

INVESTBANK
(PUBLIC LIMITED SHAREHOLDING COMPANY)
INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS
(UNAUDITED)
31 March 2024

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**REVIEW REPORT ON THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
TO THE CHAIRMAN AND MEMBERS OF THE BOARD OF DIRECTORS OF INVEST BANK
A PUBLIC LIMITED SHAREHOLDING COMPANY**

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Invest Bank ("the Bank") and its subsidiaries (together "the Group") as at 31 March 2024 and the interim condensed consolidated statement of profit or loss and the interim condensed consolidated statement of comprehensive income, and the interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the three months period then ended and other explanatory notes.

Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard (34) "interim financial reporting" as amended by the Central Bank of Jordan instructions. 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 statements 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 properly prepared, in all material respects, in accordance with International Accounting Standards (34) as amended by the Central Bank of Jordan instructions.

For and on behalf of PricewaterhouseCoopers "Jordan"

Omar Jamal Kalanzi
License No (1015)

Amman, Jordan
29 April 2024



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INVESTBANK
(PUBLIC LIMITED SHAREHOLDING COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2024 (Unaudited)

	Notes	31 March 2024 JD (Unaudited)	31 December 2023 JD (Audited)
Assets			
Cash and balances at the Central Bank of Jordan	4	234,596,574	137,598,457
Balances at banks and financial institutions	5	85,611,597	46,206,056
Deposits at banks and financial institutions		7,089,586	7,088,366
Financial assets at fair value through profit or loss		172,800	2,799
Financial assets at fair value through other comprehensive income		63,239,372	63,441,895
Direct credit facilities at amortized cost – net	6	1,022,988,214	1,060,853,398
Financial assets at amortized cost		384,485,751	369,724,473
Property and equipment- net		32,020,545	31,440,219
Intangible assets		3,940,521	3,815,941
Right of use of assets		4,334,694	4,068,172
Deferred tax assets		19,360,750	19,943,770
Other assets	7	50,495,541	71,343,006
		1,908,335,945	1,815,526,552
Assets held for sale	21	-	145,188
Total assets		1,908,335,945	1,815,671,740
Liabilities and equity			
Liabilities			
Banks and financial institutions deposits		64,286,110	52,081,563
Customers' deposits		1,258,964,833	1,178,579,654
Cash margins		39,008,141	56,464,360
Borrowed funds	8	259,452,657	257,376,326
Bonds	9	25,380,000	17,720,000
Lease liabilities		3,297,281	3,104,073
Sundry provisions		712,437	680,760
Income tax provision	10	8,506,567	8,228,335
Deferred tax liabilities		1,222,042	1,345,153
Other liabilities		29,171,425	27,660,513
		1,690,001,493	1,603,240,737
Liabilities directly associated with assets held for sale	21	-	335
Total liabilities		1,690,001,493	1,603,241,072
Equity			
Bank's shareholders equity			
Authorized, subscribed and paid in capital		100,000,000	100,000,000
Statutory reserve		37,075,439	37,075,439
Financial asset revaluation reserve		8,065,524	8,766,780
Retained earnings	11	62,414,758	62,801,714
Net profit for the period		6,914,012	-
Total equity attributable to the Bank's shareholders		214,469,733	208,643,933
Non-controlling interest		3,864,719	3,786,735
Total equity		218,334,452	212,430,668
Total liabilities and equity		1,908,335,945	1,815,671,740

The accompanying notes from 1 to 21 are an integral part of these interim condensed consolidated financial statements.

INVESTBANK
(PUBLIC LIMITED SHAREHOLDING COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE THREE MONTHS PERIOD ENDED ON 31 MARCH 2024 (Unaudited)

	Notes	For the three months ended 31 March	
		2024	2023
		JD (Unaudited)	JD (Unaudited)
Interest income		33,841,346	26,329,319
Interest expense		(21,556,220)	(14,054,702)
Net interest income		12,285,126	12,274,617
Net commission income		4,672,933	4,795,363
Net interest and commission income		16,958,059	17,069,980
Gains from foreign currencies		183,822	201,138
Gains from financial assets at fair value through profit or loss		157,839	115,924
Cash dividends from financial assets at fair value through other comprehensive income		1,452,500	1,604,290
Other income		3,880,679	930,035
Gross income		22,632,899	19,921,367
Expenses			
Staff expenses		(4,875,742)	(4,598,617)
Depreciation and amortization		(1,029,818)	(844,350)
Other expenses		(2,582,256)	(2,387,630)
Reversed from provision of seized assets		15,716	775,562
Expenses for expected credit loss against direct credit facilities at amortized cost	6	(4,417,940)	(4,370,835)
Expenses for expected credit loss provision on financial assets and off-balance sheet items		(50,530)	(10,239)
Sundry provisions		(34,387)	(60,998)
Total expenses		(12,974,957)	(11,497,107)
Profit for the period before income tax		9,657,942	8,424,260
Income tax expense for the period	10	(2,657,618)	(2,423,624)
Net profit for the period		7,000,324	6,000,636
Attributable to:			
Banks' shareholders		6,914,012	5,914,210
Non-controlling interest		86,312	86,426
		7,000,324	6,000,636
		JD/Share	JD/Share
Basic and diluted earnings per share from net profit for the period attributable to the Banks' shareholders	18	0.069	0.059

The accompanying notes from 1 to 21 are an integral part of these interim condensed consolidated financial statements.

INVESTBANK**(PUBLIC LIMITED SHAREHOLDING COMPANY)****INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME****FOR THE THREE MONTHS PERIOD ENDED ON 31 MARCH 2024 (Unaudited)**

	For the three months ended 31 March	
	2024	2023
	JD	JD
	(Unaudited)	(Unaudited)
Net profit for the period	7,000,324	6,000,636
Other comprehensive income items that will not be reclassified to profit or loss in subsequent periods:		
Net changes in financial assets revaluation reserve – equity instruments - net after tax	(1,090,043)	2,695,112
Total other comprehensive income items	(1,090,043)	2,695,112
Total comprehensive income for the period	5,910,281	8,695,748
Total comprehensive income attributable to:		
Banks' shareholders	5,823,961	8,609,348
Non-controlling interest	86,320	86,400
	5,910,281	8,695,748

The accompanying notes from 1 to 21 are an integral part of these interim condensed consolidated financial statements.

INVESTBANK (PUBLIC LIMITED SHAREHOLDING COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS PERIOD ENDED ON 31 MARCH 2024 (Unaudited)

	Authorized, subscribed and paid in capital	Reserves			profit for the period attributable to the bank's	Total equity attributable to the bank's shareholders	Non- controlling interest	Total equity
		Statutory	Financial Asset revaluation -net	Retained earnings				
(Unaudited)	JD	JD	JD	JD	JD	JD	JD	JD
As of 1 January 2024	100,000,000	37,075,439	8,766,780	62,801,714	-	208,643,933	3,786,735	212,430,668
Profit for the period	-	-	-	-	6,914,012	6,914,012	86,312	7,000,324
Net changes in financial assets revaluation reserve – equity instruments - net after tax	-	-	(1,090,051)	-	-	(1,090,051)	8	(1,090,043)
Total comprehensive income	-	-	(1,090,051)	-	6,914,012	5,823,961	86,320	5,910,281
Loss on sale of financial assets at fair value through other comprehensive income transferred to the retained earnings – equity instruments net after tax	-	-	388,795	(388,795)	-	-	-	-
Impact of increase in investment in subsidiaries	-	-	-	1,839	-	1,839	(8,336)	(6,497)
As of 31 March 2024	100,000,000	37,075,439	8,065,524	62,414,758	6,914,012	214,469,733	3,864,719	218,334,452
(Unaudited)								
As of 1 January 2023	100,000,000	34,583,047	6,435,777	50,972,953	-	191,991,777	3,456,396	195,448,173
Profit for the period	-	-	-	-	5,914,210	5,914,210	86,426	6,000,636
Net changes in financial assets revaluation reserve – equity instruments - net after tax	-	-	2,695,138	-	-	2,695,138	(26)	2,695,112
Total comprehensive income	-	-	2,695,138	-	5,914,210	8,609,348	86,400	8,695,748
Loss on sale of financial assets at fair value through other comprehensive income transferred to the retained earnings – equity instruments net after tax	-	-	105,120	(105,120)	-	-	-	-
Impact of increase in investment in subsidiaries	-	-	-	5,200	-	5,200	(11,757)	(6,557)
As of 31 March 2023	100,000,000	34,583,047	9,236,035	50,873,033	5,914,210	200,606,325	3,531,039	204,137,364

- Retained earnings include an amount of JD 19,360,750 as of 31 March 2024 against JD 19,943,770 as of 31 December 2023 restricted against deferred tax assets in accordance with the instructions of the Central Bank of Jordan and Jordan Securities Commission.
- Retained earnings include a restricted amount of JD 1,039,200 as of 31 March 2024 and 31 December 2023, which represents the remaining balance related to fraudulent transaction in accordance with the instructions of the Central Bank of Jordan.
- Retained earnings include a restricted amount of JD 415,199 as of 31 March 2024 and 31 December 2023, which represents the effect of the early adoption of IFRS (9). The amount is restricted and cannot be utilized unless realized through actual sale as instructed by Jordan Securities Commission.
- It is prohibited to utilize any amount that represents unrealized gain from financial assets at fair value through profit or loss as of 31 March 2024 and 31 December 2023.
- In accordance with the instructions of the Central Bank of Jordan Circular No. (13/2018), the accumulated balance of the general banking risk reserve which amounted to JD 6,365,000 as of 31 December 2017 has been transferred to the retained earnings to offset the impact of the IFRS 9. The surplus after the offset which amounted to JD 1,971,056 is restricted.
- The use of the credit balance of the valuation reserve of financial assets through other comprehensive is restricted in accordance with the instructions of Central Bank of Jordan and Jordan Securities Commission.

The accompanying notes from 1 to 21 are an integral part of these interim condensed consolidated financial statements.

INVESTBANK (PUBLIC LIMITED SHAREHOLDING COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS PERIOD ENDED ON 31 MARCH 2024 (Unaudited)

		For the three months period ended 30 March	
	Notes	2024	2023
		JD	JD
		(Unaudited)	(Unaudited)
Operating activities			
Income for the period before income tax		9,657,942	8,424,260
Adjustments for non-cash items:			
Depreciation and amortization		1,029,818	844,350
Expenses for expected credit loss against direct credit facilities at amortized cost		4,417,940	4,370,835
Sundry provisions		34,387	60,998
Expenses for expected credit loss provision on financial assets and off-balance sheet items		50,530	10,239
Reversed from provision of seized assets		(15,716)	(775,562)
(Gain) loss from sale of assets seized by the bank		(65,660)	1,032,337
Interest expense on lease liabilities		37,895	42,908
Unrealized gain from revaluation of financial assets at fair value through profit or loss		(10,342)	-
Net interest expenses		4,317,248	3,556,785
Impact of exchange rate changes on cash and cash equivalents		(1,005)	(2,097)
		19,453,037	17,565,053
Changes in assets and liabilities			
Deposits at banks and financial institutions due in more than 3 months		(1,220)	(34,736,829)
Financial assets at fair value through profit or loss		(159,659)	-
Direct credit facilities at amortized cost - net		33,447,244	16,395,685
Net Assets held for sale		144,853	(1,173)
Other assets		18,191,692	9,398,209
Customers' deposits		80,385,179	127,964,106
Cash margins		(17,456,219)	57,928,555
Other liabilities		(120,328)	(916,578)
Net cash flows from operating activities before income tax, lawsuits provisions and end of service provision		133,884,579	193,597,028
Paid from lawsuits provisions and end of service provision		(2,710)	(7,309)
Income tax paid		(1,796,366)	(2,241,775)
Net cash flows generated from operating activities		132,085,503	191,347,944
Investing activities			
Purchase of financial assets at fair value through other comprehensive income		(3,578,346)	(2,897,424)
Sale of financial assets at fair value through other comprehensive income		2,567,707	901,207
Financial assets at amortized cost		(14,761,278)	382,620
Purchase of property and equipment and advances on the purchases of property, equipment and projects under construction		(1,219,933)	(636,967)
Purchase of intangible assets		(267,189)	3,024
Net cash flows used in investing activities		(17,259,039)	(2,247,540)
Financing activities			
Net change in borrowed funds		2,076,331	5,989,396
Issued bonds		7,660,000	1,050,000
Lease liabilities payments		(358,812)	205,282
Impact of change in ownership of subsidiaries		(6,497)	(6,557)
Net cash flows generated from financing activities		9,371,022	7,238,121
Impact of exchange rate changes on cash and cash equivalents		1,005	2,097
Net increase in cash and cash equivalents		124,198,491	196,340,622
Cash and cash equivalents at 1 January		131,723,768	119,008,897
Cash and cash equivalents at 31 March	15	255,922,259	315,349,519

The accompanying notes from 1 to 21 are an integral part of these interim condensed consolidated financial statements.

(1) GENERAL INFORMATION

- INVESTBANK (the “Bank”) was established as a Jordanian public shareholding company under registration No. (173) dated 12 August 1982 in accordance with the Companies Law No. (12) for the year 1964 with a paid in capital of JD 6 million distributed over 6 million shares with a par value of JD 1 per share. The Bank's capital was increased several times, the latest increase was on 10 April 2012. The Bank's authorized, subscribed and paid in capital became JD 100 millions / JD 1 per share.
- The Bank's Head Office is located in Amman, Abd Alhameed Sharaf Street, Shmesani, Tel: 06-5001500, P.O Box 950601, Amman – 11195 Hashemite kingdom of Jordan.
- The Bank provides banking and related financial services through its Head Office and its twelve branches in the Hashemite Kingdom of Jordan, and through its subsidiaries.
- INVESTBANK is a Public Shareholding Company listed on Amman Stock Exchange.
- These interim condensed consolidated financial statements were approved by the Bank's Board of Directors on their meeting number (02/2024) held on 24 April 2024.

(2) MATERIAL ACCOUNTING POLICY INFORMATION

Following are the material accounting policies used by the Bank in the preparation of these interim condensed consolidated financial statements.

2-1 Basis of preparation the interim condensed consolidated financial statements

- The interim condensed consolidated financial statements of the Bank and its subsidiaries (‘the group’) have been prepared in accordance with International Accounting Standards No. (34) (“interim financial reporting”) as amended by the Central Bank of Jordan instructions.

The main differences between the IFRS accounting standards as they shall be applied and what has been approved by the Central Bank of Jordan are the following:

- 1- Provisions for expected credit losses are formed in accordance with the instructions of the Central Bank of Jordan (No. 13/ 2018) “Application of the IFRS (9)” dated 6 June 2018 and in accordance with the instructions of the supervisory authorities in the countries in which the bank operates, whichever is stricter. The significant differences are as follows:

- Debt instruments issued or guaranteed by the Jordanian government are excluded, so that credit exposures are treated and guaranteed by the Jordanian government without calculating the expected credit losses.
- When calculating expected credit losses against credit exposures, a comparison is made between the calculation results as per IFRS 9 with the instructions of the Central bank of Jordan no. (47/2009) Dated December 10, 2009 at each stage, the stricter results are used, and classified in accordance with Central bank of Jordan requirements in this regard.
- Interest and commissions are suspended on non-performing credit facilities and classified within stage 3 in accordance with the instructions of the Central Bank of Jordan.
- According to the instructions of the Central Bank of Jordan No. (47/2009) issued on 10 December 2009 credit facilities are classified into the following categories:

A- Low risk credit facilities, which do not require any provisions:

These credit facilities are characterized by any of the following:

- 1) Facilities granted and guaranteed by the Jordanian government, as well as to the governments of countries in which Jordanian banks have branches, provided that these facilities are granted in the same currency of the host country.
- 2) Cash guaranteed by (100%) of the outstanding balance at any time.
- 3) Facilities guaranteed with an acceptable bank guarantee at (100%).

B- Acceptable risk credit facilities, which do not require provision:

These credit facilities are characterized by any of the following:

- 1) Strong financial positions and adequate cash flows.
- 2) Contracted and covered with duly accepted collaterals.
- 3) Having good sources of repayment.
- 4) Active account movement and regular repayment of principal and interest.
- 5) Efficient management of the client.

C- Credit facilities listed under the watch-list (requiring special attention) which impairment allowances for are calculated within a range of (1.5% - 15%):

These credit facilities are characterized by any of the following:

- 1) The existence of dues for a period of more than (60) days and less than (90) days for the principal of credit facilities and/or interest.
- 2) Exceeding the overdraft predetermined limit by (10%), and for a period of more than (60) days and less than (90) days.

- 3) Credit facilities that have previously been classified as non-performing credit facilities then reclassified from the list upon meeting the rescheduling criteria.
- 4) Acceptable-risk credit facilities that has been rescheduled twice in one year.
- 5) Credit facilities that have been expired for more than 60 days and less than (90) days and have not been renewed.

These and in addition to other conditions detailed in the instructions.

D- Non-performing credit facilities:

The credit facilities that have any of the following characteristics:

- 1) The maturity of the credit facilities or one of its instalments, default payment of the principal amount and / or interest, or dormant overdrafts that have been past due for the following periods:

<u>Classification</u>	<u>Past due days</u>	<u>provision percentage in the 1st year</u>
Sub-standard credit facilities	(90) - (179) days	25%
Doubtful credit facilities	(180) to (359) days	50%
Bad debt/loss credit facilities	(360) days and more	100%

- 2) Overdrafts that exceed the granting limit by (10%) and more, and for the duration of (90) days and more.
- 3) Credit facilities that have been expired for 90 days or more and have not been renewed.
- 4) Credit facilities granted to any customer declared bankrupt or to any company that has been deemed under liquidation.
- 5) Credit facilities that were restructured three times within a year.
- 6) Current and on-demand accounts overdrawn for (90) days or more.
- 7) Guarantees paid by the bank on behalf of the clients and had not been reclaimed for (90) days or more.

The expected credit loss provision on credit facilities is calculated in accordance with the instructions 47/2009 for this category of facilities according to the above ratios and the amount of unguaranteed credit facilities during the first year, while the allocation of the covered amount is completed at 25% and over four years.

- 2- Assets that have been seized by the Bank in settlement of due debts are stated in the consolidated statement of financial position within other assets at the acquisition cost or the fair value, whichever is lesser, and are revalued on the date of the interim condensed consolidated financial statements individually. Any impairment in their value is recorded as a loss in the consolidated statement of profit or loss and any appreciation in value is not recorded as income. The subsequent increase is taken to the consolidated statement of income to the extent that it does not exceed the value of the previously recorded impairment. A gradual provision is calculated against seized assets at a percentage of (5%) of the total book value of these properties (regardless of the period of violation) starting from the year 2022, so that the required provision percentage of 50% of these properties is reached by the end of the year 2030. In accordance with the Central Bank of Jordan Circular No. 10/3/16234 dated 10 October 2022 the calculation of the gradual provision against seized assets was stopped, provided that the provisions recorded against seized assets that violate the provision of banking law are maintained and to be released upon the disposal of such assets.

- 3- Additional provisions are calculated in the interim condensed consolidated financial statements against some of the Bank's foreign investments in some neighboring countries, if any, and in accordance with the requirement of the Central Bank of Jordan.
- 4- Some items are classified and presented in the consolidated statement of financial position, consolidated statement of profit or loss and the consolidated statement of cash flows and the related disclosure, such as credit facilities, interest in suspense, expected credit losses, investments, fair value levels, segments classification and disclosures related to risks and others, are presented and disclosed in accordance with the Central Bank of Jordan requirements, its instructions and circulated guidance which might not include all the requirements of IFRS such as IFRS 7, 9 and 13.
- 5- Cash and balances with the Central Bank item includes, the cash reserve requirement, which represent restricted balances according to the instructions of the Central Bank of Jordan and in accordance with the instructions of the supervisory authorities in the countries in which the Bank operates, whichever is stricter, which is not excluded from the cash and cash equivalent.
- The interim condensed consolidated financial statements have been prepared under the historical cost conversion except for financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income which are measured at fair value at the date of the interim condensed consolidated financial statements. Also, financial assets and financial liabilities for which the risk of change in their fair value has been hedged are shown at fair value.
- These interim condensed consolidated financial statements do not include all information and disclosures required in the annual financial statements prepared in accordance with International Financial Reporting Standards (IFRS) as amended by the Central Bank of Jordan, these interim condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements of the Group for the year ended on 31 December 2023. Furthermore, the results of operations for the three months period ended on 31 March 2024 do not necessarily reflect an accurate indicator about the expected results for the year ended 31 December 2024, furthermore, specifications have not been made for 31 March 2024 profits, which was done at year end.
- The Jordanian Dinar is the presentation currency for the interim condensed consolidated financial statements, which is also the Group's functional currency.

2-2 Basis of consolidation

- The interim condensed consolidated financial statements include the financial statements of the Bank and the companies under its control (its subsidiaries), and control is achieved when the Bank:
 - Has the ability to control the investee;
 - Is exposed to variable returns, or has the right to variable returns, resulting from its association with the investee;
 - Has the ability to use its power to influence the returns of the investee.
- The Bank will re-estimate whether it controls the investees or not if the facts and circumstances indicate that there are changes on one or more of the control points referred to above.
- In the event that the Bank's voting rights fall below the majority of voting rights in any of the investees, it will have the power to control when voting rights are sufficient to give the Bank the ability to unilaterally direct the related subsidiary activities. The bank takes into account all facts and circumstances when estimating whether the Bank has voting rights in the investee that are sufficient to give it the ability to control or not. These facts and circumstances include:
 - The volume of voting rights the Bank has in relation to the number and distribution of other voting rights;
 - Potential voting rights held by the Bank and any other voting rights holders or
 - Rights arising from other contractual arrangements; and
 - Any additional facts and circumstances indicating that the bank has, or does not have, a current responsibility to direct the relevant activities at the time the required decisions are taken, including how to vote in meetings of previous general assembly's meetings.
- The subsidiary is consolidated when the Bank controls the subsidiary and is deconsolidated when the Bank loses control of the subsidiary. Specifically, the results of operations of subsidiaries acquired or excluded during the year are included in the consolidated statement of profit or loss from the date on which control is achieved until the date the control of the subsidiary is lost.

- Profits and losses and each item of the comprehensive income are distributed to the owners in the entity and the non-controlling interest, the comprehensive income for the subsidiaries belonging to the owners in the entity and the non-controlling share is distributed even if this distribution will lead to a deficit in the balance of the non-controlling interest.
- Adjustments are made to the financial statements of the subsidiaries, when required, to align their accounting policies with those used by the Bank.
- All assets, liabilities, equity, income and expenses related to transactions and balances between the bank and its subsidiaries are eliminated when consolidating.
- Non-controlling interests in the subsidiaries are determined separately from the Bank's equity in these entities. The non-controlling interests of the shareholders currently present in the equity granted to their owners with a proportionate share of the net assets upon liquidation may be measured initially at fair value or by the proportionate share of non-controlling interests in the fair value of the identifiable net purchase amount of assets. The measurement is selected on an acquisition basis. Other non-controlling interests are initially measured at fair value. After acquisition, the carrying value of non-controlling interests is the value of these interests upon initial recognition, in addition to the non-controlling interest's share of subsequent changes in equity. Total comprehensive income is attributable to the non-controlling interests even if that results in a deficit in the non-controlling interests balance.
- Changes in the Bank's interest in subsidiaries that do not result in loss of control are accounted for as equity transactions. The present value of the Bank's and non-controlling interests are adjusted to reflect changes in their relative shares in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Bank.

INVESTBANK (PUBLIC SHAREHOLDING COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

AS OF 31 March 2024 (unaudited)

- When the bank loses control of a subsidiary, the profit or loss resulting from the disposal is calculated in the interim condensed consolidated statement of profit or loss, with the difference between (1) the total fair value of the consideration received and the fair value of any remaining shares and (2) the present value of the assets (including goodwill), less the liabilities of the subsidiary and any non-controlling interests.
- All amounts previously recognized in the other comprehensive income in relation to that subsidiary are accounted for as if the Bank had directly disposed of the assets or liabilities related to the subsidiary.
- The fair value of the investment that is held in the previous subsidiary at the date of loss of control is considered to be the fair value upon initial recognition of subsequent accounting under IFRS (9) “Financial instruments” when the provisions of this standard apply, or the cost of initial recognition of investment in an associate or a joint venture.

INVESTBANK (PUBLIC SHAREHOLDING COMPANY)
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- These interim condensed consolidated financial statements include the financial statement of the Bank and its following subsidiaries as of 31 March 2024:

Name of the Company	Paid in capital	Bank's ownership	Nature of operations	Location	Acquisition date
	JD	%			
Tamkeen Leasing Co.	20,000,000	97.5%	Finance leasing	Amman	2006
Al Istethmari Letamweel Selselat Al Imdad Co.	3,000,000	94%	Management and operation of bonded warehouses	Amman	2010

- Tamkeen Leasing Company owns the following subsidiaries:

Name of the Company	Paid in capital	Bank's ownership	Nature of operations	Location	Acquisition date
	JD	%			
Jordan Trade Facilities Co.	16,500,000	95.4%	Granting loans and facilities	Amman	2016
Trade Facilities for Finance Leasing Co.	2,000,000	95.4%	Finance leasing	Amman	2016
Bindar Trade and Investment Co.*	25,205,677	96.7%	Granting loans and facilities	Amman	2017
Ruboua Al Sharq Real Estate Co.	50,000	96.7%	Sale of lands and properties owned by the Co.	Amman	2017
Rakeen Real Estate Co.	30,000	96.7%	Sale of lands and properties owned by the Co.	Amman	2017

- * Bindar Trade and Investment Company capital has been increased during the first quarter of the year 2024 by JD 5,205,677 which represent the net shareholders' equity on Summit Auto Trade Facilities Company (a former subsidiary merged with Bindar Trade and Investments Company).
- Based on the decision of Bindar Trade and Investments Company (a subsidiary) Board of Directors No. 18/2022 dated on 3 October 2022 it was approved to cease the operations of Bindar Financial Leasing Company (a former subsidiary) and liquidate it voluntarily during the year 2023, the liquidation procedures were completed on 7 February 2024 and the company registration certificate has been canceled.

The financial statements of the subsidiaries are prepared for the same financial year of the Bank, using the same accounting policies used by the Bank. If the accounting policies adopted by the subsidiaries are different, the required adjustments are made on the financial statements of the subsidiaries to be consistent with the accounting policies used by the Bank.

The financial statements of the subsidiaries are consolidated in the consolidated statement of profit or loss from the date of their ownership which is the date on which the control on the subsidiaries is actually transferred to the Bank, and stops consolidating when the Bank loses this control.

Non-controlling interest represents the share in net profit or loss and net assets not owned - directly or indirectly - by the Bank in its subsidiaries and are shown in the consolidated statement of profit or loss, and within the equity in the consolidated statement of financial position separately from those attributable to the Bank's shareholders.

2-3 Changes in accounting policy and disclosures

The accounting policies used in the preparation of these interim condensed consolidated financial statements are consistent with those followed in the preparation of the last consolidated financial statements for the Group for the year ended 31 December 2023, except for the adoption of new standards and amendments to the existing standards as mentioned below.

A- Applicable accounting policies

New standards issued and applicable for the annual periods starting on or after 1 January 2024

- **IAS 1 Non-current Liabilities with Covenants** – Effective starting on or after 1 January 2024:
 - These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.
- **IFRS 16 Lease Liability in a Sale and Leaseback** – Effective starting on or after 1 January 2024:
 - These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.
- **Supplier finance arrangements – Amendments to IAS 7 and IFRS 7** – Effective starting on or after 1 January 2024:
 - These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.

• **Sale or contribution of assets between an investor and its associate or joint venture – Amendments to IFRS 10 and IAS 28:**

- The IASB has made limited scope amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures.
- The amendments clarify the accounting treatment for sales or contribution of assets between an investor and their associates or joint ventures. They confirm that the accounting treatment depends on whether the nonmonetary assets sold or contributed to an associate or joint venture constitute a 'business' (as defined in IFRS 3 Business Combinations).

*** In December 2015, the IASB decided to defer the application date of this amendment until such time as the IASB has finalized its research project on the equity method.

The implementation of the above standards did not have a material impact on the interim condensed consolidated financial statements.

B- New IFRSs and Amendments issued but not yet effective

The new standards, amendments, and interpretations issued are required to be applied to annual periods starting on or after 1 January 2025

- **Amendments to IAS 21 – Lack of Exchangeability** – Effective starting on or after 1 January 2024:
 - An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.
- The management is still in the process of evaluating the impact of these new amendments on the Group's interim condensed consolidated financial statements, and it believes that there will be no material impact on the interim condensed consolidated financial statements when they are implemented.
- There are no other standards that are not yet effective and that would be expected to have a material impact on the Group in the current year starting 1 January 2024 or future reporting periods and on foreseeable future transactions.

(3) ACCOUNTING ESTIMATES

The preparation of the interim condensed consolidated financial statements and the application of accounting policies require the Group's management to make estimates and judgements that affect the amounts of assets and liabilities and disclosure of contingent liabilities. These estimates and judgments affect the revenues, expenses, provisions and reserve of valuation of financial assets at fair value. In particular, it requires the Bank's management to issue critical judgements to estimate the amounts of future cash flows and their timing. The mentioned estimates are necessarily based on multiple assumptions and factors involving varying degrees of judgment and uncertainty and that actual results may differ from the estimates as a result of changes resulting from the conditions and circumstances of those estimates in the future.

The accounting estimates used in preparing these interim condensed consolidated financial statements are the same as those applied in the preparation of the audited consolidated financial statements for the year ended 31 December 2023.

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

The details of this item are as follows:

	<u>31 March 2024</u>	<u>31 December 2023</u>
	JD	JD
	(Unaudited)	(Audited)
Cash in vaults	20,301,567	15,361,075
Balances at the Central Bank of Jordan:		
Current and demand accounts and cash		
reserve requirements	60,595,007	60,837,382
Term and notice deposits	111,000,000	20,500,000
Certificates of deposits	42,700,000	40,900,000
Total	234,596,574	137,598,457

There are no restricted balances, except for the statutory cash reserve which amounted to JD 62,080,793 as of 31 March 2024, against JD 60,002,897 as of 31 December 2023.

There are no balances that mature within a period exceeding three months as of 31 March 2024 and 31 December 2023.

The Bank has not calculated and recorded the provision for expected credit losses on the balances with the Central Bank of Jordan, in accordance with the Central Bank of Jordan's instructions (13/2018) regarding the implementation of IFRS (9).

(5) BALANCE AT BANKS AND FINANCIAL INSTITUTIONS

The details of this item are as follows:

	<u>31 March 2024</u>	<u>31 December 2023</u>
	JD	JD
	(Unaudited)	(Audited)
Local banks and financial institutions	20,919,362	5,349,359
Foreign banks and financial institutions	64,692,433	40,857,515
Expected credit loss provision in		
accordance with IFRS 9	(198)	(818)
Total	85,611,597	46,206,056

Non-interest-bearing balances held at banks and financial institutions amounted to JD 19,915,455 as of 31 March 2024, against JD 12,258,546 as of 31 December 2023.

There are no restricted balances as of 31 March 2024, and 31 December 2023.

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(6) DIRECT CREDIT FACILITIES AT AMORTIZED COST – NET

The details of this item are as follows:

	<u>31 March 2024</u>	<u>31 December 2023</u>
	JD (Unaudited)	JD (Audited)
Individuals (Retail)		
Overdraft	2,177,525	2,513,889
Loans and discounted bills *	326,573,128	315,000,217
Credit cards	103,751,514	99,339,549
Real estate loans	129,494,238	126,693,272
Corporates		
Large Corporates		
Overdraft	72,206,113	71,563,541
Loans and discounted bills *	221,476,092	235,522,461
SMEs		
Overdraft	7,575,758	7,526,367
Loans and discounted bills *	40,878,350	44,382,204
Government and public sector	214,180,034	245,451,960
Total	<u><u>1,118,312,752</u></u>	<u><u>1,147,993,460</u></u>
Less:		
Expected credit loss provision	67,119,122	62,752,501
Interest in suspense **	28,205,416	24,387,561
Net direct credit facilities	<u><u>1,022,988,214</u></u>	<u><u>1,060,853,398</u></u>

* The balance is presented in net, after deducting the commissions and interest received in advance which amounted to JD 86,957,383 as of 31 March 2024, against JD 80,897,715 as of 31 December 2023.

** Interest in suspense includes an amount of JD 587,437 as of 31 March 2024, against JD 2,160,182 as of 31 December 2023, which represents interests in suspense against some performing accounts classified within stage 2 and stage 3.

- Non-performing credit facilities according to the instructions of the Central Bank of Jordan amounted to JD 116,551,427 which is equivalent to 10.4% of the total direct credit facilities balance as of 31 March 2024, against JD 90,858,770 which is equivalent to 7.9% of the total direct credit facilities balance as of 31 December 2023.

- Non-performing credit facilities according to the instructions of the Central Bank of Jordan after deducting interest in suspense amounted to JD 88,933,448 which is equivalent to 8.2% of the total direct credit facilities balance after deducting interest in suspense as of 31 March 2024 against JD 68,631,391 which is equivalent to 6.1% of the direct credit facilities balance after deducting interest in suspense as of 31 December 2023.

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- Credit facilities granted to the Jordanian Government and/or with its guarantee amounted to JD 214,180,034 which is equivalent to 19.2% of the total direct credit facilities as of 31 March 2024 against JD 219,275,406 which is equivalent to 21.4% of total direct credit facilities as of 31 December 2023.
- No non-performing loans were transferred off the consolidated balance sheet during the first three months of the years 2024 and 2023.
- The value of non-performing loans transferred off the consolidated balance sheet amounted to JD 61,374,980 as of 31 March 2024, and as of 31 December 2023.
- The Group didn't calculate or record expected credit loss provision on credit facilities granted to the Jordanian Government and/or with its guarantee, in accordance with the instructions of the Central Bank of Jordan No. (13/2018) related to the application of International Financial Reporting Standard No. (9).

A- Total credit facilities movement according to the stage and in accordance with the instructions of the Central Bank of Jordan:

For the period ended 31 March 2024

(Unaudited)

	Stage 1	Stage 2	Stage 3	Total
	JD	JD	JD	JD
Total balance at the beginning of the period	931,891,439	119,560,712	96,541,309	1,147,993,460
New balances during the period/additions	51,365,945	1,369,531	3,871,418	56,606,894
Repaid/ derecognized balances during the period	(54,443,222)	(3,371,376)	(2,529,890)	(60,344,488)
Transferred to stage 1	19,280,755	(19,280,755)	-	-
Transferred to stage 2	(41,215,738)	43,104,092	(1,888,354)	-
Transferred to stage 3	(1,757,417)	(25,052,285)	26,809,702	-
Changes due to adjustments	(22,085,653)	(2,770,155)	(989,996)	(25,845,804)
Written off balances	-	-	(97,310)	(97,310)
Adjustments resulted from changes in exchange rates	-	-	-	-
Total balance at the end of the period	883,036,109	113,559,764	121,716,879	1,118,312,752

For the year ended 31 December 2023

(Audited)

	Stage 1	Stage 2	Stage 3	Total
	JD	JD	JD	JD
Total balance at the beginning of the year	732,850,366	109,509,781	77,758,786	920,118,933
New balances during the year/ additions	379,544,919	14,629,608	6,964,543	401,139,070
Repaid/ derecognized balances during the year	(103,008,722)	(16,014,932)	(7,149,807)	(126,173,461)
Transferred to stage 1	36,272,880	(33,889,445)	(2,383,435)	-
Transferred to stage 2	(56,372,532)	58,414,012	(2,041,480)	-
Transferred to stage 3	(12,343,401)	(10,529,545)	22,872,946	-
Changes due to adjustments	(45,052,071)	(2,558,767)	1,054,309	(46,556,529)
Written off balances	-	-	(534,553)	(534,553)
Adjustments resulted from changes in exchange rates	-	-	-	-
Total balance at the end of the year	931,891,439	119,560,712	96,541,309	1,147,993,460

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B- The total movement on the expected credit loss provision:

For the period ended 31 March 2024	Stage 1	Stage 2	Stage 3	Total
(Unaudited)	JD	JD	JD	JD
Balance at the beginning of the period	3,564,540	7,473,040	51,714,921	62,752,501
Expected credit loss on new balances during the period / Additions	1,802,284	2,820,157	2,263,327	6,885,768
Reversed expected credit loss on repaid/ derecognized balances during the period	(58,921)	(577,848)	(2,503,255)	(3,140,024)
Transferred to stage 1	856,008	(856,008)	-	-
Transferred to stage 2	(724,354)	1,237,525	(513,171)	-
Transferred to stage 3	(17,292)	(3,142,829)	3,160,121	-
Impact on the provision - at the end of the period – due to changes in the classification between the three stages during the period	(2,188,543)	(1,745,446)	3,933,989	-
Changes due to adjustments	137,308	(218,503)	753,391	672,196
Written off balances	-	-	(51,319)	(51,319)
Adjustments resulted from changes in exchange rates	-	-	-	-
Balance at the end of the period	3,371,030	4,990,088	58,758,004	67,119,122
For the year ended 31 December 2023	Stage 1	Stage 2	Stage 3	Total
(Audited)	JD	JD	JD	JD
Balance at the beginning of the year	2,529,397	4,377,530	44,715,964	51,622,891
Expected credit loss on new balances during the year / Additions	7,489,668	4,422,528	8,385,073	20,297,269
Reversed expected credit loss on repaid/ derecognized balances during the year	(326,413)	(1,016,415)	(7,960,218)	(9,303,046)
Transferred to stage 1	2,070,598	(624,265)	(1,446,333)	-
Transferred to stage 2	(331,326)	1,570,617	(1,239,291)	-
Transferred to stage 3	(103,288)	(352,133)	455,421	-
Impact on the provision - at the end of the year – due to changes in the classification between the three stages during the year	(8,000,061)	(1,098,028)	9,098,089	-
Changes due to adjustments	235,965	193,206	(140,199)	288,972
Written off balances	-	-	(153,585)	(153,585)
Adjustments resulted from changes in exchange rates	-	-	-	-
Total balance at the end of the year	3,564,540	7,473,040	51,714,921	62,752,501

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C- The total movement on the expected credit loss provision:

	Retail	Real estate loans	Companies		Total
			Corporate	SMEs	
	JD	JD	JD	JD	JD
For the period ended 31 March 2024					
(Unaudited)					
Balance at the beginning of the period	25,243,712	5,964,599	19,652,133	11,892,057	62,752,501
Deducted from revenue during the period	1,947,604	356,623	1,722,956	390,757	4,417,940
written off balances*	(45,713)	(5,173)	-	(433)	(51,319)
Balance at the end of the period	27,145,603	6,316,049	21,375,089	12,282,381	67,119,122
For the year ended 31 December 2023					
(Audited)					
Balance at the beginning of the year	19,729,466	4,454,694	13,248,467	14,190,264	51,622,891
Deducted from revenue during the year	5,624,981	1,518,381	6,407,023	(2,267,190)	11,283,195
written off balances*	(110,735)	(8,476)	(3,357)	(31,017)	(153,585)
Balance at the end of the year	25,243,712	5,964,599	19,652,133	11,892,057	62,752,501

D- Interest in suspense

The following is the movement on interest in suspense:

	Retail	Real estate loans	Companies		Total
			Corporate	SMEs	
	JD	JD	JD	JD	JD
For the period ended 31 March 2024					
(Unaudited)					
Balance at the beginning of the period	6,035,463	2,907,424	11,386,203	4,058,471	24,387,561
Interest suspended during the period	781,581	2,219,885	906,884	337,181	4,245,531
Interest transferred to revenues	(201,595)	(38,337)	(59,052)	(82,701)	(381,685)
Written off interest in suspense*	(33,321)	(9,604)	-	(3,066)	(45,991)
Balance at the end of the period	6,582,128	5,079,368	12,234,035	4,309,885	28,205,416
For the year ended 31 December 2023					
(Audited)					
Balance at the beginning of the year	4,924,316	2,420,654	8,056,007	3,475,409	18,876,386
Interest suspended during the period	2,076,762	674,772	3,447,860	1,172,261	7,371,655
Interest transferred to revenue	(730,746)	(169,447)	(95,684)	(483,635)	(1,479,512)
Written off interest in suspense*	(234,869)	(18,555)	(21,980)	(105,564)	(380,968)
Balance at the end of the year	6,035,463	2,907,424	11,386,203	4,058,471	24,387,561

* Based on the decisions of the Bank's Board of Directors and the subsidiaries Executive Managements, non-performing credit facilities with their related interest, against which provisions and interest in suspense were booked, were written off by an amount of JD 97,310 during the period ended 31 March 2024, against JD 534,553 for the year ended 31 December 2023.

(7) OTHER ASSETS

The details of this item are as follows:

	<u>31 March 2024</u>	<u>31 December 2023</u>
	JD	JD
	(Unaudited)	(Audited)
Interest and income receivables	5,308,504	7,994,512
Prepaid expenses	2,609,895	1,753,896
Assets seized by the Bank in settlement of due debts:	25,809,055	24,869,270
Refundable deposits	1,002,341	914,760
Clearing Cheques	858,137	12,813
Balances related to fraudulent transaction -net	1,039,200	1,039,200
Purchased acceptances	2,903,979	26,697,103
Others	10,964,430	8,061,452
Total	50,495,541	71,343,006

* According to the instructions of the Central Bank of Jordan, the Bank must dispose of assets seized by the Bank in settlement of customers due debts within two years from the date of their acquisition, and the Central Bank of Jordan may, in exceptional cases, extend this period for a maximum of two consecutive years. The seized assets are shown at net after deducting the impairment provision which amounted to JD 93,155 as of 31 March 2024, and as of 31 December 2023, and the seized assets provision according to the instructions of the Central Bank of Jordan in which amounted to JD 1,245,723 JD as of 31 March 2024 against JD 1,257,317 as of 31 December 2023.

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(8) BORROWED FUNDS

The details of this item are as follows:

	Amount	Number of instalments		Frequency of instalments	Guarantees	Loan interest
		Total	Remaining			
(Unaudited)	JD					
31 March 2024						
Borrowings from the Central Bank of Jordan	10,058,795	1,882	1,249	Monthly	Promissory notes	0.5 to 1.0%
Borrowings from local banks/ financial institutions	242,123,067	602	297	Monthly, quarterly, semi-annual and at maturity	Mortgage bonds/ equipment and property mortgage	4.9% to 9.25%
Borrowings from foreign institutions	7,270,795	16	10	Semi-annual and at maturity	- *	6.4% to 7.5%
Total	259,452,657					
(Audited)						
31 December 2023						
Borrowings from the Central Bank of Jordan	10,204,014	2,127	1,207	Monthly	Promissory notes	0.5 to 1.0%
Borrowings from local banks/ financial institutions	239,901,517	590	304	Monthly, quarterly, semi-annual and at maturity	Mortgage bonds/ equipment and property mortgage	5.30% to 9.25%
Borrowings from foreign institutions	7,270,795	16	11	Semi-annual and at maturity	- *	6.40% to 6.95%
Total	257,376,326					

- Borrowings from the Central Bank of Jordan which amounts to JD 10,058,795 represent amounts borrowed to refinance customers' facilities through medium term financing programs and the Central Bank of Jordan program to assist SMEs in facing COVID-19, the loans were re-lent with an average interest rate of 2.74%.
- The number of beneficiaries from the Central Bank of Jordan's program which aims to assist SMEs in facing COVID-19 are 15 clients as of 31 March 2024. These loans are matured within a period of 52 months from the granting date including the grace period according to the requirements of the program.

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- Borrowed funds include amounts borrowed from local banks which amounts to JD 219,623,067. Such borrowings include overdraft accounts and revolving loans granted to the subsidiaries (Al-Istethmari Letamweel Selselat Al Imdad, Tamkeen Leasing Company, Jordan Trade Facilities Company and Bindar Trade and investments Company).
- Borrowed funds from local institutions include amounts borrowed from Jordan Mortgage Refinancing Company which amounts to JD 22,500,000 as of 31 March 2024, and as of 31 December 2023, additionally, mortgage loans are refinanced with an average interest rate of 10.4% as of 31 March 2024 against 10.5% as of 31 December 2023.
- Borrowed funds from foreign institutions include amounts borrowed from “SANAD” fund for MSME which amounts to USD 10.3 Million, equivalent to JD 7,270,795 for the Bank and its subsidiary (Jordan Trade Facilities Company) as of 31 March 2024, and as of 31 December 2023.
- Fixed interest rates loans amounted to JD 53,102,523 and floating interest rates loans amounted to JD 206,350,134 as of 31 March 2024 against JD 54,161,784 of fixed interest rates loans and JD 203,214,542 of floating interest rates loans as of 31 December 2023.
- * There is a letter of comfort issued by the Bank regarding the borrowed funds by its subsidiaries from local banks and foreign financial institutions.

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(9) **BONDS**

This item represents bonds issued by the subsidiaries as follows:

<u>Subsidiary</u>	<u>Bonds value</u>	<u>Interest rate</u>	<u>Total instalments</u>	<u>Remaining instalments</u>	<u>Instalments frequency</u>	<u>Guarantees</u>	<u>Issue date</u>	<u>Maturity date</u>
	JD							
<u>31 March 2024 (Unaudited)</u>								
Tamkeen Leasing Company	7,500,000	7.75%	1	1	One payment at the maturity date	N/A	30 October 2023	28 November 2024
Tamkeen Leasing Company	5,970,000	7.75%	1	1	One payment at the maturity date	N/A	8 November 2023	7 November 2024
Jordan Trade Facilities Company	4,160,000	7.50%	2	2	Semi-annually payment	N/A	7 January 2024	6 January 2025
Tamkeen Leasing Company	3,400,000	7.50%	1	1	One payment at the maturity date	N/A	4 March 2024	3 March 2025
Tamkeen Leasing Company	2,000,000	7.50%	1	1	One payment at the maturity date	N/A	18 July 2023	17 July 2024
Tamkeen Leasing Company	1,200,000	7.50%	1	1	One payment at the maturity date	N/A	12 October 2023	11 October 2024
Tamkeen Leasing Company	1,150,000	7.50%	1	1	One payment at the maturity date	N/A	16 January 2024	15 January 2025
Total	25,380,000							
<u>31 December 2023 (Audited)</u>								
Tamkeen Leasing Company	7,500,000	7.75%	1	1	One payment at the maturity date	N/A	30 October 2023	28 November 2024
Tamkeen Leasing Company	5,970,000	7.75%	1	1	One payment at the maturity date	N/A	8 November 2023	7 November 2024
Tamkeen Leasing Company	2,000,000	7.50%	1	1	One payment at the maturity date	N/A	18 July 2023	17 July 2024
Tamkeen Leasing Company	1,200,000	7.50%	1	1	One payment at the maturity date	N/A	12 October 2023	11 October 2024
Tamkeen Leasing Company	1,050,000	7.50%	1	1	One payment at the maturity date	N/A	7 February 2023	7 February 2024
Total	17,720,000							

(10) INCOME TAX

The Bank tax status:

- The financial period is charged with its own income tax expense in accordance with the regulations, laws and International Financial Reporting Standards, and the necessary tax provision is calculated and recorded.
- A final clearance was made with the Income and Sales Tax Department for the financial years until the end of the year 2020.
- The Bank has submitted its tax returns for the years 2021 and 2022 on the legally specified date and in compliance with the regulations, and those years have not been audited at the date of these interim condensed consolidated financial statements.
- In the opinion of the Bank's management and the tax advisor, the provisions booked are sufficient to meet the tax liabilities as of 31 March 2024.

Tax status of Tamkeen Leasing Company (Subsidiary)

- The company had not submitted the self-assessment statement for the period from its inception on 31 October 2006 to December 31, 2009, as it did not operate during those years.
- A final clearance was made with the Income and Sales Tax Department regarding income tax for the years from 2010 until 2017.
- The company has submitted the annual income tax returns for the year 2018 on the legally specified date, and it has been accepted by the Income and Sales Tax Department within sampling system.
- The company has submitted its tax returns for the years from 2019 to 2022 on the legally specified date and in compliance with the regulations, and those years have not been audited
- The company has submitted the sales tax returns on the legally specified date, and the Income and Sales Tax Department audited the general sales tax returns until 31 December 2017, and subsequent returns were submitted on the date specified by law and the related tax due was paid up to the date of these interim condensed consolidated financial statements.
- In the opinion of the company's management and its tax advisor, the company will not have any liabilities that exceed the booked provision as of 31 March 2024.

Tax status of Al Istethmari Letamweel Selselat Al Imdad Company (Subsidiary)

- The company was tax assessed up to the end of the year 2017, with no tax liabilities for this period. The tax return for the year 2018 was accepted under the sampling system. Tax returns for the years 2019, 2020, and 2021 were audited by the Income and Sales Tax Department and were objected to by the company.
- The company has submitted its tax returns for the year 2022 on the legally specified date and in compliance with the regulations, and it have not been audited at the date of these interim condensed consolidated financial statements.
- Sales tax returns were accepted without modification until the end period 11 + 12 / 2017 and has no tax obligations, and the company submitted the tax return for the period from 1 + 2 / 2018 until the period 9 + 10 / 2023 on the legally specified date and the related tax due was paid.
- In the opinion of the company's management and its tax advisor, the company will not have any liabilities that exceed the booked provision as of 31 March 2024.

Tax status of Jordan Trade Facilities Company and its subsidiaries (Subsidiary)

- A final clearance was made with the Income and Sales Tax Department until the end of 2014, The tax declarations have been audited, and the statements have been adjusted with approval for the years 2015 and 2016.
- The company has submitted its tax returns for the years from 2019 to 2022 on the legally specified date and in compliance with the regulations, and those years have not been audited at the date of these interim condensed consolidated financial statements.
- The company has submitted the general sales tax returns on the legally specified date, and the Income and Sales Tax Department has audited the returns submitted for the end of the fiscal year 2016 taking into consideration the returns submitted for the tax periods up to end of 2018 were accepted according to the laws and the returns of subsequent periods were submitted on time.
- The subsidiary (Jordan Trade Facilities for Finance Leasing) had submitted its annual income tax returns until the end of 2022, and they were accepted by the Income and Sales Tax Department within sampling system.

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- The subsidiary (Jordan Trade Facilities for Finance Leasing) had submitted the tax return on the legally specified date, General sales tax returns were audited until the end of 2022, and subsequent tax returns were filed on the legally specified date.
- In the opinion of the company's management and its tax advisor, the company will not have any liabilities that exceed the booked provision as of 31 March 2024.

Tax status of Bindar Trade and Investments Company and its subsidiaries (Subsidiary)

- A final clearance was made with the Income and Sales Tax Department until the end of 2018 and 2020.
- The company has submitted its tax returns for the years 2019, 2021 and 2022 on the legally specified date and in compliance with the regulations, and those years have not been audited at the date of these interim condensed consolidated financial statements.
- General sales tax returns were audited until the end of 2017, and subsequent tax returns were filed on the legally specified date and the related tax due was paid up until the date of preparing these consolidated financial statements.
- The subsidiary (Bindar Leasing Company) made a final clearance with income tax and sales tax Department until the end of year 2020 in addition the company has submitted the tax return for the years 2021 and 2022 on the legally specified date and has no tax obligations until the date of these interim condensed consolidation financial statements.
- The subsidiary (Bindar Leasing Company) has register for sales tax starting from 1 January 2017 and the subsequent tax returns were submitted and tax due was paid up until the date of these interim condensed consolidated financial statements.
- The subsidiary (Robou Al Sharq Real Estate) made a final clearance with income tax and sales tax Department until the end of years 2018 and 2020.
- The subsidiary (Robou Al Sharq Real Estate) submitted the tax return for the years 2019 ,2021 and 2022 and the tax due was paid on the legally specified date.
- In the opinion of the company's management and its tax advisor, the company will not have any liabilities that exceed the booked provision as of 31 March 2024.

- The subsidiary (Rakeen Real Estate Company) made a final clearance with income tax and sales tax Department until the end of years 2018 and 2020.
- The subsidiary (Rakeen Real Estate Company) submitted the tax return for the years 2019 ,2021 and 2022 and the tax due was paid on the legally specified date.
- In the opinion of the company's management and its tax advisor, the company will not have any liabilities that exceed the booked provision as of 31 March 2024.

(11) RETAINED EARNINGS

The movement on retained earnings is summarized as follows:

	<u>31 March 2024</u>	<u>31 December 2023</u>
	<u>JD</u>	<u>JD</u>
	(Unaudited)	(Audited)
Balance at the beginning of the period/ year	62,801,714	50,972,953
Profit for the year	-	24,628,584
Transferred to reserves	-	(2,492,392)
Dividend distributions*	-	(10,000,000)
Loss on sale of financial assets at fair value through other comprehensive income transferred to retained earning - equity instruments	(388,795)	(322,759)
Effect of the increase in investment in subsidiaries	1,839	15,328
Balance at the end of the period/ year	62,414,758	62,801,714

(12) PROPOSED DIVIDENDS

The Board of Directors decided on their meeting number (01/2024) held on 9 February 2024 to recommend to the Shareholders' General Assembly to distribute JD 10 million of retained earnings during the year 2024 for the year 2023, equivalent to 10% of the Bank's capital, on 24 April 2024 the general assembly of shareholders approved the Board of Directors proposal, pursuant to a decision of the general assembly of shareholders on April 19, 2024, 10 million JD were distributed from retained earnings for the year 2023, equivalent to 10% of the bank's capital.

(13) SEGMENT ANALYSIS

A- Information about the Bank's operating segments:

The Bank is organized for administrative purposes. This is used by the general manager and decision makers of the Bank through three main business sectors shown below. The Bank also owns subsidiaries that are specialized in the following areas: financial brokerage services, financial leasing services.

- **Retail accounts:** includes handling individual customers' deposits, and providing credit facilities,
- **Corporates' accounts:** includes handling deposits, credit facilities, and other credit facilities granted to customers services related to corporates' customers.
- **Treasury:** includes providing trading and treasury services and the management of the Bank's funds.
- **Financial leasing services:** include granting customers credit facilities and other services.
- **Operating and managing bonded warehouses:** includes providing operating services and managing

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The following table represents information on the Bank's segments distributed in accordance with the activities:

	Individuals	Corporates	Treasury	Financial Leasing	Bonded Management	Others	Total For the three months period ended 31	
							2024	2023
							JD	JD
							(Unaudited)	(Unaudited)
Gross income	12,116,780	5,434,421	1,945,592	477,810	246,430	2,411,866	22,632,899	19,921,367
Expenses for expected credit loss against direct credit facilities at amortized cost	(2,388,294)	(1,644,552)	-	37,068	(422,162)	-	(4,417,940)	(4,370,835)
Expenses for expected credit loss provision on financial assets and off-balance sheet items	-	-	1,886	-	-	(52,416)	(50,530)	(10,239)
Sundry provisions	-	-	-	-	-	(34,387)	(34,387)	(60,998)
Segment operations results	9,728,486	3,789,869	1,947,478	514,878	(175,732)	2,325,063	18,130,042	15,479,295
Unallocated expenses	-	-	-	(248,401)	(415,795)	(7,807,904)	(8,472,100)	(7,055,035)
Profit for the period before income tax	9,728,486	3,789,869	1,947,478	266,477	(591,527)	(5,482,841)	9,657,942	8,424,260
Income tax	-	-	-	(69,710)	118,205	(2,706,113)	(2,657,618)	(2,423,624)
Net Income for the period	9,728,486	3,789,869	1,947,478	196,767	(473,322)	(8,188,954)	7,000,324	6,000,636

	Individuals	Corporates	Treasury	Leasing	Bonded Management	Others	Total	
							31 March 2024	31 December 2023
							JD	JD
							(Unaudited)	(Audited)
Sector's assets	448,539,835	543,154,097	774,275,884	114,675,773	24,337,619	-	1,904,983,208	1,812,025,400
Assets not distributed among sectors	-	-	-	-	-	3,352,737	3,352,737	3,501,152
Assets held for sale	-	-	-	-	-	-	-	145,188
Total assets	448,539,835	543,154,097	774,275,884	114,675,773	24,337,619	3,352,737	1,908,335,945	1,815,671,740
Sector's liabilities	794,860,709	515,696,332	88,153,705	92,396,455	20,759,155	-	1,511,866,356	1,432,478,295
liabilities not distributed among sectors	-	-	-	-	-	178,135,137	178,135,137	170,762,442
Liabilities associated with assets held for sale	-	-	-	-	-	-	-	335
Total liabilities	794,860,709	515,696,332	88,153,705	92,396,455	20,759,155	178,135,137	1,690,001,493	1,603,241,072

	Individuals	Corporates	Treasury	Leasing	Bonded Management	Others	Total For the nine months period ended 31	
							March 2024	2023
							JD	JD
							(Unaudited)	(Unaudited)
Capital expenditures							1,487,122	633,943
Depreciation and amortization							1,029,818	844,350

B- Information on the geographical distribution.

The Bank and its subsidiaries conduct most of their activities and operations inside the Kingdom which represent local activities. Accordingly, most of the revenues, assets and capital expenditures are inside the Kingdom.

(14) TRANSACTIONS WITH RELATED PARTIES

The Bank entered into transactions with the subsidiaries, Board of Directors, the executive management and the major shareholders within the ordinary course of banking activities using commercial rates of interests and commissions.

The following represents a summary of balances and transactions with related parties:

	The Related Parties			Total	
	Subsidiaries*	Board of directors' members & executive management	Other (employees and their relative, relative of members of the board of directors and executive management and controlled companies)	31 March 2024	31 December 2023
	JD	JD	JD	JD	JD
On-balance sheet items:	(unaudited)	(unaudited)	(unaudited)	(Unaudited)	(Audited)
Credit facilities	1,729,530	3,439,017	22,313,510	27,482,057	27,459,381
Provision for impairment on direct credit facilities **	-	-	16,752	16,752	20,674
Deposits, current accounts and cash margins	2,497,649	6,709,405	9,053,549	18,260,603	15,545,611
Deposits from banks and financial institutions	-	16,904,815	-	16,904,815	16,947,080
Off-balance sheet items:					
LGs	136,500	193,937	419,228	749,665	1,191,030
Statement of profit or loss Items:				For the three months ended 31 March	
				2024	2023
				JD	JD
				(Unaudited)	(Unaudited)
Interest and commission income	49,169	54,707	326,834	430,710	493,616
Interest and commission expense	30,002	368,219	93,746	491,967	414,827
Impairment provision on credit facilities**	-	-	(3,922)	(3,922)	409
Maximum interest rate on direct credit facilities in JD	21%		Minimum interest rate on direct credit facilities in JD	3.3%	
Maximum interest rate on direct credit facilities in FCY	12%		Minimum interest rate on direct credit facilities in FCY	12%	
Maximum interest rate on deposits in JD	7%		Minimum interest rate on deposits in JD	Zero	
Maximum interest rate on deposits in FCY	4.3%		Minimum interest rate on deposits in FCY	Zero	
Maximum commission rate on credit	1%		Minimum commission rate on credit	Zero	

The executive management salaries and benefits for the Bank and its subsidiaries amounted to JD 1,572,481 for the nine months ended on 31 March 2024, against JD 1,337,246 for the same period in 2023.

The number of related parties' customers amounted to 997 customers as of 31 March 2024, against 936 as of 31 December 2023.

The value of the collaterals provided by the related clients against the granted credit facilities amounted to JD 19,445,612 as of 31 March 2024 against JD 19,151,804 as of 31 December 2023.

* The balances and transactions with subsidiaries are eliminated in these interim condensed consolidated financial statements and are shown for explanatory purposes only.

** Represents the provisions recorded according to the Central Bank of Jordan instructions no. (47/2009).

(15) CASH AND CASH EQUIVALENTS

The details of this item are as follows:

	As of 31 March	
	2024	2023
	JD	JD
	(Unaudited)	(Unaudited)
Cash and balances at the Central Bank of Jordan maturing within three months	234,596,574	237,913,559
Add: balances at banks and financial institutions maturing within three months	85,611,795	153,138,697
Deduct: banks and financial institutions' deposits maturing within three months	64,286,110	75,702,737
	255,922,259	315,349,519

(16) FAIR VALUE HIERARCHY

The following table represents financial instruments carried at fair value based on the valuation method, where different levels are defined as follows:

Level 1: inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: inputs for the asset or liability that are not based on observable market data.

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The following table represents financial instruments recorded at fair value.

(Unaudited)

31 March 2024

Financial assets at fair value through of profit or loss

Financial assets at fair value other comprehensive income

Level 1	Level 2	Level 3	Total
JD	JD	JD	JD
172,800	-	-	172,800
37,804,473	-	25,434,899	63,239,372
37,977,273	-	25,434,899	63,412,172

(Audited)

31 December 2023

Financial assets at fair value through of profit or loss

Financial assets at fair value other comprehensive income

Level 1	Level 2	Level 3	Total
JD	JD	JD	JD
2,799	-	-	2,799
38,006,500	-	25,435,395	63,441,895
38,009,299	-	25,435,395	63,444,694

(17) FAIR VALUE OF FINANCIAL INSTRUMENTS

There are no material differences between the fair value of financial instruments not measured at fair value on the consolidated statement of financial position and their book value recognized in the consolidated financial statements. Moreover, there are no material differences between the fair value and the book value of the direct credit facilities, financial assets at amortized cost, banks and financial institutions deposits, customers' deposits, cash margins and borrowed funds stated at amortized costs in consolidated financial statements, due to the immaterial difference in the market interest rates for similar financial instruments of the contractual prices and due to the short terms of maturity of the banks and financial institutions deposits. The fair value of financial assets at amortized cost is determined through the quoted prices if available or through the valuation models used for fixed price bonds.

(18) EARNINGS PER SHARE FOR THE PERIOD ATTRIBUTABLE TO THE BANK'S SHAREHOLDERS

The details of this item are as follows:

	For the three months ended 31	
	March	
	2024	2023
	JD	JD
	(Unaudited)	(Unaudited)
Net profit for the period attributable to the bank's shareholders	6,914,012	5,914,210
Weighted average number of shares	100,000,000	100,000,000
Basic and diluted earnings per share from net profit for the period	0.069	0.059

Basic earnings per share from the net profit for the period attributable to the Bank's shareholders equals the diluted earnings per share, as the bank did not issue any financial instruments that would have an impact on the basic earnings per share.

(19) CONTINGENT LIABILITIES (OFF-BALANCE SHEET)**A- Credit commitments and contingencies:**

	31 March	31 December
	2024	2023
	JD	JD
	(Unaudited)	(Audited)
Letters of credit	19,811,927	20,456,188
Acceptances and time-drawings	2,577,358	4,239,346
Guarantees:		
Payment	19,287,698	19,098,708
Performance bonds	27,501,932	24,626,911
Other	15,655,919	14,694,775
Unutilized direct credit facilities credit limits	19,596,820	18,042,102
Unutilized indirect credit facilities credit limits	28,982,887	26,897,392
Total	133,414,541	128,055,422

(20) LAWSUITS AGAINST THE BANK AND ITS SUBSIDIARIES

Lawsuits raised against the Bank amounted to JD 3,268,904 as of 31 March 2024 against JD 3,306,907 as at 31 December 2023. The total booked provisions against these lawsuits amounted to JD 176,537 as of 31 March 2024 and as at 31 December 2023. Based on the management's assessment and the Bank's legal consultant, the Bank will not incur any additional liabilities with regard to these lawsuits.

The lawsuits raised against Tamkeen Financial Leasing amounted to JD 2,230,850 as of 31 March 2024 against JD 2,219,240 as of 31 December 2023. Based on the management's assessment and the Company's legal consultant, the company will not incur any additional liabilities with regard to these lawsuits.

There is a lawsuit raised against Al Istethmari Letamweel Selselat Al Imdad as of 31 March 2024 and as at 31 December 2023 and based on the management's assessment and the Company's legal consultant, there is no need for the company to take any provisions against this case.

Lawsuits raised against Jordan Trade Facilities amounted to JD 146,484 as of 31 March 2024 against JD 153,045 as of 31 December 2023. The total booked provisions against these lawsuits amounted to JD 220,000 as of 31 March 2024 and as of 31 December 2023. Based on the management's assessment and the Company's legal consultant, the company will not incur any additional liabilities with regard to these lawsuits.

Lawsuits raised against Trade Facilities for Financial Leasing (Subsidiary of Jordan Trade Facilities Company) amounted to JD 10,001 as of 31 March 2024 and as of 31 December 2023. The total booked provisions against these lawsuits amounted to JD 65,000 as of 31 March 2024 and as of 31 December 2023. based on the management's assessment and the Company's legal consultant; no additional liabilities would rise from these lawsuits.

Lawsuits raised against Bindar Trading and Investments Company (Subsidiary of the Bank) amounted to JD 196,057 as of 31 March 2024 against JD 171,995 as of 31 December 2023. The total booked provisions against these lawsuits amounted to JD 129,975 as of 31 March 2024, against JD 103,913 as of 31 December 2023, based on the management's assessment and the Company's legal consultant; the company will not incur any additional liabilities with regard to these lawsuits.

(21) Assets held for sale and Liabilities directly associated with assets held for sale

Bindar for Financial Leasing (a former subsidiary)

During the last quarter of the year 2022, the Board of Director of Bindar trading and investment company (a subsidiary) decided to liquidate Bindar financial leasing company (a subsidiary), accordingly each of the company's assets and liabilities classified under separate item in accordance with requirements of (IFRS 5). the liquidation procedures were completed on 7 February 2024 and the company registration certificate has been canceled. The details of each of the company's assets and liabilities are as follows:

	31 March	31 December
	2024	2023
	JD	JD
	(Unaudited)	(Audited)
Assets		
Cash and balances at Banks	-	144,354
Due from related parties	-	945,132
Other assets	-	834
Total assets held for sale	-	1,090,320
Eliminations as a result of intergroup transactions	-	(945,132)
Total assets held for sale	-	145,188
Liabilities		
Other liabilities	-	335
Total liabilities directly associated with assets held for sale	-	335
Eliminations as a result of intergroup transactions	-	-
Total liabilities directly associated with assets held for sale	-	335