

**JORDAN COMMERCIAL BANK**

**PUBLIC SHAREHOLDING LIMITED COMPANY**

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

**31 MARCH 2022**



**Ernst & Young Jordan**  
P.O. Box 1140  
Building No. 300  
King Abdullah Street  
Amman 11118  
Hashemite Kingdom of Jordan

Tel: +962 6 552 6111  
+962 6 552 7666  
Fax: +962 6 553 8300  
[amman@jo.ey.com](mailto:amman@jo.ey.com)  
[ey.com/mena](http://ey.com/mena)

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

We have reviewed the accompanying interim condensed financial statements of Jordan Commercial Bank (a public shareholding limited company) (the “Bank”) as at 31 March 2022, comprising the interim condensed statement of financial position as at 31 March 2022 and the related interim condensed statements of income, comprehensive income, changes in equity, and cash flows for the three months then ended and explanatory notes. The Board of Directors is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard 34 (IAS 34) (Interim Financial Reporting) as adopted by the Central Bank of Jordan (CBJ). Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

**Scope of review**

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

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements are not prepared, in all material respects, in accordance with IAS 34.

Amman – Jordan  
28 April 2022

**JORDAN COMMERCIAL BANK**  
**INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2022**

	Notes	31 March 2022	31 December 2021
		JD (Unaudited)	JD (Audited)
<b><u>ASSETS</u></b>			
Cash and balances at central banks	4	113,057,906	90,710,577
Balances at banks and financial institutions	5	35,516,899	54,106,136
Direct credit facilities, net	6	750,783,476	773,903,799
Financial assets at fair value through statement of income	7	1,845,429	1,778,210
Financial assets at fair value through other comprehensive income	8	32,066,511	31,942,672
Financial assets at amortized cost, net	9	384,458,280	362,409,154
Property and equipment, net		21,579,155	21,857,844
Intangible assets, net		2,196,875	2,266,649
Right-of-use assets		5,191,268	5,429,733
Deferred tax assets		10,336,954	10,322,457
Other assets	10	81,024,021	90,190,277
<b>Total Assets</b>		<b>1,438,056,774</b>	<b>1,444,917,508</b>
<b><u>LIABILITIES AND SHAREHOLDERS' EQUITY</u></b>			
<b>LIABILITIES</b>			
Banks and financial institutions' deposits		98,972,770	111,313,020
Customers' deposits	11	964,864,286	969,388,894
Cash margin		41,481,950	40,829,127
Borrowed funds	12	142,956,142	140,483,737
Provision for income tax	13/a	2,990,210	3,126,294
Sundry provisions	14	883,049	883,049
Deferred tax liabilities		150,155	124,612
Lease liabilities		5,200,508	5,361,113
Other liabilities	15	31,555,459	26,235,937
<b>Total Liabilities</b>		<b>1,289,054,529</b>	<b>1,297,745,783</b>
<b>SHAREHOLDERS' EQUITY</b>			
Authorized and paid in capital	1	120,000,000	120,000,000
Statutory reserve	16	17,208,213	17,208,213
Fair value reserve, net	17	(895,753)	(973,100)
Retained earnings	18	10,936,612	10,936,612
Profit for the period		1,753,173	-
<b>Total Shareholders' Equity</b>		<b>149,002,245</b>	<b>147,171,725</b>
<b>Total Liabilities and Shareholders' Equity</b>		<b>1,438,056,774</b>	<b>1,444,917,508</b>

The accompanying notes from 1 to 25 form part of these interim condensed financial statements and should be read with them and the accompanying review report

**JORDAN COMMERCIAL BANK**  
**INTERIM CONDENSED STATEMENT OF INCOME**  
**FOR THE THREE MONTHS ENDED 31 MARCH 2022 (REVIEWED NOT AUDITED)**

	<u>Notes</u>	<u>2022</u>	<u>2021</u>
		JD	JD
Interest income		17,647,253	17,438,351
Less: Interest expense		(8,561,291)	(8,542,948)
<b>Net interest income</b>		<b>9,085,962</b>	<b>8,895,403</b>
Net commission income		1,016,075	1,076,073
<b>Net interest and commission income</b>		<b>10,102,037</b>	<b>9,971,476</b>
Foreign currency income		257,744	241,374
Gain from financial assets at fair value through statement of income		67,219	109,429
Dividends from financial assets at fair value through other comprehensive income	8	75,000	-
Other income		1,912,198	1,351,900
<b>Gross income</b>		<b>12,414,198</b>	<b>11,674,179</b>
Employees' expenses		3,445,729	3,411,802
Depreciation and amortization		891,309	871,420
Provision for expected credit losses, net	19	1,862,674	1,065,000
Other provisions		10,598	59,450
Provision for assets seized by the Bank against due debts		925,201	1,077,997
Other expenses		2,445,695	2,591,708
<b>Total expenses</b>		<b>9,581,206</b>	<b>9,077,377</b>
<b>Profit for the period before income tax</b>		<b>2,832,992</b>	<b>2,596,802</b>
Income tax for the period	13/b	(1,079,819)	(965,447)
<b>Profit for the period</b>		<b>1,753,173</b>	<b>1,631,355</b>
<b>Earnings per share for the period attributable to the Bank's shareholders</b>		<u>Fils/JD</u>	<u>Fils/JD</u>
Basic and diluted		0.015	0.014

The accompanying notes from 1 to 25 form part of these interim condensed financial statements and should be read with them and the accompanying review report

**JORDAN COMMERCIAL BANK**  
**INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE THREE MONTHS ENDED 31 MARCH 2022 (REVIEWED NOT AUDITED)**

---

	<u>2022</u>	<u>2021</u>
	JD	JD
<b>Profit for the period</b>	1,753,173	1,631,355
<u>Other comprehensive income items:</u>		
<b>Items that are not transferable subsequently to statement of income</b>		
Net change in fair value reserve of financial assets through other comprehensive income, net	<u>77,347</u>	<u>(453,371)</u>
<b>Total comprehensive income for the period</b>	<u>1,830,520</u>	<u>1,177,984</u>

**The accompanying notes from 1 to 25 form part of these interim condensed financial statements and should be read with them and the accompanying review report**

**JORDAN COMMERCIAL BANK**  
**INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE THREE MONTHS ENDED 31 MARCH 2022 (REVIEWED NOT AUDITED)**

	Reserves					Total shareholders' equity
	Authorized and paid in capital	Statutory	Fair value reserve, net	Retained earnings	Profit for the period	
	JD	JD	JD	JD	JD	
<b><u>For the three months ended 31 March 2022</u></b>						
<b>Balance as at 1 January 2022</b>	120,000,000	17,208,213	(973,100)	10,936,612	-	147,171,725
Profit for the period	-	-	-	-	1,753,173	1,753,173
Net change in the fair value reserve for financial assets at fair value through other comprehensive income	-	-	77,347	-	-	77,347
Total comprehensive income for the period	-	-	77,347	-	1,753,173	1,830,520
<b>Balance as at 31 March 2022</b>	<u>120,000,000</u>	<u>17,208,213</u>	<u>(895,753)</u>	<u>10,936,612</u>	<u>1,753,173</u>	<u>149,002,245</u>
<b><u>For the three months ended 31 March 2021</u></b>						
<b>Balance as at 1 January 2021</b>	120,000,000	15,953,618	(2,020,984)	5,534,153	-	139,466,787
Loss for the period	-	-	-	-	1,631,355	1,631,355
Net change in the fair value reserve for financial assets at fair value through other comprehensive income	-	-	(453,371)	-	-	(453,371)
Total comprehensive income for the period	-	-	(453,371)	-	1,631,355	1,177,984
<b>Balance as at 31 March 2021</b>	<u>120,000,000</u>	<u>15,953,618</u>	<u>(2,474,355)</u>	<u>5,534,153</u>	<u>1,631,355</u>	<u>140,644,771</u>

- The Central Bank of Jordan had issued a Circular No.10/1/7702 on the 6<sup>th</sup> of June 2018 requesting the offsetting of the General Banking Risk Reserve against the retained earnings' opening balance as of the 1<sup>st</sup> of January 2018 to offset the effect of adoption of IFRS (9).
- The retained earnings balance includes JD 10,186,799 restricted against net deferred tax assets as of 31 March 2022 according to the Central Bank of Jordan's instructions ( 2021: JD 10,197,845).
- Use of retained earnings for an amount equal to the negative cumulative change in the fair value of financial assets of JD 895,753 as 31 March 2022 is restricted (including JD 311,112 against the implementation of International Financial Reporting Standard No (9)) in compliance with the instructions of the Jordan Securities Commission and the Central Bank of Jordan.

**The accompanying notes from 1 to 25 form part of these interim condensed financial statements  
and should be read with them and the accompanying review report**

**JORDAN COMMERCIAL BANK**  
**INTERIM CONDENSED STATEMENT OF CASH FLOWS**  
**FOR THE THREE MONTHS ENDED 31 MARCH 2022 (REVIEWED NOT AUDITED)**

	Notes	For the three months ended 31 March	
		2022 JD	2021 JD
<b>Cash flows from operating activities:</b>			
Profit for the period before tax		2,832,992	2,596,802
<b>Non-cash Adjustments:</b>			
Depreciation and amortization		891,309	871,420
Provision for expected credit losses, net	19	1,862,674	1,065,000
Loss from valuation of financial assets at fair value through statement of income		(67,219)	(109,429)
Other provisions	14	10,598	59,450
Provision for impairment of assets seized by the bank against due debts	10	925,201	1,077,997
Finance costs on lease liabilities		101,629	92,204
Loss (profit) from sale property and equipment		2,189	(1,884)
Dividends from financial assets at fair value through other comprehensive income		(75,000)	-
Effect of exchange rate fluctuations on cash and cash equivalents		(97,604)	(138,556)
<b>Profit for the period before changes in assets and liabilities</b>		<b>6,386,769</b>	<b>5,513,004</b>
<b>Changes in Assets and Liabilities -</b>			
Increase in banks and financial institutions' deposits maturing within a period of more than three months		-	6,000,000
Decrease (increase) in direct credit facilities		21,298,564	(22,399,584)
Decrease (increase) in other assets		8,244,235	(3,055,078)
(Decrease) increase in customers' deposits		(4,524,608)	4,236,101
Increase in cash margins		652,823	50,447
Increase in other liabilities		5,249,519	344,954
<b>Net cash flows from (used in) operating activities before income tax, provisions, and paid lease liabilities</b>		<b>37,307,302</b>	<b>(9,310,156)</b>
Sundry provisions paid	14	(10,598)	(2,275)
Lease contracts paid		(262,234)	(362,721)
Income tax paid	13/A	(1,252,261)	(174,758)
<b>Net cash flows from (used in) operating activities</b>		<b>35,782,209</b>	<b>(9,849,910)</b>
<b>Cash flows from investing activities</b>			
Decrease (increase) in financial assets at fair value through other comprehensive income		912	(1,675)
Increase in financial assets at amortized cost		(22,026,058)	(20,540,545)
Purchase of property and equipment and intangible assets		(310,020)	(549,627)
Proceeds from sale of property and equipment		3,450	60,750
Dividends from financial assets at fair value through other comprehensive income		75,000	-
<b>Net cash flows used in investing activities</b>		<b>(22,256,716)</b>	<b>(21,031,097)</b>
<b>Cash flows from financing activities</b>			
Increase (decrease) in borrowed funds		2,472,405	(6,287,079)
<b>Net cash flows from (used in) financing activities</b>		<b>2,472,405</b>	<b>(6,287,079)</b>
Effect of exchange rate fluctuations on cash and cash equivalents		97,604	138,556
Net increase (decrease) in cash and cash equivalents		16,095,502	(37,029,530)
Cash and cash equivalents at the beginning of the period		75,506,558	119,020,119
<b>Cash and cash equivalents at the end of the period</b>	20	<b>91,602,060</b>	<b>81,990,589</b>

The accompanying notes from 1 to 25 form part of these interim condensed financial statements and should be read with them and with the accompanying review report

**(1) GENERAL**

Jordan Commercial Bank was established as a Jordanian Public Shareholding Limited Company on 3 May 1977 in accordance with the Jordanian Companies Law No. (12) for the year 1964 with paid-up capital of JD 5 million divided into 5 million shares at par value of one Jordanian Dinar per share. The Bank's Head Office address is Amman, Tel. +962 (6) 5203000, P.O. Box 9989, Amman The Hashemite Kingdom of Jordan.

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

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

The Bank's capital was increased gradually; the last increase was during the year 2017 whereby the capital became 120 million JD/Share paid in full on 7 June 2017.

The Bank is engaged in banking and related financial operations through its branches (35) inside Jordan.

The financial statements have been approved by the Bank's Board of Directors in its meeting held on 28 April 2022.

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

The interim condensed financial statements have been prepared in accordance with International Accounting Standard 34 (Interim Financial Reporting) as adopted by the Central Bank of Jordan.

The interim condensed financial statements are prepared on a historical cost basis, except for financial assets and liabilities which are presented fair value as of the date of the interim condensed financial statements.

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

The interim condensed financial statements do not contain all information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards as adopted by the Central Bank of Jordan and should be read in conjunction with the Bank's annual report as at 31 December 2021. In addition, results for the three months ended 31 March 2022 do not necessarily indicate the expected results for the financial year ending 31 December 2022. No appropriation of the profit has been made for the three months ended 31 March 2022 as it is made at the end of the financial year.

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

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Bank's annual financial statements for the year ended 31 December 2021, except for the followings adoption of new standards effective as at 1 January 2022:

**Reference to the Conceptual Framework – Amendments to IFRS 3**

In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements.

The Board also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately.

At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements.

These amendments had no material impact on the interim condensed financial statements of the Bank.

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

In May 2020, the IASB issued Property, Plant and Equipment — Proceeds before Intended Use, which prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

These amendments had no material impact on the interim condensed financial statements of the Bank.

**Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37**

In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.

The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

These amendments had no material impact on the interim condensed financial statements of the Bank.

**IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter**

As part of its 2018-2020 annual improvements to IFRS standards process, the IASB issued an amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards. The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to IFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.

The amendments is not applicable to the Bank.

**IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities**

As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued amendment to IFRS 9. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received by the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

These amendments had no material impact on the interim condensed financial statements of the Bank.

**IAS 41 Agriculture – Taxation in fair value measurements**

As part of its 2018-2020 annual improvements to IFRS standards process, the IASB issued amendment to IAS 41 Agriculture. The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41.

An entity applies the amendment prospectively to fair value measurements on or after the beginning of the first annual reporting period beginning on or after 1 January 2022 with earlier adoption permitted.

These amendments had no material impact on the interim condensed financial statements of the Bank.

**(3) USE OF ESTIMATES**

Preparation of the condensed interim financial statements and application of the accounting policies require management to make judgments, estimates, and assumptions that affect the amounts of financial assets and financial liabilities and to disclose potential liabilities.

Moreover, these estimates and judgments affect revenues, expenses, provisions, in general, expected credit losses, as well as changes in fair value that appear in the condensed interim statement of comprehensive income and within shareholders' equity. In particular, the Bank's management requires judgments to be made to estimate the amounts and timing of future cash flows. These estimates are necessarily based on multiple hypotheses and factors with varying degrees of estimation and uncertainty. Meanwhile, the actual results may differ from estimates due to the changes arising from the condition and circumstances of those estimates in the future.

Management believes that the critical judgements and estimates used in the preparation of these interim condensed financial information are consistent with those used in the preparation of the Bank's annual financial statements for the year ended 31 December 2021.

**Extension and termination options in lease contracts**

Extension and termination options are included in a number of the leasing contracts, these options are used to increase the operational flexibility in terms of contracts management, most of the extension and termination options are exercisable by both the Bank and the lessor.

In determining the lease term, management considers all facts and circumstance that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension option (or periods after termination option) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The evaluation is reviewed in case of occurrence of an important event or significant change in the circumstances that affect this evaluation and that are under the control of the lessee.

**Discounting of lease payment**

The lease payments are discounted using the Bank's Incremental Borrowing Rate ("IBR"). Management has applied judgments and estimates to determine the IBR at the commencement of lease.

**(4) CASH AND BALANCES AT CENTRAL BANKS**

- The statutory cash reserve held at central banks amounted to JD 32,693,810 as at 31 March 2022 (31 December 2021: JD 32,403,728).
- Except for cash reserves with central banks, there are no restricted cash balances as at 31 March 2022 and 31 December 2021.
- There are no balances maturing within a period of more than three months as at 31 March 2022 and 31 December 2021.

**JORDAN COMMERCIAL BANK**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**31 MARCH 2022 (REVIEWED NOT AUDITED)**

**(5) BALANCES AT BANKS AND FINANCIAL INSTITUTIONS**

Item	Banks and financial institutions					
	Local		Foreign		Total	
	31 March 2022	31 December 2021	31 March 2022	31 December 2021	31 March 2022	31 December 2021
	JD (Unaudited)	JD (Audited)	JD (Unaudited)	JD (Audited)	JD (Unaudited)	JD (Audited)
Current and call accounts	29,671	29,671	5,451,927	7,738,873	5,481,598	7,768,544
Deposits maturing within a period of three months or less	-	16,307,000	35,326	33,457	35,326	16,340,457
Deposits maturing within a period of more than one year	-	-	30,000,000	30,000,000	30,000,000	30,000,000
<b>Total</b>	<b>29,671</b>	<b>16,336,671</b>	<b>35,487,253</b>	<b>37,772,330</b>	<b>35,516,924</b>	<b>54,109,001</b>
Less: Provision for expected credit losses	-	(2,853)	(25)	(12)	(25)	(2,865)
	<b>29,671</b>	<b>16,333,818</b>	<b>35,487,228</b>	<b>37,772,318</b>	<b>35,516,899</b>	<b>54,106,136</b>

- The non-interest-bearing balances held at banks and financial institutions amounted to JD 5,481,598 as at 31 March 2022 and (JD 7,768,544 as at 31 December 2021).
- Total Balance at Banks and financial institutions that are matured in more than three months are 30,000,000 as of 31 March 2022 (30,000,000 as of 31 December 2021).
- There are no restricted balances as at 31 March 2022 and 31 December 2021.

The movement on the provision for expected credit losses for balances at banks and financial institutions is as follows:

	31 March 2022 (Unaudited)			
	Stage 1	Stage 2	Stage 3	Total
	JD	JD	JD	JD
Balance at the beginning of the period	2,865	-	-	2,865
Recoveries from ECL related to settled balances	(2,853)	-	-	(2,853)
Changes resulting from adjustments	13	-	-	13
<b>Balance at the end of the period</b>	<b>25</b>	<b>-</b>	<b>-</b>	<b>25</b>
	31 December 2021 (Audited)			
	Stage 1	Stage 2	Stage 3	Total
	JD	JD	JD	JD
Balance at the beginning of the year	543,233	-	-	543,233
ECL for new balances during the year	620	-	-	620
Recoveries from ECL related to repaid balances	(11,651)	-	-	(11,651)
Changes resulting from adjustments	(529,337)	-	-	(529,337)
<b>Balance at the end of the year</b>	<b>2,865</b>	<b>-</b>	<b>-</b>	<b>2,865</b>

**JORDAN COMMERCIAL BANK**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**31 MARCH 2022 (REVIEWED NOT AUDITED)**

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

The details of this item are as follows:

	31 March 2022 JD (Unaudited)	31 December 2021 JD (Audited)
<b>Individuals (Retail)</b>		
Overdrafts	609,418	597,771
Loans and bills *	200,897,513	205,792,443
Credit cards	6,404,245	6,253,546
<b>Real Estate Loans</b>	125,817,603	120,038,373
<b>Corporate Customers</b>		
Overdrafts	82,681,935	94,984,676
Loans and bills *	326,574,675	329,888,285
<b>Small and Medium Enterprises "SMEs"</b>		
Overdrafts	12,460,437	12,758,308
Loans and bills *	46,726,447	47,521,484
<b>Governmental and Public Sector</b>	39,720,609	43,717,809
<b>Total</b>	<u>841,892,882</u>	<u>861,552,695</u>
Less: Provision for expected credit losses**	(65,597,342)	(63,793,141)
Suspended interests**	<u>(25,512,064)</u>	<u>(23,855,755)</u>
<b>Direct credit facilities, net</b>	<u>750,783,476</u>	<u>773,903,799</u>

\* Net after deducting interest and commissions received in advance amounting to JD 656,047 as of 31 March 2022 (31 December 2021: JD 761,369).

\*\* During the first three months of 2022, direct credit facilities amounting to JD 68,997 were written-off with interest in suspense amounting to JD 51,439 and a provision of JD 17,558.

- Non-performing credit facilities amounted to JD 121,994,391 as at 31 March 2022 (31 December 2021: JD 101,929,585), representing 14.49% of total credit facilities as at 31 March 2022 (31 December 2021: 11.83%).

- Non-performing credit facilities net of suspended interest and commissions amounted to JD 96,736,549 as at 31 March 2022 (31 December 2021: JD 78,235,931), representing 11.85% of total credit facilities after deducting interest and commissions as at 31 March 2022 (31 December 2021: 9.34%).

- Non-performing credit facilities transferred to off financial position items amounted to JD 128,955,251 as at 31 March 2022 (31 December 2021: JD 128,607,030). These credit facilities are fully covered with the suspended interests and provisions.

- Direct credit facilities include facilities granted that are guaranteed by the Government of Jordan amounting to JD 22,500,000 as of 31 March 2022 (31 December 2021: JD 26,250,000).

**JORDAN COMMERCIAL BANK**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**31 MARCH 2022 (REVIEWED NOT AUDITED)**

The movement on the provision for expected credit losses is as follows:

Item	31 March 2022 (Unaudited)					
	Individuals	Real estate	Corporate	SMEs	Governmental and public sectors	Total
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the period	12,664,216	3,277,734	42,930,898	4,851,941	68,352	63,793,141
ELC for new facilities during the period	43,294	4,382	15,568	1,817	-	65,061
Recoveries from ECL related to settled facilities	(111,581)	(51,220)	(371,949)	(39,260)	(78)	(574,088)
Transferred to stage 1	(8,630)	730	(23,616)	(1,252)	-	(32,768)
Transferred to stage 2	(196,222)	(3,601)	196,526	1,123	-	(2,174)
Transferred to stage 3	204,852	2,871	(172,910)	129	-	34,942
Effect on provision resulting from reclassification among the three stages	82,052	50,746	383,137	254,378	-	770,313
Changes resulting from adjustments	376,405	354,282	753,296	98,314	(21,824)	1,560,473
Written-off credit facilities	(17,558)	-	-	-	-	(17,558)
Balance at the end of the period	<u>13,036,828</u>	<u>3,635,924</u>	<u>43,710,950</u>	<u>5,167,190</u>	<u>46,450</u>	<u>65,597,342</u>
Re- allocation:						
Provisions on an individual basis	<u>13,036,828</u>	<u>3,635,924</u>	<u>43,710,950</u>	<u>5,167,190</u>	<u>46,450</u>	<u>65,597,342</u>
Total	<u>13,036,828</u>	<u>3,635,924</u>	<u>43,710,950</u>	<u>5,167,190</u>	<u>46,450</u>	<u>65,597,342</u>

**JORDAN COMMERCIAL BANK**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**31 MARCH 2022 (REVIEWED NOT AUDITED)**

	<u>31 December 2021 (Audited)</u>					Total JD
	Retail	Real Estate	Corporate	SME's	Governmental and Public	
	JD	JD	JD	JD	JD	
Balance at the beginning of the year	10,511,271	3,292,945	39,763,877	5,127,101	37,260	58,732,454
ECL for new facilities during the year	624,540	45,632	174,420	38,789	18	883,399
Recoveries from ECL related to settled facilities	(245,884)	(525,699)	(464,194)	(85,884)	(83)	(1,321,744)
Transferred to stage 1	(40,049)	(8,081)	(411,724)	1,070	-	(458,784)
Transferred to stage 2	(110,750)	(367,882)	(2,061,362)	(7,641)	-	(2,547,635)
Transferred to stage 3	150,799	375,963	2,473,086	6,571	-	3,006,419
Effect on provision resulting from reclassification among the three stages	1,509,313	172,634	5,072,578	87,721	-	6,842,246
Changes resulting from adjustments	271,641	329,409	(1,536,541)	(315,500)	31,157	(1,219,834)
Written-off credit facilities	(6,665)	(37,187)	(79,242)	(286)	-	(123,380)
Balance at the end of the year	<u>12,664,216</u>	<u>3,277,734</u>	<u>42,930,898</u>	<u>4,851,941</u>	<u>68,352</u>	<u>63,793,141</u>
Re-allocation:						
Provision on an individual basis	<u>12,664,216</u>	<u>3,277,734</u>	<u>42,930,898</u>	<u>4,851,941</u>	<u>68,352</u>	<u>63,793,141</u>
Total	<u>12,664,216</u>	<u>3,277,734</u>	<u>42,930,898</u>	<u>4,851,941</u>	<u>68,352</u>	<u>63,793,141</u>

**JORDAN COMMERCIAL BANK**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**31 MARCH 2022 (REVIEWED NOT AUDITED)**

**Suspended Interest**

The movement on suspended interest is as follows:

	Real estate		Companies		Governmental and public sectors	Total
	Individuals	loans	Corporate	SMEs		
	JD	JD	JD	JD		
<b>For the three months ended in 31 March 2022 (Unaudited)</b>						
Balance at the beginning of the period	2,746,786	1,446,419	16,592,779	3,069,771	-	23,855,755
Add: Interest in suspense for the period	360,310	204,439	1,150,262	274,061	-	1,989,072
Less: Interest transferred to revenues	(85,665)	(54,232)	(101,160)	(40,267)	-	(281,324)
Interests in suspense written-off	(2,493)	-	-	(48,946)	-	(51,439)
<b>Balance at the end of the period</b>	<b>3,018,938</b>	<b>1,596,626</b>	<b>17,641,881</b>	<b>3,254,619</b>	<b>-</b>	<b>25,512,064</b>

	Real estate		Companies		Governmental and public sectors	Total
	Individuals	loans	Corporate	SMEs		
	JD	JD	JD	JD		
<b>For the year ended in 31 December 2021 (Audited)</b>						
Balance at the beginning of the year	1,953,475	1,535,102	12,789,066	2,571,114	-	18,848,757
Add: Interest in suspense for the year	1,150,608	565,748	4,259,985	925,844	-	6,902,185
Less: Interest transferred to revenues	(261,678)	(442,719)	(284,069)	(341,124)	-	(1,329,590)
Interests in suspense written-off	(95,619)	(211,712)	(172,203)	(86,063)	-	(565,597)
<b>Balance at the end of the year</b>	<b>2,746,786</b>	<b>1,446,419</b>	<b>16,592,779</b>	<b>3,069,771</b>	<b>-</b>	<b>23,855,755</b>

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

The details of this item are as follows:

	31 March 2022 (Unaudited) JD	31 December 2021 (Audited) JD
Quoted shares in active markets	1,845,429	1,778,210
	<b>1,845,429</b>	<b>1,778,210</b>

**JORDAN COMMERCIAL BANK**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**31 MARCH 2022 (REVIEWED NOT AUDITED)**

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

The details of this item are as follows:

	31 March 2022	31 December 2021
	JD (Unaudited)	JD (Audited)
Quoted shares in active markets	26,747,059	26,622,099
Unquoted shares	5,319,452	5,320,573
	<u>32,066,511</u>	<u>31,942,672</u>

- Cash dividends distributions for the above-mentioned financial assets amounted to JD 75,000 for the period ended 31 March 2022 (2021: Zero).

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

The details of this item are as follows:

	31 March 2022	31 December 2021
	JD (Unaudited)	JD (Audited)
Treasury bonds and bills	380,638,312	358,612,255
Companies' bonds and debentures	4,776,362	4,741,348
Total	<u>385,414,674</u>	<u>363,353,603</u>
Less: Provision for expected credit losses	(616,033)	(639,101)
Less: Interests in suspense	(340,361)	(305,348)
Financial assets at amortized cost, net	<u>384,458,280</u>	<u>362,409,154</u>

The movement on the provision for expected credit losses of financial assets at amortized cost is as follows:

	31 March 2022 (Unaudited)			
	Stage 1	Stage 2	Stage 3	Total
	JD	JD	JD	JD
Balance at the beginning of the period	53,906	-	585,195	639,101
Changes resulting from adjustments	(23,068)	-	-	(23,068)
Balance at the end of the period	<u>30,838</u>	<u>-</u>	<u>585,195</u>	<u>616,033</u>
	31 December 2021 (Audited)			
	Stage 1	Stage 2	Stage 3	Total
	JD	JD	JD	JD
Balance at the beginning of the year	48,563	-	584,982	633,545
Changes resulting from adjustments	5,343	-	213	5,556
Total balance at the end of the year	<u>53,906</u>	<u>-</u>	<u>585,195</u>	<u>639,101</u>

**JORDAN COMMERCIAL BANK**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**31 MARCH 2022 (REVIEWED NOT AUDITED)**

---

**(10) OTHER ASSETS**

The details of this item are as follows:

	31 March 2022	31 December 2021
	JD (Unaudited)	JD (Audited)
Assets seized by the Bank against due debts - net *	50,907,943	63,485,568
Accrued interest and revenue	12,551,574	10,991,118
Accounts receivable from assets sold in installments	6,553,941	6,553,941
Prepaid expenses	2,810,950	1,009,119
Purchase of time withdrawals and letters of credit – net***	2,313,809	2,310,629
Refundable deposits	1,414,326	1,760,573
Clearing cheques	393,288	38,500
Other	4,078,190	4,040,829
	<u>81,024,021</u>	<u>90,190,277</u>

\* Movement on assets seized by the bank against debts for the period/year is as follows:

	31 March 2022	31 December 2021
	JD (Unaudited)	JD (Audited)
Balance at the beginning of the period / year	63,485,568	66,042,144
Additions	153,345	8,897,831
Disposals	(11,805,769)	(11,470,629)
Impairment loss for the period/year	(376,307)	(1,402,045)
Impairment on breached assets seized by the bank **	(548,894)	1,418,267
Balance at the end of the period / year	<u>50,907,943</u>	<u>63,485,568</u>

According to the Banks Law, buildings and plots of land seized by the Bank against debts due from customers should be sold within two years from the ownership date. For exceptional cases, the Central Bank of Jordan may extend this period for a maximum of two additional years.

**JORDAN COMMERCIAL BANK**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**31 MARCH 2022 (REVIEWED NOT AUDITED)**

---

\*\* Movement on the impairment provision on breached assets seized by the bank is as follows:

	31 March 2022	31 December 2021
	JD (Unaudited)	JD (Audited)
Balance at the beginning of the period/year	1,934,286	3,352,553
Provided for the period/year	548,894	-
Surplus during the period/year	-	(1,418,267)
Balance at the end of the period/year	<u>2,483,180</u>	<u>1,934,286</u>

\*\*\* Movement on the provision for expected credit losses on time withdrawals, policies and letters of credit is as follows:

	31 March 2022 (Unaudited)			
	Stage 1	Stage 2	Stage 3	Total
	JD	JD	JD	JD
Balance at the beginning of the period	197,359	-	-	197,359
Changes resulting from adjustments	(3,180)	-	-	(3,180)
Balance at the end of the period	<u>194,179</u>	<u>-</u>	<u>-</u>	<u>194,179</u>

  

	31 December 2021 (Audited)			
	Stage 1	Stage 2	Stage 3	Total
	JD	JD	JD	JD
Balance at the beginning of the year	183,555	-	-	183,555
Settled balances	(107,973)	-	-	(107,973)
Changes resulting from adjustments	121,777	-	-	121,777
Balance at the end of the year	<u>197,359</u>	<u>-</u>	<u>-</u>	<u>197,359</u>

**JORDAN COMMERCIAL BANK**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**31 MARCH 2022 (REVIEWED NOT AUDITED)**

**(11) CUSTOMERS' DEPOSITS**

The details of this item are as follows:

	31 March 2022 (Unaudited)				
	Individuals	Companies		Government and public	Total
		Corporate	SMEs	Sector	
	JD	JD	JD	JD	JD
Current and call accounts	39,440,348	38,032,685	34,801,230	5,623,288	117,897,551
Saving deposits	211,219,926	383,708	2,183,060	966,208	214,752,902
Certificates of deposits	30,472,769	-	30,000	-	30,502,769
Time and notice deposits	365,597,634	76,107,930	96,690,308	63,315,192	601,711,064
	<u>646,730,677</u>	<u>114,524,323</u>	<u>133,704,598</u>	<u>69,904,688</u>	<u>964,864,286</u>

  

	31 December 2021 (Audited)				
	Individuals	Companies		Government and Public	Total
		Corporate	Small and Medium	Sector	
	JD	JD	JD	JD	JD
Current and call accounts	33,722,870	37,950,749	35,536,422	6,490,325	113,700,366
Savings deposits	222,947,549	215,440	3,026,434	1,040,878	227,230,301
Certificates of deposit	27,352,855	-	30,000	-	27,382,855
Term deposits subject to notice	367,555,032	72,189,398	97,890,192	63,440,750	601,075,372
	<u>651,578,306</u>	<u>110,355,587</u>	<u>136,483,048</u>	<u>70,971,953</u>	<u>969,388,894</u>

- The Government of Jordan and the public sector's deposits amounted to JD 69,904,688 representing 7.25% of total customers' deposits as at 31 March 2022 (JD 70,971,953 representing 7.32% of total customers' deposits as at 31 December 2021).
- Non-interest-bearing deposits amounted to JD 113,861,208 representing 11.8% of total customers' deposits as at 31 March 2022 (JD 111,655,552 representing 11.52% of total customers' deposits as at 31 December 2021).
- Reserved deposits (restricted withdrawals) amounted to JD 2,206,851 representing 0.23% of total customers' deposits as at 31 March 2022 (JD 1,839,394 representing 0.19% of total customers' deposits as at 31 December 2021).
- Dormant deposits amounted to JD 12,045,442 representing 1.25% of total customer's deposits as at 31 March 2022 (JD 11,587,667 as at 31 December 2021 representing 1.20% of total customers deposits).

**JORDAN COMMERCIAL BANK**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**31 MARCH 2022 (REVIEWED NOT AUDITED)**

**(12) BORROWED FUNDS**

These funds have been received from the Central Bank of Jordan, for the purpose of financing micro, small and medium companies, within a program of medium financing terms and will be reimbursed through semi-annual instalments inclusive of interest.

31 March 2022 (Unaudited)	Amount	Utilized	Repayment method	Guarantees	Interest
	JD	JD			Rate
					%
Loan from World Bank	2,000,000	1,100,000	20 years including 5 years grace period settled in semi-annual instalments	-	2.5
Loan from Arab Monetary Funds	2,100,000	786,579	10 years including 3 years grace period settled in semi-annual instalments	-	2.5
Advances from Central Bank of Jordan	30,459,009	30,459,009	Settled in different instalments	-	0- 2.25
Jordanian Mortgage Refinance Company	10,000,000	10,000,000	One payment on 5 February 2024	Transfer of property mortgage	4.8
Jordanian Mortgage Refinance Company	10,000,000	10,000,000	One payment on 16 August 2028	Transfer of property mortgage	5.1
Jordanian Mortgage Refinance Company	10,000,000	10,000,000	One payment on 26 September 2024	Transfer of property mortgage	4.55
International Fund for Agricultural Development	750,000	724,397	18 years including 3 years grace period settled in semi-annual instalments	-	2.35
Central Bank of Jordan for Mortgage bonds/ repurchase agreements	79,886,157	79,886,157	Between 6 April and 18 august 2022	Mortgage bonds	2-2.25
		<u>142,956,142</u>			

**JORDAN COMMERCIAL BANK**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**31 MARCH 2022 (REVIEWED NOT AUDITED)**

31 December 2021 (Audited)	Amount JD	Utilized JD	Repayment method	Guarantees	Interest Rate %
Loan from the World Bank through the Central Bank of Jordan	2,000,000	1,200,000	20 years, including a 5-year grace period; to be settled in semi-annual installments	-	2.5
Loan from the Arab Monetary Fund via Central Bank of Jordan	2,100,000	777,000	10 years, including a 3-year grace period; to be settled in semi-annual installments	-	2.5
Advances from the Central Bank of Jordan	30,765,822	30,765,822	Settled in different instalments	-	0-2.25
Jordan Mortgage Refinance Company	10,000,000	10,000,000	Bullet payment dated 5/2/2024	Transfer of property mortgage	4.8
Jordan Mortgage Refinance Company	10,000,000	10,000,000	Bullet payment dated 16/08/2028	Transfer of property mortgage	5.1
Jordan Mortgage Refinance Company	10,000,000	10,000,000	Bullet payment dated 26/9/2024	Transfer of property mortgage	4.55
International Fund for Agricultural Development through the Central Bank of Jordan	750,000	722,637	18 years, including a 3-year grace period; to be settled in semi-annual installments	-	2.35
The Central Bank of Jordan against mortgaged bonds / repurchase agreement	77,018,278	<u>77,018,278</u>	Between 3 January and 16 May 2022	Mortgage bonds	2
Total		<u>140,483,737</u>			

The re-borrowed loans amounted to JD 33,528,927 as at 31 March 2022 (JD 34,598,905 as at 31 December 2021) with an interest rate ranging between 2% and 10%.

**(13) INCOME TAX**

**A. INCOME TAX PROVISION**

The movement on the provision for income tax during the period/ year was as follows:

	31 March 2022 JD (Unaudited)	31 December 2021 JD (Audited)
Balance at the beginning of the period/year	3,126,294	174,758
Income tax incurred on current period/year profit	1,116,177	3,781,013
Prior years income tax expense	-	1,384,390
Income tax paid	<u>(1,252,261)</u>	<u>(2,213,867)</u>
Balance at the end of the period/year	<u>2,990,210</u>	<u>3,126,294</u>

**JORDAN COMMERCIAL BANK**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**31 MARCH 2022 (REVIEWED NOT AUDITED)**

---

**B. INCOME TAX EXPENSE**

Income tax expense in the condensed interim statement of income represents the following:

	31 March 2022	31 March 2021
	JD	JD
Income tax incurred on current period profit	1,116,177	1,790,990
Deferred tax assets	(61,901)	(829,939)
Deferred tax liabilities	25,543	4,396
	<u>1,079,819</u>	<u>965,447</u>

**C. TAX STATUS:**

The Bank has reached a final settlement with the Income and Sales Tax Department until the end of the years 2016 and 2018.

Regarding the year 2017, the income tax return was submitted within the legal period and it was reviewed by the Income and Sales Tax Department. A decision was made that required the Bank to pay a tax difference for the year 2017 by an amount of JD 1.9 million and the Bank has appealed the decision, the decision was made by the tax Court of first instance and Court Appeal was issued in favour of the Bank. Regarding the years 2019 and 2020, the income tax return was submitted within the legal period, but it has not been reviewed yet by the Income and Sales Tax Department.

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

	31 March 2022	31 December 2021
	(Unaudited)	(Audited)
<b>Statutory Income tax rate</b>	38%	38%

**JORDAN COMMERCIAL BANK**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**31 MARCH 2022 (REVIEWED NOT AUDITED)**

---

**(14) SUNDRY PROVISIONS**

The movements on this item are as follows:

	For the three months ended 31 March 2022 (Unaudited)			
	Balance at the beginning of the period	Expense for the period	Paid during the period	Balance at the end of the period
	JD	JD	JD	JD
Provision for lawsuits against the Bank	267,690	10,598	(10,598)	267,690
Provision for end of services indemnity	359	-	-	359
Others	615,000	-	-	615,000
<b>Total</b>	<b>883,049</b>	<b>10,598</b>	<b>(10,598)</b>	<b>883,049</b>

	For the year ended 31 December 2021 (Audited)			
	Balance at the beginning of the year	Expense for the year	Paid during the year	Balance at the end of the year
	JD	JD	JD	JD
Provision for lawsuits against the Bank	207,152	233,203	(172,665)	267,690
Provision for end of services indemnity	359	-	-	359
Others	615,000	-	-	615,000
<b>Total</b>	<b>822,511</b>	<b>233,203</b>	<b>(172,665)</b>	<b>883,049</b>

**JORDAN COMMERCIAL BANK**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**31 MARCH 2022 (REVIEWED NOT AUDITED)**

**(15) OTHER LIABILITIES**

The details of this item are as follows:

	31 March 2022	31 December 2021
	JD (Unaudited)	JD (Audited)
Refundable and various deposits	15,591,085	7,343,057
Unpaid accrued interests	5,124,865	4,950,193
Accepted checks	3,275,353	3,615,498
Provision for expected credit losses for items off the condensed interim statement of financial position *	1,391,800	1,321,797
Received amounts from sale of assets seized by the Bank	1,154,295	1,005,237
Unpaid accrued expenses	791,081	1,242,738
Income tax and social security deposits	435,332	346,262
Inward transfers	336,357	1,043,627
Safe deposits boxes	101,590	100,665
Board of Directors' remuneration	55,000	55,000
Transactions in transit between branches	42,675	1,122,849
Shareholders' deposits	11,516	11,579
Others	3,244,510	4,077,435
	<u>31,555,459</u>	<u>26,235,937</u>

\* The movement on the provision for expected credit losses for items off the condensed interim statement of financial position is as follows:

	31 March 2022 (Unaudited)			
	Stage 1	Stage 2	Stage 3	Total
	JD	JD	JD	JD
Balance at the beginning of the period	493,631	147,605	680,561	1,321,797
ECL on new exposures during the period	21,188	180	185	21,553
ECL on matured exposures	(8,829)	(6,144)	(19,442)	(34,415)
Transferred to stage 1	363	(331)	(32)	-
Transferred to stage 2	(10,183)	10,192	(9)	-
Transferred to stage 3	(455)	(380)	835	-
Effect on provision due to reclassification between the three stages	-	(3,056)	107,762	104,706
Changes resulting from adjustments	(18,116)	(27,625)	23,900	(21,841)
Balance at the end of the period	<u>477,599</u>	<u>120,441</u>	<u>793,760</u>	<u>1,391,800</u>

**JORDAN COMMERCIAL BANK**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**31 MARCH 2022 (REVIEWED NOT AUDITED)**

	31 December 2021 (Audited)			
	Stage (1)	Stage (2)	Stage (3)	Total
	JD	JD	JD	JD
Balance at the beginning of the year	503,751	255,305	627,908	1,386,964
New exposures during the year	28,873	938	1,515	31,326
Reversed impairment loss on matured exposures	(67,931)	(15,774)	(18,858)	(102,563)
Transferred to stage (1)	33,915	(33,749)	(166)	-
Transferred to stage (2)	(24,999)	24,999	-	-
Transferred to stage (3)	(37)	(185)	222	-
Effect on provision as of the end of the year due to reclassification between the stages during the year	-	(24,249)	29,232	4,983
Changes resulting from adjustments	20,059	(59,680)	40,708	1,087
Balance at the end of the year	<u>493,631</u>	<u>147,605</u>	<u>680,561</u>	<u>1,321,797</u>

**(16) STATUTORY RESERVES**

The Bank did not appropriate the statutory reserves according to the Jordanian Companies Law as these financial statements are interim condensed. Appropriation is typically done at the end of the fiscal year.

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

The movement on the fair value reserve for the period / year are as follows:

	31 March 2022	31 December 2021
	JD	JD
	(Unaudited)	(Audited)
Balance at the beginning of the period/year	(973,100)	(2,020,984)
Unrealized losses - net	77,347	700,163
Released from selling financial assets at fair value through other comprehensive income	-	347,721
Balance at the end of the period/ year	<u>(895,753)</u>	<u>(973,100)</u>

The fair value reserve includes JD 311,112 as at 31 March 2022 and 31 December 2021 as an impact related to the implementation of the International Financial Reporting Standard No. (9).

**JORDAN COMMERCIAL BANK**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**31 MARCH 2022 (REVIEWED NOT AUDITED)**

**(18) RETAINED EARNINGS**

	31 March 2022	31 December 2021
	JD (Unaudited)	JD (Audited)
Balance at the beginning of the period/year	10,936,612	5,534,153
Profit for the year	-	7,004,775
Transferred to reserves	-	(1,254,595)
Realized profit from selling financial assets at fair value through other comprehensive income	-	(347,721)
Balance at the end of the period/ year	<u>10,936,612</u>	<u>10,936,612</u>

- Retained earnings balance includes JD 10,186,799 as of 31 March 2022 of restricted amounts against net deferred tax assets according to the Central Bank of Jordan's instructions.
- Use of retained earnings balance equal to the negative cumulative change in fair value of financial assets of JD 895,753 as of 31 March 2022 is restricted (including JD 311,112 against the implementation of International Financial Reporting Standard N0. (9)) in compliance with the instructions of the Jordan Securities Commission and the Central Bank of Jordan.

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

The details of this item are as follows:

	For the three months ended 31 March (Unaudited)	
	2022	2021
	JD	JD
Balances and deposits at financial institutions	(2,840)	(533,432)
Direct credit facilities	1,821,759	1,208,457
Financial assets at amortized cost	(23,068)	12,348
Indirect credit facilities and other commitments	70,003	349,741
Purchased credits and withdrawals	(3,180)	27,886
	<u>1,862,674</u>	<u>1,065,000</u>

**JORDAN COMMERCIAL BANK**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**31 MARCH 2022 (REVIEWED NOT AUDITED)**

---

**(20) CASH AND CASH EQUIVALENTS**

The details of this item are as follows:

	For the three months ended 31	
	March	
	2022	2021
	JD	JD
Cash and balances at central banks maturing within three months	113,057,906	88,317,483
<u>Add:</u> Balances at banks and financial institutions maturing within a period of three months	5,516,924	26,337,551
<u>Less:</u> Banks and financial institutions' deposits maturing within a period of three months	(26,972,770)	(32,664,445)
	<u>91,602,060</u>	<u>81,990,589</u>

**(21) SEGMENT INFORMATION**

**1- Information on Bank Activities**

The Bank is organized for administrative purposes through six main operating segments:

- 1- Individual accounts: Principally follow-up on individual customers accounts real estate loans overdrafts credit cards facilities and transfer facilities.
- 2- SME's: Principally "SME's" transactions on loans credit facilities and deposits and those classified according to the volume of deposits and facilities in accordance with the instructions and policies existing in the Bank and commensurate with the instructions of the regulatory authorities.
- 3- Corporate accounts: Principally corporate transactions on credit facilities and deposits, and those classified according to the volume of deposits and facilities in accordance with the instructions and policies existing in the Bank and commensurate with the instructions of the regulatory authorities.
- 4- Treasury: Principally providing money market trading and treasury services as well as management of the Bank's funding operations through treasury bills government securities placements and acceptances with other banks and that is through treasury and banking services.
- 5- Others: This sector includes all accounts not included in the above sectors, for example shareholders equity, property and equipment, and general management.

**JORDAN COMMERCIAL BANK**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**31 MARCH 2022 (REVIEWED NOT AUDITED)**

	Individuals	Corporations	Treasury	Others	Total for the three months ended 31	
					March (Unaudited)	
					2022	2021
	JD	JD	JD	JD	JD	JD
<b>Gross income for the period</b>	3,528,516	6,754,263	1,812,422	318,997	12,414,198	11,674,179
<u>Less: Provision for expected credit losses</u>	(398,606)	(1,586,084)	122,016	-	(1,862,674)	(1,065,000)
Segment results	3,129,910	5,168,179	1,934,438	318,997	10,551,524	10,609,179
<u>Less: Distributed segment expenses</u>	(4,069,640)	(2,034,820)	(678,273)	(935,799)	(7,718,532)	(8,012,377)
Profit (Loss) before income tax for the period	(939,730)	3,133,359	1,256,165	(616,802)	2,832,992	2,596,802
<u>Less: Income tax for the period</u>	-	-	-	(1,079,819)	(1,079,819)	(965,447)
Profit (Loss) for the period	(939,730)	3,133,359	1,256,165	(1,696,621)	1,753,173	1,631,355
<b>Other information:</b>						
Capital expenditures					310,020	549,627
Depreciation and amortization					891,309	871,420
					31 March	31 December
	Individuals	Corporations	Treasury	Others	2022	2021
	JD	JD	JD	JD	JD	JD
					(Unaudited)	(Audited)
Total segment assets	286,241,085	505,067,773	541,858,443	104,889,473	1,438,056,774	1,444,917,508
Total segment liabilities	692,705,947	385,503,763	187,660,642	23,184,177	1,289,054,529	1,297,745,783

**JORDAN COMMERCIAL BANK**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**31 MARCH 2022 (REVIEWED NOT AUDITED)**

**2- Geographical distribution information**

This sector represents the geographical distribution of the Banks operation, The Bank operates mainly in the Kingdom.

	Inside Jordan		Outside Jordan		Total	
	For the three months ended 31 March		For the three months ended 31 March		For the three months ended 31 March	
	2022	2021	2022	2021	2022	2021
	JD (Unaudited)	JD (Unaudited)	JD (Unaudited)	JD (Unaudited)	JD (Unaudited)	JD (Unaudited)
<b>Gross income</b>	12,645,746	12,794,382	(231,548)	(1,120,203)	12,414,198	11,674,179
Capital Expenditures	310,020	549,627	-	-	310,020	549,627
	31 March 2022	31 December 2021	31 March 2022	31 December 2021	31 March 2022	31 December 2021
	JD (Unaudited)	JD (Audited)	JD (Unaudited)	JD (Audited)	JD (Unaudited)	JD (Audited)
Total assets	1,352,285,307	1,358,174,323	85,771,467	86,743,185	1,438,056,774	1,444,917,508

**JORDAN COMMERCIAL BANK**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**31 MARCH 2022 (REVIEWED NOT AUDITED)**

**(22) RELATED PARTIES TRANSACTIONS AND BALANCES**

The Bank entered transactions with the members of the Board of Directors and related parties and companies represented by the members of the Board of Directors and executive management within the normal banking practice and according to the normal interest rates and trading commissions.

Financial statements include transactions and balances with related parties as follows:

	BOD members and their related parties	Companies represented by the BOD	Employees	Others	Total	
					31 March 2022	31 December 2021
					JD (Unaudited)	JD (Audited)
<u>Condensed Interim Statement of Financial</u>						
<u>Position Items:</u>						
Deposits	21,935,918	3,784,827	375,409	32,619,879	58,716,033	57,459,468
Direct credit facilities	835,474	20,008,623	1,216,665	4,848,161	26,908,923	25,455,631
Deposits with other	-	-	-	30,000,000	30,000,000	30,000,000
Cash margins	-	338,337	-	-	338,337	720,454
<u>Items Off the Statement of Condensed</u>						
<u>Interim Financial Position:</u>						
Letters of guarantee	-	1,763,425	-	354,500	2,117,925	1,679,600
Letter of credit	-	426,818	-	-	426,818	426,818
					For the three months ended	
					31 March (Unaudited)	
					2022	2021
					JD	JD

Condensed Interim Statement of Income

Items:

Interest and commission income*	6,669	367,751	34,863	142,783	552,066	601,025
Interest and commission expense**	140,696	4,370	801	245,788	391,655	343,554

\* Credit interest rate ranges from 0% to 21%

\*\* Debit interest rate ranges from 0% to 4.5%

**JORDAN COMMERCIAL BANK**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**31 MARCH 2022 (REVIEWED NOT AUDITED)**

**(23) FAIR VALUE MEASUREMENT**

A. Fair value of financial assets and financial liabilities that are measured at fair value on a recurring basis:

Some of the financial assets and financial liabilities are measured at fair value at the end of each reporting period, and the following table gives information about how the fair value of these financial asset and financial liabilities are determined (valuation techniques & key inputs):

	Fair value		Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs	Relationship between unobservable inputs and fair value
	31 March 2022	31 December 2021				
	JD (Unaudited)	JD (Audited)				
<b>Financial Assets</b>						
Financial assets at fair value through statement of Income :						
Quoted shares	1,845,429	1,778,210	Level 1	Quoted prices	Not applicable	Not applicable
<b>Total</b>	<b>1,845,429</b>	<b>1,778,210</b>				
Financial assets at fair value through other comprehensive income:						
Quoted shares	26,747,059	26,622,099	Level 1	Quoted prices Through comparison to the market price of a similar financial instrument	Not applicable	Not applicable
Unquoted shares	5,319,452	5,320,573	Level 2		Not applicable	Not applicable
	<b>32,066,511</b>	<b>31,942,672</b>				

There were no transfers between Level 1 and Level 2 during the period.

**JORDAN COMMERCIAL BANK**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**31 MARCH 2022 (REVIEWED NOT AUDITED)**

B. Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis:

	31 March 2021 (Unaudited)		31 December 2021 (Audited)		Fair value hierarchy
	Book value	Fair value	Book value	Fair value	
<b>Financial assets not calculated at fair value</b>	JD	JD	JD	JD	
Deposits at central banks	87,905,313	87,913,971	65,876,967	65,876,967	Level 2
Balances and deposits at banks and financial institutions	35,516,899	35,907,638	54,106,136	54,425,709	Level 2
Direct credit facilities	750,783,476	758,326,532	773,903,799	781,736,617	Level 2
Financial assets at amortized cost	384,458,280	389,069,130	362,409,154	365,247,611	Level 2
<b>Total financial assets not measured at fair value</b>	<b><u>1,258,663,968</u></b>	<b><u>1,271,217,271</u></b>	<b><u>1,256,296,056</u></b>	<b><u>1,267,286,904</u></b>	
<b>Financial liabilities not calculated at fair value</b>					
Banks and financial institutions' deposits	98,972,770	101,692,652	111,313,020	113,417,946	Level 2
Customers' deposits	964,864,286	966,992,009	969,388,894	971,479,718	Level 2
Cash margins	41,481,950	41,619,674	40,829,127	41,062,990	Level 2
Borrowed funds	142,956,142	143,095,683	140,483,737	141,004,320	Level 2
<b>Total financial liabilities not measured at fair value</b>	<b><u>1,248,275,148</u></b>	<b><u>1,253,400,018</u></b>	<b><u>1,262,014,778</u></b>	<b><u>1,266,964,974</u></b>	

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

**(24) CREDIT COMMITMENTS AND CONTINGENCIES:**

	31 March	31 December
	2022	2021
	JD	JD
	(Unaudited)	(Audited)
Letter of credit	9,058,088	9,183,125
Acceptances	18,975,790	15,000,587
Letter of guarantees:		
-Payment	27,481,141	26,430,752
-Performance bonds	40,105,969	40,208,141
-Others	49,080,204	47,827,206
Unutilized direct credit facilities ceilings	<u>67,459,052</u>	<u>55,562,702</u>
<b>Total</b>	<b><u>212,160,244</u></b>	<b><u>194,212,513</u></b>

**JORDAN COMMERCIAL BANK**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**31 MARCH 2022 (REVIEWED NOT AUDITED)**

---

**(25) LITIGATION**

Lawsuits raised against the Bank amounted to JD 2,477,951 as at 31 March 2022 (31 December 2021: JD 2,366,663), In the opinion of the Bank's management and the legal counsel, there are no further liabilities that exceed the provision booked amounting to JD 267,690 as at 31 March 2022 and 31 December 2021.