

Capital Bank of Jordan

Interim Condensed Consolidated Financial Statements

(Reviewed not audited)

30 June 2024

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

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Capital Bank of Jordan and its subsidiaries (the Group) as of 30 June 2024, comprising of the interim condensed consolidated statement of financial position as of 30 June 2024 and the related interim condensed consolidated statement of income, the interim condensed consolidated statement of comprehensive income, the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the six-months period then ended and explanatory notes. The Board of Directors is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard (34) - Interim Financial Reporting ("IAS 34"). 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 International Standard on Review Engagements (2410), "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

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

Other Matters

The consolidated financial statements for the year ended 31 December 2023 were audited by another auditor who expressed an unqualified opinion on those consolidated financial statements on 13 February 2024. The interim condensed consolidated financial statements for the period ended 30 June 2023 were reviewed by another auditor who expressed an unqualified conclusion on those interim condensed consolidated financial statements on 31 July 2023.

Amman – Jordan

31 July 2024

ERNST & YOUNG
Amman - Jordan

Capital Bank of Jordan
Interim Condensed Consolidated Statement of Financial Position
As at 30 June 2024 (Reviewed not audited)

	Notes	30 June 2024	31 December 2023
		JD	JD
		(Reviewed not audited)	(Audited)
Assets			
Cash and balances at central banks	4	1,488,558,188	1,318,639,618
Balances at banks and financial institutions	5	324,922,182	165,316,545
Financial assets at fair value through other comprehensive income	6	77,593,422	78,595,161
Direct credit facilities at amortized cost, net	7	3,529,456,039	3,431,013,881
Financial assets at amortized cost	8	2,000,491,453	1,891,018,558
Pledged financial assets at amortized cost	9	226,839,689	227,607,943
Property and equipment, net		116,679,418	116,376,443
Intangible assets, net		68,806,972	67,616,131
Right-of-use leased assets		18,585,507	17,566,480
Deferred tax assets		50,676,586	48,382,597
Other assets	10	275,057,134	230,366,007
Total Assets		8,177,666,590	7,592,499,364
Liabilities And Equity			
Liabilities			
Banks and financial institutions' deposits		90,888,006	146,132,126
Customers' deposits	11	5,790,839,490	5,453,111,418
Margin accounts		735,936,137	482,539,749
Loans and borrowings	12	574,311,784	585,767,064
Income tax provision	14	12,474,924	21,321,909
Deferred tax liabilities		3,664,289	3,674,761
Sundry provisions	15	812,767	1,195,345
Expected credit losses provision against off-balance sheet items	28	11,490,221	9,761,766
Leased liabilities		18,499,193	17,428,553
Other liabilities	16	179,212,819	127,895,005
Subordinated loan	13	15,172,600	15,172,600
Total Liabilities		7,433,302,230	6,864,000,296
Equity			
Equity attributable to the Bank's shareholders			
Authorized, issued and paid in capital	1	263,037,122	263,037,122
Additional paid in capital	1	68,872,349	68,872,349
Perpetual bond	17	70,900,000	70,900,000
Statutory reserve	32	69,714,499	69,714,499
Foreign currency translation reserve		(4,397,422)	(4,397,422)
Fair value reserve	18	4,070,622	4,388,724
Retained earnings	19	143,586,229	185,054,830
Current period profits		44,785,805	-
Net equity attributable to the Bank's shareholders		660,569,204	657,570,102
Non-controlling interest		83,795,156	70,928,966
Total Equity		744,364,360	728,499,068
Total Liabilities and Equity		8,177,666,590	7,592,499,364

The attached notes from 1 to 33 form an integral part of these interim condensed consolidated financial statements

Capital Bank of Jordan
Interim Condensed Consolidated Income Statement
For the Three and Six Months Period Ended 30 June 2024 (Reviewed not audited)

	Notes	For the 3 months ended		For the 6 months ended	
		30 June 2024	30 June 2023	30 June 2024	30 June 2023
		JD	JD	JD	JD
Interest income	20	117,373,260	103,688,530	234,570,125	209,238,262
Less: Interest expense	21	65,368,208	62,823,220	129,911,868	123,634,197
Net interest income		52,005,052	40,865,310	104,658,257	85,604,065
Commission income		48,186,275	38,611,521	104,572,746	60,193,038
Less: Commission Expense		8,421,670	7,156,323	13,172,663	10,786,984
Net commission income		39,764,605	31,455,198	91,400,083	49,406,054
Gain from foreign currencies		2,674,881	1,312,559	5,069,030	4,080,486
Dividends income from financial assets at fair value through other comprehensive income	6	425,035	454,348	697,096	865,522
(Loss) gain from sale of financial assets at fair value through other comprehensive income - Debt instruments	6	(620)	27,935	26,560	27,527
Loss from sale of financial assets at amortized cost	8	-	(100,048)	-	(14,407)
Other income	22	1,460,390	6,955,430	4,346,759	9,966,499
Gross profit		96,329,343	80,970,732	206,197,785	149,935,746
Employees' expenses		13,946,820	10,792,471	27,504,556	23,302,191
Depreciation and amortization		8,004,485	5,617,189	14,874,441	10,573,916
Other expenses		23,666,895	14,091,380	36,510,186	24,468,393
Gain on sale of seized assets		(51,036)	(473,115)	(321,517)	(374,029)
Expected credit losses on financial assets	(29-4)	21,452,991	15,259,096	37,317,952	24,729,052
Provision and impairment on seized assets	10	783,694	1,364,130	1,270,659	2,728,261
Sundry provisions	15	2,718,020	(2,500)	2,873,242	(2,500)
Total expenses		70,521,869	46,648,651	120,029,519	85,425,284
Net income before tax		25,807,474	34,322,081	86,168,266	64,510,462
Less: Income tax expense	14	4,833,855	10,360,942	15,999,648	14,413,199
Net income for the period		20,973,619	23,961,139	70,168,618	50,097,263
Attributable to:					
Bank's shareholders		10,982,387	18,417,073	44,785,805	41,442,911
Non - controlling interest		9,991,232	5,544,066	25,382,813	8,654,352
		20,973,619	23,961,139	70,168,618	50,097,263
		JD/Fils	JD/Fils	JD/Fils	JD/Fils
Basic and diluted earnings per share from profit for the period attributable to the bank's shareholders	23	0.042	0.070	0.170	0.158

Capital Bank of Jordan

Interim Condensed Consolidated Statement of Comprehensive Income

For the Three and Six Months Period Ended 30 June 2024 (Reviewed not audited)

	For the 3 months ended		For the 6 months ended	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	JD	JD	JD	JD
Net income for the period	20,973,619	23,961,139	70,168,618	50,097,263
Add: Items that will be reclassified to income statement in subsequent periods after excluding the impact of tax:				
Exchange differences on translation of foreign operation	-	(5,530)	-	12,335,520
Change in the fair value of financial assets at fair value through other comprehensive income - debt instruments	(43,525)	259,023	15,292	690,007
Gain (loss) on sale of debt instruments at fair value through other comprehensive income transferred to the income statement	620	(164,866)	(26,560)	(27,527)
Add: Other comprehensive income items that will not be reclassified to income statement in subsequent periods after excluding the impact of tax :				
Change in the fair value of financial assets at fair value through other comprehensive income - equity instruments	(271,894)	(429,742)	(466,488)	(359,136)
Total other comprehensive income for the period, net of tax	(314,799)	(341,115)	(477,756)	12,638,864
Total comprehensive income for the period	20,658,820	23,620,024	69,690,862	62,736,127
Attributable to:				
Bank's shareholders	10,673,877	18,008,509	44,301,794	53,867,839
Non-controlling interest	9,984,943	5,611,515	25,389,068	8,868,288
	20,658,820	23,620,024	69,690,862	62,736,127

The attached notes from 1 to 33 form an integral part of these interim condensed consolidated financial statements

Capital Bank of Jordan

Interim Condensed Consolidated Statement of Changes in Equity

For the Six Months Period Ended 30 June 2024 (Reviewed not audited)

	Authorized, issued and Paid in Capital	Additional paid in capital	Perputual bonds	Statutory reserves	Foreign currency translation reserve	Fair value reserve	Retained earnings*	Net Income for the period attributable to the Bank's shareholders	Equity attributable to the Bank's shareholders	Non-controlling interest	Total equity
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
30 June 2024											
Balance at the beginning of the period	263,037,122	68,872,349	70,900,000	69,714,499	(4,397,422)	4,388,724	185,054,830	-	657,570,102	70,928,966	728,499,068
Net income for the period	-	-	-	-	-	-	-	44,785,805	44,785,805	25,382,813	70,168,618
Change in fair value of financial assets through other comprehensive income - equity instruments	-	-	-	-	-	(472,743)	-	-	(472,743)	6,255	(466,488)
Gain on sale of debt instruments at fair value through other comprehensive income transferred to the income statement	-	-	-	-	-	(26,560)	-	-	(26,560)	-	(26,560)
Change in fair value of financial assets at fair value through other comprehensive income - debt instruments	-	-	-	-	-	15,292	-	-	15,292	-	15,292
Total comprehensive income for the period	-	-	-	-	-	(484,011)	-	44,785,805	44,301,794	25,389,068	69,690,862
Realized loss from sale of financial assets at fair value through other comprehensive income - equity instruments	-	-	-	-	-	165,909	(165,909)	-	-	(40)	(40)
Interest related to Perputual Bonds, net of tax	-	-	-	-	-	-	(1,629,466)	-	(1,629,466)	-	(1,629,466)
Expenses related to a subsidiary capital increase, net of tax	-	-	-	-	-	-	(217,658)	-	(217,658)	(134,281)	(351,939)
Dividends (Note 33)	-	-	-	-	-	-	(39,455,568)	-	(39,455,568)	(12,388,557)	(51,844,125)
Balance at 30 June 2024	263,037,122	68,872,349	70,900,000	69,714,499	(4,397,422)	4,070,622	143,586,229	44,785,805	660,569,204	83,795,156	744,364,360
30 June 2023											
Balance at the beginning of the period	263,037,122	68,872,349	70,900,000	62,375,552	(16,540,837)	1,780,249	166,923,467	-	617,347,902	35,252,553	652,600,455
Net income for the period	-	-	-	-	-	-	-	41,442,911	41,442,911	8,654,352	50,097,263
Change in fair value of financial assets through Other Comprehensive Income - Equity Instruments	-	-	-	-	-	(361,009)	-	-	(361,009)	1,873	(359,136)
Gain on sale of debt instruments at fair value through other comprehensive income transferred to the income statement	-	-	-	-	-	(27,527)	-	-	(27,527)	-	(27,527)
Change in fair value of financial assets at fair value through other comprehensive income - debt instruments	-	-	-	-	-	493,948	-	-	493,948	196,059	690,007
Exchange differences on translation of foreign operation	-	-	-	-	12,349,684	(30,168)	-	-	12,319,516	16,004	12,335,520
Total comprehensive income for the period	-	-	-	-	12,349,684	75,244	-	41,442,911	53,867,839	8,868,288	62,736,127
Realized loss from sale of financial assets at fair value through other comprehensive income - equity instruments	-	-	-	-	-	352,060	(352,060)	-	-	(1,172)	(1,172)
Interest related to Perputual Bonds, net of tax	-	-	-	-	-	-	(2,942,535)	-	(2,942,535)	-	(2,942,535)
Expenses related to a subsidiary capital increase, net of tax	-	-	-	-	-	-	(60,272)	-	(60,272)	(37,177)	(97,449)
Subsidiaries non-controlling interest	-	-	-	-	-	-	-	-	-	2,515,728	2,515,728
Cash dividends (Note 33)	-	-	-	-	-	-	(44,716,311)	-	(44,716,311)	-	(44,716,311)
Balance at 30 June 2023	263,037,122	68,872,349	70,900,000	62,375,552	(4,191,153)	2,207,553	118,852,289	41,442,911	623,496,623	46,598,220	670,094,843

* Retained earnings include JD 50,676,586 which represents deferred tax assets as at 30 June 2024 against JD 48,382,597 as at 31 December 2023, according to the Central Bank of Jordan's regulations these balances are restricted.

* Retained earnings as at 30 June 2024 and 31 December 2023 includes an amount of JD 958,330 which is related to the measurements and classifications as a result of the early adoption of IFRS (9). This amount is not available for distribution according to the Securities and Exchange Commission regulations until the amount becomes realized .

_ An amount equals to the negative balance of fair value reserve is restricted within retained earnings and cannot be utilized except with the approval of the Central Bank of Jordan and Jordan Securities Commission.

_ The general banking risks reserve is a restricted reserve against the implementation of IFRS 9 regarding the Central Bank of Jordan that issued Circular No.10/1/1359 on 25 January 2018. The unutilized balance amounted to JD 8,840,593 as at 30 June 2024 and 31 December 2023 which is included in the retained earnings. This amount cannot be distributed to shareholders and / or used for other purposes except with the approval of the Central Bank of Jordan.

Capital Bank Of Jordan

Interim Condensed Consolidated Statement of Cash Flows

For the Period Ended 30 June 2024 (Reviewed not audited)

	Notes	30 June 2024	30 June 2023
<u>Operating Activities</u>		JD	JD
Net Income before tax		86,168,266	64,510,462
<u>Adjustments for Non-Cash Items</u>			
Depreciation and amortization		14,874,441	10,573,916
Expected credit losses on financial assets		37,317,952	24,729,052
Gain on sale of seized assets		(321,517)	(374,029)
Impairment on assets seized		1,270,659	2,728,261
Gain on sale of financial assets at fair value through other comprehensive income-Debt instruments		(26,560)	(27,527)
Sundry provisions		2,873,242	(2,500)
Net accrued interest paid (received)		3,794,015	15,359,057
Cash flows from operating activities before changes in assets and liabilities		145,950,498	117,496,692
Changes in assets and liabilities :			
Restricted balances at banks and financial institutions		(597,392)	(7,915,441)
Balances at central banks		(9,022,059)	(200,708,263)
Balances and deposits with banks and financial institutions		-	(3,190,114)
Direct credit facilities		(134,067,930)	(239,477,567)
Other assets		(59,129,168)	(10,725,191)
Customers' deposits		337,728,072	507,920,042
Margin accounts		253,396,388	6,997,952
Other liabilities		37,540,340	2,832,591
Paid sundry provisions	15	(3,255,820)	(1,729,295)
Net cash flow from operating activities before income tax		568,542,929	171,501,406
Income tax paid	14	(26,013,367)	(9,851,753)
Net cash flow from operating activities		542,529,562	161,649,653
<u>Investing Activities</u>			
Financial assets at fair value through other comprehensive income		681,126	41,885,234
Financial assets at amortized cost		(108,700,246)	204,114,622
Property and equipment		(2,405,268)	(285,225)
Intangible assets		(6,518,736)	(7,573,369)
Proceeds from sale of seized assets		5,601,297	-
Net cash flow (used in) from investing activities		(111,341,827)	238,141,262
<u>Financing Activities</u>			
Loans and borrowings		(11,455,280)	(157,663,955)
Peprpetual bond		(2,481,500)	(4,024,654)
Lease liabilities payments		(2,687,308)	(3,691,000)
Cash dividends paid		(39,414,771)	(44,397,544)
Net cash flow used in financing activities		(56,038,859)	(209,777,153)
Net increase in cash and cash equivalents		375,148,876	190,013,762
Effect of exchange rate		-	56,199,466
Cash and cash equivalent at the beginning of the period		1,056,048,004	807,149,480
Cash and cash equivalent at the end of the period	24	1,431,196,880	1,053,362,709

The attached notes from 1 to 33 form an integral part of these interim condensed consolidated financial statements

Capital Bank of Jordan
Notes to the Interim Condensed Consolidated Financial Statements
As at 30 June 2024 (Reviewed not audited)

(1) General Information

The Bank is a public shareholding company incorporated in Jordan on 30 August 1995 (with a registration number of 291) in accordance with the Companies Law No. 1 of (1989) and its registered office in Amman.

The Bank provides its banking services through its thirty five branches located in Amman - Jordan and its subsidiaries Capital Investment and Brokerage Company in Jordan Ltd, National Bank of Iraq in Iraq and its branch in Saudi Arabia and its subsidiary "Al-Ahli Iraqi Company for Trade, Buying, and Selling Cars, Machinery, and Equipment", Capital Investment (Dubai International Finance Center) Ltd ,and Capital leasing Company Limited.

The Bank has subsequently increased its capital during prior years from JD 20 million to reach JD 200 million. The increases in capital were effected through capitalizing its distributable reserves, retained earning and private placements to shareholders.

During the month of June 2022, the Bank signed an agreement with the Saudi Investment Fund (a strategic partner), through which the Bank listed it as one of the Bank's shareholders by paying an amount of 131,200,000 JOD, which was distributed as an increase in the capital by issuing new shares at a value of 63,037,122 JOD at a price of one dinars per share. The authorized, subscribed and paid up capital becomes 263,037,122 JOD, and the difference as a premium is 68,162,877 JOD

Capital Bank of Jordan shares are listed at Amman Stock Exchange - Jordan.

The Bank also issued (Tier 1) perpetual bonds worth 70,900,000 dinars (\$100 million), which are listed on the Dubai Financial Market.

The Interim Consolidated Financial Statements were authorized for issue by the Board of Directors in their meeting No. 5/2024 held on 29 July 2024.

(2) Material Accounting Policies

(2-1) Basis Of Preparation of the interim condensed consolidated financial statements

The accompanying interim consolidated financial statements of the bank and its subsidiaries (together the "Group") have been prepared in accordance with International Accounting Standard number (34) "Interim Financial Reporting".

The interim condensed consolidated financial statements have been presented in Jordanian Dinars .

The interim condensed consolidated financial statements have been prepared in accordance with the historical cost principle, except for financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income, and financial derivatives, which are measured at fair value as of the date of the interim condensed consolidated financial statements.

The interim condensed consolidated financial statements do not include all the information and disclosures required for annual financial statements prepared in accordance with International Financial Reporting Standards (IFRS) and should be read in conjunction with the consolidated financial statements of the group as of December 31, 2023. Additionally, the results of operations for the six-month period ended June 30, 2024, do not necessarily indicate the expected results for the year ending December 31, 2024, and the allocation of profits for the six-month period ended June 30, 2024, which is typically done at the end of the financial year, has not been made.

The bank has fully transitioned to and implemented International Financial Reporting Standards (IFRS) starting from January 1, 2024, instead of the modified International Financial Reporting Standards according to the instructions of the Central Bank of Jordan. The differences between these two frameworks are not material to the interim condensed consolidated financial statements.

(2-2) Basis of consolidation of the financial statements

The interim condensed consolidated financial statements of Capital Bank of Jordan Group, presented in Jordanian Dinar, include the financial statements of Capital Bank of Jordan ("the Bank") and its major subsidiaries, which are as follows:

Company Name	Percentage of ownership (%)		Date of Acquisition	Principal Activity	Place of Incorporation	Paid-up Capital
	30-Jun-24	31-Dec-23				
Capital Investment and Brokerage Company Limited	100%	100%	16 May 2005	Brokerage services	Jordan	10.000.000 JOD
National Bank of Iraq (NBI) and its branch in Saudi Arabia and its subsidiary "National Company of Iraq for trading	61.85%	61.85%	1 January 2005	Banking services	Iraq	400 Billion Iraq Dinar
Capital Investments (DIFC) Ltd	100%	100%	22 December 2013	Financial consulting services	United Arab Emirates	250.000 USD
Capital leasing Company Limited	100%	100%	As a result of the acquisition of Société Générale Bank - Jordan (formerly) in 2022.	Financial leasing activities	Jordan	7.500.000 JOD

Control is achieved when the group has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Control over the investee is established only when the following are met:

- The group has power over the investee (existing rights that give the group the ability to direct the relevant activities of the investee).
- The group is exposed to or has rights to variable returns from its involvement with the investee.
- The ability to use its power over the investee to affect the amount of the group's returns.

When the group owns less than a majority of the voting rights or similar rights in an investee, the group considers all relevant facts and circumstances to determine whether it controls the investee. This includes:

- Contractual arrangements with other vote holders of the investee.
- Rights arising from other contractual arrangements.
- The group's current and potential voting rights.

The group reassesses whether it controls an investee if facts and circumstances indicate changes in one or more of the three elements of control. The financial statements of a subsidiary are consolidated from the date the group gains control until the date that control ceases. The assets, liabilities, income, and expenses of subsidiaries are consolidated into the group's financial statements from the date the group obtains control over the subsidiaries until the control ceases.

Profits or losses and each component of other comprehensive income are attributed to the shareholders of the parent company and non-controlling interests, even if this results in a deficit in the non-controlling interests' balance. If necessary, the financial statements of subsidiaries are adjusted to align their accounting policies with the group's accounting policies. Intergroup transactions, balances, equity, income, expenses, and profits or losses related to transactions between group companies are eliminated.

The effect of changes in the ownership interest in a subsidiary, without a loss of control, is recorded in equity. Upon losing control over a subsidiary, the group:

- * Derecognizes the assets (including goodwill) and liabilities of the subsidiary.
- * Derecognizes the carrying amount of any non-controlling interest.
- * Derecognizes the cumulative translation differences recorded in equity.
- * Recognizes the fair value of the consideration received.
- * Recognizes the fair value of any investment retained in the former subsidiary.
- * Recognizes any resulting gain or loss in profit or loss.
- * Reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss.

(3) Significant Accounting Policies

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7 :

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

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

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

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

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

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

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

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

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

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

(4) Cash and Balances with Central Banks

	30 June 2024	31 December 2023
	JD	JD
	(Reviewed not audited)	(Audited)
Cash on hand	339,407,054	336,794,496
Balances at central banks:		
Current and Call accounts	622,709,218	423,144,794
Time and notice deposit	64,306,346	101,977,553
Statutory cash reserve	462,135,570	456,722,775
Cash and Balances with Central Banks	1,488,558,188	1,318,639,618

- Statutory cash reserve amounted to JD 186,337,060 as at 30 June 2024 against JD 189,946,324 as at 31 December 2023 which are not eliminated for cash and cash equivalents in the interim condensed consolidated statements of cash flows.

- The statutory reserves held at the Central Bank of Iraq amounting to JD 275,798,510 as at 30 June 2024 against 266,776,451 as at 31 December 2023 which is excluded from cash and cash equivalents for interim condensed consolidated statements of cash flows purposes.

- There are no due balances during the period exceeding three months as at 30 June 2024 and 31 December 2023.

Disclosure of the movement on the total cash and balances with central banks:**30 June 2024 (Reviewed not audited)**

	Stage One	Stage Two	Stage Three	Total
	JD	JD	JD	JD
Balance at 1 January 2024	1,318,639,618	-	-	1,318,639,618
New balances during the period	673,714,924	-	-	673,714,924
Settled balances	(503,796,354)	-	-	(503,796,354)
Total balance at the end of the period	1,488,558,188	-	-	1,488,558,188

31 December 2023 (Audited)

	Stage One	Stage Two	Stage Three	Total
	JD	JD	JD	JD
Balance at 1 January 2023	780,556,681	-	-	780,556,681
New balances during the year	657,489,814	-	-	657,489,814
Settled balances	(159,483,944)	-	-	(159,483,944)
Foreign currency translation adjustments	40,077,067	-	-	40,077,067
Total balance at the end of the year	1,318,639,618	-	-	1,318,639,618

(5) Balances at banks and financial institutions

	30 June 2024	31 December 2023
	JD	JD
	(Reviewed not audited)	(Audited)
Current Account	262,636,898	140,523,385
Short term deposits (less than 3 months)	62,355,627	24,862,109
Total	324,992,525	165,385,494
Less: Expected credit losses	(70,343)	(68,949)
Total	324,922,182	165,316,545

- Non-interest bearing balances at banks and financial institutions amounted to JD 221,492,695 as at 30 June 2024 against JD 140,523,385 as at 31 December 2023.

- Restricted balances amounted to JD 15,596,974 as at 30 June 2024 against JD 14,999,582 as at 31 December 2023. They are excluded from cash and cash equivalents for the purposes of the consolidated statement of cash flows.

Movements of balances with banks and financial institutions during the period/year is as follows:

30 June 2024 (Reviewed not audited)	Stage One	Stage Two	Stage Three	Total
	JD	JD	JD	JD
Balance at the beginning of the period	165,316,545	-	68,949	165,385,494
New balances during the period	249,292,651	-	-	249,292,651
Settled balances	(89,655,883)	(29,737)	-	(89,685,620)
Transferred to stage two	(189,375)	189,375	-	-
Transferred to stage three	(1,394)	-	1,394	-
Total balance at the end of the period	324,762,544	159,638	70,343	324,992,525

31 December 2023 (Audited)	Stage One	Stage Two	Stage Three	Total
	JD	JD	JD	JD
Balance at the beginning of the year	218,125,516	1,936,833	68,949	220,131,298
New balances during the year	43,387,111	-	-	43,387,111
Settled balances	(113,038,594)	(1,936,833)	-	(114,975,427)
Foreign currency translation adjustments	16,842,512	-	-	16,842,512
Total balance at the end of the year	165,316,545	-	68,949	165,385,494

Movements of provision for expected credit losses during the period/year is as follows:-

30 June 2024 (Reviewed not audited)	Stage One	Stage Two	Stage Three	Total
	JD	JD	JD	JD
Balance at the beginning of the period	-	-	68,949	68,949
Impairment loss on new balances	-	-	1,394	1,394
Total balance at the end of the period	-	-	70,343	70,343

31 December 2023 (Audited)	Stage One	Stage Two	Stage Three	Total
	JD	JD	JD	JD
Balance at the beginning of the year	-	7,938	68,949	76,887
Recoveries from impairment loss on balances and paid deposits	-	(7,938)	-	(7,938)
Total balance at the end of the year	-	-	68,949	68,949

(6) Financial Assets at Fair Value through Other Comprehensive Income

The details for this item are as follow:

	30 June 2024	31 December 2023
	JD	JD
<u>Quoted financial assets :</u>	(Reviewed not audited)	(Audited)
Bonds, Corporate debt securities	3,446,671	4,983,377
Other government bonds	1,480,116	2,303,835
Quoted shares	5,752,862	7,230,786
Total quoted financial assets at market value (listed)	10,679,649	14,517,998
<u>Unquoted financial assets :</u>		
Treasury bonds	3,562,698	3,514,769
Unquoted shares	46,990,131	44,237,491
Investment funds	16,363,455	16,324,903
Total unquoted financial assets at market value	66,916,284	64,077,163
Less: Expected credit loss	(2,511)	-
Total Financial Assets at Fair Value through Other Comprehensive Income	77,593,422	78,595,161
Analysis of bonds and bills:		
Fixed Rate	8,486,974	10,801,981
Total	8,486,974	10,801,981

- The unquoted shares include an amount of JD 20,963,078, representing 19.78% from the capital of Professional Real Estate Investment Company, which amounted to JD 106,000,000. The Professional Real Estate Investment Company was established in partnership with several Jordanian banks and with the approval of the Central Bank of Jordan, under the supervision of the Association of Banks in Jordan, for the purpose of managing the assets seized by banks in Jordan. The Group reviewed the requirements of International Accounting Standard No.(28) "Investments in Associates" and accordingly classified the investment as an investment at fair value through other comprehensive income since the group does not have significant influence over the decisions of the Professional Real Estate Investment Company.

- The cash dividends amounted to JD 697,096 coming from the shares that the bank owns in other companies as at 30 June 2024 against JD 865,522 as at 30 June 2023.

- Realized loss resulted from sales of financial assets at fair value through other comprehensive Income (equity Instruments) amounted to JD 165,909 as at 30 June 2024 and a realized loss of JD 352,060 as at 30 June 2023 which has been transferred to the retaining earning in the interim condensed consolidated statement of changes in Equity.

- Realized gain resulted from sales of financial assets at fair value through other comprehensive Income (debt Instruments) amounted to JD 26,560 as at 30 June 2024 against realized gain of JD 27,527 as at 30 June 2023 which has been recognized in the interim condensed consolidated income statement.

Movements of financial assets at fair value through other comprehensive income during the period/year is as follows:-

30 June 2024 (Reviewed not audited)	Stage one	Stage Two	Stage Three	Total
	JD	JD	JD	JD
Balance at the beginning of the period	10,801,981	-	-	10,801,981
New investments during the period	87,669	-	-	87,669
Settled investments	(2,400,165)	-	-	(2,400,165)
Total balance at the end of the period	8,489,485	-	-	8,489,485
31 December 2023 (Audited)	Stage one	Stage Two	Stage Three	Total
	JD	JD	JD	JD
Balance at the beginning of the year	45,157,583	-	-	45,157,583
New investments during the year	1,517,958	-	-	1,517,958
Settled investments	(39,466,964)	-	-	(39,466,964)
Foreign currency translation adjustments	3,593,404	-	-	3,593,404
Total balance at the end of the year	10,801,981	-	-	10,801,981

Movements of provision on financial assets at fair value through other comprehensive income during the period/year is as follows:-

30 June 2024 (Reviewed not audited)	Stage one	Stage Two	Stage Three	Total
	JD	JD	JD	JD
Balance at the beginning of the period	-	-	-	-
Impairment losses during the period	2,511	-	-	2,511
Total balance at the end of the period	2,511	-	-	2,511
31 December 2023 (Audited)	Stage one	Stage Two	Stage Three	Total
	JD	JD	JD	JD
Balance at the beginning of the year	103	-	-	103
Recoveries from impairment losses on matured investments	(103)	-	-	(103)
Total balance at the end of the year	-	-	-	-

(7) Direct Credit Facilities - At amortized cost

	30 June 2024	31 December 2023
	JD	JD
	(Reviewed not audited)	(Audited)
Retail customers		
Overdrafts	23,180,091	24,217,978
Loans and bills *	983,107,998	902,191,126
Credit cards	59,964,463	60,416,900
Real estate lending	271,763,649	288,461,089
Corporate lending		
Overdrafts	195,601,776	181,277,023
Loans and bills *	1,544,297,035	1,499,843,610
Small and medium enterprises "SMEs" facilities		
Overdrafts	94,856,644	99,577,404
Loans and bills *	269,058,211	283,223,806
Government and public sector lending	408,983,819	376,064,682
Total	3,850,813,686	3,715,273,618
Less: Suspended interest	57,916,796	50,540,371
Less: Impairment and expected credit loss	263,440,851	233,719,366
Net direct credit facilities	3,529,456,039	3,431,013,881

- * Net of interest and commissions received in advance amounted to JD 134,720,643 as at 30 June 2024 against JD 121,581,594 as at 31 December 2023.
- Non-performing credit facilities amounted to JD 303,877,025 as at 30 June 2024 which represents 7.89% of total direct credit facilities against JD 228,191,961 as at 31 December 2023 which represents 6.14% as at 31 December 2023.
 - Non-performing credit facilities, net of suspended interest, amounted to JD 250,871,182 as at 30 June 2024 against JD 181,284,793 as at 31 December 2023 which represents 6.61% as at June 2024 against 4.94% as at 31 December 2023 of total direct credit facilities after excluding the suspended interest.
 - The credit facilities granted or guaranteed by the government as at 30 June 2024 amount JD 259,228,055 against JD 228,013,603 as at December 2023.

The cumulative movement of direct credit facilities at amortized cost during the period/year is as follows :-

30 June 2024 (Reviewed not audited)	Stage One	Stage Two	Stage Three	Total
	JD	JD	JD	JD
Balance at the beginning of the period	3,048,603,328	366,202,423	300,467,867	3,715,273,618
Add: new balances during the period / Additions*	815,247,321	54,492,469	31,284,079	901,023,869
Settled balances	(693,087,949)	(41,185,402)	(31,210,450)	(765,483,801)
Transferred to stage one	28,375,332	(25,983,849)	(2,391,483)	-
Transferred to stage two	(73,049,132)	80,729,344	(7,680,212)	-
Transferred to stage three	(16,873,745)	(71,205,588)	88,079,333	-
Total balance at the end of the period	3,109,215,155	363,049,397	378,549,134	3,850,813,686

31 December 2023 (Audited)	Stage One	Stage Two	Stage Three	Total
	JD	JD	JD	JD
Balance at the beginning of the year	2,919,697,192	319,424,450	273,666,523	3,512,788,165
Add: new balances during the year / Additions*	1,547,931,910	161,682,902	87,415,394	1,797,030,206
Settled balances	(1,395,726,705)	(144,681,020)	(56,563,915)	(1,596,971,640)
Transferred to stage one	40,659,828	(38,984,262)	(1,675,566)	-
Transferred to stage two	(89,085,265)	97,708,811	(8,623,546)	-
Transferred to stage three	(23,032,381)	(34,506,074)	57,538,455	-
Written off balances	-	-	(53,526,931)	(53,526,931)
Adjustments due to change in exchange rates	48,158,749	5,557,616	2,237,453	55,953,818
Total balance at the end of the year	3,048,603,328	366,202,423	300,467,867	3,715,273,618

* New balances/additions during the period from stage three includes interest in suspense added during the period/year.

The cumulative movement of the provision for expected credit losses on direct credit facilities at amortized cost during the period/year is as follows:

30 June 2024 (Reviewed not audited)	Stage One	Stage Two	Stage Three	Total
	JD	JD	JD	JD
Balance at the beginning of the period	35,689,882	46,798,200	151,231,284	233,719,366
Impairment loss on direct credit facilities during the period/ additions during the period	9,102,424	36,341,751	27,448,310	72,892,485
Recoveries from impairment losses on settled facilities	(6,259,321)	(24,150,404)	(6,856,988)	(37,266,713)
Transferred to stage one	505,446	(362,999)	(142,447)	-
Transferred to stage two	(2,565,331)	4,108,560	(1,543,229)	-
Transferred to stage three	(1,006,677)	(11,828,218)	12,834,895	-
Utilized to off-set purchased loans	(4,538,698)	-	(1,365,589)	(5,904,287)
Total balance at the end of the period	30,927,725	50,906,890	181,606,236	263,440,851

31 December 2023 (Audited)	Stage One	Stage Two	Stage Three	Total
	JD	JD	JD	JD
Balance at the beginning of the year	35,817,494	24,074,406	135,204,899	195,096,799
Impairment loss of direct credit facilities during the year / addition during the year	28,435,232	29,120,558	58,834,304	116,390,094
Recoveries from impairment losses on settled facilities	(13,182,049)	(12,143,087)	(18,685,832)	(44,010,968)
Transferred to stage one	823,227	(746,325)	(76,902)	-
Transferred to stage two	(8,763,989)	9,179,568	(415,579)	-
Transferred to stage three	(7,891,335)	(3,388,408)	11,279,743	-
Written off balances	-	-	(36,002,841)	(36,002,841)
Adjustments due to change in exchange rates	451,302	701,488	1,093,492	2,246,282
Total balance at the end of the year	35,689,882	46,798,200	151,231,284	233,719,366

The movement of the provision for expected credit losses on direct credit facilities collectively during the period/year per sector:-

30 June 2024 (Reviewed not audited)					Public and Government Sector	Total
	Retail	Real estate	Corporate	SMEs		
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the period	46,513,820	12,303,636	131,470,013	43,431,897	-	233,719,366
Impairment loss of direct credit facilities during the period	16,794,603	4,636,527	47,524,544	3,936,811	-	72,892,485
Recoveries from impairment losses on settled facilities	(3,911,145)	(2,172,031)	(28,690,707)	(2,492,830)	-	(37,266,713)
Transfer (from) to stage one - net	(1,451,627)	(369,900)	(958,847)	(286,188)	-	(3,066,562)
Transfer (from) to stage two - net	(336,479)	(46,871)	(8,482,011)	782,704	-	(8,082,657)
Transfer (from) to stage three - net	1,788,106	416,771	9,440,858	(496,516)	-	11,149,219
Utilized to off-set purchased loans	-	-	(2,466,693)	(3,437,594)	-	(5,904,287)
Total balance at the end of the period	59,397,278	14,768,132	147,837,157	41,438,284	-	263,440,851

31 December 2023 (Audited)					Public and Government Sector	Total
	Retail	Real estate	Corporate	SMEs		
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	32,762,312	11,252,416	112,344,421	38,737,650	-	195,096,799
Impairment loss of direct credit facilities during the year	23,499,645	5,330,434	74,389,484	13,170,531	-	116,390,094
Recoveries from impairment losses	(6,607,257)	(3,609,412)	(26,910,617)	(6,883,682)	-	(44,010,968)
Transfer (from) to stage one - net	(2,329,400)	(508,161)	(6,461,021)	(6,533,515)	-	(15,832,097)
Transfer (from) to stage two - net	510,759	169,379	4,552,079	(187,382)	-	5,044,835
Transfer (from) to stage three - net	1,818,641	338,782	1,908,942	6,720,897	-	10,787,262
Written off balances	(3,565,457)	(669,802)	(30,125,994)	(1,641,588)	-	(36,002,841)
Adjustments due to change in exchange rates	424,577	-	1,772,719	48,986	-	2,246,282
Total balance at the end of the year	46,513,820	12,303,636	131,470,013	43,431,897	-	233,719,366

Interest in suspense

The movement of interest in suspense during the period/year is as follow:

	Retail	Real estate	Corporate	SMEs	Total
	JD	JD	JD	JD	JD
30 June 2024 (Reviewed not audited)					
Balance at the beginning of the period	5,762,312	3,450,791	30,779,245	10,548,023	50,540,371
Suspended interest during the period	1,747,744	495,348	5,739,633	2,009,112	9,991,837
Interest transferred to income	(564,954)	(558,025)	(719,423)	(773,010)	(2,615,412)
Total balance at the end of the period	6,945,102	3,388,114	35,799,455	11,784,125	57,916,796
31 December 2023 (Audited)					
Balance at the beginning of the year	6,882,372	4,692,257	32,251,052	9,285,780	53,111,461
Suspended interest during the year	3,019,823	1,229,360	12,001,316	3,771,351	20,021,850
Interest transferred to income	(763,959)	(1,878,474)	(1,834,881)	(1,421,235)	(5,898,549)
Amounts written off	(3,496,711)	(592,352)	(12,343,190)	(1,091,837)	(17,524,090)
Foreign currency translation	120,787	-	704,948	3,964	829,699
Total balance at the end of the year	5,762,312	3,450,791	30,779,245	10,548,023	50,540,371

Direct credit facilities portfolio is distributed as per the following geographical and industrial sectors classification:

	Inside Jordan	Outside Jordan	30 June 2024	31 December 2023
	JD (Reviewed not audited)	JD (Reviewed not audited)	JD (Reviewed not audited)	JD (Audited)
Financial	56,091,252	-	56,091,252	55,005,223
Industrial	510,968,562	15,917,641	526,886,203	556,989,730
Commercial	407,061,921	208,887,726	615,949,647	559,153,535
Real estate and Construction	521,248,782	43,925,776	565,174,558	547,633,635
Tourism and hotels	66,077,079	-	66,077,079	67,399,537
Agriculture	35,552,064	26,759,180	62,311,244	52,725,965
Shares	117,583,968	3,926,714	121,510,682	116,703,054
Service and public utilities	243,259,423	37,681,523	280,940,946	298,668,858
Transportation services (including air transportation)	28,990,528	-	28,990,528	28,607,356
Government and public sector	408,983,819	-	408,983,819	376,064,682
Retail	526,168,449	528,923,465	1,055,091,914	974,264,367
Other	62,805,814	-	62,805,814	82,057,676
Total	2,984,791,661	866,022,025	3,850,813,686	3,715,273,618

(8) Financial Assets At Amortized Cost

The details of this item is as follows:

	30 June 2024	31 December 2023
	JD (Reviewed not audited)	JD (Audited)
Treasury Bills	106,218,080	283,654,900
Governmental treasury bonds	1,380,989,242	1,234,139,011
Guaranteed governmental bonds	93,639,894	93,637,298
Corporate Bonds and bills	88,179,700	76,835,700
Other governmental bonds and bills	333,579,899	204,871,406
Total financial assets at amortized cost	2,002,606,815	1,893,138,315
Less: Expected credit losses	(2,115,362)	(2,119,757)
Net Financial assets at amortized cost	2,000,491,453	1,891,018,558
Analysis of bonds and bills:		
Fixed Rate	1,993,294,885	1,883,240,179
Floating rate	7,196,568	7,778,379
Total	2,000,491,453	1,891,018,558

There were no realized gains or losses from sale of financial assets at amortized cost as at 30 June 2024, while realized losses from the sale of financial assets at amortized cost (debt instruments) amounted to JOD 14,407 as at 30 June 2023.

Movements of Financial Assets at Amortized Cost during the period/year is as follows :-

30 June 2024 (Reviewed not audited)	Stage One	Stage Two	Stage Three	Total
	JD	JD	JD	JD
Balance at the beginning of the period	1,886,478,315	-	6,660,000	1,893,138,315
New balances during the period	425,258,197	-	-	425,258,197
Settled investments	(315,789,697)	-	-	(315,789,697)
Balances at the end of period	1,995,946,815	-	6,660,000	2,002,606,815

31 December 2023 (Audited)	Stage One	Stage Two	Stage Three	Total
	JD	JD	JD	JD
Balance at the beginning of the year	1,848,114,709	-	6,660,000	1,854,774,709
New balances during the year	839,907,007	-	-	839,907,007
Settled investments	(836,534,678)	-	-	(836,534,678)
Transferred from Pledged Assets (Note 9)	29,061,078	-	-	29,061,078
Adjustments due to change in exchange rates	5,930,199	-	-	5,930,199
Balance at the end of the year	1,886,478,315	-	6,660,000	1,893,138,315

Movements of provision on of Financial Assets at Amortized Cost during the period/year is as follows:-

30 June 2024 (Reviewed not audited)	Stage One	Stage Two	Stage Three	Total
	JD	JD	JD	JD
Balance at the beginning of the period	47,637	-	2,072,120	2,119,757
Recoveries from impairment on matured investments	(4,395)	-	-	(4,395)
Balances at the end of the period	43,242	-	2,072,120	2,115,362

31 December 2023 (Audited)	Stage One	Stage Two	Stage Three	Total
	JD	JD	JD	JD
Balance at the beginning of the year	35,005	-	2,072,120	2,107,125
Impairment losses on new investments during the year	19,068	-	-	19,068
Recoveries from impairment on matured investments	(6,436)	-	-	(6,436)
Balances at the end of the year	47,637	-	2,072,120	2,119,757

(9) Pledged financial assets

	30 June 2024 (Reviewed not audited)		31 December 2023 (Audited)	
	JD		JD	
	Pledged financial assets	Associated financial liabilities (Note 11)	Pledged financial assets	Associated financial liabilities (Note 11)
Financial assets at amortized cost (Jordanian Government Bonds)	226,839,689	166,900,000	227,607,943	166,900,000
Total	226,839,689	166,900,000	227,607,943	166,900,000

- These bonds were pledged as at 30 June 2024 against the deposits belonging to the Social Security Corporation.

The movement on the pledged financial assets during the period/year is as follows:

30 June 2024 (Reviewed not audited)	Stage One	Stage Two	Stage Three	Total
	JD	JD	JD	JD
Balance at the beginning of the period	227,607,943	-	-	227,607,943
Settled balances	(768,254)	-	-	(768,254)
Total balance at the end of the period	226,839,689	-	-	226,839,689

31 December 2023 (Audited)	Stage One	Stage Two	Stage Three	Total
	JD	JD	JD	JD
Balance at the beginning of the year	258,287,955	-	-	258,287,955
Additions during the year	25,023,282	-	-	25,023,282
Settled balances during the year	(26,642,216)	-	-	(26,642,216)
Transferred to financial assets at amortized cost (note 8)	(29,061,078)	-	-	(29,061,078)
Total balance at the end of the year	227,607,943	-	-	227,607,943

(10) Other Assets

This item consists of the following:

	30 June 2024	31 December 2023
	JD (Reviewed not audited)	JD (Audited)
Accrued interests and revenues	74,994,595	66,739,591
Prepaid expenses	15,073,190	13,012,326
Assets seized by the bank against due debts* - net	114,992,540	107,186,445
Purchased banks acceptances at amortized cost	21,933,509	20,630,380
Assets / derivatives unrealized gain	955,205	351,638
Refundable deposits	13,900,008	6,816,011
Others	33,208,087	15,629,616
Total	275,057,134	230,366,007

* According to the regulations of the Central Bank of Jordan, the bank is required to dispose seized assets in a maximum period of two years from the acquisition date. The Central Bank may approve of an extension up to two executive years at most. According to the Central Bank circular No. 10/3/16234 , no more provision should be calculated for assets held for more than four years and restricted the use of previously booked provisions only upon the disposal of the seized assets.

* According to the regulations of the Central Bank of Iraq, the bank is required to dispose seized assets and book 100% provision.

The following is summary of the movement of assets seized by the bank:

	30 June 2024		31 December 2023	
	(Reviewed not audited)		(Audited)	
	Seized Properties	Other Seized Assets	Seized Properties	Other Seized Assets
Balance at the beginning of the period / year	101,728,852	5,457,593	89,049,541	-
Additions during the period / year	14,279,726	58,995	46,267,219	5,457,593
Disposals during the period / year	(5,261,967)	-	(23,994,803)	-
Impairment losses during the period / year	(1,041,232)	-	(9,197,005)	-
Provision on seized assets during the period / year	(229,427)	-	(1,625,501)	-
Translation adjustments	-	-	1,229,401	-
Balance at the end of the period / year	109,475,952	5,516,588	101,728,852	5,457,593

Movement of bank acceptances and export documents and bills purchased during the period/year is as follows :-

30 June 2024 (Reviewed not audited)	Stage One	Stage Two	Stage Three	Total
	JD	JD	JD	JD
Balance at the beginning of the period	20,677,476	-	-	20,677,476
New balances during the period	20,263,784	-	-	20,263,784
Settled balances	(18,996,440)	-	-	(18,996,440)
Balance at the end of the period	21,944,820	-	-	21,944,820

31 December 2023 (Audited)	Stage One	Stage Two	Stage Three	Total
	JD	JD	JD	JD
Balance at the beginning of the year	53,242,050	-	-	53,242,050
New balances during the year	20,732,078	-	-	20,732,078
Settled balances	(53,296,652)	-	-	(53,296,652)
Balance at the end of the year	20,677,476	-	-	20,677,476

Movement of provision on bank acceptances and export documents and bills purchased during the period/year is as follows :-

30 June 2024 (Reviewed not audited)	Stage One	Stage Two	Stage Three	Total
	JD	JD	JD	JD
Balance at the beginning of the period	47,096	-	-	47,096
Impairment losses on new investments during the period	6,289	-	-	6,289
Recoveries from impairment on matured investments	(42,074)	-	-	(42,074)
Balance at the end of the period	11,311	-	-	11,311

31 December 2023 (Audited)	Stage One	Stage Two	Stage Three	Total
	JD	JD	JD	JD
Balance at the beginning of the year	184,376	-	-	184,376
Impairment losses during the year	47,096	-	-	47,096
Recoveries from impairment during the year	(184,376)	-	-	(184,376)
Balance at the end of the year	47,096	-	-	47,096

(11) Customers' Deposits

The details for this item are as follow:

30 June 2024 (Reviewed not audited)	Retail	Corporate	SMEs	Government and public Sector	Total
	JD	JD	JD	JD	JD
Current accounts and demand deposits	350,895,693	1,367,613,942	148,801,163	241,193,211	2,108,504,009
Saving accounts	379,439,816	44,519,765	421,434	-	424,381,015
Time deposits and at notice	1,789,445,570	739,503,154	75,516,834	644,819,038	3,249,284,596
Certificates of deposits	6,234,374	2,435,496	-	-	8,669,870
Total	2,526,015,453	2,154,072,357	224,739,431	886,012,249	5,790,839,490

31 December 2023 (Audited)	Retail	Corporate	SMEs	Government and public Sectors	Total
	JD	JD	JD	JD	JD
Current accounts and demand deposits	285,355,809	1,284,734,531	146,513,678	165,199,610	1,881,803,628
Saving accounts	405,703,931	4,300,098	244,661	-	410,248,690
Time deposits and at notice	1,686,045,309	719,163,028	76,289,872	668,471,447	3,149,969,656
Certificates of deposits	8,653,948	2,435,496	-	-	11,089,444
Total balance	2,385,758,997	2,010,633,153	223,048,211	833,671,057	5,453,111,418

- The deposits of government and general public sector inside Jordan amounted to JD 738,875,643 representing 12.76% of the total deposits as at 30 June 2024 against JD 766,421,603 representing 14.05% as at 31 December 2023.
- Deposits from the Iraqi government and public sector amounted to JD 147,136,606 representing 2.54% of total deposits as at 30 June 2024, against JD 67,249,454 representing 1.23% of total deposits as at 31 December 2023. ☐
- The value of non-interest-bearing deposits amounted to JD 1,811,435,101 , or 31.28% of the total deposits as at 30 June 2024, compared to the amount of JD 1,665,688,404 , or 30.55% of the total deposits as at 31 December 2023.
- Reserved deposits (restricted withdrawals) as at 30 June 2024 amounted to JD 3,767,929 and JD 23,181,836 as at 31 December 2023.
- Dormant deposits amounted to JD 13,974,695 as at 30 June 2024 against JD 15,104,680 as at 31 December 2023.
- Time deposits and at notice include an amount of JD 166,900,000 as at 30 June 2024 representing financial liabilities against pledged financial assets that belong to the Social Security Corporation deposits resulting from the acquisition process (note 9).

(12) Loans and Borrowings

The details are as follows :

30 June 2024 (Reviewed not audited)	Amount	Number of Installments		Frequency of Instalments	Collaterals	Interest rate	Re-financed Interest rate
		Total	Outstanding				
	JD	JD	JD		JD	%	
Amounts borrowed from central banks	236,264,069	31,022	16,711	Monthly, quarterly, semi annual, and upon maturity	-	0.00% - 7.633%	0.00% - 4.75%
Amounts borrowed from local banks and financial institutions	147,741,362	72	72	Monthly, semi annual, and upon maturity	-	4.550% - 8.25%	4.0% - 12.00%
Amounts borrowed from foreign banks and financial institutions	190,306,353	166	108	Monthly, semi annual, and upon maturity	-	0.91% - 8.32%	1.65% - 15%
Total	574,311,784				-		

31 December 2023 (Audited)	Amount	Number of Installments		Frequency of Instalments	Collaterals	Interest rate	Re-financed Interest rate
		Total	Outstanding				
	JD	JD	JD		JD	%	
Amounts borrowed from central banks	260,237,528	32,017	20,992	Monthly, semi annual, and upon maturity	-	0.00% - 7.16%	0.00% - 5.10%
Amounts borrowed from local banks and financial institutions	150,362,969	77	77	Monthly, semi annual, and upon maturity	-	4.55% - 7.85%	4.00% - 12.00%
Amounts borrowed from foreign banks and financial institutions	175,166,567	101	64	Monthly, semi annual, and upon maturity	-	1.453% - 8.25%	1.6% -12.75%
Total	585,767,064				-		

- Borrowed money from Central Banks includes JD 236,264,069 that represents amounts borrowed to refinance the customers' loans in the medium term financing programs that have been re-borrowed. These loans mature during the years 2024 - 2039.
- The amounts borrowed from local institutions are all borrowed from the Jordan Mortgage Refinance Company with a total amount of JD 110 Million. The loans mature during the years 2024 - 2028.
- Loans bearing fixed - interest rates amounted to JD 493,162,526 and loans bearing floating - interest rates amounted to JD 81,149,258 as at 30 June 2024 against JD 572,673,096 and JD 13,093,968 respectively as at 31 December 2023.
- Based on the most recent covenant assesment we are complying with all contingent rules and conditions with our financial institution leaders.

(13) Subordinated Loans

30 June 2024 - (Reviewed not audited)	Amount	Frequency of instalments	Collaterals	Interest Rate
	JD		JD	%
Subordinated Loan	15,172,600	One payment upon maturity (15 March 2026)	-	%7.00 .
	15,172,600		-	

31 December 2023 - (Audited)	Amount	Frequency of instalments	Collaterals	Interest Rate
	JD		JD	%
Subordinated Loan	15,172,600	One payment upon maturity (15 March 2026)	-	%7.00 .
	15,172,600		-	

- On March 15, 2020, the Bank completed the issuance of \$40 million loan bonds, which fall within the second tranche according to the requirements of the Basel Standard.
- During the first quarter of 2022, a number of bonds were purchased by the Bank after obtaining the approval of the regulatory authorities, so that the number of traded bonds was reduced to 214 bonds with a nominal value of \$100,000.

(14) Income Tax

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

	30 June 2024	31 December 2023
	JD	JD
	(Reviewed not audited)	(Audited)
Balance at the beginning of the period/year	21,321,909	4,341,637
Income tax paid	(26,013,367)	(14,039,143)
Income tax charge for the period / year	17,915,091	31,993,391
Income tax on other comprehensive income	(942,970)	(1,885,940)
Income tax charge for previous years	194,261	545,422
Foreign Currency translation adjustment	-	366,542
Balance at the end of the period/year	12,474,924	21,321,909

Income tax expense presented in interim condensed consolidated income statement is as follows:

	30 June 2024	30 June 2023
	JD	JD
	(Reviewed not audited)	(Reviewed not audited)
Current income tax charge for the period	17,915,091	15,677,207
Previous years income tax charges	194,261	-
Deferred tax assets for the period	(2,109,704)	(1,264,008)
	15,999,648	14,413,199

Legal income tax rates on the Bank's revenues in Jordan, brokerage companies and Capital leasing Company is 38%, 28% and 28% respectively

Legal income tax on the Bank's profit in Iraq is 15%.

Legal income tax on the Bank's profit in Saudi is 20%.

A final settlement has been made with the Income and Sales Tax Department regarding the income tax of Capital Bank of Jordan - Jordan Branches until the end of year 2020.

A final settlement has been made with the Income Tax Department regarding the income tax of Capital Invest and Financial Brokerage Company until the end of year 2020.

A final settlement has been made with the Income Tax Department of the National Bank of Iraq until the end of year 2022.

A final settlement has been made with the Income and Sales Tax Department regarding Capital leasing Company income tax until the end of year 2022.

In the opinion of management and tax advisors, the withholding income tax provision is sufficient to meet the tax liabilities as at 30 June 2024

(15) Sundry Provisions

The details are as follows:

	Balance at the beginning of the period/year	Provided during the period/year	Utilized during the period/year	Transferred to income	Balance at the end of the period/year
30 June 2024 (Reviewed not audited)	JD	JD	JD	JD	JD
Provision for lawsuits raised against the bank	179,528	2,542,972	(2,450,000)	-	272,500
Other provisions*	1,015,817	330,270	(805,820)	-	540,267
Total balance	1,195,345	2,873,242	(3,255,820)	-	812,767
31 December 2023 (Audited)					
Provision for lawsuits raised against the bank	328,332	-	(148,804)	-	179,528
Other provisions*	3,599,613	170,160	(3,160,927)	-	608,846
Foreign currency translation adjustments	-	406,971	-	-	406,971
Total balance	3,927,945	577,131	(3,309,731)	-	1,195,345

* The bank has fully booked a provision against the differences resulting from the currency auctions as requested by the Central Bank of Iraq from the National Bank of Iraq during the year 2018, by which the National Bank of Iraq claimed these amounts from its customers according to the Central Bank of Iraq, in addition to the recourse of the judiciary to collect these amounts. A total amount of JD 62,532 was collected as at 30 June 2024 compared to JD 545,603 as at 30 June 2023.

(16) Other Liabilities

The details for this item is as follows:

	30-June-24	31-December-23
	JD	JD
	(Reviewed not audited)	(Audited)
Accrued interest	58,329,325	46,280,306
Accrued expenses	25,023,913	16,548,935
Certified cheques	9,098,274	6,737,742
Cheques payable	5,018,388	4,227,271
Board of directors' remuneration	32,500	65,000
Brokerage payables	20,325,538	19,274,848
Guarantees	2,384,460	453,716
Capital leasing Company contracts commitment	13,206,263	13,309,241
Others	45,794,158	20,997,946
Total	179,212,819	127,895,005

(17) Perputual Bonds

On 24 February 2022, the Bank issued tier 1 non convertible and secured bonds at 7% interest rate, total value of issuance was 100 \$ million , where the nominal value of each bond was 1000 dollars, for a total number of 100,000 bonds . These bonds were listed on the Nasdaq Dubai Stock Exchange. These bonds fall within AT1, as per Basel requirements.

Interest expense (net of tax) on these bonds is recorded directly to the retained earnings as they are considered (ATI) bonds. Interest expense on these bonds amounted to JD 1,629,466 for the period ended 30 June 2024 compared to JD 2,942,535 for the period ended 30 June 2023.

(18) Fair value reserve

The movement for this account for the period ended 30 June 2024 is as follows:

	Financial assets at fair value through other comprehensive income
	JD
30 June 2024 (Reviewed not audited)	
Balance at the beginning of the period	4,388,724
Unrealized gain on debt instruments	27,381
Realized gain from the sale of debt instruments at fair value through other comprehensive income transferred to income statement (note 6)	(26,560)
Unrealized loss on equity instruments	(680,196)
Realized loss from the sale of equity instruments at fair value through other comprehensive income transferred to retained earnings (note 6)	165,909
Deferred tax assets	184,891
Deferred tax liabilities	10,473
Balance at the end of the period	4,070,622
31 December 2023 (Audited)	
Balance at the beginning of the year	1,780,249
Unrealized gain on debt instruments	726,409
Realized loss from the sale of debt instruments at fair value through other comprehensive income transferred to income statement	(28,160)
Unrealized gain from equity instruments	2,634,479
Realized loss from the sale of equity instruments at fair value through other comprehensive income transferred to retained earnings	430,991
Deferred tax assets	(182,428)
Deferred tax liabilities	(941,801)
Foreign currency translation adjustments	(31,015)
Balance at the end of the year	4,388,724

(19) Retained Earnings

	30 June 2024
	JD
	(Reviewed not audited)
Balance at the beginning of the period	185,054,830
Realized loss from selling equity instruments at fair value through other comprehensive income transferred to retained earnings (note 6)	(165,909)
Perputual Bonds interest, net of tax and related expenses (note 17)	(1,629,466)
Expenses related to a subsidiary's capital increase	(217,658)
Cash dividends (note 33)	(39,455,568)
Balance at the end of the period	143,586,229
	31 December 2023
	JD
	(Audited)
Balance at the beginning of the year	166,923,467
Profit for the year	71,852,595
Realized loss from selling equity instruments at fair value through other comprehensive income transferred to retained earnings	(430,991)
Perputual Bonds interest, net of tax and related expenses	(3,138,548)
Capital Increase	(79,896)
Transferred to reserves	(5,355,486)
Cash dividends (note 33)	(44,716,311)
Balance at the end of the year	185,054,830
-	
Retained earnings include JD 50,676,586 which represents deferred tax assets as at 30 June 2024 against JD 48,382,597 as at 31 December 2023, according to the Central Bank of Jordan's regulations these balances are restricted.	
-	
Retained earnings as at 30 June 2024 and 31 December 2023 includes an amount of JD 958,330 which is related to the measurements and classifications as a result of the early adoption of IFRS (9). This amount is not available for distribution according to the Securities and Exchange Commission regulations until the amount becomes realized .	
-	
An amount equals to the negative balance of fair value reserve is restricted within retained earnings and cannot be utilized except with the approval of the Central Bank of Jordan and Jordan Securities Commission.	
-	
The general banking risks reserve is a restricted reserve against the implementation of IFRS 9 regarding the Central Bank of Jordan that issued Circular No.10/1/1359 on 25 January 2018. The unutilized balance amounted to JD 8,840,593 as at 30 June 2024 and 31 December 2023 which is included in the retained earnings. This amount cannot be distributed to shareholders and / or used for other purposes except with the approval of the Central Bank of Jordan.	

(20) Interest Income

The details for this item are as follows:

	30 June 2024	30 June 2023
	JD	JD
	(Reviewed not audited)	(Reviewed not audited)
Direct Credit Facilities:-		
Retail		
Overdrafts	1,147,945	1,455,203
Loans and bills	46,555,290	39,226,229
Credit cards	3,183,882	1,949,670
Real estate mortgages	10,884,058	11,260,620
Corporate		
Overdrafts	10,670,410	12,714,524
Loans and bills	53,613,791	49,297,508
Small and medium enterprises (SMEs)		
Overdrafts	2,031,337	2,171,179
Loans and bills	10,611,086	12,394,386
Government and public sectors	13,326,419	9,629,142
Balances at Central Banks	6,781,003	3,265,171
Balances at banks and financial institutions	2,329,640	7,515,799
Pledged financial assets	6,447,071	6,480,468
Financial assets at amortized cost	66,724,900	51,489,324
Financial assets at fair value through other comprehensive income - debt instruments	263,293	389,039
Total	234,570,125	209,238,262

(21) Interest Expense

The details for this item are as follows:

	30 June 2024	30 June 2023
	JD	JD
	(Reviewed not audited)	(Reviewed not audited)
Banks and financial institutions deposits	3,582,911	5,719,844
Customers' deposits :		
Current accounts and demand deposits	6,711,178	3,844,027
Saving accounts	2,171,635	1,290,780
Time deposits and at notice	99,428,994	91,311,762
Certificates of deposits	343,934	398,166
Interest on leased liability	503,390	514,335
Margin accounts	6,108,623	4,572,747
Loans and borrowings	9,196,254	13,905,497
Deposits guarantee fees	1,864,949	2,077,039
Total	129,911,868	123,634,197

(22) Other Income

The details are as follow:

	<u>30 June 2024</u>	<u>30 June 2023</u>
	JD	JD
	(Reviewed not audited)	(Reviewed not audited)
Recovery from written - off debts	526,777	4,892,646
Income from Derivatives	-	3,573
Commissions from subsidiaries (brokerage)	2,036,047	2,553,174
Others	1,783,935	2,517,106
Total	4,346,759	9,966,499

(23) Basic and diluted earnings per share from profit attributable to the Bank's shareholders

	<u>For the 3 months ended 30 June</u>		<u>For the 6 months ended 30 June</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	(Reviewed not audited)	(Reviewed not audited)	(Reviewed not audited)	(Reviewed not audited)
Profit for the period attributable to Bank's shareholders (JD)	10,982,387	18,417,073	44,785,805	41,442,911
Weighted average number of shares during the period (shares)	263,037,122	263,037,122	263,037,122	263,037,122
	JD / Fils	JD / Fils	JD / Fils	JD / Fils
Basic and diluted earnings per share from profit attributable to the bank's shareholders	0.042	0.070	0.170	0.158

- The basic earning per share is equivalent to the diluted earning per share, since the bank did not issue any convertible financial instruments.

(24) Cash and Cash Equivalents

The details are as follow:

	<u>For the 6 months ended 30 June</u>	
	<u>2024</u>	<u>2023</u>
	JD	JD
	(Reviewed not audited)	(Reviewed not audited)
Cash and balances with central banks maturing within 3 months (Note 4)	1,488,558,188	1,241,205,959
Less: Restricted balance at the Central Banks	(275,798,510)	(221,189,290)
Add: Balances at banks and financial institutions maturing within 3 months, net	324,922,182	251,080,272
Less: Banks and financial institutions' deposits maturing within 3 months	(90,888,006)	(204,396,828)
Less: Restricted cash balances	(15,596,974)	(13,337,404)
Total	1,431,196,880	1,053,362,709

(25) Related Parties Transactions

The interim condensed consolidated financial statements include that Bank's financial statements and the following subsidiaries:

	<u>Ownership</u>		<u>Investment cost</u>	
	<u>30 June 2024</u>	<u>31 December 2023</u>	<u>30 June 2024</u>	<u>31 December 2023</u>
	%	%	JD	JD
Capital Investment and Brokerage Company Limited	100%	100%	10,000,000	10,000,000
National Bank of Iraq	61.85%	61.85%	86,739,856	86,739,856
Capital Investments (DIFC) Ltd	100%	100%	177,250	177,250
Capital leasing Company Limited	100%	100%	8,037,481	8,009,481

- The following related parties balances and transactions during the period/year:

Related parties consist of major shareholders, directors, senior management and subsidiaries. Prices and conditions related to the related parties transactions are approved by the Group management.

	Related party				Total	
	BOD members	Executive management	Subsidiaries*	Major Shareholders	30 June 2024	31 December 2023
	JD	JD	JD	JD	JD	JD
					(Reviewed not audited)	(Audited)
Statement of financial position items:						
Bank deposits with related parties	-	-	31,087,673	-	31,087,673	59,800,524
Bank balances and deposits	339,216,083	2,836,365	3,442,541	401,431	345,896,420	353,053,343
Margin accounts	47,172	83,652	115,837,195	31,065	115,999,084	101,176,846
Direct credit facilities	46,698,922	2,777,001	440,645	1,711,693	51,628,261	61,678,974
Off-balance sheet items:						
Indirect credit facilities	2,090,066	1,000	82,056,311	2,000	84,149,377	75,675,226
Expected Credit losses for stage one	160,090	2,283	2,784	3,355	168,512	143,368
					For the 6 months ended 30 June	
					2024	2023
					JD	JD
					(Reviewed not audited)	(Reviewed not audited)
Income statement items						
Interest and commission income	2,230,233	65,396	1,361,423	220,465	3,877,517	5,770,016
Interest and commission expense	11,303,619	63,235	432,682	454	11,799,990	9,736,775

*Transactions with related parties are eliminated when preparing the interim condensed consolidated financial statements.

- Interest rates on credit facilities in Jordanian Dinar range between 2.00%- 11.00%
- Interest rates on credit facilities in foreign currency range between 7.18%-7.77%
- Interest rates on deposits in Jordanian Dinar range between 0.00% - 6.85%.
- Interest rates on deposits in foreign currency between 0.00% - 5.37%.
- The deposits' interest rates include the current accounts, saving accounts and time deposits and at notice.

Compensation of the key management personnel benefits for the bank and its subsidiaries as follows:

	For the 6 months ended 30 June	
	2024	2023
	JD	JD
	(Reviewed not audited)	(Reviewed not audited)
Benefits (Salaries, wages, and bonuses) of executive management for the Group	2,489,163	4,222,786
Total	2,489,163	4,222,786

(26) Capital Management

The Bank maintains an appropriate paid in capital in order to meet its operational risk, and it regularly monitors its capital adequacy in accordance with BASEL to comply with the Central Bank of Jordan's regulations.

According to Central Bank of Jordan regulations (52/2010), the minimum paid in capital of Jordanian banks should be JD 100 million before the end of 2011 and the capital for the foreign banks in Jordan should not be less than half of the capital for the Jordanian banks in accordance to article (12) and article (8) from the Law and Banks number (28) for the year 2000 and its adjustments. In addition, the regulation requires a minimum shareholders' equity ratio of 4% in accordance to the central bank's instruction no. (67/2016).

Through its operational years; the Bank maintained a capital adequacy ratio in excess of 12%, being the minimum capital adequacy rate required by the Central Bank of Jordan (8% as per Basel). Furthermore, the Bank regularly reviews and complies with the concentration ratios using regulatory capital as an indicator; noting that the instructions impose a ratio of no less than 14%. In addition, the Bank was classified with the bank of "systemic importance locally" during 2022 in which it requires an additional reserve of (0.5%) to be added gradually over a period of 4 years. The Bank takes into account all ratios related to credit concentrations, which use regulatory capital as an indicator of those concentrations

The Bank manages and restructures its capital in light of the changes in the business environment. There has been no change on the Bank's capital structure during this year and the previous year.

Description of Regulatory Capital

According to CBJ regulations regarding Basel III, regulatory capital comprises of:

1- Tier 1 capital, which aims to the Continuity of the Bank:

- Common Equity Tier 1 (CET1) which includes the following: (paid in capital, retained earnings, statutory and voluntary reserves, cumulative change in fair value, foreign currency translation adjustment, minority interest (recognizable under CET1)), it also includes the following deductions (year/period losses, goodwill and intangible assets, deferred tax assets, treasury stocks, shortage in required provisions, shortages in tier 2 capital, restricted balances, gross insignificant investments (<10%) and significant investments (>10%) in other banks, financial institutions, insurance companies and unconsolidated subsidiaries.

- Additional Tier 1 (AT1), Additional Tier 1 capital consists of the sum of the following elements: (convertible bonds, preferred stocks, financial instruments issued by the bank and holds the characteristics of additional capital, minority interest (recognizable under AT1), it also includes the following deductions (gross insignificant investments (<10%) and significant investments (>10%) in other banks, financial institutions, insurance companies, and unconsolidated subsidiaries.

2- Tier 2 capital, which is the supplementary capital, consists of the following elements; subordinated debt, minority interest, and deducts the following; insignificant investments (<10%) and significant investments (>10%) in other banks, financial institution, insurance companies and unconsolidated subsidiaries.

Central Bank of Jordan emphasized on the importance of complying with Basel III regulation in building up addition capital as a percentage of risk weighted assets, which restricts cash dividends, through the following buffers:

- 1- Conservation Buffer
- 2- Countercyclical Buffer
- 3- D-SIBs

- **Capital Adequacy**

Capital adequacy ratio is calculated based on the simplified approach (standardized approach) in accordance with the regulations of the Central Bank of Jordan, which in turn are based on the verdicts of the Basel committee. Below are the comparative figures of the capital adequacy ratio:

	30 June 2024	31 December 2023
	JD	JD
	(Reviewed not audited)	(Audited)
Primary capital-		
Issued and paid in capital	263,037,122	263,037,122
Additional paid in capital	68,872,349	68,872,349
Retained Earnings	142,627,899	184,096,500
Statutory reserve	69,714,499	69,714,499
Income for the period	44,785,805	-
Foreign currency translation adjustments	(4,397,422)	(4,397,422)
Accumulated changes in fair value	4,070,622	4,388,724
Proposed dividends	-	(39,455,568)
Minority interest	58,529,388	48,815,497
Less-		
Goodwil and Intangible assets	68,806,972	67,616,131
Deferred tax assets	47,012,297	44,710,482
Investments in banks and other financial companies capital (except for banks, financial institutions, and insurance companies	31,882	47,603
Total Primary capital	531,389,111	482,697,485
Additional capital -		
Perpetual bonds	70,900,000	70,900,000
Total Additional capital	70,900,000	70,900,000
Supplementary Capital (Tier 2)		
Exposures included in stage one	38,072,485	36,535,726
Subordinated loans	3,034,520	6,069,040
Minority interest	2,992,377	2,861,162
Total Supplementary Capital (Tier 2)	44,099,382	45,465,928
Net Supplementary Capital Tier 2	44,099,382	45,465,928
Total Regulatory Capital	646,388,494	599,063,413
Total Risk weighted assets	4,243,898,413	3,901,342,003
Capital adequacy (%)	15.23%	15.36%
Primary Capital (%)	14.19%	14.19%

(27) Segment Information**Information about the bank's Activities:**

For management purposes the Bank is organized into four major segments that are measured according to the reports used by the main decision maker at the Bank:

Retail banking: Includes handling individual customers' deposits, credit facilities, credit card, and other services.

Corporate banking: Includes monitoring deposits, credit facilities, and other banking facilities provided to corporate customers.

Corporate finance: Principally arranging structured financing, and providing services relating to privatizations, IPOs, and mergers and acquisitions.

Treasury: Principally providing money market, trading and treasury services, as well as the management of the Bank's funding operations.

These segments are the basis on which the Bank reports its segment information:

	Retail Banking	Corporate Banking	Corporate Finance	Treasury	Other	Total
	JD	JD	JD	JD	JD	30 June 2024
						JD
						(Reviewed not audited)
Total revenues	64,783,695	101,421,960	633,745	154,688,104	27,754,812	349,282,316
(Provision) Recoveries on expected credit losses	(15,347,951)	(20,277,820)	-	489	(1,692,670)	(37,317,952)
Segment results	4,138,539	615,778	633,745	137,933,019	25,558,752	168,879,833
Unallocated expenses						(82,711,567)
Profit before tax						86,168,266
Income tax						(15,999,648)
Net income for the period						70,168,618
Other information						
Segmental assets	1,253,517,575	2,275,938,464	-	4,118,404,934	529,805,617	8,177,666,590
Segmental liabilities	2,526,015,453	4,000,760,174	-	680,372,390	226,154,213	7,433,302,229
Capital expenditure						8,924,004
Depreciation and amortization						14,874,441
	Retail Banking	Corporate Banking	Corporate Finance	Treasury	Other	Total
	JD	JD	JD	JD	JD	30 June 2023
						JD
						(Reviewed not audited)
Total revenues	58,419,060	98,839,539	99,704	116,325,588	10,673,036	284,356,927
Provision on expected credit losses	(9,465,357)	(15,037,447)	-	(39,201)	(187,047)	(24,729,052)
Segment results	(354,305)	15,710,083	99,704	99,779,559	9,971,653	125,206,694
Unallocated expenses						(60,696,232)
Profit before tax						64,510,462
Income tax						(14,413,199)
Net income for the period						50,097,263
Other information						
Segmental assets	1,200,110,117	2,230,903,764	-	3,681,177,826	480,307,657	7,592,499,364
Segmental liabilities	2,385,758,997	3,549,892,170	-	747,071,790	181,277,339	6,864,000,296
Capital expenditure						7,858,594
Depreciation and amortization						10,573,916

(28) Contingent Liabilities and Commitments (Off-balance sheet)

	30 June 2024	31 December 2023
	JD	JD
	(Reviewed not audited)	(Audited)
Letters of credit	465,322,802	245,846,369
Enhanced incoming Letters of credit	8,799,460	41,503,675
Acceptances	240,164,556	186,296,628
Letters of guarantee:-		
- Payments	127,625,862	111,607,195
- Performance	235,155,176	184,836,837
- Others	107,632,492	109,282,322
Foreign currency forwards*	159,910,707	43,473,102
Interest forwards*	-	-
Unutilized direct credit limits	587,253,811	587,102,561
Total	1,931,864,866	1,509,948,689
Less: expected credit loss	(11,490,221)	(9,761,766)
Total	1,920,374,645	1,500,186,923

* Foreign currency and interest forwards are not included in the expected credit loss calculation since it's held with foreign banks of high credit rating.

* The Banking Control Department at the Central Bank of Iraq imposed a fine on the National Bank of Iraq in the amount of (JD 16.2 million) regarding the mechanism of calculating the exchange rate for foreign remittances and as a result of the NBI collecting commissions considered by the CBI in excess of the official exchange rate, and the fine was calculated on the basis of a multiplier of the exchange rate difference. NBI's management is in discussions with the CBI in this regard, where the position of NBI was clarified by an official letter sent to the CBI and is waiting for a response.

The cumulative movement on off-balance sheet items collectively subject to IFRS (9):

30 June 2024 (Reviewed not Audited)	Stage one	Stage two	Stage three	Total
	JD	JD	JD	JD
Balance at the beginning of the period	1,440,620,068	17,776,618	8,078,901	1,466,475,587
New balances during the period	1,408,960,729	3,521,790	29,471	1,412,511,990
Settled balances	(1,101,894,753)	(3,527,888)	(1,610,778)	(1,107,033,419)
Transferred to stage one	1,741,023	(1,741,023)	-	-
Transferred to stage two	(7,888,241)	7,947,853	(59,612)	-
Transferred to stage three	(218,410)	(749,125)	967,535	-
Total balance	1,741,320,416	23,228,225	7,405,517	1,771,954,158

31 December 2023 (Audited)	Stage one	Stage two	Stage three	Total
	JD	JD	JD	JD
Balance at the beginning of the year	1,122,880,848	22,729,919	8,412,278	1,154,023,045
New balances during the year	791,857,727	3,372,437	187,744	795,417,908
Settled balances	(485,665,393)	(13,136,791)	(788,897)	(499,591,081)
Transferred to stage one	2,970,273	(2,876,907)	(93,366)	-
Transferred to stage two	(7,766,320)	7,929,341	(163,021)	-
Transferred to stage three	(181,807)	(319,486)	501,293	-
Currency Translation adjustments	16,524,740	78,105	22,870	16,625,715
Total balance	1,440,620,068	17,776,618	8,078,901	1,466,475,587

The cumulative movement on the provision for expected credit losses:

30 June 2024 (Reviewed not Audited)	Stage one	Stage two	Stage three	Total
	JD	JD	JD	JD
Balance at the beginning of the period	6,128,309	1,581,296	2,052,161	9,761,766
Impairment loss on new facilities during the period	6,254,623	216,626	10,663	6,481,912
Impairment loss recoveries	(4,235,115)	(86,996)	(431,346)	(4,753,457)
Transferred to stage one	291	(291)	-	-
Transferred to stage two	(135,251)	135,830	(579)	-
Transferred to stage three	(86,675)	(939)	87,614	-
Total balance	7,926,182	1,845,526	1,718,513	11,490,221

31 December 2023 (Audited)	Stage one	Stage two	Stage three	Total
	JD	JD	JD	JD
Balance at the beginning of the year	5,472,657	720,350	2,043,724	8,236,731
Impairment loss on new facilities during the year	4,889,574	204,137	48,692	5,142,403
Impairment loss recoveries	(3,299,199)	(599,493)	(23,263)	(3,921,955)
Transferred to stage one	27,817	(27,121)	(696)	-
Transferred to stage two	(1,242,514)	1,261,821	(19,307)	-
Transferred to stage three	(1,043)	-	1,043	-
Currency translation adjustments	281,017	21,602	1,968	304,587
Total balance	6,128,309	1,581,296	2,052,161	9,761,766

(29) Credit risks

1- Credit risk measurement

The estimation of credit exposure for risk management purposes requires the use of models, as the exposure varies with changes in market conditions, expected cash flows and the passage of time. The assessment of credit risk of a portfolio of assets entails further estimations as to the likelihood of defaults occurring, of the associated loss ratios and of default correlations between counterparties. The Bank measures credit risk using Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD).

2- Probability of default (PD):

PD estimates are estimates at a certain date (point in time, PIT), which are calculated based on statistical rating models, and assessed using rating tools tailored to the various categories of counterparties and exposures. The Bank uses statistical models based on internally compiled data comprising both quantitative and qualitative factors as well as available macroeconomic indicators, while taking into consideration historical and forward looking information to derive the PD for counterparties. If a counterparty or exposure migrates between rating classes, then this will lead to a change in the estimate of the associated PD. PDs are estimated considering the contractual maturities of exposures and estimated prepayment rates.

3- Loss given default (LGD)/Collaterals:

LGD is the amount of likely loss if there is a default. After taking into account the recovery rate, the time to recover and the cost of recovery from collaterals against the granted loan, and using available historical data, the Bank estimates the following haircuts for its main collaterals:

Collateral Type	LGD%
Cash Margin, Government Guaranteed, Qualified Banking Guarantees, Other external qualified guarantors,	0%
Shares and financial bonds	25%
Real Estate	30%
Cars	52%
Machines	61%

4- Exposure at default (EAD):

EAD represents the expected exposure in the event of a default. The Bank derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract including amortization. The EAD of a financial asset is its gross carrying amount. It is not necessarily the outstanding balance, but also takes into consideration any expected future utilization. The treatment of the EAD differs, depending on the type of exposure as explained above and in accordance to the use of the default probability.

As outlined above, and in accordance with the use of a 12-month probability of default for financial assets where credit risk has not significantly increased, the bank measures the expected credit loss based on the default risk over the maximum contractual period during which it is exposed to credit risk.

5- Significant increase in credit risk

To assess whether a significant increase in credit risk has occurred for an exposure, the Bank compares:

- The remaining lifetime probability of default (PD) as at the reporting date; with
- The remaining lifetime PD for this point in time that was estimated at the time of initial recognition of the exposure.

For the above assessment, the Bank considers reasonable and supportable information that is relevant and available without undue cost or effort, including both quantitative and qualitative information and analysis based on the Bank's historical experience and credit assessment; and including forward-looking information.

6- Credit Risk Rating

The availability of an internal credit rating system for clients is a fundamental component in the process of measuring and assessing credit risk. The outputs of the credit rating system, which are represented by risk grades, form the basis for calculating expected credit losses. This system relies on analyzing a range of financial, non-financial, and economic information within specialized rating models tailored to the nature of the exposure and the type of borrower. It enables the prediction of default risk and the application of previous credit judgments regarding the migration of exposures from one credit rating to another.

7- Generating the term structure of PDs

Credit risk grades are a primary input into the determination of the term structure of PDs for exposures. The Bank collects performance and default information about its credit risk exposures analyzed by type of product and borrower as well as by credit risk grading. Information acquired from external credit reference agencies is also used.

The Bank uses statistical models to analyze the data collected and generate estimates of the remaining lifetime PD of exposures and how these are expected to change as a result of the passage of time.

This analysis includes the identification and calibration of relationships between changes in default rates and changes in key macro-economic factors as well as in-depth analysis of the impact of certain other factors (e.g. forbearance experience) on the risk of default. For most exposures, key macro-economic indicators include: GDP, inflation rates and interest rates. Based on advice from the Bank Market Risk Committee and consideration of a variety of external actual and forecast information, the Bank formulates a 'base case' view of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios (see discussion below on incorporation of forward-looking information). The Bank then uses these forecasts to adjust its estimates of PDs.

8-Definition of default

The Group defines a financial corporate, retail and investment instrument as in default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

- Quantitative criteria

The borrower is more than 90 days past due on its contractual payments.

- Qualitative criteria:

According to the Basel definition, default is considered to have occurred with regard to particular obligors when either one of the following events have taken place:

- The Bank considers that the obligor is unlikely to pay its credit obligation to the Group in full without recourse by the Bank to actions like realizing security (if held).
- The Bank puts the credit obligation on a non-accrued status.
- The Bank makes a charge-off or account-specific provision resulting from a perceived decline in credit quality subsequent to the Bank taking on the exposure.
- The Bank sells the credit obligation at a material credit-related economic loss.
- The Bank consents to a distressed restructuring of the credit obligation where this is likely to result in a diminished financial obligation caused by the material forgiveness or postponement of principal, interest and other fees.
- The Bank has filed for the obligor's bankruptcy or similar order in respect of the obligor's credit obligation to the Banking Group.
- The obligor is past due more than 90 days on any material credit obligation to the Banking Group.

The criteria above have been applied to all financial instruments held by the Group and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the Probability of Default (PD), Exposure at Default (EAD), and Loss Given Default (LGD) throughout the Group's expected loss calculations.

An instrument is considered to no longer be in default (i.e. to have cured) when it no longer meets any of the default criteria for a consecutive period of twelve months. This period of twelve months has been determined based on an analysis which considers the likelihood of a financial instrument returning to default status after cure using different cure definitions.

1) Stage 1: 12-months ECL

For exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months is recognized.

2) Stage 2: Lifetime ECL – not credit impaired

For credit exposures where there has been a significant increase in credit risk since initial recognition but that are not credit impaired, a lifetime ECL is recognized.

3) Stage 3: Lifetime ECL – credit impaired

Financial assets are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred. This uses the same criteria as under IAS 39, the Bank's methodology for specific provisions remains unchanged. For financial assets that have become credit impaired, a lifetime ECL is recognized and interest revenue is calculated by applying the effective interest rate to the amortized cost (net of provision) rather than the gross carrying amount.

9- Importance of staging criteria

- Staging is based on the assessment of relative movement in the credit quality of the loans from the time of initial recording.
- Loans in stage 3 are those loans for which the bank has objective evidence of impairment. Accordingly, specific provision is recorded for such exposures.
- Stage transfer is triggered by assessing the relative change in credit risk (measured using lifetime risk of default) and not by the absolute credit risk at the reporting date.
- More than 30 days past due on loan installments.

Bank management's main definition and criteria for significant increase in credit risk (stage 2) includes the following parameters:

For exposures (credit facilities) to corporate customers

- More than 30 days past due on loan installments
- Downgrade by 7 notches of the risk rating scale of 20 points.
- Customer is classified as (7,8,9).
- Customer is classified under watchlist, restructured, rescheduled.

For exposures (credit facilities) to retail customers

- More than 30 days past due on loan installments.
- Customer is classified under watchlist, restructured, rescheduled.
- Customer credit risk grade F associated with arrears for more than 20 days and less than 60 days

*** For exposures (Deposits balances) with banks and financial institutions**

- Current risk rate is 6 or 7

For exposures to (Financial assets) at amortized cost and at fair value through the statement of comprehensive income

- current risk rate ranges from CCC to C

The Bank's definition and criteria for the significant increase in credit risk (stage 3) include the following criteria:

For exposures (credit facilities) to corporate customers

- 90 days or more past due on loan installments
- Customer is classified as (10).
- The customer is facing liquidity difficulties
- Customer is classified under non-performing.

For exposures (credit facilities) to retail customers

- 90 days or more past due on loan installments
- Customer is classified as (F) with 60 days or more past due on loan installments
- The exposure is classified as non-performing loan.

*** For exposures (Deposits balances) with banks and financial institutions**

- Current risk rate is 8

For exposures to (Financial assets) at amortized cost and at fair value through the statement of comprehensive income

- Current risk rate ranges from D

10- Incorporation of forward-looking information

The Bank incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL. Based on advice from the Bank Market Risk Committee and consideration of a variety of external actual and forecast information, the Bank formulates a 'base case' view of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios (upside and downside).

The Bank has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables (i.e.: GDP, inflation rates and interest rates) and credit risk and credit losses.

Predicted relationships between the key indicators and default and loss rates on various portfolios of financial assets have been developed based on analyzing historical data over the past 5 years.

11- IFRS 9 Governance

This section describes the roles and responsibilities of the Committees and groups, specific to the IFRS 9 process at the Bank.

- BOARD OF DIRECTORS ("BOARD" or "BoD")

The Board will be responsible for:

Approval of the document for implementing the standard, along with the assigned tasks and responsibilities.

Approval of policies, assumptions, and models used for applying the standard.

Approval of any amendments that may affect the business model, group strategy, measurement and evaluation methodologies for the credit process, credit rating systems, pricing mechanisms, and guarantees for credit products or assets falling under the standard.

Ensuring that the bank manages credit risks within appropriate best practices, including effective control systems within the credit process, ensuring a clear determination of required hedges/provisions based on the bank's applied business model.

The BOD may delegate the responsibility of reviewing the detailed IFRS 9 related policies to the RMC.

- RISK MANAGEMENT COMMITTEE ("RMC")

The Risk Management Committee will be responsible for:

- Reviewing and recommending the IFRS 9 framework to the BoD,
- Reviewing the implementation of IFRS 9 and ensuring the appropriate steps for compliance,
- Reviewing and approving the periodic disclosures in accordance to the Standard.
- Recommending adjustments to the business models, framework, methodology and policies and procedures

- AUDIT COMMITTEE

• Reviewing all the amendments on the credit transactions related to the implementation of the standard to ensure its compliance with it.

• Ensure the implementation of all the required requirements included in the standard.

• Ensure the adequacy of the expected credit losses booked by the Bank and its compliance with the Bank's portfolio.

- INTERNAL AUDIT DEPARTMENT ("IAD")

Internal Audit Department will be responsible for independently:

- Ensure the Bank's overall compliance with the Standard
- Reviewing the methodology and assumptions to ensure compliance
- Ensure appropriate levels of expected credit losses relative to the Bank's profile.

- INTERNAL RISK MANAGEMENT COMMITTEE ("IRMC")

The Internal Risk Management Committee will be responsible for:

- Overlooking and approving the periodic reporting's according to the standards.
- Recommending adjustments to the business models, framework, methodology and policies and procedures to the RMC.

- IFRS 9 COMMITTEE

• Reviewing and recommending amendments to the IFRS 9 methodology for applying the standard.

- STAGING COMMITTEE

- Reviewing and approving the staging of the credit exposures.
- Implement the required changes on the Staging classification.

- RISK MANAGEMENT DEPARTMENT ("RMD")

The Head of Risk Management and his/her respective personnel in the RMD will be responsible for:

- Coordinate between the different departments and units to manage the implementation of IFRS 9.
- Developing the framework and methodology to be implemented by the Bank and calculate the expected credit loss
- Assist in identifying the Standard's requirement and providing them based on the gap analysis

- FINANCE DEPARTMENT ("FD")

will be responsible for:

• Developing business models, policies, and procedures for classification and measurement of financial instruments in line with the standard.

• Classifying and measuring the financial assets

• Reflecting the IFRS 9 impact on the Bank's financials.

- CREDIT AND BUSINESS CONTROL DEPARTMENT

Classifying and reviewing stages for each account and calculating the expected credit losses accordingly.

Updating customer data to correspond with stage classification and calculating expected credit losses.

Issuing necessary reports on the results.

(29-1) Distribution of credit exposures based on economic sectors is as follows:

a) Total distribution of exposures according to financial instruments subject to impairment losses

30 June 2024 (Reviewed not audited)	Financial	Industrial	Commercial	Real estate	Agriculture	Shares	Retail	Governmental and Public Sector	Other	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
<u>Balance sheet items</u>										
Balances at Central Banks	915,675,724	-	-	-	-	-	-	233,475,410	-	1,149,151,134
Balances at banks and financial institutions	325,381,395	-	-	-	-	-	-	-	-	325,381,395
Direct credit facilities at amortized cost	54,211,868	487,338,270	508,200,232	540,785,000	47,027,370	125,237,457	838,371,203	448,316,433	520,096,688	3,569,584,521
Bonds and treasury bills :										
Financial assets at fair value through OCI	2,797,750	1,631,552	-	-	-	-	-	3,562,698	3,417,084	11,409,084
Financial assets at Amortized cost	340,265,015	11,619,959	4,587,879	65,053,995	-	-	-	1,602,700,046	5,283,694	2,029,510,588
Pledge financial assets (debt instruments)	-	-	-	-	-	-	-	231,313,732	-	231,313,732
Other assets	21,933,509	-	-	-	-	-	-	-	-	21,933,509
Total Balance sheet	1,660,265,261	500,589,781	512,788,111	605,838,995	47,027,370	125,237,457	838,371,203	2,519,368,319	528,797,466	7,338,283,963
<u>Off - balance sheet items</u>										
Letter of guarantee	105,909,798	49,220,664	140,764,996	87,550,870	1,726,033	2,974,402	58,068,365	10,839,602	13,358,800	470,413,530
Letter of credit	48,678,288	21,736,823	320,527,866	75,823,725	-	-	7,355,560	-	-	474,122,262
Other Liabilities	67,717,200	213,465,607	267,087,297	44,141,516	21,074,052	10,356,614	142,186,533	41,263,800	20,125,748	827,418,367
Total Off-Balance sheet	222,305,286	284,423,094	728,380,159	207,516,111	22,800,085	13,331,016	207,610,458	52,103,402	33,484,548	1,771,954,159
Total as at 30 June 2024 (reviewed not audited)	1,882,570,547	785,012,875	1,241,168,270	813,355,106	69,827,455	138,568,473	1,045,981,661	2,571,471,721	562,282,014	9,110,238,122
Total as at 31 December 2023 (audited)	1,419,378,131	748,983,578	1,050,566,528	725,796,537	77,705,184	127,851,310	1,076,378,894	2,575,317,677	493,183,083	8,295,160,922

b) Total distribution of exposures according to financial instruments subject to impairment losses

30 June 2024 (Reviewed not audited)	Stage One	Stage Two	Stage Three	Total
	JD	JD	JD	JD
Financial	1,659,383,864	221,369	660,028	1,660,265,261
Industrial	380,978,172	87,597,560	32,014,049	500,589,781
Commercial	409,199,015	66,876,184	36,712,912	512,788,111
Real estate	512,629,290	55,398,894	37,810,811	605,838,995
Agriculture	38,803,937	2,528,326	5,695,107	47,027,370
Shares	97,034,484	20,777,688	7,425,285	125,237,457
Retail	788,812,500	35,065,795	14,492,908	838,371,203
Governmental and Public Sector	2,519,368,319	-	-	2,519,368,319
Other	456,117,807	44,153,789	28,525,870	528,797,466
Total balance	6,862,327,388	312,619,605	163,336,970	7,338,283,963
Total as at 31 December 2023 (audited)	6,348,098,534	331,935,835	114,939,630	6,794,973,999

(29-2) Credit distribution based on geographic distribution is as follows:

a) Total distribution of exposures according to geographic region

30 June 2024 (Reviewed not audited)	Inside Jordan	Other Middle Eastern countries	Europe	Asia	Africa	America	Other Countries	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Balances at Central Banks	233,475,410	915,675,724	-	-	-	-	-	1,149,151,134
Balances at banks and financial institutions	14,291,354	53,192,601	168,122,702	20,926,105	5,648	68,842,985	-	325,381,395
Direct Credit Facilities at Amortized Cost	2,756,867,684	812,713,916	28	22	-	2,837	34	3,569,584,521
Bonds and treasury bills within:								
Financial assets at fair value through other comprehensive income	4,105,150	4,744,536	1,108,096	801,531	131,698	518,073	-	11,409,084
Financial assets at amortized cost	1,683,961,879	345,548,709	-	-	-	-	-	2,029,510,588
Pledged financial assets - debt instruments	231,313,732	-	-	-	-	-	-	231,313,732
Other assets	5,187,993	16,597,233	148,283	-	-	-	-	21,933,509
Total	4,929,203,202	2,148,472,719	169,379,109	21,727,658	137,346	69,363,895	34	7,338,283,963
Letter of guarantee	263,604,651	187,276,493	18,316,458	359,334	335,054	521,540	-	470,413,530
Letter of Credit	108,554,478	309,774,910	52,524,186	-	3,268,688	-	-	474,122,262
Other Liabilities	661,497,892	162,984,609	2,164,280	248,721	241,082	281,783	-	827,418,367
Total balance	1,033,657,021	660,036,012	73,004,924	608,055	3,844,824	803,323	-	1,771,954,159
Total Balance	5,962,860,223	2,808,508,731	242,384,033	22,335,713	3,982,170	70,167,218	34	9,110,238,122
Total as at 31 December 2023 (audited)	6,081,477,674	2,079,822,814	82,402,431	15,861,264	837,084	34,759,655	-	8,295,160,922

b) Distribution of exposures according to geographic region on stages according to IFRS 9

	30 June 2024 (Reviewed not audited)			
	Stage One	Stage Two	Stage Three	Total
	JD	JD	JD	JD
Inside Jordan	4,495,276,138	292,885,856	141,041,208	4,929,203,202
Other Middle Eastern countries	2,106,443,208	19,733,749	22,295,762	2,148,472,719
Europe	169,379,109	-	-	169,379,109
Asia	21,727,658	-	-	21,727,658
Africa	137,346	-	-	137,346
America	69,363,895	-	-	69,363,895
Other Countries	34	-	-	34
Total balance	6,862,327,388	312,619,605	163,336,970	7,338,283,963
Total as at 31 December 2023 (audited)	6,348,098,534	331,935,835	114,939,630	6,794,973,999

(29-3) Total credit exposures that have been reclassified

The disclosures below are prepared in two phases: the first phase is for total credit exposures and the second phase is for the expected credit losses:

a) Total credit exposures that have been reclassified

	Stage Two		Stage Three		Total reclassified exposures	Percentage of reclassified exposures
	Total Exposure	reclassified exposure	Total Exposure	Total reclassified exposures		
	JD	JD	JD	JD		
30 June 2024 (Reviewed not audited)						
Balances at banks and financial institutions	159,638	-	-	-	-	0%
Direct Credit Facilities at amortized cost	312,142,507	76,620,784	196,942,898	75,244,438	151,865,222	30%
Bonds and treasury bills within:						
Within financial assets at amortized cost	-	-	4,587,880	-	-	0%
Total balance	312,302,145	76,620,784	201,530,778	75,244,438	151,865,222	30%
Contingent Liabilities and Commitments	21,382,699	7,812,023	5,687,004	879,921	8,691,944	32%
Total contingent Liabilities and Commitments	21,382,699	7,812,023	5,687,004	879,921	8,691,944	32%

	Stage Two		Stage Three		Total reclassified exposures	Percentage of reclassified exposures
	Total Exposure	reclassified exposure	Total Exposure	Total reclassified exposures		
	JD	JD	JD	JD		
31 December 2023 (Audited)						
Balances at banks and financial institutions	-	-	-	-	-	0%
Direct Credit Facilities at amortized cost	319,404,223	88,529,243	149,236,583	46,258,712	134,787,955	29%
Bonds and treasury bills within:						
Within financial assets at amortized cost	-	-	4,587,880	-	-	0%
Total balance	319,404,223	88,529,243	153,824,463	46,258,712	134,787,955	28%
Letter of guarantee	10,729,606	3,557,979	6,017,171	500,250	4,058,229	24%
Letter of credit	569,479	47,416	-	-	47,416	8%
Issued acceptances	41,867	44,523	-	-	44,523	106%
Unutilized direct credit limits	4,854,370	3,017,602	9,569	-	3,017,602	62%
Total balance	16,195,322	6,667,520	6,026,740	500,250	7,167,770	32%

b) Expected Credit Loss for the reclassified exposures

	Exposures that have been classified			Expected Credit Loss for the reclassified exposures		
	Exposures that were reclassified from stage two	Exposures that were reclassified from stage three	Total reclassified exposures	Stage Two	Stage Three	Total
30 June 2024 (Reviewed not audited)						
Assets	JD	JD	JD	JD	JD	JD
Direct Credit Facilities at amortized cost	76,620,784	75,244,438	151,865,222	(4,108,560)	(12,834,895)	(16,943,455)
Total balance	76,620,784	75,244,438	151,865,222	(4,108,560)	(12,834,895)	(16,943,455)
Contingent Liabilities and Commitments	7,812,023	879,921	8,691,944	(135,830)	(87,614)	(223,444)
Total contingent Liabilities and Commitments	7,812,023	879,921	8,691,944	(135,830)	(87,614)	(223,444)
	Exposures that have been classified			Expected Credit Loss for the reclassified exposures		
	Exposures that were reclassified from stage two	Exposures that were reclassified from stage three	Total reclassified exposures	Stage Two	Stage Three	Total
31 December 2023 (Audited)						
Assets	JD	JD	JD	JD	JD	JD
Direct Credit Facilities at amortized cost	88,529,243	46,258,712	134,787,955	(9,179,568)	(11,279,743)	(20,459,311)
Total balance	88,529,243	46,258,712	134,787,955	(9,179,568)	(11,279,743)	(20,459,311)
Contingent Liabilities and Commitments	6,667,520	500,250	7,167,770	(1,261,821)	(1,043)	(1,262,864)
Total contingent Liabilities and Commitments	6,667,520	500,250	7,167,770	(1,261,821)	(1,043)	(1,262,864)

(29-4) Expected credit losses [net (expense) recovered]:

30 June 2024 (Reviewed Not Audited)	Stage one	Stage two	Stage three	Total
	JD	JD	JD	JD
Balances at banks and financial institutions (Note 5)	-	-	1,394	1,394
Direct credit facilities (note 7)	(223,459)	4,108,690	31,740,541	35,625,772
Financial assets at amortized cost	(4,395)	-	-	(4,395)
Debt instruments at fair value through other comprehensive income	2,511	-	-	2,511
Other Financial assets measured at amortized cost	(35,785)	-	-	(35,785)
Contingent Liabilities and Commitments	1,797,873	264,230	(333,648)	1,728,455
Total balance	1,536,745	4,372,920	31,408,287	37,317,952

30 June 2023 (Reviewed Not Audited)	Stage one	Stage two	Stage three	Total
	JD	JD	JD	JD
Balances at banks and financial institutions	-	17,034	-	17,034
Direct credit facilities	(12,290,277)	2,058,297	34,732,865	24,500,885
Financial assets at amortized cost	12,168	-	-	12,168
Debt instruments at fair value through other comprehensive income	2,061	-	-	2,061
Other Financial assets measured at amortized cost	(122,532)	-	-	(122,532)
Contingent Liabilities and Commitments	366,607	(57,029)	9,858	319,436
Total balance	(12,031,973)	2,018,302	34,742,723	24,729,052

(30) Fair Value of Financial Instruments

Financial instruments include cash balances, deposits at banks and the Central Banks, direct credit facilities, other financial assets, customers' deposits, banks deposits and other financial liabilities.

There are no material differences between the fair value of financial instruments and their book value.

The Bank uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Other techniques by which all inputs significantly effect the recorded fair value may be observed, either directly or indirectly from market information.

Level 3: Other techniques using inputs significantly effecting the recorded fair values; which are not based on observable market data.

The following table shows the breakdown of the financial instruments at fair value and according to the above hierarchy:

30 June 2024 (Reviewed not audited)	Level 1	Level 2	Level 3	Total
	JD	JD	JD	JD
Financial assets-				
Financial assets at fair value through other comprehensive income	10,679,649	66,913,773	-	77,593,422
Derivative instruments (Note 10)	-	955,205	-	955,205
31 December 2023 (Reviewed not audited)				
Financial assets-				
Financial assets at fair value through other comprehensive income	14,517,998	64,077,163	-	78,595,161
Derivative instruments	-	351,638	-	351,638
Financial liabilities-				
Derivative instruments	-	-	-	-

There was no movement between levels for the period ended 30 June 2024 and the year ended 31 December 2023

(31) Lawsuits against the Bank

- The lawsuits raised against the Bank, as part of the ordinary course of business, amounted to JD 53,372,867 as at 30 June 2024 against JD 69,740,067 as at 31 December 2023. According to the Bank's management and legal counselor, the Bank will not be liable in any of these cases, except for lawsuits noting a provision of JD 272,500 was taken against them.
Regarding the legal case filed against the bank since 2016 by the plaintiff Khaldoon "Mohammad Ihsan" Abdo Amasha, which concerns the difference between the net value of the pledged shares sold to the bank and the outstanding balance owed by the claimant Khaldoon Amasha on the date of the shares' sale for debt settlement: The Court of First Instance decided on 30 June 2022, to obligate the bank to pay an amount of JD 11,351,734 dinars plus legal interest. The bank appealed this decision to the Court of Appeal, which, on 28 April 2024, upheld the decision of the Court of First Instance. A final legal settlement was then reached with the client, and the financial impact was recorded in the interim condensed financial statements, thereby concluding the case.
- The lawsuits raised against the National Bank of Iraq, as part of the ordinary course of business, amounted to JD 7,708,928 as at 30 June 2024 and JD 6,513,493 as at 31 December 2023. According to the National Bank of Iraq's management and legal counselor, NBI will not be liable in any of these cases.
- The lawsuits raised against Capital Investment and Brokerage Company Ltd/Jordan, as part of the ordinary course of business as at 30 June 2024 amounted to JD 561,000 and JD 531,000 as at 31 December 2023, and at the discretion of the management and the legal advisor of the Capital Investment and Brokerage Company, the company does not have any obligations in return for these cases.
- There are no lawsuits raised against Capital Leasing Company as at 30 June 2024 and 31 December 2023.

(32) Legal Reserves

The bank has not booked Statutory Reserve during the period since the enclosed statements are interim consolidated financial statements.

(33) Distributed Dividends

The General Assembly approved in its meeting held on 27 March 2024 the distribution of cash dividends equivalent to 15% of the Bank's authorized and paid in capital equivalent to JD 39,455,568.

The General Assembly approved in its meeting held on 22 March 2023 the distribution of cash dividends equivalent to 17% of the Bank's authorized and paid in capital equivalent to JD 44,716,311.