

**Jordan Mortgage Refinance Company**  
**Public Shareholding Company**  
**Condensed Interim Financial Statements (Unaudited)**  
**30 June 2023**

**Jordan Mortgage Refinance Company**  
**Public Shareholding Company**

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**Report on Review of Condensed Interim Financial Statements**

To The Board of Directors  
Jordan Mortgage Refinance Company  
Public Shareholding Company  
Amman - Jordan

**Introduction**

We have reviewed the accompanying condensed interim financial statements of **Jordan Mortgage Refinance Company PLC**, comprising the interim statement of financial position as at 30 June 2023 and the related interim statement of profit or loss, interim statement of comprehensive income, interim statement of changes in equity and interim statement of cash flows for the six-months period then ended and the notes about condensed interim financial statements. Management is responsible for the preparation and presentation of this condensed interim financial statement in accordance with International Accounting Standard number (34) "Interim Financial Reporting". Our responsibility is to express a conclusion on this condensed interim financial statements based on our review.

**Scope of Review**


We conducted our review in accordance with the International Standard on Review Engagements number (2410) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of condensed 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 condensed interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard number (34) "Interim Financial Reporting".

27 July 2023  
Amman - Jordan



  
**Arab Professionals**  
**Ibrahim Hammoudeh**  
License No. (606)

**Jordan Mortgage Refinance Company**  
**Public Shareholding Company**  
**Interim Statement of Financial Position as at 30 June 2023**  
**(In Jordanian Dinar)**

	Note	30 June 2023 (Unaudited)	31 December 2022 (Audited)
<b>Assets</b>			
Cash and cash equivalents		5,531,288	5,102,480
Refinance loans		567,493,356	611,993,356
Employees' housing loans		651,225	677,910
Interest receivable		8,619,881	7,631,230
Financial assets at amortized cost		20,961,214	20,959,386
Financial assets at fair value through other comprehensive income		827,750	827,750
Other assets		51,004	22,604
Property and equipment		413,636	422,579
<b>Total Assets</b>		<b>604,549,354</b>	<b>647,637,295</b>
<b>Liabilities and Equity</b>			
<b>Liabilities</b>			
Bonds		548,000,000	592,500,000
Central Bank of Jordan loan		22,116,734	21,039,129
Accrued interest		6,374,134	6,151,352
Other liabilities		1,746,827	2,150,828
<b>Total Liabilities</b>		<b>578,237,695</b>	<b>621,841,309</b>
<b>Equity</b>			
Paid – in capital		12,500,000	12,500,000
Statutory reserve		4,926,798	4,926,798
Voluntary reserve		1,949,774	1,949,774
Special reserve		2,537,728	2,537,728
Fair value adjustments		58,858	58,858
Retained earnings	3	4,338,501	3,822,828
<b>Total Equity</b>		<b>26,311,659</b>	<b>25,795,986</b>
<b>Total Liabilities and Equity</b>		<b>604,549,354</b>	<b>647,637,295</b>

“The accompanying notes from (1) to (8) are an integral part of these condensed interim financial statements and read with review report”

**Jordan Mortgage Refinance Company**  
**Public Shareholding Company**  
**Interim Statement of Profit or Loss**  
**For the six months ended at 30 June 2023 (Unaudited)**

(In Jordanian Dinar)

	For the three months ended		For the six months ended	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
Interest income	8,501,459	7,864,655	17,043,070	15,490,775
Interest expense	(6,567,260)	(6,016,215)	(13,136,156)	(11,851,640)
<b>Gross operating income</b>	<b>1,934,199</b>	<b>1,848,440</b>	<b>3,906,914</b>	<b>3,639,135</b>
Administrative expenses	(263,706)	(267,664)	(555,175)	(585,562)
Depreciation	(4,573)	(6,535)	(11,140)	(12,939)
<b>Profit for the period before income tax</b>	<b>1,665,920</b>	<b>1,574,241</b>	<b>3,340,599</b>	<b>3,040,634</b>
Income tax expenses for the period	(402,471)	(352,931)	(814,222)	(718,520)
National Contribution tax for the period	(67,079)	(58,821)	(135,704)	(119,753)
<b>Profit for the period</b>	<b>1,196,370</b>	<b>1,162,489</b>	<b>2,390,673</b>	<b>2,202,361</b>
<b>Basic and diluted earnings per share</b>	<b>0.096</b>	<b>0.093</b>	<b>0.191</b>	<b>0.176</b>

"The accompanying notes from (1) to (8) are an integral part of these condensed interim financial statements and read with review report"

**Jordan Mortgage Refinance Company**  
**Public Shareholding Company**  
**Interim Statement of Comprehensive Income**  
**For the six months ended at 30 June 2023 (Unaudited)**

**(In Jordanian Dinar)**

	For the three months ended		For the six months ended	
	30 June	30 June	30 June	30 June
	2023	2022	2023	2022
Profit for the period	1,196,370	1,162,489	2,390,673	2,202,361
<b>Other comprehensive income</b>				
Changes in fair value of financial assets	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>1,196,370</b>	<b>1,162,489</b>	<b>2,390,673</b>	<b>2,202,361</b>

"The accompanying notes from (1) to (8) are an integral part of these condensed interim financial statements and read with review report"

**Jordan Mortgage Refinance Company**  
**Public Shareholding Company**  
**Interim Statement of Changes in Equity for the six months ended at 30 June 2023 (Unaudited)**  
**(In Jordanian Dinar)**

	<b>Paid Capital</b>	<b>Statutory</b>	<b>Reserves Voluntary</b>	<b>Special</b>	<b>Fair Value Adjustments</b>	<b>Retained Earnings</b>	<b>Total</b>
<b>Balance at 1 January 2023</b>	<b>12,500,000</b>	<b>4,926,798</b>	<b>1,949,774</b>	<b>2,537,728</b>	<b>58,858</b>	<b>3,822,828</b>	<b>25,795,986</b>
Dividends paid (Note 3)	-	-	-	-	-	(1,875,000)	(1,875,000)
Comprehensive income for the period	-	-	-	-	-	2,390,673	2,390,673
<b>Balance at 30 June 2023</b>	<b>12,500,000</b>	<b>4,926,798</b>	<b>1,949,774</b>	<b>2,537,728</b>	<b>58,858</b>	<b>4,338,501</b>	<b>26,311,659</b>
<b>Balance at 1 January 2022</b>	<b>10,000,000</b>	<b>4,306,729</b>	<b>1,949,774</b>	<b>2,254,627</b>	<b>58,858</b>	<b>4,304,793</b>	<b>22,874,781</b>
Dividends paid	2,500,000	-	-	-	-	(4,000,000)	(1,500,000)
Comprehensive income for the period	-	-	-	-	-	2,202,361	2,202,361
Capital increase fees	-	-	-	-	-	(21,029)	(21,029)
<b>Balance at 30 June 2022</b>	<b>12,500,000</b>	<b>4,306,729</b>	<b>1,949,774</b>	<b>2,254,627</b>	<b>58,858</b>	<b>2,486,125</b>	<b>23,556,113</b>

“The accompanying notes from (1) to (8) are an integral part of these condensed interim financial statements and read with review report”

**Jordan Mortgage Refinance Company**  
**Public Shareholding Company**  
**Interim Statement of Cash Flows for the six months ended at 30 June 2023 (Unaudited)**  
**(In Jordanian Dinar)**

	30 June 2023	30 June 2022
<b>Operating Activities</b>		
Profit for the period before income tax	3,340,599	3,040,634
Depreciation	11,140	12,939
Central Bank of Jordan loan	538,003	511,790
Issue discount financial assets at amortized cost	(1,828)	-
Provision for end of services indemnity	46,248	62,250
Provision for employees medication	21,000	21,000
<b>Changes in working capital</b>		
Deposits at banks	-	2,500,000
Interests receivable	(988,651)	(124,131)
Refinance loans	44,500,000	(8,372,883)
Employees' housing loans	26,685	(243,875)
Other current assets	(28,400)	2,719
Accrued interests	762,384	(52,745)
Bonds	(44,500,000)	3,500,000
Other current liabilities	(78,033)	(223,699)
Paid income tax	(1,343,142)	(1,372,339)
<b>Net cash flows from (used in) operating activities</b>	<u>2,306,005</u>	<u>(738,340)</u>
<b>Investing Activities</b>		
Property and equipment	(2,197)	(39,236)
<b>Financing Activities</b>		
Capital increase fees	-	(21,029)
Dividends paid	(1,875,000)	(1,500,000)
<b>Net cash flows used in financing activities</b>	<u>(1,875,000)</u>	<u>(1,521,029)</u>
<b>Changes in cash and cash equivalents</b>	428,808	(2,298,605)
Cash and cash equivalents, beginning of year (before provision for expected credit loss)	5,105,163	13,908,626
<b>Cash and cash equivalents, end of period (before provision for expected credit loss)</b>	<u><u>5,533,971</u></u>	<u><u>11,610,021</u></u>

"The accompanying notes from (1) to (8) are an integral part of these condensed interim financial statements and read with review report"



**Jordan Mortgage Refinance Company**  
**Public Shareholding Company**  
**Notes to the Condensed Interim Financial Statements (Unaudited)**  
**30 June 2023**

**(In Jordanian Dinar)**

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**1 . General**

**Jordan Mortgage Refinance Company** was established on 5 June 1996 in accordance with Jordanian Companies Law No. (22) Of 1997 and registered under No. (314) as a public shareholding company and was granted the operating license on 22 July 1996. The Company's head office is in the Hashemite Kingdom of Jordan and its main objectives are:

- Development and improvement of the housing finance market in Jordan by enabling licensed banks and other financial institutions to increase their participation in granting housing loans.
- Enhancement and development of the capital market in Jordan by issuing medium and long-term bonds.

The Company stocks are listed in Amman Stock Exchange – Jordan.

The condensed interim financial statements have been approved for issue by the Company's Board of Directors on 26 July 2023.

**2 . Summary of Significant Accounting Policies**

**Basis of Preparation**

The condensed interim financial statements of the Company have been prepared in accordance with International Accounting Standard number (34) "Interim Financial Reporting". (They do not include all of the information required in annual financial statements in accordance with IFRSs, and should be read in conjunction with the financial statements of the Company for the year ended 31 December 2022).

The condensed interim financial statements have been prepared on a historical cost basis except for investment securities, which have been measured at fair value.

The condensed interim financial statements are presented in Jordanian Dinar which is the functional currency of the Company.

The accounting policies are consistent with those used in the previous period, except for the adoption of new and amended standards effective as at the beginning of the year.

**Use of Estimates**

The preparation of the condensed interim financial statements requires management to make estimates and assumptions that affect the reported amount of financial assets and liabilities and disclosure of contingent liabilities. These estimates and assumptions also affect the revenues, expenses and the provisions. Such estimates are necessarily based on assumptions about several factors involving varying degrees of judgment and uncertainty and actual results may differ resulting in future changes in such provisions.

Management believes that the estimates are reasonable and are as follows:

- Management reviews periodically the tangible assets in order to assess the depreciation for the year based on the useful life and future economic benefits. Any impairment is taken to the interim statement of profit or loss.
- The measurement of impairment losses under IFRS 9 requires judgment, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances. Elements of the expected credit loss model that are considered accounting judgments and estimates include Probability of default (PD), Loss given default (LGD) and Exposure at default (EAD).

### 3 . Paid – in Capital

The General Assembly approved in its meeting held in 2023 to distribute JOD (1,875,000) as cash dividends to the shareholders.

### 4 . Income Tax

The movement on provision for the income tax is as follows:

	30 June 2023	31 December 2022
Balance at beginning of the year	1,331,433	1,349,447
Income and National Contribution tax expense	949,926	1,703,457
Income tax paid	<u>(1,343,142)</u>	<u>(1,721,471)</u>
<b>Balance at end of the period / year</b>	<b><u>938,217</u></b>	<b><u>1,331,433</u></b>

- The Company has settled its tax liabilities with the Income Tax Department up to the year ended 2018.
- The Income tax returns for the years 2019, 2020, 2021 and 2022 has been filed with the Income Tax Department, but the Department has not reviewed the Company's records till the date of this report.
- The Income tax and National Contribution tax provision for six-months ended at 30 June 2023 were calculated in accordance with the Income Tax Law.

**Jordan Mortgage Refinance Company PLC**  
**Notes to the Condensed Interim Financial Statements (Unaudited)**  
**30 June 2023**

**5 . Analysis of the Maturities of Assets and Liabilities**

The following table illustrates the analysis of assets and liabilities according to the expected period of their recoverability or settlement.

<b>30 June 2023</b>	<b>Up to one year</b>	<b>From one to two years</b>	<b>More than two years</b>	<b>Not tied to maturities</b>	<b>Total</b>
<b>Assets</b>					
Cash and cash equivalents	5,531,278	-	-	10	5,531,288
Refinance loans	208,493,356	225,000,000	134,000,000	-	567,493,356
Employees' housing loans	53,371	106,741	491,113	-	651,225
Interest receivable	8,619,881	-	-	-	8,619,881
Financial assets at amortized cost	-	-	20,961,214	-	20,961,214
Financial assets at fair value	-	-	-	827,750	827,750
Other assets	47,856	-	-	3,148	51,004
Property and equipment	-	-	-	413,636	413,636
<b>Total Assets</b>	<b>222,745,742</b>	<b>225,106,741</b>	<b>155,452,327</b>	<b>1,244,544</b>	<b>604,549,354</b>
<b>Liabilities</b>					
Bonds	199,000,000	225,000,000	124,000,000	-	548,000,000
Central Bank of Jordan loan	-	-	22,116,734	-	22,116,734
Accrued interest	6,374,134	-	-	-	6,374,134
Other liabilities	938,522	-	-	808,305	1,746,827
<b>Total Liabilities</b>	<b>206,312,656</b>	<b>225,000,000</b>	<b>146,116,734</b>	<b>808,305</b>	<b>578,237,695</b>
<b>31 December 2022</b>	<b>Up to one year</b>	<b>From one to two years</b>	<b>More than two years</b>	<b>Not tied to maturities</b>	<b>Total</b>
<b>Assets</b>					
Cash and cash equivalents	5,102,472	-	-	8	5,102,480
Refinance loans	153,493,356	255,500,000	203,000,000	-	611,993,356
Employees' housing loans	50,016	114,649	513,245	-	677,910
Interest receivable	7,631,230	-	-	-	7,631,230
Financial assets at amortized cost	-	7,310	20,952,076	-	20,959,386
Financial assets at fair value	-	-	-	827,750	827,750
Other assets	19,456	-	-	3,148	22,604
Property and equipment	-	-	-	422,579	422,579
<b>Total Assets</b>	<b>166,296,530</b>	<b>255,621,959</b>	<b>224,465,321</b>	<b>1,253,485</b>	<b>647,637,295</b>
<b>Liabilities</b>					
Bonds	154,000,000	245,500,000	193,000,000	-	592,500,000
Central Bank of Jordan loan	-	-	21,039,129	-	21,039,129
Accrued interest	6,151,352	-	-	-	6,151,352
Other liabilities	1,394,518	-	-	756,310	2,150,828
<b>Total Liabilities</b>	<b>161,545,870</b>	<b>245,500,000</b>	<b>214,039,129</b>	<b>756,310</b>	<b>621,841,309</b>

**Jordan Mortgage Refinance Company PLC**  
**Notes to the Condensed Interim Financial Statements (Unaudited)**  
**30 June 2023**

**6 . Interest Rate Re-pricing Gap**

The Company adopts the assets - liabilities compatibility principle and the suitability of maturities to narrow gaps through categorizing assets and liabilities into various maturities or price review maturities, whichever are nearer, to lower risks in interest rates, studying gaps in the related interest rates.

30 June 2023	Up to one year	From one to two years	More than two years	Not tied to interest	Total
<b>Assets</b>					
Cash and cash equivalents	5,530,788	-	-	500	5,531,288
Refinance loans	208,493,356	225,000,000	134,000,000	-	567,493,356
Employees' housing loans	53,371	106,741	491,113	-	651,225
Interest receivable	-	-	-	8,619,881	8,619,881
Financial assets at amortized cost	-	-	20,961,214	-	20,961,214
Financial assets at fair value	-	-	-	827,750	827,750
Other assets	-	-	-	51,004	51,004
Property and equipment	-	-	-	413,636	413,636
<b>Total Assets</b>	<b>214,077,515</b>	<b>225,106,741</b>	<b>155,452,327</b>	<b>9,912,771</b>	<b>604,549,354</b>
<b>Liabilities</b>					
Bonds	199,000,000	225,000,000	124,000,000	-	548,000,000
Central Bank of Jordan loan	-	-	22,116,734	-	22,116,734
Accrued interest	-	-	-	6,374,134	6,374,134
Other liabilities	-	-	-	1,746,827	1,746,827
<b>Total Liabilities</b>	<b>199,000,000</b>	<b>225,000,000</b>	<b>146,116,734</b>	<b>8,120,961</b>	<b>578,237,695</b>
<b>Net</b>	<b>15,077,515</b>	<b>106,741</b>	<b>9,335,593</b>	<b>1,791,810</b>	<b>26,311,659</b>

31 December 2022	Up to one year	From one to two years	More than two years	Not tied to interest	Total
<b>Assets</b>					
Cash and cash equivalents	5,102,472	-	-	8	5,102,480
Refinance loans	153,493,356	255,500,000	203,000,000	-	611,993,356
Employees' housing loans	50,016	114,649	513,245	-	677,910
Interest receivable	-	-	-	7,631,230	7,631,230
Financial assets at amortized cost	-	-	20,952,076	7,310	20,959,386
Financial assets at fair value	-	-	-	827,750	827,750
Other assets	-	-	-	22,604	22,604
Property and equipment	-	-	-	422,579	422,579
<b>Total Assets</b>	<b>158,645,844</b>	<b>255,614,649</b>	<b>224,465,321</b>	<b>8,911,481</b>	<b>647,637,295</b>
<b>Liabilities</b>					
Bonds	154,000,000	245,500,000	193,000,000	-	592,500,000
Central Bank of Jordan loan	-	-	21,039,129	-	21,039,129
Accrued interest	-	-	-	6,151,352	6,151,352
Other liabilities	-	-	-	2,150,828	2,150,828
<b>Total Liabilities</b>	<b>154,000,000</b>	<b>245,500,000</b>	<b>214,039,129</b>	<b>8,302,180</b>	<b>621,841,309</b>
<b>Net</b>	<b>4,645,844</b>	<b>10,114,649</b>	<b>10,426,192</b>	<b>609,301</b>	<b>25,795,986</b>

## 7 . Fair Value

The fair values of the financial assets and liabilities are not materially different from their carrying values as most of these items are either short-term in nature or re-priced frequently.

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

<b>30 June 2023</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial assets through other comprehensive income	827,750	-	-	827,750
<b>31 December 2022</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial assets through other comprehensive income	827,750	-	-	827,750

## 8 . Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its net financial obligation. In this respect, the Company's management diversified its funding sources, and managed assets and liabilities taking into consideration liquidity and keeping adequate balances of cash, and cash equivalents and quoted securities.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the financial position to the contractual maturity date:

<b>30 June 2023</b>	<b>Up to one year</b>	<b>From one to two years</b>	<b>More than two years</b>	<b>Not tied to maturity</b>	<b>Total</b>
Bonds	199,000,000	225,000,000	124,000,000	-	548,000,000
Central Bank of Jordan loan	-	-	22,116,734	-	22,116,734
Accrued interest	6,374,134	-	-	-	6,374,134
Other liabilities	938,522	-	-	808,305	1,746,827
<b>Total liabilities</b>	<b>206,312,656</b>	<b>225,000,000</b>	<b>146,116,734</b>	<b>808,305</b>	<b>578,237,695</b>
<b>Total Assets</b>	<b>222,745,742</b>	<b>225,106,741</b>	<b>155,452,327</b>	<b>1,244,544</b>	<b>604,549,354</b>
<b>31 December 2022</b>	<b>Up to one year</b>	<b>From one to two years</b>	<b>More than two years</b>	<b>Not tied to maturity</b>	<b>Total</b>
Bonds	154,000,000	245,500,000	193,000,000	-	592,500,000
Central Bank of Jordan loan	-	-	21,039,129	-	21,039,129
Accrued interest	6,151,352	-	-	-	6,151,352
Other liabilities	1,394,518	-	-	756,310	2,150,828
<b>Total liabilities</b>	<b>161,545,870</b>	<b>245,500,000</b>	<b>214,039,129</b>	<b>756,310</b>	<b>621,841,309</b>
<b>Total Assets</b>	<b>166,296,530</b>	<b>255,621,959</b>	<b>224,465,321</b>	<b>1,253,485</b>	<b>647,637,295</b>