

**CAIRO AMMAN BANK**

**(PUBLIC SHAREHOLDING LIMITED COMPANY)**

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**30 JUNE 2024**



**Building a better  
working world**

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

**Introduction**

We have reviewed the accompanying interim condensed consolidated financial statements of Cairo Amman Bank (Public Shareholding Limited Company) and its subsidiaries (the Bank) as of 30 June 2024, comprising the interim condensed consolidated statement of financial position as of 30 June 2024 and the related interim condensed consolidated income statement, interim condensed consolidated statement of comprehensive income, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the six months period then ended and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with IAS 34 (Interim Financial Reporting). Our responsibility is to express a conclusion on these interim condensed consolidated 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 consolidated financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34.

Amman – Jordan  
31 July 2024

**ERNST & YOUNG**  
Amman - Jordan

**CAIRO AMMAN BANK – PUBLIC SHAREHOLDING LIMITED COMPANY**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2024**

	Notes	30 June 2024	31 December 2023
		JD (Reviewed not audited)	JD (Audited)
<b>Assets</b>			
Cash and balances at Central Banks - net	4	338,870,399	337,257,545
Balances at banks and financial institutions - net	5	167,776,063	120,276,796
Deposits at banks and financial institutions - net	6	27,150,821	67,259,075
Financial assets at fair value through income statement	7	13,007,364	13,374,678
Financial assets at fair value through other comprehensive income - net	8	114,200,550	96,019,835
Financial assets at amortized cost-net	9	853,276,025	802,088,677
Direct credit facilities - net	10	2,277,498,384	2,294,235,138
Property and equipment - net		43,187,970	44,129,439
Intangible assets – net		6,119,151	6,105,699
Right of use assets - net		20,409,616	20,725,499
Deferred tax assets	14	19,649,533	16,266,401
Other assets	11	76,100,068	65,714,016
<b>Total Assets</b>		<b>3,957,245,944</b>	<b>3,883,452,798</b>
<b>Liabilities and Equity</b>			
<b>Liabilities</b>			
Banks and financial institutions' deposits		291,107,817	286,673,306
Customers' deposits	12	2,585,855,058	2,599,283,904
Cash margins		102,348,852	82,630,709
Borrowed funds	13	365,524,097	295,875,564
Subordinated loans		18,540,350	18,540,350
Sundry provisions		13,595,470	14,376,455
Income tax provision	14	11,729,907	23,492,297
Lease liabilities		20,858,697	20,927,349
Deferred tax liabilities	14	3,986,277	2,684,880
Other liabilities	15	78,796,675	81,006,918
<b>Total Liabilities</b>		<b>3,492,343,200</b>	<b>3,425,491,732</b>
<b>Equity</b>			
<b>Banks Shareholders Equity</b>			
Authorized and paid-in capital		200,000,000	190,000,000
Statutory reserve		95,868,196	95,868,196
General banking risk reserve		6,174,583	6,174,583
Cyclical fluctuations reserve		11,526,630	11,526,630
Fair value reserve-net	16	42,887,122	27,494,289
Foreign currencies translation reserve		(1,584,070)	(1,584,070)
Retained earnings excluding profit for the period	17	85,022,581	108,402,893
Profits for the period attributable to the bank's shareholders		6,723,156	-
<b>Total Bank's Shareholders' Equity</b>		<b>446,618,198</b>	<b>437,882,521</b>
Non-controlling interest		18,284,546	20,078,545
<b>Total Equity</b>		<b>464,902,744</b>	<b>457,961,066</b>
<b>Total Liabilities and Equity</b>		<b>3,957,245,944</b>	<b>3,883,452,798</b>

The accompanying notes from no. (1) to no. (31) form part of these interim condensed consolidated financial statements

**CAIRO AMMAN BANK – PUBLIC SHAREHOLDING LIMITED COMPANY**  
**INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT**  
**FOR THE THREE & SIX MONTHS ENDED 30 JUNE 2024 (REVIEWED NOT AUDITED)**

	Notes	For the three months ended 30 June		For the six months ended 30 June	
		2024	2023	2024	2023
		JD	JD	JD	JD
Interest income	18	61,784,342	60,412,639	123,196,038	117,261,247
Interest expense	19	28,724,091	24,989,179	57,473,751	47,442,867
<b>Net interest income</b>		<u>33,060,251</u>	<u>35,423,460</u>	<u>65,722,287</u>	<u>69,818,380</u>
Net commission income		4,090,504	4,582,710	7,850,493	9,134,956
<b>Net interest and commission income</b>		<u>37,150,755</u>	<u>40,006,170</u>	<u>73,572,780</u>	<u>78,953,336</u>
Gain from foreign currencies		1,835,995	1,460,368	3,552,223	3,041,490
Gain from financial assets at fair value through income statement	20	9,249	(722,654)	208,906	383,534
Dividends from financial assets at fair value through other comprehensive income	8	4,843,950	144,726	5,137,133	2,430,421
Other income		1,137,382	1,731,568	3,289,497	3,469,377
<b>Gross profit</b>		<u>44,977,331</u>	<u>42,620,178</u>	<u>85,760,539</u>	<u>88,278,158</u>
Employees' expenses		12,227,092	11,720,562	24,433,096	23,818,263
Depreciation and amortization		2,021,233	1,874,270	3,928,903	3,718,345
Other expenses		11,647,896	9,788,625	22,549,837	20,888,613
Provision for expected credit losses	21	21,512,622	4,871,950	30,398,509	11,856,960
Impairment of repossessed assets provision		-	26,920	6,781	26,920
Sundry provisions		210,000	-	310,000	-
<b>Total expenses</b>		<u>47,618,843</u>	<u>28,282,327</u>	<u>81,627,126</u>	<u>60,309,101</u>
<b>Profit for the period before tax</b>		<u>(2,641,512)</u>	<u>14,337,851</u>	<u>4,133,413</u>	<u>27,969,057</u>
Income tax refund (expense)	14	3,835,103	(4,293,127)	795,744	(9,344,045)
<b>Profit for the period</b>		<u>1,193,591</u>	<u>10,044,724</u>	<u>4,929,157</u>	<u>18,625,012</u>
Attributable to:					
Bank's shareholders		2,209,770	9,960,137	6,723,156	18,439,470
Non-controlling interest		(1,016,179)	84,587	(1,793,999)	185,542
<b>Profit for the period</b>		<u>1,193,591</u>	<u>10,044,724</u>	<u>4,929,157</u>	<u>18,625,012</u>
		<u>JD/Fills</u>	<u>JD/Fills</u>	<u>JD/Fills</u>	<u>JD/Fills</u>
Basic and diluted earnings per share from profit for the period	22	<u>0/011</u>	<u>0/050</u>	<u>0/034</u>	<u>0/092</u>

The accompanying notes from no. (1) to no. (31) form part of these interim condensed consolidated financial statements

**CAIRO AMMAN BANK – PUBLIC SHAREHOLDING LIMITED COMPANY**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE THREE & SIX MONTHS ENDED 30 JUNE 2024 (REVIEWED NOT AUDITED)**

	For the three months ended		For the six months ended	
	30 June		30 June	
	2024	2023	2024	2023
	JD	JD	JD	JD
Profit for the period -	1,193,591	10,044,724	4,929,157	18,625,012
Other comprehensive income items:				
Items which will not be transferred subsequently to the interim condensed consolidated statement of income:				
Change in net fair value reserve after tax	690,177	3,646,473	15,392,833	6,025,400
Change in foreign currency translation	-	-	-	1,604,674
<b>Total comprehensive income for the period</b>	<b>1,883,768</b>	<b>13,691,197</b>	<b>20,321,990</b>	<b>26,255,086</b>
Total Comprehensive income for the period attributable to:				
Bank's shareholders	2,899,947	13,606,610	22,115,989	26,069,544
Non-controlling interest	(1,016,179)	84,587	(1,793,999)	185,542
<b>Total comprehensive Income for the period</b>	<b>1,883,768</b>	<b>13,691,197</b>	<b>20,321,990</b>	<b>26,255,086</b>

The accompanying notes from no. (1) to no. (31) form part of these interim condensed consolidated financial statements

**CAIRO AMMAN BANK – PUBLIC SHAREHOLDING LIMITED COMPANY**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2024 (REVIEWED NOT AUDITED)**

	Authorized and paid in capital	Statutory reserve	General banking risk reserve*	Cyclical fluctuations reserve	Fair value reserve net	Foreign currencies translation reserve	Retained earnings excluding profit for the period	Profit for the period attributable to the banks' shareholders	Total banks' shareholders' equity	Non- controlling interest	Total owners' equity
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
<b><u>For the six months ended 30 June 2024</u></b>											
Balance at beginning of the period	190,000,000	95,868,196	6,174,583	11,526,630	27,494,289	(1,584,070)	108,402,893	-	437,882,521	20,078,545	457,961,066
Total comprehensive income for the period	-	-	-	-	15,392,833	-	-	6,723,156	22,115,989	(1,793,999)	20,321,990
Increase in capital (note 17)	10,000,000	-	-	-	-	-	(10,000,000)	-	-	-	-
Capital increase expenses	-	-	-	-	-	-	(80,312)	-	(80,312)	-	(80,312)
Cash dividends distributed to shareholders (note 17)	-	-	-	-	-	-	(13,300,000)	-	(13,300,000)	-	(13,300,000)
<b>Balance at the end of the period</b>	<b>200,000,000</b>	<b>95,868,196</b>	<b>6,174,583</b>	<b>11,526,630</b>	<b>42,887,122</b>	<b>(1,584,070)</b>	<b>85,022,581</b>	<b>6,723,156</b>	<b>446,618,198</b>	<b>18,284,546</b>	<b>464,902,744</b>
<b><u>For the six months ended 30 June 2023</u></b>											
Balance at beginning of the period	190,000,000	91,364,494	4,646,255	11,396,874	9,304,467	(3,188,744)	97,910,555	-	401,433,901	20,383,908	421,817,809
Total comprehensive income for the period	-	-	-	-	6,025,400	1,604,674	-	18,439,470	26,069,544	185,542	26,255,086
Gains from sale of financial assets at fair value through comprehensive income	-	-	-	-	(603,126)	-	603,126	-	-	-	-
Cash dividends distributed to shareholders (note 17)	-	-	-	-	-	-	(19,000,000)	-	(19,000,000)	-	(19,000,000)
<b>Balance at the end of the period</b>	<b>190,000,000</b>	<b>91,364,494</b>	<b>4,646,255</b>	<b>11,396,874</b>	<b>14,726,741</b>	<b>(1,584,070)</b>	<b>79,513,681</b>	<b>18,439,470</b>	<b>408,503,445</b>	<b>20,569,450</b>	<b>429,072,895</b>

\* The general banking risk reserve and the negative balance of the fair value reserve are restricted from use without prior approval from the Central Bank of Jordan.

\* This item represents amounts transferred to the reserves and is related to items at the banks' branches in Palestine.

- As of 30 June 2024, the restricted retained earnings balance resulting from the early implementation of International Financial Reporting Standard no. (9) amounted to JD 12,669,542.
- The retained earnings balance includes deferred tax assets amounting to JD 19,649,533 and is restricted from use in accordance with the instructions of the Central Bank of Jordan.
- The Bank is restricted from using JD 1,155,916 which represents the remaining balance of the general banking risk reserve included in retained earnings in accordance with the instructions of the Central Bank of Jordan.

The accompanying notes from no. (1) to no. (31) form part of these interim condensed consolidated financial statements

**CAIRO AMMAN BANK – PUBLIC SHAREHOLDING LIMITED COMPANY**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2024 (REVIEWED NOT AUDITED)**

	Notes	For the six months ended 30	
		June	
		2024	2023
		JD	JD
<b>Operating Activities</b>			
Profit for the period before tax		4,133,413	27,969,057
<b>Adjustments:</b>			
Depreciation and amortization		5,900,157	5,853,013
Provision for expected credit losses	21	30,398,509	11,856,960
Sundry provisions		1,346,134	1,158,473
Interest expense on lease contracts		434,696	460,955
Loss from valuation of financial assets at fair value through Income statement	20	446,627	827,682
Dividends from financial assets at fair value through other comprehensive income	8	(5,137,133)	(2,430,421)
Loss from sale of property and equipment		895	12,815
(Gain) from sale of repossessed assets		(360,137)	(653,632)
Provisions for impairment of repossessed assets		6,781	26,920
Effect of exchange rate changes on cash and cash equivalents		(3,463,942)	(2,935,823)
<b>Cash flow from operating activities before changes in net assets</b>		<b>33,706,000</b>	<b>42,145,999</b>
Deposits at banks and financial institutions		40,098,743	20,386,448
Financial assets at fair value through income statement		(79,313)	556,797
Direct credit facilities		(13,218,597)	(97,029,546)
Other assets		(8,957,603)	1,447,735
Banks and financial institution' deposits (with maturity date exceeding 3 months)		(30,333,230)	56,720
Customers deposits		(13,428,846)	68,390,618
Cash margins		19,718,143	(12,106,596)
Other liabilities		(2,700,860)	24,303,172
<b>Net cash flows from operating activities before income tax and provisions paid</b>		<b>24,804,437</b>	<b>48,151,347</b>
Income tax paid	14	(14,351,195)	(16,869,602)
Provisions paid		(2,127,119)	(945,539)
<b>Net cash flows from operating activities</b>		<b>8,326,123</b>	<b>30,336,206</b>
<b>Investing Activities</b>			
(Purchase) of financial assets at fair value through other comprehensive income		(1,756,333)	(2,827,912)
Sale of financial assets at fair value through other comprehensive income		272,950	3,075,841
(Purchase) of other financial assets at amortized cost		(187,151,005)	(84,649,311)
Maturity of other financial assets at amortized cost		135,524,882	118,729,918
Dividends from financial assets at fair value through other comprehensive income	8	5,137,133	2,430,421
(Purchase) of property and equipment		(2,164,596)	(2,906,946)
Sale of property and equipment		-	128,037
(Purchase) of intangible assets		(837,184)	(576,032)
<b>Net cash flows (used in) from investing activities</b>		<b>(50,974,153)</b>	<b>33,404,016</b>
<b>Financing Activities</b>			
Increase in borrowed funds		125,597,812	23,687,910
(Settled from) borrowed funds		(55,949,279)	(61,621,638)
Lease contracts payments		(2,730,464)	(2,338,264)
Capital increase expenses		(80,312)	-
Dividends distributed to shareholders	17	(13,300,000)	(19,000,000)
<b>Net cash flows from (used in) financing activities</b>		<b>53,537,757</b>	<b>(59,271,992)</b>
Effect of exchange rate changes on cash and cash equivalents		3,463,942	2,935,823
Net change in cash and cash equivalents		14,353,669	7,404,053
Cash and cash equivalents at the beginning of the period		221,259,732	253,419,043
<b>Cash and cash equivalents at the end of the period</b>	23	<b>235,613,401</b>	<b>260,823,096</b>

The accompanying notes from no. (1) to no. (31) form part of these interim condensed consolidated financial statements.

**(1) General**

Cairo Amman Bank was established in 1960 and was registered as a public shareholding company headquartered in Amman – the Hashemite Kingdom of Jordan, in accordance with the laws and regulations issued by the Ministry of Justice. The bank's conditions are in compliance with the Jordanian Companies Law No. (12) for the year 1964.

The Bank provides its banking and financial services through its headquarter office in Amman city and its branches in the kingdom amounting to 103 branches, 22 branches in Palestine, one in Bahrain, and through its subsidiaries.

The Banks' authorized and paid-in-capital is equal to 200,000,000 JD/share as of 30 June 2024.

The general assembly, in its extraordinary meeting held on 3 April 2024, approved an increase in the Bank's capital by JD 10 million and to capitalize it from retained earnings by distributing bonus shares at a rate of 5.263% to the shareholders.

The Bank's shares are listed on the Amman Stock Exchange.

The Bank's Board of Directors approved the interim condensed consolidated financial statements on 31 July 2024.

**(2) Basis of preparation and material accounting policies**

**Basis of Preparation of the Interim Condensed Consolidated Financial Statements:**

The accompanying interim condensed consolidated financial statements have been prepared in accordance with the International Accounting Standard IAS 34 "Interim Financial Reporting" and it's in compliance with the requirements of the Central Bank of Jordan.

The interim condensed consolidated financial statements are prepared on the historical cost basis except for financial assets and financial liabilities which have been measured at fair value at the date of the interim condensed consolidated financial statements.

The interim condensed consolidated financial statements are presented in Jordanian Dinar (JD) which is the functional currency of the Bank.

The condensed interim consolidated financial statements do not include all the information and disclosures required for full annual financial statements prepared in accordance with International Financial Reporting Standards and should be read in conjunction with the Bank's annual report as of 31 December 2023. Furthermore, the business results for the six months ended June 30, 2024, do not necessarily indicate the expected results for the year ending December 31, 2024. Also, the allocation of the period's profits for the six months ended June 30, 2024, which is carried out at the end of the fiscal year, has not been performed.



**CAIRO AMMAN BANK – PUBLIC SHAREHOLDING LIMITED COMPANY**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**30 JUNE 2024 (REVIEWED NOT AUDITED)**

The interim condensed consolidated financial statements comprise of the financial statements of the Bank and the subsidiaries controlled by the Bank. As of 30 June 2024, the Bank owns the following subsidiaries:

Company's Name	Paid-in Capital	Ownership Percentage	Industry	Location	Acquisition Date
	(JD)	%			
Al-Watanieh Financial Services Company	6,500,000	100	Brokerage and investment management	Jordan	1992
Al-Watanieh Securities Company	1,600,000	100	Brokerage	Palestine	1995
Tamallak for Financial Leasing Company	5,000,000	100	Finance Leasing	Jordan	2013
Safa Bank	36,963,136	51	Islamic Banking	Palestine	2016

Control is achieved when the Bank has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Bank controls an investee if and only if the Bank has:

- Power over the investee (existing rights that give it the current ability to direct the relevant activities of the investee).
- Exposure, or rights, to variable returns from its involvement with the investee.
- The ability to use its power over the investee to affect its returns.

When the Bank has less than a majority of the voting or similar rights of an investee, therefore, the Bank considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee.
- Rights arising from other contractual arrangements.
- The Group's current voting rights and potential voting rights.

The Bank re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Consolidation of a subsidiary begins when the Bank obtains control over the subsidiary and ceases when the Bank loses control of the subsidiary. Revenues and expenses of a subsidiary are consolidated in the interim condensed consolidated financial statements from the date the Bank gains control until the date the Bank ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the shareholder's rights of the parent Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies to be in line with the Bank's accounting policies. Assets and liabilities, equity, revenues, expenses, profit and losses relating to transactions between the Bank and its subsidiaries are fully eliminated at consolidation.

### **Changes in accounting policies**

The accounting policies used in the preparation of the interim condensed consolidated financial statements are consistent with those used in the preparation of the consolidated financial statements for the year ended 31 December 2023 except for the adoption of the following new standards and amendments effective as of 1 January 2024 shown below:

#### **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 consolidated 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 consolidated 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 consolidated financial statements.

### **(3) Accounting Estimate**

The preparation of the interim condensed consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of financial assets and liabilities and disclosure of contingent liabilities. These estimates and assumptions also affect the revenues and expenses and the resultant provisions as well as fair value changes reported in interim condensed statement of comprehensive income. In particular, considerable judgment by management is required in the estimation of the amount and timing of future cash flows. These mentioned estimates based on assumptions and multiple factors with varying degrees of uncertainty, and actual results may differ from the estimates due to changes in future circumstances and the management believes that the accounting estimates used in the condensed interim financial statements are reasonable.

The Bank's management believes that its estimates within the interim condensed consolidated financial statements are reasonable and consistent with those estimates used in the preparation of the consolidated annual financial statement for the year 2023.

#### **A. EXPECTED CREDIT LOSS FOR FINANCIAL INSTRUMENTS AT AMORTIZED COST:**

In determining provision for expected credit loss for direct credit facilities, important judgement is required from the bank's management 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. Most important judgments and estimates used are as the following:

#### **The Bank's definition of default and default handling mechanism.**

Definition of default:

The Bank has adopted the definition of default according to the instructions for applying the International Financial Reporting Standard 9 No.13/2018 in addition to the Central Bank's instructions No.47/2009, whereby any debt instrument was considered among the bad debts if there is evidence / evidence that it has become non-performing (irregular), in the event that one or more of the qualitative indicators below are achieved, it is considered evidence of a debt instrument default:

- The debtor party is facing significant financial difficulties (severe weakness in the financial statements).
- Failure to comply with contractual conditions, such as having dues equal to or greater than (90) days.
- The bank extinguishes part of the debtor's obligations.
- The presence of clear external indicators indicating the imminent bankruptcy of the debtor party.
- The absence of an active external market for a financial instrument due to financial difficulties faced by the debtor party (the source of credit exposure / debt instrument) and its inability to fulfill its obligations.
- The acquisition (purchase or creation of) a debt instrument at a significant discount that represents a credit loss.

Default handling mechanism:

The Bank monitors accounts before they reach the non-performance stage through designated departments and when accounts are classified as non-performing, they are monitored through the credit department before the initiation of legal procedures in case no final settlement with the customer has been reached. The Bank takes adequate provisions for those accounts in accordance with the instructions of the Central Bank of Jordan and the control authorities.

**The Bank's internal credit rating system and its working mechanism:**

- **Corporate portfolio:**

It is an internal rating system for comprehensively assessing and measuring the risks of banks, financial institutions, sovereign investments, and clients of large and medium companies.

The Bank uses the (Credilens) Systems developed by (Moody's) to measure the risk rating of customers within (7) grades for the performing accounts and (3) grades for the non-performing accounts in accordance with the instructions of the Central Bank of Jordan. The probability of default (PD) increases as risk rating increases. Three segments are adopted at each grade for performing loans - with the exception of grade (1) where grade (1) is the best and grade (10) is the worst, Where the client's risk degree linked to the client's probability of default (PD) is extracted based on financial and objective data, and the probability of default is extracted for the client's facilities through (Facility Rating).

- **Retail portfolio:**

The portfolio of individuals is classified by adopting programs with common characteristics for the clients granted through each program according to the nature of the purpose of the product (personal, housing, cars, etc.), according to the employer (Public sector, private sector) and according to the nature of the terms are set based on historical performance in terms of granting, default and collection. The scoring is periodically reviewed, and the terms are updated based on performance.

**The approved mechanism for calculating expected credit losses (ECL).**

The Bank has adopted (Moody's) system for calculating expected credit losses where the calculation is made by specialized systems for the corporate and retail portfolios after taking into consideration the client's level of risk and probability of default and assessment of collaterals this was applied for Jordan branches, foreign branches and the subsidiaries.

The calculation for each stage is as follows:

- Stage (1): the expected credit losses are calculated within the next 12 months from the date of preparing the financial statements for debt instruments within this phase and in which there has not been a significant or significant increase in its credit risk since the initial recognition of the exposure / instrument, or that it has a low credit risk at the date of preparing the financial statements.
- Stage (2): Expected credit losses are calculated for the entire life of the debt instrument during the remaining period of the life of the debt instrument for debt instruments that fall within this stage and for which there has been a significant or significant increase in its credit risk since its initial recognition, but it has not reached the default stage.

Several determinants have been adopted as an indicator of the increase in credit risk to move the financial instrument from the first stage to the second stage, taking into account many indicators, including:

- The client's rating has been revised down by specific degrees from the initial rating, or he has obtained a high-risk rating.
- Appearance of any negative indicators on the account (it is in the Blacklist of returned checks in the portfolio of individuals for Jordan branches, or its classification is 3 in the money laundering list - Risk Level according to the classification of the Palestinian Monetary Authority for the portfolio of individuals in Al-Safa Bank and Palestine branches).
- There are more than 30 days of dues and less than 90 days.
- Classification of the client within the debt under monitoring.
- Stage (3): Expected credit losses are computed for the entire life of the debt instrument for debt instruments that fall within this stage and for which there is evidence / evidences that they have become non-performing (irregular) and as mentioned in the definition of default .

The following debt instruments are included in the calculation:

- Loans and direct and indirect credit facilities.
- Debt instruments at amortized cost.
- Financial guarantees specified according to IFRS 9.
- Receivable balances associated with leasing contracts according to IFRS (16).
- Credit exposures on banks and financial institutions.

**Definition and mechanism for computing and monitoring probability of default (PD), exposure at default (EAD), and loss given default (LGD).**

**Probability of Default (PD):**

- Retail portfolio:

The probability of default has been computed using the Bank's historical default information for the retail loans and housing loans portfolio. These rates are calculated using independent variables which affect the probability of default rate (loan balance, salary, sector, age, gender, interest rate, loan duration).

- Corporate portfolio:

Risk rating is calculated based on Moody's Credit rating and then mapped to the relevant assigned PD. The ECL model then converts the probability of default (PD) from a through the cycle probability of default (TTC PD) into Point in time probability of default (PIT PD) based on each instrument's data taking into consideration the risk of economical and geographical segments associated with the customers.

**Exposure at Default (EAD):**

- One time debt instruments (direct and indirect): the balance as of the date of the financial statements is considered as the balance at the date of default after subtracting suspended interest and the actual due date of the financial instrument is assumed.
- Renewing debt instruments (direct and indirect): the balance or the ceiling as of the date of the financial statements is considered as the balance at the date of default after subtracting suspended interest and the actual due date of the financial instrument plus three years is assumed.

**Loss Given Default (LGD):**

- Retail portfolio:

The probability of default has been computed using the Bank's historical default information for the retail loans and housing loans portfolio. Both rates have approved at the account level for the retail portfolio.

- Corporate portfolio:

The loss ratio is calculated assuming default at the account level and after taking into account several factors and data, the most important of which are (guarantees, the economic sector, the probability of default) The haircut rates were adopted on the guarantees according to the ratios approved by the Central Bank of Jordan, in addition to the adoption of a minimum ratio that is not less than 10%.

**The Bank's policy for determining common elements (criteria) that credit risk and expected credit losses on a (Collective Basis) have been measured with.**

Credit risk and expected credit losses for retail have been calculated at an individual level for each account separately and not at a collective level.

**Economic indicators used by the Bank in calculating expected credit losses (PD).**

A group of economic indicators have been reviewed such as (gross domestic product, equities, interest rates, unemployment, and inflation) and the following approved indicators have shown a strong correlation between the indicator value and the default rate for each portfolio using historical information:

- Corporate portfolio: gross domestic product and stock prices.
- Retail portfolio:
  - Jordan: Real Gross Domestic Product and Unemployment Rate.
  - Palestine: Interest Rate on Loans and Unemployment Rate.

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The following weights for scenarios were adopted for the year ended 2023 and period ended 30 June 2024:

Jordan and Bahrain:

<u>Baseline Scenario</u>	<u>Downturn Scenario</u>	<u>Upturn Scenario</u>
40%	30%	30%

The following weights for the scenarios were adopted for the year 2023 and the period ended 30 June 2024 as follows:

Palestine:

<u>Baseline Scenario</u>	<u>Downturn Scenario</u>	<u>Upturn Scenario</u>
40%	60%	0%

The Bank manages its various banking risks through comprehensive risk management policies, which define the specific roles of all concerned parties involved in the implementation of these policies. These parties include the Board of Directors and its committees such as the Risk Management Committee, the Compliance Committee, the Audit Committee, the Corporate Governance Committee, the Information Technology Governance Committee, the Nominations and Rewards Committee, the Strategy Committee, and the Facilities Committee, in addition to the Executive Management and its committees such as the Assets and Liabilities Committee, the Procurement and Tendering Committee, the Systems Control and Internal Oversight Development Committee, the Strategy and Branching Committee, the Information Technology Steering Committee, and the Facilities Committees, as well as other specialized departments such as the Risk Management Department, the Compliance Department, the Internal Audit Department, the Financial Crimes Division, and Cybersecurity.

Furthermore, all departments and branches of the Bank are responsible for identifying risks related to banking operations, adhering to appropriate supervisory controls, and monitoring the continued effectiveness of these controls in line with the internal control system.

The Bank's risk management process includes activities of identifying, measuring, evaluating, and managing risks, whether financial or non-financial, that could negatively affect the Bank's performance and reputation or its objectives, ensuring the optimal return against acceptable risks.

## **B. INCOME TAX**

Income tax expenses represent accrued taxes and deferred taxes.

Income tax expenses are accounted for on the basis of taxable income. Moreover, taxable income differs from income declared in the consolidated financial statements because the latter includes non-taxable revenues or taxable expenses disallowed in the current year but deductible in subsequent years accumulated losses acceptable by the tax law and items not accepted for tax purposes or subject to tax.

Taxes are calculated on the basis of the tax rates according to the prevailing laws regulations and instructions of the countries where the bank operates.

Deferred taxes are taxes expected to be paid or recovered as a result of temporary timing differences between the value of the assets and liabilities in the consolidated financial statements and the value of the taxable amount. Deferred tax is calculated on the basis of the liability method in the consolidated statement of financial position according to the rates expected to be applied when the tax liability is settled, or tax assets are recognized.

Deferred tax assets and liabilities are reviewed as of the date of the consolidated financial statements and reduced in case it is expected that no benefit will arise from payment or the elimination of the need for deferred tax liabilities partially or totally.

### **C. FAIR VALUE**

Fair value represents the closing market price (Assets Purchasing / Liabilities Selling) of financial assets and derivatives on the date of the consolidated financial statements in active markets. In case declared market, prices do not exist active trading of some financial assets and derivatives is not available or the market is inactive fair value is estimated by one of several methods including the following:

- Comparison with the fair value of another financial asset with similar terms and conditions.
- Analysis of the present value of expected future cash flows for similar instruments.
- Adoption of the option pricing models.
- Evaluation of long-term assets and liabilities that bear no interest through discounting cash flows by using the effective interest rate method and amortizing premium / discount within interest revenue / expense in the consolidated statement of income.

The valuation methods aim to provide a fair value reflecting the market's expectations taking into consideration the market expected risks and expected benefits when evaluating of the financial instrument. When the financial instrument fair value can't be reliably measured, they are stated at cost less any impairment.



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**(4) Cash and balances at central banks - net**

The item details are as follows:

	30 June 2024	31 December 2023
	JD (Reviewed not audited)	JD (Audited)
Cash in vaults	114,488,918	138,972,676
Balances at Central Banks:		
Current and demand accounts	21,744,893	19,178,540
Time and notice deposits	46,635,000	43,135,000
Certificates of deposit	22,400,000	-
Statutory cash reserve	133,616,196	135,979,726
Total balances at Central Banks	224,396,089	198,293,266
Provision for expected credit losses (Central Banks)	(14,608)	(8,397)
Total balances at Central Banks – net	224,381,481	198,284,869
Total	338,870,399	337,257,545

- Restricted balances amounted to JD 10,635,000 as of 30 June 2024 (JD 10,635,000 as of 31 December 2023), in addition to the statutory cash reserve balance as shown above.
- There are no balances that mature in a period longer than three months as of 30 June 2024 and as of 31 December 2023.

Set out below is the movement on the balances at Central Banks during the period / year:

	Stage 1 individual JD	Stage 2 individual JD	Stage 3 JD	Total JD
<b><u>For the Six Months Ended 30 June 2024</u></b>				
<b><u>(Reviewed not audited)</u></b>				
Total balances as at beginning of the period	198,293,266	-	-	198,293,266
New balances during the period	47,854,113	-	-	47,854,113
Settled balances	(21,751,290)	-	-	(21,751,290)
<b>Total balances as at the end of the period</b>	<b>224,396,089</b>	<b>-</b>	<b>-</b>	<b>224,396,089</b>
<b><u>For the Year Ended 31 December 2023 (Audited)</u></b>				
Total balances as at beginning of the year	180,354,937	-	-	180,354,937
New balances during the year	45,651,487	-	-	45,651,487
Settled balances	(27,713,158)	-	-	(27,713,158)
<b>Total balances as at the end of the year</b>	<b>198,293,266</b>	<b>-</b>	<b>-</b>	<b>198,293,266</b>

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Set out below is the movement on the provision for expected credit losses (Central Banks) during the period / year:

	Stage 1 individual JD	Stage 2 individual JD	Stage 3 JD	Total JD
<b><u>For the Six Months Ended 30 June 2024</u></b>				
<b><u>(Reviewed not audited)</u></b>				
Total balances as at beginning of the period	8,397	-	-	8,397
Credit loss on new balances and deposits during the period	6,631	-	-	6,631
Reversed credit loss on settled balances	(420)	-	-	(420)
<b>Total balances as at the end of the period</b>	<b>14,608</b>	<b>-</b>	<b>-</b>	<b>14,608</b>
<b><u>For the Year Ended 31 December 2023 (Audited)</u></b>				
Total balances as at beginning of the year	15,535	-	-	15,535
Credit loss on new balances and deposits during the period	1,192	-	-	1,192
Reversed credit loss on settled balances	(8,330)	-	-	(8,330)
<b>Total balances as at the end of the year</b>	<b>8,397</b>	<b>-</b>	<b>-</b>	<b>8,397</b>

**(5) Balances at banks and financial institutions - net**

The item details are as follows:

	30 June 2024 JD (Reviewed not audited)	31 December 2023 JD (Audited)
<b>Local Banks and financial institutions</b>		
Current and on demand accounts	8,284,171	2,464,219
Deposits maturing within 3 months or less	58,011,254	42,397,879
<b>Total local</b>	<b>66,295,425</b>	<b>44,862,098</b>
<b>Foreign Banks and financial institutions</b>		
Current and on demand accounts	23,826,904	20,284,900
Deposits maturing within 3 months or less	77,660,044	55,133,030
<b>Total foreign</b>	<b>101,486,948</b>	<b>75,417,930</b>
<b>Total</b>	<b>167,782,373</b>	<b>120,280,028</b>
<u>Less:</u> Provision for expected credit losses (balances at Banks)	(6,310)	(3,232)
<b>Total</b>	<b>167,776,063</b>	<b>120,276,796</b>

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Non-interest bearing balances at banks and financial institutions amounted to JD 32,111,075 as of 30 June 2024 against JD 43,686,987 as of 31 December 2023.

There are no restricted balances as of 30 June 2024 and 31 December 2023.

Set out below is the movement on the balances at Banks and Financial Institutions during the period / year:

	Stage 1 individual JD	Stage 2 individual JD	Stage 3 JD	Total JD
<b><u>For the Six Months Ended 30 June 2024</u></b>				
<b><u>(Reviewed not audited)</u></b>				
Total balances as at beginning of the period	120,280,028	-	-	120,280,028
New balances during the period	189,246,194	-	-	189,246,194
Settled balances	(141,743,849)	-	-	(141,743,849)
<b>Total balances as at the end of the period</b>	<b>167,782,373</b>	<b>-</b>	<b>-</b>	<b>167,782,373</b>
<b><u>For the Year Ended 31 December 2023 (Audited)</u></b>				
Total balances as at beginning of the year	123,941,017	-	-	123,941,017
New balances during the year	20,066,323	-	-	20,066,323
Settled balances	(23,727,312)	-	-	(23,727,312)
<b>Total balances as at the end of the year</b>	<b>120,280,028</b>	<b>-</b>	<b>-</b>	<b>120,280,028</b>

Movement on the provision for expected credit losses (Balances at banks) during the period/ year:

	Stage 1 individual JD	Stage 2 individual JD	Stage 3 JD	Total JD
<b><u>For the Six Months Ended 30 June 2024 (Reviewed not audited)</u></b>				
Total balances as at beginning of the period	3,232	-	-	3,232
Credit loss on new balances and deposits during the period	19,088	-	-	19,088
Reversed credit loss on settled balances	(16,010)	-	-	(16,010)
<b>Total balances as at the end of the period</b>	<b>6,310</b>	<b>-</b>	<b>-</b>	<b>6,310</b>
<b><u>For the Year Ended 31 December 2023 (Audited)</u></b>				
Total balances as at beginning of the year	20,272	-	-	20,272
Credit loss on new balances and deposits during the year	1,517	-	-	1,517
Reversed credit loss on settled balances	(18,557)	-	-	(18,557)
<b>Total balances as at the end of the year</b>	<b>3,232</b>	<b>-</b>	<b>-</b>	<b>3,232</b>

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**(6) Deposits at banks and financial institutions-net**

The item details are as follows:

	30 June 2024	31 December 2023
	JD (Reviewed not audited)	JD (Audited)
<b>Local deposits maturing within:</b>		
More than 3 to 6 months	2,324,196	31,000,000
More than 6 to 9 months	21,000,000	-
More than 9 to 12 months	-	2,317,705
More than a year	-	16,000,000
<b>Total</b>	<b>23,324,196</b>	<b>49,317,705</b>
<b>External deposits maturing within:</b>		
More than 3 to 6 months	188,168	-
More than 6 to 9 months	169,351	1,266,127
More than 9 to 12 months	-	196,626
More than a year	3,545,000	16,545,000
<b>Total</b>	<b>3,902,519</b>	<b>18,007,753</b>
<b>Total</b>	<b>27,226,715</b>	<b>67,325,458</b>
Less: Provision for expected credit losses (deposits at banks)	(75,894)	(66,383)
<b>Total</b>	<b>27,150,821</b>	<b>67,259,075</b>

There are no restricted deposits as of 30 June 2024 and 31 December 2023.

Set out below is the movement on deposits at banks and financial institutions during the period / year:

	Stage 1 Individual JD	Stage 2 Individual JD	Stage 3 JD	Total JD
<b><u>For the Six Months Ended 30 June 2024 (Reviewed not audited)</u></b>				
Total balances as at beginning of the period	67,325,458	-	-	67,325,458
New deposits during the period	5,669,350	-	-	5,669,350
Settled deposits	(45,768,093)	-	-	(45,768,093)
<b>Total balances as at the end of the period</b>	<b>27,226,715</b>	<b>-</b>	<b>-</b>	<b>27,226,715</b>
<b><u>For the Year Ended 31 December 2023 (Audited)</u></b>				
Total balances as at beginning of the year	73,151,451	-	-	73,151,451
New deposits during the year	30,325,458	-	-	30,325,458
Settled deposits	(36,151,451)	-	-	(36,151,451)
<b>Total balances as at the end of the year</b>	<b>67,325,458</b>	<b>-</b>	<b>-</b>	<b>67,325,458</b>

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Set out below is the movement on the provision for expected credit losses (deposits at banks) during the period / year:

	Stage 1 Individual JD	Stage 2 Individual JD	Stage 3 JD	Total JD
<b><u>For the Six Months Ended 30 June 2024 (Reviewed not audited)</u></b>				
Total balances as at beginning of the period	66,383	-	-	66,383
Credit losses on new balances and deposits during the period	36,257	-	-	36,257
Reversed credit loss on settled deposits	(11,528)	-	-	(11,528)
Changes resulting from adjustments	(15,218)	-	-	(15,218)
<b>Total balances as at the end of the period</b>	<b>75,894</b>	<b>-</b>	<b>-</b>	<b>75,894</b>
<b><u>For the Year Ended 31 December 2023 (Audited)</u></b>				
Total balances as at beginning of the year	68,183	-	-	68,183
Credit losses on new balances and deposits during the year	51,580	-	-	51,580
Reversed credit loss on settled deposits	(55,138)	-	-	(55,138)
Changes resulting from adjustments	1,758	-	-	1,758
<b>Total balances as at the end of the year</b>	<b>66,383</b>	<b>-</b>	<b>-</b>	<b>66,383</b>

**(7) Financial assets at fair value through income statement**

The item details are as follows:

	30 June 2024 JD (Reviewed not audited)	31 December 2023 JD (Audited)
Quoted corporate shares	8,857,034	9,120,040
Government treasury bonds	4,150,330	4,254,638
<b>Total</b>	<b>13,007,364</b>	<b>13,374,678</b>

**(8) Financial assets at fair value through other comprehensive income - net**

The item details are as follows:

	30 June 2024 JD (Reviewed not audited)	31 December 2023 JD (Audited)
Quoted shares	101,550,282	84,879,129
Unquoted shares *	12,458,525	10,976,155
Quoted bonds	194,098	168,592
	114,202,905	96,023,876
Less: Expected credit loss	(2,355)	(4,041)
<b>Total</b>	<b>114,200,550</b>	<b>96,019,835</b>

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Cash dividends on investments amounted to JD 5,137,133 for the six months ended 30 June 2024 (JD 2,430,421 for the six months ended 30 June 2023).

\* Fair value calculation for unquoted investments is based on the most recent financial data available for the investee company.

**(9) Financial assets at amortized cost - net**

The item details are as follows:

	30 June 2024	31 December 2023
	JD (Reviewed not audited)	JD (Audited)
<b>Quoted financial assets</b>		
Foreign government treasury bonds	42,392,180	42,372,382
Bonds and corporate loan bonds	35,551,400	21,772,555
<b>Total quoted financial assets</b>	<u>77,943,580</u>	<u>64,144,937</u>
<b>Unquoted financial assets</b>		
Governmental treasury bills	13,619,355	13,856,523
Governmental treasury bonds	693,913,621	670,848,973
Bonds and corporate loan bonds	69,000,000	54,000,000
<b>Total unquoted financial assets</b>	<u>776,532,976</u>	<u>738,705,496</u>
Total	854,476,556	802,850,433
<u>Less:</u> Provision for expected credit losses	(1,200,531)	(761,756)
	<u>853,276,025</u>	<u>802,088,677</u>
<b>Analysis of bonds:</b>		
Fixed rate bonds	854,476,556	802,850,433
<b>Total</b>	<u>854,476,556</u>	<u>802,850,433</u>

Set out below is the movement on the financial assets at amortized costs (including pledged financials assets) during the period / year:

	Stage 1 individual JD	Stage 2 individual JD	Stage 3 JD	Total JD
<b><u>For the Six Months Ended 30 June 2024 (Reviewed not audited)</u></b>				
Total balances as at beginning of the period	802,850,433	-	-	802,850,433
New investment during the period	187,151,005	-	-	187,151,005
Matured investments	(135,524,882)	-	-	(135,524,882)
<b>Total balances as at the end of the period</b>	<u>854,476,556</u>	<u>-</u>	<u>-</u>	<u>854,476,556</u>
<b><u>For the Year Ended 31 December 2023 (Audited)</u></b>				
Total balances as at beginning of the year	796,199,519	-	-	796,199,519
New investment during the year	198,178,413	-	-	198,178,413
Matured investments	(191,527,499)	-	-	(191,527,499)
<b>Total balances as at the end of the year</b>	<u>802,850,433</u>	<u>-</u>	<u>-</u>	<u>802,850,433</u>

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The movement on the provision for expected credit losses for financial assets at amortized cost during the period / year:

	Stage 1 individual JD	Stage 2 individual JD	Stage 3 JD	Total JD
<b><u>For the Six Months Ended 30 June 2024 (Reviewed not audited)</u></b>				
Total balances as at beginning of the period	761,756	-	-	761,756
Credit losses on new investments during the period	463,051	-	-	463,051
Reversed credit loss on matured investments	(66,761)	-	-	(66,761)
Changes resulting from adjustments	42,485	-	-	42,485
<b>Total balances as at the end of the period</b>	<b>1,200,531</b>	<b>-</b>	<b>-</b>	<b>1,200,531</b>
<b><u>For the Year Ended 31 December 2023 (Audited)</u></b>				
Total balances as at beginning of the year	834,379	-	-	834,379
Credit losses on new investments during the year	285,681	-	-	285,681
Reversed credit loss on matured investments	(340,525)	-	-	(340,525)
Changes resulting from adjustments	(17,779)	-	-	(17,779)
<b>Total balances as at the end of the year</b>	<b>761,756</b>	<b>-</b>	<b>-</b>	<b>761,756</b>

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**(10) Direct credit facilities - net**

The item details are as follows:

	30 June 2024	31 December 2023
	JD (Reviewed not audited)	JD (Audited)
<b>Individuals (Retail)</b>		
Overdrafts	16,764,369	6,614,425
Loans and bills *	803,971,594	819,460,797
Credit cards	17,110,431	16,709,817
Others	6,572,022	6,582,555
<b>Real-estate loans</b>	349,424,982	349,021,919
<b>Corporate</b>		
Overdrafts	124,538,495	124,225,843
Loans and bills *	621,563,080	623,364,730
<b>Small and medium enterprises “SMEs”</b>		
Overdrafts	21,911,190	20,973,913
Loans and bills *	221,895,273	229,018,913
<b>Government and Public sector</b>	268,905,809	242,962,246
<b>Total</b>	<u>2,452,657,245</u>	<u>2,438,935,158</u>
<u>Less: Suspended interest</u>	(14,165,038)	(13,310,310)
<u>Less: Expected credit losses</u>	(160,993,823)	(131,389,710)
<b>Net- Direct Credit Facilities</b>	<u>2,277,498,384</u>	<u>2,294,235,138</u>

- \* Net of interest and commissions collected in advance amounting to JD 1,811,201 as of 30 June 2024 (JD 2,024,011 as at 31 December 2023).
- Non-performing credit facilities, in accordance with the instructions of the Central Bank of Jordan, amounted to JD 190,215,073 representing 7.76% of gross direct credit facilities as of 30 June 2024 (JD 140,231,367 representing 5.75% of gross direct credit facilities as of 31 December 2023).
  - Non-performing credit facilities net of suspended interest, in accordance with the instructions of the Central Bank of Jordan, amounted to JD 176,178,585 representing 7.22% of gross direct credit facilities after excluding suspended interest as of 30 June 2024 (JD 127,031,987 representing 5.24% of gross direct credit facilities after excluding suspended interest as of 31 December 2023).
  - Credit facilities granted to the Government of Jordan under its own guarantee, amounted to JD 2,301,714 representing 0.09% of gross direct credit facilities as of 30 June 2024 (JD 7,306,191 representing 0.3% of gross credit facilities as of 31 December 2023).
  - Credit facilities granted to the public sector in Palestine amounted to JD 88,887,942 representing 3.62% of gross direct credit facilities as of 30 June 2024 (JD 89,882,782 representing 3.69% of gross direct credit facilities as of 31 December 2023).



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Disclosure on the movement of facilities at a collective level at the end of the period/ year:

	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD		
<b><u>For the Six Months Ended 30 June 2024 (Reviewed not audited)</u></b>						
Total balances as at beginning of the period	766,274,553	907,347,794	403,771,857	197,624,132	163,916,822	2,438,935,158
New facilities during the period	142,940,151	55,280,339	37,959,996	8,493,282	5,654,693	250,328,461
Settled facilities	(87,649,468)	(52,665,495)	(71,726,170)	(11,701,168)	(12,799,848)	(236,542,149)
Transferred to stage 1	117,890,083	50,551,256	(117,389,607)	(43,627,059)	(7,424,673)	-
Transferred to stage 2	(76,152,362)	(146,470,381)	80,957,437	158,753,915	(17,088,609)	-
Transferred to stage 3	(6,647,368)	(15,208,282)	(34,595,786)	(28,867,216)	85,318,652	-
Written off facilities	-	-	-	-	(64,225)	(64,225)
<b>Total balances at the end of the period</b>	<b>856,655,589</b>	<b>798,835,231</b>	<b>298,977,727</b>	<b>280,675,886</b>	<b>217,512,812</b>	<b>2,452,657,245</b>
<b><u>For the Year Ended 31 December 2023 (Audited)</u></b>						
Total balances as at beginning of the year	756,293,634	953,665,882	286,724,256	115,694,304	131,845,238	2,244,223,314
New facilities during the year	288,420,641	133,021,151	115,487,399	51,611,587	11,404,581	599,945,359
Settled facilities	(198,588,939)	(103,805,433)	(68,472,346)	(13,634,798)	(16,069,467)	(400,570,983)
Transferred to stage 1	41,638,652	39,998,243	(40,830,530)	(30,633,525)	(10,172,840)	-
Transferred to stage 2	(115,806,601)	(85,034,549)	119,194,601	93,745,453	(12,098,904)	-
Transferred to stage 3	(5,682,834)	(30,497,500)	(8,331,523)	(19,158,889)	63,670,746	-
Written off facilities	-	-	-	-	(4,662,532)	(4,662,532)
<b>Total balances as at the end of the year</b>	<b>766,274,553</b>	<b>907,347,794</b>	<b>403,771,857</b>	<b>197,624,132</b>	<b>163,916,822</b>	<b>2,438,935,158</b>

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Set out below is the movement on the provision for expected credit losses (Direct Credit Facilities) during the period / year:

			Corporates		Government and Public sector	Total
	Individual	Real-estate loans	Large	SMEs		
	JD	JD	JD	JD		
<b><u>For the Six Months Ended 30 June 2024 (Reviewed not audited)</u></b>						
Total balances as at beginning of the period	75,785,245	10,614,391	26,879,319	16,107,277	2,003,478	131,389,710
Credit loss on new facilities during the period	5,569,551	421,442	1,900,787	1,262,565	299,944	9,454,289
Reversed credit loss on settled facilities	(2,602,256)	(2,499,037)	(1,199,534)	(2,079,585)	(6,471)	(8,386,883)
Transferred to stage 1	6,185,199	497,930	100,489	148,260	1,219,615	8,151,493
Transferred to stage 2	(1,855,606)	409,752	(2,413,536)	465,182	(1,219,615)	(4,613,823)
Transferred to stage 3	(4,329,593)	(907,683)	2,313,047	(613,442)	-	(3,537,671)
Effect on the provision at the end of the period – resulting from the reclassification between the three stages during the period	10,885,382	2,162,976	7,794,651	5,559,938	334,092	26,737,039
Changes resulting from adjustments	3,801,677	903,947	(3,429,534)	874,817	-	2,150,907
Written off facilities	(664)	-	-	(63,561)	-	(64,225)
Valuation differences	(18,514)	(15,850)	(120,557)	(132,092)	-	(287,013)
<b>Total balances as at the end of the period</b>	<b>93,420,421</b>	<b>11,587,868</b>	<b>31,825,132</b>	<b>21,529,359</b>	<b>2,631,043</b>	<b>160,993,823</b>
<b><u>For the Year Ended 31 December 2023 (Audited)</u></b>						
Total balances as at beginning of the year	51,451,216	10,525,858	25,435,190	15,514,527	2,719,736	105,646,527
Credit loss on new facilities during the year	12,812,482	1,990,916	5,661,102	1,998,981	634,120	23,097,601
Reversed credit loss on settled facilities	(4,437,863)	(3,814,344)	(5,029,471)	(3,815,701)	(1,000,418)	(18,097,797)
Transferred to stage 1	3,821,699	385,691	985,694	571,577	565,360	6,330,021
Transferred to stage 2	2,562,933	337,748	(2,394,761)	766,605	(565,360)	707,165
Transferred to stage 3	(6,384,632)	(723,439)	1,409,067	(1,338,182)	-	(7,037,186)
Effect on the provision at the end of the year - resulting from the reclassification between the three stages during the year	15,034,719	3,186,116	1,398,649	2,462,228	(349,960)	21,731,752
Changes resulting from adjustments	5,500,225	(1,202,800)	(586,151)	(45,373)	-	3,665,901
Written off facilities	(4,483,108)	(71,355)	-	(7,385)	-	(4,561,848)
Valuation differences	(92,426)	-	-	-	-	(92,426)
<b>Total balances as at the end of the year</b>	<b>75,785,245</b>	<b>10,614,391</b>	<b>26,879,319</b>	<b>16,107,277</b>	<b>2,003,478</b>	<b>131,389,710</b>

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- The amount of JD 14,667,383 was reversed due to settlements or repayments and reclassified to the other facilities provision as of 30 June 2024 (JD 18,426,120 as of 31 December 2023).

**Suspended Interest**

Set out below is the movement on the suspended interest during the period/ year:

	Individual JD	Real-estate loans JD	Corporates		Government and Public sector JD	Total JD
			Large JD	SMEs JD		
<b><u>For the Six Months Ended 30 June 2024 (Reviewed not audited)</u></b>						
Total balances - beginning of the period	2,999,507	1,513,370	6,355,367	2,442,066	-	13,310,310
Suspended interest on new exposures during the period	570,895	304,530	531,747	305,896	-	1,713,068
Suspended interest on settled exposures transferred to revenue during the period	(172,701)	(486,411)	(150,762)	(48,466)	-	(858,340)
Transferred to stage 1	34,961	1,425	-	1,853	-	38,239
Transferred to stage 2	74,788	36,560	-	310	-	111,658
Transferred to stage 3	(109,749)	(37,985)	-	(2,163)	-	(149,897)
<b>Total balances - End of the Period</b>	<b>3,397,701</b>	<b>1,331,489</b>	<b>6,736,352</b>	<b>2,699,496</b>	<b>-</b>	<b>14,165,038</b>
<b><u>For the Year Ended 31 December 2023 (Audited)</u></b>						
Total balances - beginning of the year	2,595,086	1,207,271	5,278,638	2,301,727	-	11,382,722
Suspended interest on new exposures during the year	770,144	570,008	1,117,952	313,976	-	2,772,080
Suspended interest on settled exposures transferred to revenue during the year	(272,061)	(257,015)	(41,223)	(173,509)	-	(743,808)
Transferred to stage 1	71,621	33,983	-	45,371	-	150,975
Transferred to stage 2	73,862	22,141	242	13,856	-	110,101
Transferred to stage 3	(145,483)	(56,124)	(242)	(59,227)	-	(261,076)
Suspended interest on written off exposures	(93,662)	(6,894)	-	(128)	-	(100,684)
<b>Total balances - End of the Year</b>	<b>2,999,507</b>	<b>1,513,370</b>	<b>6,355,367</b>	<b>2,442,066</b>	<b>-</b>	<b>13,310,310</b>

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**(11) Other Assets**

The item details are as follows:

	30 June 2024	31 December 2023
	JD (Reviewed not audited)	JD (Audited)
Accrued revenues	24,321,835	24,210,547
Prepaid expenses	9,470,545	7,026,476
Repossessed assets – net*	16,407,093	17,432,653
Accounts receivable – net	7,921,547	5,656,136
Clearing checks	5,538,794	3,645,684
Settlement guarantee fund	25,000	86,000
Refundable deposits	768,572	767,572
Cards deposits	5,000,967	3,388,122
Others	6,645,715	3,500,826
<b>Total</b>	<b>76,100,068</b>	<b>65,714,016</b>

\* The instruction of the Central Bank of Jordan requires the Bank to dispose the assets it seizes during a maximum period of two years from the acquisition date, the Central Bank of Jordan might provide an exceptional exemption for an additional period of up to 2 consecutive years.

Set out below is the movement on repossessed assets as a settlement against defaulted facilities:

	30 June 2024	31 December 2023
	JD (Reviewed not audited)	JD (Audited)
Balance - beginning of the period / year	19,818,954	20,800,735
Additions	2,236,211	2,462,219
Disposals	(3,277,669)	(3,444,000)
<b>Total</b>	<b>18,777,496</b>	<b>19,818,954</b>
Impairment of repossessed assets provision	(2,370,403)	(2,386,301)
<b>Balance - End of the Period / Year</b>	<b>16,407,093</b>	<b>17,432,653</b>

A summary of the movement on repossessed assets impairment provision:

Balance-beginning of the period / year	2,386,301	2,345,885
Additions	6,781	40,416
Disposals	(22,679)	-
<b>Balance - End of the Period / Year</b>	<b>(2,370,403)</b>	<b>2,386,301</b>

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**(12) Customers deposits**

	Retail	Corporate	SMEs	Government and Public sector	Total
	JD	JD	JD	JD	JD
<b><u>For the Six Months Ended 30 June 2024 (Reviewed not audited)</u></b>					
Current and on demand accounts	344,323,367	128,645,205	73,725,992	140,397,514	687,092,078
Saving deposits	540,328,659	5,322,858	5,486,232	531,325	551,668,984
Time and notice deposits	629,829,307	414,867,877	48,301,797	254,095,015	1,347,093,996
<b>Total</b>	<b><u>1,514,481,333</u></b>	<b><u>548,835,940</u></b>	<b><u>127,514,021</u></b>	<b><u>395,023,764</u></b>	<b><u>2,585,855,085</u></b>
<b><u>For the Year Ended 31 December 2023 (Audited)</u></b>					
Current and on demand accounts	357,584,180	119,110,453	74,663,536	98,241,803	649,599,972
Saving deposits	563,244,218	4,661,723	8,080,307	49,956	576,036,204
Time and notice deposits	622,041,919	417,372,604	49,311,074	284,922,131	1,373,647,728
<b>Total</b>	<b><u>1,542,870,317</u></b>	<b><u>541,144,780</u></b>	<b><u>132,054,917</u></b>	<b><u>383,213,890</u></b>	<b><u>2,599,283,904</u></b>

- The Government of Jordan and the public sector deposits inside Jordan amounted to JD 344,237,256 equivalent to 13.31% of total deposits as of 30 June 2024 (JD 354,345,149 equivalent to 13.63% of total deposits as of 31 December 2023).
- There are no restricted deposits as of 30 June 2024 and 31 December 2023.
- Non-interest bearing deposits amounted to JD 567,161,030 equivalent to 21.93% of total deposits as of 30 June 2024 (JD 573,610,659 equivalent to 22.07% of total deposits as of 31 December 2023).
- Dormant deposit accounts amounted to JD 42,545,793 as of 30 June 2024 (JD 60,297,055 as of 31 December 2023).

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**(13) Borrowed Funds**

The item details are as follows:

	No. of Installments		Installment Frequency	Maturity date	Collaterals	Interest rate
	Amount	Total				
JD						
<b>30 June 2024 (Reviewed not audited)</b>						
Amounts borrowed from overseas investment company						
(OPIC)	15,598,000	1	1	At maturity	2034	None 4.845%-4.895%
Amounts borrowed from French Development Agency	354,500	20	2	Semi- annually	2025	None 3.358%
Amounts borrowed from Central Bank of Jordan	3,325,000	20	7	Semi- annually	2027	None 8.65%
Amounts borrowed from Central Bank of Jordan	99,261,121	831	831	At maturity / per Loan	2024-2035	None 0.5%-1.75%
Amounts borrowed from Central Bank of Jordan	22,190,996	271	271	At maturity / per Loan	2024-2030	None -
Amounts borrowed from Central Bank of Jordan	47,840	14	1	Semi- annually	2024	None 2.5%
Amounts borrowed from Central Bank of Jordan	2,460,000	20	12	Semi- annually	2030	None 8.75%
Amounts borrowed from Central Bank of Jordan	6,680,387	35	31	Semi- annually	2039	None 3%
Jordan Mortgage Refinance Company	15,000,000	1	1	At maturity	2026	None 7.1%
Jordan Mortgage Refinance Company	30,000,000	1	1	At maturity	2024	None 5.75%
Jordan Mortgage Refinance Company	10,000,000	1	1	At maturity	2025	None 4.9%
Jordan Mortgage Refinance Company	10,000,000	1	1	At maturity	2028	None 4.75%
Jordan Mortgage Refinance Company	4,000,000	1	1	At maturity	2026	None 4.65%
European Investment bank	74,231,040	7	7	Semi- annually	2028	None 4.47%
Arab fund for economic and social development	2,674,776	11	11	Semi- annually	2031	None 3.50%
Amounts borrowed from European Bank for						
Reconstruction and Development (EBRD)	5,317,500	7	7	Semi- annually	2028	None 6.812%
Amounts borrowed from European Bank for						
Reconstruction and Development (EBRD)	1,772,500	7	7	Semi- annually	2028	None 5.692%
Palestine Monetary Authority	1,378,540	-	-	Monthly	-	None 3.0%
Amounts borrowed from European Bank for						
Reconstruction and Development (EBRD)	4,861,714	7	6	Semi- annually	2027	None 7.3%
Amounts borrowed from European Bank for						
Reconstruction and Development (EBRD)	1,418,000	7	7	Semi- annually	2027	None 7.34%
Proparco	3,373,239	13	13	Semi- annually	2030	None 8.48%
Amounts borrowed from French Development Agency	1,436,461	20	3	Semi- annually	2025	None 5.539%
Amounts borrowed from International Financial Markets						
(FMI)	1,074,224	1	1	1	-	None -
Jordan Kuwait Bank	13,735,000	8	8	Quarterly	2027	None 5.0%
Etiihad Bank	5,898,333	8	8	Quarterly	2028	None 6.75%
Housing Bank for Trade and Finance	9,434,926	overdraft	-	-	2024	None 7.25%
Jordan Ahli Bank	5,000,000	8	8	Quarterly	2026	None 5.75%
Jordan Ahli Bank	10,000,000	1	1	At maturity	2025	None 4.75%
Invest Bank	5,000,000	24	24	Quarterly	2027	None 7.25%
<b>Total</b>	<b>365,524,097</b>					

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	No. of Installments			Installment Frequency	Maturity date	Collaterals	Interest rate
	Amount	Total	Remaining				
	<b>JD</b>						
<b>31 December 2023 (Audited)</b>							
Amounts borrowed from overseas investment company (OPIC)	15,598,000	1	1	At maturity	2034	None	4.845%- 4.895%
Amounts borrowed from French Development Agency	531,750	20	3	Semi- annually	2025	None	3.358%
Amounts borrowed from Central Bank of Jordan	3,800,000	20	8	Semi- annually	2027	None	8.65%
Amounts borrowed from Central Bank of Jordan	106,779,184	802	802	At maturity / per Loan	2024- 2035	None	0.5%-1.75%
Amounts borrowed from Central Bank of Jordan	22,483,088	402	402	At maturity / per Loan	2024- 2030	None	-
Amounts borrowed from Central Bank of Jordan	215,856	14	2	Semi- annually	2024	None	2.5%
Amounts borrowed from Central Bank of Jordan	2,665,000	20	12	Semi- annually	2030	None	8.75%
Amounts borrowed from Central Bank of Jordan	6,610,826	35	32	Semi- annually	2039	None	3%
Jordan Mortgage Refinance Company	10,000,000	1	1	At maturity	2024	None	8.65%
Jordan Mortgage Refinance Company	30,000,000	1	1	At maturity	2024	None	5.75%
Jordan Mortgage Refinance Company	10,000,000	1	1	At maturity	2025	None	4.9%
Jordan Mortgage Refinance Company	10,000,000	1	1	At maturity	2028	None	4.75%
Jordan Mortgage Refinance Company	4,000,000	1	1	At maturity	2026	None	4.65%
Amounts borrowed from European Bank for Reconstruction and Development (EBRD)	5,317,500	7	7	Semi- annually	2028	None	6.812%
Amounts borrowed from European Bank for Reconstruction and Development (EBRD)	1,772,500	7	7	Semi- annually	2028	None	5.692%
Amounts borrowed from French Development Agency	1,968,594	20	4	Semi- annually	2031	None	5.83%
Palestine Monetary Authority	1,708,447	-	-	Monthly	-	None	3.0 %
Amounts borrowed from European Bank for Reconstruction and Development (EBRD)	5,672,000	7	7	Semi- annually	2027	None	6.9%
Proparco	3,545,000	13	13	Semi- annually	2030	None	8.7%
Amounts borrowed from International Financial Markets (FMI)	1,074,224	1	1	1	-	None	-
Jordan Kuwait Bank	13,797,500	8	8	Quarterly	2024	None	5.0%
EtiHAD Bank	5,551,666	8	7	Quarterly	2024	None	6.75%
Housing Bank for Trade and Finance	12,784,429	Overdraft	-	-	2023	None	7.25%
Jordan Ahli Bank	5,000,000	8	8	Quarterly	2024	None	5.75%
Jordan Ahli Bank	10,000,000	1	1	At maturity	2025	None	4.75%
Invest Bank	5,000,000	24	24	Quarterly	2025	None	6%
<b>Total</b>	<b>295,875,564</b>						

**(14) Income Tax**

**Income Tax Provision**

Set out below is the movement on income tax provision during the period / year:

	30 June 2024	31 December 2023
	JD (Reviewed not audited)	JD (Audited)
Balance - beginning of the period / year	23,492,297	23,867,415
Income tax paid	(14,351,195)	(20,114,636)
Income tax expense	2,588,805	19,739,518
Balance - end of the period / year	<u>11,729,907</u>	<u>23,492,297</u>

Set out below is the income tax appearing on the income statement:

	30 June 2024	30 June 2023
	JD (Reviewed not audited)	JD (Reviewed not audited)
Income tax for the period	2,588,805	9,772,658
Deferred tax liabilities	-	(540,528)
Deferred tax assets	(3,384,549)	111,915
Income tax (surplus) expense	<u>(795,744)</u>	<u>9,344,045</u>

- The income tax rate on Banks in Jordan is 38% and varies between 0%-31% in countries that the bank has branches and subsidiaries. Banks in Palestine are subject to an income tax rate of 15% and VAT of 16%.
- The Bank has reached a final settlement with the Income and Sales Tax Department up to the end of the year 2019 for the Bank's branches in Jordan. The Income and Sales Tax Department did not review 2020, 2021, 2022 and 2023 records to date.
- A final settlement was reached with the tax authorities for the Bank's branches in Palestine up until the end of the year 2020. The Income and Sales Tax Department did not review 2021, 2022 and 2023.
- A final settlement was reached with the Income and Sales Tax Department for Al-Watanieh Financial Services (Awraq) up to the end of the year 2019, except for the years 2015, 2016, and 2017. The tax due for these years was estimated at JD 1,361,990 , which is an additional amounts to be paid. An objection to the decision was filed with the Income Tax Court, which issued its decision on 26 February 2024, obligating the company to pay the tax difference. The company has submitted a request for a retrial, which is still pending before the court, and the accounts for the years 2020, 2021, 2022, and 2023 have not been reviewed.
- A final settlement was made for the Al-Watanieh Securities Company (Palestine) up to the end of the year 2022, and the accounts for the year 2023 have not been reviewed.
- A final settlement was made with the Income and Sales Tax Department for Tamalak Financial Leasing Company up to the end of the year 2020, and the accounts for the years 2021, 2022, and 2023 have not been reviewed.



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In the opinion of the Bank's management, the tax provisions as of 30 June 2024, are sufficient to cover any future tax liabilities.

Set out below is the movement on the deferred tax assets and liabilities:

	30 June 2024		31 December 2023	
	Assets JD (Reviewed not audited)	Liabilities JD (Reviewed not audited)	Assets JD (Audited)	Liabilities JD (Audited)
Balance as at beginning of the period / year	16,266,401	2,684,880	13,574,826	1,308,124
Additions	3,829,735	1,995,692	3,040,258	2,824,574
Disposal	(446,603)	(694,295)	(348,683)	(1,447,818)
<b>Balance as at the end of the period / year</b>	<b>19,649,533</b>	<b>3,986,277</b>	<b>16,266,401</b>	<b>2,684,880</b>

Deferred tax is calculated using the tax rates that are expected to be applied when the deferred tax assets/liabilities will be realized, or the deferred tax liabilities will be settled.

**(15) Other Liabilities**

	30 June 2024	31 December 2023
	JD (Reviewed not audited)	JD (Audited)
Accrued interest	22,710,654	20,918,960
Unearned Revenue	872,956	537,195
Accounts payable	5,018,145	6,814,916
Accrued expenses	11,394,994	10,818,804
Temporary deposits	25,124,589	25,057,407
Checks and withdrawals for payments	5,708,562	7,644,290
Others	3,658,608	4,894,448
	<b>74,488,508</b>	<b>76,686,020</b>
Provision for expected credit losses on indirect credit facilities	4,308,167	4,320,898
<b>Total</b>	<b>78,796,675</b>	<b>81,006,918</b>

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Disclosure on the movement of indirect credit facilities at a collective level at the end of the period / year:

	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD		
<b><u>For the Six Months Ended 30 June 2024 (Reviewed not audited)</u></b>						
Total balances as at beginning of the period	13,374,087	344,601,132	1,550,047	98,107,971	2,913,575	460,546,812
New exposures during the period	3,611,489	84,645,546	294,110	10,171,844	91,731	98,814,720
Accrued exposures	(3,744,943)	(71,369,881)	(412,002)	(22,356,380)	(513,834)	(98,397,040)
Transferred to stage 1	288,092	8,667,873	(270,680)	(8,667,873)	(17,412)	-
Transferred to stage 2	(303,289)	(4,273,930)	381,593	6,144,292	(1,948,666)	-
Transferred to stage 3	(54,016)	(306,187)	(96,641)	(842,975)	1,299,819	-
<b>Total balances as at the end of the period</b>	<b>13,171,420</b>	<b>361,964,553</b>	<b>1,446,427</b>	<b>82,556,879</b>	<b>1,825,213</b>	<b>460,964,492</b>
<b><u>For the Year Ended 31 December 2023 (Audited)</u></b>						
Total balances as at beginning of the year	12,302,978	307,356,309	910,910	72,799,844	1,177,193	394,547,234
New exposures during the year	5,353,813	162,721,012	660,706	47,874,258	1,155,422	217,765,211
Accrued exposures	(3,840,232)	(128,664,673)	(366,681)	(18,156,165)	(737,882)	(151,765,633)
Transferred to stage 1	171,649	17,568,068	(150,102)	(17,568,068)	(21,547)	-
Transferred to stage 2	(487,569)	(13,332,573)	531,177	13,337,073	(48,108)	-
Transferred to stage 3	(126,552)	(1,047,011)	(35,963)	(178,971)	1,388,497	-
<b>Total balances as at the end of the year</b>	<b>13,374,087</b>	<b>344,601,132</b>	<b>1,550,047</b>	<b>98,107,971</b>	<b>2,913,575</b>	<b>460,546,812</b>

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Set out below is the disclosure on the movement of the provision for expected credit losses for indirect facilities at a collective level as of period / year end:

	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD		
<b><u>For the Six Months Ended 30 June 2024 (Reviewed not audited)</u></b>						
Total balances as at beginning of the period	52,284	426,847	132,171	2,465,298	1,244,298	4,320,898
Credit loss on new exposures during the period	25,266	333,880	21,483	658,141	70,900	1,109,670
Credit loss on accrued exposures	(11,342)	(79,758)	(28,651)	(1,019,431)	(67,931)	(1,207,113)
Transferred to stage 1	22,946	142,482	(19,882)	(142,482)	(3,064)	-
Transferred to stage 2	(1,554)	(7,043)	13,602	889,080	(894,085)	-
Transferred to stage 3	(271)	(166)	(8,950)	(10,011)	19,398	-
Effect on the provision at the end of the period - resulting from the reclassification between the three stages at the end of the period	(21,527)	(124,595)	16,389	(385,822)	451,017	(64,538)
Changes resulting from adjustments	16	83,255	1	67,573	(1,595)	149,250
<b>Total balances as at the end of the period</b>	<b>65,818</b>	<b>774,902</b>	<b>126,163</b>	<b>2,522,346</b>	<b>818,938</b>	<b>4,308,167</b>
<b><u>For the Year Ended 31 December 2023 (Audited)</u></b>						
Total balances as at beginning of the year	516,716	889,163	112,093	2,664,388	624,681	4,807,041
Credit loss on new exposures during the year	13,250	158,743	30,005	880,206	46,007	1,128,211
Credit loss on accrued exposures	(426,474)	(272,608)	(36,824)	(941,357)	(407,896)	(2,085,159)
Transferred to stage 1	24,358	290,465	(15,780)	(290,465)	(8,578)	-
Transferred to stage 2	(45,672)	(89,958)	60,086	92,969	(17,425)	-
Transferred to stage 3	(5,908)	(3,396)	(3,718)	(4,530)	17,552	-
Effect on the provision at the end of the year - resulting from the reclassification between the three stages at the end of the year	(23,449)	(276,472)	(13,692)	160,760	989,344	836,491
Changes resulting from adjustments	(537)	(269,090)	1	(96,673)	613	(365,686)
<b>Total balances as at the end of the year</b>	<b>52,284</b>	<b>426,847</b>	<b>132,171</b>	<b>2,465,298</b>	<b>1,244,298</b>	<b>4,320,898</b>

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**(16) Fair Value Reserve - net**

The item details are as follows:

	30 June 2024	31 December 2023
	JD	JD
	(Reviewed not audited)	(Audited)
Balance at the beginning of the period / year	27,494,289	9,304,467
Unrealized gains	16,695,646	19,936,274
(Gain) loss from sale of financial assets at fair value through other comprehensive income transferred to retained earnings	-	(369,430)
Deferred tax assets	(1,417)	3,669
Deferred tax liabilities	(1,301,396)	(1,380,691)
Balance as at the end of the period / year	<u>42,887,122</u>	<u>27,494,289</u>

The fair value reserve appears net after deducting deferred tax liabilities in the amount of JD 3,099,751.

**(17) Retained Earnings**

The item details are as follows:

	30 June 2024	31 December 2023
	JD	JD
	(Reviewed not audited)	(Audited)
Balance at the beginning of the period / year	108,402,893	97,910,555
Profit for the year	-	35,284,694
Transferred to statutory reserve	-	(4,503,702)
Transferred from (to) general banking risk reserve	-	(1,528,328)
Transferred (to) cyclical fluctuations reserve	-	(129,756)
Cash dividends distributed to shareholders	(13,300,000)	(19,000,000)
Transfer for capital increase	(10,000,000)	-
Capital increase expenses	(80,312)	-
Transfers resulted from sale of financial assets at fair value through other comprehensive income	-	369,430
Balance as at the end of the period / year	<u>85,022,581</u>	<u>108,402,893</u>

- Retained earnings as of 30 June 2024 includes JD 12,669,542 resulting from the early implementation of International Financial Reporting Standard no. (9). This amount is not available for distribution in accordance with the Securities Commission instructions, except for the amounts realized through the sale of the financial assets.
- Retained earnings includes deferred tax assets amounting to JD 19,649,533 as of 30 June 2024, (JD 16,266,401 as of 31 December 2023), which is not available for distribution in accordance with the Central Bank of Jordan instructions.
- The Bank cannot use a restricted amount of JD 1,155,916 which represents the remaining balance of the general banking risk reserve included in retained earnings in accordance with the instructions of the Central Bank of Jordan.

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- The General Assembly of Shareholders decided in its ordinary meeting held on 3 April 2024 to approve the distribution of cash dividends to shareholders at 70 Fils per share i.e., 7% of the par value per share amounting to JD 1.
- The General Assembly of Shareholders decided in its extraordinary meeting held on 3 April 2024, to approve an increase in the bank's capital by JD 10 million and to capitalize it from the retained earnings by distributing free shares at a rate of 5.263% to the shareholders.
- The General Assembly of Shareholders decided in its ordinary meeting held on 13 April 2023, to distribute cash dividends to the shareholders at an amount of 100 fils per share, i.e. 10% of the par value per share amounting to JD 1 as dividends for the year 2022.

**(18) Interest Income**

This item consists of the following:

	30 June 2024	30 June 2023
	JD (Reviewed not audited)	JD (Reviewed not audited)
Direct credit facilities:		
<b>Individuals (Retail)</b>		
Overdrafts	664,438	494,415
Loans and bills	37,230,306	40,153,381
Credit cards	1,418,075	1,383,714
Brokerage margin accounts	250,943	276,828
Real-estate loans	11,019,847	10,193,305
<b>Corporate</b>		
<b>Large corporate</b>		
Overdrafts	4,302,602	6,065,194
Loans and bills	22,318,961	19,738,291
<b>Small and medium enterprises</b>		
Overdrafts	1,293,127	1,171,940
Loans and bills	5,125,975	6,203,229
<b>Government and public sector</b>	9,707,341	6,011,312
Balances at Central Banks	766,571	588,706
Balances and deposits at banks and financial institutions	3,650,920	4,409,681
Financial assets at fair value	136,447	-
Financial assets at amortized cost	25,310,485	20,571,251
<b>Total</b>	<b>123,196,038</b>	<b>117,261,247</b>

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**(19) Interest Expense**

The item details are as follows:

	30 June 2024	30 June 2023
	JD	JD
	(Reviewed not audited)	(Reviewed not audited)
Banks and financial institutions deposits	8,103,371	6,991,204
<b>Customers' deposits:</b>		
Current and on demand accounts	1,913,694	2,060,831
Saving accounts	1,208,333	1,469,974
Time and notice deposits	37,333,196	28,598,750
Cash margins	164,703	275,345
Loans and borrowings	7,238,122	6,614,684
Deposits guarantee fees	1,512,332	1,432,079
<b>Total</b>	<b>57,473,751</b>	<b>47,442,867</b>

**(20) Gains from financial assets at fair value through income statement**

The item details are as follows:

	Realized (losses) gains	Unrealized (Losses)	Dividends income	Total
	JD	JD	JD	JD
<b><u>For the Six Months Ended 30 June 2024 (Reviewed not audited)</u></b>				
Corporate shares	(6,346)	(342,319)	661,879	313,214
Government bonds	-	(104,308)	-	(104,308)
<b>Total</b>	<b>(6,346)</b>	<b>(446,627)</b>	<b>661,879</b>	<b>208,906</b>
<b><u>For the Six Months Ended 30 June 2023 (Reviewed not audited)</u></b>				
Corporate shares	738,062	(827,682)	473,154	383,534
<b>Total</b>	<b>738,062</b>	<b>(827,682)</b>	<b>473,154</b>	<b>383,534</b>

**(21) Provision for expected credit losses**

The item details are as follows:

	30 June 2024	30 June 2023
	JD	JD
	(Reviewed not audited)	(Reviewed not audited)
Balances at Central Banks	6,211	(11,204)
Balances at banks and financial institutions	3,078	(8,213)
Deposits at banks and financial institutions	9,511	337,063
Financial assets at amortized cost	438,775	(65,870)
Financial assets at fair value through other comprehensive income	(1,686)	(655)
Direct credit facilities	29,955,351	11,649,123
Indirect credit facilities	(12,731)	(43,284)
	<b>30,398,509</b>	<b>11,856,960</b>

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**(22) Earnings per Share for the period - (Bank's Shareholders)**

The item details are as follows:

	For the Three Months Ended 30 June		For the Six Months Ended 30 June	
	2024	2023	2024	2023
	(Reviewed not audited)		(Reviewed not audited)	
Profit for the period attributable to bank's shareholders (JD)	2,209,770	9,960,137	6,723,156	18,439,470
Weighted average number of shares	200,000,000	200,000,000	200,000,000	200,000,000
	(JD/ Fills)	(JD/ Fills)	(JD/ Fills)	(JD/ Fills)
Basic and diluted earnings per share for the period - (Bank's Shareholders)	<u>0/011</u>	<u>0/050</u>	<u>0/034</u>	<u>0/092</u>

**(23) Cash and Cash Equivalents**

The item details are as follows:

	30 June 2024	30 June 2023
	JD (Reviewed not audited)	JD (Reviewed not audited)
Cash and balances at Central Banks maturing within three months	338,885,007	345,139,008
<u>Add:</u> Balances at banks and financial institutions maturing within three months	167,782,373	146,313,191
<u>Less:</u> Banks and financial institutions deposits maturing within three months	(260,418,979)	(219,994,103)
<u>Less:</u> Restricted balances	(10,635,000)	(10,635,000)
	<u>235,613,401</u>	<u>260,823,096</u>

**(24) Balances and Transactions with Related Parties**

The Bank entered into transactions with major shareholders, members of the board of directors, and senior management in the ordinary course of business at commercial interest and commission rates. The interim condensed consolidated financial statements include the bank's financial statement and the following subsidiaries:

Company Name	Ownership %	Company's Capital	
		2024 JD	2023 JD
Al-Watanieh Financial Services Company Limited Liability	100	6,500,000	6,500,000
Al-Watanieh Securities Company Private shareholding	100	1,600,000	1,600,000
Tamallak for Financial Leasing Company	100	8,000,000	5,000,000
Safa Bank	51	36,963,136	53,175,000

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Set out below is the related party transactions that took place during the period:

	Related Parties				Total	
	Major shareholders	Board of directors and relatives	Executive management	Other *	30 June 2024	31 December 2023
	JD	JD	JD	JD	JD	JD
					(Reviewed not audited)	(Audited)
<u>Statement of Financial</u>						
<u>Position Items:</u>						
Direct credit facilities	18,028,837	32,954,312	2,624,825	36,804,630	90,412,604	90,464,225
Deposits at the Bank	9,270,026	72,576,838	2,915,678	10,190,008	94,952,550	105,671,863
Cash Margins	50,256	33,780	71	50,541	134,648	99,057
<u>Off Statement of Financial</u>						
<u>Position Items:</u>						
Indirect credit facilities	541,932	7,042,070	14,480	11,168	7,609,650	6,746,366
					30 June 2024	30 June 2023
					JD	JD
					(Reviewed not audited)	(Reviewed not audited)
<u>Income Statements Items:</u>						
Interest and commission income	721,153	1,318,172	78,745	1,104,139	3,222,209	2,446,676
Interest and commission expense	468,408	1,513,058	94,772	261,860	2,338,098	1,935,267

\* Others include the rest of bank employees and their relatives up to the third degree.

- Interest income rates on credit facilities in Jordanian Dinar range between 2% - 21%.
- Interest income rates on credit facilities in foreign currency range between 4% - 7.5%.
- Interest expense rates on deposits in Jordanian Dinar range between zero% - 6.95%.
- Interest expense rates on deposits in foreign currency range between zero% - 5%.

Salaries, wages and bonuses of executive management amounted to JD 2,440,682 as of 30 June 2024 (JD 2,247,126 as of 30 June 2023).



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**(25) Capital Adequacy**

The capital adequacy ratio is calculated in accordance with the Central Bank of Jordan instructions which are based on Basel committee decisions. Below is the capital adequacy ratio as per Basel III:

	30 June 2024	31 December 2023
	JD (Reviewed not audited)	JD (Audited)
<b>Ordinary share rights</b>		
Authorized and paid-in capital	200,000,000	190,000,000
Retained earnings excluding profit for period / year	85,022,581	95,102,893
Fair value reserve - net	42,887,122	27,494,289
Statutory reserve	95,868,196	95,868,196
Other reserves approved by the Central Bank	11,526,630	11,526,630
Foreign Currencies translation reserve	(1,584,070)	(1,584,070)
Minority rights allowed to be recognized	9,956,956	12,272,908
Profits for the period	6,723,156	-
<b>Total ordinary shares' capital</b>	<u>450,400,571</u>	<u>430,680,846</u>
<b>Regulatory adjustments (deductible from capital)</b>		
Intangible assets	(6,119,151)	(6,105,699)
Deferred tax assets that should be deducted	(19,649,533)	(16,266,401)
<b>Net ordinary shareholders' equity</b>	<u>424,631,887</u>	<u>408,308,746</u>
<b>Net primary capital (Tier I)</b>	424,631,887	408,308,746
<b>Tier II capital</b>		
Subordinated loans	7,416,140	9,543,140
General banking risk reserve	6,174,583	6,174,583
Required provisions against debt instruments for stage 1 according to IFRS (9)	11,753,275	8,397,423
Minority rights allowed to be recognized	2,262,944	2,789,297
<b>Tier II Capital Total</b>	<u>27,606,942</u>	<u>26,904,443</u>
<b>Net Tier II Capital</b>	27,606,942	26,904,443
<b>Regulatory capital</b>	<u>452,238,829</u>	<u>435,213,189</u>
Total risk weighted assets	<u>2,808,113,449</u>	<u>2,742,582,172</u>
Capital adequacy percentage (%)	16.10%	15.87%
Primary capital percentage (%)	15.12%	14.89%
Subordinated capital percentage (%)	0.98%	0.98%
<b>Liquidity coverage ratio (LCR)</b>		
Total high quality liquid assets	1,113,915,549	1,073,156,527
Total high quality liquid assets after deduction and subtracting maximum adjustments	1,113,915,549	1,073,156,527
Net cash outflow	513,149,527	493,351,033
<b>Liquidity coverage Ratio (LCR)</b>	<u><u>217.1%</u></u>	<u><u>217.5%</u></u>

- The average liquidity coverage ratio reached to 218.94%.

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**(26) Segment Information**

**Information on the Bank's Segments:**

For management purposes, the Bank is organized into major business segments which are measured according to reports used by the CEO and key decision maker at the Bank, through the following major sectors:

- Retail banking: Principally handling individual customers' deposits, and providing consumer type loans, overdrafts, credit cards facilities and other services.
- Corporate banking: Principally handling deposits, loans and other credit facilities, and other services related to corporate and institutional customers.
- Treasury: Principally providing trading, treasury services, and management of the Bank's money and investments.

Below is information on the bank's segments:

	Retail	Corporate	Treasury	Other	30 June 2024	30 June 2023
	JD	JD	JD	JD	JD	JD
					(Reviewed not audited)	(Reviewed not audited)
Gross revenues	57,111,674	45,751,297	38,739,871	1,631,448	143,234,290	135,721,025
Expected credit losses	18,643,681	11,298,939	455,889	-	30,398,509	11,856,960
Impairment of repossessed assets provision	-	-	-	6,781	6,781	26,920
Sundry provisions	-	-	-	310,000	310,000	-
Segment result	18,515,603	11,768,054	23,446,926	1,314,666	55,045,249	76,394,278
Unallocated costs					(50,911,836)	(48,425,221)
Profit before tax					4,133,413	27,969,057
Income tax surplus (expense)					795,744	(9,344,045)
Profit for the period					<u>4,929,157</u>	<u>18,625,012</u>
<b>Other information</b>						
Capital expenditure					3,001,780	3,482,978
Depreciation and amortization					<u>3,928,903</u>	<u>3,718,345</u>
					30 June 2024	31 December 2023
					JD	JD
					(Reviewed not audited)	(Audited)
Total segment assets	1,081,154,868	1,196,387,082	1,530,222,767	149,481,227	3,957,245,944	3,883,452,798
Total segment liabilities	1,168,511,709	1,555,344,997	643,505,745	124,980,749	3,492,343,200	3,425,491,732

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**Geographical Information**

The following note shows the geographical distribution of the Bank's business, the bank carries out its activities mainly in the Kingdom of Jordan which represents the local business, and the bank also carries its activities in Palestine and Bahrain.

The below note shows the geographical distribution of the bank's business, the bank carries its activities mainly in the Kingdom of Jordan which represents the bank's local business.

	Inside Jordan		Outside Jordan		Total	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	JD	JD	JD	JD	JD	JD
	(Reviewed not audited)		(Reviewed not audited)		(Reviewed not audited)	
Gross revenue	115,701,296	104,737,813	27,532,994	30,983,212	143,234,290	135,721,025
Capital expenditures	2,321,030	2,870,067	680,750	612,911	3,001,780	3,482,978

  

	Inside Jordan		Outside Jordan		Total	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023	30 June 2024	31 December 2023
	JD	JD	JD	JD	JD	JD
	(Reviewed not audited)	(Audited)	(Reviewed not audited)	(Audited)	(Reviewed not audited)	(Audited)
Total assets	2,825,053,822	2,727,637,883	1,132,192,122	1,155,814,915	3,957,245,944	3,883,452,798

**(27) Risk Management**

The Bank's risk management is performed based on a comprehensive strategy for risk reduction and mitigation, after identifying acceptable risks by the Bank to manage its business to ensure the level and quality of the various risks the Bank wishes to accept, in which it will not affect the achievement of the strategic objectives, in addition to mitigating the negative effects of internal and external events on the profitability of the bank, the rate of capital, market share and any other intangible factors such as Bank's reputation.

The Bank's risk management policies for the six-month period ended 30 June 2024 are consistent with the policies for the year ended 31 December 2023, which are disclosed with the Bank's annual report as of 31 December 2023.

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**Reclassified credit exposures**

**Gross reclassified credit exposures**

	Stage 2		Stage 3		Gross reclassified exposures	Reclassified exposures percentage
	Gross exposure amount	Reclassified exposures	Gross exposure amount	Reclassified exposures		
	JD	JD	JD	JD		
Direct credit and finance facilities	579,653,613	239,711,352	217,512,812	85,318,652	493,471,343	20.12%
Total	579,653,613	239,711,352	217,512,812	85,318,652	493,471,343	
Financial guarantees	17,576,057	1,458,487	1,038,236	642,870	3,977,174	4.28%
Letters of credit	5,943,068	76,425	106,175	138,950	1,224,282	1.43%
Other liabilities	60,484,181	4,990,973	680,802	517,999	11,580,213	4.10%
Total	663,656,919	246,237,237	219,338,025	86,618,471	510,253,012	

**Expected credit losses of reclassified credit exposures**

	Reclassified credit exposures			Expected credit losses of reclassified credit exposures				
	Gross exposures reclassified from stage 2	Gross exposures reclassified from stage 3	Gross reclassified exposures	Stage 2		Stage 3		Total
				Individual	Collective	Individual	Collective	
				JD	JD	JD	JD	
Direct credit and finance facilities	239,711,352	85,318,652	493,471,343	2,892,009	6,518,393	8,262,140	-	17,672,542
Total	239,711,352	85,318,652	493,471,343	2,892,009	6,518,393	8,262,140	-	17,672,542
Financial guarantees	1,458,487	642,870	3,977,174	112,173	-	6,176	-	118,349
Letters of credit	76,425	138,950	1,224,282	35,826	-	2,741	-	38,567
Other liabilities	4,990,973	517,999	11,580,213	741,081	13,602	10,481	-	765,164
Total	246,237,237	86,618,471	510,253,012	3,781,089	6,531,995	8,281,538	-	18,594,622

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**Allocation of exposures according to economic sectors**

Allocation of exposures according to financial instruments – net:

	Financial	Industrial	Commercial	Real Estate*	Agricultural	Trading	Retail	Government and Public Sector	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD
Balances at central banks	-	-	-	-	-	-	-	224,381,481	224,381,481
Balances at banks and financial institutions	167,776,063	-	-	-	-	-	-	-	167,776,063
Deposits at banks and financial institutions	27,150,821	-	-	-	-	-	-	-	27,150,821
Credit facilities	167,730,664	150,438,077	375,768,981	500,542,982	26,096,230	15,811,021	771,763,108	269,347,321	2,277,498,384
Financial assets at fair value through income statement	-	-	-	-	-	-	-	4,150,330	4,150,330
Financial assets at fair value through other comprehensive income-Net	-	-	-	-	-	-	-	191,743	191,743
Financial assets at amortized cost - net	68,848,141	4,242,092	31,265,710	-	-	-	-	748,920,082	853,276,025
Other assets	12,926,433	3,936,031	10,220,804	1,941,349	605,864	191,746	1,338,085	11,622,831	42,783,143
<b>Total assets</b>	<b>444,432,122</b>	<b>158,616,200</b>	<b>417,255,495</b>	<b>502,484,331</b>	<b>26,702,094</b>	<b>16,002,767</b>	<b>773,101,193</b>	<b>1,258,613,788</b>	<b>3,597,207,990</b>
Financial guarantees	16,540,047	5,595,623	62,917,216	4,434,906	198,598	-	-	1,426,970	91,113,360
Letters of credit and acceptances	34,217,047	30,781,083	15,279,960	146,141	-	-	-	4,446,271	84,871,037
Other liabilities	26,265,148	41,550,364	147,570,609	8,929,530	1,314,081	424	19,155,338	35,886,434	280,671,928
<b>Total</b>	<b>521,454,899</b>	<b>236,543,270</b>	<b>643,023,280</b>	<b>515,994,908</b>	<b>28,214,773</b>	<b>16,003,191</b>	<b>792,256,531</b>	<b>1,300,373,463</b>	<b>4,053,864,315</b>

\* The economic sector of real estate includes loans granted to corporates and housing loans.

Allocation of exposures according to stages categories of International Financial Reporting Standard no. (9):

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	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD		
Financial	509,299,014	7,414,261	4,741,611	-	13	521,454,899
Industrial	171,300,080	4,508,978	57,452,606	155,658	3,125,948	236,543,270
Commercial	382,503,125	59,274,435	172,261,763	16,841,448	12,142,509	643,023,280
Real estate	139,414,288	146,719,700	97,356,205	100,917,892	31,586,823	515,994,908
Agricultural	19,318,278	609,197	5,876,034	-	2,411,264	28,214,773
Trading	10,617,807	5,112,549	272,835	-	-	16,003,191
Retail	3,455,241	611,793,129	318,853	140,307,206	36,382,102	792,256,531
Government and public sector	1,255,571,744	12,981,581	31,820,138	-	-	1,300,373,463
<b>Total</b>	<b>2,491,479,577</b>	<b>848,413,830</b>	<b>370,100,045</b>	<b>258,222,204</b>	<b>85,648,659</b>	<b>4,053,864,315</b>

**Allocation of exposures according to geographical regions:**

Allocation of exposures according to financial instruments – net:

	Other Middle		Eastern			Other		Total
	Inside Jordan	Countries	Europe	Asia	America	Countries		
	JD	JD	JD	JD	JD	JD		
Balances at central banks	121,273,228	103,108,253	-	-	-	-	224,381,481	
Balances at banks and financial institutions	66,292,774	20,434,358	72,174,944	673,740	8,141,553	58,694	167,776,063	
Deposits at banks and financial institutions	23,279,554	3,871,267	-	-	-	-	27,150,821	
Credit Facilities	1,667,881,012	593,927,889	12,861,291	2,700,000	128,192	-	2,277,498,384	
Financial assets at fair value through income statement	4,150,330	-	-	-	-	-	4,150,330	
Financial assets at fair value through other comprehensive income - net	-	191,743	-	-	-	-	191,743	
Financial Assets at amortized cost - net	806,436,365	46,839,660	-	-	-	-	853,276,025	
Other assets	31,289,478	6,471,960	5,021,705	-	-	-	42,783,143	
<b>Total assets</b>	<b>2,720,602,741</b>	<b>774,845,130</b>	<b>90,057,940</b>	<b>3,373,740</b>	<b>8,269,745</b>	<b>58,694</b>	<b>3,597,207,990</b>	
Financial guarantees	70,556,590	18,247,730	1,797,357	299,024	212,659	-	91,113,360	
Letters of credit and acceptances	51,838,119	33,032,918	-	-	-	-	84,871,037	
Other liabilities	232,415,336	48,256,168	424	-	-	-	280,671,928	
<b>Total</b>	<b>3,075,412,786</b>	<b>874,381,946</b>	<b>91,855,721</b>	<b>3,672,764</b>	<b>8,482,404</b>	<b>58,694</b>	<b>4,053,864,315</b>	

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Allocation of exposures according to stage categories of International Financial Reporting Standard no. (9):

	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD		
Inside Jordan	1,938,639,056	741,912,877	257,796,495	80,072,158	56,992,200	3,075,412,786
Other Middle Eastern Countries	456,157,418	101,499,986	109,918,037	178,150,046	28,656,459	874,381,946
Europe	84,597,434	5,000,967	2,257,320	-	-	91,855,721
Asia	3,672,764	-	-	-	-	3,672,764
America	8,354,211	-	128,193	-	-	8,482,404
Other Countries	58,694	-	-	-	-	58,694
<b>Total</b>	<b>2,491,479,577</b>	<b>848,413,830</b>	<b>370,100,045</b>	<b>258,222,204</b>	<b>85,648,659</b>	<b>4,053,864,315</b>

**(28) Fair Value Hierarchy**

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

Some financial assets and liabilities of the Bank are measured at fair value at the end of each fiscal period. The following table shows information about how the fair value of these financial assets and financial liabilities is determined (valuation methods and inputs used):

Financial Assets / Financial Liabilities	Fair value		The Level of Fair Value	Valuation Method and Inputs Used	Important Intangible Inputs
	30 June 2024	31 December 2023			
	JD (Reviewed not audited)	JD (Audited)			
<b><u>Financial Assets at Fair Value through income statement</u></b>					
Corporate shares	8,857,034	9,120,040	Level I	Prices listed in stock exchange market	Not Applicable
Government bonds	4,150,330	4,254,638	Level I	Prices listed in stock exchange market	Not Applicable
<b>Total</b>	<b>13,007,364</b>	<b>13,374,678</b>			
<b><u>Financial Assets at Fair Value through Other Comprehensive Income</u></b>					
Quoted shares	101,550,282	84,879,129	Level I	Prices listed in stock exchange market	Not Applicable
Unquoted shares	12,458,525	10,976,155	Level III	Equity method and using latest available financial information	Not Applicable
Quoted bonds	191,743	164,551	Level I	Prices listed in stock exchange market	Not Applicable
<b>Total</b>	<b>114,200,550</b>	<b>96,019,835</b>			
<b>Total financial assets at fair value</b>	<b>127,207,914</b>	<b>109,394,513</b>			

There were no transfers between the first level and second level during period.

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**Fair value of financial assets and financial liabilities of the Bank with no specific fair value on an ongoing basis:**

Except as set out in the table below, we believe that the carrying value of financial assets and financial liabilities in the financial statements of the Bank approximates their fair value, as the Bank's management believes that the carrying value of the items listed below approximate their fair value, due to either their short-term maturity or repricing of their interest rates during the year.

	30 June 2024		31 December 2023		Fair Value Level
	Book Value	Fair Value	Book Value	Fair Value	
	JD	JD	JD	JD	JD
	(Reviewed not audited)		(Audited)		
<b><u>Financial assets with unspecified fair value</u></b>					
Balances at Central Banks – net	224,381,481	224,457,459	198,284,869	198,333,908	Level II
Balances at Banks and other Financial Institutes - net	167,776,063	168,957,606	120,276,796	120,843,827	Level II
Deposits at Banks and other Financial Institutes - net	27,150,821	27,332,398	67,259,075	69,152,332	Level II
Financial assets at amortized costs	853,276,025	868,065,897	802,088,677	814,258,671	Level II
Direct credit facilities - net	2,277,498,384	2,285,591,249	2,294,235,138	2,303,766,364	Level II
<b>Total financial assets with unspecified fair value</b>	<b>3,550,082,774</b>	<b>3,574,404,609</b>	<b>3,482,144,555</b>	<b>3,506,355,102</b>	
<b><u>Financial liabilities with unspecified fair value</u></b>					
Banks and financial institutions' deposits	291,107,817	293,930,543	286,673,306	289,326,910	Level II
Customer Deposits	2,585,855,058	2,602,839,196	2,599,283,904	2,615,685,736	Level II
Margin account	102,348,852	102,348,852	82,630,709	82,630,709	Level II
Borrowed funds	365,524,097	367,902,526	295,875,564	297,223,308	Level II
Subordinated loans	18,540,350	19,065,711	18,540,350	19,056,130	Level II
<b>Total financial liabilities with unspecified fair value</b>	<b>3,363,376,174</b>	<b>3,386,086,828</b>	<b>3,283,003,833</b>	<b>3,303,922,793</b>	

For the above-mentioned items, the second level financial liabilities and financial assets have been determined at fair value according to the agreed-upon pricing model, which reflects the credit risk of the parties dealt with.



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**(29) Contingent Liabilities and Commitments**

The item details are as follows:

	30 June 2024	31 December 2023
	JD (Reviewed not audited)	JD (Audited)
<b>Letters of credit:</b>		
Issued	73,700,709	70,160,614
Acceptances	4,317,346	7,186,598
<b>Letters of guarantee:</b>		
Payments	47,108,346	34,927,304
Performance	30,279,420	27,108,920
Other	15,519,513	17,143,511
Unutilized direct credit facilities ceilings	226,929,530	230,439,236
	<u>397,854,864</u>	<u>386,966,183</u>

**(30) Lawsuits**

In the normal course of business, the Bank appears as a defendant in a number of lawsuits amounted to JD 25,757,472 and JD 29,500,750 as of 30 June 2024 and 31 December 2023 respectively. In the opinion of the Bank's management and legal counsel, the Bank maintains adequate provisions against these lawsuits.

Provisions against the cases amounted to JD 2,114,706 and JD 1,908,328 as of 30 June 2024 and 31 December 2023, respectively.

On 1 January 2019 multiple civil lawsuits have been filed at US courts against multiple banks and financial institutions claiming financial compensation using the US antiterrorism law for damages allegedly resulting from attacks by groups listed under the US sanctions list in 2001. These lawsuits have been filed at courts hours before their filing deadline and have been filed by an attorney office which has filed several similar complaints against other banking institutions on behalf of the same plaintiffs claiming the damages. Cairo Amman Bank is one of the banks the aforementioned lawsuit has been filed against.

In the opinion of management and legal counsel, no provisions should be recorded for the lawsuits filed at US courts against the Bank as of 30 June 2024 as the Bank has consulted with legal consultants specialized in US courts and concluded that the legal status of the lawsuits is in favour of the Bank and that there are no legal or judicial grounds for the lawsuits, a the Legal consultant believes that the legal status of the bank is favourable in regard to this lawsuit.

**(31) Statutory Reserve**

The Bank did not deduct the statutory reserves during the period in accordance with the companies' law, as these statements are interim financial statements.