

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

CONSOLIDATED CONDENSED INTERIM FINANCIAL
STATEMENTS FOR THE
SIX MONTHS PERIOD ENDED JUNE 30, 2022
TOGETHER WITH THE REVIEW REPORT

BANK AL ETIHAD
(PUBLIC SHAREHOLDING COMPANY)
AMMAN - HASHEMITE KINGDOM OF JORDAN
JUNE 30, 2022

TABLE OF CONTENTS

	<u>PAGE</u>
Review Report	1
Consolidated Condensed Interim Statement of Financial Position	2
Consolidated Condensed Interim Statement of Profit or Loss	3
Consolidated Condensed Interim Statement of Comprehensive Income	4
Consolidated Condensed Interim Statement of Changes in Owners' Equity	5
Consolidated Condensed Interim Statement of Cash Flows	6
Notes to the Consolidated Condensed Interim Financial Statements	7 - 44

Independent Auditor’s Review Report

AM/ 010932

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

Introduction

We have reviewed the accompanying consolidated condensed interim statement of financial position of Bank Al Etihad (a Public Shareholding Company) “Bank” and its subsidiaries “Group” as of June 30, 2022 and the related consolidated condensed interim statements of profit or loss, and comprehensive income for the three months and six months period ended June 30, 2022, and changes in owners’ equity and cash flows for the six months period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for preparation and fair presentation of this consolidated condensed interim financial information in accordance with the international accounting standard (34) “ Interim Financial Reporting ” as adopted by Central Bank of Jordan. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of Review

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

Conclusion

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

Other Matter

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

Amman –Jordan
July 31, 2022


Deloitte & Touche (M.E.) – Jordan
Deloitte & Touche (M.E.)
ديلويت أند توش (الشرق الأوسط)
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BANK AL ETIHAD
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - THE HASHEMITE KINGDOM OF JORDAN
CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

	Note	June 30, 2022 (Reviewed Not Audited)	December 31, 2021 (Audited)
<u>Assets:</u>		JD	JD
Cash and balances at the Central Bank of Jordan	5	683,999,717	934,430,468
Balances at banks and financial institutions	6	463,900,966	541,476,707
Deposits at banks and financial institutions	7	5,853,157	8,770,685
Financial assets at fair value through profit or loss	8	20,590,599	18,296,366
Direct credit facilities and financing - net	9	3,704,855,315	3,351,124,328
Financial assets at fair value through other comprehensive income	10	55,552,552	44,159,121
Financial assets at amortized cost	11	1,210,102,631	1,099,096,231
Investments in associates		345,954	343,708
Property and equipment - net		66,571,457	66,425,046
Deferred tax assets	14/b	26,252,554	27,747,673
Right of use assets	25	29,772,551	27,555,989
Intangible assets - net		27,825,267	27,451,684
Other assets	12	125,302,076	115,643,211
TOTAL ASSETS		<u>6,420,924,796</u>	<u>6,262,521,217</u>
 <u>LIABILITIES AND OWNERS' EQUITY:</u>			
<u>LIABILITIES:</u>			
Banks' and financial institutions' deposits		261,258,124	316,782,838
Customers' deposits	13	5,066,304,097	4,910,374,102
Cash margins		270,951,589	244,827,786
Borrowed funds	16/a	118,392,294	108,566,531
Subordinated loan	16/b	21,300,000	21,300,000
Sundry provisions		956,504	858,903
Leasing liabilities	25	29,090,857	27,366,812
Income tax provision	14/a	12,219,910	21,931,794
Deferred tax liabilities	14/b	526,245	161,769
Other liabilities	15	104,510,126	80,883,165
TOTAL LIABILITIES		<u>5,885,509,746</u>	<u>5,733,053,700</u>
 <u>OWNERS' EQUITY:</u>			
<u>BANK'S SHAREHOLDERS' EQUITY:</u>			
Authorized and paid-up Capital	26	160,000,000	160,000,000
Share premium	26	80,213,173	80,213,173
Statutory reserve	27	68,169,340	68,169,340
Voluntary reserve	27	46,167,117	46,167,117
Fair value reserve	18	5,390,088	1,741,270
Retained earnings	17	55,893,896	71,721,054
Profit for the period		15,562,146	-
TOTAL BANK'S SHAREHOLDERS' EQUITY		<u>431,395,760</u>	<u>428,011,954</u>
Non-controlling interests		104,019,290	101,455,563
TOTAL OWNERS' EQUITY		<u>535,415,050</u>	<u>529,467,517</u>
TOTAL LIABILITIES AND OWNERS' EQUITY		<u>6,420,924,796</u>	<u>6,262,521,217</u>

THE ACCOMPANYING NOTES FROM (1) TO (35) CONSTITUTE AN INTEGRAL PART OF THESE CONSOLIDATED
CONDENSED INTERIM FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE
REVIEW REPORT.

BANK AL ETIHAD
(PUBLIC SHAREHOLDING COMPANY)
AMMAN - HASHEMITE KINGDOM OF JORDAN
CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
(REVIEWED NOT AUDITED)

	Note	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
		2022	2021	2022	2021
		JD	JD	JD	JD
Interest income and returns	19	72,216,206	65,356,359	139,886,039	128,153,262
Interest and debit expense	20	29,956,249	25,503,469	57,824,475	49,734,341
Net Interest Income and returns		42,259,957	39,852,890	82,061,564	78,418,921
Net commission income		8,747,700	5,828,485	16,441,198	11,989,919
Net Interest, return and Commission Income		51,007,657	45,681,375	98,502,762	90,408,840
Gain from foreign currency		1,158,052	2,169,886	4,113,419	2,970,068
(Loss) gain from financial assets at fair value through profit or loss	21	(234,239)	(181,871)	(1,000,270)	2,752,747
Gain on financial assets at amortized cost		1,418	146,698	4,777	154,665
Dividends from financial assets at fair value through other comprehensive income	10	189,230	65,919	663,400	443,992
Other income		190,829	275,650	653,120	1,707,477
Gross Income		52,312,947	48,157,657	102,937,208	98,437,789
Expenses:					
Employees expenses		14,314,852	12,163,459	28,169,629	23,755,321
Depreciation and amortization		3,905,677	3,650,229	7,763,966	7,377,511
Other expenses		9,473,322	8,360,169	18,656,186	16,708,750
Provision for expected credit loss	23	6,512,139	7,153,408	11,788,999	17,513,306
Amortization of assets right of use	25	1,008,047	935,395	2,042,620	1,850,853
Rent expense	25	134,676	112,049	258,004	210,363
Interest on lease liabilities	25	370,977	242,054	629,043	498,357
Provision for impairment of seized assets		218,929	356,265	437,997	822,212
Sundry provisions expense		170,739	7,727	103,600	(159,810)
Total Expenses		36,109,358	32,980,755	69,850,044	68,576,863
Operating profit		16,203,589	15,176,902	33,087,164	29,860,926
Banks share from associates profits		2,246	451	2,246	451
Profit for the Period before Income Tax Expense		16,205,835	15,177,353	33,089,410	29,861,377
Income tax expense	14	(6,401,684)	(5,321,466)	(12,785,704)	(10,302,217)
Profit for the Period		9,804,151	9,855,887	20,303,706	19,559,160
Attributed to:					
Bank's Shareholders		7,278,354	7,404,972	15,562,146	15,129,731
Non-Controlling Interest		2,525,797	2,450,915	4,741,560	4,429,429
		9,804,151	9,855,887	20,303,706	19,559,160
		JD/ FILS	JD/ FILS	JD/ FILS	JD/ FILS
Basic and diluted earnings per share for the period attributable to the Bank's Shareholders	22	0.045	0.046	0.097	0.095

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BANK AL ETIHAD
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AMMAN - HASHEMITE KINGDOM OF JORDAN
CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
(REVIEWED NOT AUDITED)

	<u>For the Three Months</u> <u>Ended June 30,</u>		<u>For the Six Months</u> <u>Ended June 30,</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	JD	JD	JD	JD
<u>Income for the Period</u>	9,804,151	9,855,887	20,303,706	19,559,160
<u>Comprehensive income items</u>				
<u>items not reclassifiable to profit or loss in the subsequent period</u>				
Net change in the fair value reserve after-tax	<u>3,729,241</u>	<u>3,384,648</u>	<u>3,648,818</u>	<u>3,065,455</u>
Total Comprehensive Income for the Period	<u><u>13,533,392</u></u>	<u><u>13,240,535</u></u>	<u><u>23,952,524</u></u>	<u><u>22,624,615</u></u>
<u>Total Comprehensive Income for the Period Attributed to:</u>				
Bank's Shareholders	11,007,595	10,789,620	19,210,964	18,195,186
Non-controlling interest	<u>2,525,797</u>	<u>2,450,915</u>	<u>4,741,560</u>	<u>4,429,429</u>
	<u><u>13,533,392</u></u>	<u><u>13,240,535</u></u>	<u><u>23,952,524</u></u>	<u><u>22,624,615</u></u>

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

	Equity- Bank's Shareholders									
	Reserves					Retained Earnings	Income for the Period	Total Shareholders Equity	Non-controlling Interests	Total Owners Equity
Authorized and paid-up Capital	Share Premium	Statutory	Voluntary	Fair Value Reserve - net						
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
<u>For the Six Months Ended June 30, 2022</u>										
Balance - Beginning of the Period	160,000,000	80,213,173	68,169,340	46,167,117	1,741,270	71,721,054	-	428,011,954	101,455,563	529,467,517
Total comprehensive income for the period	-	-	-	-	3,648,818	-	15,562,146	19,210,964	4,741,560	23,952,524
Dividends distributed -(Note 26)	-	-	-	-	-	(16,000,000)	-	(16,000,000)	(2,176,201)	(18,176,201)
Acquisition shares in subsidiaries	-	-	-	-	-	(229)	-	(229)	(1,632)	(1,861)
Realized gain from sale financial assets at fair value through other comprehensive income.	-	-	-	-	-	173,071	-	173,071	-	173,071
Balance - End of the Period	<u>160,000,000</u>	<u>80,213,173</u>	<u>68,169,340</u>	<u>46,167,117</u>	<u>5,390,088</u>	<u>55,893,896</u>	<u>15,562,146</u>	<u>431,395,760</u>	<u>104,019,290</u>	<u>535,415,050</u>
<u>For the Six Months Ended June 30, 2021</u>										
Balance - Beginning of the Period	160,000,000	80,213,173	61,004,473	41,829,012	(2,609,036)	67,518,099	-	407,955,721	98,447,621	506,403,342
Total comprehensive income for the period	-	-	-	-	3,065,455	-	15,129,731	18,195,186	4,429,429	22,624,615
Dividends distributed -(Note 26)	-	-	-	-	-	(16,000,000)	-	(16,000,000)	(2,257,785)	(18,257,785)
Realized (Losses) from sale financial assets at fair value through other comprehensive income.	-	-	-	-	-	(510,462)	-	(510,462)	-	(510,462)
Balance - End of the Period	<u>160,000,000</u>	<u>80,213,173</u>	<u>61,004,473</u>	<u>41,829,012</u>	<u>456,419</u>	<u>51,007,637</u>	<u>15,129,731</u>	<u>409,640,445</u>	<u>100,619,265</u>	<u>510,259,710</u>

- A restricted balances from the retained earnings and profit for the period which amounted to JD 26,252,554 of as on June 30, 2022 (JD 27,326,810 as on December 31, 2021), represent deferred tax assets, and based on the instructions of the Central Bank of Jordan, it is prohibited to dispose of them without its prior approval.

- Retained earnings balance includes an amount of JD 1,434,393 which represents unrealized gain from revaluation of financial assets at fair value through profit and loss as of June 30, 2022.

- It is forbidden to use the excess from the general banking risk reserve balance and the amount of JD 108,397 transferred to retained earnings as of June 30, 2022 that belongs to Safwa Islamic Bank without a pre-approval from the Central Bank of Jordan.

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

	Note	For the Six Months Ended June 30,	
		2022	2021
Cash flow from operating activities:		JD	JD
Profit for the period before income tax		33,089,410	29,861,377
Adjustments:			
Depreciation and amortization		7,763,966	7,377,511
Provision for expected credit loss	23	11,788,999	17,513,306
Right of use assets amortization	25	2,042,620	1,850,853
Interests on lease liabilities	25	629,043	498,357
(Gain) from sales of financial assets at amortized cost	11	(4,777)	(154,665)
Provision for impairment of sized assets		437,997	822,212
Unrealized losses (gain) from financial assets valuation	21	816,058	(1,568,895)
Losses from sale of property and equipment		80,756	13,496
(Gain) from valuation of convertible loans		(262)	(5,860)
Sundry provisions		103,600	(159,810)
Bank's share of (gain) in an associate companies		(2,246)	(451)
Effect of exchange rate fluctuations on cash and cash equivalents		(1,876)	(1,120,431)
Losses from sale of seized assets against debts		136,706	489,249
Profit before changes in assets and liabilities		56,879,994	55,416,249
CHANGES IN ASSETS AND LIABILITIES:			
Restricted cash balances		(523,659)	(1,730)
Direct credit and financing facilities		(365,972,769)	(296,200,921)
Financial assets at fair value through profit or loss		(3,110,291)	(11,573,611)
Deposits at banks and financial institutions		2,916,136	1,601,485
Deposits at banks and financial institutions exceeding 3 months		(9,045,000)	15,500,000
Other assets		(10,233,306)	(2,296,508)
Customers' deposits		155,929,996	335,128,497
Cash margins		26,123,803	5,501,716
Other liabilities		24,619,214	16,108,652
Net Cash Flow (used in) from Operating Activities before Income tax and Other Provisions Paid		(122,415,882)	119,183,829
Income tax paid	14/a	(21,513,444)	(25,085,868)
Sundry provisions paid		(6,000)	-
Net Cash Flow (used in) from Operating Activities		(143,935,326)	94,097,961
Net Cash Flow from Investing activities:			
Net (purchase) sale of financial assets at fair value through other comprehensive income		(6,696,092)	(4,473,194)
Net (purchase) sale of financial assets at amortized cost		(296,440,392)	(158,323,167)
Matured/sale of financial assets at amortized cost		185,178,734	147,105,680
(Increase) of intangible assets		(3,755,553)	(3,116,710)
(Purchase) of property and equipment		(4,792,068)	(1,466,670)
Proceeds from sale of property and equipment		182,907	29,565
Cash dividends distributed from associate company		-	6,250
Net Cash Flow (used in) Investing Activities		(126,322,464)	(20,238,246)
Cash Flow from Financing activities:			
Increase in borrowing funds		9,825,763	4,141,151
Dividends distributed to shareholders		(18,148,004)	(18,314,566)
Installments payments of the lease liability principal		(3,027,088)	(2,361,797)
Repayment of interest portion of the lease liability		(137,092)	(126,303)
Acquisition share in subsidiary		(1,861)	-
Net Cash Flow (used in) Financing Activities		(11,488,282)	(16,661,515)
Net (Decrease) Increase in Cash and Cash Equivalents		(281,746,072)	57,198,200
Effect of exchange rate changes on cash and cash equivalents		1,876	1,120,431
Cash and cash equivalents at the beginning of the year		1,205,726,235	854,690,830
Cash and Cash Equivalents at the End of the Period	24	923,982,039	913,009,461

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

1. GENERAL

- Bank Al Etihad is a public shareholding company incorporated in Jordan in 1978, in accordance with the Companies Law No (12) of (1964). Its main branch is located in Amman, and it was transformed into a bank during the year 1991.
- The Bank provides its financial and banking services through its main branch located in Amman and through its (59) branches and its subsidiaries in Jordan.
- The Bank shares are listed and traded on the Amman Stock Exchange-Jordan.
- The consolidated interim condensed financial statements were approved by audit committee on July 27, 2022 authorized by the Board of Directors.

2. Basis of Preparation

- The accompanying consolidated condensed interim financial information for the six months ended June 30, 2022, in accordance with "International Accounting Standard (34)" Interim Financial Reporting (IAS 34)" as adopted by the Central Bank of Jordan.

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

- a. Provisions for expected credit losses are calculated in accordance with IFRS 9 and according to the instructions of the Central Bank of Jordan, whichever is tougher, the material differences are as follows:
 - Elimination of debt instrument issued or guaranteed by the Jordanian government, in addition to other credit exposures with the Jordanian government or guaranteed, in which credit exposures over the Jordanian government are amended and guaranteed without any credit losses.
 - When calculating the credit losses against credit exposures, the calculation results according to IFRS No. (9) are compared with those according to the Central Bank of Jordan's Instructions No. (2009/47) dated December 10, 2009, for each stage separately and the toughest results are taken.
 - In some special cases, the Central Bank of Jordan agrees on special arrangements related to the calculation of the expected credit losses' provision of direct credit facilities customers over the determined period.
 - The client's facilities related to governmental project outcomes (transferred of Government dues) are excluded from provisions calculation.
 - Based on the two circulars of the central bank of Jordan to banks operating in Jordan no .4375/3/10 and 14960/3/10 issued on March 15, 2020, and November 22, 2020, it is permissible for the bank to postpone the instalments due or due on some customers without considering this as a structure, and without also effecting the customer's credit rating.

- b. Interests, revenues and commissions on non-performing credit facilities granted to clients are suspended, in accordance with the instructions of Central Bank of Jordan.
- c. Assets seized by the Bank are shown in the consolidated statement of financial position, among other assets, at their current value when seized by the Bank or at their fair value, whichever is lower. Furthermore, they are reassessed on the date of the consolidated financial statements separately, and any decrease in value is recorded as a loss in the consolidated statement of profit or loss and statement of consolidated comprehensive income while any increase in value is not recorded as revenue. In addition, any subsequent increase is taken to the statement of profit or loss to the extent of not exceeding the previously recorded value. A gradual provision has been taken according to the Central Bank of Jordan's Circular No. 10/3/13246 dated September 2, 2021. According to which the required provisions for the expropriated real estate in violation of the provisions of article (48) of Banking law no.28 for the year 2000 as of the year 2022, 5% annually of the total book values of that real estate, so that the required percentage of 50% of that real estate is reached, by the end of 2030.
- The reporting currency of the consolidated condensed interim financial statements is the Jordanian Dinar, which is the functional currency of the Bank.
- The consolidated condensed interim financial information does not include all the information and notes required in the annual financial statements and should be read with the Bank's annual financial statements as of December 31, 2021. Also, operations results as of June 30, 2022, do not necessarily represent an indicator for the expected operations for the year ending December 31, 2022. In addition, no provision has been taken over the profits for the six months ended June 30, 2022, which is done at the end of the fiscal year.
- Significant Accounting Judgments and key Sources of Uncertainty Estimates, and Risk Management:
Preparation of the consolidated condensed interim financial information and application of the accounting policies require Bank's management to make Judgments, estimates, and assumptions that affect the amounts of financial assets, financial liabilities and to disclose potential liabilities. Moreover, these estimates and judgments affect revenues, expenses, provisions, in general, expected credit losses, as well as changes in fair value that appear in the consolidated condensed interim statement of comprehensive income and within shareholders' equity. In particular, Bank's management requires judgments to be made to estimate the amounts and timing of future cash flows. These mentioned estimates are necessarily based on multiple assumptions and many factors with varying degrees of estimation and uncertainty. Meanwhile, the actual results may differ from estimates due to the changes arising from the conditions and circumstances of those estimates in the future.

We believe that our estimates in the preparation of summary consolidated condensed interim financial information are reasonable and similar to those adopted in the preparation of consolidated financial statements for the year 2021.

3. Significant Accounting Policies

The accounting policies used in the preparation of the consolidated condensed interim financial information for the period ended on June 30, 2022 are consistent with those used in the preparation of the annual consolidated financial statements for the year ended December 31, 2021. However, the Group has adopted the following amendments and interpretations which are effective for the first time in 2022 and which have no impact on the Bank's condensed 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..

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

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

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

Control is achieved when the Bank:

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

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

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

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

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

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

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

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

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

The Bank owns the following subsidiaries as of June 30, 2022:

Company's Name	Ownership of the Bank %	June 30, 2022		Nature of Operation	Date of Acquisition	Location	For the Six Month Ended June 30, 2022			
		Paid-up Capital JD	Investment Value				Total Assets JD	Total Liabilities JD	Total Revenue JD	Total Expenses JD
Al-Etihad for Financial Brokerage Company L.L.C	100	5,000,000	5,000,000	Financial Brokerage	2006	Jordan	10,980,175	1,415,702	426,956	(229,237)
Al-Etihad for Financial Leasing Company L.L.C	100	10,000,000	10,000,000	Finance Leasing	2015	Jordan	29,479,409	16,790,788	1,341,090	(785,433)
Al-Etihad Islamic Investment Company L.L.C*	58	113,039,028	65,562,636	Acquisition of bonds and shares in companies and borrowing the necessary funds from banks	2016	Jordan	117,934,628	30,627	3,742,215	(5,850)
Al-Etihad for Financial Technology Company L.L.C	100	<u>100,000</u> <u>128,139,028</u>	<u>100,000</u> <u>80,662,636</u>	Manufacturing, programming, preparing, developing, and supplying programs	2019	Jordan	1,015,753	1,063,889	1,100,628	(1,234,665)

* The subsidiary, Al-Etihad Islamic Investment Company LLC, which is owned by Bank Al-Etihad with a total percentage of 58% and a controlling interest equivalent to 62.4% over Safwa Islamic bank and their accounts have been consolidated in the condensed interim financial information for the group where the total asset of amounted to JD 2,461,441,975 and total liability amounted to JD 449,273,268 and total revenue amounted to JD 26,638,721 and total expenses amounted to JD 19,044,021.

- Bank Al- Etihad directly owns shares in Safwa Bank amounting to around 1.36% of the total shares of Safwa Islamic Bank.

5. Cash and Balances at Central Bank of Jordan

Details of this item are as follows:

	June 30, 2022	December 31, 2021
	JD	JD
Cash in treasury	136,854,366	125,176,533
Balances at the Central Bank of Jordan:		
Current accounts and demand deposits	256,164,872	265,155,626
Term and notice deposits	55,000,000	315,000,000
Statutory cash reserve	235,980,479	229,098,309
Total	<u>683,999,717</u>	<u>934,430,468</u>

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

	June 30, 2022	December 31, 2021
	Stage (1)- Individual	Stage (1)- Individual
	JD	JD
Balance at the beginning of the period / year	809,253,935	620,008,775
New balances during the period / year	55,000,000	354,245,160
Paid balances	<u>(317,108,584)</u>	<u>(165,000,000)</u>
Balance at the end of the period / year	<u>547,145,351</u>	<u>809,253,935</u>

-All balances with the Central Bank of Jordan are classified within the first stage in accordance with the requirements of International Financial Reporting Standard No. 9. There are no transfers between the first, second and third stages or write-off balances during the six months ended June 30, 2022 & the year ended December 31, 2021.

- Except for the statutory cash reserve, there are no restricted balances as of June 30, 2022 and December 31, 2021.

- There are no amounts matured during a period exceeding three months as of June 30, 2022 and December 31, 2021.

6. Balances at Banks and Financial Institutions

The details of this item is as follows:

	Local Banks and Financial Institutions		Foreign Banks and Financial Institutions		Total	
	June 30,	December 31,	June 30,	December 31,	June 30,	December 31,
	2022	2021	2022	2021	2022	2021
	JD	JD	JD	JD	JD	JD
Current accounts and demand deposits	386,132	443,162	174,491,394	239,619,091	174,877,526	240,062,253
Deposits maturing within 3 months or less	36,000,000	10,000,000	253,889,792	291,974,566	289,889,792	301,974,566
Total	36,386,132	10,443,162	428,381,186	531,593,657	464,767,318	542,036,819
Provision for expected credit losses *	-	-	(866,352)	(560,112)	(866,352)	(560,112)
Net balance at banks and financial institutions	<u>36,386,132</u>	<u>10,443,162</u>	<u>427,514,834</u>	<u>531,033,545</u>	<u>463,900,966</u>	<u>541,476,707</u>

- Non-interest bearing balances at banks and financial institutions amounted to JD 30,635,984 as of June 30, 2022 (JD 55,348,360 as of December 31, 2021).

- Restricted balances amounted to JD 8,071,872 as of June 30, 2022 and (JD 7,548,214 as of December 31, 2021).

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

	June 30, 2022		December 31, 2021	
	Stage (1) Individual	Total	Stage (1) Individual	Total
	JD	JD	JD	JD
Total balance at the beginning of the period / year	542,036,819	542,036,819	397,274,210	397,274,210
New balances during the period / year	384,881,852	384,881,852	422,775,611	422,775,611
Paid balances during the period / year	(462,394,847)	(462,394,847)	(276,450,530)	(276,450,530)
Changes resulting from adjustments	243,494	243,494	(1,562,472)	(1,562,472)
Total Balance At the End of the Period / Year	<u>464,767,318</u>	<u>464,767,318</u>	<u>542,036,819</u>	<u>542,036,819</u>

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

	June 30, 2022		December 31, 2021	
	Stage (1) Individual	Total	Stage (1) Individual	Total
	JD	JD	JD	JD
Balance at the beginning of the period / year	560,112	560,112	189,682	189,682
Impairment loss on new balances during the period / year	866,352	866,352	560,111	560,111
Recovered from the loss on the paid deposits	(560,112)	(560,112)	(189,681)	(189,681)
Changes resulting from adjustments	-	-	-	-
Total balance at the end of the period / year	<u>866,352</u>	<u>866,352</u>	<u>560,112</u>	<u>560,112</u>

7. Deposits at Banks and Financial Institutions

Details of the following item are as follows:

Description	Local Banks and Financial Institutions		Foreign Banks and Financial Institutions		Total	
	June 30,	December 31,	June 30,	December 31,	June 30,	December 31,
	2022	2021	2022	2021	2022	2021
	JD	JD	JD	JD	JD	JD
Within 3 months to 6 months	-	-	5,855,800	2,771,936	5,855,800	2,771,936
More than 6 months to 9 months	-	6,000,000	-	-	-	6,000,000
Total	-	6,000,000	5,855,800	2,771,936	5,855,800	8,771,936
Provision for expected credit losses	-	-	(2,643)	(1,251)	(2,643)	(1,251)
Net balances at banks and financial institutions	-	6,000,000	5,853,157	2,770,685	5,853,157	8,770,685

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

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

Description	June 30, 2022		December 31, 2021	
	Stage (1) Individual	Total	Stage (1) Individual	Total
	JD	JD	JD	JD
Total balance at the beginning of the period / year	8,771,936	8,771,936	4,449,068	4,449,068
New balances during the period / year	5,855,800	5,855,800	8,771,936	8,771,936
Paid balances	(8,771,936)	(8,771,936)	(4,449,068)	(4,449,068)
Total Balance at the End of the Period / Year	5,855,800	5,855,800	8,771,936	8,771,936

* Disclosure of the provision for expected credit losses on deposits at banks and financial institutions:

Description	June 30, 2022		December 31, 2021	
	Stage (1) Individual	Total	Stage (1) Individual	Total
	JD	JD	JD	JD
Balance at the beginning of the period / year	1,251	1,251	611	611
Impairment loss on new deposits during the period / year	2,643	2,643	1,251	1,251
Recovered from the loss on the paid deposits	(1,251)	(1,251)	(611)	(611)
Total Balance at the End of the Period / Year	2,643	2,643	1,251	1,251

8. Financial Assets at Fair Value Through Profit or Loss

Details of the following item are as follows:

	June 30, 2022	December 31, 2021
	JD	JD
Government bonds listed in financial markets	262,914	143,948
Corporate bonds listed in financial markets	283,048	1,512,207
Corporate shares listed in financial markets	7,283,392	3,275,739
Investment Funds	12,761,245	13,364,472
	<u>20,590,599</u>	<u>18,296,366</u>

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

9. Direct Credit and Financing Facilities - Net

The details of this item are as follows:

	June 30, 2022	December 31, 2021
	JD	JD
Individuals (retail):		
Overdraft accounts	3,700,174	1,794,970
Loans and promissory notes*	890,351,906	821,425,508
Credit cards	26,476,210	17,807,394
Real estate loans	958,735,662	897,926,656
Large Companies		
Overdraft accounts	83,003,487	66,202,150
Loans and promissory notes *	1,134,214,356	1,046,668,567
Small and Medium		
Overdraft accounts	27,150,749	24,662,480
Loans and promissory notes *	217,143,202	201,854,139
Government and public sector	536,155,749	431,243,828
Total	<u>3,876,931,495</u>	<u>3,509,585,692</u>
<u>Less:</u> Interest revenue in suspense	18,357,077	16,920,366
Provision of expected credit losses	<u>153,719,103</u>	<u>141,540,998</u>
Net Direct Credit and Financing Facilities	<u>3,704,855,315</u>	<u>3,351,124,328</u>

* Net after deducting the interests and commissions received in advance amounting to JD 5,523,157 as on June 30, 2022. (JD 5,395,416 as of December 31, 2021).

- Direct credit facilities and financing within the third stage amounted to JD142,788,078 which represent 3.68 % of total Direct Credit facilities and financing as of June 30, 2022. (JD 130,919,534 which represent 3.73% of total credit facilities and financing as of December 31, 2021).
- The direct credit facilities and financing within the third stage, after deducting the suspend interests and amounted to JD124,431,001 which represent 3.22% of total direct credit facilities commissions, and financing after deducting interests, revenues and commissions in suspense as on June 30, 2022 (JD 113,999,168 which represent 3.26% of total Direct Credit facilities and financing after deducting the suspended interests, revenues and commissions as of December 31, 2021).
- Direct credit facilities and financing granted to the Jordanian government amounted to JD 408,655,443 which represent 10.54% of total direct credit facilities and financing as of June 30, 2022 (JD 323,740,585 which represent 9.22% of the total direct credit facilities and financing as of December 31, 2021).
- Financing in accordance with Islamic law, which belongs to Safwa Islamic Bank, amounted to JD 1,790,266,888 which represent 46.18% of total direct credit facilities as of June 30, 2022 (JD 1,635,040,078 representing a percentage of 46.59% as of December 31, 2021).

Disclosure on the movement of gross credit facilities and financing:

	Stage (1)		Stage (2)		Stage (3)	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD		
<u>For the Six Months Period June 30, 2022</u>						
Balance - beginning of the Year	2,236,721,529	671,650,120	405,064,033	65,230,476	130,919,534	3,509,585,692
New facilities during the period	440,354,591	133,260,765	60,710,101	6,704,100	5,117,389	646,146,946
Exposures paid during the period	(149,719,474)	(26,195,017)	(28,247,812)	(2,726,171)	(4,531,563)	(211,420,037)
Transferred to stage (1)	32,498,577	19,082,537	(32,140,098)	(19,073,144)	(367,872)	-
Transferred to stage (2)	(98,102,133)	(10,801,518)	101,094,318	11,579,837	(3,770,504)	-
Transferred to stage (3)	(2,625,782)	(1,642,936)	(13,395,940)	(2,205,887)	19,870,545	-
The total impact on the volume of exposures as a result of changing the classification between stages	(2,012,894)	(1,263,629)	(19,900,625)	(252,457)	(631,280)	(24,060,885)
Changes resulting from adjustments	1,140,643	(32,942,999)	(6,298,357)	(1,401,337)	(3,644,745)	(43,146,795)
Written off credit facilities or transferred as off balance sheet items	-	-	-	-	(173,426)	(173,426)
Total Balance as at the End of the Period	<u>2,458,255,057</u>	<u>751,147,323</u>	<u>466,885,620</u>	<u>57,855,417</u>	<u>142,788,078</u>	<u>3,876,931,495</u>
<u>December 31, 2021</u>						
Balance – beginning of the year	2,023,885,152	572,632,425	342,616,631	30,726,382	118,245,398	3,088,105,988
New exposures during the year	750,278,160	236,184,831	76,916,417	11,684,408	5,589,877	1,080,653,693
Exposures paid during the year	(302,786,525)	(43,112,125)	(53,793,088)	(2,796,948)	(14,706,179)	(417,194,865)
Transferred to stage (1)	59,840,822	786,149	(56,175,283)	(786,102)	(3,665,586)	-
Transferred to stage (2)	(136,611,567)	(32,188,318)	140,087,906	32,796,228	(4,084,249)	-
Transferred to stage (3)	(6,554,449)	(4,952,724)	(25,374,658)	(1,692,361)	38,574,192	-
The total impact on the volume of exposures as a result of changing the classification between stages	(17,996,645)	(266,360)	(12,736,601)	(2,953,445)	584,624	(33,368,427)
Changes resulting from adjustments	(133,333,419)	(57,433,758)	(6,477,291)	(1,747,686)	(1,219,260)	(200,211,414)
Written off credit facilities or transferred as off balance sheet items *	-	-	-	-	(8,399,283)	(8,399,283)
Total balance at year- end	<u>2,236,721,529</u>	<u>671,650,120</u>	<u>405,064,033</u>	<u>65,230,476</u>	<u>130,919,534</u>	<u>3,509,585,692</u>

- No amount transferred to off- statement of financial position items during the six months period ended June 30, 2022 (JD 7,679,135 as at December 31, 2021) and an amount of JD 173,426 of direct credit and financing facilities was written off according to the BOD decisions in this regards (JD 720,148 as at December 31, 2021).

Expected credit loss

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

	Individuals	Real Estate Loans	Corporates	SMEs	Public Sector	Total
	JD	JD	JD	JD	JD	JD
<u>For the Six Months Period Ended June 30, 2022</u>						
Balance at the beginning of the period	29,479,940	12,703,958	85,512,145	13,844,955	-	141,540,998
Impairment loss on new facilities during the period	2,666,301	907,450	9,750,929	1,669,148	-	14,993,828
Recovered from the impairment loss on the paid facilities	(1,680,136)	(576,838)	(4,018,303)	(974,623)	-	(7,249,900)
Transferred to stage (1)	1,280,994	199,156	(454,193)	(101,632)	-	924,325
Transferred to stage (2)	(698,041)	(578,028)	966,647	(1,047,594)	-	(1,357,016)
Transferred to stage (3)	(582,953)	378,872	(512,454)	1,149,226	-	432,691
The effect on the provision - as at the end of the period - as a result of changing the classification between the three stages during the period	1,393,849	359,966	(459,626)	1,414,035	-	2,708,225
Changes resulted from adjustments	(268,001)	(129,209)	2,216,523	(29,684)	-	1,789,629
Written off	(58,758)	-	-	(4,919)	-	(63,677)
Total balance at the End of the Period	<u>31,533,195</u>	<u>13,265,328</u>	<u>93,001,668</u>	<u>15,918,912</u>	<u>-</u>	<u>153,719,103</u>
Redistribution:						
Provision on individual basis	28,058,974	13,265,082	93,001,668	15,250,302	-	149,576,026
Provision on Collective basis	<u>3,474,221</u>	<u>246</u>	<u>-</u>	<u>668,610</u>	<u>-</u>	<u>4,143,077</u>
	<u>31,533,195</u>	<u>13,265,328</u>	<u>93,001,668</u>	<u>15,918,912</u>	<u>-</u>	<u>153,719,103</u>

	Individuals	Real Estate Loans	Corporates	SMEs	Public Sector	Total
	JD	JD	JD	JD	JD	JD
<u>For the Year Ended December 31, 2021</u>						
Balance at January 1, 2021	25,401,230	14,336,802	67,069,526	12,675,056	-	119,482,614
Impairment on new Credit facilities during the year	4,294,530	2,592,837	13,173,332	2,691,006	-	22,751,705
Recovered from Impairment on paid credit facilities	(3,544,806)	(2,813,721)	(9,924,727)	(1,584,591)	-	(17,867,845)
Transferred to stage (1)	1,838,768	816,969	(108,871)	(78,919)	-	2,467,947
Transferred to stage (2)	570,129	(568,155)	(5,067,934)	(13,859)	-	(5,079,819)
Transferred to stage (3)	(2,408,897)	(248,814)	5,176,805	92,778	-	2,611,872
Effect on the impairment losses due to changes in the classifications between stages	4,790,917	84,891	7,449,335	1,021,510	-	13,346,653
Effect due to adjustments	652,814	(1,133,266)	10,339,158	(445,341)	-	9,413,365
Written-off credit facilities or transferred	(2,114,745)	(363,585)	(2,594,479)	(512,685)	-	(5,585,494)
Total balance at the End of the Year	<u>29,479,940</u>	<u>12,703,958</u>	<u>85,512,145</u>	<u>13,844,955</u>	<u>-</u>	<u>141,540,998</u>
Redistribution:						
Provision on individual basis	27,004,054	12,703,784	85,512,145	13,167,915	-	138,387,898
Provision on Collective basis	<u>2,475,886</u>	<u>174</u>	<u>-</u>	<u>677,040</u>	<u>-</u>	<u>3,153,100</u>
	<u>29,479,940</u>	<u>12,703,958</u>	<u>85,512,145</u>	<u>13,844,955</u>	<u>-</u>	<u>141,540,998</u>

- The value of the provision that were no longer needed as a result of debit settlement and transferred to other debit amounted to JD 7,249,900 as of June 30, 2022 (JD 17,867,845 as of December 31, 2021).

Suspended Interests

The movement of the suspended interests are as follows:

	Companies					Total
	Individuals	Real estate loans	Corporates	SMEs	Banks and financial institutions	
	JD	JD	JD	JD	JD	JD
<u>For the Six Months Period Ended June 30, 2022</u>						
Balance- beginning of the period	4,102,597	2,471,153	7,707,710	2,638,906	-	16,920,366
<u>Add:</u> Interest and returns suspended during period	1,153,004	168,356	887,002	458,606	-	2,666,968
<u>Less:</u> Interests and returns transferred to revenue	324,398	13,707	702,340	80,063	-	1,120,508
Written off suspended interests	66,925	-	-	42,824	-	109,749
Balance- End of the Period	4,864,278	2,625,802	7,892,372	2,974,625	-	18,357,077
<u>For the Year Ended December 31, 2021</u>						
Balance- beginning of the Year	4,120,410	2,935,998	7,655,932	2,282,901	-	16,995,241
<u>Add:</u> Interest and returns suspended during year	1,935,720	427,845	1,342,528	752,560	-	4,458,653
<u>Less:</u> Interests and returns transferred to revenue	672,700	455,395	508,584	83,060	-	1,719,739
Written off suspended interests	1,280,833	437,295	782,166	313,495	-	2,813,789
Balance- End of the Year	4,102,597	2,471,153	7,707,710	2,638,906	-	16,920,366

10. Financial Assets at Fair Value through Other Comprehensive Income

The details of this item are as follows:

	June 30, 2022	December 31, 2021
	JD	JD
Quoted shares in active markets	29,465,379	23,863,120
Unquoted shares in active markets	13,682,901	12,115,197
Investment funds	<u>12,404,272</u>	<u>8,180,804</u>
Total	<u><u>55,552,552</u></u>	<u><u>44,159,121</u></u>

- Transferred losses as a result of selling financial assets at fair value through the statement of other comprehensive income amounted to JD 173,071 as of June 30, 2022. (JD 510,462 losses transferred as of June 30, 2021).

- Cash dividends on the above financial assets amounted to JD 663,400 for the six months ended June 30, 2022 (JD 443,992 for the six months ended June 30, 2021).

11. Financial Assets at Amortized Cost

The details of this item are as follows:

	June 30, 2022	December 31, 2021
	JD	JD
<u>Quoted Financial Assets:</u>		
Foreign treasury bonds	54,477,834	31,996,765
Corporate bonds and debentures	101,831,426	129,212,530
<u>Unquoted Financial Assets:</u>		
Governmental treasury bonds	98,857,975	40,577,646
Governmental guaranteed bonds and bills	924,142,070	865,755,929
Corporate bonds and debentures	<u>31,952,000</u>	<u>32,452,000</u>
	1,211,261,305	1,099,994,870
<u>Less:</u> Provision for expected credit loss related to financial assets within stage (1)	908,674	648,639
Provision for expected credit loss related to financial assets within stage (2)	-	-
Provision for expected credit loss related to financial assets within stage (3)	<u>250,000</u>	<u>250,000</u>
	<u><u>1,210,102,631</u></u>	<u><u>1,099,096,231</u></u>
<u>Bonds and Bills Analysis (before provisions):</u>		
With Fixed rate	1,211,261,305	1,099,192,171
With Floating rate	<u>-</u>	<u>802,699</u>
Total	<u><u>1,211,261,305</u></u>	<u><u>1,099,994,870</u></u>
<u>Bond Analysis IFRS 9 (before provisions):</u>		
Stage (1)	1,211,011,305	1,099,744,870
Stage (2)	-	-
Stage (3)	<u>250,000</u>	<u>250,000</u>
	<u><u>1,211,261,305</u></u>	<u><u>1,099,994,870</u></u>

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

	June 30, 2022				2021
	Stage (1) - Individual	Stage (2)	Stage (3)	Total	Total
	JD	JD	JD	JD	JD
Balance - beginning of the period / Year	1,099,744,870	-	250,000	1,099,994,870	904,747,324
New investments during the period	292,357,153	-	-	292,357,153	372,932,659
Sold / matured investments*	(185,173,957)	-	-	(185,173,957)	(202,829,020)
The effects on the exposure due to reclassifications between stages	-	-	-	-	-
Changes resulted from adjustments	4,083,239	-	-	4,083,239	25,143,907
Balance - End of the Period / year	<u>1,211,011,305</u>	<u>-</u>	<u>250,000</u>	<u>1,211,261,305</u>	<u>1,099,994,870</u>

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

	June 30, 2022				2021
	Stage (1) - Individual	Stage (2)	Stage (3)	Total	Total
	JD	JD	JD	JD	JD
Balance - beginning of the period / year	648,639	-	250,000	898,639	743,890
Impairment loss on the new investment during the period / year	67,278	-	-	67,278	217,565
(Recovered) from the impairment loss on the accrued investments	(63,465)	-	-	(63,465)	(178,780)
Impact on the provision - for the year ended- due to reclassifications between stages	-	-	-	-	-
Changes resulted from adjustments	256,222	-	-	256,222	115,964
Balance - End of the Period / Year	<u>908,674</u>	<u>-</u>	<u>250,000</u>	<u>1,158,674</u>	<u>898,639</u>

* During the first half of 2022, financial assets were sold at amortized cost with a nominal value of JD 709,000 for Safwa Bank (JD 9,941,598 during the same period of the previous year) , the operation resulted in a profit of JD 4,777 for the period ended on June 30, 2022 (a profit of JD 154,665 for the period ended on June 30, 2021).

12. Other Assets

The details of this item are as follows:

	June 30, 2022	December 31, 2021
	JD	JD
Interests and revenue under collection	15,130,071	14,733,131
Prepaid expenses	9,482,078	4,896,046
Assets seized by bank in repayment debts *	52,798,620	51,302,874
Clearing checks	716,992	37,765
Transfers and checks under collection	390,377	179,570
Margins on letter of guarantees paid	3,476,296	2,982,731
Discounted commercial papers	29,799,662	28,236,148
Convertible loan	177,250	176,988
Other	<u>13,330,730</u>	<u>13,097,958</u>
	<u><u>125,302,076</u></u>	<u><u>115,643,211</u></u>

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

Since the beginning of the year 2015, a gradual provision has been taken for real estate acquired in exchange for debts that have expired over a period of more than 4 years, according to the Central Bank of Jordan's Circular No 15/1/4076 dated March 27, 2014 and Circular No. 10/1/2510 dated February 14, 2017. Noted that a declaration was issued later for this circulation dated to September 2, 2021 against No. 10/3/13246, in order to complete the deduction of the required provisions the assets seized in violation of Article No. 48 of the Banking Law No. 28 for the year 2000 by 5% of the total book values of these assets as of the year 2022 to reach the required percentage of 50% of these assets by the end of the year 2030.

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

	June 30, 2022	December 31, 2021
	JD	JD
Balance beginning of period / year	51,302,874	49,408,223
Additions	3,627,139	9,800,110
Disposals	(1,693,396)	(6,226,827)
(Provision) impairment surplus	<u>(437,997)</u>	<u>(1,678,632)</u>
Balance End of Period / Year	<u><u>52,798,620</u></u>	<u><u>51,302,874</u></u>

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

	<u>For the six months ended June 30,</u>	
	2022	2021
	JD	JD
Balance beginning of period	5,175,496	3,496,864
Additions during the period	<u>437,997</u>	<u>822,212</u>
Balance End of Period	<u><u>5,613,493</u></u>	<u><u>4,319,076</u></u>

The provision for impairment against the assets seized by the bank amounted to JD 1,894,239 as of June 30, 2022 (JD 1,792,742 as of December 31, 2021), and the provision for the assets seized by the bank for a period of more than (4) years amounted to JD 3,719,254 as of June 30, 2022 (JD 3,382,754 as of December 31, 2021).

13. Customers Deposits

The details for this item are as follows:

	<u>Companies</u>				<u>Total</u>
	<u>Individual</u>	<u>Corporates</u>	<u>SMEs</u>	<u>Government and Public Sector</u>	
	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>	
<u>As of June 30, 2022</u>					
Current and demand accounts	503,019,838	344,210,238	286,154,021	13,693,363	1,147,077,460
Saving deposits	871,462,260	38,599,470	39,357,288	4,743,295	954,162,313
Time and notice deposits	1,565,946,905	615,036,729	135,215,711	307,212,165	2,623,411,510
Certificate of deposits	302,751,436	6,715,000	14,186,378	18,000,000	341,652,814
	<u>3,243,180,439</u>	<u>1,004,561,437</u>	<u>474,913,398</u>	<u>343,648,823</u>	<u>5,066,304,097</u>
<u>As of December 31, 2021</u>					
Current and demand accounts	442,030,552	357,945,726	307,652,101	17,204,152	1,124,832,531
Saving deposits	845,840,833	39,406,551	28,043,366	2,239,391	915,530,141
Time and notice deposits	1,480,697,923	609,689,896	151,319,249	270,288,299	2,511,995,367
Certificate of deposits	319,227,063	6,098,000	13,691,000	19,000,000	358,016,063
Total	<u>3,087,796,371</u>	<u>1,013,140,173</u>	<u>500,705,716</u>	<u>308,731,842</u>	<u>4,910,374,102</u>

- The Jordanian government and public sector's deposits inside the kingdom reached JD 343,648,823 , representing 6.78% of total deposits as of June 30, 2022 (JD 308,731,842 representing 6.29% as of December 31, 2021).
- Deposits with no interest bearing reached JD 1,122,451,525 , representing 22.16% of the total deposits as of June 30, 2022 (JD 1,093,277,884 representing 22.26% as of December 31, 2021).
- Restricted deposits reached JD 5,747,993, representing 0.11% of the total deposits as of June 30, 2022 (JD 3,951,130 representing 0.08% of the total deposits as of December 31, 2021).
- Dormant deposits reached JD 62,357,635 , representing 1.23% of the total deposits as of June 30, 2022 (JD 41,491,499 representing 0.84% of the total deposits as of December 31, 2021).
- Customer deposits include JD 1,773,135,286 which represents the shared customer investment related of Safwa Islamic Bank as of June 30, 2022 (JD 1,665,485,522 as of December 31, 2021).

14. Income Tax Provision

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

	For the Six Months Ended	For the Year Ended
	June 30, 2022	December 31, 2021
	JD	JD
Balance beginning of the period / year	21,931,794	24,618,987
Income tax paid	(21,513,444)	(30,374,240)
Income tax for the period / year	11,674,486	27,665,660
Provision for prior years income tax	<u>127,074</u>	<u>21,387</u>
Balance End of the Period / Year	<u><u>12,219,910</u></u>	<u><u>21,931,794</u></u>

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

	For the Six Months Ended June 30,	
	2022	2021
	JD	JD
Accrued income tax for the profits of the period	11,674,486	10,126,639
Prior years income tax	127,074	21,387
Amortization of (additions to) deferred tax assets for the period	619,668	(204,638)
Deferred tax liability for the period	<u>364,476</u>	<u>358,829</u>
	<u><u>12,785,704</u></u>	<u><u>10,302,217</u></u>

- The legal income tax rate for the Bank was 35% in addition to the national contribution of 3%, the legal income tax rate for Al Etihad Leasing Company and AL Etihad Financial Brokerage companies has reached to 24% in addition to the national contribution of 4% and the income tax rate for Al Etihad Financial Technology has reached to 20% in addition to the national contribution of 1%.

- The Bank submitted the tax return until the year 2021 and a final settlement was reached with Income Tax and sales Department on the results of the bank until end of the year 2018, and Income tax and Sales Department did not review the records for the years of 2019, 2020, and 2021.

- A final settlement with the income tax department for Safwa Islamic Bank has been reached up to the year 2018. The tax return for the year 2019, 2020, and 2021 was submitted within the legal period, and the income and sales tax department did not review the accounting records until the date of preparing the interim consolidated financial statements.

- Clearance was obtained from income tax and sales department of MESK for the financial brokerage company (Safwa Islamic subsidiary) until the end of the year 2014 and the annual tax return was approved for the years 2015, 2016, 2017, 2018, and 2019 within the sample system issued from the income tax and sales department. The company also submitted the tax return for the years 2020 and 2021 and the income tax and sales department did not review it yet. In the year 2021, the company objected to the imposition of a tax by the Income Tax and sales Department for the years 2011, 2012, and 2013. Currently, the case is still in progress in the court and according to the lawyer no need to take a provision against this case.

- A final settlement for Al Etihad for Financial Brokerage Company has been reached, with the income tax department up to the year 2020. And the Self detection has been submitted for the year 2021 and the income tax and sales department did not review the accounting records until the date of the consolidated condensed interim financial information.

- A final settlement with the Income Tax Department for Al Etihad for Financial Leasing Company has been reached up to the year 2019. The tax return for the year 2020 and 2021 was submitted, and the income tax and sales department did not review the accounting records until the date of preparing the consolidated condensed interim financial information.

- A provision for tax is calculated and entered for the six months ending on June 30, 2022 for the bank and its subsidiaries, and according to management and the tax advisor, that will not be any obligations that exceed the provision recorded in the consolidated condensed interim financial information.

- A final settlement with the Income Tax Department for Al Etihad for Financial Technology Company has been reached up to the year 2020. The tax return for the year 2021 was submitted, and the income tax and sales department did not review the accounting records until the date of preparing the consolidated condensed interim financial information.

- The percentage of deferred tax was 38% for the income from inside Jordan and 13% for the income from outside Jordan and in the Bank's management opinion these deferred taxes will be realized in the future.

b. Deferred tax assets and Liabilities:

Details of the following item are as follows:

	June 30, 2022			December 31, 2021		
	Beginning balance of the year	Released	Added	Ending balance of the period	Deferred tax	Deferred tax
	JD	JD	JD	JD		
Deferred tax assets						
Financial assets at fair value through statement of comprehensive income	1,357,435	1,357,435	-	-	-	420,863
Provision on seized assets	5,073,805	-	437,997	5,511,802	2,094,485	1,928,046
Bonus provisions	4,310,120	4,310,120	2,474,845	2,474,845	940,441	1,637,846
Advertising expenses	150,000	37,500	-	112,500	42,750	57,000
Provision on lawsuits against the bank	677,424	210,063	-	467,361	177,597	257,421
Provision on credit and financing facilities	3,270,000	3,270,000	-	-	-	1,242,600
General provision	100,775	-	-	100,775	28,217	28,217
Provision for contingent liabilities	100,000	-	300,000	400,000	152,000	38,000
Differences after the application of IFRS 16	636,762	-	-	636,762	241,970	241,970
Provision for expected credit losses (stage 1 & 2)	57,518,482	-	1,775,642	59,294,124	22,531,767	21,857,023
Provision end of service indemnity	81,479	-	1,283	82,762	31,450	30,962
Provision for finance lease awards	27,589	-	8,449	36,038	10,091	7,725
Legal expenses	-	-	6,380	6,380	1,786	-
Total	73,303,871	9,185,118	5,004,596	69,123,349	26,252,554	27,747,673
Deferred tax liabilities						
Financial assets at fair value through profit or loss	2,248,553	1,497,114	709,671	1,461,110	71,658	161,769
Financial assets at fair value through statement of comprehensive income	-	-	5,813,764	5,813,764	454,587	-
Total	2,248,553	1,497,114	6,523,435	7,274,874	526,245	161,769

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

	June 30, 2022		December 31, 2021	
	Assets	Liabilities	Assets	Liabilities
	JD	JD	JD	JD
Balance - beginning of the period / year	27,747,673	161,769	25,590,727	-
Additions	1,900,264	682,092	6,523,174	161,769
Disposals	(3,395,383)	(317,616)	(4,366,228)	-
Balance - End of the period / year	26,252,554	526,245	27,747,673	161,769

15. Other Liabilities

The details of this item are as follows:

	June 30, 2022	December 31, 2021
	JD	JD
Accrued interest expense	33,863,815	28,652,911
Revenue received in advance	1,913,572	1,524,079
Accounts payable	809,603	553,459
Accrued expenses	10,638,152	11,159,682
Incoming transfers	460,807	78,733
Deferred cheques	17,935,680	11,268,610
Provision for expected credit losses on off - statement of financial position items *	4,594,734	5,615,184
Dividends payable	589,046	560,849
Electronic Payment System reconciliation	7,732,082	223,189
Other liabilities	<u>25,972,635</u>	<u>21,246,469</u>
Total	<u>104,510,126</u>	<u>80,883,165</u>

Movement disclosures on indirect facilities	For the six months ended June 30, 2022				For the year ended December 31, 2021
	Stage (1) - Individual	Stage(2) - Individual	Stage (3)	Total	Total
	JD	JD	JD	JD	JD
Total balance at the beginning of the period / year	1,015,159,012	96,577,714	2,698,130	1,114,434,856	1,027,746,460
New exposures during the period/year	636,637,827	74,415,982	10,000	711,063,809	688,723,437
Accrued exposures	(446,470,503)	(66,546,467)	(152,141)	(513,169,111)	(573,594,032)
Transferred into the stage (1)	5,514,694	(5,130,489)	(384,205)	-	-
Transferred into the stage (2)	(6,528,367)	6,601,345	(72,978)	-	-
Transferred into the stage (3)	(96,846)	(34,500)	131,346	-	-
Effect on exposures result change classification	55,079	(2,816,308)	-	(2,761,229)	(36,234,973)
Changes resulted from adjustments	<u>7,843,267</u>	<u>(2,043,441)</u>	<u>(35,746)</u>	<u>5,764,080</u>	<u>7,793,964</u>
Total balance at the end of the Period / Year	<u>1,212,114,163</u>	<u>101,023,836</u>	<u>2,194,406</u>	<u>1,315,332,405</u>	<u>1,114,434,856</u>

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

	For the six months ended June 30, 2022				For the year ended December 31, 2020
	Stage (1) - Individual	Stage(2) - Individual	Stage (3)	Total	Total
	JD	JD	JD	JD	JD
Balance at the beginning of the period/year	4,818,039	601,398	195,747	5,615,184	4,892,618
Impairment loss on the new exposures during the period / year	1,686,663	210,913	-	1,897,576	3,166,508
Recovered from the impairment loss on the accrued exposures	(2,141,537)	(218,444)	(8,000)	(2,367,981)	(2,383,596)
Transferred to stage 1	51,992	(41,992)	(10,000)	-	-
Transferred to stage 2	(75,358)	78,336	(2,978)	-	-
Transferred to stage 3	(175)	(412)	587	-	-
Effect on the provision as of the end of the period due to the reclassifications between the stages during the period	(35,073)	(39,382)	9,413	(65,042)	167,753
Changes resulted from adjustments	<u>(360,927)</u>	<u>(124,076)</u>	<u>-</u>	<u>(485,003)</u>	<u>(228,099)</u>
Total balance at the End of the Period / Year	<u>3,943,624</u>	<u>466,341</u>	<u>184,769</u>	<u>4,594,734</u>	<u>5,615,184</u>

16/a. Borrowed Funds

The details of this item are as follows:

	Amount	Number of Payments		Installment Maturity Period	Guarantees	Loan Interest Price
		Total	What's left			
JD						%
June 30, 2022						
Central Bank of Jordan borrowing *	33,457,576	10,085	6,237	Monthly	Bank Promissory	1.75%
Central Bank of Jordan borrowing *	813,900	45	35	Quarterly	Bank Promissory	1.00%
Central Bank of Jordan borrowing *	3,462,054	36	23	semi-annual	Bank Promissory	0.50% - 1.00 %
Central Bank of Jordan borrowing *	1,145,105	22	9	Annual	Bank Promissory	0.50% - 1.00 %
Central Bank of Jordan borrowing *	46,217,886	25,582	17,893	Monthly	Bank Promissory	0.00%
International Bank for Reconstruction and Development **	3,300,000	20	11	Semi-annual starting from September 15, 2018	Bank Promissory	1.99%
Arab Fund for Economic and Social Development ***	900,000	15	5	semi-annual	Bank Promissory	2.50%
Arab Fund for Economic and Social Development ***	1,589,016	34	34	semi-annual	Bank Promissory	3.00%
Arab Fund for Economic and Social Development ***	1,576,749	34	34	semi-annual	Bank Promissory	3.00%
Arab Fund for Economic and Social Development ***	1,200,000	34	34	semi-annual	Bank Promissory	3.00%
Jordan Mortgage Refinance Company	10,000,000	1	1	one instalment	Bank Promissory	4.40%
Jordan Mortgage Refinance Company (Related to a subsidiary)	2,000,000	1	1	one instalment	-	4.60%
Jordan Mortgage Refinance Company (Related to a subsidiary)	2,000,000	1	1	one instalment	-	4.70%
Jordan Mortgage Refinance Company (Related to a subsidiary)	2,000,000	1	1	one instalment	-	4.70%
Jordan Mortgage Refinance Company (Related to a subsidiary)	2,500,000	1	1	one instalment	-	4.60%
Local Banks (related to a subsidiary)	5,700,000	88	88	Quarterly	-	3.75%
Local Banks (related to a subsidiary)	<u>530,008</u>	48	24	Monthly	-	5.90%
	<u>118,392,294</u>					

	Amount	Number of Payments		Installment maturity period	Guarantees	Loan Interest price
		Total	What's left			
JD						%
December 31, 2021						
Central Bank of Jordan borrowing *	30,485,626	9,348	6,088	Monthly	Bank Promissory	0.50% - 1.75%
Central Bank of Jordan borrowing *	1,283,180	70	42	Quarterly	Bank Promissory	1.00%
Central Bank of Jordan borrowing *	3,538,044	37	28	semi-annual	Bank Promissory	0.50% - 1.00%
Central Bank of Jordan borrowing *	781,433	22	7	Annual	Bank Promissory	0.50% - 1.00%
Central Bank of Jordan borrowing *	41,227,479	22,552	18,109	Monthly	Bank Promissory	-
International Bank for Reconstruction and Development **	3,600,000	20	12	Semi-annual starting from September 15, 2018	Bank Promissory	1.99%
Arab Fund for Economic and Social Development ***	1,110,000	15	6	semi-annual	Bank Promissory	2.50%
Arab Fund for Economic and Social Development ***	1,589,016	34	34	semi-annual	Bank Promissory	3.00%
Arab Fund for Economic and Social Development ***	1,576,749	34	34	semi-annual	Bank Promissory	3.00%
Arab Fund for Economic and Social Development ***	1,200,000	34	34	semi-annual	Bank Promissory	3.00%
Jordan Mortgage Refinance Company	10,000,000	1	1	one instalment	Bank Promissory	4.40%
Jordan Mortgage Refinance Company (related to subsidiary)	2,000,000	1	1	one instalment	-	4.60%
Jordan Mortgage Refinance Company (related to subsidiary)	2,000,000	1	1	one instalment	-	4.70%
Jordan Mortgage Refinance Company (related to subsidiary)	2,000,000	1	1	one instalment	-	4.70%
Jordan Mortgage Refinance Company (related to subsidiary)	2,500,000	1	1	one instalment	-	4.60%
Local Banks (related to a subsidiary)	2,880,000	48	48	Quarterly	-	3.75%
Local Banks (related to a subsidiary)	<u>795,004</u>	48	36	Monthly	-	5.90%
	<u>108,566,531</u>					

* Funds have been reborrowed from the Central Bank of Jordan to SMEs' and corporates' sectors at an interest rate ranging between 0% - 8.75%.

** Funds have been reborrowed from the International Bank for Reconstruction and Development to SMEs' and corporates' sectors at an interest rate ranging between 6% - 10%.

*** Funds have been reborrowed from the Arab Fund for Economic and Social Development to SMEs' and corporates' sectors at an interest rate ranging from 5.5% - 9.75%.

16/b. Subordinated Loan

The details of this items are as follows:

	Amount	Number of settlements		settlements' maturity	Collaterals	Interest's lending Price
		Total	Remaining			
JD						%
June 30, 2022						
European bank for restructuring and development	<u>21,300,000</u>	1	1	one instalment dated April 8, 2027	-	6.75%
December 31, 2021						
European bank for restructuring and development	<u>21,300,00</u>	1	1	one instalment dated April 8, 2027	-	6.50%

17. Retained Earnings

The details of this item are as follows:

	June 30, 2022	December 31, 2021
	JD	JD
Balance - beginning of the period/year	71,721,054	67,518,099
Profit for the year	-	32,499,895
Profit (Losses) on sale of financial assets at fair value through other comprehensive income	173,071	(425,491)
Transferred to reserves	-	(11,502,972)
Dividends distributed	(16,000,000)	(16,000,000)
Shares in subsidiaries	(229)	(368,477)
Balance - end of the period/year	<u>55,893,896</u>	<u>71,721,054</u>

- The retained earnings balance includes an amount of JD 1,434,393 which represents the gain from revaluation of financial assets at fair value through profit or loss as of June 30, 2022.

- An amount of JD 26,252,554 of retained earnings and profit for the period as on June 30, 2022 is restricted (JD 27,326,810 as on December 31, 2021), which represent deferred tax assets, and based on the instructions of the Central Bank of Jordan, it is prohibited to dispose of them without its prior approval.

18. Fair Value Reserve

The details of this item are as follows:

	June 30, 2022	December 31, 2021
	JD	JD
Balance at the beginning of the period / year	1,741,270	(2,609,036)
Unrealized profit	4,697,339	5,858,568
Amortization of deferred tax assets	(420,863)	(1,933,753)
Deferred tax liabilities	(454,587)	-
(Gains) losses from sale of financial assets at fair value through other comprehensive income	(173,071)	425,491
Balance at the end of the period / year	<u>5,390,088</u>	<u>1,741,270</u>

The reserve of the fair value appears in the net after the offset of deferred tax liability balances amounted by JD 454,587 as of 30 June 2022 (Offset deferred tax liability amounted by JD 420,863 as of December 31, 2021).

19. Credit Interests and Returns

The details of this item are as follows:

	For The Six Months Ended June 30,	
	2022	2021
	JD	JD
Direct credit facilities and financing:		
Individuals (Retail):		
overdraft accounts	67,800	61,409
Loans and discounted bills	32,533,481	28,666,308
Credit cards	837,786	693,503
Real estate Loans	32,187,847	28,170,016
Corporates:		
Large Companies:		
overdraft accounts	2,602,881	2,834,458
Loans and discounted bills	30,044,928	31,919,577
SME's:		
overdraft accounts	930,142	893,624
Loans and discounted bills	5,645,767	4,852,782
Government and public sector	9,314,390	7,936,484
Balances at central bank	2,134,014	1,456,478
Balances and deposits at banks and financial institutions	832,568	571,467
Financial assets at fair value through profit or loss	9,491	2,038
Financial assets at amortized costs	22,242,138	19,798,403
Others	502,806	296,715
Total	139,886,039	128,153,262

20. Debit Interests and Expense

The details of this item are as follows:

	For The Six Months Ended June 30,	
	2022	2021
	JD	JD
Banks and financial institutions deposits	2,000,863	1,232,268
Customers' deposits:		
Current and demand accounts	1,159,743	591,047
Saving deposits	2,437,662	2,347,866
Time and notice deposits	39,775,850	32,911,152
Certificates of deposits	5,868,713	6,170,110
Cash margins	1,234,491	1,971,679
Borrowed funds	812,655	703,274
Subordinated loan	708,077	696,096
Deposits guarantee fees	3,826,421	3,110,849
Total	57,824,475	49,734,341

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

The details of this item are as follows:

	Realized <u>(Losses) Gain</u>	Unrealized <u>(Losses) Gain</u>	<u>Dividends</u>	<u>Total</u>
	JD	JD	JD	JD
<u>For The Six Months Ended June 30, 2022</u>				
Treasury bills and bonds	(4,969)	(30,469)	-	(35,438)
Corporate shares	(306,718)	(63,130)	117,687	(252,161)
Financial derivatives	8,050	-	-	8,050
Investment funds	<u>(665)</u>	<u>(722,459)</u>	<u>2,403</u>	<u>(720,721)</u>
	<u>(304,302)</u>	<u>(816,058)</u>	<u>120,090</u>	<u>(1,000,270)</u>
 <u>For The Six Months Ended June 30, 2021</u>				
Treasury bills and bonds	(53,048)	34,210	-	(18,838)
Corporate shares	1,183,855	201,145	88,047	1,473,047
Financial derivatives	(35,002)	-	-	(35,002)
Investment funds	<u>-</u>	<u>1,333,540</u>	<u>-</u>	<u>1,333,540</u>
	<u>1,095,805</u>	<u>1,568,895</u>	<u>88,047</u>	<u>2,752,747</u>

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

Details of this item are as follows:

	<u>For the Three Months Ended June 30,</u>		<u>For the Six Months Ended June 30,</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	JD	JD	JD	JD
Income for the period	7,278,354	7,404,972	15,562,146	15,129,731
Weighted average number of (shares)	160,000,000	160,000,000	160,000,000	160,000,000
	<u>JD / FILS</u>	<u>JD / FILS</u>	<u>JD / FILS</u>	<u>JD / FILS</u>
Earnings per share for the period (Basic and Diluted)	<u>0.045</u>	<u>0.046</u>	<u>0.097</u>	<u>0.095</u>

23. Provision for Expected Credit Losses

Details of this item are as follows:

	<u>For the Six Months Ended June 30,</u>	
	<u>2022</u>	<u>2021</u>
	JD	JD
Balances at banks and financial institutions	306,240	239,397
Deposits at banks and financial institutions	1,392	674
Financial assets at amortized costs	260,035	103,667
Direct credit and financing facilities	12,241,782	17,036,229
Contingent liabilities	<u>(1,020,450)</u>	<u>133,339</u>
	<u>11,788,999</u>	<u>17,513,306</u>

24. Cash and Cash Equivalent

Details of this item are as follows:

	<u>For the Six Months Ended June 30,</u>	
	<u>2022</u>	<u>2021</u>
	JD	JD
Cash and balances with CBJ maturing within three months	683,999,717	634,772,172
<u>Add</u> : Balances at banks and financial institutions maturing within three months	464,767,318	555,480,821
<u>Less</u> : Deposits at banks and financial institutions maturing within three months	216,713,124	269,696,035
Restricted balances	<u>8,071,872</u>	<u>7,547,497</u>
	<u>923,982,039</u>	<u>913,009,461</u>

25. Right of Use Assets/ Leasing Liabilities

This item includes the following:

1. Right of use assets

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

	For the period ended June 30, 2022	For the year ended December 31, 2021
	JD	JD
Balance - beginning of the period / year	27,555,989	27,031,520
<u>Add:</u> additions during the period / year	4,454,096	4,491,057
<u>Less:</u> disposals during the period/ year	(194,914)	(146,726)
<u>Less:</u> depreciation for the period / year	<u>(2,042,620)</u>	<u>(3,819,862)</u>
Balance - end of the period/ year	<u>29,772,551</u>	<u>27,555,989</u>

Balances recorded in the statement of profit or loss

	For the Six Months Ended June 30,	
	2022	2021
	JD	JD
Depreciation for the period	(2,042,620)	(1,850,853)
Interest during the period	(629,043)	(498,357)
Rent expense during the period	(258,004)	(210,363)

2. Lease liabilities

	For the period ended June 30, 2022	For the year ended December 31, 2021
	JD	JD
Balance - beginning of the period / year	27,366,812	26,453,949
<u>Add:</u> additions during the period / year	4,454,096	4,344,331
Interest during the period / year	629,043	1,027,420
<u>Less:</u> disposals during the period / year	(194,914)	(146,726)
<u>Less:</u> paid during the period / year	<u>(3,164,180)</u>	<u>(4,312,162)</u>
Balance - end of the period/ year	<u>29,090,857</u>	<u>27,366,812</u>

26. Capital

Capital

- The authorized and paid capital amounted to JD 160 Million divided over 160 Million shares, where the par value of the share was JD 1 as of June 30, 2022 and December 31, 2021.

Share premium

- The share premium amounted to JD 80,213,173 as of June 30, 2022 and December 31, 2021.

Dividends distributed

- The dividends distributed to shareholders during the year 2020 reached to JD 16 Million for the year 2021 (JD 16 Million for the year 2020).

27. Reserves

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

28. Contingent Liabilities and Commitments

The details of this item is as follows:

	June 30, 2022	December 31, 2021
	JD	JD
Letters of credit	387,439,765	280,614,319
Acceptances	185,193,532	58,667,598
Letters of guarantee:		
- Payments	57,724,488	57,290,790
- Performance	87,299,225	78,362,876
- Other	64,858,441	70,962,651
Futures currency contracts	131,451,738	52,977,887
Unutilized limits of credit facilities and financing	532,816,954	568,536,622
Total	<u>1,446,784,143</u>	<u>1,167,412,743</u>

29. Lawsuits against the Bank

The value of the lawsuits against the Group were amounted to JD 3,794,647 as of June 30, 2022 in addition to other customs lawsuits (JD 1,902,950 as of December 31, 2021 in addition to other customs lawsuits), provisions booked against them was amounted to JD 473,742 as of June 30, 2022 (JD 677,424 as of December 31, 2021). The Bank management and it legal counsel believe that the provisions booked for these lawsuits are adequate.

30. Transactions and Balances with Related Parties

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

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

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

	Board of Directors Members	Top Executive Management and management shareholder	Subsidiaries	Others (executive management members and their relatives)	Total	
					June 30, 2022	December 31, 2021
<u>On- Consolidated Condensed Interim Statement of Financial Position Items:</u>	JD	JD	JD	JD	JD	JD
Direct credit facilities and financing	2,609,029	3,599,508	1,091,018	68,286,142	75,585,697	75,104,514
Deposits	160,711,049	4,264,442	20,240,827	16,262,070	201,478,388	200,188,815
Deposits at banks and financial institutions	-	-	675,595	-	675,595	348,802
<u>Off- Consolidated Condensed Interim Statement of Financial Position Items:</u>						
Letter of credits	-	-	-	4,114,207	4,114,207	3,188,733
Acceptances	-	-	-	2,499,640	2,499,640	-
Letter of guarantee	100,000	-	802,000	9,435,783	10,337,783	10,507,756
					<u>For the Six Months Ended June 30,</u>	
					<u>2022</u>	<u>2021</u>
<u>Consolidated Condensed Statement of Income items:</u>					JD	JD
Credit interests, returns and commissions	37,698	34,933	27,967	2,430,578	2,531,176	2,429,443
Debit interests, returns and commissions	1,473,963	30,114	36,645	82,886	1,623,608	872,939

b. The Salaries, bonuses of bank's Executive management and the fees, transportation and bonuses allowances of the board of directors amounted to JD 4,635,660 for six month period ended June 30, 2022 (JD 3,341,394 for six month period ended June 30, 2021).

31. Information on the Bank's Business Activities

1. Bank Activities Information

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

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

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

	Individuals	Corporates	Treasury	Other	Total	
					For the Six Months Ended June 30,	
					2022	2021
	JD	JD	JD	JD	JD	JD
Total Income	63,046,239	63,315,399	33,879,447	1,283,244	161,524,329	148,862,411
Expected credit loss	(1,979,196)	(7,575,260)	(2,234,543)	-	(11,788,999)	(17,513,306)
Results of segment's activities	28,653,834	33,216,935	28,034,136	1,243,304	91,148,209	80,924,483
Unallocated (expenses) - net					(58,061,039)	(51,063,557)
Operating income					33,087,170	29,860,926
Bank's share of profit from investments in associates					2,246	451
Income before tax					33,089,416	29,861,377
Income tax					(12,785,704)	(10,302,217)
Profit for the period					20,303,712	19,559,160
Other Information						
Capital expenses					8,547,621	4,583,380
Depreciation and Amortization					7,763,966	7,377,511
					Total	
					June 30, 2022	December 31, 2021
					JD	JD
Segment's Assets	1,532,958,035	2,017,511,314	2,229,889,427	-	5,780,358,776	5,626,669,215
Undistributed assets	-	-	-	640,566,020	640,566,020	635,852,002
Total Assets	1,532,958,035	2,017,511,314	2,229,889,427	640,566,020	6,420,924,796	6,262,521,217
Segment's Liabilities	3,621,818,590	1,697,143,484	412,394,369	-	5,731,356,443	5,590,249,204
Undistributed liabilities	-	-	-	154,153,303	154,153,303	142,804,496
Total Liabilities	3,621,818,590	1,697,143,484	412,394,369	154,153,303	5,885,509,746	5,733,053,700

32. Capital Adequacy

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

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

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

	June 30, 2022	December 31, 2021
	JD	JD
Common Equity Shareholders' Rights		
Paid-up capital	160,000,000	160,000,000
Retained earnings	55,893,896	55,721,054
Full cumulative change in fair value	5,390,088	1,741,270
Share premium	80,213,173	80,213,173
Statuary reserve	68,169,340	68,169,340
Voluntary reserve	46,167,117	46,167,117
Recognizable non controlling interests shareholders	49,687,695	44,971,234
Interim profit after tax and deduction of the expected dividends	15,562,146	-
Total Common Equity Tire 1 before regulatory adjustments	481,083,455	456,983,188
Regulatory Adjustments (Deductions from the Capital)		
Goodwill and intangible assets	(27,825,267)	(27,451,684)
Deferred tax assets resulting from investments within Tier 1 (10%)	(26,252,554)	(27,747,673)
Net ordinary shareholder's equity	427,005,634	401,783,831
Additional capital		
Recognizable minority rights	8,768,417	7,936,100
Net additional capital Tier 1	435,774,051	409,719,931
Tier 2 Capital		
Provision for debts tools listed in Tier 1	16,541,099	16,856,320
Recognizable non-controlling shareholders	11,691,222	10,581,467
Financial instruments that carry characteristics of supporting capital	17,040,000	21,300,000
Total Supporting Capital	45,272,321	48,737,787
Total Regulatory Capital	481,046,372	458,457,718
Total Risk Weighted Assets	3,610,266,336	3,163,350,502
Capital Adequacy Ratio (CET 1)	13.32%	14.49%
Primary Capital Adequacy Ratio	11.83%	12.70%
Supporting Capital Adequacy Ratio	1.25%	1.54%

	June 30, 2022	December 31, 2021
	JD	JD
Financial leverage rate		
Tier 1 Capital	435,774,051	409,719,931
Total assets in and out of the statement of financial positions after removing deductible items from Tie	7,238,161,226	6,779,248,072
Financial leverage rate	6.02%	6.05%

Capital adequacy was calculated on June 30, 2022 and December 31, 2021 based on the instruction of Basel committee III.

	For the period ended June 30, 2022	For the year ended December 31, 2021
	JD	JD
Liquidity Coverage Ratio (LCR):		
Total high quality liquid assets	1,523,411,774	1,641,503,678
Total high-quality liquid assets after deduction and minus the adjustments	1,505,555,190	1,621,038,339
Net cash outflow	756,083,901	852,210,704
Liquidity Coverage Ratio (LCR)	199.10%	190.20%
The liquidity coverage ratio is according to the average end of each month	194.00%	182.77%

33. Risk management:

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

The bank's regulations related to risk management for the six months ended June 30, 2022, are consistent with the regulations disclosed for the year ended December 31, 2021, which also has disclosed in the annual report as of December 2021. □

Exposure distribution according to Economic sectors:

a. Distribution of exposure according to financial instruments

	Financial	Industrial	Trade	Real estates	Agriculture	Shares	Individual	Government and public sector	Other	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Balances at central banks	547,145,351	-	-	-	-	-	-	-	-	547,145,351
Balances at banks and financial institutions	463,900,966	-	-	-	-	-	-	-	-	463,900,966
Deposits at banks and financial institutions	5,853,157	-	-	-	-	-	-	-	-	5,853,157
Direct credit & financing facilities	8,910,908	340,430,438	410,932,878	942,844,532	30,013,767	216,645,545	973,109,206	536,155,749	245,812,292	3,704,855,315
Treasury bills and bonds as follows:	76,697,013	26,191,017	23,886,182	-	-	-	-	1,077,685,408	6,188,973	1,210,648,593
Within financial assets at fair value through statement of profit or loss	268,124	-	-	-	-	-	-	277,838	-	545,962
Within financial assets at fair value through statement of other comprehensive income	-	-	-	-	-	-	-	-	-	-
Within financial assets at amortized costs	76,428,889	26,191,017	23,886,182	-	-	-	-	1,077,407,570	6,188,973	1,210,102,631
Other assets	2,696,653	871,012	18,081,210	379,056	11,728,266	443	582,073	9,268,466	23,236,894	66,844,073
Total	1,105,204,048	367,492,467	452,900,270	943,223,588	41,742,033	216,645,988	973,691,279	1,623,109,623	275,238,159	5,999,247,455
Letter of guarantees	22,550,950	27,568,574	46,041,207	4,905,492	776,602	2,595,411	76,657,858	-	28,062,768	209,158,862
Letter of credits	38,355,843	16,505,321	102,103,966	301,403	13,154,909	2,498,527	145,675,682	-	27,289,200	345,884,851
Acceptances	12,144,733	18,724,675	45,095,998	-	16,854,703	-	28,646,123	-	63,540,748	185,006,980
Other liabilities	898,476	115,337,382	105,399,705	2,707,602	27,535,173	5,983,749	258,363,790	-	13,319,954	529,545,831
Total as of June 30, 2022	1,179,154,050	545,628,419	751,541,146	951,138,085	100,063,420	227,723,675	1,483,034,732	1,623,109,623	407,450,829	7,268,843,979
Total as of December 31, 2021	1,552,772,071	546,868,262	737,826,806	891,387,082	140,783,022	189,903,179	722,793,868	1,378,485,179	781,859,881	6,942,679,350

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

	Stage (1)		Stage (2)		Stage (3)	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD		
Financial	1,170,577,146	-	8,344,383	12,157	220,364	1,179,154,050
Industrial	491,892,184	4,175,790	44,576,268	1,766,467	3,217,710	545,628,419
Trade	640,032,521	13,362,552	83,150,899	10,146,132	4,849,042	751,541,146
Real estates	399,088,280	409,100,967	107,769,183	26,419,835	8,759,820	951,138,085
Agriculture	51,844,398	872,523	47,173,332	111,129	62,038	100,063,420
Shares	34,832,215	182,758,616	5,777,382	3,536,413	819,049	227,723,675
Individual	1,166,151,871	133,060,535	167,607,916	6,898,620	9,315,790	1,483,034,732
Government and public sector	1,623,109,623	-	-	-	-	1,623,109,623
Other	327,363,464	6,315,352	61,600,294	7,344,928	4,826,791	407,450,829
Total as of June 30, 2022	5,904,891,702	749,646,335	525,999,657	56,235,681	32,070,604	7,268,843,979
Total as of December 31, 2021	5,717,274,246	670,441,441	459,603,637	63,286,055	32,073,971	6,942,679,350

Exposure distribution according to geographical distribution

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

	Inside Jordan	Other Middle East countries	Europe	Asia *	America	Other countries	Total
	JD	JD	JD	JD	JD	JD	JD
Balances at central banks	547,145,351	-	-	-	-	-	547,145,351
Balances at banks and financial institutions	56,257,099	99,640,808	199,526,936	39,641,593	66,625,148	2,209,382	463,900,966
Deposits at banks and financial institutions	-	-	5,853,157	-	-	-	5,853,157
Direct credit and financing facilities	3,704,855,315	-	-	-	-	-	3,704,855,315
Treasury bills and bonds as follows:	1,055,116,900	36,225,079	49,279,790	19,481,256	50,545,568	-	1,210,648,593
Within financial assets at fair value through statement of profit or loss	-	268,124	-	-	277,838	-	545,962
Within financial assets at fair value through statement of other comprehensive income	-	-	-	-	-	-	-
Within financial assets at amortized costs	1,055,116,900	35,956,955	49,279,790	19,481,256	50,267,730	-	1,210,102,631
Other assets	66,844,073	-	-	-	-	-	66,844,073
Total for period	<u>5,430,218,738</u>	<u>135,865,887</u>	<u>254,659,883</u>	<u>59,122,849</u>	<u>117,170,716</u>	<u>2,209,382</u>	<u>5,999,247,455</u>
Letter of guarantees	209,158,862	-	-	-	-	-	209,158,862
Letter of credit	308,387,691	37,497,160	-	-	-	-	345,884,851
Acceptances	173,416,371	11,590,609	-	-	-	-	185,006,980
Other liabilities	529,545,831	-	-	-	-	-	529,545,831
Total as of June 30, 2022	<u>6,650,727,493</u>	<u>184,953,656</u>	<u>254,659,883</u>	<u>59,122,849</u>	<u>117,170,716</u>	<u>2,209,382</u>	<u>7,268,843,979</u>
Total as of December 31, 2021	<u>6,243,017,388</u>	<u>237,984,562</u>	<u>266,995,031</u>	<u>48,380,745</u>	<u>144,968,584</u>	<u>1,333,040</u>	<u>6,942,679,350</u>

* Excluding the middle east countries.

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

	Stage (1)		Stage (2)		Stage (3)	Total
	Individual JD	Collective JD	Individual JD	Collective JD	JD	JD
Inside Jordan	5,286,775,216	749,646,335	525,999,657	56,235,681	32,070,604	6,650,727,493
Other middle east countries	184,953,656	-	-	-	-	184,953,656
Europe	254,659,883	-	-	-	-	254,659,883
Asia	59,122,849	-	-	-	-	59,122,849
America	117,170,716	-	-	-	-	117,170,716
Other countries	2,209,382	-	-	-	-	2,209,382
Total as of June 30, 2022	<u>5,904,891,702</u>	<u>749,646,335</u>	<u>525,999,657</u>	<u>56,235,681</u>	<u>32,070,604</u>	<u>7,268,843,979</u>
Total as of December 31, 2021	<u>5,717,274,246</u>	<u>670,441,441</u>	<u>459,603,637</u>	<u>63,286,055</u>	<u>32,073,971</u>	<u>6,942,679,350</u>

Reclassified credit exposures:

a. Total credit exposures that were classified:

	Stage (2)		Stage (3)		Total exposures that were reclassified	Rate of exposures that were reclassified
	Total	Exposures that	Total	Exposures that		
	exposure value	were reclassified	exposure value	were reclassified		
	JD	JD	JD	JD	JD	
Direct credit and financing facilities	470,294,509	172,884,134	130,919,534	38,574,192	211,458,326	5.45%
Within financial assets at fair value through other comprehensive income	-	-	250,000	-	-	-
Total	470,294,509	172,884,134	131,169,534	38,574,192	211,458,326	5.45%
Letter of guarantees	18,364,543	1,278,455	2,194,406	131,346	1,409,801	0.67%
Letter of credit	35,518,126	-	-	-	-	0%
Acceptances	3,684,958	-	-	-	-	0%
Other liabilities	43,456,209	5,322,890	-	-	5,322,890	1.01%
Grand total	571,318,345	179,485,479	133,363,940	38,705,538	218,191,017	4.73%

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

	Exposures that were reclassified			Expected Credit Losses for the Exposures that were Reclassified				
	Total Exposures that were	Total Exposures that were	Total Reclassified	Stage (2)	Stage (2)	Stage (3)	Stage (3)	Total
	Reclassified from Stage (2)	Reclassified from Stage (3)	Exposures	Individual	Collective	Individual	Collective	
	JD	JD	JD	JD	JD	JD	JD	JD
Direct credit and financing facilities	172,884,134	38,574,192	211,458,326	1,793,373	(424,367)	3,224,013	(280,096)	4,312,923
Total	172,884,134	38,574,192	211,458,326	1,793,373	(424,367)	3,224,013	(280,096)	4,312,923
Letter of guarantees	1,278,455	131,346	1,409,801	7,024	163	424	-	7,611
Letter of credit	-	-	-	-	-	-	-	-
Acceptances	-	-	-	-	-	-	-	-
Other liabilities	5,322,890	-	5,322,890	64,883	-	-	-	64,883
Grand total	179,485,479	38,705,538	218,191,017	1,865,280	(424,204)	3,224,437	(280,096)	4,385,417

34. Fair Value Hierarchy

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

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

	Fair Value		The Level of Fair Value	Evaluation Method and Inputs used	Important Intangible Inputs	Relation between the Fair Value and the Important Intangible Inputs
	June 30, 2022	December 31, 2021				
<u>Financial Assets</u>	JD	JD				
Financial Assets at Fair Value						
Financial Assets at Fair Value Through Statement of Profit or Loss:						
Government bonds listed on financial markets	262,914	143,948	Level 1	Quoted prices in financial markets	N/A	N/A
Corporate bonds listed on financial markets	283,048	1,512,207	Level 1	Quoted prices in financial markets	N/A	N/A
Corporate shares	7,283,392	3,275,739	Level 1	Quoted prices in financial markets	N/A	N/A
Investment Fund	<u>12,761,245</u>	<u>13,364,472</u>	Level 2	The fund manager evaluation of fair value	N/A	N/A
Total	20,590,599	18,296,366				
Financial Assets at Fair Value Through Other Comprehensive Income:						
Quoted Shares in active markets	29,465,379	23,863,120	Level 1	Quoted prices in financial markets	N/A	N/A
Investment fund	12,404,272	8,180,804	level 2	The fund manager evaluation of fair value	N/A	N/A
Unquoted Shares in active markets	<u>13,682,901</u>	<u>12,115,197</u>	Level 3	Through using equity method and based on the latest available information	N/A	N/A
Total	<u>55,552,552</u>	<u>44,159,121</u>				
Total Financial Assets at Fair Value	<u>76,143,151</u>	<u>62,455,487</u>				

There were no transfers between level 1, level 2, and level 3 during the six months ended June 30, 2022 and December 31, 2021.

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

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

	June 30, 2022		December 31, 2021		The level of Fair Value
	Book value	Fair value	Book value	Fair value	
	JD	JD	JD	JD	
Financial Assets of Non-specified Fair Value					
Term deposits, notice deposits and certificate of deposits at Central Bank	55,000,000	54,998,562	315,000,000	315,034,521	Level 2
Current accounts, and balances at Banks and Financial Institutions	469,754,123	469,970,503	550,247,392	550,340,958	Level 2
Direct credit facilities at amortized costs	3,704,855,315	3,707,717,566	3,351,124,328	3,354,401,231	Level 2
Other financial assets at amortized costs	1,210,102,631	1,221,948,428	1,099,096,231	1,110,233,119	Level 2
Total Financial Assets of Non-specified Fair Value	5,439,712,069	5,454,635,059	5,315,467,951	5,330,009,829	
Financial Liabilities of Non-specified Fair Value					
Banks and Financial Institutions Deposits	261,258,124	261,874,616	316,782,838	317,366,600	Level 2
Customers' Deposits	5,066,304,097	5,098,863,018	4,910,374,102	4,937,737,864	Level 2
Cash Margin	270,951,589	271,118,105	244,827,786	245,002,277	Level 2
Borrowed Funds	118,392,294	118,675,780	108,566,531	108,906,660	Level 2
Subordinated Loan	21,300,000	21,623,494	21,300,000	21,576,900	Level 2
Total Financial Liabilities of Non-specified Fair Value	5,738,206,104	5,772,155,013	5,601,851,257	5,630,590,301	

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

35. Impact of Covid 19

There have been no material changes as a result of COVID-19 in the company's financial position and financial performance as of June 30, 2022, and there are no material changes in its main accounting judgments and estimates from those applied in the annual financial statements as of December 31, 2021.