

**JORDAN COMMERCIAL BANK**

**(PUBLIC SHAREHOLDING LIMITED COMPANY)**

**INTERIM CONDENSED FINANCIAL STATEMENTS (REVIEWED NOT AUDITED)**

**30 SEPTEMBER 2024**

**REPORT ON REVIEW OF THE INTERIM CONDENSED FINANCIAL STATEMENTS  
TO THE BOARD OF DIRECTORS OF JORDAN COMMERCIAL BANK  
AMMAN – JORDAN**

**Introduction**

We have reviewed the accompanying interim condensed financial statements of Jordan Commercial Bank (a Public Shareholding Limited Company) (the “Bank”) as at 30 September 2024, comprising the interim condensed statement of financial position as at 30 September 2024 and the related interim condensed income statement, interim condensed statement of comprehensive income, interim condensed statement of changes in equity, and interim condensed statement of cash flows for the nine months then ended and explanatory notes. The management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with the basis of preparation as disclosed in note (2-1) to the interim condensed financial statements. Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

**Scope of review**

We conducted our review in accordance with the International Standard on Review Engagements (2410), “Review of Interim Financial Information Performed by the Independent Auditor of the Entity.” A review of 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 interim condensed financial statements are not prepared, in all material respects, in accordance with the basis of preparation as disclosed in note (2-1) to the interim condensed financial statements.

**JORDAN COMMERCIAL BANK**  
**(PUBLIC SHAREHOLDING LIMITED COMPANY)**  
**INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2024**

	Notes	30 September 2024 JD (Reviewed not audited)	31 December 2023 JD (Audited)
<b><u>ASSETS</u></b>			
Cash and balances at central bank of Jordan	4	82,137,840	68,319,687
Balances and deposits at banks and financial institutions, net	5	55,705,560	68,716,784
Direct credit facilities, net	6	757,490,058	732,427,089
Financial assets at fair value through income statement	7	1,485,910	1,372,783
Financial assets at fair value through other comprehensive income	8	50,397,752	50,322,563
Financial assets at amortized cost, net	9	333,965,435	343,210,421
Property and equipment, net		21,540,129	22,321,642
Intangible assets, net		2,681,132	2,858,126
Right-of-use assets		5,460,921	6,041,037
Deferred tax assets		9,888,987	10,551,901
Other assets	10	73,082,366	71,537,058
<b>Total Assets</b>		<b>1,393,836,090</b>	<b>1,377,679,091</b>
<b><u>LIABILITIES AND SHAREHOLDERS' EQUITY</u></b>			
<b>LIABILITIES</b>			
Banks' and financial institutions' deposits		47,274,598	48,428,024
Customers' deposits	11	982,106,602	967,495,655
Cash margins		42,630,785	40,213,578
Borrowed funds	12	93,303,321	91,667,450
Income tax provision	13/a	1,593,292	5,303,391
Sundry provisions	14	1,392,414	1,237,500
Deferred tax liabilities		691,869	698,411
Lease liabilities		5,318,008	5,800,708
Other liabilities	15	49,482,638	47,925,393
<b>Total Liabilities</b>		<b>1,223,793,527</b>	<b>1,208,770,110</b>
<b>SHAREHOLDERS' EQUITY</b>			
<b>BANK SHAREHOLDERS' EQUITY</b>			
Authorized and paid in capital		120,000,000	120,000,000
Statutory reserve	16	20,705,562	20,705,562
Fair value reserve, net	17	3,183,791	3,924,952
Retained earnings	18	18,268,179	24,278,467
Profit for the period		7,885,031	-
<b>Total Bank Shareholders' Equity</b>		<b>170,042,563</b>	<b>168,908,981</b>
<b>Total Liabilities and Shareholders' Equity</b>		<b>1,393,836,090</b>	<b>1,377,679,091</b>

The accompanying notes from 1 to 25 form part of these interim condensed financial statements

**JORDAN COMMERCIAL BANK**  
**(PUBLIC SHAREHOLDING LIMITED COMPANY)**  
**INTERIM CONDENSED INCOME STATEMENT**  
**FOR THE THREE AND NINE-MONTHS ENDED 30 SEPTEMBER 2024 (REVIEWED NOT AUDITED)**

	Notes	For the three months ended 30 September		For the nine months ended 30 September	
		2024	2023	2024	2023
		JD	JD	JD	JD
Interest income		23,772,086	23,083,518	70,377,481	68,403,448
Less: interest expense		(12,149,510)	(11,422,799)	(36,358,507)	(31,706,879)
<b>Net interest income</b>		<b>11,622,576</b>	<b>11,660,719</b>	<b>34,018,974</b>	<b>36,696,569</b>
Net commissions income		976,777	960,178	3,052,739	2,550,568
<b>Net interest and commissions income</b>		<b>12,599,353</b>	<b>12,620,897</b>	<b>37,071,713</b>	<b>39,247,137</b>
Gain from foreign currencies, net		590,269	332,809	1,162,047	982,339
Gains (losses) from financial assets at fair value through income statement		70,224	86,012	121,741	(92,208)
Dividends from financial assets at fair value through other comprehensive income	8	-	182,713	84,900	281,263
Other income		602,377	797,860	1,861,318	3,374,331
<b>Gross income</b>		<b>13,862,223</b>	<b>14,020,291</b>	<b>40,301,719</b>	<b>43,792,862</b>
Employees' expenses		4,023,726	3,765,166	12,300,094	11,639,169
Depreciation and amortization		1,035,854	1,067,555	3,057,415	2,904,066
Provision for expected credit losses, net	19	2,200,245	3,961,007	5,107,374	10,138,357
(Recovered from) provision for assets seized by the bank against due debts	10	(50,816)	67,055	(1,130,285)	(10,985)
Sundry provisions	14	154,320	68,228	265,323	391,412
Other expenses		3,345,826	2,779,017	9,260,470	8,470,768
<b>Total expenses</b>		<b>10,709,155</b>	<b>11,708,028</b>	<b>28,860,391</b>	<b>33,532,787</b>
<b>Profit for the period before income tax</b>		<b>3,153,068</b>	<b>2,312,263</b>	<b>11,441,328</b>	<b>10,260,075</b>
Income tax for the period	13/b	(1,210,374)	(541,140)	(3,556,297)	(3,096,361)
<b>Profit for the period</b>		<b>1,942,694</b>	<b>1,771,123</b>	<b>7,885,031</b>	<b>7,163,714</b>
<b>Earnings per share for the period attributable to the Bank's shareholders</b>		<b>JD/Fils</b>	<b>JD/Fils</b>	<b>JD/Fils</b>	<b>JD/Fils</b>
Basic and diluted		0/016	0/015	0/066	0/060

The accompanying notes from 1 to 25 form part of these interim condensed financial statements

**JORDAN COMMERCIAL BANK**  
**(PUBLIC SHAREHOLDING LIMITED COMPANY)**  
**INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE THREE AND NINE-MONTHS ENDED 30 SEPTEMBER 2024 (REVIEWED NOT AUDITED)**

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	For the three months ended 30 September		For the nine months ended 30 September	
	2024	2023	2024	2023
	JD	JD	JD	JD
<b>Profit for the period</b>	1,942,694	1,771,123	7,885,031	7,163,714
<u>Other comprehensive income items:</u>				
<b>Other comprehensive income items that will not be reclassified to the income statement in subsequent periods</b>				
Change in fair value reserve of financial assets through other comprehensive income after tax	(451,186)	286,517	(751,449)	1,729,147
<b>Total comprehensive income for the period</b>	<u>1,491,508</u>	<u>2,057,640</u>	<u>7,133,582</u>	<u>8,892,861</u>

The accompanying notes from 1 to 25 form part of these interim condensed financial statements

**JORDAN COMMERCIAL BANK**  
**(PUBLIC SHAREHOLDING LIMITED COMPANY)**  
**INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE NINE-MONTHS ENDED 30 SEPTEMBER 2024 (REVIEWED NOT AUDITED)**

	Authorized and paid in capital JD	Reserves		Retained earnings JD	Profit for the period JD	Total shareholders' equity JD
		Statutory JD	Fair value, net JD			
<b>For the nine months ended 30 September 2024</b>						
Balance as at the beginning of the period	120,000,000	20,705,562	3,924,952	24,278,467	-	168,908,981
Profit for the period	-	-	-	-	7,885,031	7,885,031
Other comprehensive income items	-	-	(751,449)	-	-	(751,449)
Total comprehensive income for the period	-	-	(751,449)	-	7,885,031	7,133,582
Fair value reserve released from sale of financial assets at fair value through other comprehensive income	-	-	10,288	(10,288)	-	-
Dividends distributed to shareholders *	-	-	-	(6,000,000)	-	(6,000,000)
<b>Balance as at 30 September 2024</b>	<b>120,000,000</b>	<b>20,705,562</b>	<b>3,183,791</b>	<b>18,268,179</b>	<b>7,885,031</b>	<b>170,042,563</b>
<b>For the nine months ended 30 September 2023</b>						
Balance as at the beginning of the period	120,000,000	19,011,405	2,621,695	20,483,016	-	162,116,116
Profit for the period	-	-	-	-	7,163,714	7,163,714
Other comprehensive income items	-	-	1,729,147	-	-	1,729,147
Total comprehensive income for the period	-	-	1,729,147	-	7,163,714	8,892,861
Dividends distributed to shareholders *	-	-	-	(6,000,000)	-	(6,000,000)
<b>Balance as at 30 September 2023</b>	<b>120,000,000</b>	<b>19,011,405</b>	<b>4,350,842</b>	<b>14,483,016</b>	<b>7,163,714</b>	<b>165,008,977</b>

- According to the instructions of Jordan Securities Commission and Central Bank of Jordan, the retained earnings balance includes JD 9,888,987 restricted against the deferred tax assets balance as at 30 September 2024 (JD 10,551,901 as at 31 December 2023).
- According to the instructions of Jordan Securities Commission and Central Bank of Jordan, the retained earnings balance includes JD 3,183,791 restricted against the credit balance of the fair value of financial assets reserve as at 30 September 2024 (JD 3,924,952 as at 31 December 2023) (including JD 311,112 against the implementation of International Financial Reporting Standard No (9)).
- According to the instructions of Jordan Securities Commission and Central Bank of Jordan, the retained earnings balance includes JD 693,319 restricted against the unrealized gain of financial assets through income statement as at 30 September 2024 (JD 537,044 as at 31 December 2023).
- \* The Bank's General Assembly approved in its meeting held on 29 April 2024 the recommendation of the Board of Directors to distribute 5% of the capital as cash dividends to the shareholders for the year 2023, which is equivalent to JD 6,000,000 (The Bank's General Assembly approved in its meeting held on 13 April 2023 the recommendation of the Board of Directors to distribute 5% of the capital as cash dividends to the shareholders for the year 2022, which is equivalent to JD 6,000,000).

**The accompanying notes from 1 to 25 form part of these interim condensed financial statements**

**JORDAN COMMERCIAL BANK**  
**(PUBLIC SHAREHOLDING LIMITED COMPANY)**  
**INTERIM CONDENSED STATEMENT OF CASH FLOWS**  
**FOR THE NINE-MONTHS ENDED 30 SEPTEMBER 2024 (REVIEWED NOT AUDITED)**

		For the nine months ended 30 September	
	Notes	2024 JD	2023 JD
<b><u>Operating activities</u></b>			
Profit for the period before income tax		11,441,328	10,260,075
<b>Adjustments:</b>			
Depreciation and amortization		3,057,415	2,904,066
Provision for expected credit losses, net	19	5,107,374	10,138,357
(Gains) losses from valuation of financial assets at fair value through income statement		(121,741)	92,208
Sundry provisions	14	265,323	391,412
Recovered from provision for assets seized by the bank against due debts	10	(1,130,285)	(10,985)
Interest expense on lease liabilities		115,398	118,763
Dividends income on financial assets at fair value through other comprehensive income		(84,900)	(281,263)
Loss from sale of property and equipment		8,241	1,550
Effect of exchange rate fluctuations on cash and cash equivalents		(287,333)	(258,427)
Prior years income tax adjustments		19,110	(276,495)
<b>Cash flows from operating activities before changes in net assets</b>		<b>18,389,930</b>	<b>23,079,261</b>
Decrease (increase) in restricted balances at central bank of Jordan		5,000,000	(5,000,000)
Decrease in banks and financial institutions' deposits maturing within a period of more than three months		30,000,000	-
Increase in direct credit facilities		(30,196,990)	(22,323,610)
(Increase) decrease in other assets		(398,818)	15,972,896
Decrease in banks and financial institutions' deposits maturing within a period of more than three months		(30,000,000)	(25,000,000)
Increase in customers' deposits		14,610,947	56,706,599
Increase in cash margins		2,417,207	1,113,563
Increase in other liabilities		1,561,237	21,316,904
<b>Net cash flows from operating activities before income tax and provisions paid</b>		<b>11,383,513</b>	<b>65,865,613</b>
Income tax paid	13/a	(6,563,204)	(6,391,949)
Sundry provisions paid	14	(110,409)	(284,279)
<b>Net cash flows from operating activities</b>		<b>4,709,900</b>	<b>59,189,385</b>
<b><u>Investing activities</u></b>			
Increase in financial assets at fair value through other comprehensive income		(892,568)	(507,285)
Sale of financial assets at fair value through income statement		7,264	-
Decrease in financial assets at amortized cost		9,250,946	22,298,739
Dividends income received on financial assets at fair value through other comprehensive income		84,900	281,263
Dividends income received on financial assets at fair value through income statement		1,350	-
Purchases of property and equipment and intangible assets		(1,326,492)	(2,705,662)
Proceeds from sale of property and equipment		7,495	13,889
<b>Net cash flows from investing activities</b>		<b>7,132,895</b>	<b>19,380,944</b>
<b><u>Financing activities</u></b>			
Increase (decrease) in borrowed funds		1,635,871	(53,537,979)
Lease contracts paid		(806,134)	(888,099)
Dividends distributed to shareholders		(6,000,000)	(6,000,000)
<b>Net cash flows used in financing activities</b>		<b>(5,170,263)</b>	<b>(60,426,078)</b>
Effect of exchange rate fluctuations on cash and cash equivalents		287,333	258,427
Net increase in cash and cash equivalents		6,959,865	18,402,678
Cash and cash equivalents at the beginning of the period		83,610,228	60,586,278
<b>Cash and cash equivalents at the end of the period</b>	20	<b>90,570,093</b>	<b>78,988,956</b>

The accompanying notes from 1 to 25 form part of these interim condensed financial statements

**(1) GENERAL**

Jordan Commercial Bank was established as a Jordanian Public Limited Shareholding Company under registration number of (113) on 3 May 1977 in accordance with the Jordanian Companies Law No. (12) for the year 1964 with paid in capital of JD 5 million divided into 5 million shares at par value of one Jordanian Dinar per share. The Bank's Head Office address is Amman, P.O. Box 9989, Amman 11191 - The Hashemite Kingdom of Jordan.

During the year 1993, Al Mashrek Bank (Jordan branches) was merged into Jordan and Gulf Bank. Consequently, Jordan and Gulf Bank replaced Al Mashrek Bank (Jordan branches) in terms of its rights and obligations.

At the beginning of the year 2004, the Bank was restructured after taking the necessary procedures required by the concerned legal parties and on 28 June 2004, procedures relating to changing the Bank's name from Jordan and Gulf Bank to Jordan Commercial Bank were completed.

The Bank's capital was increased gradually, and the last increase was during 2017, where the General Assembly in its extraordinary meeting held on 30 April 2017, resolved to approve the increase in the Bank's capital by 7.125 million JD/share, so that the authorized and paid in capital would become 120 million JD/share, the increase was through capitalizing part of the retained earnings and distributing the capitalized amount to shareholders as stock dividends. The procedures for the capital increase were completed on 7 June 2017.

The Bank is engaged in Banking and related financial operations through its (36) branches inside Jordan.

Jordan Commercial Bank shares are listed and being traded on Amman Stock Exchange.

The interim condensed financial statements were approved by the Bank's Board of Directors in its meeting held on 30 October 2024.

**(2-1) BASIS OF PREPARATION OF THE INTERIM CONDENSED FINANCIAL STATEMENTS**

The interim condensed financial statements have been prepared in accordance with International Accounting Standard (34) Interim Financial Reporting taking into consideration the amendments on the International Accounting Standards in accordance with the instructions of Central Bank of Jordan.

The interim condensed financial statements are prepared on a historical cost basis, except for financial assets at fair value through the income statement and financial assets at fair value through other comprehensive income, which are presented at fair value as of the date of the interim condensed financial statements.

The interim condensed financial statements have been presented in Jordanian Dinars ("JD"), which is the functional currency of the Bank.



The interim condensed financial statements do not contain all information and disclosures required for the annual full financial statements prepared in accordance with International Financial Reporting Standards taking into consideration the amendments on those standards in accordance with the instructions of Central Bank of Jordan and should be read in conjunction with the Bank's annual report as at 31 December 2023. In addition, the results for the nine months ended 30 September 2024 do not necessarily indicate the expected results for the financial year ending 31 December 2024. No appropriation of the profit has been made for the nine months ended 30 September 2024 as it is made at the end of the financial year.

## **(2-2) CHANGES IN ACCOUNTING POLICIES**

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Bank's annual financial statements for the year ended 31 December 2023, except for the adoption of the following amendments effective as at 1 January 2024:

### **Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7**

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The transition rules clarify that an entity is not required to provide the disclosures in any interim periods in the year of initial application of the amendments. Thus, the amendments had no impact on the Bank's interim condensed financial statements.

### **Amendments to IFRS 16: Lease Liability in a Sale and Leaseback**

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognize any amount of the gain or loss that relates to the right of use it retains.

The amendments had no impact on the Bank's interim condensed financial statements.

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

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, a requirement has been introduced whereby an entity must disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments had no impact on the Bank's interim condensed financial statements.

### **(3) USE OF ESTIMATES**

Preparation of the interim condensed financial statements and application of the accounting policies require the Bank's 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 revenues, expenses, provisions, in general, expected credit losses, as well as changes in fair value that appear in the interim condensed 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 condition and circumstances of those estimates in the future.

Judgments, estimates, and assumptions are reviewed periodically. Moreover, the effect of the change in estimates is recognized in the financial period in which the change occurs if the change affects only the financial period. On the other hand, the effect of the change in estimates is recognized in the financial period in which the change occurs and in future periods if the change affects the financial period and future financial periods.

Management believes that its estimates in the interim condensed financial statements are reasonable.

The details of these estimates are as follows:

#### **Impairment of seized property**

Impairment in value of properties possessed is recognized based on recent real estate valuations by qualified independent valuers for calculating the impairment of these assets, the impairment of seized assets is reviewed periodically.

**Useful lives of tangible assets and intangible assets**

The Bank estimates the useful life of properties, machines, equipment, and intangible assets for the purposes of calculating depreciation and amortization, taking into account the expected use of the assets. Management reviews the residual values and useful lives annually, and future depreciation and amortization expense is adjusted if management believes that the useful lives differ from previous estimates.

**Income tax**

The fiscal year is charged with the income tax expense in accordance with the regulations, laws, and accounting standards. Moreover, deferred tax assets and liabilities and the required tax provision are recognized.

**Litigations provision**

A provision is made to meet any potential legal liabilities based on a legal study prepared by the Bank's legal counsel. This study identifies potential future risks and is reviewed periodically.

**Expected credit loss provision**

In determining expected credit loss of financial assets, judgement is required in the estimation of the amount and timing of future cash flows as well as an assessment of whether the credit risk on the financial asset has increased significantly since initial recognition and incorporation of forward-looking information in the measurement of ECL.

The Bank computes the provision for expected credit loss of financial assets according to the International Financial Reporting Standards (IFRSs), compares the outcome to the instructions of the Central Bank of Jordan and, the strictest outcome that conforms to the (IFRSs) is used.

**JORDAN COMMERCIAL BANK**  
**(PUBLIC SHAREHOLDING LIMITED COMPANY)**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**30 SEPTEMBER 2024 (REVIEWED NOT AUDITED)**

**(4) CASH AND BALANCES AT CENTRAL BANK OF JORDAN**

- The statutory cash reserve is amounted to JD 32,748,505 as at 30 September 2024 (JD 33,090,712 as at 31 December 2023).
- The restricted balances are amounted to JD 32,748,505 as at 30 September 2024 (JD 38,090,712 as at 31 December 2023).
- There are no balances maturing within a period of more than three months as at 30 September 2024 and 31 December 2023.
- The certificates of deposits are amounted to JD 15,500,000 as at 30 September 2024, these certificates have matured at 1 October 2024 (JD Zero as at 31 December 2023).

**(5) BALANCES AND DEPOSITS AT BANKS AND FINANCIAL INSTITUTIONS, NET**

	Banks and financial institutions					
	Inside Jordan		Outside Jordan		Total	
	30 September 2024	31 December 2023	30 September 2024	31 December 2023	30 September 2024	31 December 2023
	JD (Reviewed not audited)	JD (Audited)	JD (Reviewed not audited)	JD (Audited)	JD (Reviewed not audited)	JD (Audited)
Current and call accounts	-	-	10,416,235	9,736,311	10,416,235	9,736,311
Deposits maturing within a period of three months or less	11,907,000	26,138,000	33,383,616	2,844,254	45,290,616	28,982,254
Deposits maturing within a period of more than three months	-	-	-	30,000,000	-	30,000,000
Total	11,907,000	26,138,000	43,799,851	42,580,565	55,706,851	68,718,565
<u>Less:</u> provision for expected credit losses *	(717)	(1,278)	(574)	(503)	(1,291)	(1,781)
	11,906,283	26,136,722	43,799,277	42,580,062	55,705,560	68,716,784

- The non-interest-bearing balances and deposits held at banks and financial institutions amounted to JD 10,416,235 as at 30 September 2024 (JD 9,736,311 as at 31 December 2023).
- There are no restricted balances as at 30 September 2024 and 31 December 2023.

**JORDAN COMMERCIAL BANK**  
**(PUBLIC SHAREHOLDING LIMITED COMPANY)**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**30 SEPTEMBER 2024 (REVIEWED NOT AUDITED)**

\* Set out below is the movement in the provision for expected credit losses (ECL) for balances and deposits at banks and financial institutions for the nine months ended 30 September 2024 and the year ended 31 December 2023:

				Total	
	Stage 1	Stage 2	Stage 3	30 September 2024	31 December 2023
	JD	JD	JD	JD	JD
				(Reviewed not audited)	(Audited)
Balance as at the beginning of the period / year	1,781	-	-	1,781	412
ECL for new balances during the period / year	573	-	-	573	1,077
Recovered from ECL on settled balances	(589)	-	-	(589)	(115)
Changes resulting from adjustments	(474)	-	-	(474)	407
Balance as at the end of the period / year	<u>1,291</u>	<u>-</u>	<u>-</u>	<u>1,291</u>	<u>1,781</u>

**(6) DIRECT CREDIT FACILITIES, NET**

	30 September 2024	31 December 2023
	JD	JD
	(Reviewed not audited)	(Audited)
<b>Individuals (retail):</b>		
Overdraft accounts	1,015,719	769,411
Loans and promissory notes *	184,184,155	185,042,272
<b>Credit Cards</b>	6,608,934	6,535,516
<b>Real Estate Loans</b>	101,835,214	101,555,641
<b>Companies:</b>		
<b>A - Large:</b>		
Overdraft accounts	89,065,085	82,453,705
Loans and promissory notes *	394,158,412	365,895,832
<b>B- SMEs:</b>		
Overdraft accounts	17,821,518	15,496,576
Loans and promissory notes *	46,145,192	40,679,607
<b>Government and Public Sector</b>	<u>14,022,558</u>	<u>20,488,783</u>
<b>Total</b>	<u>854,856,787</u>	<u>818,917,343</u>
<b><u>(Less):</u> Provision for expected credit losses **</b>	<u>(68,370,948)</u>	<u>(63,314,138)</u>
Interest in suspense	<u>(28,995,781)</u>	<u>(23,176,116)</u>
<b>Net direct credit facilities</b>	<u>757,490,058</u>	<u>732,427,089</u>

- \* Net after deducting interest and commissions received in advance amounted to JD 196,990 as at 30 September 2024 (JD 174,861 as at 31 December 2023).
- Credit facilities classified as stage 3 amounted to JD 105,607,074 representing 12.35% of total direct credit facilities as at 30 September 2024 (JD 88,426,795 representing 10.80% of total direct credit facilities as at 31 December 2023).
- Credit facilities classified as stage 3, net of interest and commissions in suspense, amounted to JD 76,614,739 representing 9.28% of total direct credit facilities net of interest and commission in suspense as at 30 September 2024 (JD 65,250,679 representing 8.20% of total direct credit facilities net of interest and commission in suspense as at 31 December 2023).
- Non-performing credit facilities transferred to off financial position items amounted to JD 163,853,954 as at 30 September 2024 (JD 165,994,550 as at 31 December 2023). These credit facilities are fully covered with the interest in suspense and provisions.
- During the nine months ended 30 September 2024, direct credit facilities amounting to JD 216,741 were written-off. The interest in suspense related to these facilities was JD 139,530 and the provision against them was JD 77,211.
- Direct credit facilities include facilities guaranteed by the Government of Jordan amounted to JD 3,750,000 as at 30 September 2024 (JD 11,250,000 as at 31 December 2023).

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\*\* Set out below is the movement in the provision for expected credit losses (ECL) for the nine months ended 30 September 2024 and the year ended 31 December 2023:

	Companies				Government and public sector	Total
	Individuals	Real estate	Corporate	SME's	sector	
	JD	JD	JD	JD	JD	JD
<u>30 September 2024 (Reviewed not audited)</u>						
Balance as at the beginning of the period	16,737,148	3,964,388	35,748,449	6,843,302	20,851	63,314,138
ECL on facilities granted during the period	156,265	29,314	52,211	11,355	-	249,145
Recoveries from ECL on facilities during the period	(225,760)	(52,602)	(58,497)	(38,840)	-	(375,699)
Transferred to stage 1	(76,522)	(29,695)	(300,408)	58,249	-	(348,376)
Transferred to stage 2	(341,709)	(7,705)	230,215	(54,165)	-	(173,364)
Transferred to stage 3	418,231	37,400	70,193	(4,084)	-	521,740
Effect on provision resulting from reclassification among the three stages	2,415,653	152,149	898,839	43,642	-	3,510,283
Changes resulting from adjustments	537,673	235,526	595,895	393,367	(12,169)	1,750,292
Written-off facilities	(28,659)	(42,361)	-	(6,191)	-	(77,211)
Balance as at the end of the period	<u>19,592,320</u>	<u>4,286,414</u>	<u>37,236,897</u>	<u>7,246,635</u>	<u>8,682</u>	<u>68,370,948</u>
Re- allocation:						
Provisions on an individual basis	<u>19,592,320</u>	<u>4,286,414</u>	<u>37,236,897</u>	<u>7,246,635</u>	<u>8,682</u>	<u>68,370,948</u>
Total	<u>19,592,320</u>	<u>4,286,414</u>	<u>37,236,897</u>	<u>7,246,635</u>	<u>8,682</u>	<u>68,370,948</u>

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			Companies		Government and public sector	
	Individuals	Real estate	Corporate	SME's		Total
	JD	JD	JD	JD	JD	JD
<u>31 December 2023 (Audited):</u>						
Balance as at the beginning of the year	14,369,317	3,409,049	28,044,907	6,180,871	26,594	52,030,738
ECL on facilities granted during the year	257,065	12,580	109,761	28,648	-	408,054
Recoveries from ECL on facilities during the year	(336,324)	(20,398)	(16,185)	(10,803)	-	(383,710)
Transferred to stage 1	(33,862)	(2,224)	(231,424)	(4,480)	-	(271,990)
Transferred to stage 2	(162,917)	(49,707)	(47,353)	9,551	-	(250,426)
Transferred to stage 3	196,779	51,931	278,777	(5,071)	-	522,416
Effect on provision resulting from reclassification among the three stages	2,209,516	847,636	2,759,190	253,196	-	6,069,538
Changes resulting from adjustments	302,190	(276,838)	4,850,776	823,482	(5,743)	5,693,867
Written-off facilities	(64,616)	(7,641)	-	(432,092)	-	(504,349)
Balance as at the end of the year	<u>16,737,148</u>	<u>3,964,388</u>	<u>35,748,449</u>	<u>6,843,302</u>	<u>20,851</u>	<u>63,314,138</u>
Re-allocation:						
Provision on an individual basis	<u>16,737,148</u>	<u>3,964,388</u>	<u>35,748,449</u>	<u>6,843,302</u>	<u>20,851</u>	<u>63,314,138</u>
Total	<u>16,737,148</u>	<u>3,964,388</u>	<u>35,748,449</u>	<u>6,843,302</u>	<u>20,851</u>	<u>63,314,138</u>



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**Interest in suspense**

Set out below is the movement in interest in suspense for the nine months ended 30 September 2024 and the year ended 31 December 2023:

	Individuals	Real estate	Companies		Government and public sector	Total
			Corporate	SME's		
<b><u>30 September 2024 (Reviewed not audited)</u></b>	JD	JD	JD	JD	JD	JD
Balance as at the beginning of the period	5,737,187	2,485,669	11,197,598	3,755,662	-	23,176,116
<u>Add:</u> interest in suspense for the period	2,102,834	848,140	2,600,210	991,068	-	6,542,252
<u>Less:</u> interest transferred to revenues for the period	(223,707)	(29,005)	(230,415)	(99,930)	-	(583,057)
Interests in suspense written-off	(11,710)	(38,529)	(15,363)	(73,928)	-	(139,530)
Balance as at the end of the period	<u>7,604,604</u>	<u>3,266,275</u>	<u>13,552,030</u>	<u>4,572,872</u>	<u>-</u>	<u>28,995,781</u>

**31 December 2023 (Audited):**

Balance as at the beginning of the year	4,004,947	1,778,328	8,099,619	3,069,365	-	16,952,259
<u>Add:</u> interest in suspense for the year	2,142,415	765,680	3,193,142	1,181,723	-	7,282,960
<u>Less:</u> interest transferred to revenues for the year	(377,413)	(42,966)	(95,163)	(106,612)	-	(622,154)
Interest in suspense written-off	(32,762)	(15,373)	-	(388,814)	-	(436,949)
Balance as at the end of the year	<u>5,737,187</u>	<u>2,485,669</u>	<u>11,197,598</u>	<u>3,755,662</u>	<u>-</u>	<u>23,176,116</u>

**(7) FINANCIAL ASSETS AT FAIR VALUE THROUGH INCOME STATEMENT**

	30 September 2024	31 December 2023
	JD	JD
	(Reviewed not audited)	(Audited)
Quoted shares in stock markets	1,485,910	1,372,783

**(8) FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME**

	30 September 2024	31 December 2023
	JD	JD
	(Reviewed not audited)	(Audited)
Quoted shares in stock markets *	31,172,822	32,236,542
Unquoted shares in stock markets	19,224,930	18,086,021
	50,397,752	50,322,563

- Cash dividends from the above-mentioned financial assets amounted to JD 84,900 for the nine months ended 30 September 2024 (JD 281,263 for the nine months ended 30 September 2023).
- The realized losses from the sale of shares at fair value through other comprehensive income amounted to JD 10,288 for the period ended 30 September 2024 recorded in retained earnings within shareholders equity (unrealized gains of JD 4,824 for the year ended 31 December 2023).
- \* A memorandum of understanding was signed during December 2022 to sell Jordan Commercial Bank's shares in National Bank – Palestine. Sale agreement execution and transfer of shares ownership procedures have not been finalized as the final approvals from the regulatory authorities were not obtained up to the date of the preparation of the interim condensed financial statements.

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**(9) FINANCIAL ASSETS AT AMORTIZED COST, NET**

	30 September 2024 JD (Reviewed not audited)	31 December 2023 JD (Audited)
Treasury bonds and bills	330,222,783	339,473,730
Companies' bonds and debentures	4,161,986	4,193,093
	<u>334,384,769</u>	<u>343,666,823</u>
<u>Less: Provision for expected credit losses *</u>	(373,348)	(379,308)
Interest in suspense	(45,986)	(77,094)
Financial assets at amortized cost, net	<u>333,965,435</u>	<u>343,210,421</u>

\* Set out below is the movement in the provision for expected credit (ECL) for the nine months ended 30 September 2024 and the year ended 31 December 2023:

	30 September 2024 (Reviewed not audited)				31 December 2023 (Audited)
	Stage 1	Stage 2	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Balance as at the beginning of the period / year	23,205	-	356,103	379,308	373,284
Changes resulting from adjustments	(5,960)	-	-	(5,960)	6,024
Balance as at the end of period / year	<u>17,245</u>	<u>-</u>	<u>356,103</u>	<u>373,348</u>	<u>379,308</u>

**(10) OTHER ASSETS**

	30 September 2024 JD (Reviewed not audited)	31 December 2023 JD (Audited)
Assets seized by the bank against due debts, net *	44,709,152	46,083,302
Accrued interest and revenues	18,793,580	16,310,943
Prepaid expenses	1,955,752	1,411,130
Refundable deposits	1,530,874	1,101,033
Purchased time withdrawals and letters of credit, net **	1,214,835	2,966,630
Clearing checks	243,261	9,420
Others	4,634,912	3,654,600
	<u>73,082,366</u>	<u>71,537,058</u>

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\* Set out below is the summary of movement on assets seized by the Bank against due debts for the nine months ended 30 September 2024 and for the year ended 31 December 2023:

	30 September 2024 (Reviewed not audited)				31 December 2023 (Audited)
	Seized properties	Seized properties sold on instalments	Seized shares	Total	Total
	JD	JD	JD	JD	JD
Balance at the beginning of the period/ year, net	44,107,251	1,449,166	526,885	46,083,302	55,682,898
Additions during the period / year	2,025,234	-	-	2,025,234	5,730,409
Disposals during the period / year, net	(2,496,953)	(2,032,716)	-	(4,529,669)	(15,306,916)
Properties sold on instalments	(2,107,025)	2,107,025	-	-	-
Losses on valuation of seized shares	-	-	(789,858)	(789,858)	(142,211)
Impairment effect for the period / year	1,139,671	(9,386)	789,858	1,920,143	119,122
Balance at the end of the period / year, net	42,668,178	1,514,089	526,885	44,709,152	46,083,302

- Set out below is the movement in the impairment losses for assets seized by the Bank against due debts for the nine months ended 30 September 2024 and the year ended 31 December 2023:

	30 September 2024 (Reviewed not audited)				31 December 2023 (Audited)
	Seized properties	Seized properties sold on instalments	Seized shares	Total	Total
	JD	JD	JD	JD	JD
Balance at beginning of the period / year	5,663,889	146,676	1,478,759	7,289,324	8,427,285
Provision during the period / year	19,208	10,148	-	29,356	108,198
Released from provision during the period / year	(1,158,879)	(762)	(789,858)	(1,949,499)	(227,320)
Properties sold on instalments	(44,893)	44,893	-	-	-
Utilized from provision	(18,294)	(81,345)	-	(99,639)	(1,018,839)
Balance at end of the period / year	4,461,031	119,610	688,901	5,269,542	7,289,324

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\*\* Set out below is the movement in the balances of purchased time withdrawals and letters of credit for the nine months ended 30 September 2024 and the year ended 31 December 2023:

	30 September 2024 (Reviewed not audited)				31 December 2023 (Audited)
	Stage 1	Stage 2	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Balance at the beginning of the period / year	2,990,000	-	-	2,990,000	2,507,988
Settled balances	(2,990,000)	-	-	(2,990,000)	(2,507,988)
New balances	1,222,000	-	-	1,222,000	2,990,000
Balance at the end of the period / year	<u>1,222,000</u>	<u>-</u>	<u>-</u>	<u>1,222,000</u>	<u>2,990,000</u>

- Set out below is the movement in the provision for expected credit losses for time withdrawals and letters of credit for the nine months ended 30 September 2024 and the year ended 31 December 2023:

	30 September 2024 (Reviewed not audited)				31 December 2023 (Audited)
	Stage 1	Stage 2	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Balance at the beginning of the period / year	23,370	-	-	23,370	105,030
Settled balances	(23,370)	-	-	(23,370)	(105,030)
New balances	7,165	-	-	7,165	23,370
Balance at the end of the period / year	<u>7,165</u>	<u>-</u>	<u>-</u>	<u>7,165</u>	<u>23,370</u>

**(11) CUSTOMERS' DEPOSITS**

	30 September 2024 (Reviewed not audited)				
	Individuals	Corporate	SMEs	Government and public sector	Total
	JD	JD	JD	JD	JD
Current and call accounts	34,804,561	43,931,618	39,851,386	14,873,801	133,461,366
Saving deposits	200,079,302	356,157	2,129,919	1,174,353	203,739,731
Certificates of deposits	36,717,728	-	27,000	-	36,744,728
Time deposits, and at notice	406,809,368	57,734,162	86,827,460	56,789,787	608,160,777
	<u>678,410,959</u>	<u>102,021,937</u>	<u>128,835,765</u>	<u>72,837,941</u>	<u>982,106,602</u>

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	31 December 2023 (Audited)				
	Individuals	Corporate	SMEs	Government and public sector	Total
	JD	JD	JD	JD	JD
Current and call accounts	34,746,380	43,550,414	34,468,710	12,767,989	125,533,493
Saving deposits	195,807,541	150,448	1,593,306	584,869	198,136,164
Certificates of deposits	34,986,846	-	26,000	-	35,012,846
Time deposits, and at notice	395,250,217	55,139,961	83,380,636	75,042,338	608,813,152
	<u>660,790,984</u>	<u>98,840,823</u>	<u>119,468,652</u>	<u>88,395,196</u>	<u>967,495,655</u>

- The Government of Jordan and public sector deposits inside the Kingdom amounted to JD 72,837,941 representing 7.42% of total customers' deposits as at 30 September 2024 (JD 88,395,196 representing 9.14% of total customers' deposits as at 31 December 2023).
- Non-interest-bearing deposits amounted to JD 132,643,524 representing 13.51% of total customers' deposits as at 30 September 2024 (JD 122,827,540 representing 12.70% of total customers' deposits as at 31 December 2023).
- Reserved deposits (restricted withdrawals) amounted to JD 6,362,722 representing 0.65% of total customers' deposits as at 30 September 2024 (JD 3,557,903 representing 0.37% of total customers' deposits as at 31 December 2023).
- Dormant deposits amounted to JD 9,945,686 representing 1.01% of total customers' deposits as at 30 September 2024 (JD 9,313,965 representing 0.96% of total customers' deposits as at 31 December 2023).

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**(12) BORROWED FUNDS**

	Amount	Utilized	Repayment method	Collaterals	Interest rate
<u>30 September 2024 (Reviewed not audited)</u>	JD	JD			%
			20 years, including a 5-years grace period; to be settled in semi-annual installments	-	7.724
World Bank Loan	2,000,000	600,000			
Advances from the Central Bank of Jordan	60,593,253	60,593,253	Various installments.	-	0-1
			Bullet payment dated 16/08/2028	Property mortgage	5.1
Jordan Mortgage Refinance Company	10,000,000	10,000,000			
			18 years, including a 3-years grace period; to be settled in semi-annual installments	-	5.18
International Fund for Agricultural Development	750,000	576,923			
			15 years, including a 2-years grace period to be settled in semi-annual installments	-	5.36
International Fund for Agricultural Development	617,000	617,000			
			7 years, including a 2-years grace period to be settled in semi-annual installments	-	6.9
European Investment Bank	23,007,759	20,916,145			
		<u>93,303,321</u>			

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	Amount	Utilized	Repayment method	Collaterals	Interest rate
<u>31 December 2023 (Audited)</u>	JD	JD			%
World Bank loan	2,000,000	800,000	20 years, including a 5-years grace period; to be settled in semi-annual installments.	-	7.11
Arab Monetary Fund loan	2,100,000	189,000	10 years, including a 3-years grace period; to be settled in semi-annual installments.	-	2.5
Advances from the Central Bank of Jordan	36,439,751	36,439,751	Various installments.	-	0-1
Jordan Mortgage Refinance Company	10,000,000	10,000,000	Bullet payment dated 5/2/2024	Property mortgage	8.65
Jordan Mortgage Refinance Company	10,000,000	10,000,000	Bullet payment dated 16/08/2028	Property mortgage	5.1
Jordan Mortgage Refinance Company	10,000,000	10,000,000	Bullet payment dated 26/9/2024	Property mortgage	4.55
International Fund for Agricultural Development	750,000	613,940	18 years, including a 3-years grace period; to be settled in semi-annual installments	-	5.18
International Fund for Agricultural Development	617,000	617,000	15 years, including a 2-years grace period to be settled in semi-annual installments	-	5.36
European Investment Bank	23,007,759	<u>23,007,759</u> <u>91,667,450</u>	7 years, including a 2-years grace period to be settled in semi-annual installments	-	6.9

- Total reloaned funds amounted to JD 63,093,153 as at 30 September 2024 (JD 39,179,628 as at 31 December 2023) with an interest rate ranging between 2% and 12% as at 30 September 2024 and 31 December 2023).



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**(13) INCOME TAX**

**A. INCOME TAX PROVISION**

Set out below is the movement in the income tax provision for the nine months ended 30 September 2024 and the year ended 31 December 2023:

	30 September 2024	31 December 2023
	JD (Reviewed not audited)	JD (Audited)
Balance at the beginning of the period / year	5,303,391	5,417,035
Income tax incurred on current period / year profit	2,853,105	6,512,113
Prior years income tax adjustments	-	(233,808)
Income tax paid	(6,563,204)	(6,391,949)
Balance at the end of the period / year	<u>1,593,292</u>	<u>5,303,391</u>

**B. INCOME TAX EXPENSE**

Set out below is the income tax expense shown in the interim condensed income statement:

	For the nine months ended at 30 September	
	2024	2023
	JD (Reviewed not audited)	JD (Reviewed not audited)
Income tax incurred on current period profits	2,853,105	3,996,317
Prior years income tax expense	(19,110)	42,687
Deferred tax assets for the period	662,914	(907,603)
Deferred tax liabilities for the period	59,388	(35,040)
	<u>3,556,297</u>	<u>3,096,361</u>

**C. TAX STATUS**

The Bank has reached a final settlement with the Income and Sales Tax Department until the end of the year 2019.

Regarding the years 2020, 2021, 2022 and 2023, the income tax returns were submitted within the legal period, but they were not reviewed by the Income and Sales Tax Department up to the date of the interim condensed financial statements.

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In the opinion of the Bank's management and tax advisor, no liabilities in excess of the provision booked and the advance payments made by the Bank will arise as at the date of the interim condensed financial statements.

Statutory and effective income tax rates are as follows:

	For the nine months ended 30	
	September	
	2024	2023
	(Reviewed not audited)	(Reviewed not audited)
<b>Statutory income tax rate</b>	38%	38%
<b>Effective income tax rate</b>	25%	39%

**(14) SUNDRY PROVISIONS**

Set out below is the movement in this item for the nine months ended 30 September 2024 and the year ended 31 December 2023:

	Balance at the beginning of the period	Expense for the period	Paid during the period	Balance at the end of the period
<u>30 September 2024 (Reviewed not audited)</u>	JD	JD	JD	JD
Provision for lawsuits against the Bank	622,500	258,566	(110,409)	770,657
Provision for end of services indemnity	-	6,757	-	6,757
Other provisions	615,000	-	-	615,000
	<u>1,237,500</u>	<u>265,323</u>	<u>(110,409)</u>	<u>1,392,414</u>

	Balance at the beginning of the year	Expense for the year	Paid during the year	Balance at the end of the year
<u>31 December 2023 (Audited)</u>	JD	JD	JD	JD
Provision for lawsuits against the Bank	266,000	663,071	(306,571)	622,500
Provision for end of services indemnity	359	1,771	(2,130)	-
Other provisions	615,000	-	-	615,000
	<u>881,359</u>	<u>664,842</u>	<u>(308,701)</u>	<u>1,237,500</u>

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**(15) OTHER LIABILITIES**

	30 September 2024 JD (Reviewed not audited)	31 December 2023 JD (Audited)
Refundable and various deposits	31,637,264	29,649,698
Accrued unpaid interests	7,488,920	7,138,127
Acceptable checks	3,623,625	2,824,431
Expected credit losses on indirect facilities and unutilized limits*	1,380,776	1,384,768
Accrued unpaid expenses	1,194,532	1,645,807
Received amounts on the sale of seized properties	1,016,589	1,058,339
Income tax and social security deposits	412,825	412,659
Safe deposits boxes	105,534	102,474
Shareholders' deposits	31,063	82,879
Transactions in transit among branches	-	2,092,742
Board of Directors' remunerations	-	55,000
Others	2,591,510	1,478,469
	<u>49,482,638</u>	<u>47,925,393</u>

\* Set out below is the movement in provision for expected credit losses (ECL) for indirect facilities and unutilized limits for the nine months ended 30 September 2024 and the year ended 31 December 2023:

	30 September 2024 (Reviewed not audited)				31 December 2023 (Audited)
	Stage 1	Stage 2	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Balance at the beginning of the period / year	575,718	19,479	789,571	1,384,768	1,479,402
ECL on new facilities during the period / year	99,627	5,822	261	105,710	55,056
Recovered from ECL on matured facilities during the period / year	(31,944)	(3,446)	(513)	(35,903)	(69,920)
Transferred to stage 1	2,174	(2,174)	-	-	-
Transferred to stage 2	(55,992)	56,543	(551)	-	-
Transferred to stage 3	(29)	-	29	-	-
Changes resulting from adjustments	(147,342)	(1,231)	53,368	(95,205)	(92,661)
Effect on provision due to reclassification between the three stages	-	25,821	(4,415)	21,406	12,891
Balance at the end of period / year	<u>442,212</u>	<u>100,814</u>	<u>837,750</u>	<u>1,380,776</u>	<u>1,384,768</u>

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- Set out below is the movement in indirect facilities and unutilized limits for the nine months ended 30 September 2024 and the year ended 31 December 2023:

	30 September 2024 (Reviewed not audited)				31 December 2023 (Audited)
	Stage 1	Stage 2	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Balance at the beginning of the period / year	268,599,658	9,438,468	5,075,949	283,114,075	286,972,151
New facilities during the period / year	34,004,979	100,683	1,425	34,107,087	31,336,876
Matured facilities during the period / year	(12,265,888)	(596,763)	(11,570)	(12,874,221)	(27,185,129)
Transferred to stage 1	1,373,653	(1,372,748)	(905)	-	-
Transferred to stage 2	(16,909,276)	16,947,375	(38,099)	-	-
Transferred to stage 3	(23,790)	(14,371)	38,161	-	-
Changes resulting from adjustments	(3,559,049)	338,342	(96,624)	(3,317,331)	(8,009,823)
Balance at the end of the period / year	<u>271,220,287</u>	<u>24,840,986</u>	<u>4,968,337</u>	<u>301,029,610</u>	<u>283,114,075</u>

**(16) STATUTORY RESERVE**

The Bank has not deducted the statutory reserve according to the Jordanian Companies Law given that these financial statements are interim and condensed. The statutory reserve is deducted at the end of the year.

**(17) FAIR VALUE RESERVE, NET**

Set out below is the movement in the fair value reserve for the nine months ended 30 September 2024 and the year ended 31 December 2023:

	30 September 2024	31 December 2023
	JD	JD
	(Reviewed not audited)	(Audited)
Balance at the beginning of the period / year	3,924,952	2,621,695
Unrealized (losses) gains, net	(751,449)	1,308,081
Released from the sale of financial assets at fair value through other comprehensive income	<u>10,288</u>	<u>(4,824)</u>
Balance at the end of the period / year	<u>3,183,791</u>	<u>3,924,952</u>

- The fair value reserve includes JD 311,112 as at 30 September 2024 and 31 December 2023 as an impact related to the implementation of the International Financial Reporting Standard No. (9).

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**(18) RETAINED EARNINGS**

Set out below is the movement in the retained earnings for the nine months ended 30 September 2024 and for the year ended 31 December 2023:

	30 September 2024	31 December 2023
	JD (Reviewed not audited)	JD (Audited)
Balance at the beginning of the period / year	24,278,467	20,483,016
Profit for the year	-	11,484,784
Transferred to statutory reserve	-	(1,694,157)
Dividends distributed to shareholders *	(6,000,000)	(6,000,000)
Released from the sale of financial assets at fair value through other comprehensive income	(10,288)	4,824
Balance at the end of the period / year	<u>18,268,179</u>	<u>24,278,467</u>

- According to the instructions of Jordan Securities Commission and Central Bank of Jordan, the retained earnings balance includes JD 9,888,987 restricted against deferred tax assets as at 30 September 2024 (JD 10,551,901 as at 31 December 2023).
- According to the instructions of Jordan Securities Commission and Central Bank of Jordan, the retained earnings balance includes JD 693,319 restricted against the unrealized gain of financial assets through income statement as at 30 September 2024 (JD 537,044 as at 31 December 2023).
- According to the instructions of Jordan Securities Commission and Central Bank of Jordan, the retained earnings balance includes JD 3,183,791 restricted against the credit balance of the fair value of financial assets reserve as at 30 September 2024 (JD 3,924,952 as at 31 December 2023) (including JD 311,112 against the implementation of International Financial Reporting Standard No (9)).
- \* The Bank's General Assembly approved in its meeting held on 29 April 2024 the recommendation of the Board of Directors to distribute 5% of the capital as cash dividends to the shareholders for the year 2023, which is equivalent to JD 6,000,000 (The Bank's General Assembly approved in its meeting held on 13 April 2023 the recommendation of the Board of Directors to distribute 5% of the capital as cash dividends to the shareholders for the year 2022, which is equivalent to JD 6,000,000).

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**(19) PROVISION FOR EXPECTED CREDIT LOSSES, NET**

	For the nine months ended 30 September	
	2024	2023
	JD	JD
	(Reviewed not audited)	(Reviewed not audited)
Balances and deposits at banks and financial institutions (note 5)	(490)	975
Direct credit facilities (note 6)	5,134,021	10,097,090
Financial assets at amortized cost (note 9)	(5,960)	3,741
Indirect credit facilities and unutilized limits (note 15)	(3,992)	120,307
Purchased time withdrawals and letter of credit (note 10)	(16,205)	(83,756)
	<u>5,107,374</u>	<u>10,138,357</u>

**(20) CASH AND CASH EQUIVALENTS**

	For the nine months ended 30 September	
	2024	2023
	JD	JD
	(Reviewed not audited)	(Reviewed not audited)
Cash and balances at central bank of Jordan maturing within three months	82,137,840	70,261,417
<u>Add:</u> Balances at banks and financial institutions maturing within three months	55,706,851	24,853,493
<u>Less:</u> Banks and financial institutions' deposits maturing within three months	(47,274,598)	(11,125,954)
<u>Less:</u> Restricted balances	-	(5,000,000)
	<u>90,570,093</u>	<u>78,988,956</u>

**(21) SEGMENT INFORMATION**

1- Information on the Bank's main activities:

The Bank is organized for administrative purposes through the following five main operating segments:

- Individual accounts: This segment includes following up on individual customers deposits, and granting them credit facilities, credit cards and other services.
- Small and medium enterprise "SMEs": This segment includes following up on deposits and credit facilities granted to the customers of this segment and classified based on the size of the deposits and facilities in accordance with the instructions and policies existing in the Bank and in accordance with the instructions of the regulatory authorities.
- Corporate accounts: This segment includes following up on deposits and credit facilities granted to the customers of this segment and classified based on the size of the deposits and facilities in accordance with the instructions and policies existing in the Bank and in accordance with the instructions of the regulatory authorities.
- Treasury: This segment includes providing trading services, treasury, managing the Bank's funds, and long-term investments at amortized cost and held to collect contractual cash flows.
- Others: This segment includes all other activities not mentioned in the above sectors, for example equity and property and equipment, general management, and support management.

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The following represents information on the Bank's segments according to its' activities:

				Total for the nine months ended 30 September	
	Individuals	Corporate	Treasury	Others	
	JD	JD	JD	JD	
				(Reviewed not audited)	(Reviewed not audited)
Gross income for the period	17,178,987	19,845,707	3,222,179	54,846	40,301,719
<u>Less: provision for expected credit losses</u>	<u>(3,057,162)</u>	<u>(2,060,654)</u>	<u>10,442</u>	<u>-</u>	<u>(5,107,374)</u>
Segments results	14,121,825	17,785,053	3,232,621	54,846	35,194,345
<u>Less: segments distributed expenses</u>	<u>(14,770,787)</u>	<u>(7,385,394)</u>	<u>(2,461,798)</u>	<u>864,962</u>	<u>(23,753,017)</u>
Profit before income tax for the period	(648,962)	10,399,659	770,823	919,808	11,441,328
<u>Less: income tax for the period</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,556,297)</u>	<u>(3,556,297)</u>
Profit for the period	<u>(648,962)</u>	<u>10,399,659</u>	<u>770,823</u>	<u>(2,636,489)</u>	<u>7,885,031</u>
<b>Other information:</b>					
Capital expenditures				1,326,492	2,705,662
Depreciation and amortization				<u>3,057,415</u>	<u>2,904,066</u>
	Individuals	Corporate	Treasury	Others	30 September 2024
	JD	JD	JD	JD	JD
				(Reviewed not audited)	(Audited)
Total assets	<u>241,477,138</u>	<u>585,390,294</u>	<u>474,827,345</u>	<u>92,141,313</u>	<u>1,393,836,090</u>
Total liabilities	<u>714,288,915</u>	<u>392,896,757</u>	<u>100,772,939</u>	<u>15,834,916</u>	<u>1,208,770,110</u>



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2- Geographical distribution information

This segment represents the geographical distribution of the Bank's operations. The Bank mainly operates in Jordan.

The following is the distribution of the Bank's assets, income and capital expenditures by geographical segment:

	Inside Jordan		Outside Jordan		Total	
	30 September 2024	31 December 2023	30 September 2024	31 December 2023	30 September 2024	31 December 2023
	JD	JD	JD	JD	JD	JD
	(Reviewed not audited)	(Audited)	(Reviewed not audited)	(Audited)	(Reviewed not audited)	(Audited)
Bank's assets	<u>1,321,712,245</u>	<u>1,308,987,040</u>	<u>72,123,845</u>	<u>68,692,051</u>	<u>1,393,836,090</u>	<u>1,377,679,091</u>

  

	Inside Jordan		Outside Jordan		Total	
	30 September 2024	30 September 2023	30 September 2024	30 September 2023	30 September 2024	30 September 2023
	JD	JD	JD	JD	JD	JD
	(Reviewed not audited)	(Reviewed not audited)	(Reviewed not audited)	(Reviewed not audited)	(Reviewed not audited)	(Reviewed not audited)
Gross income	<u>42,059,168</u>	<u>45,285,397</u>	<u>(1,757,449)</u>	<u>(1,492,535)</u>	<u>40,301,719</u>	<u>43,792,862</u>
Capital expenditures	<u>1,326,492</u>	<u>2,705,662</u>	<u>-</u>	<u>-</u>	<u>1,326,492</u>	<u>2,705,662</u>

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**(22) RELATED PARTIES TRANSACTIONS**

The Bank entered into transactions with the members of the Board of Directors, related parties and companies represented by the members of the Board of Directors and executive management within the normal course of business of the Bank and according to the normal interest rates and commercial commissions. All credit facilities granted to related parties are considered performing facilities. The provision for expected credit losses on those facilities was calculated in accordance with IFRS (9) requirements as adopted by the Central Bank of Jordan.

Transactions and balances with related parties are as follows:

	BOD members	Companies represented by the BOD	Executive management	Others	Total	
	JD	JD	JD	JD	30 September 2024	31 December 2023
					JD (Reviewed not audited)	JD (Audited)
<b><u>Statement of Financial Position items:</u></b>						
Deposits at the bank	2,320,966	983,505	515,657	30,088,561	33,908,689	60,486,041
Direct credit facilities	1,178,643	23,964,101	1,697,018	4,742,238	31,582,000	29,217,858
Deposits at banks	-	-	-	30,000,000	30,000,000	30,000,000
Cash margins	-	284,359	-	-	284,359	527,546
<b><u>Off-statement of Financial Position items:</u></b>						
Letters of guarantee	5,000	1,811,756	-	1,347,100	3,163,856	1,991,380
Letters of credit	-	338,193	-	-	338,193	813,223
					For the nine months ended 30 September	
					2024	2023
					JD	JD
					(Reviewed not audited)	(Reviewed not audited)
<b><u>Interim condensed Income Statement items:</u></b>						
Interests and commissions income *	81,715	1,073,194	67,122	510,665	1,732,696	1,810,589
Interests and commissions expense **	1,984,090	2,695	6,968	706,500	2,700,253	2,172,295

\* Credit interest rates range from 3% to 21%.

\*\* Debit interest rates range from 0% to 6.30%.

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**(23) CREDIT COMMITMENTS AND CONTINGENT LIABILITIES (OFF-STATEMENT OF FINANCIAL POSITION)**

	30 September 2024 JD (Reviewed not audited)	31 December 2023 JD (Audited)
Letters of credit	2,796,299	5,361,560
Enhanced incoming letters of credit	4,419,293	700,380
Acceptances	11,664,666	10,496,534
<b>Letter of guarantees:</b>		
Payment	23,180,440	23,530,804
Performance bonds	50,755,508	47,344,093
Others	65,698,566	73,110,459
Unutilized direct credit facilities limits	83,514,640	68,030,338
	<u>242,029,412</u>	<u>228,574,168</u>

**(24) FAIR VALUE MEASUREMENT**

A. Bank's financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Bank's financial assets and financial liabilities are measured at fair value at the end of each reporting period, and the following table shows information about how the fair value of these financial asset and financial liabilities are determined (valuation techniques and used inputs):

	Fair value		Fair value hierarchy	Valuation techniques and used inputs	Significant unobservable inputs	Relationship between unobservable inputs and fair value
	30 September 2024 JD (Reviewed not audited)	31 December 2023 JD (Audited)				
Financial assets						
<u>Financial assets at fair value through income statement:</u>						
Quoted shares in stock markets	<u>1,485,910</u>	<u>1,372,783</u>	Level 1	Quoted prices	Not applicable	Not applicable
<u>Financial assets at fair value through other comprehensive income:</u>						
Quoted shares in stock markets	31,172,822	32,236,542	Level 1 & Level 2	Quoted prices Through equity method and latest available financial information	Not applicable	Not applicable
Unquoted shares in stock markets	<u>19,224,930</u> <u>50,397,752</u>	<u>18,086,021</u> <u>50,322,563</u>	Level 3		Not applicable	Not applicable

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**B. Bank's financial assets and financial liabilities that are not measured at fair value on a recurring basis**

	30 September 2024 (Reviewed not audited)		31 December 2023 (Audited)		Fair value hierarchy
	Book value	Fair value	Book value	Fair value	
	JD	JD	JD	JD	
<b>Financial assets not measured at fair value</b>					
Deposits at central bank of Jordan	60,504,933	60,525,741	45,374,392	45,374,392	Level 2
Balances at banks and financial institutions-net	55,705,560	56,863,079	68,716,784	69,668,289	Level 2
Direct credit facilities-net	757,490,058	771,027,924	732,427,089	744,478,772	Level 2
Financial assets at amortized cost-net	333,965,435	338,042,552	343,210,421	346,517,906	Level 2
Total financial assets not measured at fair value	<u>1,207,665,986</u>	<u>1,226,459,296</u>	<u>1,189,728,686</u>	<u>1,206,039,359</u>	
<b>Financial liabilities not measured at fair value</b>					
Banks and financial institutions' deposits	47,274,598	50,806,688	48,428,024	51,930,109	Level 2
Customers' deposits	982,106,602	985,143,775	967,495,655	970,581,616	Level 2
Cash margins	42,630,785	42,890,590	40,213,578	40,507,340	Level 2
Borrowed funds	93,303,321	93,963,178	91,667,450	91,923,772	Level 2
Total financial liabilities not measured at fair value	<u>1,165,315,306</u>	<u>1,172,804,231</u>	<u>1,147,804,707</u>	<u>1,154,942,837</u>	

For the items listed above, the fair value of the financial assets and liabilities classified as level one, level two and level three have been determined in accordance with generally accepted pricing models that reflect the credit risk of counterparties.

**(25) LAWSUITS AGAINST THE BANK**

Lawsuits raised against the Bank amounted to JD 3,195,615 as at 30 September 2024 (31 December 2023: JD 17,980,216), In the opinion of the Bank's management and the legal advisor, no further liabilities exceeding the provision of JD 770,657 is required as at 30 September 2024 (31 December 2023: JD 622,500).