

- Non-interest-bearing balances at banks and financial institutions amounted to JD 37,925,057 as of March 31, 2022 (JD 60,085,908 as of December 31, 2021).
- Restricted balances at banks and financial institutions amounted to JD 3,741,272. as of March 31, 2022 (JD 3,740,876 as of December 31, 2021).
- The balances of banks and financial institutions are classified within the first and third phase in accordance with the requirements of IFRS No.9 and there are no transfers between the (first, second and third) stages or non-existent balances during the period ending March 31, 2022.

## **7. Deposits with banks and financial institutions-Net**

This item consists of the following:

	<b>Local Banks and Financial Institutions</b>		<b>Foreign Banks and Financial Institutions</b>		<b>Total</b>	
	<b>March 31, 2022</b>	<b>December 31, 2021</b>	<b>March 31, 2022</b>	<b>December 31, 2021</b>	<b>March 31, 2022</b>	<b>December 31, 2021</b>
	<b>(Reviewed Not Audited)</b>	<b>(Audited)</b>	<b>(Reviewed Not Audited)</b>	<b>(Audited)</b>	<b>(Reviewed Not Audited)</b>	<b>(Audited)</b>
	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>
Deposits maturing within 3 to 6 months	-	-	282,000	282,000	282,000	282,000
Deposits maturing within 6 to 9 months	45,000,000	-	-	-	45,000,000	-
Deposits maturing within 9 months to 1 year	-	45,000,000	-	-	-	45,000,000
Deposits maturing within more than 1 year	44,000,000	44,000,000	-	-	44,000,000	44,000,000
<b>Gross Balance</b>	<b>89,000,000</b>	<b>89,000,000</b>	<b>282,000</b>	<b>282,000</b>	<b>89,282,000</b>	<b>89,282,000</b>
<b>Less:</b> Expected credit loss	(30,306)	(32,507)	(16)	(16)	(30,322)	(32,523)
<b>Net Balance</b>	<b>88,969,694</b>	<b>88,967,493</b>	<b>281,984</b>	<b>281,984</b>	<b>89,251,678</b>	<b>89,249,477</b>

- The balances of banks and financial institutions are classified within the first and third phase in accordance with the requirements of IFRS No.9 and there are no transfers between the (first, second and third) stages or non-existent balances during the period ending March 31, 2022.
- There are no restricted deposits as of March 31, 2022 and December 31, 2021.

#### **8. Direct Credit Facilities at Amortized Cost-Net**

This item consists of the following:

	<b>March 31, 2022 (Reviewed Not Audited)</b>	<b>December 31, 2021 (Audited)</b>
	<b>JD</b>	<b>JD</b>
<b>Individual (Retail Customers):</b>	<b>599,336,014</b>	<b>596,242,926</b>
Overdraft accounts	16,406,332	15,491,270
Loans and discounted bills*	553,212,720	551,973,514
Credit cards	29,713,962	28,778,142
<b>Real estate loans</b>	<b>272,401,120</b>	<b>273,211,954</b>
<b>Corporate:</b>	<b>671,228,940</b>	<b>582,433,426</b>
Large corporate customers	384,641,251	323,849,300
Overdraft accounts	84,099,733	36,336,526
Loans and discounted bills*	300,541,518	287,512,774
SMEs	286,587,689	258,584,126
Overdraft accounts	56,181,266	51,616,408
Loans and discounted bills*	230,406,423	206,967,718
<b>Government and public sector</b>	<b>203,829,509</b>	<b>206,297,647</b>
<b>Total</b>	<b>1,746,795,583</b>	<b>1,658,185,953</b>
<u>Less: expected credit loss provision</u>	<u>(159,742,341)</u>	<u>(158,630,986)</u>
<u>Less: Interest in suspense</u>	<u>(14,096,042)</u>	<u>(13,440,274)</u>
<b>Net Direct Credit Facilities at amortized cost</b>	<b>1,572,957,200</b>	<b>1,486,114,693</b>

- \* Net of interest and commission received in advance amounting to JD 13,898,670 as of March 31, 2022 (JD 14,591,914 as of December 31, 2021).
- Non-performing credit facilities amounted to JD 144,035,940 representing (8/3%) of the direct credit facilities balance as of March 31, 2022 (JD 144,312,640 representing (8/7%)) as of December 31, 2021).
  - Non-performing credit facilities after deducting the suspended interest amounted to JD 129,939,898 representing (7/5%) of direct credit facilities after deducting the suspended interest as of March 31, 2022 (JD 130,872,366 representing (8/0%) as of December 31, 2021).
  - Credit facilities granted to and guaranteed by the Jordanian Government amounted to JD 2,331,719 representing (0/14%) of total direct credit facilities as of March 31, 2022 (JD 2,528,026 representing (0/15%) as of December 31, 2021), Moreover, credit facilities granted to the public sector in Palestine amounted to JD 55,316,494 as of March 31, 2022 (JD 62,344,097 as of December 31, 2021), Facilities granted to foreign governments amounted to JD 28,299,018 as of March 31, 2022 (JD 24,785,586 as of December 31, 2021).



- The movement on the expected credit loss provision at collective level during the period/year was as follows:

**For the period ended March 31, 2022 (Reviewed Not Audited)**

Item	Stage One		Stage Two		Total	
	Individual Level	Collective Level	Individual Level	Collective Level	Stage Three	Total
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the period	611,018,680	760,840,231	112,095,288	29,919,114	144,312,640	1,658,185,953
New facilities During the period	149,908,994	55,869,417	213,343	208,515	1,180,577	207,380,846
Facilities settled	(97,355,213)	(47,046,900)	(4,583,163)	(898,599)	(2,055,819)	(151,939,594)
	<b>663,572,461</b>	<b>769,662,748</b>	<b>107,725,468</b>	<b>29,229,030</b>	<b>143,437,398</b>	<b>1,713,627,105</b>
Transfer to Stage One	15,129,277	14,173,683	(15,129,277)	(14,066,091)	(107,592)	-
Transfer to Stage Two	(9,122,201)	(15,441,465)	9,348,336	16,925,889	(1,710,559)	-
Transfer to Stage Three	(710,624)	(485,044)	(181,798)	(1,049,369)	2,426,835	-
Effect on the allowance at the end of the year as a result of classification changes between the three stages during the period	(434,669)	(593,933)	(644,373)	(259,793)	59,747	(1,873,021)
Changes due to adjustments	41,599,803	(778,522)	(5,447,179)	(262,714)	(30,680)	35,080,708
Written off facilities transferred to off consolidated financial position items	-	-	-	-	(39,209)	(39,209)
<b>Balance at the end of the Period</b>	<b>710,034,047</b>	<b>766,537,467</b>	<b>95,671,177</b>	<b>30,516,952</b>	<b>144,035,940</b>	<b>1,746,795,583</b>

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

Item	Stage One		Stage Two		Total	
	Individual Level	Collective Level	Individual Level	Collective Level	Stage Three	Total
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	672,800,674	725,428,348	67,873,963	15,551,080	137,962,291	1,619,616,356
New facilities during the year	95,341,420	143,732,744	9,430,824	1,295,474	4,987,841	254,788,303
Facilities settled	(121,818,018)	(63,597,600)	(4,040,451)	(1,871,645)	(10,264,194)	(201,591,908)
	<b>646,324,076</b>	<b>805,563,492</b>	<b>73,264,336</b>	<b>14,974,909</b>	<b>132,685,938</b>	<b>1,672,812,751</b>
Transferred to Stage One	16,844,763	8,769,045	(16,685,918)	(7,043,386)	(1,884,504)	-
Transferred to Stage Two	(82,030,638)	(24,632,687)	82,039,367	25,589,198	(965,240)	-
Transferred to Stage Three	(6,183,952)	(7,094,929)	(390,341)	(2,507,834)	16,177,056	-
Effect on the allowance at the end of the year as a result of classification changes between the three stages during the year	3,520,201	(917,496)	(14,018,397)	(816,590)	304,349	(11,927,933)
Changes due to adjustments	36,089,222	(20,667,796)	(10,666,108)	(270,401)	(1,018,936)	3,465,981
Written off facilities transferred to off consolidated financial position items	-	-	-	-	(107,709)	(107,709)
Adjustment due to exchange rates fluctuations	(3,544,992)	(179,398)	(1,447,651)	(6,782)	(878,314)	(6,057,137)
<b>Balance at the end of the Year</b>	<b>611,018,680</b>	<b>760,840,231</b>	<b>112,095,288</b>	<b>29,919,114</b>	<b>144,312,640</b>	<b>1,658,185,953</b>

- The movement on the expected credit loss provision on collective basis during the period/year was as follows:

**For the period ended March 31, 2022 (Reviewed Not Audited)**

Item	Stage One		Stage Two		Stage Three		Total	
	Individual Level	Collective Level	Individual Level	Collective Level	Individual Level	Collective Level	Individual Level	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Balance at the beginning of the period	572,036	1,090,081	28,680,240	3,330,053	124,958,576		158,630,986	
Credit loss on new balances during the period	82,841	102,562	779,157	4,383	1,988,383		2,957,326	
Expected credit loss reversal on matured facilities	(29,037)	(87,699)	(18,231)	(4,861)	(2,083,736)		(2,223,564)	
	<b>625,840</b>	<b>1,104,944</b>	<b>29,441,166</b>	<b>3,329,575</b>	<b>124,863,223</b>		<b>159,364,748</b>	
Transfer to Stage One	42,935	110,723	(42,935)	(103,318)	(7,405)		-	
Transfer to Stage Two	(8,793)	(22,489)	47,782	678,957	(695,457)		-	
Transfer to Stage Three	(354)	(946)	(939)	(10,066)	12,305		-	
Effect on the provision at the end of the year as a result of classification changes between the three stages during the year	(18,338)	(91,600)	(13,740)	(554,796)	1,345,180		666,706	
Changes due to the adjustments	(45,107)	45	(113,267)	(2,477)	(36,764)		(197,570)	
Written off facilities transferred to off consolidated financial position items	-	-	-	-	(28,564)		(28,564)	
Adjustment due to exchange rates fluctuations	-	-	-	-	(62,979)		(62,979)	
<b>Balance at the End of the period</b>	<b>596,183</b>	<b>1,100,677</b>	<b>29,318,067</b>	<b>3,337,875</b>	<b>125,389,539</b>		<b>159,742,341</b>	

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

Item	Stage One		Stage Two		Stage Three		Total	
	Individual Level	Collective Level	Individual Level	Collective Level	Individual Level	Collective Level	Individual Level	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	1,804,197	3,718,047	10,368,829	5,452,368	120,382,114		139,921,358	
Credit loss on new balances during the year	136,948	200,729	12,588,339	13,322	5,709,598		18,511,988	
Expected credit loss reversal of matured facilities	(249,684)	(306,114)	(251,787)	(2,213,907)	(9,428,982)		(12,200,790)	
	<b>1,691,461</b>	<b>3,612,662</b>	<b>22,705,381</b>	<b>3,251,783</b>	<b>116,662,730</b>		<b>146,232,556</b>	
Transferred to Stage One	199,284	1,132,147	(72,544)	(62,581)	(1,196,306)		(199,284)	
Transferred to Stage Two	(289,167)	(128,354)	290,116	683,557	(556,152)		289,167	
Transferred to Stage Three	(15,283)	(49,013)	(12,626)	(23,559)	100,481		15,283	
Effect on the allowance at the end of the year as a result of classification changes between the three stages during the year	(185,956)	(1,120,994)	5,990,318	(509,293)	11,717,126		16,077,157	
Changes due to the adjustments	(820,656)	(2,354,884)	(199,320)	(8,824)	(1,108,507)		(3,674,535)	
Written off- Balances	-	-	-	-	(86,312)		(86,312)	
Adjustment due to exchange rates fluctuations	(7,647)	(1,483)	(21,085)	(1,030)	(584,484)		(608,082)	
<b>Balance at the End of the Year</b>	<b>572,036</b>	<b>1,090,081</b>	<b>28,680,240</b>	<b>3,330,053</b>	<b>124,948,576</b>		<b>158,048,950</b>	



The following is the movement on the expected credit loss provision against direct credit facilities according to the business sector:

For the period ended March 31, 2022 (Reviewed not Audited)	Individual (Retail Customers)	Real Estate Loans	Corporates		Government and Public sector	Total
			Large Corporate Customers	SMEs		
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the Period	44,206,303	9,037,978	66,446,361	38,768,162	172,182	158,630,986
Impairment loss of new facilities during the period	1,538,510	292,970	177,594	921,000	27,252	2,957,326
Reversed from impairment loss of the settled balances	(710,826)	(193,941)	(447,066)	(868,263)	(3,468)	(2,223,564)
	<b>45,033,987</b>	<b>9,137,007</b>	<b>66,176,889</b>	<b>38,820,899</b>	<b>195,966</b>	<b>159,364,748</b>
Effect on the provision at the end of the period as a result of classification changes between the three stages during the period	187,041	(193,906)	6,400	667,171	-	666,706
Changes due to the adjustments	(1,817)	38,117	163,764	(315,626)	(82,008)	(197,570)
Written-off balances transferred to off consolidated financial position items	(28,564)	-	-	-	-	(28,564)
Adjustment due to exchange rates fluctuations	(7,077)	-	(4,856)	(51,046)	-	(62,979)
<b>Balance at the End of the period</b>	<b>45,183,570</b>	<b>8,981,218</b>	<b>66,342,197</b>	<b>39,121,398</b>	<b>113,958</b>	<b>159,742,341</b>

**Distributed as follow:**

Provision on individual level	174,381	1,062,975	66,246,425	38,762,925	113,958	106,360,664
Provision on collective level	45,009,189	7,918,243	95,772	358,473	-	53,381,677
<b>Balance at the End of the Period</b>	<b>45,183,570</b>	<b>8,981,218</b>	<b>66,342,197</b>	<b>39,121,398</b>	<b>113,958</b>	<b>159,742,341</b>

For the year ended December 31, 2021 (Audited)	(Retail Customers)	Real Estate Loans	Corporates		and Public sector	Total
			Corporate Customers	SMEs		
	JD	JD	JD	JD	JD	JD
Balance – Beginning of the year	44,619,633	10,087,652	53,891,144	32,789,039	338,087	141,725,555
Impairment loss of new facilities during the year	2,623,381	1,324,385	7,052,057	7,610,359	38,754	18,648,936
Reversed from impairment loss of the (settled) balances	(4,516,000)	(2,116,416)	(1,511,840)	(4,232,206)	(74,012)	(12,450,474)
	<b>42,727,014</b>	<b>9,295,621</b>	<b>59,431,361</b>	<b>36,167,192</b>	<b>302,829</b>	<b>147,924,017</b>
Effect on the allowance at the end of the year as a result of classification changes between the three stages during the year	3,522,570	176,107	9,101,545	3,090,979	-	15,891,201
Changes due to the adjustments	(1,943,559)	(416,494)	(1,531,113)	(470,378)	(130,647)	(4,492,191)
Written-off balances transferred to off consolidated financial position items	(84,036)	-	-	(2,276)	-	(86,312)
Adjustment due to exchange rates fluctuations	(15,686)	(17,256)	(555,432)	(17,355)	-	(605,729)
<b>Balance at the End of the Year</b>	<b>47,728,873</b>	<b>9,214,085</b>	<b>75,547,906</b>	<b>38,768,162</b>	<b>172,182</b>	<b>174,522,187</b>
<b>Distributed as follow:</b>						
Allowance on individual level	166,180	1,043,999	66,347,935	38,365,526	172,182	106,095,822
Allowance on collective level	44,040,123	7,993,979	98,426	402,636	-	52,535,164
<b>Balance at the End of the Year</b>	<b>44,206,303</b>	<b>9,037,978</b>	<b>66,446,361</b>	<b>38,768,162</b>	<b>172,182</b>	<b>158,630,986</b>

### Interest in Suspense:

The following is the movement on the interest in suspense:

For the period ended March 31, 2022 (Reviewed not Audited)	Corporates				
	Individual (Retail Customers)	Real Estate Loans	Large Corporate Customers	SMEs	Total
	JD	JD	JD	JD	JD
Balance at the Beginning of the Period	2,280,404	2,013,231	3,598,390	5,548,249	13,440,274
Add: Interest suspended during the Period	79,835	177,310	257,756	289,818	804,719
Less: Interest in suspense reversed to revenue	(32,779)	(50,617)	(40,359)	(7,775)	(131,530)
Translation differences	(966)	-	-	(10,388)	(11,354)
Written off facilities transferred to off financial position items	(6,067)	-	-	-	(6,067)
<b>Balance at the End of the Period</b>	<b>2,320,427</b>	<b>2,139,924</b>	<b>3,815,787</b>	<b>5,819,904</b>	<b>14,096,042</b>

For the year ended December 31, 2021 (Audited)	Corporates				
	Individual (Retail Customers)	Real Estate Loans	Large Corporate Customers	SMEs	Total
	JD	JD	JD	JD	JD
Balance at the Beginning of the Year	2,148,647	1,683,760	2,763,131	4,556,165	11,151,703
Add: Interest suspended during the year	336,330	604,005	1,140,854	1,178,531	3,259,720
Less: Interest in suspense reversed to revenue	(183,298)	(260,896)	(122,048)	(124,700)	(690,942)
Translation differences	791	(13,638)	(183,547)	(61,747)	(258,141)
Written off facilities transferred to off financial position items	(22,066)	-	-	-	(22,066)
<b>Balance at the End of the Year</b>	<b>2,280,404</b>	<b>2,013,231</b>	<b>3,598,390</b>	<b>5,548,249</b>	<b>13,440,274</b>



## 9. Financial Assets at Amortized Cost - Net

This item consists of the following:

	March 31, 2022 (Reviewed Not Audited)	December 31, 2021 (Audited)
	JD	JD
<b>Quoted Investments</b>		
Governmental treasury bonds	205,654,872	255,888,018
Banks and corporates bonds	32,739,629	37,752,732
Foreign governments treasury bonds	25,272,631	28,977,281
<b>Total quoted investments</b>	<b>263,667,132</b>	<b>322,618,031</b>
<b>Unquoted Investments</b>		
Corporate bonds	56,307,000	56,307,000
Foreign governments treasury bills	5,085,856	5,382,169
<b>Total unquoted investments</b>	<b>61,392,856</b>	<b>61,689,169</b>
<b>Gross financial assets at amortized cost</b>	<b>325,059,988</b>	<b>740,919,717</b>
<u>Less: Provision for expected credit losses</u>	<u>(434,179)</u>	<u>(477,080)</u>
<b>Net financial assets at amortized cost</b>	<b>324,625,809</b>	<b>740,442,637</b>

### Analysis of bonds and treasury bills

	March 31, 2022 (Reviewed Not Audited)	December 31, 2021 (Audited)
	JD	JD
Financial Assets with Fixed rate	320,059,987	379,307,200
Financial Assets with Variable Rate	5,000,000	5,000,000
	<b>325,059,987</b>	<b>384,307,200</b>

## 10. Property and Equipment

This item consists of the following:

	March 31, 2022 (Reviewed Not Audited)	December 31, 2021 (Audited)
	JD	JD
Property and equipment (A)	42,611,996	43,204,282
Right of use assets (B)	17,478,080	16,459,704
<b>Net as of March 31, 2022</b>	<b>60,090,076</b>	<b>59,663,986</b>

- a. Additions to property and equipment during the period ended March 31, 2022 amounted to JD 975,616 (JD 1,356,676 during the period ended March 31, 2021); Depreciation expense for the period amounted to JD 1,539,075 March 31, 2022 (JD 1,248,824 for the period ended March 31, 2021).
- b. Additions to right of use during the period ended March 31, 2022 amounted to 1,905,461 (JD 833,558 during the period ended March 31, 2021); Depreciation expense for the period amounted to JD 857,559 March 31, 2022 (JD 828,751 for the period ended March 31, 2021).

## 11. Other Assets

This item consists of the following:

	March 31, 2022 (Reviewed Not Audited)	December 31, 2021 (Audited)
	JD	JD
Accrued interest income	9,152,987	11,262,031
Prepaid expenses	7,397,948	3,374,186
Assets seized by the Bank in repayment of non-performing debts*	62,747,102	63,410,703
Clearance cheques	6,776,695	994,110
Advance payments on the acquisition of lands and real estates	2,551,777	2,094,650
Paid margins	268,510	244,132
Prepaid tax expenses	4,605,965	6,463,301
Financial derivatives	683,164	-
Accounts receivables and other debit balances	5,385,561	5,499,070
	<b>99,569,709</b>	<b>93,342,183</b>

- \* The following is the movement on assets seized by the Bank in repayment of non-performing debts:

	Seized Assets	
	For the Three-Month Period Ended March 31, 2022 (Reviewed Not Audited)	For the Year Ended December 31, 2021 (Audited)
	JD	JD
Balance at the Beginning of the Year	73,140,691	68,067,305
Additions	329,461	7,641,983
Disposals	(505,884)	(2,568,597)
End of the year balance	72,964,268	73,140,691
Impairment provision of assets foreclosed by the Bank	(10,217,166)	(9,729,988)
<b>Balance at the End of the Year</b>	<b>62,747,102</b>	<b>63,410,703</b>

- According to the Jordanian Banks' Law, buildings and plots of lands seized by the Bank in repayment of debts from clients should be sold within two years from the foreclosure date. However, the Central Bank of Jordan may extend this period for two more years in exceptional cases.



- According to the Central Bank of Jordan Circular No.10/1/4076 dated March 27, 2014 the Bank started since 2015 to calculate a gradual provision against the assets seized in exchange of credit facilities that have been in possession for more than 4 years and Circular No. 10/1/2510 dated February 14, 2017. Central Bank of Jordan issued approving the extension of Circular in which it confirmed postponing the provision calculation in the latest circular No. 13246/3/10 dated September 12, 2021 to continue its deduction the required provision starting from 2022 for 5% of its book value annually until it reached 50% of its book value within the year 2030.

## **12. Income Tax**

### **a. Income tax provision**

The movement on the income tax profit or loss provision is as follows:

	<b>March 31, 2022 (Reviewed Not Audited)</b>	<b>December 31, 2021 (Audited)</b>
	<b>JD</b>	<b>JD</b>
Balance - Beginning of the Period / Year	20,055,494	19,881,866
Income tax paid	(5,679,945)	(18,161,428)
Accrued Income tax	4,816,633	18,335,056
<b>Balance - End of the Period / Year</b>	<b>19,192,182</b>	<b>20,055,494</b>

Income tax in the condensed consolidated interim statement of profit or loss represents the following:

	<b>For the Three-Month Period Ended on March 31, 2022 (Reviewed Not Audited)</b>	<b>2021 (Audited)</b>
	<b>JD</b>	<b>JD</b>
Income tax on current period's profit	4,694,945	5,056,331
Income tax on prior periods	121,688	-
Deferred tax assets for the period-addition	(495,753)	(5,408,392)
Amortization of deferred tax assets	614,485	2,407,309
	<b>4,935,365</b>	<b>2,055,248</b>

The legal income tax rate in Jordan is 38% for banks, knowing that the legal income tax rate in Palestine in which the bank has investments and branches is 15%, and in Syria (a subsidiary company) 25% and subsidiaries in Jordan 28%.

- A final settlement was reached with the Income and Sales Tax Department in Jordan up to the end of 2018, and the bank submitted its annual tax returns for the years 2019, 2020 and paid the required amounts according to the law, however no final settlement was reached with the Income and Sales Tax Department for those years yet. In the opinion of management and its legal and tax advisors, the bank will not have any obligations in excess of the provisions that were booked in the condensed consolidated interim financial information.
- A final settlement was reached with the Income tax and VAT departments on the results of the bank's operations in Palestine until the end of the year 2020. In the opinion of management and its tax advisor current booked provisions are sufficient to pay the tax obligations.
- A final settlement was reached with the Income and Sales Tax Department in Jordan with regard to Excel for Financial Investments Company (Subsidiary) until the end of year 2019. The company submitted its tax return for the year 2020 and paid related taxes but still not reviewed by the Income and Sales Tax Department Yet, In the opinion of management and its tax advisor current booked provisions are sufficient to pay the tax obligations.
- A final settlement was reached with the Income and Sales Tax Department in Jordan with regard to Jordan Leasing Company (Subsidiary) until the end of year 2019, the company submitted its tax return for the years 2018 and 2020 and paid related taxes but still not reviewed by the Income and Sales Tax Department Yet, In the opinion of management and its tax advisor current booked provisions are sufficient to pay the tax obligations.

- The Bank calculated the accrued income tax for the year ended March 31, 2022 for the Bank and its subsidiary Companies and external branches. In the opinion of the management and its tax consultant, the balance is sufficient to meet the tax commitments as of that date.

### 13. Borrowed Funds

The details of this item are as follows:

<b>March 31, 2022 (Reviewed Not Audited)</b>	<b>Amount</b>	<b>Number of Installments</b>		<b>Periodic Installments Maturity</b>	<b>Collaterals</b>	<b>Price of Borrowing Interest</b>
		<b>In Total</b>	<b>The Remaining</b>			
	<b>JD</b>					
Borrowing from the Central Bank of Jordan*	38,011,780	24-108	5-63	Monthly	Treasury Bonds and Bills Assigning Mortgage bonds for the company	Zero-1%
Borrowing from Jordan Mortgage Refinance Company **	15,000,000	1	1	One payment		4.15%
Lease Liabilities ***	16,454,770	817	459	Annually	None	5.35%
<b>Total</b>	<b>69,466,550</b>					

<b>December 31, 2021 (Audited)</b>	<b>Amount</b>	<b>Number of Installments</b>		<b>Periodic Installments Maturity</b>	<b>Collaterals</b>	<b>Price of Borrowing Interest</b>
		<b>In Total</b>	<b>The Remaining</b>			
	<b>JD</b>					
Borrowing from the Central Bank of Jordan*	41,560,368	24-108	3-66	Monthly	Treasury Bonds and bills Assigning mortgage bounds for the company	Zero -1%
Borrowing from Jordan mortgage Refinance company	15,000,000	1	1	One payment		4.15%
Lease liabilities ***	15,578,959	838	482	Annually	None	Average 5.39%
<b>Total</b>	<b>72,139,327</b>					

\* The above amounts were re-financed to the bank's customers within the SME and large corporates at interest rates ranging from 2% to 6,83%.

- This balance is borrowed at a fixed interest rate, and there is no borrowing at floating interest rates, zero interest borrowings related to loans issued by the Central Bank of Jordan amounted to 26,855,792 as of March 31, 2022 (JD 30,177,593 as of December 31, 2021).

\*\* This item represents borrowing from Jordan Mortgage Refinance Company which is due in one payment on December 29, 2023.

\*\*\* Lease liabilities against right of use of assets :

	<b>March 31, 2022 (Reviewed Not Audited)</b>	<b>December 31, 2021 (Audited)</b>
	<b>JD</b>	<b>JD</b>
<b>Maturity analysis - undiscounted contractual cash flows</b>		
Less than one year	3,614,044	3,424,483
Year to five years	11,066,201	10,700,014
More than five years	7,156,673	6,595,172
<b>Total undiscounted lease obligations</b>	<b>21,836,918</b>	<b>20,719,669</b>
<b>Discounted lease obligations included in the consolidated condensed interim statement of financial position</b>	<b>16,454,770</b>	<b>15,578,959</b>
Within one year	2,217,999	2,615,263
More than one year	14,236,771	12,963,696



#### 14. Other Liabilities

The details of this item are as follows:

	March 31, 2022 (Reviewed Not Audited)	December 31, 2021 (Audited)
	JD	JD
Accrued interest payable	3,169,726	3,181,123
Accepted deferred cheques	10,669,864	9,781,208
Temporary deposits	6,659,622	7,756,932
Dividends payable	38,578,100	2,605,617
Deposits on safe boxes	174,243	174,455
Margins against sold real estate	166,400	65,000
Financial derivatives	-	5,448
Expected credit loss provision against indirect credit facilities *	7,579,211	7,694,926
Other liabilities	9,014,971	10,986,284
	<b>76,012,137</b>	<b>42,250,993</b>

\* Indirect credit facilities balances movement at collective level during the period / year was as follows:

#### As of March 31, 2022 (Reviewed not Audited)

Item	Stage One		Stage Two		Stage Three	Total
	Individual JD	Collective JD	Individual JD	Collective JD	JD	JD
Balance at the Beginning of the period	352,723,215	63,088,221	28,348,138	726,223	10,980,895	455,866,692
New facilities during the period	48,432,254	10,378,844	685,057	41,705	23	59,537,883
Facilities paid	(36,462,856)	(8,377,988)	(1,270,882)	(87,741)	(81,199)	(46,280,666)
	<b>364,692,613</b>	<b>65,089,077</b>	<b>27,762,313</b>	<b>680,187</b>	<b>10,899,719</b>	<b>469,123,909</b>
Transferred to stage one	8,108,032	371,348	(8,108,032)	(371,348)	-	-
Transferred to stage two	(1,094,987)	(446,919)	1,100,987	446,919	(6,000)	-
Transferred to stage three	(60,840)	(23,759)	(1,143,651)	(29,483)	1,257,733	-
The effect of changes in classification between the three stages during the period	537,470	164,703	(249,273)	(108,593)	(136,830)	207,477
Changes resulting from modification	12,772,375	59,423	933,977	-	-	13,765,775
Written -off facilities	-	-	-	-	-	-
Adjustments due to exchange rates fluctuations	-	-	-	-	-	-
<b>Balance at the End of the period</b>	<b>384,954,663</b>	<b>65,213,873</b>	<b>20,296,321</b>	<b>617,682</b>	<b>12,014,622</b>	<b>483,097,161</b>

#### As of December 31, 2021 (Audited)

Item	Stage One		Stage Two		Stage Three	Total
	Individual JD	Collective JD	Individual JD	Collective JD	JD	JD
Balance at the Beginning of the Year	362,976,823	65,621,764	27,917,115	462,355	11,566,466	468,544,523
New exposures during the year	69,660,469	9,541,348	1,569,417	103,170	96,997	80,971,401
Accrued exposures	(45,653,756)	(1,916,939)	(3,997,145)	(22,573)	(713,228)	(52,303,641)
	<b>386,983,536</b>	<b>73,246,173</b>	<b>25,489,387</b>	<b>542,952</b>	<b>10,950,235</b>	<b>497,212,283</b>
Transferred to stage one	2,934,695	201,908	(2,932,695)	(201,908)	(2,000)	-
Transferred to stage two	(22,540,660)	(600,561)	22,550,660	600,561	(10,000)	-
Transferred to stage three	(219,442)	(274,355)	(68,372)	(46,231)	616,743	8,343
Effect as a result of classification changes between the three stages during the year	2,002,292	125,870	(1,147,833)	(131,478)	(573,765)	275,086
Changes due to the adjustments	(14,866,681)	(9,610,814)	(15,410,541)	(37,673)	-	(39,925,709)
Adjustments due to exchange rates fluctuations	(1,570,525)	-	(132,468)	-	(318)	(1,703,311)
<b>Balance at the End of the Year</b>	<b>352,723,215</b>	<b>63,088,221</b>	<b>28,348,138</b>	<b>726,223</b>	<b>10,980,895</b>	<b>455,866,692</b>

\* Expected credit loss provision movement against indirect credit facilities during the period / year was as follows:

**As of March 31, 2022 (Reviewed not Audited)**

Item	Stage One		Stage Two		Stage Three	Total
	Individual JD	Collective JD	Individual JD	Collective JD	JD	JD
Balance at the Beginning of the period	322,299	116,345	236,313	6,274	7,013,695	7,694,926
Credit loss on new exposures during the Period	29,721	19,146	11,249	358	309	60,783
Impairment loss over accrued exposures	(17,038)	(15,459)	(3,993)	(759)	(54,227)	(91,476)
	334,982	120,032	243,569	5,873	6,959,777	7,664,233
Transferred to stage one	18,066	3,206	(18,066)	(3,206)	-	-
Transferred to stage two	(970)	(824)	970	824	-	-
Transferred to stage three	(31)	(41)	(2,393)	(255)	2,720	-
Effect on the provision at the end of the period – as a result of classification changes between the three stages during the period	(5,150)	(2,217)	15,832	2,097	(372)	10,190
Changes due to the adjustments	(73,793)	14	(21,433)	-	-	(95,212)
Adjustments due to exchange rates fluctuations	-	-	-	-	-	-
<b>Balance at the End of the Period</b>	<b>273,104</b>	<b>120,170</b>	<b>218,479</b>	<b>5,333</b>	<b>6,962,125</b>	<b>7,579,211</b>

**As of December 31, 2021 (Audited)**

Item	Stage One		Stage Two		Stage Three	Total
	Individual JD	Collective JD	Individual JD	Collective JD	JD	JD
Balance at the Beginning of the year	590,584	460,649	158,736	5,617	7,629,567	8,845,153
Credit loss on new exposures during the year	101,580	17,593	3,100	891	213,481	336,645
Impairment loss over accrued exposures	(69,369)	(13,901)	(46,063)	(267)	(839,091)	(968,691)
	622,795	464,341	115,773	6,241	7,003,957	8,213,107
Transferred to stage one	25,820	2,450	(24,482)	(2,450)	(1,338)	-
Transferred to stage two	(55,323)	(4,207)	62,196	4,207	(6,873)	-
Transferred to stage three	(512)	(1,912)	(2,150)	(562)	5,136	-
Effect on the provision at the end of the year – as a result of classification changes between the three stages during the period	(18,947)	(1,845)	119,305	(158)	12,821	111,176
Changes due to the adjustments	(238,658)	(342,482)	(34,026)	(1,004)	-	(616,170)
Adjustment due to exchange rates fluctuations	(12,876)	-	(303)	-	(8)	(13,187)
<b>Balance at the End of the Year</b>	<b>322,299</b>	<b>116,345</b>	<b>236,313</b>	<b>6,274</b>	<b>7,013,695</b>	<b>7,694,926</b>



**15. Expected Credit Loss on Financial Assets**

The details of this item are as follows:

<b>For the Three-Month Period Ended March 31,</b>	
<b>2022</b>	<b>2021</b>
<b>(Reviewed Not Audited)</b>	
<b>JD</b>	<b>JD</b>
Cash at central banks	(17,489) 37,159
Balances with banks and financial institutions	125 1,700
Deposits at banks and financial institutions	(2,201) (3,157)
Financial assets at fair value through comprehensive income – debt securities	- (212,204)
Direct credit facilities at amortized cost	1,202,898 10,213,924
Financial assets at amortized cost	(42,901) (280,635)
Indirect credit facilities	(115,715) (786,508)
<b>1,024,717</b>	<b>8,970,279</b>

**16. Earnings per Share from Profit for the Period**

The details of this item are as follows:

<b>For the Three-Month Period Ended March 31,</b>	
<b>2022</b>	<b>2021</b>
<b>(Reviewed Not Audited)</b>	
<b>JD</b>	<b>JD</b>
Profit for the year (Bank's shareholders)	9,892,669 6,956,601
<b>Weighted average number of shares</b>	<b>200,000,000 200,000,000</b>
Net income for the period/share (Bank's shareholders):	
<b>Basic /Diluted</b>	<b>0.049 0.035</b>

- The weighted average number of shares per share of the basic and diluted profit attributable to the Bank's shareholders was calculated based on the number of shares authorized for the three months ended March 31, 2022 and 2021.

**17. Cash and Cash Equivalents**

The details of this item are as follows:

<b>As of March 31,</b>	
<b>2022</b>	<b>2021</b>
<b>(Reviewed Not Audited)</b>	
<b>JD</b>	<b>JD</b>
Cash and balances with central banks maturing within 3 months	381,666,864 369,724,732
<u>Add:</u> Balances with banks and other financial institutions maturing within 3 months	81,165,205 151,610,577
<u>Less:</u> Banks and financial institutions' deposits maturing within 3 months	(40,159,428) (21,198,005)
Restricted balances	(97,515,008) (96,402,392)
<b>325,157,633</b>	<b>403,734,912</b>

## **18. Capital Management**

### **Capital Components:**

- **Paid-up Capital:**

The paid-up capital of Bank of Jordan consists of (200) million ordinary shares at a nominal value of 1 JD per share. The Bank maintains capital, statutory reserves, and retained earnings to meet the growth in its operations and the requirements of branching locally and regionally.

- **Regulatory Capital:**

Regulatory capital is considered a control tool according to the requirements of regulatory authorities and Basel (III) for the purposes of achieving control over the adequacy of capital and the ratio of regulatory capital to risky and weighted assets and market risk. Regulatory capital consists of:

- (Paid-up capital, legal reserve, voluntary reserve, and retained earnings).
- (Undisclosed reserves, general banking risks reserve, special reserve subordinated debts, and the positive fair value reserve at 100% and deduct regulatory adjustments according Basel III).
- Foreign currency translation differences.

- **Regulatory Authorities' Requirements:**

The regulatory authorities' instructions entail that the minimum capital shall be JD (100) million and the capital adequacy ratio not less than 12% in accordance with the central bank of Jordan and For the purposes of classifying the bank in the first category, the capital adequacy ratio must not be less than 14% and if the bank is classified as a d-SIBS bank, the capital adequacy ratio should not be less than (14% + the capital required of locally important banks by the category to which the bank belongs), The ratio of owners' equity to total assets (financial leverage ratios) must not be less than 4%.

- **Achieving the Objectives of Capital Management:**

The Bank's management aims at achieving the capital management objectives through developing (enhancing) the Bank's activities, achieving a surplus in operating profits and revenue, and optimally investing available funds. All of this is geared towards reaching the targeted growth in owners' equity through the increase in the compulsory reserve at 10% of the profits earned, voluntary reserve at 20%, and retained earnings.



The regulatory capital and capital adequacy ratio according to the standard approach was as follows:

	<b>In JD Thousands</b>	
	<b>March 31, 2022</b>	<b>December 31, 2021</b>
<b><u>Regulatory capital for ordinary shares holders (CETI):</u></b>		
Subscribed and paid-up capital	200,000	200,000
Statutory reserve	104,363	104,363
Voluntary reserve	49	49
Other reserves	5,850	5,850
Fair value reserve	(3,878)	(3,979)
Retained earnings	138,779	138,779
Profit for the period	1,003	
Minority interest in the capital of subsidiaries	4,676	4,491
<u>Less:</u> Regulatory capital adjustments	(45,322)	(45,579)
<b>Total Primary Capital for ordinary shareholders (CETI)</b>	<b>405,520</b>	<b>403,974</b>
<b><u>Additional Capital Items</u></b>		
Provision balance against debt instruments included in (Stage 1) not exceeding 1.25% of total risk weighted assets	2,661	2,441
General banking risk reserve	4,102	4,102
Total additional capital	6,763	6,543
<b>Total regulatory capital</b>	<b>412,282</b>	<b>410,517</b>
<b>Total risk weighted assets</b>	<b>2,210,229</b>	<b>2,137,711</b>
<b>Capital adequacy ratio (%)</b>	<b>18.65%</b>	<b>19.20%</b>
<b>Regulatory capital for ordinary shareholders (CETI)</b>	<b>18.35%</b>	<b>18.90%</b>
<b>Capital adequacy for first layer (%)</b>	<b>18.35%</b>	<b>18.90%</b>

**b. Liquidity Coverage Ratio:**

The average liquidity coverage ratio reached 157.9% For the three month period ended March 31 ,2022 in comparison to 196.7% as of December 31, 2021.

The Actual liquidity coverage ratio reached 163.9% as Of March 31 ,2022 in comparison to 195.1% as of December 31,2021

**19. Information on the Bank's Business Segments**

**1. The Bank's business segments are:**

The Bank is organized for management purposes in a manner that allows measurement of its segments according to reports used by its Chief Executive Officer and main decision-makers through the following main segments:

- Retail Banking: includes following up on individual customers' accounts, granting them loans, credit, credit cards, and other services.
- Corporate Banking: includes following up on deposits, credit facilities, and other banking services pertinent to corporate customers.
- Treasury: includes providing dealing and treasury services and management of the Bank's funds.
- Financial Brokerage Services: includes providing purchase and sale of customers' portfolios on their behalf, custody of investments, financial consultations, custody service, and management of initial public offerings.





## **2. Information about Geographical Distribution:**

This item represents the geographical distribution of the Bank's activities. The Bank conducts its activities mainly in Jordan, representing local activities. Additionally, the Bank performs international activities in Middle East, Europe, Asia, United States, Far East, which represent, international operation.

The following is the geographical distribution of the Bank's revenue, assets, and capital expenses according to geographical location:

	<b>Inside the Kingdom</b>		<b>Outside the Kingdom</b>		<b>Total</b>	
	<b>March 31</b>		<b>March 31</b>		<b>March 31</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>(Reviewed Not Audited)</b>		<b>(Reviewed Not Audited)</b>		<b>(Reviewed Not Audited)</b>	
	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>
Total Revenue	31,378,610	31,088,939	8,655,895	9,720,997	40,034,505	40,809,936
Capital Expenditures	482,433	992,750	493,183	363,926	975,616	1,356,676

	<b>Inside the Kingdom</b>		<b>Outside the Kingdom</b>		<b>Total</b>	
	<b>March 31, 2022</b>	<b>December 31, 2021</b>	<b>March 31, 2022</b>	<b>December 31, 2021</b>	<b>March 31, 2022</b>	<b>December 31, 2021</b>
	<b>(Reviewed Not Audited)</b>	<b>(Audited)</b>	<b>(Reviewed Not Audited)</b>	<b>(Audited)</b>	<b>(Reviewed Not Audited)</b>	<b>(Audited)</b>
	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>
Total Assets	1,928,104,138	1,854,549,551	801,552,817	885,654,897	2,729,656,955	2,740,204,448

Within its normal activities, the Bank entered into transactions with its major shareholders, members of the Board of Directors, executive management and the associate Company at the

	Related party					Total	
	Subsidiaries*	Board of Directors	Executives	Staff Fund	Other Parties	March 31, 2022 (Reviewed not Audited)	December 31, 2021 (Audited)
		Members	Management	Provident			
	JD	JD	JD	JD	JD		
Consolidated Statement of Financial Position Items:							
<b>Assets:</b>							
Investments	45,415,294	-	-	-	-	45,415,294	45,415,294
Credit Facilities	-	2,368,966	1,378,642	-	1,715,480	5,463,088	5,604,549
Deposits and current accounts	99,039	-	-	-	-	99,039	217,180
Cash Margins	3,982,000	-	-	-	-	3,982,000	3,982,000
<b>Liabilities:</b>							
Customer Deposits	21,566,218	478,886	3,664,228	785,872	19,575,131	46,070,335	37,604,494
Bank Deposits	7,505,364	-	-	-	-	7,505,364	7,753,511
Borrowed funds	3,401,352	-	-	-	-	3,401,352	3,434,659
<b>Off-Statement of financial position Items</b>							
Letters of guarantee	495,042	10,000	50,000	-	16,390	571,432	933,936
Letters of credits and Acceptances	-	-	-	-	73,770	73,770	472,543
<b>Total</b>							
<b>For the three Month period ended March 2022</b>						<b>2021</b>	
<b>(Reviewed Not Audited)</b>						<b>(Reviewed Not Audited)</b>	
Consolidated Statement of Profit or Loss Items:							
Credit interest and commission	829	36,153	20,093	-	29,254	86,329	85,043
Debit interest and commission	202,429	-	17,809	1,294	59,183	280,715	294,389

**Interest Rates:**

- Credit interest rates against facilities in JD range from 1.5 % (represent the minimum price for interest margin against 100% cash margin) to 10 %.
- No Credit interests in foreign currency.
- Debit interest rates for JD range from 0.0025 % to 4.39 %.
- Debit interest rates for foreign currency range from 0.15 % to 0.17 %.

Bank's Executive Management Salaries and Remunerations Summary is as follows:

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## 21. Fair Value Hierarchy

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

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

Financial Assets/Financial Liabilities	Fair Value		The Level of Fair Value	Evaluation Method and Inputs Used	Important Intangible Inputs	The Relationship Between Fair Value and the Important Intangible Inputs
	March 31, 2022 (Reviewed Not Audited)	December 31, 2021 (Audited)				
<b>Financial Assets at Fair Value</b>	<b>JD</b>	<b>JD</b>				
<b>Financial Assets at Fair Value Through Profit or Loss</b>						
Shares that have an available market price	89,651	100,384	Level One	Stated Rates in financial markets	Does Not Apply	Does Not Apply
Shares that do not have an available market price	134,039	134,039	Level Two	Financial Statements issued by companies		
Right to receive at fair value	15,000,000	15,000,000	Level One	Determined price	Does Not Apply	Does Not Apply
<b>Total</b>	<b>15,223,690</b>	<b>15,234,423</b>				
<b>Financial Assets at Fair Value through Comprehensive Income</b>						
Shares that have available market price	12,903,775	12,770,304	Level One	Stated Rates in financial markets	Does Not Apply	Does Not Apply
Shares that do not have available market price	3,709,132	3,740,266	Level Two	Financial Statements issued by companies	Does Not Apply	Does Not Apply
Shares that do not have available market price	45,652,657	45,652,657	Level Three	Evaluation methods using inputs that are not dependent on available market information	Apply	Apply
<b>Total</b>	<b>62,265,564</b>	<b>62,163,227</b>				
Bonds that have available market price	-	-	Level One	Stated Rates in financial markets	Does Not Apply	Does Not Apply
<b>Total</b>	<b>-</b>	<b>-</b>				
Forward Contracts (Foreign Currency)	683,164	-	Level One	Stated Rates in financial markets	Does Not Apply	Does Not Apply
<b>Total</b>	<b>683,164</b>	<b>-</b>				
<b>Total Financial Assets at Fair Value</b>	<b>78,172,418</b>	<b>77,397,650</b>				
<b>Financial Liabilities at Fair Value:</b>						
Forward contracts foreign currency	-	5,448	Level One	Stated Rates in financial markets	Not applicable	Not applicable
<b>Total</b>	<b>-</b>	<b>5,448</b>				

There were no transfers between level 1 and level 2 during the first quarter of 2022.

### b. The fair value of financial assets and financial liabilities of the Bank (non-specific fair value on an ongoing basis):

Except as detailed in the table below, we believe that the carrying amount of financial assets and liabilities shown in the consolidated condensed interim financial information of the Bank approximate their fair value, because the Bank's management believes that the carrying value of the items is equivalent to the fair value, and this is due to either short-term maturity interest rates that have been repricing during the year.

	March 31, 2022		December 31, 2021		The Level of Fair Value
	Book Value (Reviewed Not Audited)	Fair Value (Reviewed Not Audited)	Book Value (Audited)	Fair Value (Audited)	
<b>Financial Assets of non-specified Fair Value</b>					
Balances at central banks	318,351,036	318,365,789	300,376,491	300,394,025	Level Two
Balances at banks and financial institutions	81,165,205	81,178,826	136,007,374	136,023,062	Level Two
Deposits at banks and financial institutions	89,282,000	91,542,539	89,282,000	91,248,723	Level Two
Loans, bills and other	1,513,531,878	1,517,242,987	1,525,963,607	1,530,179,712	Level Two
Financial assets at amortized cost	325,059,990	327,899,804	384,307,200	389,041,218	Level Two
<b>Total Financial Assets of non-specified Fair Value</b>	<b>2,327,390,109</b>	<b>2,336,229,945</b>	<b>2,435,936,672</b>	<b>2,446,886,740</b>	
<b>Financial Liabilities of non-specified Fair Value</b>					
Deposits at banks and financial institutions	91,097,295	91,247,304	93,795,838	93,936,470	Level Two
Customers' deposits	1,894,575,307	1,897,422,955	1,908,030,640	1,911,068,332	Level Two
Cash insurance	113,998,770	114,012,148	112,659,076	112,656,644	Level Two
<b>Total Financial Liabilities of Non-specified Fair Value</b>	<b>2,099,671,372</b>	<b>2,102,682,407</b>	<b>2,114,485,554</b>	<b>2,117,661,446</b>	

The fair value for the financial assets and liabilities for the level 2 and level 3 were determined in accordance to agreed pricing models, which reflects the credit risk of the parties that are dealing with it.

### c. Non-Financial Assets and Liabilities not Measured at Fair Value but its in fair value disclosed in the Consolidated Condensed Interim Financial Statements:

	March 31, 2022		December 31, 2021		The Level of Fair Value
	Book Value (Reviewed Not Audited)	Fair Value (Reviewed Not Audited)	Book Value (Audited)	Fair Value (Audited)	
<b>Other assets</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>	
	72,964,268	117,374,892	73,140,691	117,944,684	Level Two
	<b>72,964,268</b>	<b>117,374,892</b>	<b>73,140,691</b>	<b>117,944,684</b>	

The above items set out the fair value of non-financial assets that are determined on the basis of prices of similar instruments in an inactive market.

## **22. Commitments and Contingent Liabilities**

### **a. Contingent Liabilities:**

	<b>March 31, 2022 (Reviewed Not Audited)</b>	<b>December 31, 2021 (Audited)</b>
	<b>JD</b>	<b>JD</b>
Letters of credit includes:	26,849,706	26,587,459
Acceptances	11,363,700	13,942,004
Letters of guarantee:		
Payment	30,896,661	31,586,467
Performance	37,491,602	39,616,438
Other	15,168,180	24,150,826
Un-utilized direct and indirect credit facilities limits	361,327,312	319,983,498
<b>Total</b>	<b>483,097,161</b>	<b>455,866,692</b>

- The provision for expected credit losses on off-balance sheet items (unfunded) amounted to JD 7,579,211 as of March 31, 2022 (JD 7,694,926 as of December 31, 2021).

### **b. Contractual Obligations:**

	<b>March 31, 2022 (Reviewed Not Audited)</b>	<b>December 31, 2021 (Audited)</b>
	<b>JD</b>	<b>JD</b>
Contracts for purchasing of property and equipment*	368,943	440,636
Contracts for operating and financing lease**	16,454,770	15,578,959
<b>Total</b>	<b>16,823,317</b>	<b>16,019,595</b>

\* These commitments mature in less than 1 year.

\*\* These commitments mature between 1 year to 10 years.

### **c. Lawsuits Raised Against the Bank**

The Bank is a defendant in lawsuits demanding cancellation of the Bank's claims against others, lifting of real estate mortgages, compensation for damages, and non-cashing of cheques. These lawsuits amounted to JD 8,848,553 as of March 31, 2022 (JD 8,993,404 as of December 31, 2021). In the opinion of the management and legal counsel, no material financial liability is likely to be incurred as a result of these lawsuits in excess of provision recorded which amounted to JD 699,258 as of March 31, 2022 (JD 764,385 as of December 31, 2021). However, amounts that will probably be paid by the Bank as a result of dismissal or amicable settlement of these lawsuits will be taken to the consolidated Statement of profit or loss or against the recorded provision when paid.