

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

CONDENSED CONSOLIDATED
INTERIM FINANCIAL INFORMATION
FOR THE NINE-MONTH
PERIOD ENDED SEPTEMBER 30, 2022
TOGETHER WITH THE REVIEW REPORT

BANK OF JORDAN
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN
CONDENSED CONSOLIDATED
INTERIM FINANCIAL INFORMATION
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2022

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Report on the Review of the Condensed Consolidated Interim Financial Information

AM / 8572

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

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Bank of Jordan (A Public Shareholding Limited Company) as of September 30, 2022 and the related condensed consolidated interim statements of profit or loss and comprehensive income for the three and nine months ended September 30, 2022, condensed consolidated interim statement of changes in owners' equity and cash flows for the nine-month period then ended, and a summary of significant accounting policies and other explanatory information. Management is responsible for the preparation and fair presentation of this condensed consolidated interim financial information in accordance with International Accounting Standard No. (34) relating to interim financial reporting as adopted by the Central Bank of Jordan. Our responsibility is to express a conclusion on these condensed consolidated interim financial information based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information is not prepared, in all material aspects, in accordance with International Accounting Standards No. (34) relating to condensed interim financial reporting as adopted by the Central Bank of Jordan.

Other Matters

- The consolidated financial statements of the Bank for the year ended December 31, 2021 and the condensed consolidated interim financial information for the nine months period ended September 30, 2021 were audited and reviewed by another auditor who expressed an unmodified opinion and unmodified conclusion on those statements and information on February 10, 2022 and October 28, 2021 respectively.
- The accompanying condensed consolidated interim financial information are a translation of the condensed consolidated interim financial information in the Arabic language to which reference is to be made.

**Amman – Jordan
October 27, 2022**



Deloitte & Touche (M.E) – Jordan

Deloitte & Touche (M.E.)

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

	<u>Note</u>	September 30, 2022 (Reviewed Not Audited) JD	December 31, 2021 (Audited) JD
<u>Assets</u>			
Cash and balances with central banks – Net	5	497,332,713	382,035,460
Balances at banks and financial institutions – Net	6	190,975,491	136,002,180
Deposits at banks and financial institutions – Net	7	15,688,140	89,249,477
Financial assets at fair value through profit or loss		15,322,651	15,234,423
Financial assets at fair value through other comprehensive income		62,381,164	62,163,227
Direct credit facilities at amortized cost - Net	8	1,579,343,945	1,486,114,693
Financial assets at amortized cost - Net	9	259,335,285	383,830,120
Property and equipment – Net	10	58,615,741	59,663,986
Intangible assets - Net		7,508,550	8,012,000
Deferred tax assets		25,453,980	24,556,699
Other assets	11	92,289,238	93,342,183
Total Assets		<u>2,804,246,898</u>	<u>2,740,204,448</u>
<u>Liabilities and Owners' Equity</u>			
Liabilities:			
Banks and financial institutions' deposits		96,971,485	93,795,838
Customers' deposits		1,996,325,896	1,908,030,640
Cash margins		107,254,912	112,659,076
Sundry provisions		4,681,893	5,156,233
Income tax provision	12	15,679,934	20,055,494
Deferred tax liabilities		64,724	51,871
Borrowed funds	13	61,708,205	72,139,327
Other liabilities	14	42,094,176	42,250,993
Total Liabilities		<u>2,324,781,225</u>	<u>2,254,139,472</u>
Owners' Equity:			
Bank's Shareholders Equity			
Authorized capital (paid)		200,000,000	200,000,000
Statutory reserve		104,354,271	104,362,505
Voluntary reserve		41,172	49,406
General banking risks reserve		4,102,021	4,102,021
Special reserve		5,849,743	5,849,743
Foreign currency translation differences		(13,033,639)	(13,009,685)
Fair value reserve		(3,469,974)	(3,979,324)
Retained earnings		139,925,531	176,032,362
Profit for the period after tax		28,669,967	-
Total Owners' Equity - Bank's Shareholder's		<u>466,439,092</u>	<u>473,407,028</u>
Non-controlling interests		13,026,581	12,657,948
Total Owners' Equity		<u>479,465,673</u>	<u>486,064,976</u>
Total Liabilities and Owners' Equity		<u>2,804,246,898</u>	<u>2,740,204,448</u>

Chairman of Board of Director's

General Manger

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

	Note	For the Three-Month Period Ended September 30,		For the Nine-Month Period Ended September 30,	
		2022	2021	2022	2021
		JD	JD	JD	JD
Interest income		36,343,415	32,248,554	100,937,924	96,644,410
Less: Interest expense		8,145,989	4,913,905	19,432,270	15,549,454
Net Interest Income		28,197,426	27,334,649	81,505,654	81,094,956
Net Commissions Income		5,428,585	5,300,023	16,181,005	15,287,931
Net Interest and Commissions Income		33,626,011	32,634,672	97,686,659	96,382,887
Foreign currencies income		1,055,385	876,216	2,937,487	2,262,533
Gains (losses) from financial assets at fair value through profit or loss		7,250	(14,550)	109,708	72,814
Cash dividends from financial assets at fair value through other comprehensive income		554	56,925	664,670	561,124
Gains from the sale of financial assets at fair value through other comprehensive income – debt instruments		-	-	-	975,577
Other income		2,535,493	1,301,170	4,793,471	3,341,261
Total Income		37,224,693	34,854,433	106,191,995	103,596,196
Employees expenses		8,072,618	7,594,185	24,705,045	22,678,807
Depreciation and amortization		2,726,843	2,630,190	8,110,233	7,801,580
Other expenses		8,624,042	7,793,560	25,291,333	21,854,118
Additions to (released from) provision for expected credit loss	15	(900,160)	602,278	2,793,336	12,012,091
Addition to (released from) assets foreclosed by the Bank		521,836	(167,118)	1,571,769	(199,309)
Sundry provisions		50,859	93,493	542,524	275,192
Total Expenses		19,096,038	18,546,588	63,014,240	64,422,479
Profit for the period before income tax		18,128,655	16,307,845	43,177,755	39,173,717
Less: Income tax	12	6,194,624	5,281,978	14,212,894	11,807,599
Profit for the Period		11,934,031	11,025,867	28,964,861	27,366,118
Attributable to:					
Bank's Shareholders		11,829,438	11,007,969	28,669,967	27,198,793
Non–Controlling Interest		104,593	17,898	294,894	167,325
		11,934,031	11,025,867	28,964,861	27,366,118
		Dinar / Fills	Dinar/ Fills	Dinar/Fills	Dinar/Fills
Earnings per share for the period attributable to the Banks shareholders	16	0.059	0.055	0.143	0.136

Chairman of Board of Director's

General Manger

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

	For the Three-Month Period		For the Nine-Month Period	
	Ended September 30,		Ended September 30,	
	2022	2021	2022	2021
	JD	JD	JD	JD
Profit for the period	11,934,031	11,025,867	28,964,861	27,366,118
Other comprehensive that may be reclassified subsequently to the condensed consolidated interim statement of profit or loss:				
Losses from the sale of debt instruments classified as financial assets at fair value through other comprehensive income		-		(618,992)
Foreign currencies differences	29,098	-	147,162	1,432,105
	29,098	-	147,162	813,113
Items that will not be reclassified subsequently to the condensed consolidated interim statement of profit or loss:				
(Losses) from sales of equity instruments included in financial assets at fair value through other comprehensive income	(18,290)	-	(18,290)	-
Change in fair value for equity instruments included in financial assets at fair value through other comprehensive income - Net after tax	(1,446,507)	235,570	306,964	2,049,144
	(1,464,797)	235,570	288,674	2,049,144
Total Condensed Consolidated Interim Comprehensive Income	10,498,332	11,261,437	29,400,697	30,228,375
Total Comprehensive Income Attributable to:				
The Bank's Shareholders	10,374,794	11,243,539	29,032,064	29,331,012
Non-Controllers' Interest	123,538	17,898	368,633	897,363
	10,498,332	11,261,437	29,400,697	30,228,375

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BANK OF JORDAN
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN
CONDENSED CONSOLIDATED INTERIM STATEMENT OF OWNERS' EQUITY
(REVIEWED NOT AUDITED)

Item	Reserves											
	Authorized and Paid-up Capital	Statutory	Voluntary	General Banking Risks	Special	Foreign Currencies Translation Differences	Fair Value Reserve	Retained Earnings	Profit for the Period	Total Banks' Shareholders' Equity	Non-Controllers' Interest	Total Owner's Equity
For the Period Ended September 30, 2022												
Balance at the Beginning of the Period	200,000,000	104,362,505	49,406	4,102,021	5,849,743	(13,009,685)	(3,979,324)	176,032,362	-	473,407,028	12,657,948	486,064,976
Foreign currencies differences	-	(8,234)	(8,234)	-	-	(23,954)	-	113,845	-	73,423	73,739	147,162
Profit for the Period	-	-	-	-	-	-	-	-	28,669,967	28,669,967	294,894	28,964,861
(Loss) realized from sale of equity/ instruments classified as financial assets at fair value through other comprehensive income	-	-	-	-	-	-	202,386	(220,676)	-	(18,290)	-	(18,290)
Change in fair value of equity instruments classified as financial assets through other comprehensive income – net after tax	-	-	-	-	-	-	306,964	-	-	306,964	-	306,964
Total Comprehensive Income	-	-	(8,234)	-	-	(23,954)	509,350	(106,831)	28,669,967	29,032,064	368,633	29,400,697
Distributed dividends *	-	-	-	-	-	-	-	(36,000,000)	-	(36,000,000)	-	(36,000,000)
Balance at the End of the Period	200,000,000	104,354,271	41,172	4,102,021	5,849,743	(13,033,639)	(3,469,974)	139,925,531	28,669,967	466,439,092	13,026,581	479,465,673
For the Nine-Month Period Ended September 30, 2021												
Balance at the Beginning of the Period	200,000,000	99,190,875	46,537	2,804,326	5,849,743	(12,855,521)	(6,092,218)	165,814,735	-	454,758,477	7,648,571	462,407,048
Foreign currencies differences	-	(23,269)	(23,269)	-	-	(154,164)	-	902,769	27,198,793	702,067	730,038	1,432,105
Profit for the Period	-	-	-	-	-	-	(618,992)	-	-	(618,992)	-	(618,992)
Realized gain from sale of equity instruments classified as financial assets at fair value through other comprehensive income	-	-	-	-	-	-	2,049,144	-	-	2,049,144	-	2,049,144
Change in fair value of equity instruments classified as financial assets through other comprehensive income – net after tax	-	(23,269)	(23,269)	-	-	(154,164)	1,430,152	902,769	27,198,793	29,331,012	897,363	30,228,375
Total Comprehensive Income	-	-	-	-	-	-	-	(1,250,591)	-	(24,000,000)	-	(24,000,000)
Transferred from reserves	-	-	-	-	-	-	-	-	-	-	-	-
Distributed dividends *	-	-	-	-	-	-	-	-	-	-	-	-
Balance at the End of the Period	200,000,000	99,167,606	23,268	4,054,917	5,849,743	(13,009,685)	(4,662,066)	141,466,913	27,198,793	460,089,489	8,545,934	468,635,423

* According to the ordinary general assembly meeting held on March 31, 2022, it was decided to distribute cash dividends to shareholders at the rate of 18% of the Bank's Paid up capital (equivalent to JD 36,000,000).

According to the instructions of the regulatory bodies:

- The general banking risks reserve and the special reserve cannot be utilized without approval from Palestine Monetary Authority.
- Retained earnings include a restricted amount of JD 25,453,980 against deferred tax assets as of September 30, 2022 (24,556,699 as of December 31, 2021) according to Central Bank of Jordan instructions, this restricted amount cannot be utilized through capitalization or distribution unless realized.
- Retained earnings include an amount of JD 439,810 as of September 30, 2022, which represents the effect of the early adoption of IFRS (9). These restricted amounts cannot be utilized unless realized through the actual sale.
- The fair value reserve cannot be utilized including the capitalization, distribution, write-off losses or any other commercial acts unless realized through the actual sale as instructed by the Central Bank of Jordan and Jordan Security Commission, the balance of retained earnings include an amount of JD 813,437 as of September 30, 2022, cannot be utilized through dividends distribution to the shareholders or use for any other purposes, without prior approval of central bank of Jordan resulting from the application of central bank of Jordan circular No. 10/1/1359 on January 25, 2018 and Central Bank of Jordan circular No. 13/2018 dated June 6, 2018.

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

	Note	For the Nine-Month Period Ended September 30,	
		2022	2021
		JD	JD
Cash Flows from Operating Activities:			
Profit for the period before tax		43,177,755	39,173,717
Adjustments for non-cash transaction:			
Depreciation and amortization		8,110,233	7,801,580
Expected credit loss	15	2,793,336	12,012,091
(Gain) from the sale of property and equipment		(49,447)	(85,003)
(Gain) from financial assets at fair value through profit or loss – unrealized		(88,228)	(72,814)
Effect of exchange rate fluctuations		(2,863,856)	(2,166,955)
Sundry provisions		542,524	275,192
Provision (Reversal from) impairment of assets foreclosed by the Bank		1,571,769	(199,309)
Other – Currency differences		(451,076)	(423,616)
Profit before Changes in Assets and Liabilities		52,743,010	56,314,883
Changes in Assets and Liabilities:			
Decrease (increase) in restricted balances		414,851	(2,146,007)
Decrease in deposits with banks and other financial institutions (Maturing in over three months)		73,577,000	282,000
(Increase) in direct credit facilities		(95,282,454)	(27,007,566)
(Increase) in other assets		(433,260)	(5,087,948)
(Decrease) increase in banks deposits and other financial institutions (Maturing in over three months)		(10,984,867)	282,000
Increase (decrease) customers deposits		88,295,256	(15,953,178)
(Decrease) increase in cash margins		(5,404,164)	1,003,240
(Decrease) in borrowed funds		(12,110,561)	(9,699,480)
(Decrease) in other liabilities		(3,411,487)	(1,762,448)
Net Change in Assets and Liabilities		34,660,314	(60,089,387)
Net Cash Flows from (used in) Operating Activities before Paid Income			
Taxes, and End-of-Service Indemnity Provision		87,403,324	(3,774,504)
Paid income tax	12	(19,364,047)	(18,271,810)
Paid from end-of-service indemnity, lawsuits provisions and others		(1,015,386)	(255,573)
Net Cash flows from (used in) Operating Activities		67,023,891	(22,301,887)
Cash Flows from (used in) Investing Activities:			
(Purchase) of financial assets at amortized cost		(89,874,075)	(88,857,626)
Maturity of financial assets at amortized cost		214,477,089	61,067,134
(Purchase) of financial assets at fair value through other comprehensive Income		-	(270,626)
Sale of financial assets at fair value through other comprehensive income		73,559	24,937,771
(Purchase) maturity of financial derivatives		(212,700)	(1,197,832)
(Purchase) of property and equipment		(1,756,368)	(3,840,563)
Proceeds from sale of property and equipment		119,002	166,105
(Purchase) of intangible assets		(575,129)	(1,975,498)
Net Cash Flows from (used in) Investing Activities		122,251,378	(9,971,135)
Cash Flows (used in) Financing Activities:			
Foreign currencies differences		147,162	1,432,105
Dividends distributed to shareholders		(35,769,178)	(24,185,264)
Net Cash Flows (used in) Financing Activities		(35,622,016)	(22,753,159)
Effect of exchange rate fluctuations on cash and cash equivalents		2,863,856	2,166,955
Net Increase (Decrease) in Cash and Cash Equivalents		156,517,109	(52,859,226)
Cash and cash equivalents – beginning of the year		365,192,576	412,918,196
Cash and Cash Equivalents – End of the Period	17	521,709,685	360,058,970

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BANK OF JORDAN
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN
NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION
(REVIEWED NOT AUDITED)

1. General

- Bank of Jordan was established in 1960 as a public shareholding limited company with headquarters in Amman – Jordan. On March 3, 1960, it was registered under number (1983) according to the Companies Law No. 33 for the Year 1962 with an authorized capital of JD 350,000 represented by 70,000 shares at a par value of JD 5 per share. The Bank's authorized and paid-up capital was increased in several stages, the last of which took place in accordance to the resolution of the general assembly in their extraordinary meeting held on April 9, 2016 where the Bank's capital was increased from JD 155/1 million to become JD 200 million and for which all the legal procedures related to this decision were completed on April 19, 2016.
- The Bank provides all financial and banking services within its scope of activities. Those services are offered through its (83) branches in Jordan, (17) branches in Palestine and the bank branch in the Kingdom of Bahrain and its subsidiaries in Jordan and Syria (Bank of Jordan - Syria, Excel for Financial Investments Company and Jordan Leasing Company).
- The Bank has obtained the necessary approvals from the Central Bank of Jordan and the regulatory authorities in Iraq for the establishment of a branch in Iraq. The branch is still in the establishment phase.
- The accompanying consolidated condensed interim financial information were approved by the Board of directors in their meeting dated October 27,2022.

2. Basis of Preparation of consolidated condensed interim financial information

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

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

- When calculating credit losses against credit exposures, the calculation results in accordance with International Financial Reporting Standards (9) are compared with the calculation as per the instructions of the Central Bank of Jordan number (13/2018) for each stage separately and the stricter results are recorded, the main differences are:
 - Exclusion of the Debt instruments issued or guaranteed by the Jordanian Government, so that credit exposures issued or guaranteed by the Jordanian Government are treated with no credit losses.
 - When calculating credit losses against credit exposures, the results of the calculation are compared in accordance with International Financial Reporting Standard No. (9) with the instructions of the Central Bank of Jordan No. (47/2009) dated December 10, 2009 for each stage separately, and the stricter results are recorded.
- Interests, returns and commissions shall be suspended on non-performing credit facilities and funds granted to clients in accordance with the instructions of the Central Bank of Jordan.

- Assets seized by Bank are shown in the condensed consolidated interim statement of financial position among other assets at their current value when it seized to the Bank, or at their fair value, whichever is lower. Furthermore, they are revaluated on the date of the condensed consolidated interim financial information separately, and any decrease in its value is recorded in the condensed consolidated interim statement of profit or loss and condensed consolidated interim statement of comprehensive income while no increase in its value is recorded as revenue, and where, any subsequent increase is taken to the condensed consolidated interim statement of profit or loss and condensed consolidated interim statement of comprehensive income to the extent of not exceeding the previously recorded impairment value. A gradual provision has been taken for real estate acquired in exchange for debts according to the Central Bank of Jordan's generalization (10/1/16239) dated September 2, 2021, which is 5% of the total book value of these real estates from the year of 2022 until the required percentage is reached (50% of these properties by the end of the year 2030). According to the circular of Central Bank of Jordan No.10/3/13246 dated October 10, 2022, a gradual provision for seized assets was suspended against debt condition with staying on the allocated provisions for seized assets which violates the bank's law's and to only release provision allocated for the violated seized assets which have been disposed.
- Additional provisions have been calculated in consolidated condensed interim financial information against the bank's foreign investments in foreign countries according to the expected credit loss.
- The net outcome of the differences between the Central Bank of Jordan instructions and the International Financial Reporting Standards represented by having the Bank to book additional provisions to comply with these instructions.
- The condensed consolidated interim financial information is prepared in accordance with the historical cost principle, except for financial assets which are stated at fair value through profit or loss, financial assets through other comprehensive income and other financial derivatives which are stated in fair value at the date of the condensed consolidated interim financial information. As the financial assets and liabilities are stated in fair value which were hedged for the risk in fair value changed.
- The reporting currency of the condensed consolidated interim financial information is the Jordanian Dinar, which is the functional currency of the Bank.
- The condensed consolidated interim financial information does not include all notes and information presented in the annual financial statements which were prepared according to the international financial reporting standards as adopted by the Central Bank of Jordan. The results of the nine months ended September 30, 2022, do not indicate the expected results for the fiscal year ending December 31, 2021. Furthermore, provisions have not been made on the period's profit as of September 30, 2022 in the same manner these would be conducted at the end of the fiscal year.

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

The Bank has the following subsidiary companies as of September 30, 2022:

Name of Subsidiary	Paid-up Capital	Bank's Ownership Percentage %	Subsidiary's Nature of Business	Place of Operation	Acquisition Date
Bank of Jordan – Syria*	3,000 Million Syrian – Lira (Investment amount 21,91 Million JOD)	49	Banking Activities	Syria	May 17, 2008
Jordan Leasing Company	JD 20 Million	100	Finance Lease	Amman	October 24, 2011
Excel for Financial Investments Company	JD 3.5 Million	100	Financial Brokerage	Amman	March 23, 2006

Basis of Consolidated Condensed Interim Financial Statements

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

3. Significant accounting policies

The accounting policies used in preparing the condensed consolidated interim financial information for the period ending on September 30, 2022 are identical with the accounting policies that were followed in preparing the consolidated financial information for the year ended December 31, 2021. However, it has adopted a set of the following amendments and interpretations that are effective for the first time in 2021, which has no impact on the Bank's condensed consolidated interim financial information:

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

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

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

Amendments to IFRS 3 – Reference to the Conceptual Framework

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

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

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

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

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

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

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognises such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2 Inventories.

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

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

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

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

IFRS Financial Enhancements 2018-2020

IFRS 1 First-time Adoption of International Financial Reporting Standards

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

IFRS 9 Financial Instruments

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

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

IAS 41 Agriculture

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

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

Standards issued but not effective

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

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

New and revised IFRSs

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

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

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

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

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

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

Amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements - Disclosure of Accounting Policies

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

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

Effective date

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

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

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

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

Amendments to IAS 8 - Definition of Accounting Estimates

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

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

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

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

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

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

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

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

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

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

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

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

- A deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary differences associated with:
 - Right-of-use assets and lease liabilities
 - Decommissioning, restoration and similar liabilities and the corresponding amounts recognised as part of the cost of the related asset
- The cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date.

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

4. Significant Accounting Judgments and key Sources of Uncertainty Estimates

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

We believe that the estimates used in the preparation of these condensed consolidated interim financial information are consistent with those used in the annual consolidated financial statements for the year ended December 31, 2021

5. Cash and Balances with Central Banks-Net

This item consists of the following:

	September 30, 2022 (Reviewed Not Audited)	December 31, 2021 (Audited)
	JD	JD
Cash at vaults	74,556,508	81,776,632
Balances at Central Banks:		
- Current and on demand accounts	106,969,825	108,725,417
- Term and notice deposits	178,861,005	97,867,760
- Certification deposit	43,691,579	-
- Cash reserve required	93,359,788	93,783,314
Balances at Central Banks	422,882,197	300,376,491
Less: Expected credit loss	(105,992)	(117,663)
Balances at Central Banks – Net	422,776,205	300,258,828
Total	497,332,713	382,035,460

- Except for the statutory cash reserve, restricted balances amounted to JD 2,226,005 as of September 30, 2022 (JD 2,232,760 as of December 31, 2021).
- Time and notice deposit include JD 10,635,000 maturing within a period exceeding nine months as of September 30, 2022 (JD 10,635,000 As of December 31, 2021).
- Expected credit losses allowance was not calculated against Central Bank Jordan balances as of September 30, 2022 and December 31, 2021 in accordance with the Central Bank of Jordan Instructions No.13/2018 regarding the implementation of International Financial Reporting Standard No. (9).

6. Balances with Banks and Financial Institutions-Net

This item consists of the following:

	Local Banks and Financial Institutions		Foreign Banks and Financial Institutions		Total	
	September 30, 2022	December 31, 2021	September 30, 2022	December 31, 2021	September 30, 2022	December 31, 2021
	(Reviewed Not Audited)	(Audited)	(Reviewed Not Audited)	(Audited)	(Reviewed Not Audited)	(Audited)
	JD	JD	JD	JD	JD	JD
Current accounts and demand deposits	-	-	41,561,453	132,426,724	41,561,453	132,426,724
Deposits maturing within 3 months or less	85,000,000	-	64,423,111	3,580,650	149,423,111	3,580,650
Gross Balance	85,000,000	-	105,984,564	136,007,374	190,984,564	136,007,374
Less: Expected credit loss	(428)	-	(8,645)	(5,194)	(9,073)	(5,194)
Net Balance	84,999,572	-	105,975,919	136,002,180	190,975,491	136,002,180

- Non-interest-bearing balances at banks and financial institutions amounted to JD 32,768,641 as of September 30, 2022 (JD 60,085,908 as of December 31, 2021).
- Restricted balances at banks and financial institutions amounted to JD 3,756,306 as of September 30, 2022 (JD 3,740,876 as of December 31, 2021).
- The balances of banks and financial institutions are classified within the first and third phase in accordance with the requirements of IFRS No.9 and there are no transfers between the (first, second and third) stages or non-existent balances during the period ending September 30, 2022.

7. Deposits with banks and financial institutions-Net

This item consists of the following:

	Local Banks and Financial Institutions		Foreign Banks and Financial Institutions		Total	
	September 30, 2022	December 31, 2021	September 30, 2022	December 31, 2021	September 30, 2022	December 31, 2021
	(Reviewed Not Audited)	(Audited)	(Reviewed Not Audited)	(Audited)	(Reviewed Not Audited)	(Audited)
	JD	JD	JD	JD	JD	JD
Deposits maturing within 3 to 6 months	-	-	-	282,000	-	282,000
Deposits maturing within 6 to 9 months	15,000,000	-	470,000	-	15,470,000	-
Deposits maturing within 9 months to 1 year	-	45,000,000	235,000	-	235,000	45,000,000
Deposits maturing in more than 1 year	-	44,000,000	-	-	-	44,000,000
Gross Balance	15,000,000	89,000,000	705,000	282,000	15,705,000	89,282,000
Less: Expected credit loss	(16,820)	(32,507)	(40)	(16)	(16,860)	(32,523)
Net Balance	14,983,180	88,967,493	704,960	281,984	15,688,140	89,249,477

- The balances of banks and financial institutions are classified within the first and third phase in accordance with the requirements of IFRS No.9 and there are no transfers between the (first, second and third) stages or non-existent balances during the period ending September 30, 2022.
- There are no restricted deposits as of September 30, 2022 and December 31, 2021.

8. Direct Credit Facilities at Amortized Cost-Net

This item consists of the following:

	September 30, 2022 (Reviewed Not Audited)	December 31, 2021 (Audited)
	JD	JD
Individual (Retail Customers):	605,955,574	596,242,926
Overdraft accounts	15,512,291	15,491,270
Loans and discounted bills*	558,398,550	551,973,514
Credit cards	32,044,733	28,778,142
Real estate loans	279,457,000	273,211,954
Corporate:	636,545,163	582,433,426
Large corporate customers	403,589,419	323,849,300
Overdraft accounts	36,379,876	36,336,526
Loans and discounted bills*	367,209,543	287,512,774
SMEs	232,955,744	258,584,126
Overdraft accounts	50,739,055	51,616,408
Loans and discounted bills*	182,216,689	206,967,718
Government and public sector	232,788,340	206,297,647
Total	1,754,746,077	1,658,185,953
Less: provision for expected credit loss	(160,616,405)	(158,630,986)
Less: Interest in suspense	(14,785,727)	(13,440,274)
Net Direct Credit Facilities at amortized cost	1,579,343,945	1,486,114,693

- * Net of interest and commission received in advance amounting to JD 13,631,729 as of September 30, 2022 (JD 14,591,914 as of December 31, 2021).
- Non-performing credit facilities amounted to JD 143,765,474 representing 8,2% of the direct credit facilities balance as of September 30, 2022 (JD 144,312,640 representing 8,7%) as of December 31, 2021).
- Non-performing credit facilities after deducting the suspended interest amounted to JD 128,979,747 representing 7,4% of direct credit facilities after deducting the suspended interest as of September 30, 2022 (JD 130,872,366 representing 8,0% as of December 31, 2021).
- Credit facilities granted to and guaranteed by the Jordanian Government amounted to JD 9,029,107 representing 0,51% of total direct credit facilities as of September 30, 2022 (JD 2,528,026 representing 0,15% as of December 31, 2021), Moreover, credit facilities granted to the public sector in Palestine amounted to JD 48,794,629 as of September 30, 2022 (JD 62,344,097 as of December 31, 2021), Facilities granted to foreign governments amounted to JD 28,305,180 as of September 30, 2022 (JD 24,785,586 as of December 31, 2021).

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

For the period ended September 30, 2022 (Reviewed Not Audited)

Item	Stage One		Stage Two		Stage Three		Total
	Individual Level	Collective Level	Individual Level	Collective Level	Individual Level	Collective Level	
	JD	JD	JD	JD	JD	JD	
Balance at the beginning of the year	611,018,680	760,840,231	112,095,288	29,919,114	144,312,640	1,658,185,953	
New facilities During the period	150,645,112	135,280,048	752,196	761,443	2,928,322	290,367,121	
Facilities settled	(78,676,130)	(109,893,308)	(11,765,168)	(1,887,733)	(6,268,164)	(208,490,503)	
Transfer to Stage One	682,987,662	786,226,971	101,082,316	28,792,824	140,972,798	1,740,062,571	
Transfer to Stage Two	26,605,203	17,231,245	(26,448,739)	(14,992,703)	(2,395,006)	-	
Transfer to Stage Three	(24,743,749)	(23,050,581)	26,625,299	24,364,782	(3,195,751)	-	
Transfer to Stage Three	(797,352)	(2,365,758)	(3,253,248)	(2,165,594)	8,581,952	-	
Effect as a result of classification changes between the three stages during the period	(5,002,326)	(1,378,769)	(1,606,462)	(749,118)	370,620	(8,366,055)	
Changes due to adjustments	38,670,026	(3,099,867)	(10,040,503)	(244,641)	174,240	25,459,255	
Written off facilities and transferred to off condensed consolidated financial position items	-	-	-	-	(164,140)	(164,140)	
Adjustment due to exchange rates fluctuations	(1,528,061)	(56,543)	(81,711)	-	(579,239)	(2,245,554)	
Balance at the end of the Period	716,191,403	773,506,698	86,276,952	35,005,550	143,765,474	1,754,746,077	

For the year ended December 31, 2021 (Audited)

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

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

For the period ended September 30, 2022 (Reviewed Not Audited)

Item	Stage One		Stage Two		Stage Three		Total
	Individual Level	Collective Level	Individual Level	Collective Level	Individual Level	Collective Level	
Balance at the beginning of the year	572,036	1,090,081	28,680,240	3,330,053	124,958,576	158,630,986	
Credit loss on new balances during the period	210,272	222,161	4,716,220	14,207	3,704,356	8,867,216	
Expected credit loss reversal on matured facilities	(71,781)	(182,168)	(93,499)	(1,511,876)	(5,794,697)	(7,654,021)	
Transfer to Stage One	710,527	1,130,074	33,302,961	1,832,384	122,868,235	159,844,181	
Transfer to Stage Two	235,120	1,673,902	(83,695)	(107,236)	(1,718,091)	-	
Transfer to Stage Three	(17,678)	(33,716)	1,622,679	884,474	(2,455,759)	-	
	(529)	(4,039)	(39,505)	(20,479)	64,552	-	
Effect on the provision at the end of the year as a result of classification changes between the	(175,145)	(1,652,386)	(1,552,027)	(696,627)	3,377,121	(699,064)	
Changes due to the adjustments	174,028	(2,199)	2,233,137	(1,278)	(353,277)	2,050,411	
Written off facilities transferred to off condensed consolidated financial position items	-	-	-	-	(63,155)	(63,155)	
Adjustment due to exchange rates fluctuations	(2,662)	(477)	(1,489)	-	(511,340)	(515,968)	
Balance at the End of the period	923,661	1,111,159	35,482,061	1,891,238	121,208,286	160,616,405	

For the year ended December 31, 2021 (Audited)

Item	Stage One		Stage Two		Stage Three		Total
	Individual Level	Collective Level	Individual Level	Collective Level	Individual Level	Collective Level	
Balance at the beginning of the year	1,804,197	3,718,047	10,368,829	5,452,368	120,382,114	141,725,555	
Credit loss on new balances during the year	136,948	200,729	12,588,339	13,322	5,709,598	18,648,936	
Expected credit loss reversal of matured facilities	(249,684)	(306,114)	(251,787)	(2,213,907)	(9,428,982)	(12,450,474)	
Transferred to Stage One	1,691,461	3,612,662	22,705,381	3,251,783	116,662,730	147,924,017	
Transferred to Stage Two	199,284	1,132,147	(72,544)	(62,581)	(1,196,306)	-	
Transferred to Stage Three	(289,167)	(128,354)	290,116	683,557	(556,152)	-	
Effect on the allowance at the end of the year as a result of classification changes between the	(15,283)	(49,013)	(12,626)	(23,559)	100,481	-	
three stages during the year	(185,956)	(1,120,994)	5,990,318	(509,293)	11,717,126	15,891,201	
Changes due to the adjustments	(820,656)	(2,354,884)	(199,320)	(8,824)	(1,108,507)	(4,492,191)	
Written off- Balances	-	-	-	-	(86,312)	(86,312)	
Adjustment due to exchange rates fluctuations	(7,647)	(1,483)	(21,085)	(1,030)	(574,484)	(605,729)	
Balance at the End of the Year	572,036	1,090,081	28,680,240	3,330,053	124,958,576	158,630,986	

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

For the period ended September 30, 2022 (Reviewed not Audited)	Corporates				Government and Public sector	Total
	Individual	Real Estate Loans	Large Corporate	SMEs		
	JD	JD	JD	JD		
Balance at the beginning of the year	44,206,303	9,037,978	66,446,361	38,768,162	172,182	158,630,986
Impairment loss of new facilities during the period	2,296,506	697,099	1,622,398	4,166,110	85,103	8,867,216
Reversed from impairment loss of the settled balances	(3,167,728)	(928,087)	(810,775)	(2,743,963)	(3,468)	(7,654,021)
	43,335,081	8,806,990	67,257,984	40,190,309	253,817	159,844,181
Effect on the provision at the end of the period as a result of classification	852,688	(1,155,919)	(120,545)	(275,288)	-	(699,064)
Changes due to the adjustments	(2,000)	146,469	1,921,234	52,170	(67,462)	2,050,411
Written-off balances transferred to off condensed consolidated financial position items	(61,627)	-	-	(1,528)	-	(63,155)
Adjustment due to exchange rates fluctuations	(3,921)	(1,876)	(150,161)	(360,010)	-	(515,968)
Balance at the End of the period	44,120,221	7,795,664	68,908,512	39,605,653	186,355	160,616,405

Distributed as follow:

Provision on individual level	147,634	857,730	68,822,354	39,277,082	186,355	109,291,155
Provision on collective level	43,972,587	6,937,934	86,158	328,571	-	51,325,250
Balance at the End of the Period	44,120,221	7,795,664	68,908,512	39,605,653	186,355	160,616,405

For the year ended December 31, 2021 (Audited)	Corporates				Government and Public sector	Total
	Individual	Real Estate Loans	Large Corporate	SMEs		
	JD	JD	JD	JD		
Balance – Beginning of the year	44,619,633	10,087,652	53,891,144	32,789,039	338,087	141,725,555
Impairment loss of new facilities during the year	2,623,381	1,324,385	7,052,057	7,610,359	38,754	18,648,936
Reversed from impairment loss of the (settled) balances	(4,516,000)	(2,116,416)	(1,511,840)	(4,232,206)	(74,012)	(12,450,474)
	42,727,014	9,295,621	59,431,361	36,167,192	302,829	147,924,017
Effect on the allowance at the end of the year as a result of classification						
changes between the three stages during the year	3,522,570	176,107	9,101,545	3,090,979	-	15,891,201
Changes due to the adjustments	(1,943,559)	(416,494)	(1,531,113)	(470,378)	(130,647)	(4,492,191)
Written-off balances transferred to off condensed consolidated financial position items	(84,036)	-	-	(2,276)	-	(86,312)
Adjustment due to exchange rates fluctuations	(15,686)	(17,256)	(555,432)	(17,355)	-	(605,729)
Balance at the End of the Year	44,206,303	9,037,978	66,446,361	38,768,162	172,182	158,630,986

Distributed as follow:

Allowance on individual level	166,180	1,043,999	66,347,935	38,365,526	172,182	106,095,822
Allowance on collective level	44,040,123	7,993,979	98,426	402,636	-	52,535,164
Balance at the End of the Year	44,206,303	9,037,978	66,446,361	38,768,162	172,182	158,630,986

Interest in Suspense:

The following is the movement on the interest in suspense:

Corporates

	Individual		Real Estate Loans		Large Corporate Customers		SMEs		Total	
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
For the period ended September 30, 2022 (Reviewed not Audited)										
Balance at the Beginning of the Year	2,280,404	2,013,231	3,598,390	5,548,249	13,440,274					
<u>Add</u> : Interest suspended during the Period	226,717	418,310	908,852	775,784	2,329,663					
<u>Less</u> : Interest in suspense reversed to revenue	(136,334)	(262,667)	(103,835)	(373,179)	(876,015)					
Adjustments as a result for translation differences	(6,760)	(1,369)	(28,726)	(70,116)	(106,971)					
Written off facilities transferred to off consolidated condensed interim statement of financial position items	(1,224)	-	-	-	(1,224)					
Balance at the End of the Period	2,362,803	2,167,505	4,374,681	5,880,738	14,785,727					

Corporates

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

9. Financial Assets at Amortized Cost - Net

This item consists of the following:

	September 30, (Reviewed Not Audited)	December 31, 2021 (Audited)
	JD	JD
Quoted Financial Assets		
Governmental treasury bonds	166,791,393	255,888,018
Banks and corporates bonds	32,638,617	37,752,732
Foreign governments treasury bonds	17,529,644	28,977,281
Total quoted financial assets	216,959,654	322,618,031
Unquoted Financial Assets		
Corporate bonds	41,307,000	56,307,000
Foreign governments treasury bills	1,437,532	5,382,169
Total unquoted financial assets	42,744,532	61,689,169
Gross financial assets at amortized cost	259,704,186	384,307,200
<u>Less:</u> Provision for expected credit losses	(368,901)	(477,080)
Net financial assets at amortized cost	259,335,285	383,830,120

Analysis of bonds and treasury bills

	September 30, (Reviewed Not Audited)	December 31, 2021 (Audited)
	JD	JD
Financial Assets with Fixed rate	254,704,186	379,307,200
Financial Assets with Variable Rate	5,000,000	5,000,000
	259,704,186	384,307,200

10. Property and Equipment

This item consists of the following:

	September 30, 2022 (Reviewed Not Audited)	December 31, 2021 (Audited)
	JD	JD
Property and equipment (A)	40,516,173	43,204,282
Right of use assets (B)	18,099,568	16,459,704
Net as of September 30, 2022	<u>58,615,741</u>	<u>59,663,986</u>

- a. Additions to property and equipment during the period ended September 30, 2022 amounted to JD 1,756,368 (JD 3,840,563 during the period ended September 30, 2021); Depreciation expense for the period amounted to JD 4,310,617 September 30, 2022 (JD 4,188,873) for the period ended September 30, 2021).
- b. Additions to right of use during the period ended September 30, 2022 amounted to 4,397,847 (JD 2,507,215) during the period ended September 30, 2021); Depreciation expense for the period amounted to JD 2,723,734 September 30, 2022 (JD 2,506,813) for the period ended September 30, 2021).

11. Other Assets

This item consists of the following:

	September 30, 2022 (Reviewed Not Audited)	December 31, 2021 (Audited)
	JD	JD
Accrued interest income	10,317,407	11,262,031
Prepaid expenses	4,997,172	3,374,186
Assets seized by the Bank in repayment of non-performing debts*	63,942,541	63,410,703
Clearance cheques	1,317,683	994,110
Advance payments on the acquisition of land and real estate	2,279,625	2,094,650
Paid margins	247,694	244,132
Prepaid tax	4,538,074	6,463,301
Financial derivatives	207,252	-
Accounts receivables and other debit balances	4,441,790	5,499,070
	<u>92,289,238</u>	<u>93,342,183</u>

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

	Seized Assets	
	For the Nine- Month Period Ended September 30, 2022 (Reviewed Not Audited)	For the Year Ended December 31, 2021 (Audited)
	JD	JD
Balance at the Beginning of the Year	73,140,691	68,067,305
Additions	3,916,356	7,641,983
Disposals	(1,812,749)	(2,568,597)
End of the period/year balance	<u>75,244,298</u>	<u>73,140,691</u>
Impairment provision of assets seized by the Bank	(11,301,757)	(9,729,988)
End of the period/year balance	<u>63,942,541</u>	<u>63,410,703</u>

12. Income Tax

a. Income tax provision

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

	September 30, 2022 (Reviewed Not Audited)	December 31, 2021 (Audited)
	JD	JD
Balance - Beginning of the Period / Year	20,055,494	19,881,866
Income tax paid	(19,364,047)	(18,161,428)
Accrued Income tax	14,988,487	18,335,056
Balance - End of the Period / Year	15,679,934	20,055,494

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

	For the Nine-Month Period Ended on September 30,	
	2022 (Reviewed Not Audited)	2021 (Audited)
	JD	JD
Income tax on profit for the period	14,988,487	14,681,590
Income tax on prior periods profit	121,688	-
Deferred tax assets for the periods profit	(2,982,112)	(6,445,051)
Amortization of deferred tax assets	2,084,831	3,571,060
	14,212,894	11,807,599

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

- A final settlement was reached with the Income and Sales Tax Department in Jordan up to and 2021 the end of 2018, and the bank submitted its annual tax returns for the years 2019, 2020, 2021 and paid the required amounts according to the law, however no final settlement was reached with the Income and Sales Tax Department for those years yet. In the opinion of management and its legal and tax advisors, the bank will not have any obligations in excess of the provisions that were booked in the condensed consolidated interim financial information.
- A final settlement was reached with the Income tax and VAT departments on the results of the bank's operations in Palestine until the end of the year 2020 and 2021. In the opinion of management and its tax advisor current booked provisions are sufficient to pay the tax obligations.
- A final settlement was reached with the Income and Sales Tax Department in Jordan with regard to Excel for Financial Investments Company (Subsidiary) until the end of year 2019. The company submitted its tax return for the years 2020, 2021 and paid related taxes but still not reviewed by the Income and Sales Tax Department Yet, In the opinion of management and its tax advisor current booked provisions are sufficient to pay the tax obligations.
- A final settlement was reached with the Income and Sales Tax Department in Jordan with regard to Jordan Leasing Company (Subsidiary) until the end of year 2019, the company submitted its tax return for the years 2018, 2020, 2021, and paid related taxes but still not reviewed by the Income and Sales Tax Department Yet, In the opinion of management and its tax advisor current booked provisions are sufficient to pay the tax obligations.
- The Bank calculated the accrued income tax for the year ended September 30, 2022 for the Bank and its subsidiary Companies and external branches. In the opinion of the management and its tax consultant, the balance is sufficient to meet the tax commitments as of that date.

13. Borrowed Funds

The details of this item are as follows:

September 30, 2022 (Reviewed Not Audited)	Amount	Number of Installments		Periodic Installments Maturity	Collaterals	Price of Borrowing Interest
		In Total	The Remaining			
	JD					
Borrowing from the Central Bank of Jordan *	29,449,807	24-108	3-60	Monthly	Treasury Bonds and Bills Assigning	Zero-1%
Borrowing from Jordan Mortgage Refinance Company **	15,000,000	1	1	One payment	Mortgage bonds for the company	4.15%
Lease Liabilities ***	17,258,398	928	490	Annually	None	5.52%
Total	61,708,205					

December 31, 2021 (Audited)	Amount	Number of Installments		Periodic Installments Maturity	Collaterals	Price of Borrowing Interest
		In Total	The Remaining			
	JD					
Borrowing from the Central Bank of Jordan*	41,560,368	24-108	3-66	Monthly	Treasury Bonds and bills Assigning	Zero -1%
Borrowing from Jordan mortgage Refinance Company	15,000,000	1	1	One payment	mortgage bounds for the company	4.15%
Lease liabilities ***	15,578,959	838	482	Annually	None	Average 5.75%
Total	72,139,327					

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

- This balance is borrowed at a fixed interest rate, and there is no borrowing at floating interest rates, zero interest borrowings related to loans issued by the Central Bank of Jordan amounted to 19,557,070 as of September 30, 2022 (JD 30,177,593 as of December 31, 2021).

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

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

	September 30, 2022 (Reviewed Not Audited)	December 31, 2021 (Audited)
	JD	JD
Maturity analysis - undiscounted contractual cash flows		
Less than one year	3,307,655	3,424,483
Year to five years	12,012,289	10,700,014
More than five years	7,894,800	6,595,172
Total undiscounted lease obligations	23,214,744	20,719,669
Discounted lease obligations included in the consolidated condensed interim statement of financial position	17,258,398	15,578,959
Within one year	2,203,568	2,615,263
More than one year	15,054,830	12,963,696

14. Other Liabilities

The details of this item are as follows:

	September 30, 2022 (Reviewed Not Audited)	December 31, 2021 (Audited)
	JD	JD
Accrued interest payable	5,804,752	3,181,123
Accepted deferred cheques	10,340,548	9,781,208
Temporary deposits	5,709,960	7,756,932
Dividends payable	2,836,439	2,605,617
Safe boxes on deposits	174,503	174,455
Margins against sold real estate	187,349	65,000
Financial derivatives	-	5,448
Expected credit loss provision against indirect credit facilities *	8,035,338	7,694,926
Other liabilities	9,005,287	10,986,284
	42,094,176	42,250,993

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

As of September 30, 2022 (Reviewed not Audited)

Item	Stage One		Stage Two		Stage Three	Total
	Individual JD	Collective JD	Individual JD	Collective JD	JD	JD
Balance at the Beginning of the year	352,723,215	63,088,221	28,348,138	726,223	10,980,895	455,866,692
New exposure during the period	45,662,137	25,195,035	476,269	70,124	2,034	71,405,599
Accrued exposure	(68,561,179)	(11,645,731)	(3,557,256)	(118,870)	(167,297)	(84,050,333)
	329,824,173	76,637,525	25,267,151	677,477	10,815,632	443,221,958
Transferred to stage one	11,289,104	394,908	(11,287,104)	(394,908)	(2,000)	-
Transferred to stage two	(17,489,382)	(617,672)	17,525,282	617,672	(35,900)	-
Transferred to stage three	(60,839)	(101,760)	(340,483)	(53,020)	556,102	-
The effect of changes in classification between the three stages during the period	122,159	329,541	(14,012,031)	(106,034)	(535,453)	(14,201,818)
Changes resulting from modification	(7,106,927)	56,973	524,799	-	-	(6,525,155)
Written -off facilities	-	-	-	-	-	-
Adjustments due to exchange rates fluctuations	(640,868)	-	(189,795)	-	(15,553)	(846,216)
Balance at the End of the period	315,937,420	76,699,515	17,487,819	741,187	10,782,828	421,648,769

As of December 31, 2021 (Audited)

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

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

As of September 30, 2022 (Reviewed not Audited)

Item	Stage One		Stage Two		Stage Three	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD		
Balance at the Beginning of the year	322,299	116,345	236,313	6,274	7,013,695	7,694,926
Credit loss on new exposures during the Period	58,180	46,469	12,022	604	81,740	199,015
Credit loss over accrued exposures	(79,076)	(21,492)	(56,197)	(1,027)	-	(157,792)
	301,403	141,322	192,138	5,851	7,095,435	7,736,149
Transferred to stage one	57,579	3,409	(57,579)	(3,409)	-	-
Transferred to stage two	(13,212)	(1,138)	13,212	1,138	-	-
Transferred to stage three	(31)	(187)	(5,477)	(459)	6,154	-
Effect on the provision at the end of the period – as a result of classification changes between the three stages during the period	(28,188)	(2,074)	33,969	3,279	7,680	14,666
Changes due to the adjustments	98,830	12	198,666	-	-	297,508
Adjustments due to exchange rates Fluctuations	(146)	-	(398)	-	(12,441)	(12,985)
Balance at the End of the Period	416,235	141,344	374,531	6,400	7,096,828	8,035,338

As of December 31, 2021 (Audited)

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

15. Expected Credit Loss on Financial Assets

The details of this item are as follows:

	For the Nine-Month Period Ended September 30,	
	2022	2021
	(Reviewed Not Audited)	
	JD	JD
Cash at central banks	(5,491)	33,666
Balances at banks and financial institutions	4,728	2,982
Deposits at banks and financial institutions	(15,661)	(7,337)
Financial assets at fair value through other comprehensive income – debt securities	-	(212,204)
Direct credit facilities at amortized cost	2,564,542	13,612,067
Financial assets at amortized cost	(108,179)	(268,600)
Off balance sheet items	353,397	(1,148,483)
	<u>2,793,336</u>	<u>12,012,091</u>

16. Earnings per Share from Profit for the Period

The details of this item are as follows:

	For the Nine-Month Period Ended September 30,	
	2022	2021
	(Reviewed Not Audited)	
	JD	JD
Profit for the period (Bank's shareholders)	28,669,967	27,198,793
Weighted average number of shares	200,000,000	200,000,000
Net income for the period/share (Bank's shareholders): Diluted / Basic	0.143	0.136

	For the Three-Month Period Ended September 30,	
	2022	2021
	(Reviewed Not Audited)	
	JD	JD
Profit for the period (Bank's shareholders)	11,829,438	11,007,969
Weighted average number of shares	200,000,000	200,000,000
Net income for the period/share (Bank's shareholders): Diluted / Basic	0.059	0.055

- The weighted average number of shares per share of the basic and diluted profit attributable to the Bank's shareholders was calculated based on the number of shares authorized for the three and nine months for the period ended September 30, 2022 and 2021.

17. Cash and Cash Equivalents

The details of this item are as follows:

	As of September 30,	
	2022	2021
	(Reviewed Not Audited)	
	JD	JD
Cash and balances with central banks maturing within 3 months	486,803,705	326,819,090
<u>Add</u> : Balances with banks and other financial institutions maturing within 3 months	190,984,564	149,740,397
<u>Less</u> : Banks and financial institutions' deposits maturing within 3 months	(56,736,485)	(17,377,480)
Restricted balances	(99,342,099)	(99,123,037)
	<u>521,709,685</u>	<u>360,058,970</u>

18. Capital Management

Capital Components:

- Paid-up Capital:

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

- Regulatory Capital:

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

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

Regulatory Authorities' Requirements:

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

Achieving the Objectives of Capital Management:

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

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

	September 30, 2022 (Reviewed not Audited)	December 31, 2021 (Audited)
	JD	JD
<u>Regulatory capital for ordinary shares holders (CETI):</u>		
Authorized Capital (Paid)	200,000	200,000
Statutory reserve	104,354	104,363
Voluntary reserve	41	49
Other reserves	5,850	5,850
Fair value reserve	(3,470)	(3,979)
Retained earnings	138,672	138,779
Profit for the period	1,965	-
Minority interest in the capital of subsidiaries	5,255	4,491
<u>Less: Regulatory capital adjustments</u>	(45,996)	(45,579)
Total Primary Capital for ordinary shareholders (CETI)	406,671	403,974
<u>Additional Capital Items</u>		
Expected credit loss against debt instruments included in (Stage 1) not exceeding 1.25% of total risk weighted assets	3,092	2,441
General banking risk reserve	4,102	4,102
Total additional capital	7,194	6,543
Total regulatory capital	413,865	410,517
Total risk weighted assets	2,099,371	2,137,711
Capital adequacy ratio (%)	19.71%	19.20%
Regulatory capital for ordinary shareholders (CETI) (%)	19.37%	18.90%
Capital adequacy for first Tier (%)	19.37%	18.90%

b. liquidity Coverage Ratio:

The average liquidity coverage ratio reached 187.2% For the period ended September 30, 2022 (196.7% as of December 31, 2021), as to the liquidity coverage ratio it reached 215.2% as of September 30, 2022 (195.1% as of December 31, 2021).

19. Information on the Bank's Business Segments

1. The Bank's business segments are:

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

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

1. Information about the Bank business segments distributed in accordance with the activities is as follows:

	Total										
	For the three Months ended September 30,										
	2022					2021					
	Individual		Corporation		Treasury		Financial Brokerage		Other		
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	
Total Revenue	45,511,903	39,217,171	18,114,132	177,172	3,171,617	106,191,995	103,596,196				
Additions released from expected credit loss	(4,086,104)	1,202,501	89,750	517	-	(2,793,336)	(12,012,091)				
Segments operations results	41,425,799	40,419,672	18,203,882	177,689	3,171,617	103,398,659	91,584,105				
Other expenses	(36,437,626)	(13,848,027)	(1,966,349)	(117,322)	(7,851,580)	(60,220,904)	(52,410,388)				
Profit before tax	4,988,173	26,571,646	16,237,533	60,367	(4,679,964)	43,177,755	39,173,717				
Income tax	(1,210,950)	(8,054,517)	(4,905,275)	(38,234)	(3,918)	(14,212,894)	(11,807,599)				
Net profit for the period	3,777,223	18,517,129	11,332,258	22,133	(4,683,882)	28,964,861	27,366,118				
Other information											
Capital Expenditures	816,152	90,505	-	-	849,711	1,756,368	3,840,563				
Depreciation and amortization	4,473,006	152,673	12,935	13,009	3,458,610	8,110,233	7,801,580				
Total Assets	828,023,928	772,573,088	1,047,811,938	2,476,519	153,361,425	2,804,246,898	2,740,204,448				
Total Liabilities	1,774,871,583	383,033,921	121,753,545	408,135	44,714,041	2,324,781,225	2,254,139,472				
						September 30, 2022	December 31, 2021				
						(Reviewed not Audited)	(Audited)				
						JD	JD				

2. Information about Geographical Distribution:

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

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

	Inside the Kingdom		Outside the Kingdom		Total	
	September 30,		September 30,		September 30,	
	2022	2021	2022	2021	2022	2021
	(Reviewed Not Audited)		(Reviewed Not Audited)		(Reviewed Not Audited)	
	JD	JD	JD	JD	JD	JD
Total Revenue	99,520,676	93,597,602	26,910,390	26,446,197	126,431,066	120,043,799
Capital Expenditures	965,540	2,597,326	790,829	1,243,237	1,756,368	3,840,563

	Inside the Kingdom		Outside the Kingdom		Total	
	September 30, 2022	December 31, 2021	September 30, 2022	December 31, 2021	September 30, 2022	December 31, 2021
	(Reviewed Not Audited)	(Audited)	(Reviewed Not Audited)	(Audited)	(Reviewed Not Audited)	(Audited)
	JD	JD	JD	JD	JD	JD
Total Assets	2,016,877,038	1,854,549,551	787,369,860	885,654,897	2,804,246,898	2,740,204,448

21. Fair Value Hierarchy

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

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

Financial Assets/Financial Liabilities	Fair Value		The Level of Fair Value	Evaluation Method and Inputs Used	Important Intangible Inputs	The Relationship Between Fair Value and the Important Intangible Inputs
	September 30, 2022 (Reviewed Not Audited)	December 31, 2021 (Audited)				
Financial Assets at Fair Value	JD	JD				
Financial Assets at Fair Value Through Profit or Loss						
Shares that have an available market price	95,818	100,384	Level One	Quoted Rates in financial markets	Does Not Apply	Does Not Apply
Shares that do not have an available market price	226,833	134,039	Level Two	Financial Statements issued by companies		
Right to receive at fair value	15,000,000	15,000,000	Level One	Determined price	Does Not Apply	Does Not Apply
Total	15,322,651	15,234,423				
Financial Assets at Fair Value through Other Comprehensive Income						
Shares that have available market price	13,845,147	12,770,304	Level One	Quoted Rates in financial markets	Does Not Apply	Does Not Apply
Shares that do not have available market price	2,883,360	3,740,266	Level Two	Financial Statements issued	Does Not Apply	Does Not Apply
Shares that do not have available market price	45,652,657	45,652,657	Level Three	Evaluation methods using inputs that are not dependent on available market information	Apply	Apply
Total	62,381,164	62,163,227				
Forward Contracts (Foreign Currency)	207,252	-	Level One	Quoted Rates in financial markets	Does Not Apply	Does Not Apply
Total	207,252	-				
Total Financial Assets at Fair Value	77,911,067	77,397,650				
Financial Liabilities at Fair Value:						
Forward contracts foreign currency	-	5,448	Level One	Quoted Rates in financial markets	Not applicable	Not applicable
Total	-	5,448				

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

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

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

	September 30, 2022		December 31, 2021		The Level of Fair Value
	Book Value	Fair Value	Book Value	Fair Value	
	(Reviewed Not Audited)	(Reviewed Not Audited)	(Audited)	(Audited)	
Financial Assets of non-specified Fair Value					
Balances at central banks -net	422,882,197	422,968,595	300,376,491	300,394,025	Level Two
Balances at banks and financial institutions - net	190,984,564	193,416,813	136,007,374	136,023,062	Level Two
Deposits at banks and financial institutions - net	15,705,000	16,662,506	89,282,000	91,248,723	Level Two
Direct Credit Facilities -net	1,575,636,897	1,580,327,611	1,525,963,607	1,530,179,712	Level Two
Financial assets at amortized cost - net	259,704,186	261,527,682	384,307,200	389,041,218	Level Two
Total Financial Assets of non-specified Fair Value	2,464,912,844	2,474,903,207	2,435,936,672	2,446,886,740	
Financial Liabilities of non-specified Fair Value					
Deposits at banks and financial institutions	96,971,485	97,222,749	93,795,838	93,936,470	Level Two
Customers' deposits	1,996,325,896	2,001,697,153	1,908,030,640	1,911,068,332	Level Two
Cash insurance	107,254,912	107,282,996	112,659,076	112,656,644	Level Two
Total Financial Liabilities of Non-specified Fair Value	2,200,552,293	2,206,202,898	2,114,485,554	2,117,661,446	

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

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

	September 30,		December 31, 2021		The Level of Fair Value
	(Reviewed Not Audited)	(Reviewed Not Audited)	(Audited)	(Audited)	
	Book Value	Fair Value	Book Value	Fair Value	
	JD	JD	JD	JD	
Other assets	75,244,298	119,875,901	73,140,691	117,944,684	Level Two
	75,244,298	119,875,901	73,140,691	117,944,684	

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

22. Commitments and Contingent Liabilities

a. Contingent Liabilities:

	September 30, 2022 (Reviewed Not Audited)	December 31, 2021 (Audited)
	JD	JD
Letters of credit includes:	22,088,163	26,587,459
Acceptances	14,208,392	13,942,004
Letters of guarantee:		
Payment	28,548,434	31,586,467
Performance	31,608,079	39,616,438
Other	21,169,545	24,150,826
Unutilized direct and indirect facilities limits at an amortized cost	304,026,156	319,983,498
Total	421,648,769	455,866,692

- The provision for expected credit losses on off-balance sheet items (unfunded) amounted to JD 8,035,338 as of September 30, 2022 (JD 7,694,926 as of December 31, 2021).

b. Contractual Obligations:

	September 30, 2022 (Reviewed Not Audited)	December 31, 2021 (Audited)
	JD	JD
Contracts for purchasing of property and equipment*	263,273	440,636
Contracts for operating and financing lease**	17,258,398	15,578,959
Total	17,521,671	16,019,595

* These commitments mature in less than 1 year.

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

c. Lawsuits Raised Against the Bank

The Bank is a defendant in lawsuits demanding cancellation of the Bank's claims against others, lifting of real estate mortgages, compensation for damages, and non-cashing of cheques. These lawsuits amounted to JD9,265,010 as of September 30, 2022 (JD 8,993,404 as of December 31, 2021). In the opinion of the management and legal counsel, no material financial liability is likely to be incurred as a result of these lawsuits in excess of provision recorded which amounted to JD 699,258 as of September 30, 2022 (JD 764,385 as of December 31, 2021). However, amounts that will probably be paid by the Bank as a result of dismissal or amicable settlement of these lawsuits will be taken to the consolidated Statement of profit or loss or against the recorded provision when paid.