JORDAN ISLAMIC BANK - PUBLIC SHAREHOLDING COMPANY

CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2023

JORDAN ISLAMIC BANK – PUBLIC SHAREHOLDING COMPANY

AMMAN – JORDAN

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INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF JORDAN ISLAMIC BANK - PUBLIC SHAREHOLDING COMPANY
AMMAN- THE HASHEMITE KINGDOM OF JORDAN

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Jordan Islamic Bank (the "Bank") and its subsidiaries (together the "Group") as at 31 December 2023, and their consolidated financial performance and their consolidated cash flows for the year then ended in accordance with Islamic shari'a rules and principles as determined by the Shari'a Supervisory Board of the Bank in accordance with Financial Accounting Standards for Islamic Financial Institutions as issued by the Accounting and Auditing Organization for Islamic Financial Institutions as adopted by the Central Bank of Jordan.

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2023;
- the consolidated statement of income for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended;
- the consolidated statement of sources and uses of funds of Al Qard Al Hasan for the year then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

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For the year ended 31 December 2023

Our audit approach

Overview

Key Audit Matters	-	Measurement of Expected Credit Losses

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where the management made subjective judgments; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We have designed the scope of the audit to perform sufficient procedures that enable us to express an opinion on the consolidated financial statements as a whole, taking into account the Groups structure, accounting processes, controls, and business segments.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

For the year ended 31 December 2023

Key audit matter	How our audit addressed the key audit matter
Measurement of Expected Credit Losses	
The Group applies the Expected Credit Loss model (ECL) on all its financial instruments measured at amortised cost, debt instruments measured at fair value through other comprehensive income and financial guarantee contracts including financing commitments in accordance with Financial Accounting Standard No. (30) as adopted by the Central Bank of Jordan instructions. The Group exercises significant judgement and makes a number of assumptions in developing its ECL models, which includes probability of default computation separately for retail and corporate portfolios, determining loss given default and exposure at default for both funded and unfunded exposures, forward looking adjustments, staging criteria and movement between stages. For defaulted exposures, the Group exercises judgements to estimate the expected future cash flows related to individual exposures, including the value of collateral. The Group's impairment policy under FAS 30 as adopted by the Central Bank of Jordan Instructions is presented in notes (2 and 3) to the consolidated financial statements, and which is related to the differences between FAS 30 as should be implemented and what was implemented based on the Central Bank of Jordan instructions, and the significant accounting policies implemented when calculating the expected credit loss. The group also presents the credit risk management policies in note (63). Measurement of ECL is considered as a key audit matter as the Group applies significant judgments and makes a number of assumptions in the staging criteria applied to the financial instruments as well as in developing ECL models for calculating its impairment provisions including the expected value of collateral.	We performed the following audit procedures on the computation of the ECL included in the Group's consolidated financial statements for the year ended 31 December 2023: ➢ We assessed and tested the design and operating effectiveness of the controls over the calculation of the excepted credit losses model. ➢ We tested the completeness and accuracy of the data used in the calculation of ECL. ➢ For a sample of exposures, we checked the appropriateness of the Group's application of the staging criteria. ➢ We involved our internal specialists to assess the following areas: - Conceptual framework used for developing the Group's impairment policy in the context of its compliance with the requirements of FAS 30 as adopted by the Central Bank of Jordan instructions. - ECL modelling methodology and calculations used to compute the probability of default (PD), loss given default (LGD), and exposure at default (EAD) for the Group's classes of financial instruments and at each stage. - Reasonableness of the assumptions made in developing the modelling framework including assumptions used for estimating forward looking scenarios and significant increase in credit risk. - Recalculation of the expected credit losses for a sample of the impaired financial assets at each stage.

- In addition, for the Stage 3 corporate portfolio, the appropriateness of provisioning assumptions were independently assessed for a sample of exposures selected on the basis of risk and the significance of individual exposures. An independent view was formed on the levels of provisions recognised, based on the detailed loan and counterparty information available in the credit file. For the Stage 3 retail portfolio, assumptions were independently assessed for each product category and an independent view was formed on the levels of provisions recognised at each category level.

- We recalculated the provision for non-performing finances in accordance with the Central Bank of Jordan Instructions Number (47/2009).

- We compared the expected credit loss calculated in accordance with FAS 30 as adopted by the Central Bank of Jordan Instructions with the provision for expected credit losses calculated in accordance with the instructions of the Central Bank of Jordan No. (47/2009) and ensured that the Group has recorded whichever is higher.

- We assessed the consolidated financial statement disclosures to ensure compliance with Financial Accounting Standards as issued by the Accounting and Auditing Organization for Islamic Financial Institutions as adopted by the Central Bank of Jordan. We have also ensured completeness and accuracy of the disclosures by verifying the information to accounting records.

For the year ended 31 December 2023

Other information

The management are responsible for the other information. The other information comprises all the other information included in the Group's annual report (but does not include the consolidated financial statements and our auditor's report thereon), which is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the other information not yet received, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Islamic shari'a rules and principles as determined by the Shari'a Supervisory Board of the Bank in accordance with Financial Accounting Standards for Islamic Financial Institutions as issued by the Accounting and Auditing Organization for Islamic Financial Institutions as adopted by the Central Bank of Jordan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's consolidated financial reporting process.

For the year ended 31 December 2023

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the Group audit. We remain solely responsible for our audit opinion.

For the year ended 31 December 2023

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

The Bank maintains proper accounting records in accordance with Islamic shari'a rules and principles as determined by the Shari'a Supervisory Board of the Bank in accordance with Financial Accounting Standards for Islamic Financial Institutions as issued by the Accounting and Auditing Organization for Islamic Financial Institutions as adopted by the Central Bank of Jordan, and which are in agreement with the accompanying consolidated financial statements. We recommend the General assembly to approve these consolidated financial statements.

For and on behalf of PricewaterhouseCoopers "Jordan"

Omar Jamal Kalanzi
License No. (1015)

Amman – Jordan
13 February 2024

Certified Public Accountants
pwc
Amman - Jordan

Jordan Islamic Bank - Public Shareholding Company
Consolidated Statement of Financial Position
As at 31 December 2023 **Statement (A)**

	Notes	31 December 2023	31 December 2022
		JD	JD
Assets			
Cash and balances with central bank of Jordan	4	777,350,208	719,230,111
Balances at banks and financial institutions	5	81,079,251	43,400,535
Investment accounts at banks and financial institutions	6	4,253,943	1,417,959
Wakala Bil Istithmar accounts	7	42,115,026	35,208,483
Deferred sales receivables and other receivables –net	8	2,966,911,453	2,962,366,595
Ijarah Muntahia Bittamleek assets – net	9	921,810,017	888,242,179
Financing – net	10	39,847,919	38,447,971
Financial assets at fair value through income statement-self financed	11	-	47,359
Financial assets at fair value through owner's equity – self-financed	12	19,680,861	18,008,809
Financial assets at fair value through joint investment accounts holders' equity	13	34,445,102	33,869,916
Financial assets at amortized cost	14	405,438,544	396,361,912
Investments in associates	15	9,338,454	9,336,930
Investments in real estate	16	110,863,490	113,696,192
Al Qard Al Hasan – net	17	24,119,037	36,127,741
Property and equipment – net	18	85,163,156	85,502,051
Intangible assets	20	8,752,312	7,058,271
Right of use assets	21-A	10,322,875	10,763,279
Deferred tax assets	27-C	743,047	750,951
Other assets	22	83,597,523	63,771,912
Total assets		**5,625,832,218**	**5,463,609,156**
Liabilities, joint investment accounts holders' equity, non-controlling interests and owner's equity			
Liabilities			
Banks and financial institutions' accounts	23	11,898,666	37,104,499
Customers' current and on demand accounts	24	1,357,885,272	1,390,005,595
Cash margins	25	62,405,648	58,059,637
Other provisions	26	13,044,962	15,654,160
Income tax provision	27-A	29,925,751	31,300,247
Deferred tax liabilities	28	1,669,338	2,230,404
Lease obligations	21-B	10,702,286	10,952,521
Other liabilities	29	39,320,402	33,802,270
Total liabilities		**1,526,852,325**	**1,579,109,333**
Joint investment accounts holders' equity			
Unrestricted investment accounts	30-A	3,538,066,606	3,333,076,044
Investment accounts holders' reserve in subsidiaries and associates	30-B	15,295,376	14,942,207
Fair value reserve – net	31-A	(1,119,632)	711,012
Total joint investment accounts holders' equity		**3,552,242,350**	**3,348,729,263**
Non-controlling interests	30-B	38,571	38,956
Total joint investment accounts holders' equity and non-controlling interest		**3,552,280,921**	**3,348,768,219**
Provision against future risks	32-A	12,900,524	15,155,371
Equity			
Owner's equity			
Paid-in capital	33	200,000,000	200,000,000
Statutory reserve	34	129,978,057	120,471,745
Voluntary reserve	34	74,053,362	64,602,142
Fair value reserve	31-B	3,843,291	2,928,070
Retained earnings	35	125,923,738	132,574,276
Total owner's equity – Bank's shareholders		**533,798,448**	**520,576,233**
Total liabilities, joint investment accounts holders' equity, non-controlling interests and owner's equity		**5,625,832,218**	**5,463,609,156**
Accounts managed for others:			
Restricted investments	57	176,788,935	116,452,531
Al Wakala Bi Al Istithmar (Investments portfolio)	58	546,376,491	535,034,031
Al Wakala Bi Al Istithmar	59	73,564,134	75,632,438

General Manager **Chairman**

The accompanying notes from (1) to (72) represent an integral part of these consolidated financial statements and should be read with them

Jordan Islamic Bank - Public Shareholding Company
Consolidated Income Statement
For the year ended 31 December 2023 **Statement (B)**

	Notes	31 December 2023	31 December 2022
		JD	JD
Deferred sales revenues	36	160,454,167	151,432,876
Financing revenues	37	582,606	539,759
Gain from financial assets at fair value through joint investment accounts holders' equity	38	983,101	612,190
Gain from financial assets at amortized cost	39	20,185,111	12,959,659
Dividends from subsidiaries and associates	40	1,067,480	1,048,200
Revenues from Investments In real estate	41	5,094,217	4,396,572
Revenues from Ijarah Muntahia Bittamleek assets	42	54,602,910	51,283,561
Revenues from other investments	43	5,170,050	1,848,229
Revenues from joint investment accounts- net		**248,139,642**	**224,121,046**
Net income of subsidiaries	44	946,594	1,018,706
Share of profit from investments in associates		664,783	848,545
Total revenues from joint investment accounts		**249,751,019**	**225,988,297**
Deposits insurance fees – Joint Investment accounts		(5,538,645)	(5,239,437)
Share of unrestricted investment account holders'	45	(109,007,937)	(82,123,623)
Share of investment accounts holders' from net income of subsidiaries		(946,967)	(1,018,541)
Share of non-controlling interests from net income of subsidiaries		373	(165)
Share of profit from investments in associates		(664,783)	(848,545)
Bank's share of the joint investment accounts revenues as Mudarib and Rab AL - Mal	46	**133,593,060**	**136,757,986**
Bank's self-financed revenues	47	227,890	37,395
Bank's share of restricted investments revenues as Mudarib	48	893,324	563,047
Bank's share of restricted investments revenues as Wakeel	48	8,167,524	8,433,497
Banking services revenues	49	28,795,169	27,707,427
Foreign currency gain	50	2,787,954	2,481,857
Other revenues	51	2,624,685	3,136,188
Deposits insurance fees – Self		(4,716,367)	(4,678,851)
Gross income		**172,373,239**	**174,438,546**
Employees expenses	52	(45,705,529)	(44,502,000)
Depreciation and amortization	19	(6,473,115)	(8,138,542)
Other expenses	53	(25,441,627)	(24,280,351)
Recovered (added) Provision for expected credit loss – self	17B	499,178	(929,000)
Other provisions	26 &54	(700,000)	(1,050,000)
Total expenses		**(77,821,093)**	**(78,899,893)**
Profit before income tax		**94,552,146**	**95,538,653**
Income tax	27-B	(32,250,446)	(34,429,642)
Profit after income tax		**62,301,700**	**61,109,011**
		JD/Fils	JD/Fils
Basic earnings per share for the year	55	**0/312**	**0/306**

General Manager **Chairman**

The accompanying notes from (1) to (72) represent an integral part of these consolidated financial statements and should be read with them

Jordan Islamic Bank - Public Shareholding Company
Consolidated Statement Comprehensive Income
For the year ended 31 December 2023 **Statement (C)**

	31 December 2023	31 December 2022
	JD	JD
Profit after income tax	62,301,700	61,109,011
comprehensive income items, net after tax:		
Items that can't be transferred later to the income statement		
Change in fair value reserve of financial assets – net	920,515	(141,761)
Total comprehensive income for the year	**63,222,215**	**60,967,250**

The accompanying notes from (1) to (72) represent an integral part of these consolidated financial statements and should be read with them

Jordan Islamic Bank - Public Shareholding Company
Consolidated Statement of Changes in Owner's Equity
For the year ended 31 December 2023 **Statement (D)**

	Paid-in capital	Statutory reserve	Voluntary reserve	Fair value reserve*	Retained earnings**	Total
For the year ended 31 December 2023	JD	JD	JD	JD	JD	JD
Balance at 1 January 2023	200,000,000	120,471,745	64,602,142	2,928,070	132,574,276	520,576,233
Profit after income tax	-	-	-	-	62,301,700	62,301,700
Change in fair value reserve	-	-	-	920,515	-	920,515
Total comprehensive income for the year after tax	**-**	**-**	**-**	**920,515**	**62,301,700**	**63,222,215**
Profits from sale of financial assets at fair value through owner's equity	**-**	**-**	**-**	(5,294)	5,294	
Transferred to (from) reserves	-	9,506,312	9,451,220	-	(18,957,532)	-
Dividends***	-	-	-	-	(50,000,000)	**(50,000,000)**
Balance at 31 December 2023	**200,000,000**	**129,978,057**	**74,053,362**	**3,843,291**	**125,923,738**	**533,798,448**

* The fair value reserve balance of JD 3,843,291 as at 31 December 2023 is restricted from use according to securities commission.

** An amount of JD 1,000,000 from retained earnings, which was transferred from general banking risk reserve, is restricted from use without prior approval from the Central bank of Jordan.

** An amount of JD 743,047 from retained earnings balance, which represents deferred tax assets as at 31 December 2023, is restricted from use according to the Central bank of Jordan and the Securities Commission.

*** The General Assembly approved on 27 April 2023 the distribution of cash dividends to shareholders at a rate of 25% from the paid in capital of JD 200 million/ share amounted to JD 50 million through distribution from retained earnings.

Jordan Islamic Bank - Public Shareholding Company
Consolidated Statement of Changes in Owner's Equity
For the year ended 31 December 2023 **Statement (D)**

	Paid-in capital	Statutory reserve	Voluntary reserve	Fair value reserve*	Retained earnings**	Total
For the year ended 31 December 2022	JD	JD	JD	JD	JD	JD
Balance at 1 January 2022	200,000,000	110,912,379	55,081,786	3,069,831	140,544,987	509,608,983
Profit after income tax	-	-	-	-	61,109,011	61,109,011
Change in fair value reserve	-	-	-	(141,761)	-	(141,761)
Total comprehensive income for the year after tax	**-**	**-**	**-**	**(141,761)**	**61,109,011**	**60,967,250**
Transferred to (from) reserves	-	9,559,366	9,520,356	-	(19,079,722)	-
Dividends***	-	-	-	-	(50,000,000)	(50,000,000)
Balance at 31 December 2022	**200,000,000**	**120,471,745**	**64,602,142**	**2,928,070**	**132,574,276**	**520,576,233**

* The fair value reserve balance of JD 2,928,070 as at 31 December 2022 is restricted from use according to securities commission.

** An amount of JD 1,000,000 from retained earnings, which was transferred from general banking risk reserve, is restricted from use without prior approval from the Central bank of Jordan.

** An amount of JD 750,951 from retained earnings balance, which represents deferred tax assets as at 31 December 2022, is restricted from use according to the Central bank of Jordan and the Securities Commission.

*** The General Assembly approved on 26 April 2022 the distribution of cash dividends to shareholders at a rate of 25% from the paid in capital of JD 200 million/ share amounted to JD 50 million through distribution from retained earnings.

The accompanying notes from (1) to (72) represent an integral part of these consolidated financial statements and should be read with them

Jordan Islamic Bank - Public Shareholding Company
Consolidated Statement of Cash Flows
For the year ended 31 December 2023 Statement (E)

	Notes	31 December 2023	31 December 2022
		JD	JD
Cash flows from Operating Activities			
Profit before tax		94,552,146	95,538,653
Adjustments to non-cash items:			
Depreciation and amortization	19	6,473,115	8,138,542
Cost of lease obligation	21-B	624,001	646,604
Employees' end of services provision	54&26	550,000	850,000
Employees' vacation provision	54&26	150,000	200,000
Recovered provision for expected credit loss – self	17-B	(499,178)	929,000
Gain on sale of property and equipment		(11,236)	(545,652)
Gain on sale of investments in real estate	41	(4,208,138)	(3,257,586)
Evaluation differences of investments in real estate		(459,989)	1,057,722
Profits from sale of repossessed assets		(552,085)	(508,515)
Effect of exchange rate fluctuations on cash and cash equivalents		(1,849,823)	(1,594,020)
Profit before change in assets and liabilities		**94,768,813**	**101,454,748**
Change in assets and liabilities			
Increase in investment accounts at banks and financial institutions maturing after 3 months	6	(2,836,000)	(1,418,000)
Increase Wakala Bil Istithmar accounts	7	(7,090,000)	-
Increase in deferred sales receivables and other receivables		(8,434,995)	(161,231,052)
Increase in financing		(1,359,696)	(1,606,277)
Increase in Ijarah Muntahia Bittamleek Assets		(33,567,838)	(85,731,335)
Decrease in Al Qard Al Hasan		13,418,837	26,959,263
Increase in other assets		(10,068,825)	(4,736,600)
(Decrease) Increase in customers' current and on demand accounts		(32,120,323)	10,120,380
Increase (Decrease) in cash margins		4,346,011	(629,790)
Increase (Decrease) in other liabilities		5,260,390	(7,906,324)
Net change in assets and liabilities		**(72,452,439)**	**(226,179,735)**
Net cash flows resulting from (used in) operating activities before income tax and other payments		**22,316,374**	**(124,724,987)**
Income tax paid	27-A	(33,617,038)	(36,533,325)
End of service indemnity provision paid	26	(2,399,944)	-
Net cash flows used in operating activities		**(13,700,608)**	**(161,258,312)**
Cash flows from Investing Activities			
Sale of financial assets at fair value through income statement– self		358,640	-
Purchase of financial assets at fair value through income statement– self		(309,543)	(47,359)
Sale of financial assets at fair value through owner's equity - self		5,654	12,618
Purchase of financial assets at fair value through owner's equity - self		(201,542)	-
sale of financial assets at fair value through joint investment accounts holders' equity		1,023,385	275,000
Purchase of financial assets at fair value through joint investment account holders' equity		(5,068,978)	(3,321,439)
Purchase of financial assets at amortized cost	14	(195,667,062)	(183,571,853)
Maturity of financial assets at amortized cost	14	186,851,554	55,505,609
Sale of real estate investments	16	8,194,621	5,530,973
Purchase of real estate investments	16	(168,970)	-
Own of repossessed assets	22	(14,474,962)	(12,719,324)
Sale of repossessed assets		5,572,950	5,549,992
Sale of property and equipment		12,452	4,569,218
Purchase of property and equipment		(4,158,030)	(3,217,813)
Purchase of intangible assets		(2,245,776)	(3,918,473)
Net cash flows used in investing activities		**(20,275,607)**	**(135,352,851)**
Cash flows from Financing Activities			
Increase in unrestricted investment accounts holders' equity		206,186,217	182,798,813
Distributed dividends on shareholders		(50,000,000)	(50,000,000)
Payment of lease liabilities	21-B	(2,117,963)	(2,131,754)
Net cash flow from financing activities		**154,068,254**	**130,667,059**
Net increase (decrease) in cash and cash equivalents		**120,092,039**	**(165,944,104)**
Effect of exchange rate on cash and cash equivalents	50	1,849,823	1,594,020
Cash and cash equivalents at the beginning of the year	56	**726,121,519**	**890,471,603**
Cash and cash equivalents at the end of the year	56	**848,063,381**	**726,121,519**

The accompanying notes from (1) to (72) represent an integral part of these consolidated financial statements and should be read with them

Jordan Islamic Bank - Public Shareholding Company
Consolidated Statement of Sources and Uses of Al Qard Al Hasan Fund
For the year ended 31 December 2023 **Statement (F)**

	31 December 2023	31 December 2022
	JD	JD
Balance at the beginning of the year	41,906,315	68,865,578
Sources of the Fund:		
Central bank of Jordan account / Al Qard Al Hasan Fund	6,516,675	24,706,391
Sources the Bank is authorized to use	53,845,565	58,068,443
Sources outside the Bank	2,394,621	2,522,980
Total sources of the Fund for the year	**62,756,861**	**85,297,814**
Uses of the Fund:		
Education	478,860	480,753
Medical treatment	370,840	368,855
Marriage	351,350	364,390
Overdraft accounts and other Qard al Hasan	16,398,730	12,279,058
Social advances for the Bank’s employees	2,936,482	2,839,180
Central bank of Jordan’s program for facing Corona pandemic & med-term crisis agreement	100,000	100,000
Total uses for the year	**20,636,262**	**16,432,236**
Settled for the year	**(34,242,102)**	**(43,391,499)**
Balance at the end of year	**28,300,475**	**41,906,315**
Less: Provision for expected credit loss – self	(4,181,438)	(5,778,574)
Balance at the end of year – net	**24,119,037**	**36,127,741**

(1) General Information

Jordan Islamic Bank ("the Bank') was established as a Jordanian public shareholding company on 28 November 1978 pursuant to the provisions of the companies law No. (12) of 1964. Head office is located in Amman with a capital of 200 million dinar authorized, subscribed and fully paid up at nominal value at one dinar per share.

The Bank offers banking, financial, and investment services in compliance with the rules and principles of the Islamic Shari'a through its head office, 89 branches and 22 banking offices in the Kingdom as well as its subsidiaries. The Bank's transactions are governed by the applicable Bank's Law.

Jordan Islamic Bank shares are listed on the Amman Stock Exchange – Jordan.

The bank owned by Al Baraka Group – Bahrain as 66% (the parent company), which shares are listed on the Bahrain market.

The consolidated financial statements were authorized for issue by the Bank's Board of Directors in their meeting No. (2) held on 12 February 2024 and it is subject to the approval of the General Assembly and the Central bank of Jordan.

The Bank's Shari'a Supervisory Board reviewed the consolidated financial statements on its meeting No. (1/2024) held on 30 January 2024 and issued their annual report thereon.

According to the Bank's articles of association and in compliance with the principles and rules of the Islamic Shari'a and the general Banks' Laws, the Shari'a Supervisory Board is constituted of four members according to the shareholder's General Assembly decision. The opinion of Shari'a Supervisory Board shall be binding to the Bank, and it is responsible for monitoring the Bank's activities and operations in terms of compliance with Shari'a principles and is responsible for furnishing a Shari'a opinion on the format of contracts necessary to undertake the Bank's activities and issue an annual report for the shareholder's General Assembly.

(2-1) Basis of preparation of the Consolidated financial statements:

The accompanying consolidated financial statements of the Bank and its subsidiaries financed from the Bank's funds and the joint investment funds ("the group") have been prepared in accordance with the Financial Accounting Standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), and it was approved by Central Bank of Jordan. In the absence of Financial Accounting Standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions relating to financial statements items, the International Financial Reporting Standards and related interpretations are applied in conformity with the Shari'a standards, pending the promulgation of Islamic Standards therefor.

The main differences between the Islamic accounting standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions as they should be applied, and the instructions of the Central Bank of Jordan can be summarized as follows:

- The provision for expected credit losses for direct facilities is recorded in accordance with the standard Impairment and Credit Losses and Onerous Commitments (FAS 30) issued by the Accounting and Auditing Organization for Islamic Financial Institutions and Central Bank of Jordan instructions No. 47 of 2009, and the most severe results are taken for the stage 2 and stage 3.

- A provision was calculated against the infringing repossessed real estate at the rate of 5% of the total book values of those real estate, and according to the Central Bank of Jordan Circular No. (10/3/16234) dated October 10, 2022, the calculation of the impairment provision for the infringing repossessed real estate was stopped and the balance of the existing provision will be released for any Of the repossessed real estate that is got rid of.

- No expected credit losses provision is calculated on exposures or guarantees of the Jordanian government.

- Profits are suspended on non-performing credit financing.

- The mandatory cash reserve at the Central Bank of Jordan is not excluded from cash and cash equivalents in the statement of cash flows.

- The items of the financial position and income statement are presented and disclosed in accordance with the disclosure requirements issued by the Accounting and Auditing Organization for Islamic Financial Institutions, the indicative forms issued by the Central Bank of Jordan and the requirements of the Central Bank of Jordan.

The methodology for applying the standard of impairment of assets, expected credit losses, and liabilities with high risks (FAS 30); inputs, mechanisms and assumptions used in calculating expected credit losses and details of the Central Bank of Jordan instructions No. 47 of 2009 are disclosed within the credit risk policy (note 63).

The consolidated financial statements have been prepared according to the historical cost basis, except for financial assets through the income statement, financial assets at fair value through equity, financial assets at fair value through equity of joint investment account holders, and investments in real estate, which appear at fair value on the date of the consolidated financial statements.

The consolidated financial statements are presented in Jordanian Dinars (JD) which is the functional currency of the group.

A distinction should be made between owner's equity (self) and joint investment accounts holders' (joint).

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

The consolidated financial statements comprise the financial statements of the Bank and its subsidiaries financed from the Bank's funds and the joint investment funds and subject to the Bank's control. Control exists when the Bank has power to govern the financial and operational policies of subsidiaries in order to obtain benefit from their activities. All intra-company transactions, balances, revenues, and expenses are eliminated.

The financial statements of subsidiaries are prepared for the same reporting period as the Bank, using consistent accounting policies.

The results of subsidiaries operations are consolidated in the consolidated income statement from the acquisition date, being the date, the Bank obtains control over subsidiaries. The results of operations for disposed subsidiaries shall be consolidated within the consolidated income statement until the date of disposal, which is the same date on which the Bank's loses control over subsidiaries.

The non-controlling interests represent the portion not owned by the Bank or by the unrestricted investment accounts of the subsidiaries owner's equity.

Investments in subsidiaries are accounted for at cost when the Bank issues separate financial statements.

The Bank has the following subsidiaries as at 31 December 2023:

Company name	Paid-in capital	Bank's ownership percentage	Funding source	Nature of business	Country of incorporation	Acquisition date
	JD					
Al Omariah Schools Company Ltd.	16,000,000	99.8%	Joint	Education	Amman	1987
Al Samaha Financing and Islamic Investment Limited Private Company.	12,000,000	100%	Joint	Financing	Amman	1998
Future Applied Computer Technology Company Ltd.	5,000,000	100%	Self	Services	Amman	1998
Sanabel Al-Khair for Financial Investments Company Ltd.	5,000,000	100%	Self	Brokerage	Amman	2005

(2-3) Changes in accounting policies

The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the preparation of the Bank’s consolidated financial statements for the year ended 31 December 2022, except for the adoption of the following standards:

FAS 39: Financial Reporting for Zakah

This standard improves upon and supersedes FAS 9 “Zakah” issued previously. This standard aims to setting out the accounting treatment of Zakah in the books of Islamic financial institutions, including the presentation and disclosure in its financial statements.

The standard describes the financial reporting principles applicable, depending upon Islamic financial institutions’ obligation to pay Zakah. In addition, where an Islamic financial institution is not required by law or by its constitution documents to pay Zakah, it is still required to determine and disclose the amount of Zakah due in respect to attributable relevant stakeholders.

The application of this standard on the interim consolidated financial statements did not have any impact.

FAS 41: Interim Financial Report

The objective of this standard is to determine the principles for interim financial reporting for all institutions that apply the Financial Accounting Standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), and it should be read together with other accounting standards issued by AAOIFI and generally accepted accounting principles that apply in related regulatory scopes. This standard applies to organizations that choose or are required to prepare interim financial reports in accordance with applicable laws, regulations or practices.

The application of this standard on the interim consolidated financial statements did not have any impact.

FAS 44: Determining Control on Assets and Business Projects

The objective of this standard is to determining control of assets and business projects, and establishing the principles of assessing as to whether and when an institution controls an asset and a business, both in the case of underlying asset(s) of a participatory structure (determining as to what shall be on- and off-balance-sheet), as well as, for the purpose of consolidation of financial statements of subsidiaries.

The application of this standard on the interim consolidated financial statements did not have any impact.

The standards issued but not yet effective are disclosed in note no. (71) and do not have a material impact on the financial statements.

There are no new standards that are binding, and the group has not applied them as of 31 December 2023.

(2-4) Significant Accounting Policies

1. Segment Information:

Business segment represents a group of assets and operations of the Bank that are engaged together in providing products or services that are subject to risks and rewards different from those related to other business sectors and are measured in accordance with the reports used by the General Manager and operating decision maker of the Bank.

Geographical segments are associated with products and services in a specific economic environment subject to risks and rewards different from those sectors operating in other economic environments.

2. Basis of distributing joint investments profit between owner's equity, unrestricted investment accounts holders', restricted investments accounts holders' and Al-Wakala Bi Al Istithmar accounts holders' (Investment portfolio):

Unrestricted investment accounts:

The Bank share as Mudarib was 45% for Jordanian dinar and 55% for foreign currency from total joint investment profit. (2022: 50% for Jordanian dinar, 60% for foreign currency), the remaining balance was distributed between each according to its percentage of contribution, taking into consideration that the priority for funds investment relates to the unrestricted investment accounts holders'.

The bank waived a portion of its share as Mudarib to become 30.2% instead of 45% for the first half of the year 2023 to improve the overall share of profits distributed to all the Unrestricted investment account holders with an amount of JD 11,838,000 and some of the Unrestricted investment account holders with an amount of JD 5,191,194. The bank waived a portion of its share as Mudarib in foreign currencies to become 33% instead of 55% for the first half of the year 2023 to improve the overall share of profits distributed to all the Unrestricted investment account holders with an amount of JD 1,257,000 and some of the Unrestricted investment account holders with an amount of JD 182,862.

The bank waived a portion of its share as Mudarib to become 28.2 % instead of 45% for the second half of the year 2023 to improve the overall share of profits distributed to all the Unrestricted investment account holders with an amount of JD 14,245,500 and some of the Unrestricted investment account holders with an amount of JD 5,605,404. The bank waived a portion of its share as Mudarib in foreign currencies to become 38% instead of 55% for the second half of the year 2023 to improve the overall share of profits distributed to all the Unrestricted investment account holders with an amount of JD 1,012,000 and some of the Unrestricted investment account holders with an amount of JD 337,069.

The bank waived a portion of its share as Mudarib to become 38% instead of 50% for the year 2022 to improve the overall share of profits distributed to all the Unrestricted investment account holders with an amount of JD 16,980,000 and some of the Unrestricted investment account holders with an amount of JD 8,641,880.The bank waived a portion of its share as Mudarib in foreign currencies to become 45.4% instead of 60% for the year 2022 to improve the overall share of profits distributed to all the Unrestricted investment account holders with an amount of JD 1,060,000 and some of the Unrestricted investment account holders with an amount of JD 336,157.

The Unrestricted investment accounts share in the investment profits, which are distributed to all investors each by its percentage of participation and conditions of the account agreement signed between the Bank and the investor.

Unrestricted investment accounts participate in the profit as follow:

- 40% of the annual average balance of saving accounts.
- 70% of the annual average balance of notice accounts.
- 90% of the minimum balance of investments deposit accounts.

The Bank bears all administrative expenses except for the insurance expense of Ijarah Muntahia Bittamleek assets which are allocated to the joint investment accounts profit.

Al wakala Bi Al Istishmar accounts (investment portfolio):

The Bank’s fees as an agent (wakeel) were deducted at a rate of 2% of the Al Wakala Bi Al Istithmar account’s Capital (Investment Portfolio) as of 31 December 2023. if the annual net profit exceeds 3% after deducting the dividend tax, the excess shall be divided equally between the mawkeel and the wakeel as an incentive for the wakeel. The bank (wakeel) waived part of its share as a wakeel and its share in the increase in net profit by 3% after deducting income tax from the distributed profits determined according to the prospectus with an amount of JD 4,469,551 (the first half-yearly 1,719,561 JD and the second half-yearly 2,749,990 JD).

The Bank’s fees as an agent (wakeel) were deducted at a rate of 2% of the Al Wakala Bi Al Istithmar account’s Capital (Investment Portfolio) as of 31 December 2022. The Bank waived (as an agent – Wakeel) a portion of its share of the increase in net profit over 3% after deducting the income tax on the agreed distributed dividends under the prospectus of an amount of JD 3,067,161 (the first half-yearly 1,447,517 JD and the second half-yearly 1,619,644 JD).

Profit was distributed to Al Wakala Bi Al Istithmar (Investment Portfolio) accounts holders’ after deducting the Bank’s fees as an agent (wakeel).

Restricted investment accounts are managed through Mudaraba and Wakala contracts:

Bank’s share as Mudarib was deducted at a rate ranging between 7% - 25% from restricted investment accounts’ profits in Jordanian Dinar and 20% - 45% from restricted investment accounts profits on foreign currencies. general profit rate distributed to restricted investment accounts in Jordanian Dinars was 2% and foreign currencies restricted investments accounts was between 2.5% - 4.5% as at 31 December 2023 (2022: 0.5% and 1% respectively).

Bank’s fee as Wakeel was deducted at a rate ranging between 0.7% - 1.25% on restricted investment accounts/ Wakala contracts for the period ended 31 December 2023 (2022: 0.7%-1.25%)

Profit was distributed after deducting the Bank’s share as Mudarib/Wakeel on the restricted investment accounts/ Al Wakala Bi Al Istithmar accounts.

3. Shari’a non-compliant revenues, gains, expenses and losses:

The Bank recognize these amounts in a separate account within the other liabilities and shall be distributed to charitable activities as determined by the Shari’a Supervisory Board.

4. Zakah:

The responsibility of Zakah payment rests on the shareholders and investments accounts holders upon the fulfilment of Zakah required conditions, and there is no authorization for the bank’s management to pay it directly due to the lack of a law to collect it, and the lack of a text in the bank’s bylaws or general assembly resolutions, or a power of attorney from shareholders, absolute investment account holders, or agency account holders. By investing (investment portfolios).

The amount of zakah due from stakeholders was disclosed in Note No. (69) in accordance with Islamic Financial Accounting Standard No. (39).

5. Deferred sales receivables:

5.1 Murabaha Contracts:

Murabaha: is selling a commodity for the same purchase price plus an agreed predetermined profit margin computed based on a percentage of the price or fixed amount, and it represent one of Boy’ou Amanah types that depends on disclosing the purchase price or cost.

Murabaha to the purchase orderer: is the transaction whereby the Bank sells a commodity to its customer (purchase orderer) with a markup on its purchase price (or cost) after identifying that increment (Murabaha profit). It is also called Banking Murabaha.

The Bank applies the commitment to the promise principle in Murabaha to the purchase orderers contracts in accordance with the standards issued by Accounting and Auditing Organization for Islamic Financial Institutions.

Deferred sales profit (by which the buyer will pay a lump sum price that matures at a future date or instalments paid at various subsequent dates) is recognized through the proportional allocation of this profit to the future financial periods until the maturity date of the contract, regardless of whether the payment is settled or not.

Deferred sales receivables are recognized when the transaction takes place at its face value and are measured at the end of the financial period based on the net realizable expected cash value, which is the amounts owed by customers at the end of the financial period less expected credit loss.

5.2 Istisna'a contracts:

Istisna'a: is a sale contract between Al-Mustasni' (the buyer) and Al-Sani' (the seller) whereby Al-Sani' based on the order of Al-Mustasni' undertakes to have manufactured or otherwise acquire a prescribed commodity (Al- Masnoo') upon delivery in return for an agreed upon price and method of settlement, whether at the time of contracting, by instalments or deferred to specific future time. It is a condition that Al- Sani' provides the material and/or labor of Al - Masnoo'.

Parallel Istisna'a: is conducting two separate contracts, one with the customer in which the Bank represents Al-Sani' and the other with Al-Sani' (contractor) in which the Bank represents Al- Mustasni'. Profit is achieved through the price difference in the two contracts, in most cases one contract is immediately effective (with Al-Sani') and the second is deferred (with the customer).

Istisna'a costs include direct and indirect costs of the Istisna'a activities that can be allocated on an objective basis for certain contracts. General and administrative expenses, marketing expenses, and research and development costs shall not be included in Istisna'a costs.

Istisna'a costs incurred during the financial period, as well as pre-contract costs shall be recognized in Istisna'a in progress account in (Istisna'a) or in Istisna'a cost account (in Parallel Istisna'a).

In cases where Al-Mustasni' (the buyer) fails to settle the agreed upon price in full and agree to make repayment through instalments during the execution of the contract or after the completion of the contract, deferred profit shall be recognized and offset against Istisna'a receivables balance in the Bank's statement of financial position. This treatment shall be applied whether the percentage of completion method or completed contract method is used in recognising Istisna'a revenues. Deferred profit recognized shall be allocated over the future financial periods whereby each financial period shall carry its portion of profit irrespective of whether cash is received or not.

Istisna'a contracts are presented in the total amounts paid by the Bank since contract inception, while parallel Istisna'a contracts are presented in the net contractual value. impairment provision is calculated as expected credit loss with forward looking charactaristics in relation to obligors and financial environment.

Any additional costs paid by the Bank in Parallel Istisna'a as a result of breaching the contractual obligations are recognized as losses in the consolidated income statement and shall not be recognized in the calculation of the Istisna'a costs account.

In case the bank retains Al- Masnoo', the asset is measured at the lower of expected realizable cash value or cost. Any difference between these values shall be recognized in consolidated income statement for period in which it was occurred.

5.3 Assets available for deferred sale:

This item represents assets acquired by the Bank for the purpose of selling these assets on a deferred basis (instalments). This type of selling assets is also called instalment-bargain sale to distinguish it from Murabaha to the purchase orderer.

At contract inception, the assets available for deferred sale shall be recognized and measured at cost (purchase price and any direct expenses related to acquisition of the assets).

Assets available for deferred sales shall be revaluated at fair value at the end of the financial period, the change in the value, if any shall be measured as the difference between the book value and the fair value. Unrealized profits (losses) shall be recognized in the fair value reserve account.

Profits of the deferred sales shall be recognized on an accrual basis and proportionally allocated over the period of the contract. Profits related to future financial periods shall be recognized in the deferred sales profit account.

Deferred sales receivables shall be recognized at contract inception and measured at their face value (contracted value).

6. Musharaka financing:

It is the provision of funds by the Bank and customer equally or differently in order to set up a new project or participate in an existing one, whereby each of them would own a share in the capital either on a fixed or diminishing basis and would be titled to its share of the gains. Losses are divided proportionate to the partner's share in capital, whereby it would be inappropriate to stipulate otherwise, Musharke is divided into fixed or diminishing Musharka Muntahia Bittamleek.

The Bank's share in Musharaka capital is recorded upon delivery to the managing partner or when it is deposited in Musharaka account, as it is measured at the cash paid value or at fair value if in-kind. If a difference results from the evaluation of the in-kind item between fair value and book value, it is recognized as a profit or a loss.

The capital in the diminishing Musharaka is measured at the end of the financial year at the historical value less the historical value of the share sold at the agreed upon fair value, and the difference between both values is recorded as a profit or loss in the consolidated statement of income.

The Bank's share of the gains or (losses) of Musharaka financing which arises or expires during the financial year is recorded after settlement. In the event that Musharaka continues for more than a financial year, the Bank's share of the profits is recorded upon their realization by accounting for them, in whole or any part thereof, between the Bank and the partner in the financial year in which the profits occur to the extent of the distributed profits. Moreover, losses for a financial year are recorded in that year to the extent of the losses by which the Bank's share in the Musharaka capital is reduced.

An additional provision of expected credit losses for deferred sale receivable and other receivables in case there is an indication of a significant increase in credit risk.

In the event that losses occur due to the partner's wrongdoing or default, the partner shall bear the losses and they will be recorded as a liability against them.

At the end of the financial year, the financing assets are recorded at cost or at cash value expected to be realized, whichever is lower, and the difference is recorded as an expected credit losses provision.

Deferred sales receivables and funding financed from unrestricted investment accounts are written off in the event that the measures taken to collect them are not feasible and is recorded on expected credit losses provision account, and the proceeds from the receivables / finances that were previously written off are added to the investment profit account. Deferred sales receivables and finances that are self-funded are written off in the event that the measures taken to collect them are not feasible and is recorded on expected credit losses provision account - self, and the proceeds from the receivables / finances that were previously written off are added to the revenues account. Any surplus in the gross provision - if any - is transferred to the consolidated income statement.

7. Financial assets at fair value through income statement:

Financial assets at fair value through income statement are those purchased with the intent to resell in the near future to generate gains because of fluctuations in market prices short run or trading profit margins.

They are initially recognized at the fair value of consideration given (transaction costs are recorded in the consolidated income statement at the point of purchase) and subsequently re-measured at fair value. All realized and unrealized gains or losses are transferred to the consolidated income statement including any gains or losses resulting from the translation of such assets held in foreign currencies to the functional currency. Profits realized and dividends received are recorded in the consolidated income statement.

8. Financial assets at fair value through owner's equity– self financed:

These assets represent investments in equity instruments funded by the Bank's self-funds in order to hold them in the long term (strategic investments).

These assets are initially recognized at fair value plus acquisition expenses, and subsequently measured at fair value. The change in fair value is presented in the fair value reserve within the owner's equity.

Gains and losses resulting from the sale of these assets is recognized within the retained earnings in accordance with FAS 33 and the Central bank of Jordan regulations.

Any impairment loss in the value of these assets shall be recognized within the consolidated income statement.

Impairment losses previously recognized in the consolidated income statement can be retrieved if it is objectively evidenced that the increase in the fair value occurred in the period subsequent to the recording of impairment losses through the fair value reserve within the shareholders' equity.

Gains derived from these financial assets are recognized within the consolidated income statement at the date of distribution.

Gains and losses resulting from foreign currency translation differences for these assets are recognized within the fair value reserve.

Financial assets which fair value cannot be determined reliably are stated at cost, and tested for impairment at the end of each financial period and any impairment is recognized in the consolidated income statement and cannot be retrieved in subsequent periods.

9. Financial assets at fair value through joint investment account holders' equity:

These assets represent investments in equity instruments and funded by joint investments accounts in order to hold them in the long term.

These assets are initially recognized at fair value plus acquisition expenses, and subsequently measured at fair value. The change in fair value is presented in the fair value reserve within joint investment account holders' equity.

Gains and losses resulting from the sale of these assets and impairment losses is recognized within the consolidated income statement including amounts previously recognized in joint investments accounts holders' equity in accordance with the Central bank of Jordan regulations.

The impairment losses previously recognized in the consolidated income statement can be retrieved if it is objectively evidenced that the increase in the fair value occurred in the period subsequent to the recording of impairment losses through the fair value reserve within the joint investment accounts.

Gains derived from these financial assets is recognized within the consolidated income statement at the date of distribution.

Gains and losses resulting from foreign currency translation differences for these assets are recognized within the fair value reserve.

Financial assets which fair value cannot be determined reliably are stated at cost, and tested for impairment at the end of each financial period and any impairment is recognized in the consolidated income statement and cannot be retrieved in subsequent periods.

10. Financial assets at amortized cost:

This item represents financial assets invested based on contractual cash flows and is not held for trading or recognized as financial assets at fair value through income statement. Cash flows constituting of variable or constant return on the outstanding principal amount and profit.

These instruments are initially measured at cost plus acquisition expenses.

These assets are measured using the effective profit method at the end of the financial period. All gains and losses arising from the amortization process are recognized in the consolidated income statement.

Financial assets at amortized cost book value are reduced by the expected credit loss and are recognized within the consolidated income statement (in case the investment is self-financed) and within investment risk fund revenues (in case the investment is jointly financed).

11. Investments in associates:

An associate is an entity in which the Bank has significant influence over its financial and operating policies and is not controlled by the Bank, where the Bank holds a rate between 20% to 50% of the voting rights.

The Bank’s investment in associates is accounted for using the equity method of accounting.

In the event of preparing the Bank’s separate financial statements, the investment in associates is presented at fair value.

12. Ijarah and Ijarah Muntahia Bittamleek

Ijarah is the transfer of ownership of the right to benefit of using an asset for a consideration and is divided into:

Operating Ijarah: is an Ijarah contract that does not end up with the transfer of ownership of leased assets to the lessee.

Ijarah Muntahia Bittamleek: is Ijarah contract that end up with the transfer of ownership of the leased assets to the lessee and might take more than one form in accordance with the Financial Accounting Standard issued by the Accounting and Auditing Organization for Islamic Financial Institutions.

Assets acquired for Ijarah shall be recognized upon acquisition at historical cost including all expenditures necessary to bring the asset to its intended use. Leased assets are depreciated according to the depreciation policy used by the Bank.

When the recoverable amount from assets acquired for Ijarah is lower than its carrying amount, assets are written down to its recoverable amount, and an impairment is recognized in the consolidated income statement.

Ijarah revenues shall be allocated proportionately to the financial periods of the Ijarah contract.

Maintenance expenses incurred in relation to the leased assets are recognized when incurred.

13. Investments in real estate

It is the acquisition of real estate or land or part of it for the purpose of obtaining periodic income or keeping it for the purpose of anticipating an increase in its future value or for both.

Investments in real estate are recorded at cost and include expenditures whose origin can be directly determined, and subsequent measurements of these investments are done at fair value. Unrealized profits resulting from the change in the fair value of investment in real estate are directly recognized in owner's equity under the category of fair value reserve for investments, taking into account the separation between owner's equity and what is related to investment account holders, and unrealized losses resulting from the re-evaluation of the fair value of investments in real estate must be adjusted to the extent that the balance of that reserve permits, and in the event that unrealized losses exceed the reserve balance, what exceeds the reserve balance shall be recorded in the income statement Under the item unrealized losses from the valuation of investments in real estate, taking into account the ownership of the funds invested in the real estate.

In the event that there are unrealized losses that were proven in a previous financial period and evaluation profits (unrealized) occurred in a subsequent financial period, then these profits are recorded in the income statement to the extent that equals the unrealized losses that were recorded in the previous financial periods in the income statement and any surplus in this profit is added to the fair value reserve for investments in real estate.

Periodic income from investments in real estate is recognized in the consolidate income statement according to accrual, taking into account the ownership of the funds invested in real estate.

Maintenance costs for investments in real estate are recorded in the consolidate income statement upon incurring them, taking into account the ownership of the money invested in real estate.

14. Repossessed assets by the Bank against debts

They are the assets that are repossessed by the Bank against debts with no intentions to own them by the Bank. The Bank has no intention of holding the repossessed assets in order to earn periodic profits or for the purpose of anticipating an increase in their future value. Repossessed items appear in the balance sheet items in order assets items.

The assets owned by the Bank in settlement of debts owed are recorded at the value at which they were transferred to the Bank or at the fair value, whichever is less, and they are re-evaluated on the date of the financial statements at fair value, and any decline in their value is deducted from the consolidated income statement, considering the ownership of the funds invested in these assets. The increase in its value is not recorded as revenue, but the subsequent increase is recorded to the extent that it does not exceed the value of the decline that was previously proven, considering the ownership of the funds invested in these assets.

15. Assets transfer

Any transfers of tangible and financial assets that take place between the assets financed from the joint investment accounts, bank shareholders, the restricted investment accounts, the basis for the transfer and the accounting policies adopted for this purpose must be disclosed with a list of their financial impact and the balances of any of the assets that were subject to the transfer process at the beginning. The financial period and the changes that occurred during the financial period and the balance at the end of the period.

All transfers made with related parties must be disclosed, along with a list of the nature of the relationship, the type of transactions that took place and the total value of transactions at the beginning and end of the financial period, along with a list of the financial implications of that.

The principles followed by the bank in evaluating assets must be disclosed when making transfers.

Differences resulting from transfers made in foreign currencies must be disclosed, along with a list of the financial implications thereof.

The nature and terms of the assets transferred should be disclosed whether they are divisible and any related provisions.

16. Deposit insurance corporations law

On 1 April 2019, an amendment was issued for the Deposit Insurance Corporations law to include Islamic banks to the Jordan Depository insurance company's laws and regulations, the amendment specified that the contribution fees related to the bank's self-deposits (Credit accounts and it's equivalent and the Bank's share of the unrestricted investment accounts) shall be borne by the Bank- self and contribution fees related to the unrestricted investment accounts are borne by the investors.

17. Islamic Financial Accounting Standard 30 (Impairment and Credit Losses and Onerous Commitments)

According to the instructions of the Central bank of Jordan No. (6/2020) dated July 5, 2020 regarding the impairment and credit losses and onerous commitments (FAS 30), the requirements of (FAS 30) measuring the expected credit loss (loss of credit impairment / provisions) should be presented, for credit exposures that fall within the scope of (FAS 30), in terms the mechanism of listing debt instruments / credit exposures as well as the methodology for calculating the expected credit loss.

The methodology for applying the standard of impairment of assets, expected credit losses, and onerous commitments FAS 30: inputs, mechanisms and assumptions used in calculating expected credit losses and details of the Central Bank of Jordan instructions No. 47 of 2009 are disclosed within the credit risk policy in Note No. (63).

18. Provision for future expected investment risks

The Bank suspended deducting 10% from the joint investment accounts net profit according to law amending banking law no 28 for the year 2000 starting from 1 May 2019 and the Fund's balance was transferred to other required provisions.

The investment risk fund surplus was held as a provision for future expected investment risks in accordance with the Central bank of Jordan circulation no. (10/1/9173) dated 27 June 2019.

When an additional provision is needed the additional provision will be charged against the assets financed by the joint investment accounts on the joint investment profit and on the consolidated income statement if the assets were self-financed by the Bank, it shall be by the financial assets from joint investment accounts, and on income statements if the asset was Bank-self shares.

19. Fair value of financial assets

Closing prices (purchasing assets/ selling liabilities) on the date of consolidated financial statements in active markets represent the fair value of quoted financial instruments. In the absence of quoted prices or when there is no active market, fair value is normally based on comparison with the current market value of a highly similar financial instruments. When the fair value of an investment cannot be reliably measured, it is stated at cost after the writing down any impairment.

20. Fair value of non-financial assets measured at fair value

Market prices represent the fair value for non-financial assets at the date of consolidated financial statements (when active markets of such assets are available). In cases where market prices are not available, they are assessed by taking average value of three assessments of experienced and certified parties.

21. Depreciation

A- Depreciation of assets available for investment

Assets available for investment shall be depreciated in accordance with the Bank's adopted policy for the investment in these assets. These assets shall be depreciated over its useful life using straight-line basis.

B- Property and Equipment

Property and equipment are measured at cost less accumulated depreciation and any impairment. Depreciation is calculated (except for lands) using the straight-line method over their estimated useful lives when property and equipment are ready for use.

Item	Depreciation rate
Buildings	2%
Equipment, furniture, and fixtures	5%-20%
Vehicles	15%
Computers	35%

The useful lives of property and equipment are reviewed annually. If expected useful lives vary from the estimated ones; the change in estimate is adjusted prospectively.

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable.

If any such indication exists and where the carrying values exceed the estimated recoverable amounts, the assets are written down to their recoverable amount, and the impairment is recorded in the consolidated income statement.

22. Intangible assets

Intangible assets are classified based on the assessment of their useful lives to definite and indefinite. Intangible assets with definite lives are amortized over the useful economic life, and amortization is recognized in the consolidated income statement, while intangible assets with indefinite useful lives are assessed for impairment at the date of consolidated financial statements and any impairment in their value is recorded in the consolidated income statement.

Intangible assets arising from the Bank's operations are not capitalized and are recorded in the consolidated income statement for the same year.

Any indications of impairment of intangible assets are reviewed at the date of consolidated financial statements; in addition, the useful lives of these assets are reviewed annually. If expected useful lives vary from the estimated ones; the change in estimate is adjusted prospectively.

Item	Amortization rate
Software	50%

23. Provisions

Provisions are recognized when the Bank has a present obligation (legal or constructive) at the date of the consolidated financial statements arising from a past event and the costs to settle the obligation are both probable and able to be reliably measured.

24. End of service indemnity provision

End of service indemnity provision shall be calculated pursuant to the provisions of the labor law and the management estimation.

25. Employees' vacation provision

Employees' vacation provision shall be calculated pursuant to the Bank's bylaws and shall be calculated in accordance with the accrual basis.

26. Income tax:

Tax expense comprises current taxes and deferred taxes.

Current tax is calculated based on taxable profits, which may differ from accounting profits published in the consolidated financial statements. Accounting profits may include non-taxable profits or non-deductible expenses which may be exempted in the subsequent financial years.

The Bank has booked provision for income tax in accordance with Amended Income Tax Law No. (38) of 2018, and International Accounting Standard No. (12) which provides for the recognition of deferred taxes resulting from time differences in the fair value reserve. As a result, the Bank may have deferred tax liabilities.

Deferred tax is the amounts expected to be paid or received as a result of temporary timing differences at the consolidated financial statements date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on laws that have been enacted or substantially enacted at the reporting date.

The carrying values of deferred income tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

27. Costs of issuing or purchasing the Bank's shares

Any costs resulting from issuing or purchasing the Bank's stocks shall be charged to the retained earnings (on a net basis after the tax effect of these costs, if any). If the issuance or purchasing is not completed, these costs shall be recorded as expenses in the consolidated income statement.

28. Accounts managed for customer:

This item represents the accounts managed by the Bank on behalf of its customers and shall not be recognized as part of the Bank's assets. Charges and commissions of managing these accounts shall be recognized in the consolidated income statement.

29. Offsetting

Financial assets and financial liabilities are offset, and the net amount is reported in the consolidated statement of financial position only when there is a legally enforceable right to set off the recognized amounts and the Bank intends to either settle on a net basis, or to realize the asset and settle the liability simultaneously.

30. Revenues and expenses recognition

Revenues and expenses are recognized based on accrual basis except for revenue on non-performing deferred sales and non-performing facilities which transferred to the revenue in suspense account and not recognized within the consolidated income statement.

The commissions shall be recognized as revenues when service is rendered, and the dividends of companies' stocks shall be recognized upon realization (approved by the General Assembly of Shareholders).

31. Timing of financial assets recognition

The sale or purchase of financial assets is recognized at the trade date (the date that the Bank commits to purchase or sell the asset).

32. Foreign Currencies

Transactions in foreign currencies during the year shall be recorded at the prevailing exchange rate at the date of the transaction (Al Taqabud).

Monetary assets and liabilities in foreign currencies are translated to the functional currencies at the rates of exchange prevailing at the consolidated statement of financial position date as published by the Central bank of Jordan.

Non-monetary assets and liabilities in foreign currencies carried at fair value are translated at the date on which the fair value was determined.

Any gains or losses are recognized within the consolidated income statement.

Translation gains or losses on non-monetary items carried at fair value (such as shares) are recognized within the fair value reserve.

33. Cash and cash equivalents

Cash and cash equivalents consist of cash and balances with central bank of Jordans and balances at banks and financial institutions with a maturity of three months, net of due to banks and financial institutions that matures within three months and restricted balances.

The mandatory cash reserve at the central bank of Jordan is not deducted.

34. lease contracts

A. Right of use asset

The Group recognizes the right of use assets on the lease commencement date at which the leased asset is available for use. The right of use assets is measured at cost, after subtracting accumulated depreciation. The cost of the right of use assets represents the fair value of the total rents payable over the lease term. The Group depreciates the right of use assets at the start date of the lease until the end of the useful life of the right to use these assets, which Coincides with the end of the lease term using a systematic basis that reflects the pattern of use of the benefits from the right of use asset.

B. lease obligation contracts

The Group recognizes lease liabilities at the lease commencement date at which the leased asset is available for use. The fair value of the total rent
lease, after the commencement date of the lease. These liabilities are amortized by amortizing the deferred lease cost and reduced to reflect the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification or change in the lease term or a change in the substance of fixed lease payments.

(3) Use of estimates

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of financial assets and liabilities and disclosure of contingent liabilities. These estimates and assumptions also affect the revenues and expenses and the resultant provisions as well as fair value changes reported in shareholders' equity and unrestricted account holders' equity. In particular, considerable judgment by management is required in the estimation of the amount and timing of future cash flows. Such estimates are necessarily based on assumptions about several factors involving varying degrees of judgment and uncertainty and actual results may differ as a result of changes in conditions and circumstances of those estimates in the future.

We believe that our estimates in consolidated financial statements are reasonable and detailed as follows:

Expected credit loss provision of deferred sales receivables and financing

In determining expected credit loss provision of financial assets, judgment from the bank management is required in the estimation of the amount and timing of future cash folws as well as an assessment of whether the credit risk on the financial assets has increased significantly since initial recognition and incorporation of forward looking information in the measurement of ECL.

The techniques for the provision were disclosed in detail through no (63) of these consolidated financial statements.

Income tax provision

The fiscal year is charged with its income tax expense in accordance with the accounting regulations, laws and standards. Deferred tax assets and liabilities and the necessary tax provision are calculated and recorded.

Fair value levels

The standard requires determination and disclosure of the level in the fair value hierarchy into which the fair value measurements are categorized in their entirety, segregating fair value measurements in accordance with the levels defined in IFRSs.

The difference between level (2) and level (3) of the fair value measurements, i.e., assessing whether the inputs are observable and whether the unobservable inputs are significant. This may require judgement and careful analysis of the inputs used to measure fair value, including consideration of factors specific to the asset or liability.

Useful lives of tangible and intangible assets

Management estimates the useful lives of tangible and intangible assets upon initial recognition. Moreover, Management periodically re-assesses the useful lives of tangible and intangible assets to calculate annual depreciation and amortization based on the general status of such assets and the estimates of the productive activities expected in the future. The impairment loss (if any) is charged to the statement of income.

The factors that affect the estimation of the useful lives of property, equipment and intangible assets include management's estimates for the period expected to use these assets by the Bank, technological development and obsolescence. In the event that the useful lives of property, equipment and intangible assets differ from management's estimates, due to an event that resulted in a change in the useful life, the effect of that event will affect the consolidated income statement materially.

Provision for impairment on financial assets

Determining the provision for impairment of financial assets requires the Bank's management to issue important judgments to estimate the amounts of future cash flows and their timing, in addition to estimating any material increase in the credit risk of financial assets after their initial recognition, in addition to taking into account future measurement information for expected credit losses.

Management periodically reviews the financial assets carried at cost in order to assess any ECL. Expected credit losses is allocated in accordance to the financing party.

Lawsuits provision

A provision is set for the lawsuits raised against the Group. This provision is based to an adequate legal study prepared by the Bank’s legal advisor. Moreover, the study highlights potential risks that the Bank may encounter in the future. Such legal assessments are reviewed periodically.

Important estimates related to determining the duration of the lease contract for contracts that include the option to renew the contract.

The Group determines the duration of the lease contract as the non-cancellable period, taking into account the periods covered by the option to extend the lease if this option is certain to be exercised, or any periods related to the option to terminate the lease, if it is certain that the Group does not exercise this option.

Under some lease contracts, the Group has the right to lease the assets for additional periods, The Bank makes some estimates when assessing whether it is certain to exercise the renewal option.

This means that the Group takes into account all relevant factors that constitute an economic incentive to exercise the option of renewal. Subsequently, the Group reassesses the term of the lease in the event of a significant event or change in the conditions under its control, which may affect its ability to exercise (or not exercise) the renewal option (for example, a change in the business strategy).

The Group has included the renewal period as part of the lease duration due to the importance of these assets in its operating operations. The contract term that is not subject to termination for some of these assets is considered to be relatively short and in the event that these contracts are canceled, the operational process will be negatively affected in the absence of alternatives to these assets .

(4) Cash and balances with central bank of Jordan

This item consists of the following:

	31 December 2023	31 December 2022
	JD	JD
Cash in vaults	**167,785,610**	**192,748,958**
Balances at the Central bank of Jordan:		
Current accounts	426,174,524	348,612,184
Statutory cash reserve	183,390,074	177,868,969
Total balances at the Central bank of Jordan	**609,564,598**	**526,481,153**
Total	**777,350,208**	**719,230,111**

In compliance with Islamic Shari'a rules and the Bank's Articles of Association and bylaws, the Bank does not earn any interest on balances and current accounts held with the Central bank of Jordan.

Amounts of JD 56,668,768 and JD 35,218,347 were deducted as at 31 December 2023 and as at 31 December 2022 respectively, which represent cash balances for accounts managed on behalf of others.

There are no balances maturing within more than three months as at 31 December 2023 and 31 December 2022.

There were no restricted balances except for the statutory cash reserve as at 31 December 2023 and 31 December 2022.

No provision for expected credit losses is calculated on balances with the Central Bank of Jordan according to the instructions of the Central Bank of Jordan that related to the application of a standered of impairment of assets ,credit losses and high risk commtiment standard No. (30) as at 5 July 2020.

The movement on balances in the Central bank of Jordan Note (4):

As of 31 December 2023

Item	Stage 1 Individual
	JD
Beginning balance	526,481,153
New balances and accounts during the year	742,630,703
Balances and accounts paid	(659,547,258)
Ending balance	**609,564,598**

As of 31 December 2022

Item	Stage 1 Individual
	JD
Beginning balance	711,479,175
New balances and accounts during the year	645,765,829
Balances and accounts paid	(830,763,851)
Ending balance	**526,481,153**

(5) Balances at banks and financial institutions

This item consists of the following:

	Local banks and financial institutions		Foreign banks and financial institutions		Total	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	JD	JD	JD	JD	JD	JD
Current and on demand accounts	-	1,540	41,135,339	34,422,867	41,135,339	34,424,407
Less: provision for expected credit loss	-	-	(1,527,269)	(589,873)	(1,527,269)	(589,873)
Net Current and on demand accounts	-	1,540	39,608,070	33,832,994	39,608,070	33,834,534
Unrestricted accounts maturing within 3 months or less	-	-	41,476,500	9,571,500	41,476,500	9,571,500
Less: provision for expected credit loss	-	-	(5,319)	(5,499)	(5,319)	(5,499)
Net unrestricted accounts maturing within 3 months or less	-	-	41,471,181	9,566,001	41,471,181	9,566,001
Total	**-**	**1,540**	**81,079,251**	**43,398,995**	**81,079,251**	**43,400,535**

In compliance with Islamic Shari'a rules and the Bank's Articles of Association bylaws, the Bank does not earn any interest on current and on demand accounts at local and foreign banks and financial institutions.

The restricted balances at the local and foreign banks and financial institutions for current accounts amounted to (1,923,631 JD) as of 31 December 2023 compared to (1,000,309 JD) as of 31 December 2022, which is subtracted from cash and cash equivalent.

(6) Investment accounts at bank and financial institutions

This item consists of the following:

	Foreign banks and financial institutions	
	31 December 2023	31 December 2022
	JD	JD
Within (3-6) months	4,254,000	1,418,000
Less: expected credit loss provision	(57)	(41)
Total	**4,253,943**	**1,417,959**

There were no restricted balances at foreign banks and financial institutions as at 31 December 2023 and 31 December 2022.

(7) Wakala Bil Istithmar accounts

This item consists of the following:

	Foreign banks and financial institutions	
	31 December 2023	31 December 2022
	JD	JD
Maturing within 3 months or less	7,090,000	-
Within (3-6) months	17,725,000	17,725,000
Within (9-12) months	17,725,000	-
Maturing within more than one year	-	17,725,000
Less: expected credit loss provision	(424,974)	(241,517)
Total	**42,115,026**	**35,208,483**

There were no restricted balances at wakala bil istithmar accounts as at 31 December 2023 and 31 December 2022.

A. Movement on balances at banks and financial institutions, investment accounts at banks and financial institutions and wakala bil istithmar accounts (notes 5,6 and 7):

As of 31 December 2023:	Stage 1 Individual	Stage 2 Individual	Stage 3 Individual	Total
	JD	JD	JD	JD
Beginning balance	79,863,598	-	1,000,309	80,863,907
New balances and accounts during the year	81,659,994	2,795	763	81,663,552
Balances and accounts paid	(33,836,906)	(207,273)	-	(34,044,179)
Transferred (from) to stage 2	(249,734)	249,734	-	-
Transferred from restricted investment accounts	-	-	1,063,500	1,063,500
Adjustments due to changes exchange rates	-	-	(140,941)	(140,941)
Ending balance	**127,436,952**	**45,256**	**1,923,631**	**129,405,839**

As of 31 December 2022:	Stage 1 Individual	Stage 2 Individual	Stage 3 Individual	Total
	JD	JD	JD	JD
Beginning balance	87,585,121	829,754	-	88,414,875
New balances and accounts during the year	37,167,683	-	170,555	37,338,238
Balances and accounts paid	(44,889,206)	-	-	(44,889,206)
Transferred (from) to stage 3	-	(829,754)	829,754	-
Ending balance	**79,863,598**	**-**	**1,000,309**	**80,863,907**

B. Movement on the expected credit losses on banks and financial institutions, investment accounts at banks and financial institutions and wakala bil istithmar accounts (notes 5,6 and 7):

As of 31 December 2023:	Stage 1 Individual	Stage 2 Individual	Stage 3 Individual	Total
	JD	JD		JD
Beginning balance	336,775	-	500,155	836,930
Expected credit loss on new balances and accounts during the year	166,995	96	381	167,472
Expected credit loss recovered from balances and accounts paid	(25,868)	(13,945)	-	(39,813)
Transferred (from) to stage 2	(15,398)	15,398	-	-
Impact due to transferred from restricted investment accounts	-	-	1,063,500	1,063,500
Adjustments due to changes exchange rates	-	-	(70,470)	(70,470)
Ending balance	**462,504**	**1,549**	**1,493,566**	**1,957,619**

As of 31 December 2022:	Stage 1 Individual	Stage 2 Individual	Stage 3 Individual	Total
	JD	JD		JD
Beginning balance	349,304	60,875	-	410,179
Expected credit loss on new balances and accounts during the year	129,663	-	85,278	214,941
Expected credit loss recovered from balances and accounts paid	(142,192)	-	-	(142,192)
Transferred (from) to stage 3	-	(60,875)	60,875	-
Impact on ending balance provision due to change in staging classification	-	-	354,002	354,002
Ending balance	**336,775**	**-**	**500,155**	**836,930**

(8) Deferred sales receivables and other receivables – Net

This item consists of the following:

	Joint		Self		Total	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	JD	JD	JD	JD	JD	JD
Individuals (Retail):						
Murabaha to the purchase orderer	977,064,943	891,732,063	-	-	977,064,943	891,732,063
Deferred sales	14,233,096	14,421,236	-	-	14,233,096	14,421,236
Ijarah Mawsoofa Bil Thimma	12,207,817	10,587,044	-	-	12,207,817	10,587,044
Ijarah Muntahia Bittamleek receivables	7,575,802	7,079,170	-	-	7,575,802	7,079,170
Istisna’a	335,463	203,143	-	-	335,463	203,143
Customers’ receivables	7,076,041	6,802,081	2,386,804	4,167,097	9,462,845	10,969,178
Real estate financing	582,814,108	582,005,690	-	-	582,814,108	582,005,690
Corporate:						
International Murabaha	28,952,856	25,863,779	-	-	28,952,856	25,863,779
Murabaha to the purchase orderer	655,142,126	563,644,181	-	-	655,142,126	563,644,181
Ijarah Mawsoofa Bil Thimma	-	62,395	-	-	-	62,395
Ijarah Muntahia Bittamleek receivables	376,806	161,834	-	-	376,806	161,834
Istisna’a	15,131,782	20,753,667	-	-	15,131,782	20,753,667
Small and Medium Enterprises (SME’s):						
Murabaha to the purchase orderer	186,368,176	178,837,849	-	-	186,368,176	178,837,849
Deferred sales	75,974	13,956	-	-	75,974	13,956
Ijarah Mawsoofa bil Thimma	22,755	336,640	-	-	22,755	336,640
Ijarah Muntahia Bittamleek receivables	605,892	529,378	-	-	605,892	529,378
Istisna’a	1,582,582	185,500	-	-	1,582,582	185,500
Customers’ receivables	-	-	4,207,014	2,673,868	4,207,014	2,673,868
Government and public sector	932,500,508	1,098,979,661	58,825	3,401	932,559,333	1,098,983,062
Total	**3,422,066,727**	**3,402,199,267**	**6,652,643**	**6,844,366**	**3,428,719,370**	**3,409,043,633**
Less: deferred revenues	(301,930,742)	(288,856,957)	-	-	(301,930,742)	(288,856,957)
Less: suspended revenues	(8,840,213)	(9,385,170)	-	-	(8,840,213)	(9,385,170)
Less: deferred mutual insurance	(30,131,872)	(25,481,658)	-	-	(30,131,872)	(25,481,658)
Less: expected credit loss provision	(119,560,268)	(122,209,253)	(1,344,822)	(744,000)	(120,905,090)	(122,953,253)
Net deferred sales and other receivables	**2,961,603,632**	**2,956,266,229**	**5,307,821**	**6,100,366**	**2,966,911,453**	**2,962,366,595**

Movements on the suspended revenues (note 8) were as follows:

	Joint				
	For the year ended 31 December 2023				
	Retail	Real estate financing	Large corporates	Small and Medium Enterprises	Total
	JD	JD	JD	JD	JD
Balance at the beginning of the year	4,435,761	1,186,801	3,037,492	725,116	**9,385,170**
Add: suspended revenues during the year	1,562,532	418,060	1,069,981	255,428	**3,306,001**
Less: revenue in suspense reversed to income	(1,640,195)	(272,649)	(1,079,837)	(333,211)	**(3,325,892)**
Less: suspended revenues written off	(101,222)	(144,949)	(197,799)	(81,096)	**(525,066)**
Balance at the end of the year	**4,256,876**	**1,187,263**	**2,829,837**	**566,237**	**8,840,213**

	Joint				
	For the year ended 31 December 2022				
	Retail	Real estate financing	Large corporates	Small and Medium Enterprises	Total
	JD	JD	JD	JD	JD
Balance at the beginning of the year	5,298,051	1,309,327	2,710,773	943,611	**10,261,762**
Add: suspended revenues during the year	1,539,050	380,351	787,462	274,113	**2,980,976**
Less: revenue in suspense reversed to income	(2,271,705)	(415,210)	(460,743)	(456,724)	**(3,604,382)**
Less: suspended revenues written off	(129,635)	(87,667)	-	(35,884)	**(253,186)**
Balance at the end of the year	**4,435,761**	**1,186,801**	**3,037,492**	**725,116**	**9,385,170**

(9) Ijarah Muntahia Bittamleek assets – Net

This item consists of the following:

	Joint	
	31 December 2023	31 December 2022
	JD	JD
Cost	1,160,427,050	1,079,970,555
Accumulated Depreciation	(238,542,033)	(191,653,376)
Impairment Provision	(75,000)	(75,000)
Ijarah Muntahia Bittamleek assets - net	**921,810,017**	**888,242,179**

The accrued Ijarah instalments amounted to JD 8,558,500 as at 31 December 2023 (2022: JD 7,770,382) were included in deferred sales receivables and other receivables (Note 8).

(10) Financing - Net

This item consists of the following:

	Joint		Self		Total	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	JD	JD	JD	JD	JD	JD
Individuals (Retail):						
Diminishing Musharaka	39,925,049	38,549,429	179,072	198,448	**40,104,121**	**38,747,877**
Total	**39,925,049**	**38,549,429**	**179,072**	**198,448**	**40,104,121**	**38,747,877**
Less: provision for expected credit loss	(253,710)	(298,019)	(2,492)	(1,887)	**(256,202)**	**(299,906)**
Net Financing	**39,671,339**	**38,251,410**	**176,580**	**196,561**	**39,847,919**	**38,447,971**

Non-performing deferred sales receivables, Ijarah Muntahia Bittamleek receivables, other receivables, financing and Al Qard Al Hasan amounted to JD 105,054,334 as at 31 December 2023, representing 3,00٪ of deferred sales receivable, Ijarah Muntahia Bittamleek receivables, other receivables, financing and Al Qard Al Hasan balance compared to JD 100,734,560 as at 31 December 2022, representing ٪2,89 of the utilized balance.

Non-performing deferred sales receivables, Ijarah Muntahia Bittamleek receivables, other receivables, financing and Al Qard Al Hasan after deducting suspended revenues amounted to JD 98,169,507 as at 31 December 2023, representing 2.81% of deferred sales, Ijarah Muntahia Bittamleek receivables, other receivables, financing and Al Qard Al Hasan balance, compared to JD 93,325,578 as at 31 December 2022, representing 2.68% of the utilized balance.

Deferred sales, other receivables, and financing granted to and guaranteed by the Government of Jordan amounted to JD 935,554,417 as at 31 December 2023, representing ٪26,75 of deferred sales, other receivables and financing balance, compared to JD 1,101,978,146 as at 31 December 2022, representing 31.85%of the utilized balance.

A. Cumulative movement on total direct facilities (sales receivables, other receivables, financing and Al-Qard Al-Hasan) before provision for expected credit loss – note (8,10, 17A) :

	Stage 1		Stage 2		Stage 3	Total
As of 31 December 2023	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	1,624,433,741	1,034,199,652	349,255,458	42,654,507	115,430,682	3,165,974,040
New facilities during the year	658,525,781	412,028,403	158,769,388	9,000,460	6,047,972	1,244,372,004
Settled facilities	(675,277,983)	(362,211,030)	(164,392,819)	(18,295,189)	(27,362,354)	(1,247,539,375)
Transferred (from) to stage 1	53,627,957	14,956,592	(51,462,882)	(12,392,264)	(4,729,403)	-
Transferred (from) to stage 2	(91,831,894)	(28,546,828)	106,742,151	32,821,215	(19,184,644)	-
Transferred (from) to stage 3	(15,435,414)	(6,945,619)	(20,656,090)	(8,663,092)	51,700,215	-
Written off facilities	-	-	-	-	(6,585,530)	(6,585,530)
Balance at the end of the year	**1,554,042,188**	**1,063,481,170**	**378,255,206**	**45,125,637**	**115,316,938**	**3,156,221,139**

	Stage 1		Stage 2		Stage 3	Total
As of 31 December 2022	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	1,517,201,239	928,239,973	410,039,568	47,562,501	128,617,707	3,031,660,988
New facilities during the year	581,953,003	391,113,514	139,930,373	7,570,137	4,756,678	1,125,323,705
Settled facilities	(506,062,271)	(271,665,662)	(169,448,626)	(16,553,064)	(25,131,470)	(988,861,093)
Transferred (from) to stage 1	121,983,457	15,857,801	(120,360,886)	(13,220,753)	(4,259,619)	-
Transferred (from) to stage 2	(84,439,576)	(23,483,363)	111,150,895	27,538,238	(30,766,194)	-
Transferred (from) to stage 3	(6,202,111)	(5,862,611)	(22,055,866)	(10,242,552)	44,363,140	-
Written off facilities	-	-	-	-	2,149,560	2,149,560
Balance at the end of the year	**1,624,433,741**	**1,034,199,652**	**349,255,458**	**42,654,507**	**115,430,682**	**3,165,974,040**

1- Distribution of large corporate facilities according to the bank internal credit rating:

	As of 31 December 2023				As of 31 December 2022
	Stage 1	Stage 2			
	Individual	Individual	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Internal Rating from 1 to -6	393,121,735	187,063,740	-	580,185,475	482,235,190
Internal Rating from 7+ to -7	-	49,421,627	-	49,421,627	76,134,989
Internal Rating from 8 to 10	-	-	29,213,213	29,213,213	32,193,008
External Credit Rating	709,001	-	-	709,001	-
Total	**393,830,736**	**236,485,367**	**29,213,213**	**659,529,316**	**590,563,187**

Cumulative movement on large corporate facilities:

	Stage 1	Stage 2		
As of 31 December 2023	Individual	Individual	Stage 3	Total
	JD	JD	JD	JD
Balance at the beginning of the year	340,654,247	217,715,932	32,193,008	590,563,187
New facilities during the year	465,561,827	89,447,161	2,415,981	557,424,969
Settled facilities	(393,326,732)	(87,492,260)	(3,965,185)	(484,784,177)
Transferred (from) to stage 1	28,141,978	(28,141,978)	-	-
Transferred (from) to stage 2	(39,363,505)	48,247,344	(8,883,839)	-
Transferred (from) to stage 3	(7,837,079)	(3,290,832)	11,127,911	-
Written off facilities	-	-	(3,674,663)	(3,674,663)
Balance at the end of the year	**393,830,736**	**236,485,367**	**29,213,213**	**659,529,316**

As of 31 December 2022	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	JD	JD	JD	JD
Balance at the beginning of the year	215,614,496	242,080,800	46,176,381	503,871,677
New facilities during the year	381,405,049	90,206,994	2,033,628	473,645,671
Settled facilities	(273,409,554)	(108,060,213)	(5,484,394)	(386,954,161)
Transferred (from) to stage 1	59,162,447	(59,162,447)	-	-
Transferred (from) to stage 2	(41,084,495)	59,082,042	(17,997,547)	-
Transferred (from) to stage 3	(1,033,696)	(6,431,244)	7,464,940	-
Written off facilities	-	-	-	-
Balance at the end of the year	**340,654,247**	**217,715,932**	**32,193,008**	**590,563,187**

Cumulative movement on the expected credit loss for large corporates’ facilities:

	Stage 1 Individual	Stage 2 Individual	Stage 3	Total	As of 31 December 2022 Total
	JD	JD	JD	JD	JD
Balance at the beginning of the year	1,305,630	29,416,652	24,611,220	55,333,502	37,577,278
Impairment loss on new exposures	1,548,524	963,703	1,968,926	4,481,153	15,206,264
Recovered from impairment loss on settled exposures	(15,264)	(132,296)	(3,681,499)	(3,829,059)	(2,468,641)
Transferred (from) to stage 1	1,664,777	(1,664,777)	-	-	-
Transferred (from) to stage 2	(388,931)	6,376,555	(5,987,624)	-	-
Transferred (from) to stage 3	(10,283)	(80,362)	90,645	-	-
Impact on impairment loss due to change in staging classification	6,317,154	3,346,933	(5,414,828)	4,249,259	(9,009,683)
Impact on provision due to adjustment	(7,676,303)	(8,366,464)	14,300,895	(1,741,872)	14,028,284
Impairment loss on written off exposures	-	-	(3,674,663)	(3,674,663)	-
Balance at the end of the year	**2,745,304**	**29,859,944**	**22,213,072**	**54,818,320**	**55,333,502**

2- Distribution of SME's facilities according to the bank internal credit rating:

	As of 31 December 2023						As of 31 December 2022
	Stage 1		Stage 2				
	Individual	Collective	Individual	Collective	Stage 3	Total	Total
	JD	JD	JD	JD	JD	JD	JD
Internal Rating from 1 to -6	93,066,106	-	56,417,674	-	-	149,483,780	131,629,178
Internal Rating from +7 to -7	-	-	6,081,332	-	-	6,081,332	7,371,966
Internal Rating from 8 to 10	-	-	-	-	16,831,971	16,831,971	18,137,633
Collective portfolio	-	7,442,981	-	2,026,304	2,777,098	12,246,383	27,954,330
Total	**93,066,106**	**7,442,981**	**62,499,006**	**2,026,304**	**19,609,069**	**184,643,466**	**185,093,107**

Cumulative movement on SME's facilities:

	As of 31 December 2023					
	Stage 1		Stage 2			
	Individual	Collective	Individual	Collective	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	84,757,114	22,310,964	54,244,030	1,859,984	21,921,015	185,093,107
New facilities during the year	87,228,742	4,810,579	46,517,776	662,645	1,066,019	140,285,761
Settled facilities	(65,826,573)	(18,258,960)	(46,969,784)	(1,404,814)	(7,476,047)	(139,936,178)
Transferred (from) to stage 1	10,388,296	208,536	(9,882,573)	(120,199)	(594,060)	-
Transferred (from) to stage 2	(21,492,849)	(1,101,667)	23,552,922	1,525,392	(2,483,798)	-
Transferred (from) to stage 3	(1,988,624)	(526,471)	(4,963,365)	(496,704)	7,975,164	-
Written off facilities	-	-	-	-	(799,224)	(799,224)
Balance at the end of the year	93,066,106	7,442,981	62,499,006	2,026,304	19,609,069	184,643,466

	As of 31 December 2022					
	Stage 1		Stage 2			
	Individual	Collective	Individual	Collective	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	82,443,272	24,333,267	54,611,377	3,191,592	26,751,528	191,331,036
New facilities during the year	86,904,013	5,807,664	35,631,280	353,039	1,229,177	129,925,173
Settled facilities	(77,386,582)	(7,243,157)	(41,471,070)	(2,304,998)	(6,880,374)	(135,286,181)
Transferred (from) to stage 1	11,607,161	687,388	(11,390,958)	(325,965)	(577,626)	-
Transferred (from) to stage 2	(17,038,482)	(934,339)	23,363,272	1,801,703	(7,192,154)	-
Transferred (from) to stage 3	(1,772,268)	(339,859)	(6,499,871)	(855,387)	9,467,385	-
Written off facilities	-	-	-	-	(876,921)	(876,921)
Balance at the end of the year	84,757,114	22,310,964	54,244,030	1,859,984	21,921,015	185,093,107

Cumulative movement on the expected credit loss for SME's facilities:

	Stage 1		Stage 2				As of 31 December 2022
	Individual	Collective	Individual	Collective	Stage 3	Total	Total
	JD	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	410,962	421,035	372,438	102,896	16,133,200	17,440,531	16,660,354
Impairment loss on new exposures	214,179	51,218	149,950	112,411	436,961	964,719	1,378,746
Recovered from impairment loss on settled exposures	(7,913)	(33,080)	(16,232)	(10,580)	(1,313,263)	(1,381,068)	(743,819)
Transferred (from) to stage 1	220,189	24,272	(83,485)	(10,982)	(149,994)	-	-
Transferred (from) to stage 2	(104,367)	(6,536)	1,212,539	83,994	(1,185,630)	-	-
Transferred (from) to stage 3	(7,777)	(9,563)	(21,867)	(16,033)	55,240	-	-
Impact on impairment loss due to change in staging classification	1,149,360	255,322	856,823	34,400	(1,314,304)	981,601	116,363
Impact on provision due to adjustment	(1,571,599)	(302,722)	(1,623,197)	(75,571)	802,966	(2,770,123)	905,808
Impairment loss on written off exposures	-	-	-	-	(799,224)	(799,224)	(876,921)
Balance at the end of the year	**303,034**	**399,946**	**846,969**	**220,535**	**12,665,952**	**14,436,436**	**17,440,531**

3- Distribution of individuals facilities according to the bank internal credit rating:

	As of 31 December 2023						As of 31 December 2022
	Stage 1		Stage 2		Stage 3	Total	Total
	Individual	Collective	Individual	Collective			
	JD	JD	JD	JD	JD	JD	JD
Internal Rating from 1 to -6	78,121,256	-	25,049,587	-	-	103,170,843	103,290,179
Internal Rating from +7 to -7	-	-	2,309,593	-	-	2,309,593	5,378,419
Internal Rating from 8 to 10	-	-	-	-	16,050,206	16,050,206	14,785,802
Collective portfolio	-	716,184,425	-	28,187,423	29,144,722	773,516,570	715,892,488
Total	**78,121,256**	**716,184,425**	**27,359,180**	**28,187,423**	**45,194,928**	**895,047,212**	**839,346,888**

Cumulative movement on individuals facilities:

	As of 31 December 2023					
	Stage 1		Stage 2			
	Individual	Collective	Individual	Collective	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	82,782,344	659,602,960	25,886,254	26,989,678	44,085,652	839,346,888
New facilities during the year	76,303,538	315,974,311	14,552,000	6,443,263	2,035,487	415,308,599
Settled facilities	(67,372,010)	(247,064,095)	(20,607,873)	(12,415,364)	(11,068,162)	(358,527,504)
Transferred (from) to stage 1	6,112,164	9,793,374	(4,809,097)	(8,156,819)	(2,939,622)	-
Transferred (from) to stage 2	(14,827,549)	(17,816,353)	16,525,074	20,695,945	(4,577,117)	-
Transferred (from) to stage 3	(4,877,231)	(4,305,772)	(4,187,178)	(5,369,280)	18,739,461	-
Written off facilities	-	-	-	-	(1,080,771)	(1,080,771)
Balance at the end of the year	**78,121,256**	**716,184,425**	**27,359,180**	**28,187,423**	**45,194,928**	**895,047,212**

	As of 31 December 2022					
	Stage 1		Stage 2			
	Individual	Collective	Individual	Collective	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	64,371,885	575,434,571	33,229,633	28,703,468	40,896,980	742,636,537
New facilities during the year	75,930,866	282,907,716	10,221,674	5,370,843	1,164,826	375,595,925
Settled facilities	(56,891,585)	(190,001,493)	(12,668,395)	(9,731,402)	(8,501,170)	(277,794,045)
Transferred (from) to stage 1	11,015,941	9,144,426	(9,631,347)	(7,650,334)	(2,878,686)	-
Transferred (from) to stage 2	(8,840,195)	(14,183,410)	11,106,326	16,720,186	(4,802,907)	-
Transferred (from) to stage 3	(2,804,568)	(3,698,850)	(6,371,637)	(6,423,083)	19,298,138	-
Written off facilities	-	-	-	-	(1,091,529)	(1,091,529)
Balance at the end of the year	**82,782,344**	**659,602,960**	**25,886,254**	**26,989,678**	**44,085,652**	**839,346,888**

Cumulative movement on the expected credit loss for individuals' facilities:

	Stage 1		Stage 2				As of 31 December 2022
	Individual	Collective	Individual	Collective	Stage 3	Total	Total
	JD	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	296,701	12,740,536	177,662	2,583,204	18,714,162	34,512,265	40,832,834
Impairment loss on new exposures	146,629	417,891	28,012	652,845	1,048,904	2,294,281	1,869,912
Recovered from impairment loss on settled exposures	(3,955)	(39,068)	(5,618)	(191,191)	(2,429,018)	(2,668,850)	(998,309)
Transferred (from) to stage 1	988,594	1,304,599	(26,491)	(563,927)	(1,702,775)	-	-
Transferred (from) to stage 2	(52,569)	(48,211)	328,897	959,680	(1,187,797)	-	-
Transferred (from) to stage 3	(19,008)	(12,882)	(25,356)	(576,869)	634,115	-	-
Impact on impairment loss due to change in staging classification	1,560,538	3,844,691	731,258	889,593	(2,615,305)	4,410,775	3,018,989
Impact on provision due to adjustment	(2,681,500)	(9,651,829)	(1,105,889)	(1,202,696)	16,226,926	1,585,012	(9,431,802)
Impairment loss on written off exposures	-	-	-	-	(662,075)	(662,075)	(779,359)
Balance at the end of the year	**235,430**	**8,555,727**	**102,475**	**2,550,639**	**28,027,137**	**39,471,408**	**34,512,265**

4- Distribution of real estate facilities according to the bank internal credit rating:

	As of 31 December 2023						As of 31 December 2022
	Stage 1		Stage 2		Stage 3	Total	Total
	Individual	Collective	Individual	Collective			
	JD	JD	JD	JD	JD	JD	JD
Internal Rating from 1 to -6	106,759,434	-	48,054,013	-	-	**154,813,447**	**150,914,669**
Internal Rating from +7 to -7	-	-	3,857,640	-	-	**3,857,640**	**5,995,540**
Internal Rating from 8 to 10	-	-	-	-	11,730,935	**11,730,935**	**8,394,245**
Collective portfolio	-	339,853,764	-	14,911,910	9,568,793	**364,334,467**	**374,927,335**
Total	**106,759,434**	**339,853,764**	**51,911,653**	**14,911,910**	**21,299,728**	**534,736,489**	**540,231,789**

Cumulative movement on real estate facilities:

	As of 31 December 2023					
	Stage 1		Stage 2			
	Individual	Collective	Individual	Collective	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	105,500,967	352,285,728	51,409,242	13,804,845	17,231,007	540,231,789
New facilities during the year	29,431,673	91,243,513	8,252,450	1,894,551	530,485	131,352,672
Settled facilities	(20,278,255)	(96,887,974)	(9,322,901)	(4,475,010)	(4,852,960)	(135,817,100)
Transferred (from) to stage 1	8,985,519	4,954,682	(8,629,234)	(4,115,246)	(1,195,721)	-
Transferred (from) to stage 2	(16,147,991)	(9,628,808)	18,416,811	10,599,878	(3,239,890)	-
Transferred (from) to stage 3	(732,479)	(2,113,377)	(8,214,715)	(2,797,108)	13,857,679	-
Written off facilities	-	-	-	-	(1,030,872)	(1,030,872)
Balance at the end of the year	106,759,434	339,853,764	51,911,653	14,911,910	21,299,728	534,736,489

	As of 31 December 2022					
	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	59,175,723	328,472,135	80,117,758	15,667,441	14,792,818	498,225,875
New facilities during the year	37,713,075	102,398,134	3,870,425	1,846,255	329,047	146,156,936
Settled facilities	(13,517,756)	(74,421,012)	(7,248,948)	(4,516,664)	(4,265,532)	(103,969,912)
Transferred (from) to stage 1	40,197,908	6,025,987	(40,176,134)	(5,244,454)	(803,307)	-
Transferred (from) to stage 2	(17,476,404)	(8,365,614)	17,599,255	9,016,349	(773,586)	-
Transferred (from) to stage 3	(591,579)	(1,823,902)	(2,753,114)	(2,964,082)	8,132,677	-
Written off facilities	-	-	-	-	(181,110)	(181,110)
Balance at the end of the year	105,500,967	352,258,728	51,409,242	13,804,845	17,231,007	540,231,789

Cumulative movement on the expected credit loss for real estate facilities:

	Stage 1		Stage 2				As of 31 December 2022
	Individual	Collective	Individual	Collective	Stage 3	Total	Total
	JD	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	458,679	331,470	1,488,011	909,885	18,557,390	21,745,435	24,544,680
Impairment loss on new exposures	92,724	100,719	72,158	161,056	333,527	760,184	1,771,520
Recovered from impairment loss on settled exposures	(1,783)	(6,372)	(1,143)	(46,905)	(1,299,880)	(1,356,083)	(539,619)
Transferred (from) to stage 1	326,743	615,992	(155,727)	(219,022)	(567,986)	-	-
Transferred (from) to stage 2	(76,937)	(18,780)	220,829	333,306	(458,418)	-	-
Transferred (from) to stage 3	(2,101)	(2,631)	(45,627)	(239,461)	289,820	-	-
Impact on impairment loss due to change in staging classification	751,141	2,379,437	5,098,168	718,384	(781,476)	8,165,654	1,181,905
Impact on provision due to adjustment	(1,267,942)	(3,061,329)	(5,261,863)	(464,812)	(1,710,829)	(11,766,775)	(5,186,083)
Impairment loss on written off exposures	-	-	-	-	(931,849)	(931,849)	(26,968)
Balance at the end of the year	**280,524**	**338,506**	**1,414,806**	**1,152,431**	**13,430,299**	**16,616,566**	**21,745,435**

5- Distribution of government and public sector facilities according to the bank internal credit rating:

	As of 31 December 2023				As of 31 December 2022
	Stage 1	Stage 2	Stage 3	Total	Total
	Individual	Individual			
	JD	JD	JD	JD	JD
Internal Rating from 1 to -6	882,264,656	-	-	882,264,656	1,010,739,069
Total	**882,264,656**	-	-	**882,264,656**	**1,010,739,069**

Cumulative movement on government and public sector facilities:

	Stage 1	Stage 2	Stage 3	Total
	Individual	Individual		
As at 31 December 2023	JD	JD	JD	JD
Balance at the beginning of the year	1,010,739,069	-	-	1,010,739,069
Settled facilities	(128,474,413)	-	-	(128,474,413)
Balance at the end of the year	**882,264,656**	**-**	**-**	**882,264,656**

	Stage 1	Stage 2	Stage 3	Total
	Individual	Individual		
As at 31 December 2022	JD	JD	JD	JD
Balance at the beginning of the year	1,095,595,863	-	-	1,095,595,863
Settled facilities	(84,856,794)	-	-	(84,856,794)
Balance at the end of the year	**1,010,739,069**	**-**	**-**	**1,010,739,069**

B. Cumulative movement on the expected credit loss for direct facilities (sales receivables, other receivables, financing and Al-Qard Al-Hasan note (8,10,17A):

As of 31 December 2023	Large corporates	SMEs	Individuals	Real estate financing	Total
	JD	JD	JD	JD	JD
Balance at the beginning of the year	55,333,502	17,440,531	34,512,265	21,745,435	129,031,733
Expected credit loss on the new facilities during the year	4,481,153	964,719	2,294,281	760,184	8,500,337
Expected credit loss recovered from settled facilities	(3,829,059)	(1,381,068)	(2,668,850)	(1,356,083)	(9,235,060)
Transferred (from) to stage 1	1,265,562	116,218	2,160,524	842,286	4,384,590
Transferred (from) to stage 2	4,631,417	1,164,166	95,933	(105,702)	5,785,814
Transferred (from) to stage 3	(5,896,979)	(1,280,384)	(2,256,457)	(736,584)	(10,170,404)
Impact on ending balance provision due to change in staging classification	4,249,259	981,601	4,410,775	8,165,654	17,807,289
Adjustments	(1,741,872)	(2,770,123)	1,585,012	(11,766,775)	(14,693,758)
Written off facilities	(3,674,663)	(799,224)	(662,075)	(931,849)	(6,067,811)
Balance at the end of the year	**54,818,320**	**14,436,436**	**39,471,408**	**16,616,566**	**125,342,730**
Reallocated:					
Individual level provision	54,818,320	12,373,913	9,657,234	8,262,589	85,112,056
Collective level provision	-	2,062,523	29,814,174	8,353,977	40,230,674

As of 31 December 2022	Large corporates	SMEs	Individuals	Real estate financing	Total
	JD	JD	JD	JD	JD
Balance at the beginning of the year	37,577,278	16,660,354	40,832,834	24,544,680	119,615,146
Expected credit loss on the new facilities during the year	15,206,264	1,378,746	1,869,912	1,771,520	20,226,442
Expected credit loss recovered from settled facilities	(2,468,641)	(743,819)	(998,309)	(539,619)	(4,750,388)
Transferred (from) to stage 1	535,206	216,432	1,458,945	1,244,730	3,455,313
Transferred (from) to stage 2	9,471,589	2,306,161	215,874	(883,802)	11,109,822
Transferred (from) to stage 3	(10,006,795)	(2,522,593)	(1,674,819)	(360,928)	(14,565,135)
Impact on ending balance provision due to change in staging classification	(9,009,683)	116,363	3,018,989	1,181,905	(4,692,426)
Adjustments	14,028,284	905,808	(9,431,802)	(5,186,083)	316,207
Written off facilities	-	(876,921)	(779,359)	(26,968)	(1,683,248)
Balance at the end of the year	**55,333,502**	**17,440,531**	**34,512,265**	**21,745,435**	**129,031,733**
Reallocated:					
Individual level provision	55,333,502	15,077,956	10,190,840	8,247,520	88,849,818
Collective level provision	-	2,362,575	24,321,425	13,497,915	40,181,915

Cumulative movement on the expected credit loss for direct facilities (sales receivables, other receivables, financing and Al-Qard Al-Hasan):

	Stage 1		Stage 2				As of 31 December 2022
	Individual	Collective	Individual	Collective	Stage 3	Total	Total
	JD	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	2,471,972	13,493,041	31,454,763	3,595,985	78,015,972	129,031,733	119,615,146
Impairment loss on new exposures	2,002,056	569,828	1,213,823	926,312	3,788,318	8,500,337	20,226,442
Recovered from impairment loss on settled exposures	(28,915)	(78,520)	(155,289)	(248,676)	(8,723,660)	(9,235,060)	(4,750,388)
Transferred (from) to stage 1	3,200,303	1,944,863	(1,930,480)	(793,931)	(2,420,755)	-	-
Transferred (from) to stage 2	(622,804)	(73,527)	8,138,820	1,376,980	(8,819,469)	-	-
Transferred (from) to stage 3	(39,169)	(25,076)	(173,212)	(832,363)	1,069,820	-	-
Impact on impairment loss due to change in staging classification	9,778,193	6,479,450	10,033,182	1,642,377	(10,125,913)	17,807,289	(4,692,426)
Impact on provision due to adjustment	(13,197,344)	(13,015,880)	(16,357,413)	(1,743,079)	29,619,958	(14,693,758)	316,207
Impairment loss on written off exposures	-	-	-	-	(6,067,811)	(6,067,811)	(1,683,248)
Balance at the end of the year	**3,564,292**	**9,294,179**	**32,224,194**	**3,923,605**	**76,336,460**	**125,342,730**	**129,031,733**

(11) Financial assets at fair value through income statement – self financed

This item consists of the following:

	31 December 2023	31 December 2022
	JD	JD
Quoted financial assets		
Companies shares	-	47,359
Total financial assets at fair value through income statement – self	**-**	**47,359**

(12) Financial assets at fair value through owner's equity – self financed

This item consists of the following:

	31 December 2023	31 December 2022
	JD	JD
Quoted financial assets		
Companies shares	5,805,840	4,673,901
Total financial assets – quoted	**5,805,840**	**4,673,901**
Unquoted financial assets		
Companies shares	2,875,021	2,419,486
Al Wakala Bi Al Istithmar (investment portfolio)	11,000,000	10,915,422
Total financial assets - unquoted	**13,875,021**	**13,334,908**
Total financial assets at fair value through owner's equity – self	**19,680,861**	**18,008,809**

(13) Financial assets at fair value through joint investment accounts holders' equity

This item consists of the following:

	31 December 2023	31 December 2022
	JD	JD
Quoted financial assets:		
Companies shares	14,874,723	19,179,595
Total quoted financial assets	**14,874,723**	**19,179,595**
Unquoted financial assets:		
Companies shares	18,368,379	13,399,274
Al Wakala Bi Al Istithmar (investment portfolio)	1,202,000	1,291,047
Total unquoted financial assets	**19,570,379**	**14,690,321**
Total financial assets at fair value through the investment accounts holders' equity - joint	**34,445,102**	**33,869,916**

(14) Financial assets at amortized cost

This item consists of the following:

	31 December 2023	31 December 2022
	JD	JD
Quoted financial assets		
Islamic Sukuk	12,762,000	12,762,000
Provision for expected credit losses	(61,929)	(105,654)
Net quoted financial assets	**12,700,071**	**12,656,346**
Unquoted financial assets		
Islamic Sukuk	392,727,989	376,430,472
Islamic banks portfolio	1,832,449	9,314,458
Total unquoted financial assets	**394,560,438**	**385,744,930**
Provision for expected credit loss	(1,821,965)	(2,039,364)
Net unquoted financial assets	**392,738,473**	**383,705,566**
Total Financial Assets at amortized cost	**405,438,544**	**396,361,912**

Islamic Sukuk rate of return ranges between 3.55% - 6.00% payable on a semi-annual basis, with a maturity of less than 3 years.

Islamic Sukuk long term in US Dollars rate of return ranges between 6.87% - 10.00% payable on a semi-annual basis, with a maturity of less than 10 years.

Short term Islamic Sukuk in US Dollars rate of return ranges between 6.10% - 6.20%, with a maturity of 3 to 6 months.

A. Cumulative movement on financial assets at amortized cost:

As of 31 December 2023	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	JD	JD	JD	JD
Balance at the beginning of the year	393,671,885	3,016,672	1,818,373	398,506,930
New investments during the year	195,652,986	14,076	-	195,667,062
Matured investments	(183,834,882)	(3,016,672)	-	(186,851,554)
Balance at the end of the year	**405,489,989**	**14,076**	**1,818,373**	**407,322,438**

As of 31 December 2022	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	JD	JD	JD	JD
Balance at the beginning of the year	268,622,313	-	1,818,373	270,440,686
New investments during the year	180,555,181	3,016,672	-	183,571,853
Matured investments	(55,505,609)	-	-	(55,505,609)
Balance at the end of the year	**393,671,885**	**3,016,672**	**1,818,373**	**398,506,930**

B. Cumulative movement on the expected credit loss provision:

As of 31 December 2023	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	JD	JD	JD	JD
Balance at the beginning of the year	142,555	184,090	1,818,373	2,145,018
Expected credit loss on new investments during the year	44,617	24	-	44,641
Expected credit loss recovered from matured investments	(121,675)	(184,090)	-	(305,765)
Adjustments	-	-	-	-
Balance at the end of the year	**65,497**	**24**	**1,818,373**	**1,883,894**

As of 31 December 2022	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	JD	JD	JD	JD
Balance at the beginning of the year	170,264	-	1,818,373	1,988,637
Expected credit loss on new investments during the year	36,782	184,090	-	220,872
Expected credit loss recovered from matured investments	(7,905)	-	-	(7,905)
Adjustments	(56,586)	-	-	(56,586)
Balance at the end of the year	**142,555**	**184,090**	**1,818,373**	**2,145,018**

(15) Investments in associates

This item consists of the following:

					Joint			
Company Name	Country of incorporation	Percentage of ownership	Nature of activity	Acquisition date	Cost		Value under equity method	
					31 December 2023	31 December 2022	31 December 2023	31 December 2022
Associates		%			JD	JD	JD	JD
Jordan Center for International Trading Co.	Jordan	28.4	Commercial	1983	1,070,507	1,070,507	1,538,478	1,554,240
Islamic Insurance Co.	Jordan	33.3	Insurance	1995	4,625,908	4,625,908	7,799,976	7,782,690
Total associates					**5,696,415**	**5,696,415**	**9,338,454**	**9,336,930**

Investments in associates are measured using equity method. Fair value of these investments as at 31 December 2023 amounted to JD 7,966,400 compared to JD 8,153,270 as at 31 December 2022.

(16) Investments in real estate

This item consists of the following:

	Joint	
	31 December 2023	31 December 2022
	JD	JD
Investments in real estate *	110,863,490	113,696,192
Total	**110,863,490**	**113,696,192**

* Investments in real estate are presented at fair value, with a cost of JD 106,050,355 as at 31 December 2023 compared to JD 109,407,879 as at 31 December 2022.

- Movements on investments in real estate were as follow:

	31 December 2023		
	Lands	Buildings	Total
	JD	JD	JD
Balance at the beginning of the year	67,225,609	46,470,583	113,696,192
Additions	-	168,970	168,970
Disposals*	(8,136,326)	(58,295)	(8,194,621)
Revaluation difference	4,868,214	324,735	5,192,949
Net Investments in real estate at the end of the year	**63,957,497**	**46,905,993**	**110,863,490**

	31 December 2022		
	Lands	Buildings	Total
	JD	JD	JD
Balance at the beginning of the year	70,771,125	48,252,521	119,023,646
Additions	-	-	-
Disposals	(5,230,892)	(300,081)	(5,530,973)
Revaluation difference	1,685,376	(1,481,857)	203,519
Net Investments in real estate at the end of the year	**67,225,609**	**46,470,583**	**113,696,192**

- The fair value of real estate investments is based on the average of the valuations made by independent appraisers who have the professional qualifications and experience to evaluate the location and type of properties subject to appraisal as on 31 December 2023 and 31 December 2022. The fair value was determined based on recent market transactions as well as independent appraisers' information and professional judgments.

* On December 22, 2023, one of the lands was transferred from investments in real estate (joint investment accounts) to the bank's self-assets, due to the bank's desire to use it for the purpose of establishing an electricity generation plant to serve its branches, where the approval of the Real Estate Investment Committee was obtained to sell the property based on the average real estate estimates of three accredited real estate valuers amounted to 240,373 JD (Note No. 18), and the book value of the property at the date of the transfer amounted to 134,020 JD, and as a result of this transfer, a profit for joint investment account holders amounted to 106,354 JD. There was no fundamental change in the value of these assets at the beginning and end of the financial period. These assets are indivisible and did not result in any differences in foreign currency, and the prior approval of the Central Bank of Jordan was taken according to the instructions.

(17) Al Qard Al Hasan - Net

A. This item consists of the following:

	31 December 2023	31 December 2022
	JD	JD
Al Qard Al Hasan	28,300,475	41,906,315
Less: provision for expected credit loss - self*	(4,181,438)	(5,778,574)
Al Qard Al Hasan - Net	**24,119,037**	**36,127,741**

* Movements on expected credit loss - self were as follows:

	Beginning balance	Transferred to (from) during the year	Refunded to revenu	Ending balance
	JD	JD		JD
31 December 2023				
Expected credit loss-Self	5,778,574	(497,136)	(1,100,000)	4,181,438
Total	**5,778,574**	**(497,136)**	**(1,100,000)**	**4,181,438**

	Beginning balance	Appropriated during the year	Transferred to (from) during the year	Ending balance
	JD	JD	JD	JD
31 December 2022				
Expected credit loss-Self	4,750,536	929,000	99,038	5,778,574
Total	**4,750,536**	**929,000**	**99,038**	**5,778,574**

- The movement on Al Qard Al Hasan and provision for expected credit losses according to the stages is disclosed within the movement on direct facilities.

B. Expected credit loss – self items – note (5, 8 ,17 A ,10, 26)

	31 December 2023	31 December 2022
	JD	JD
Balance at the beginning of the year	12,956,684	12,027,684
Recovered (added) Provision for expected credit loss – self	(499,178)	929,000
Written off facilities	(187,003)	-
Balance at the end of the year	**12,270,503**	**12,956,684**

(18) Property and equipment - Net

This item consists of the following:

	31 December 2023					
	Land	Buildings	Equipment, Furniture and Fixtures	Vehicles	Computers	Total
	JD	JD	JD	JD	JD	JD
Cost						
Beginning balance	**33,910,274**	**52,421,460**	**59,989,265**	**1,455,545**	**19,657,029**	**167,433,573**
Additions	-	-	1,414,928	-	943,678	2,358,606
Disposals	-	-	(1,385,824)	(53,553)	(794,190)	(2,233,567)
Balance at the end of the year	**33,910,274**	**52,421,460**	**60,018,369**	**1,401,992**	**19,806,517**	**167,558,612**
Accumulated Depreciation	-	(11,339,146)	(54,516,041)	(1,263,997)	(18,354,172)	(85,473,356)
Depreciation of the year	-	(1,066,560)	(2,077,285)	(53,088)	(1,119,985)	(4,316,918)
Disposals	-	-	1,264,117	-	789,443	2,053,560
Accumulated Depreciation at the end of the year	**-**	**(12,405,706)**	**(55,329,209)**	**(1,317,085)**	**(18,684,714)**	**(87,736,714)**
Net book value of property and equipment	**33,910,274**	**40,015,754**	**4,689,160**	**84,907**	**1,121,803**	**79,821,898**
Payments on purchase of property and equipment	-	-	720,689	-	1,635,540	2,356,229
Projects in progress	-	2,984,029	1,000	-	-	2,985,029
Net property and equipment at the end of the year	**33,910,274**	**42,999,783**	**5,410,849**	**84,907**	**2,757,343**	**85,163,156**

	31 December 2022					
	Land	Buildings	Equipment, Furniture and Fixtures	Vehicles	Computers	Total
	JD	JD	JD	JD	JD	JD
Cost						
Beginning balance	**37,693,374**	**51,211,967**	**59,082,127**	**1,563,448**	**18,695,129**	**168,246,045**
Additions	240,373	1,545,282	1,391,066	21,007	963,700	4,161,428
Disposals	(4,023,473)	(335,789)	(483,928)	(128,910)	(1,800)	(4,973,900)
Balance at the end of the year	**33,910,274**	**52,421,460**	**59,989,265**	**1,455,545**	**19,657,029**	**167,433,573**
Accumulated Depreciation	-	(10,273,159)	(51,941,275)	(1,224,522)	(16,920,441)	(80,359,397)
Depreciation of the year	-	(1,065,987)	(2,810,449)	(57,422)	(1,433,731)	(5,367,589)
Disposals	-	-	235,683	17,947	-	253,630
Accumulated Depreciation at the end of the year	-	(11,339,146)	(54,516,041)	(1,263,997)	(18,354,172)	(85,473,356)
Net book value of property and equipment	33,910,274	41,082,314	5,473,224	191,548	1,302,857	81,960,217
Payments on purchase of property and equipment	-	-	429,844	-	881,210	1,311,054
Projects in progress	-	2,230,780	-	-	-	2,230,780
Net property and equipment at the end of the year	**33,910,274**	**43,313,094**	**5,903,068**	**191,548**	**2,184,067**	**85,502,051**

Fully depreciated property and equipment amounted to JD 83,475,479 as at 31 December 2023 compared to JD 82,452,724 as at 31 December 2022.

(19) Depreciation and amortization

This item consists of the following:

	31 December 2023	31 December 2022
	JD	JD
Property and equipment depreciation (note 18)	4,316,918	5,367,589
Intangible assets amortization (note 20)	551,735	1,159,499
Depreciation of right of use assets (note 21 A)	1,604,462	1,611,454
Total	**6,473,115**	**8,138,542**

(20) Intangible assets

This item consists of the following:

	31 December 2023	31 December 2022
	Computer systems and software	Computer systems and software
	JD	JD
Balance at the beginning of the year	524,174	1,533,226
Additions	1,521,631	150,447
Amortization for the year	(551,735)	(1,159,499)
Total	**1,494,070**	**524,174**
Payments on software purchases	7,258,242	6,534,097
Balance at the end of the year	**8,752,312**	**7,058,271**

(21) Right of use assets / Lease Obligiations

This item consists of the following:

A- Right of use Assets

	31 December 2023	31 December 2022
	JD	JD
Balance at the beginning of the year	10,763,279	12,283,463
Additions	1,232,596	229,149
Payments in advance (past due)	11,131	(68,078)
Depreciation for the year	(1,604,462)	(1,611,454)
Associates depreciation – joint	(79,669)	(69,801)
Balance at the end of the year	**10,322,875**	**10,763,279**

B- Lease Obligations

	31 December 2023	31 December 2022
	JD	JD
Balance at the beginning of the year	10,952,521	12,276,600
Additions	1,232,596	229,149
Lease Obligation finance cost	624,001	646,604
Payments in advance (past due)	11,131	(68,078)
Payments during the year	(2,117,963)	(2,199,832)
Balance at the end of the year	**10,702,286**	**10,952,521**

(22) Other assets

This item consists of the following:

	31 December 2023	31 December 2022
	JD	JD
Accrued revenues	6,679,873	2,692,593
Prepaid expenses	339,297	367,939
Temporary debit accounts	8,032,556	7,965,934
Stationery and publications	635,326	627,479
Stamps	79,285	69,322
Credit card accounts	10,668,072	8,352,247
Settlement guarantee fund deposits	25,000	25,000
Refundable deposits	385,405	351,980
Customer receivables from instant payment	3,750,528	432,961
Repossessed assets by the Bank against debts*- net	52,577,034	42,820,248
Others	425,147	66,209
Total	**83,597,523**	**63,338,951**

* The following is a summary of the movement in the assets owned by the bank in settlement of repossessed assets by the Bank against debts:

	31 December 2023	31 December 2022
	JD	JD
Beginning balance for the year	45,056,818	37,378,971
Additions	14,474,962	12,719,324
Disposals *	(5,020,865)	(5,041,477)
Ending balance for the year	**54,510,915**	**45,056,818**
Provision for acquired assets *	(567,784)	(612,731)
Impairment provision for repossessed assets	(1,366,097)	(1,623,839)
Total	**52,577,034**	**42,820,248**

* A provision was calculated against the infringement repossessed real estate at the rate of 5٪ of the total book values of those real estate during the year 2022, and according to the Central Bank of Jordan Circular No. (10/3/16234) dated 10 October 2022, the calculation of the impairment provision for the infringement repossessed real estate was stopped and the balance was released existing allowance against any of the infringing repossessed real estate that is disposed of.

(23) Banks and financial institutions accounts

This item consists of the following:

	31 December 2023			31 December 2022		
	Inside the Kingdom	Outside the Kingdom	Total	Inside the Kingdom	Outside the Kingdom	Total
	JD	JD	JD	JD	JD	JD
Current and on demand accounts	7,901,459	3,997,207	11,898,666	26,417,187	10,687,312	37,104,499
Total	**7,901,459**	**3,997,207**	**11,898,666**	**26,417,187**	**10,687,312**	**37,104,499**

(24) Customers' current and on demand accounts

This item consists of the following:

	31 December 2023				
	Retail	Large corporates	Small and Medium Enterprises	Government and public sector	Total
	JD	JD	JD	JD	JD
Current accounts	784,124,874	22,065,664	272,358,753	21,630,661	1,100,179,952
On demand accounts	256,260,387	487,150	957,783	-	257,705,320
Total	**1,040,385,261**	**22,552,814**	**273,316,536**	**21,630,661**	**1,357,885,272**

	31 December 2022				
	Retail	Large corporates	Small and Medium Enterprises	Government and public sector	Total
	JD	JD	JD	JD	JD
Current accounts	820,449,773	19,207,829	257,806,231	28,203,834	1,125,667,667
On demand accounts	262,423,818	919,321	994,789	-	264,337,928
Total	**1,082,873,591**	**20,127,150**	**258,801,020**	**28,203,834**	**1,390,005,595**

Government and public sector deposits inside the Kingdom amounted to JD 21,630,661 representing 1.59% of the total customers' current and on demand accounts as at 31 December 2023 compared to JD 28,203,834 representing 2.03% as at 31 December 2022.

Dormant accounts amounted to JD 11,519,230 as of 31 December 2023 compared to JD 14,229,016 as of 31 December 2022.

The restricted accounts amounted to JD 7,752,466 representing 0.57% of the total customers' current and on demand accounts as of 31 December 2023 compared to JD 7,153,085 representing 0.51% as of 31 December 2022 of the total customers' current and on demand accounts.

(25) Cash margins

The item consists of the following:

	31 December 2023	31 December 2022
	JD	JD
Cash margins against sales receivables, finances and other receivables	29,234,769	25,723,205
Cash margins against indirect facilities	27,231,795	26,334,732
Other margins	5,939,084	6,001,700
Total	**62,405,648**	**58,059,637**

(26) Other provisions

	31 December 2023				
	Beginning Balance	Appropriated during the year	Transferred to (from) during the year	Utilized during the year	Ending Balance
	JD	JD	JD	JD	JD
End of service indemnity provision	5,200,000	550,000	-	(2,399,944)	3,350,056
Legal case held against bank provision	75,000	-	-	-	75,000
Employees' vacation provision	3,800,000	150,000	-	-	3,950,000
Expected credit loss provision against Contingent liabilities (Note 68-D) – Joint	736,810	-	(281,386)	-	455,424
Expected credit loss provision against Contingent liabilities (Note 68-D) - Self	5,842,350	-	(627,868)	-	5,214,482
Total	**15,654,160**	**700,000**	**(909,254)**	**(2,399,944)**	**13,044,962**

This item consists of the following:

	31 December 2022				
	Beginning Balance	Appropriated during the year	Transferred during the year	Utilized during the year	Ending Balance
	JD	JD	JD	JD	JD
End of service indemnity provision	4,350,000	850,000	-	-	5,200,000
Legal cases held against bank provision	75,000	-	-	-	75,000
Employees' vacation provision	3,600,000	200,000	-	-	3,800,000
Expected credit loss provision against Contingent liabilities (Note 68-D) – Joint	2,132,047	-	(1,395,237)	-	736,810
Expected credit loss provision against Contingent liabilities (Note 68-D) - Self	6,403,296	-	(560,946)	-	5,842,350
Total	**16,560,343**	**1,050,000**	**(1,956,183)**	**-**	**15,654,160**

(27) Income tax provision

A. Bank's income tax provision

Movements on the Bank's income tax provision were as follows:

	31 December 2023	31 December 2022
	JD	JD
Beginning balance for the year	31,300,247	32,652,979
Income tax paid	(27,654,238)	(28,749,724)
Income tax expense	32,242,542	35,180,593
Income tax paid in advance for the years 2023 and 2022	(5,962,800)	(7,783,601)
Ending balance for the year	**29,925,751**	**31,300,247**

B. Income tax expense shown in the consolidated income statement represents the following:

	31 December 2023	31 December 2022
	JD	JD
Income tax for the profit of the year	32,242,542	35,180,593
Less: deferred tax assets released (created) during the year	7,904	(750,951)
Total	**32,250,446**	**34,429,642**

Income tax was calculated in accordance with Income Tax Law No. (38) of 2018 and its amendments, to become 35% income tax in addition to 3% national contribution, a total of 38% for the Bank.

The Bank reached a final settlment up to end of 2020 and the Bank submitted the income tax declerations for the years 2022, but the Income and Sales Tax Departement has not reviewed the records up to the date these of financial statements.

There are no pending cases concerning the bank with the Income Tax Court, and in the opinion of the bank's administration and its tax consultant, the tax allocations taken are sufficient as of 31 December 2023.

Subsidiaries:

Al Samaha Financing and Islamic Investment Limited Private Company:

The Company reached a final settlement with the income tax department up to end of 2022, with the exception of the years 2019,2020,2021 where the company submitted the income tax declarations for the years 2019,2020,2021,the income and sales tax department has not reviewed the records up to the date of this interim condensed consolidated financial statements .

Sanabel Al-Khair for financial investment Company Ltd:

The Company reached a final settlement with the income tax department up to end of 2022, with the exception of the year 2021 where the company submitted the income tax declaration for the year 2021,the income and sales tax department has not reviewed the records up to the date of this interim condensed consolidated financial statements.

Omaryeh School Company Ltd:

The Company reached final settlement with the income tax department up to end of 2022.

Future Applied Computer Technology Company Ltd:

The Company reached final settlement with the income tax department up to end of 2022 , with the exception of the year 2021 and the company submitted the income tax declaration for the year 2021, the income and sales tax department has not reviewed the records up to the date of this interim condensed consolidated financial statements.

C. Deferred tax assets

	As of 31 December 2023					As of 31 December 2022
	Beginning balance	Disposal amounts	Added amounts	Ending balance	Deferred tax	Deferred tax
	JD	JD	JD	JD	JD	JD
Suspended revenue unaccepted by tax	1,976,188	(20,802)	-	1,955,386	743,047	750,951
Total	**1,976,188**	**(20,802)**	**-**	**1,955,386**	**743,047**	**750,951**

(28) Deferred tax liabilities

This item consists of the following:

	31 December 2023					31 December 2022
	Beginning balance	Disposal amount	Added amounts	Ending balance	Deferred tax	Deferred tax
	JD	JD	JD	JD	JD	JD
A. Deferred tax liabilities –Joint*						
Financial assets reserve at fair value through the joint investment accounts holders' equity	(3,141,520)	(3,664,233)	186,759	(6,618,994)	(2,515,218)	(1,193,778)
Investments in real estate reserve	4,288,313	-	524,822	4,813,135	1,828,991	1,629,559
Total deferred tax liabilities –Joint	**1,146,793**	**(3,664,233)**	**711,581**	**(1,805,859)**	**(686,227)**	**435,781**
B. Deferred tax liabilities – self-financed **						
Financial assets reserve at fair value through owner's equity- self	4,722,693	(130,117)	1,606,280	6,198,856	2,355,565	1,794,623
Total deferred tax liabilities- self	**4,722,693**	**(130,117)**	**1,606,280**	**6,198,856**	**2,355,565**	**1,794,623**
Total	**5,869,486**	**(3,794,350)**	**2,317,861**	**4,392,997**	**1,669,338**	**2,230,404**

* Deferred tax liabilities - joint includes an amount of JD 686,227 as at 31 December 2023 compared to JD 435,781 as at 31 December 2022 resulting from the profits of evaluating financial and non-financial assets within the fair value reserve of the unrestricted investment accounts holders'.

** Deferred tax liabilities - self financed includes an amount of JD 2,355,565 as at 31 December 2023 compared to JD 1,794,623 as at 31 December 2022 resulting from the profits of evaluating financial assets within the fair value reserve of owner's equity.

Movements on deferred tax liabilities were as follows:

A. Joint

	31 December 2023	31 December 2022
	JD	JD
Beginning Balance	435,781	1,260,199
Disposal - net	(1,122,008)	(824,418)
Ending Balance	**(686,227)**	**435,781**

B. Self

	31 December 2023	31 December 2022
	JD	JD
Beginning Balance	1,794,623	1,881,509
Additions (Disposal) -net	560,942	(86,886)
Ending Balance	**2,355,565**	**1,794,623**

C. Reconciliation between tax profit and accounting profit:

	31 December 2023	31 December 2022
	JD	JD
Accounting profit	94,552,146	95,538,653
Non-taxable profit	(11,355,207)	(6,530,218)
Nondeductible expenses	1,768,060	1,679,328
Taxable profit	84,964,999	90,687,763
Attributable to:		
Bank	84,602,466	90,370,652
Subsidiaries	362,533	317,111
Statutory income tax rate – Bank	٪38	٪38
Effective income tax rate – Bank	٪34.04	٪37.97

(29) Other liabilities

This item consists of the following:

	31 December 2023	31 December 2022
	JD	JD
Accepted cheques	333,416	632,593
Revenues received in advance	1,555,044	1,489,248
Al Qard Al Hasan Fund	2,394,621	2,522,980
Temporary deposits	1,975,326	1,342,299
Miscellaneous credit balances	1,640,906	1,576,988
Cheques against notes payables	5,965,229	5,704,024
Profits from investment deposit accounts	450,735	-
Banker’s cheques	7,128,518	6,823,072
Accounts payable	1,199,041	1,270,121
Collection bills prepaid	6,020,454	3,569,151
Cards limits prepaid	7,028,723	6,147,168
Others	3,628,389	2,291,665
Total	**39,320,402**	**33,369,309**

(30) Unrestricted investment accounts

A. This item consists of the following:

	31 December 2023					
	Retail	Large corporates	Small and Medium Enterprises	Government and public sector	Banks	Total
	JD	JD	JD	JD	JD	JD
Saving accounts	613,753,651	2,035,680	7,850,331	834	25,048,793	648,689,289
Notice accounts	7,251,271	-	3,369,511	669,287	13,977,981	25,268,050
Investment deposits	2,316,033,844	47,332,577	255,663,493	153,120,592	35,000,000	2,807,150,506
Total	**2,937,038,766**	**49,368,257**	**266,883,335**	**153,790,713**	**74,026,774**	**3,481,107,845**
Depositors' share from Undistributed Investment returns – (note 45B)	45,697,123	1,100,189	6,787,296	2,254,041	1,120,112	56,958,761
Total unrestricted investment accounts	**2,982,735,889**	**50,468,446**	**273,670,631**	**156,044,754**	**75,146,886**	**3,538,066,606**

	31 December 2022					
	Retail	Large corporates	Small and Medium Enterprises	Government and public sector	Banks	Total
	JD	JD	JD	JD	JD	JD
Saving accounts	634,656,330	580,959	8,099,703	278	24,204,359	667,541,629
Notice accounts	8,818,494	-	4,163,348	641,666	8,045,265	21,668,773
Investment deposits	2,107,740,965	60,016,758	191,594,253	172,390,043	30,000,000	2,561,742,019
Total	**2,751,215,789**	**60,597,717**	**203,857,304**	**173,031,987**	**62,249,624**	**3,250,952,421**
Depositors' share from Undistributed Investment returns – (note 45B)	66,190,642	2,167,236	6,338,253	6,670,997	756,495	82,123,623
Total unrestricted investment accounts	**2,817,406,431**	**62,764,953**	**210,195,557**	**179,702,984**	**63,006,119**	**3,333,076,044**

Unrestricted investment accounts share of profits is calculated as follows:

- 40% of the annual average balance of saving accounts.
- 70% of the annual average balance of notice accounts.
- 90% of the minimum balance of investment deposits accounts.

Profits are distributed semi-annually

Profit distributed percentage for Jordanian Dinars on investment deposits accounts for the first half of the year 2023 was (4.00% - 5.90%) and the second half of the year 2023 was (4.22% - 6.11%).Profit distributed percentage of foreign currencies on investment deposits accounts for the first half of the year 2023 was (3.33% - 4.17%) and the second half of the year 2023 was (3.34% - 5.00%).

Profit distributed percentage for Jordanian Dinars on investment deposits accounts for the year 2022 was (3.34% - 5.55%).Profit distributed percentage of foreign currencies on investment deposits accounts for the year 2022 was (2.00% - 3.33%).

Profit distributed percentage for Jordanian Dinars on saving accounts and notice accounts for the first half of the year 2023 was (2.8%) and the second half of the year 2023 was

(2.86%).Profit distributed percentage of foreign currencies on saving accounts and notice accounts for the first half of the year 2023 was (2.1%) and the second half of the year 2023 was (2.41%).

Profit distributed percentage for Jordanian Dinars on saving accounts and notice accounts for the year 2022 was (3.34%).Profit distributed percentage of foreign currencies on saving accounts and notice accounts for the year 2022 was (2.0%).

Unrestricted investment accounts (Government of Jordan and Public Sector) inside the Kingdom amounted to JD 156,044,754 representing 4.41% of the total unrestricted investment accounts as at 31 December 2023 compared to JD 179,702,984 representing 5.39% as of 31 December 2022.

Dormant accounts amounted to JD 28,740,581 as at 31 December 2023 compared to JD 42,388,562 as at 31 December 2022.

The withdrawal restricted investment accounts were amounted to JD 6,809,398 representing 0.19% of the total unrestricted investment accounts as at 31 December 2023 compared to JD 4,536,979 representing 0.14% as at 31 December 2022.

The balance of the mutual insurance fund included in the unrestricted investment accounts amounted to 61,174,333 JD as of 31 December 2023 (2022: 54,352,361 JD) (Note 32-b).

B. Investment accounts holders' reserve and non- controlling interest – in subsidiaries and associates

This item consists of the following:

	Joint	
	31 December 2023	31 December 2022
	JD	JD
Investment accounts holders' reserve – Subsidiaries	11,653,337	11,301,692
Investment accounts holders' reserve – Associates	3,642,039	3,640,515
Total	**15,295,376**	**14,942,207**
Non-Controlling Interests – Investment account holders	**38,571**	**38,956**

(31) Fair value reserve

This item consists of the following:

A. Joint

	Joint	
	31 December 2023	31 December 2022
	JD	JD
Financial assets reserve at fair value through joint investment accounts holders' equity	(4,103,776)	(1,947,742)
Investments in real estate reserve	2,984,144	2,658,754
Total	**(1,119,632)**	**711,012**

B. Self

	Self	
	31 December 2023	31 December 2022
	JD	JD
Financial assets reserve at fair value through owner's equity - self	3,843,291	2,928,070
Total	**3,843,291**	**2,928,070**

C. Movements on the fair value reserve for the unrestricted investment accounts holders' equity were as following:

	31 December 2023		
	Financial assets at fair value	Investments in real estate	Total
	JD	JD	JD
Beginning Balance	(3,141,520)	4,288,313	1,146,793
Unrealized (loss) profit	(3,160,771)	4,732,960	1,572,189
Deferred tax assets (liabilities)	2,515,218	(1,828,991)	686,227
Profits transferred to the consolidated income statement	(316,703)	(4,208,138)	(4,524,841)
Ending Balance	**(4,103,776)**	**2,984,144**	**(1,119,632)**

	31 December 2022		
	Financial assets at fair value	Investments in real estate	Total
	JD	JD	JD
Beginning Balance	(2,968,345)	6,284,657	3,316,312
Unrealized (loss) profit	(173,175)	1,261,242	1,088,067
Deferred tax assets (liabilities)	1,193,778	(1,629,559)	(435,781)
Profits transferred to the consolidated income statement	-	(3,257,586)	(3,257,586)
Ending Balance	**(1,947,742)**	**2,658,754**	**711,012**

* The fair value reserve beginning balance includes the prior year deferred tax liabilities of JD 435,781 (Note 28-A).

D. Movements on the fair value reserve / owner's equity (shareholder's Equity) were as follows:

	Financial assets at fair value	
	31 December 2023	31 December 2022
	JD	JD
Beginning Balance*	4,722,693	4,951,340
Unrealized profits (losses)	1,481,457	(228,647)
Deferred tax liabilities	(2,355,565)	(1,794,623)
Gains transferred to retained earnings	(5,294)	-
Ending Balance	**3,843,291**	**2,928,070**

* The fair value reserve beginning balance includes the prior year deferred tax liabilities of JD 1,749,623 (Note 28-B).

(32) Provision for expected future risks and mutual insurance fund:

A. Movements on the provision for expected future risks were as follows:

	31 December 2023	31 December 2022
	JD	JD
Beginning balance for the year	15,155,371	25,000,000
Transfer to expected credit losses provision – Joint	(2,254,847)	(9,844,629)
Ending Balance	**12,900,524**	**15,155,371**

B. Mutual Insurance Fund

Movements on the mutual insurance fund were as follows:

	31 December 2023	31 December 2022
	JD	JD
Beginning balance	54,352,361	50,448,766
Add: profits for the years 2022 and 2021	2,388,860	1,155,864
Add: insurance premiums collected during the year	12,578,487	10,508,047
Add: amounts recovered from prior years losses	179,376	213,330
Less: insurance premiums paid during the year	(7,060,355)	(6,357,548)
Less: tax payment for the year 2022 and 2021	(662,135)	(1,104,317)
Less: fund's committee members remunerations	(16,783)	(16,000)
Less: consulting fees during the year	(1,741)	(1,740)
Less: losses written off during the year	(583,737)	(494,041)
Ending balance	**61,174,333**	**54,352,361**

The mutual insurance fund was established based on Article (54) - paragraph (D/3) of the Banks Law No. (28) for the year 2000.

Prior approval of the Central bank of Jordan must be obtained in case of any changes to the mutual insurance fund policies.

In case of discontinuing the mutual insurance fund for any reason, the Board of Directors shall determine the way of spending the fund's sources for charity.

The Central bank of Jordan approved considering the Mutual Insurance Fund as mitigating risk exposure according to its letter No. (10/1/12160) dated 9 October 2014.

The bank expanded the coverage of the insured segment as of 1 July 2023 to include those who debts due amount (equal JD 200 thousand or less) instead of (JD 150 thousand or less) after obtaining the approval of the Central Bank of Jordan.

Compensation payment for the subscriber is made from the Fund as determined by the Bank from the subscriber's outstanding debt insured in Murabaha or in any other form of deferred sales or as determined by the Bank from the debt and/or the remaining amount from the Ijarah asset in the following cases:

- Death of subscriber.
- The subscriber's physical disability, fully or partially.
- The subscriber's insolvency due to lack of income sources for at least one year, without having an asset or possessing the leased estate to settle his debt and has no opportunity to obtain income source in the upcoming year that enable the debtor to settle his debt or to continue in the finance lease.

- As of the beginning of 2018, the group has applied the accrual basis instead of cash basis with regards to insurance premiums received from subscribers.

- Mutual insurance fund covers financing granted by Bank (financing granted from joint investment account and Al Wakala Bi Al Istithmar accounts (investments portfolio)).

- The balance of the mutual insurance fund is included within the unrestricted investment accounts (note 30-A).

C. Provision for expected credit losses - Deferred sales receivables and other receivables – joint (Note 8)

	31 December 2023	31 December 2022
	JD	JD
Provision for expected credit loss - Bank	117,349,258	120,329,949
Expected credit loss provision for Al Samaha Funding and Investment Company Ltd.	824,865	824,865
Expected credit loss provision for Al Omariah Schools Company Ltd.	1,386,145	1,054,439
Total	**119,560,268**	**122,209,253**

D. Movement on the provision for expected credit losses and the Impairment provisions – joint (Note 5,6,7,8,9,10,14,22,26):

	31 December 2023	31 December 2022
	JD	JD
Balance at the beginning of the year	127,947,727	119,661,999
Transferred from provision of expected future risk (Note 32-A)	2,254,847	9,844,629
Provision from subsidiaries	331,706	6,113
Written-off debts	(5,941,753)	(1,565,014)
Balance at the end of the year	**124,592,527**	**127,947,727**

(33) Paid-In Capital:

The authorized and paid-in capital amounted to JD 200 million as of 31 December 2023 (2022: JD 200 million) consisting of 200 million shares (2022: 200 million shares).

(34) Reserves

Statutory reserve:
The accumulated amounts in this account represent the transferred 10% of annual profits before taxes during the current and previous years, in accordance with Banks Law. This reserve is not available for distribution to shareholders.

Voluntary reserve:
The accumulated amounts in this account represent the transferred 20% of annual profits before taxes during the current and previous years and is used for purposes determined by the Board of Directors. General Assembly is entitled to distribute the reserve fully or partially as dividends.

Restricted reserves are as follows:

Description	JD	Nature of Restriction
Statutory reserve	129,978,057	Banks Law

(35) Retained earnings

The item consists of the following:

	31 December 2023	31 December 2022
	JD	JD
Balance at the beginning of the year	**132,574,276**	**140,544,987**
Profit after income tax	62,301,700	61,109,011
Realized profit from sale of financial assets at fair value through owner' equity - self	5,294	-
Transferred to statutory reserve	(9,506,312)	(9,559,366)
Transferred to voluntary reserve	(9,451,220)	(9,520,356)
Dividends distributed to shareholders	(50,000,000)	(50,000,000)
Balance at the end of the year	**125,923,738**	**132,574,276**

Proposed Dividends

The proposed cash dividends to be distributed to shareholders for the current year amounted to 22% of the paid-in capital as which is JD 44 million, and this percentage is subject to the approval of the Central bank of Jordan and the General Assembly of Shareholders (2022: 25%).

(36) Deferred sales revenues

This item consists of the following:

	Joint		Self-financed		Total	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	JD	JD	JD	JD	JD	JD
Individuals (Retail):						
Murabaha to the purchase orderer	57,369,711	48,364,791	-	-	57,369,711	48,364,791
Deferred sales	1,012,431	937,012	-	-	1,012,431	937,012
Ijarah Mawsoofa Bil Thimma	721,583	567,651	-	-	721,583	567,651
Istisna’a	12,277	15,770	-	-	12,277	15,770
Real Estate Financing	30,011,975	28,946,945	-	-	30,011,975	28,946,945
Corporate:						
International Murabaha	921,348	404,443	-	-	921,348	404,443
Murabaha to the purchase orderer	21,419,568	20,162,262	-	-	21,419,568	20,162,262
Deferred sales	-	-	-	-	-	-
Ijarah Mawsoofa Bil Thimma	-	3,630	-	-	-	3,630
Istisna'a	906,515	1,318,042	-	-	906,515	1,318,042
Small and Medium Enterprises:						
Murabaha to the purchase orderer	9,941,378	8,639,528	-	-	9,941,378	8,639,528
Deferred sales	1,675	491	-	-	1,675	491
Ijarah Mawsoofa Bil Thimma	9,048	26,180	-	-	9,048	26,180
Istisna’a	178,893	30,430	-	-	178,893	30,430
Government and public sector	37,947,765	42,015,701	-	-	37,947,765	42,015,701
Total	**160,454,167**	**151,432,876**	**-**	**-**	**160,454,167**	**151,432,876**

(37) Financing revenues

This item consists of the following:

	Joint		Self-financed		Total	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	JD	JD	JD	JD	JD	JD
Individuals (Retail):						
Diminishing Musharaka	582,606	539,759	3,419	6,003	586,025	545,762
Total	**582,606**	**539,759**	**3,419**	**6,003**	**586,025**	**545,762**

(38) Gain from financial assets at fair value through the joint investment accounts

This item consists of the following:

	Joint	
	31 December 2023	31 December 2022
	JD	JD
Dividends income	666,398	612,190
Gain on sale of financial assets at fair value	316,703	-
Total	**983,101**	**612,190**

(39) Gain from financial assets at amortized cost

The item consists of the following:

	Joint	
	31 December 2023	31 December 2022
	JD	JD
Islamic Sukuk	19,807,946	12,705,285
Islamic banks portfolio	377,165	254,374
Total	**20,185,111**	**12,959,659**

(40) Dividends from subsidiaries and associates

This item consists of the following:

			Distributed dividends /JD	
Joint	Ownership percentage	Distribution percentage	31 December 2023	31 December 2022
	٪	٪	JD	JD
Dividends distributed from Subsidiaries				
Al Samaha Financing and Islamic Investment Ltd:	100	5.0	600,000	600,000
Dividends distributed to Associates				
Jordanian Center for International Trading Co.	28.4	7.0	67,480	48,200
Islamic Insurance Co.	33.3	8.0	400,000	400,000
Total			**1,067,480**	**1,048,200**

(41) Revenues from investments in real estate

This item consists of the following:

	Joint	
	31 December 2023	31 December 2022
	JD	JD
Total rent income from investments in real estate	1,388,113	1,594,928
Less: operating expenses		
Generating rent income	(502,034)	(455,942)
Net rent income from investing in real estate	886,079	1,138,986
Net sale Income from investing in real estate note(31-c)	4,208,138	3,257,586
Revenues from investments in real estate	**5,094,217**	**4,396,572**

(42) Revenues from Ijarah Muntahia Bittamleek assets

This item consists of the following:

	Joint	
	31 December 2023	31 December 2022
	JD	JD
Ijarah Muntahia Bittamleek	54,602,910	51,283,561
Total	**54,602,910**	**51,283,561**

(43) Revenues from other investments

The item consists of the following:

	31 December 2023	31 December 2022
	JD	JD
Revenue from investment deposits at Islamic financial institutions	4,677,161	1,443,092
Other revenues	492,889	405,137
Total	**5,170,050**	**1,848,229**

(44) Net income of subsidiaries

This item consists of the following:

	31 December 2023	31 December 2022
	JD	JD
Revenues		
School instalments and transportation	9,951,951	9,593,418
Al Wakala Bi Al Istithmar (Investment portfolio)	73,530	51,796
Finance revenues	2,253,040	1,973,427
Other revenues	106,374	92,041
Total Revenues	**12,384,895**	**11,710,682**
Expenses		
Administrative expenses	(8,546,672)	(8,222,614)
Depreciation	(759,071)	(878,558)
Provision for expected credit loss	(331,706)	(11,438)
Other expenses	(1,800,852)	(1,579,366)
Total expenses	**(11,438,301)**	**(10,691,976)**
Net income	**946,594**	**1,018,706**

(45) Share of unrestricted investment accounts holders':

This item consists of the following:

	31 December 2023	31 December 2022
	JD	JD
A. For the first half of the year		
Banks and financial institutions	551,631	-
Customers:		
Saving accounts	3,129,211	-
Notice accounts	140,375	-
Investments deposits	48,227,959	-
Total for the first half of the year	**52,049,176**	**-**
B. For the second half of the year		
Banks and financial institutions	1,120,112	756,495
Customers:		
Saving accounts	4,462,324	7,117,197
Notice accounts	180,502	309,633
Investments deposits	51,195,823	73,940,298
Total for the second half of the year	**56,958,761**	**82,123,623**
Total for the year	**109,007,937**	**82,123,623**

(46) Bank's share of the joint investment accounts revenues as Mudarib and Rab Mal

The item consists of the following:

	31 December 2023	31 December 2022
	JD	JD
Bank's share as Mudarib	73,320,963	85,784,808
Bank's share as Rab Mal	60,272,097	50,973,178
Total	**133,593,060**	**136,757,986**

(47) Bank's self- financed revenues

This item consists of the following:

	31 December 2023	31 December 2022
	JD	JD
Financing revenues (Note 37)	3,419	6,003
Gain from financial assets through consolidated income statement	-	7,349
Dividend from financial assets at the fair value through owner's equity	228,681	24,043
Losses from financial assets at fair value through consolidated income statement	(4,210)	-
Total	**227,890**	**37,395**

(48) Bank's share of restricted investment revenues as Mudarib and Wakeel:

This item consists of the following:

	Wakeel	Mudarib	Wakeel	Mudarib
	31 December 2023		31 December 2022	
	JD	JD	JD	JD
Restricted investment revenues	-	6,998,986	-	4,064,315
Less: Share of restricted investment accounts holders'	-	(6,105,662)	-	(3,501,268)
Net (Note 57)	**-**	**893,324**	**-**	**563,047**
Al Wakala Bi Al Istithmar profits	1,512,258	-	1,231,344	-
Less: share of Al Wakala Bi Al Istithmar accounts holders'	(738,904)	-	(598,306)	-
Net	**773,354**	**-**	**633,038**	**-**
Al Wakala Bi Al Istithmar profits (Investment portfolio)	28,981,895	-	29,417,797	-
Less: share of Al Wakala Bi Al Istithmar accounts holders' (Investment portfolio)	(21,587,725)	-	(21,617,338)	-
Net (Note 58)	**7,394,170**	**-**	**7,800,459**	**-**
Total	**8,167,524**	**893,324**	**8,433,497**	**563,047**

(49) Banking services revenues

This item consists of the following:

	31 December 2023	31 December 2022
	JD	JD
Letters of credit commissions	523,862	878,749
Guarantees commissions	2,871,633	2,618,285
Collection bills commission	582,991	667,087
Transfers commission	1,533,218	1,465,466
Salary transfers commission	5,413,203	5,110,234
Returned cheques commission	1,090,666	979,221
Account management commission	1,034,077	1,063,594
Cheques books commission	271,240	280,616
Foreign currencies cash deposits commission	35,675	113,050
Brokerage commission	174,961	253,424
Cheques collection commission	132,117	131,296
Credit cards commission	12,647,416	11,780,266
Other commissions	2,484,110	2,366,139
Total	**28,795,169**	**27,707,427**

(50) Foreign currency gain

This item consists of the following:

	31 December 2023	31 December 2022
	JD	JD
Resulting from trading	938,131	887,837
Resulting from valuation	1,849,823	1,594,020
Total	**2,787,954**	**2,481,857**

(51) Other incomes

The item consists of the following:

	31 December 2023	31 December 2022
	JD	JD
Rents	72,217	63,521
Bonded revenues	1,019,862	901,020
Postage and telephone	280,138	295,257
Safe box leasing	294,655	280,496
Others	957,813	1,595,894
Total	**2,624,685**	**3,136,188**

(52) Employees expenses

This item consists of the following:

	31 December 2023	31 December 2022
	JD	JD
Salaries, benefits and allowances	36,591,978	35,299,661
Bank's contribution in Social Security	4,334,041	4,200,546
Medical expenses	3,587,595	3,502,817
Training expenses	233,856	164,016
Per diem	160,079	142,704
Meals	67,978	80,871
End of service benefits	459,162	848,757
Takaful insurance	270,840	262,628
Total	**45,705,529**	**44,502,000**

(53) Other expenses

This item consists of the following:

	31 December 2023	31 December 2022
	JD	JD
Postage and telephone	2,057,032	1,912,532
Printings and stationery	1,137,805	1,119,875
System maintenance and licenses	2,674,253	2,439,249
Credit Cards	5,689,494	5,197,019
Water, electricity and heating	1,184,590	1,325,252
Repair, maintenance and cleaning	2,438,085	2,386,068
Insurance premiums	1,125,391	1,114,881
Travel and transportation	1,712,881	1,518,570
Legal and consulting fees	421,714	497,022
Professional fees	128,020	129,470
Subscriptions and memberships	1,024,914	1,106,215
Donations	1,520,289	1,302,229
Licenses, governmental fees and taxes	918,105	914,551
Hospitality	171,707	145,101
Advertising and promotion	576,573	637,096
Saving accounts rewards	252,375	189,680
Board committees remunerations	136,000	130,000
Master card and visa accounts rewards	10,000	198,316
Board members remunerations	55,000	55,000
Overdraft accounts coverage	-	118,085
Cheques collection	345,880	322,913
Lease obligation cost	603,879	628,719
Others	1,257,640	892,508
Total	**25,441,627**	**24,280,351**

(54) Other provisions

The item consists of the following:

	31 December 2023	31 December 2022
	JD	JD
End of service indemnity provision	550,000	850,000
Employees' vacation provision	150,000	200,000
Total	**700,000**	**1,050,000**

(55) Basic earnings per share (EPS)

The item consists of the following:

	31 December 2023	31 December 2022
Profit for the year after income tax (JD)	62,301,700	61,109,011
Weighted average number of shares (share)	200,000,000	200,000,000
Basic earnings per share (Fils/JD)	**0/312**	**0/306**

- The bank has not issued any new shares or convertible financial instruments that may lead to a reduced share.

(56) Cash and cash equivalents

This item consists of the following:

	31 December 2023	31 December 2022
	JD	JD
Cash and balances with Central bank of Jordan maturing within 3 months *	777,350,208	719,230,111
Add: Balances at banks and financial institutions maturing within 3 months	82,611,839	43,995,907
Less: Balances at banks and financial institutions maturing within 3 months	(11,898,666)	(37,104,499)
Total	**848,063,381**	**726,121,519**

- It includes statutory cash reserve (Note 4)

(57) Restricted investments

This item consists of the following:

	Real estate investment		International Murabaha		Deferred sales receivables		Ijarah Muntahia Bittamleek		Cash balances		Total	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022	31 December 2023	31 December 2022	31 December 2023	31 December 2022	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Investments at the beginning of the year	219,179	268,971	31,883,597	14,301,577	41,052,943	21,393,642	49,928,336	32,769,228	2,431,385	2,111,244	125,515,440	70,844,662
Deposits	-	-	46,422,003	62,904,158	31,592,697	20,984,580	52,508,101	18,980,330	29,338,369	13,684,257	159,861,170	116,553,325
Withdrawals	(133,857)	(356,440)	(61,640,389)	(45,721,925)	(9,862,426)	(2,184,805)	(4,389,554)	(3,756,529)	(21,728,232)	(13,364,116)	(97,754,458)	(65,383,815)
Investment profits	122,829	329,729	1,350,440	547,067	2,087,663	1,017,266	3,438,054	2,170,253	-	-	6,998,986	4,064,315
Bank's fees as Mudarib	(8,598)	(23,081)	(339,780)	(147,280)	(217,889)	(157,740)	(327,057)	(234,946)	-	-	(893,324)	(563,047)
Ending balance	**199,553**	**219,179**	**17,675,871**	**31,883,597**	**64,652,988**	**41,052,943**	**101,157,880**	**49,928,336**	**10,041,522**	**2,431,385**	**193,727,814**	**125,515,440**
Less: suspended deferred profits	-	-	-	-	(9,834,585)	(5,980,261)	-	-	-	-	(9,834,585)	(5,980,261)
Less: Deferred Mutual Insurance fund	-	-	-	-	(7,104,294)	(3,082,648)	-	-	-	-	(7,104,294)	(3,082,648)
Ending balance, Net	**199,553**	**219,179**	**17,675,871**	**31,883,597**	**47,714,109**	**31,990,034**	**101,157,880**	**49,928,336**	**10,041,522**	**2,431,385**	**176,788,935**	**116,452,531**

(58) Al Wakala Bi Al Istithmar (Investments Portfolio)

	Financial assets through comprehensive income statements	Financial assets at amortized cost	Investment in real estate	Deferred Sale receivables	Ijarah Muntahia Bittamleek*	Cash balances	Al-Wakala bi Al Istithmar	Other assets	Total
	31 December 2023	31 December 2023	31 December 2023	31 December 2023	31 December 2023	31 December 2023	31 December 2023	31 December 2023	31 December 2023
	JD	JD	JD	JD	JD	JD	JD	JD	JD
Beginning balance	34,905,599	35,221,059	35,183,756	322,413,161	127,900,343	29,981,375	-	-	585,605,293
Number of investment units at beginning of the year							-	-	1,093,753
Value of investment units at beginning of the year							-	-	546,876,500
Deposits	-	-	1,925,353	40,797,789	43,341,170	123,944,375	1,800,000	1,207,260	213,015,947
Withdrawals	(10,273,983)	(11,831,051)	(57,891)	(55,976,720)	(36,189,389)	(106,790,000)			(221,119,034)
Investment profits	1,451,906	147,731	462,418	17,915,829	9,004,011	-			28,981,895
Bank's Fees as Wakeel	(599,226)	-	(189,591)	(4,390,366)	(2,214,987)	-			(7,394,170)
Total	**25,484,296**	**23,537,739**	**37,324,045**	**320,759,693**	**141,841,148**	**47,135,750**	**1,800,000**	**1,207,260**	**599,089,931**
Less: deferred profits	-	-	-	(39,407,318)	-	-	-	-	(39,407,318)
Less: Deferred mutual insurance	-	-	-	(3,230,752)	-	-	-	-	(3,230,752)
Less: expected credit loss provision	-	-	-	(11,213,364)	-	-	-	-	(11,213,364)
Less: Impairment provision for repossessed assets	-	-	(458,054)	-	-	-	-	-	(458,054)
Asesets (liabilities) deferred tax	2,799,733	-	(1,203,685)	-			-	-	1,596,048
Ending Balance, Net	**28,284,029**	**23,537,739**	**35,662,306**	**266,908,259**	**141,841,148**	**47,135,750**	**1,800,000**	**1,207,260**	**546,376,491**
Number of investment units at end of year									1,093,753
Value of investment units at end of year									546,876,500
Investment risk reverse	-	-	-	2,104,069	-	-	-	-	2,104,069
Fair value reserve	(4,567,985)	-	1,963,907	-	-	-	-	-	(2,604,078)
Liabilities deferred tax	-	-	-	-	-	-	-	-	-
Ending Balance	**(4,567,985)**	**-**	**1,963,907**	**2,104,069**	**-**	**-**	**-**	**-**	**546,376,491**

* On 7 August 2023, assets and receivables of Ijarah Muntahia Bittamleek were transferred between Al Wakala Bi Al Istishmar accounts (from Al Wakala Bi Al Istithmar to Al Wakala Bi Al Istithmar (investment portfolios)) amounted to 415,874 JD due to the availability of liquidity in this portfolio and the desire of the Al Wakala Bi Al Istithmar holders to liquidate part of their investment. These assets were transferred at book value, which is equivalent to the recoverable value, and no impairment provisions were recorded on them at the date of transfer. These assets are divisible and no foreign currency differences resulted.

	Financial assets through comprehensive income statements	Financial assets at amortized cost	Investment in real estate	Deferred Sale receivables	Ijarah Muntahia Bittamleek*	Cash balances	Total
	31 December 2022	31 December 2022	31 December 2022	31 December 2022	31 December 2022	31 December 2022	31 December 2022
	JD	JD	JD	JD	JD	JD	JD
Beginning balance	39,439,129	-	38,326,462	331,129,909	105,958,365	42,629,534	557,483,399
Number of investment units at beginning of the year							1,055,810
Value of investment units at beginning of the year							527,905,000
Deposits	-	35,000,000	287,671	48,370,046	52,546,710	122,188,500	258,392,927
Withdrawals	(5,866,679)	-	(4,512,177)	(70,451,505)	(36,221,351)	(134,836,659)	(251,888,371)
Investment profits	1,813,807	221,059	1,471,837	18,269,436	7,641,658	-	29,417,797
Bank's Fees as Wakeel	(480,658)	-	(390,037)	(4,904,725)	(2,025,039)	-	(7,800,459)
Total	**34,905,599**	**35,221,059**	**35,183,756**	**322,413,161**	**127,900,343**	**29,981,375**	**585,605,293**
Less: deferred profits	-	-	-	(36,024,461)	-	-	(36,024,461)
Less: Deferred mutual insurance	-	-	-	(2,802,337)	-	-	(2,802,337)
Less: expected credit loss provision	-	-	-	(11,352,107)	-	-	(11,352,107)
Less: Impairment provision for repossessed assets	-	-	(392,357)	-	-	-	(392,357)
Asesets (liabilities) deferred tax	-	-	-	-	-	-	-
Ending Balance, Net	**34,905,599**	**35,221,059**	**34,791,399**	**272,234,256**	**127,900,343**	**29,981,375**	**535,034,031**
Number of investment units at end of year							1,055,810
Value of investment units at end of year							527,905,000
Investment risk reverse	-	-		3,565,937	-	-	3,565,937
Fair value reserve	300,219	-	1,908,899	-	-	-	-
Liabilities deferred tax	184,005	-	1,169,971	-	-	-	2,209,118
Other liability	-	-	-	-	-	-	1,353,976
Ending Balance	**484,224**	**-**	**3,078,870**	**3,565,937**	**-**	**-**	**535,034,031**

* On 26 June 2022, assets and receivables of Ijarah Muntahia Bittamleek were transferred between Al Wakala Bi Al Istishmar accounts (from Al Wakala Bi Al Istithmar to Al Wakala Bi Al Istithmar (investment portfolios)) amounted to 1,267,369 JD due to the availability of liquidity in this portfolio and the desire of the Al Wakala Bi Al Istithmar holders to liquidate part of their investment. These assets were transferred at book value, which is equivalent to the recoverable value, and no impairment provisions were recorded on them at the date of transfer. These assets are divisible and no foreign currency differences resulted.

(59) Al Wakala Bi Al Istithmar

This item consists of the following:

	31 December 2023	31 December 2022
	JD	JD
Al Wakala Bi Al Istithmar accounts – Baraka Group *	64,909,552	64,935,555
Al Wakala Bi Al Istithmar accounts – Central bank of Jordan	7,367,973	9,410,274
Al Wakala Bi Al Istithmar accounts – Islamic Insurance Company	1,286,609	1,286,609
Total	**73,564,134**	**75,632,438**

Wakala investments accounts represent cash amounts deposited at the Bank that are managed and invested in accordance with Islamic Shari'a compliant investment modes agreed upon with the Muwakkil in exchange of a lump sum or percentage of the invested funds mentioned in Wakala contract. Any losses incurred shall be borne by Muwakkil unless arising from the Bank's (Wakeel) negligence or misconduct.

The Bank's fee is 0.7% - 1.25% annually.

* On 7 August 2023, assets and receivables of Ijarah Muntahia Bittamleek were transferred between Al Wakala Bi Al Istishmar accounts (from Al Wakala Bi Al Istithmar to Al Wakala Bi Al Istithmar (investment portfolios)) amounted to 415,874 JD (compared to 1,267,369 JD were transferred on 26 June 2022) due to the availability of liquidity in this portfolio and the desire of the Al Wakala Bi Al Istithmar holders to liquidate part of their investment. These assets were transferred at book value, which is equivalent to the recoverable value, and no impairment provisions were recorded on them at the date of transfer. These assets are divisible and no foreign currency differences resulted.

(60) Related parties transactions

A. The consolidated financial statements include the financial statements of the Bank and the following subsidiaries:

Company Name	Ownership	Paid - in Capital 31 December 2023	Paid - in Capital 31 December 2022
		JD	JD
Al Omariah Schools Company Ltd.	99.8%	16,000,000	16,000,000
Al Samaha Financing and Investment Company Ltd.	100%	12,000,000	12,000,000
Future Applied Computer Technology Company Ltd.	100%	5,000,000	5,000,000
Sanabel Al-Khair for Financial Investments Company Ltd.	100%	5,000,000	5,000,000

The Bank entered transactions with the parent Company, subsidiaries, associates, major shareholders, board members and senior executive management within the Bank's ordinary course of business using normal Murabaha rates and commercial commissions. All deferred sales receivables, financing and Ijarah Muntahia Bittamleek granted to related parties are considered performing and within the first stage.

B. Below is a summary of transactions with related parties:

	Related parties				Total	
	Parent Company	Associates	Subsidiaries	Board members and Senior Executive management	31 December 2023	31 December 2022
	JD	JD	JD	JD	JD	JD
Consolidated statement of financial position items:						
Deferred sales receivables	-	702,353	1,020,016	11,972,008	13,694,377	12,580,475
Financing of employees housing/ Musharaka	-	-	-	1,479,489	1,479,489	825,476
Deposits	198,239	10,320,961	3,911,712	5,734,134	20,165,045	13,282,615
Off consolidated statement of financial position items:						
Guarantees and Letters of credit	-	101,879	526,000	463,064	1,090,943	4,096,534

					31 December 2023	31 December 2022
					JD	JD
Consolidated income statement items:						
Paid expenses	-	5,428,225	1,563,925	3,182,560	10,174,710	9,506,101
Received revenues	25	79,888	88,834	438,948	607,695	697,348
Paid Profits	-	365,291	57,814	25,521	448,626	221,393

Murabaha rate on granted financing ranged between 3.0% - 4.75% annually as at 31 December 2023 (2022: 3.0% - 4.75%).

Musharaka profit rate of financing granted to the employees ranged between 2% - 4.8% annually as at 31 December 2023 (2022: 2% - 4.8%).

Guarantees commission rate ranged between 1% - 4% annually as at 31 December 2023 (2022: 1% - 4%). Letters of credit commission rate ranged between 1.4% - 3.8% quarterly as at 31 December 2023 (2022: 1.4% - 3.8% quarterly).

Individuals and corporate deposits profit’s percentages equals to the related parties profits percentage.

C. Summary of the Bank’s senior executive management benefits (salaries, remuneration and other benefits) were as follows:

	31 December 2023	31 December 2022
	JD	JD
Salaries, remunerations and transportation *	4,901,642	2,549,470
Total	**4,901,642**	**2,549,470**

* Based on the institutional governance instructions for banks No.(2/2023) dated 14 February 2023, the salaries of the facilities managers, the head of treasury and the financial institutions for the senior executive management were included.

(61) Fair value of financial instruments

The Bank uses the following order of valuation methods and alternatives to determine and present the fair value of the financial instruments:

- Level 1 - Quoted market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the inputs are significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the inputs are significant to the fair value measurement is unobservable.

The table below illustrate the analysis of the financial instruments measured at fair value according to the aforementioned order:

31 December 2023	First Level	Second Level	Third Level	Total
	JD	JD	JD	JD
Financial assets at fair value through joint investment accounts holders' equity	14,874,723	19,570,379	-	**34,445,102**
Financial assets at fair value through owner's equity – self financed	5,805,840	13,875,021	-	**19,680,861**
31 December 2022				
Financial assets at fair value through joint investment accounts holders' equity	19,179,595	14,690,321	-	**33,869,916**
Financial assets at fair value through owner's equity – self financed	4,673,901	13,334,908	-	**18,008,809**

(62) Fair value of financial assets and liabilities not measured at fair value in the consolidated financial statements

As shown in note (11,12,13), there are no financial assets not listed in the financial markets that are shown at cost, in order for the Bank to be able to estimate their fair value.

(63) Risk Management

Banks are exposed to several risks because of the operations they provide to their customers and as a result, the need arose for banks to effectively and efficiently manage the risks that they may be exposed to by using the best available methods to manage risks in line with the nature and size of the risks they may be exposed to.

The Bank undertakes the risk management function through a comprehensive risk management framework approved by the Bank's Board of Directors and senior management to identify, measure, follow up and monitor the relevant risk categories and prepare reports on them, and maintain where needed sufficient capital to meet these risks. These measures take into account the appropriate steps to adhere to the provisions and principles of Islamic law, and this had a great impact in mitigating the effects of geopolitical tensions and the resulting impact on some sectors and increasing the likelihood of default for impacted customers through the necessary precautions to deal with these tensions and taking adequate allocations for expected credit losses.

The risks that the Bank may be exposed to are managed according to the general provisions for managing the risks approved by the Board of Directors according to the following principles:

1. Manage risk through a central, non-executive, independent of business and business support departments, which is the risk management department according to the institutional governance instructions for banks issued by the central bank of Jordan.
2. Use the three defense lines model to manage risks in our bank, so that the first line of defense consists of the business and support departments, which is the party responsible for the risks to which our bank may be exposed (Risk Owners) and the application of approved controls, and the second line of defense consists of the Risk Management Department Which defines the controls necessary for risk management in cooperation with the Compliance Control Department and the Internal Control Department, The third line of defense consists of the Internal Audit Department and the Internal Sharia Audit Department, which are considered the bodies concerned with providing independent and objective assurance and providing advice to senior management and the Board of Directors regarding the adequacy and effectiveness of governance and risk management, including internal control to support the achievement of organizational goals and enhance and facilitate the process of continuous improvement.

3. Identify risks that our bank might be exposed to and determine the material risks based on the materiality test that is carried out by the Risk Management Department.

4. Determining the acceptable level of risk for all material risks that our bank may be exposed to, and it is prohibited to exceed it under any circumstances except with the approval of the Board of Directors.
5. Using highly efficient measurement methods to measure all material risks and determine the capital required.

6. Monitor all risks that our bank may be exposed to on an ongoing basis and prepare the risk profile in accordance with the type of risk and the degree of its materiality.

7. Use of enterprise risk management systems (ERMs) which assist in dealing with risk management.

8. Applying the requirements of the Basel Committee on Banking Supervision Standards and best professional practices in risk management.

9. Disseminating the culture of risk management for all the different administrative levels in our bank.

The main objective of our bank’s risk management is to provide a safe business environment that works to achieve our bank’s strategic objectives, by achieving a set of goals as follows:

1. Capital:

Maintaining a safe level of capital through adhering to the minimum levels of capital adequacy in accordance with the instructions of the Central bank of Jordan.

Maintaining high- and high-quality capital capable of absorbing losses at any time and in accordance with the requirements of Basel 3 and the relevant Central bank of Jordan instructions.

Leverage ratio remains within safe levels by adhering to the minimum level in accordance with the instructions of the Central bank of Jordan.

2. Quality of Assets:

The percentage of non-performing accounts remains within the limits set by the Board of Directors.

Maintain sufficient provisions to meet expected credit losses.

The absence of a concentration that exceeds the limits approved at the level of the customer / investment / economic sector / period.

3. Liquidity:

Having sufficient levels of liquidity to meet the needs of customers in normal and stress conditions.

Commitment to the minimum levels of the legal liquidity ratio for total currencies, the Jordanian dinar, the liquidity coverage ratio, and the net stable funding ratio.

4. Internal Control and Control Systems:

Reviewing the operations carried out in our bank and ensuring that the necessary supervisory controls are specified in a manner commensurate with the acceptable risk level and the nature and size of risks that our bank may be exposed to.

Achieving risk management objectives such as compliance with laws and regulations, acceptable ethical behavior, internal control, information and technology security, sustainability and quality assurance.

5. An effective risk management reporting system:

Having an effective system for risk data and preparing reports on risk management and submitting them to the senior executive management and the Board of Directors.

Commitment to what is mentioned in the instructions of the Central bank of Jordan regarding dealing with domestic systemically important banks (D-SIB's) regarding data and preparing reports on risk management issued by the Basel Committee for Banking Supervision.

6. Bank security and safety:

Laying down the necessary precautionary measures in coordination with the Bank's occupational safety and health committee to maintain health and safety of the Bank employees and customers.

Setting a special approved guidance to use in the event of the spread of diseases and epidemics.

Availability of occupational safety and health manual and disaster and emergency response plans.

Readiness of a Bank's alternative site (the disaster recovery site) in addition to other alternative sites.

The Risk Management Department reports directly to the Risk Management Committee of the Board of Directors and indirectly to the CEO / General Manager of the Bank, and defines the responsibilities of the Risk Management Department according to the following:

1. Supervising the stages of the risk management process in our bank.

2. Identify the risks that our bank might be exposed to and evaluating them to determine the material risks.

3. Preparing and updating material risk policies that include approved risk appetite and risk management strategies.

4. Define risk management strategies according to the type of risk, its size and the acceptable level for each of them, taking into account the levels of capital, liquidity and human resources available in terms of the efficiency and adequacy of staff to manage the risks to which our bank may be exposed.

5. Use and develop high-efficiency measurement methods to measure all material risks and determine the required capital.

6. Analyzing the operations carried out in our bank and ensuring that the necessary controls are determined in proportion to the approved risk appetite and the type and size of risks.

7. Monitor the risks that our bank may be exposed to on an ongoing basis, and prepare the risk structure according to the type of risk and the degree of its materiality.

8. Supervising Enterprise Risk Management Solutions (ERM).

Acceptable risk limits:

Our bank determines the acceptable level of risk and is approved by the Board of Directors, and the actual level is monitored and compared with the acceptable level of risk periodically, and it is considered one of the most important elements of governance in the risk management process, in line with the business model adopted by our bank.

1- Credit Risk:

- **Managing credit risk system:**

The main activity of our bank is the granting of funds and providing banking services to various customers. As a result, our bank is exposed to credit risk, which is defined as the inability or willingness of the customer to fulfill his contractual obligations to the bank. Credit risks are the main risks to which our bank is exposed to, which requires the availability of resources to manage these risks effectively.

Credit risk management based on several principles, most notably:

1. The segregation of duties between business, credit, and entities granting facilities in the core banking system.

2. Clearly define the criteria for granting credit to all customers in the credit policy, according to the nature of the customer.

3. Preparing the due diligence study for all credit applications, regardless of the nature of the customer, the amount of financing, the size and type of credit risk mitigations.

4. Determine the profit rate on facilities based on risk degree to which our bank is exposed to.

5. Determine the matrix of authorities granted to all related parties to the credit approval process according to the nature of the customer.

6. Determine the role of all entities related to the credit approval process according to the nature of the customer, in a manner that enhances corporate governance for managing credit risk.

7. Implement the requirements of the Basel Committee on Banking Supervision Standards and Best Professional Practices in Credit Risk Management in line with the instructions of the Central bank of Jordan in particular.

- **Credit study, Control and Follow-up:**

The credit application is prepared by the business departments, and the credit department makes due diligence in studying credit applications, and then the credit application is presented to the credit authority body, in order to achieve the principle of segregation of duties.

The evaluation of customers of large, small and medium entities and high net worth individuals through the internal credit rating system (Moody's), at the level of the Obligor Risk Rating (ORR), and at the level of Facility Risk Rating (FRR).

The customer level credit rating (ORR) represents the creditworthiness of the customer and reflects the probability of default (PD).

The credit rating at the level of Facility Risk Rating (FRR) represents the quality of the credit risk mitigations provided by the customer, which reflects the loss given default ratio (LGD).

Financing applications for retail customers who are granted consumer financing are evaluated according to the Retail Credit Scoring system.

Granting of funds (automated system, branch committee, management committees) is determined according to the authorization matrix approved by the Board of Directors and senior management on the basis of the amount, completion of grant conditions, and the degree of risk of the funding request.

Methodology of applying the Islamic Accounting Standard (30) - impairment and credit losses and onerous commitments (FAS 30)

1- Internal credit rating system:

The Bank has an internal rating system to improve the quality of the credit process, as the classification process relies on "operational" qualitative and "financial" quantitative criteria to assess the creditworthiness of customers.

The credit rating system aims to:

- Improving the quality of the credit decision by relying on the internal credit rating.
- Calculate the customer probability of default (PD).
- Pricing credit facilities in a manner consistent with the size of the risks to which our bank is exposed.
- Measuring the credit risks to which our bank exposed to in a standard way at the customer level and at the level of the credit portfolio.
- Improving the quality of the credit portfolio by setting the limits on the credit portfolio according to the internal credit classification.
- Monitor the credit portfolio through the internal credit rating.

Internal credit rating system mechanism:

- The classification process is carried out by analyzing basic inputs such as financial statements and customers' descriptive data according to an approved classification and evaluation methodology to determine the creditworthiness of the customer.
- The credit department confirms the customer's credit rating with the customer's current circumstances and approves the credit rating.
- A second review of the compatibility of the credit rating with the credit risk of the customer is carried out by the risk management department for applications of high credit risk.
- Ensure that customers' information is updated when a new credit request is received, or at least annually.

2- Scope of application / expected credit loss:

The expected credit loss measurement model was applied to the Bank according to the requirements of the standard as follows:

1. Direct and indirect credit facilities.
2. Sukuk recorded at amortized cost.
3. Islamic finance products that bear the characteristics of debt (principal and return).
4. Credit exposures to banks and financial institutions.
5. Ijara receivables.

3- Governance of Application of Islamic Accounting Standard (30):

A. Board of Directors

The Bank’s board of directors and committees roles represented in the following:

Approve the methodology of applying the standard and related policies.

Approve the business model through which the objectives and principles of acquisition and classification of financial instruments are determined.

Ensuring the existence and implementation of effective control systems through which the roles of the related parties are defined.

Ensure the availability of infrastructure to ensure the application of the standard that includes (human resources / internal credit rating systems / automated systems to calculate expected credit losses, etc.), so that it is able to reach the results that ensure adequate hedging against expected credit losses.

B. Executive Management

The role of the executive management is as follows:

Preparing the methodology for applying the standard according to the requirements of the regulatory authorities.

Preparing the business model in accordance with the bank's strategic plan.

Ensure compliance with the approved methodology for applying the standard.

Supervising the systems used to implement the standard.

Calculating the necessary provisions to meet the expected credit losses according to the instructions of the Central bank of Jordan.

Monitor the size of the expected credit losses and ensure the adequacy of its provisions.

Preparing the required reports for the relevant authorities.

Communicate with the company providing the system with any updates that may occur to the calculation forms and tools or any other inquiries in particular.

4- Definition and mechanism for calculating and monitoring probability of default (PD), exposure at default (EAD), and loss given default (LGD):

A. Default Definition:

The concept of default has been defined for the purposes of applying the standard as follows:

1. The presence of past dues on the customer for a period of 90 days or more, or the presence of clear indicators of their near default or bankruptcy.

2. Delay in the payment of profits and / or principle of the sukuk by the issuer of the sukuk for a period of 90 days or more.

3. Default of the banks whom our bank maintains their balances.

B. The mechanism for calculating expected credit losses (ECL) on financial instruments:

The external classification of international rating agencies was adopted to calculate the probability of default for the financial instrument, and the loss on default was calculated based on the best professional practices in this field, so that the geographical distribution, the economic sector and the capital structure of the issuer of this instrument are taken.

C. Calculating Probability of Default:

Probability of default (PD): The percentage of the debtor's probability of default or delay in fulfilling the payment of installments or obligations on the specified dates within the next 12 months.

Individual basis:

1. Countries, Banks and financial institutions:
The probability of default for countries, banks and financial institutions issued by the international rating company has been approved according to the approved credit scores and to the exposure currency (local currency / foreign currency). The probability of default is updated annually according to approved probability of default from Al Baraka group, taking into account the existence of a minimum probability of default of 0.03% based on the guidelines of the Basel Committee on Banking Supervision.

2. Large, medium and small companies and high net worth individuals:
The probability of default through the economic cycle (TTC PD) is extracted from the internal credit rating system.

The probability of default through the economic cycle (TTC PD) is converted to probability of default to a specific point in time (PIT PD) through a statistical model known as the Vasicek Model, which considers the following:

- Forecasts of macroeconomic indicators.
- Current and historical macroeconomic indicators.
- Credit assets correlation in each credit score (in accordance with the guidelines of the Basel Committee on Banking Supervision in particular).

Collective Basis:

Collective basis portfolio:

For the purposes of calculating the credit loss for customers in the collective portfolio, the portfolio has been divided into four sub-portfolios according to their risk shared characteristics, as follows:

• The commercial portfolio of unrated customers.
• Real-Estate financing portfolio.
• Vehicles financing portfolio.
• Personal financing portfolio.

Calculating the probability of default (PIT PD) using the system by analyzing historical data.

D. Calculating Exposure at Default:

- Direct credit facilities

The credit exposure value has been calculated at default, equal to the balance of the credit facilities as at the date of the financial statements and in accordance with the contractual terms.

- Indirect Credit Facilities:

The credit exposure value was calculated at default, equal to the full indirect credit facilities without applying any credit conversion factor (CCF).

E. Calculating Loss Given Default:

Loss given default represents a part of the exposure that our Bank may lose when a customer defaults, after collecting recoveries when the customer defaults.

The Bank’s customers are divided according to the segments as follows:

1. Individual basis:

1-1 The Jordanian government: using a percentage of loss given default of (0%) for the issued sukuk and the finances granted to the Jordanian government or guaranteed by it (FAS 30).

1-2 Countries: The percentage of loss given default was used based on the geographical area of the countries.

1-3 Banks and financial institutions:

- Using loss given defaults in accordance with the decisions of Basel and the policy adopted by the Bank.
- If the exposure to banks and financial institutions is located in a geographical area, the percentage of loss, assuming default, is different, then the higher percentage is taken.

1-4 Companies: Using the loss-to-default ratio based on the division of the product type in the credit portfolio.

2. Collective basis

Using the rate of loss given default for dealers at the collective basis level based on the division of the credit portfolio.

• The adoption of hair cut ratios for credit risk mitigants at the individual basis and the collective base levels.

C. The main economic indicators that were used in calculating the expected credit loss (ECL):

Macroeconomic factors are included in calculating the expected credit loss, as the Risk Management Department determines the weights of the macroeconomic scenarios in line with changes in the economic conditions in Jordan and amends them whenever necessary, provided that they are presented to the Risk Management Committee emanating from the Board of Directors and the Board of Directors for adoption.

The mechanism for calculating the impairment provision according to the instructions of the Central Bank of Jordan regarding the classification of credit facilities No. (47/2009) (Dated December 10, 2009):

First: Credit facilities of low risk and no provisions are calculated on them, and they have the following characteristics:

- Funds granted to and guaranteed by the Government of the Kingdom of Jordan
- Financing secured by 100٪ cash insurance.
- Financing guaranteed by 100% an acceptable bank guarantee.

Second: Credit facilities acceptable risks and no provisions are calculated on them. They have the following characteristics:

- Strong financial positions and sufficient cash flows.
- Documented by contracts and covered by duly accepted guarantees.
- Good sources of reimbursement.
- Active account movement and regular payment of the principal amount and returns.
- Efficient client management.

Third: Credit facilities under monitoring (requiring special care) and impairment provisions are calculated on them at a rate ranging from (1.5% for sales - 15% for personal finances, Al Qard Al Hasan and visa cards), and any of the following applies to them:

- Existence of dues for a period of more than (60) days and less than (90) days for the original credit facilities.
- Exceeding the granted ceiling balance by (10٪) or more, for a period of more than (60) days and less than (90) days.
- Credit facilities that were previously classified as non-performing credit facilities and were removed from the framework of non-performing credit facilities according to an original rescheduling, or due full payment.
- Acceptable risk credit facilities that have been restructured twice within a year.
- Credit facilities that have expired for a period of more than (60) days and less than (90) days and have not been renewed.

- The absence of at least an annual credit study on the client based on certified financial statements (for companies that are required to prepare such data in accordance with the provisions of the Companies Law) and a financial statement for the rest of the clients on an annual basis in accordance with the provisions of the law.

Fourth: Non-performing credit facilities, to which any of the following applies:

It has passed since its due date, or one of its installments has become due, or the payment of the principal amount and/or profits has not been regular for the following periods:

- Credit facilities substandard from (90) days to (179) days.
- Doubtful credit facilities from (180) days to (359) days.
- loss credit facilities from (360) days or more.
- The granted credit limit exceeded by (10٪ or more) for a period of (90) days or more.
- Credit facilities that have expired for a period of (90) days or more and have not been renewed.
- Credit facilities granted to any client declared bankrupt or to any company declared to be in liquidation.
- Credit facilities that have been structured for three times within a year.
- Current and on demand accounts that are exposed for a period of (90) days or more.

- The mechanism for calculating the provision for non-performing credit facilities:

1 -Credit facilities not covered by acceptable in-kind guarantees:

An impairment provision is gradually prepared that covers the entire principal of non-performing credit facilities within one year from the date of stopping payments, as follows:

(٪25) when the definition of substandard credit facilities applies.
(٪50) when the definition of doubtful credit facilities applies.
(100٪) when applying the definition of loss credit facilities.

2- Credit facilities covered by acceptable in-kind guarantees:

An impairment provision covering the entire principal of non-performing credit facilities is prepared as follows:

A- If the value of the accepted guarantee is equal to or more than the original credit facilities, an impairment provision shall be prepared that covers the entire facility over a period of (5) years at a rate of 20٪ annually from the original credit facilities.

B- If the value of the accepted guarantee is less than the principal of the credit facilities, an impairment provision is prepared as follows:

(٪100) of the part not covered by an acceptable guarantee in the first year, or (20٪) of the original facilities, whichever is greater.

The remaining amount of the required impairment allowance shall be prepared equally over the following four years.

The following are excluded from non-performing credit facilities when preparing impairment provision:

- The part of non-operating credit facilities covered by cash collateral.
- The part guaranteed by the Jordanian Loan Guarantee Company for the first year from the customer's cessation of payment, and the bank must prepare an impairment provision that covers these credit facilities starting from the second year, so that this provision is distributed equally over the years from the second to the fifth.

- It is not permissible to disclose current and on demand accounts except in the narrowest limits and for short periods. If they continue to exist, an impairment provision is prepared as follows:

Days past due	30-59 days	60-89 days	90 or more days
Impairment provision	3%	15%	100%

- An impairment provision is prepared against the due credit facilities within the items (credit cards, personal finances, and personal loans and advances) as follows:

Days past due	60-89 days	90-119 days	120-179 days	180-269 days	270 or more days
Impairment provision	15%	25%	50%	75%	100%

The mechanism for calculating the impairment allowance is in accordance with the instructions of classifying and processing Ijarah Muntahia Bittamleek for Islamic banks no (60/2014) dated (17 November 2014).

- Ijarah Muntahia Bittamleek receivables classification

- Performing receivables from 30 to 59 days.
- Watch list debts from 60 to 89 days.
- Non- performing receivables from 90 days and forward.

- **impairment provision for Muntahia Bittamleek receivables**

- Performing receivables 25%.
- Watch list receivables 50%.
- Non- performing receivables 100%.

1. Credit risk exposure (net of impairment provision and expected credit loss, deferred and suspended revenues, and before collaterals and other risk mitigation factors)

	Joint		Self-financed	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	JD	JD	JD	JD
Items within the consolidated statement of financial position:				
Balances with central bank of Jordan	-	-	609,564,598	526,481,153
Balances with banks and financial institutions	41,471,181	9,566,001	39,608,070	33,834,534
Investment accounts at banks and financial institutions	4,253,943	1,417,959	-	-
Al-Wakala bi Al Istithmar accounts	42,115,026	35,208,483	-	-
Financial assets at amortized costs	405,438,544	396,361,912	-	-
Deferred sales receivables and other receivables:				
Individuals	839,219,301	788,987,625	16,297,958	15,803,435
Real estate	478,315,509	480,081,946	-	-
Companies:				
Corporate	601,534,129	526,316,902	3,190,196	8,912,783
Small and Medium Enterprises (SMEs)	163,323,947	153,139,172	6,884,796	14,513,404
Government and public sector	879,210,747	1,007,740,584	3,053,909	2,998,485
Financing				
Musharaka:				
Individuals	-	-	43,507	43,563
Real estates	39,671,339	38,251,410	133,073	152,998
Off consolidated statement of financial position items:				
Guarantees	-	-	150,688,540	130,733,765
Letters of credit	13,868,260	15,438,750	9,778,300	60,342,950
Acceptances	-	-	1,539,522	13,118,348
Unutilized limits-direct	127,997,890	121,088,843	-	-
Unutilized limits-indirect	-	-	68,904,898	77,600,727
Total	3,636,419,816	3,573,599,587	909,687,367	884,536,145

Collaterals and other credit risk mitigation techniques against Credit Exposures:

The quantity and quality of the required collaterals depends on the credit risk assessment of the counterparty. It is also possible to adjust or reduce the risk exposure related to the debtor, concerned party or any other obligor using the credit risk mitigation techniques applicable in the Islamic banks. These include (asset mortgage, third party guarantee, earnest sales, good faith deposit, cash margins and shares mortgage).

Credit risk mitigations against credit exposure in the aforementioned table were as follows:

- Cash margins
- Jordanian government guarantees
- Mortgage of shares
- Real estate collaterals
- Vehicles and machinery mortgages
- Jordan Loan Guarantee Corporation

2- Credit exposures of deferred sales receivables and other receivables and financing are distributed according to the risk degree as illustrated in following table:

	Joint							Self – financed						
			Companies							Companies				
	Individuals	Real estate financing	Corporate	SMEs	Government and public sector	Banks and other financial institutions	Total	Individuals	Real estate financing	Corporate	SMEs	Government and public sector	Banks and other financial institutions	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
2023-														
Low risk	5,055,986	-	28,952,856	6,972,097	932,500,508	-	973,481,447	-	-	-	-	3,053,909	609,564,598	612,618,507
Acceptable risk	944,631,173	561,276,265	566,874,811	150,137,664	-	88,270,500	2,311,190,413	17,262,685	134,987	3,153,351	3,345,592	-	41,135,339	65,031,954
Due: *														
Up to 30 days	509,665	267,016	1,641,029	559,150	-	-	2,976,860	327	-	-	-	-	-	327
From 31 to 60 Days	959,055	829,107	2,978,207	1,985,318	-	-	6,751,687	6,177	-	-	-	-	-	6,177
Watch list	29,123,672	42,368,095	75,770,716	16,436,938	-	-	163,699,421	616,285	-	122,728	4,279,315	-	-	5,018,328
Non performing:														
Sub standard	4,601,070	2,017,712	-	806,835	-	-	7,425,617	496,091	-	18,806	24,632	-	-	539,529
Doubtful	5,206,626	7,781,908	7,827,973	723,179	-	-	21,539,686	960,428	-	105	43,005	-	-	1,003,538
Loss	29,874,635	9,295,177	20,177,214	13,578,666	-	-	72,925,692	1,004,717	-	2,965	612,590	-	-	1,620,272
Total	**1,018,493,162**	**622,739,157**	**699,603,570**	**188,655,379**	**932,500,508**	**88,270,500**	**3,550,262,276**	**20,340,206**	**134,987**	**3,297,955**	**8,305,134**	**3,053,909**	**650,699,937**	**685,832,128**
Less: deferred revenues	119,294,323	77,068,516	40,529,043	11,749,098	53,289,761	-	301,930,741	-	-	-	-	-	-	-
Less:suspended revenues	4,256,877	1,187,263	2,829,837	566,236	-	-	8,840,213	-	-	-	-	-	-	-
Deferrd mutual insurance	20,249,994	9,881,878	-	-	-	-	30,131,872	-	-	-	-	-	-	-
Less:Expected credit loss provission	35,472,667	16,614,652	54,710,561	13,016,098	-	430,350	120,244,328	3,998,741	1,914	107,759	1,420,338	-	1,527,269	7,056,021
Net	**839,219,301**	**517,986,848**	**601,534,129**	**163,323,947**	**879,210,747**	**87,840,150**	**3,089,115,122**	**16,341,465**	**133,073**	**3,190,196**	**6,884,796**	**3,053,909**	**649,172,668**	**678,776,107**

* The whole receivable balance is considered payable if one instalment falls due.

	Joint							Self – financed						
			Companies							Companies				
	Individuals	Real estate financing	Corporate	SMEs	Government and public sector	Banks and other financial institutions	Total	Individuals	Real estate financing	Corporate	SMEs	Government and public sector	Banks and other financial institutions	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
2022-														
Low risk	4,051,647	-	25,863,779	5,699,874	1,098,979,661	-	1,134,594,961	-	-	-	-	2,998,485	526,481,153	529,479,638
Acceptable risk	880,172,238	545,827,650	469,352,876	142,031,317	-	46,439,500	2,083,823,581	18,703,253	154,363	8,914,937	13,606,669	-	34,424,407	75,803,629
Due: *														
Up to 30 days	395,986	209,927	1,200,625	675,414	-	-	2,481,952	170	-	-	-	-	-	170
From 31 to 60 Days	814,521	912,177	4,338,234	1,381,578	-	-	7,446,510	5,624	-	-	-	-	-	5,624
Watch list	22,676,886	48,405,596	86,707,665	12,182,405	-	-	169,972,552	1,462,713	-	47,892	1,123,359	-	-	2,633,964
Non performing:														
Sub standard	3,095,021	1,273,661	-	413,526	-	-	4,782,208	230,395	-	8,478	69,560	-	-	308,433
Doubtful	3,134,614	1,697,165	3,634,712	1,748,882	-	-	10,215,373	100,847	-	-	29,899	-	-	130,746
Loss	17,694,331	23,351,047	24,926,824	17,827,319	-	-	83,799,521	915,590	-	5,173	577,516	-	-	1,498,279
Total	**930,824,737**	**620,555,119**	**610,485,856**	**179,903,323**	**1,098,979,661**	**46,439,500**	**3,487,188,196**	**21,412,798**	**154,363**	**8,976,480**	**15,407,003**	**2,998,485**	**560,905,560**	**609,854,689**
Less: deferred revenues	92,087,580	70,176,540	25,861,657	9,492,103	91,239,077	-	288,856,957	-	-	-	-	-	-	-
Less:suspended revenues	4,435,761	1,186,801	3,037,492	725,116	-	-	9,385,170	-	-	-	-	-	-	-
Deferrd mutual insurance	16,367,306	9,114,352	-	-	-	-	25,481,658	-	-	-	-	-	-	-
Less:Expected credit loss provission	28,946,465	21,744,070	55,269,805	16,546,932	-	247,057	122,754,329	5,565,800	1,365	63,697	893,599	-	589,873	7,114,334
Net	**788,987,625**	**518,333,356**	**526,316,902**	**153,139,172**	**1,007,740,584**	**46,192,443**	**3,040,710,082**	**15,846,998**	**152,998**	**8,912,783**	**14,513,404**	**2,998,485**	**560,315,687**	**602,740,355**

* The whole receivable balance is considered payable if one instalment falls due

The below table illustrate the distribution of the fair value of the collaterals against deferred sales receivables, other receivables and financing:

	Joint						Self – financed					
			Companies						Companies			
31 December 2023	Individuals	Real estate financing	Corporate	SMEs	Government and public sector	Total	Individuals	Real estate financing	Corporate	SMEs	Government and public sector	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Collaterals against:												
Low risk	5,055,986	-	28,952,856	6,972,097	932,500,508	973,481,447	-	-	-	-	3,053,909	3,053,909
Acceptable risk	481,825,563	249,189,885	197,503,801	102,992,542	-	1,031,511,791	3,308,135	134,987	1,026,073	447,103	-	4,916,298
Watch list	27,958,913	36,916,243	47,210,568	13,639,878	-	125,725,602	448,173	-	108,438	3,964,512	-	4,521,123
Non performing:												
Substandard	3,476,055	1,336,845	-	782,353	-	5,595,253	311,311	-	-	2,893	-	314,204
Doubtful	3,177,858	5,698,816	2,549,990	633,383	-	12,060,047	312,256	-	-	34,514	-	346,770
Loss	19,191,008	5,502,004	5,205,648	7,211,196	-	37,109,856	551,629	-	-	87,846	-	639,475
Total	**540,685,383**	**298,643,793**	**281,422,863**	**132,231,449**	**932,500,508**	**2,185,483,996**	**4,931,504**	**134,987**	**1,134,511**	**4,536,868**	**3,053,909**	**13,791,779**
Of which :												
Cash margins	5,055,986	-	-	6,972,097	-	12,028,083	-	-	-	-	-	-
Acceptable bank guarantees	-	-	28,952,856	-	-	28,952,856	-	-	-	-	-	-
Real estate	116,587,788	287,876,384	232,059,238	95,286,004	-	731,809,414	2,286,976	134,987	798,305	606,504	-	3,826,772
Traded shares	-	-	-	55,992	-	55,992	1,080,803	-	-	3,857,851	-	4,938,654
Vehicles and machinery	419,041,609	10,767,409	20,410,769	29,917,356	-	480,137,143	1,563,725	-	336,206	72,513	-	1,972,444

	Joint						Self – financed					
			Companies						Companies			
31 December 2022	Individuals	Real estate financing	Corporate	SMEs	Government and public sector	Total	Individuals	Real estate financing	Corporate	SMEs	Government and public sector	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Collaterals against:												
Low risk	4,051,647	-	25,863,779	5,699,874	1,098,979,661	1,134,594,961	-	-	-	-	2,998,485	2,998,485
Acceptable risk	438,046,974	259,912,296	180,959,892	94,656,239	-	973,575,401	5,725,998	154,363	2,512,731	3,529,613	-	11,922,705
Watch list	22,726,329	19,769,456	59,738,798	12,745,214	-	114,979,797	1,143,416	-	134,272	1,097,644	-	2,375,332
Non performing:												
Substandard	2,591,981	467,166	-	63,014	-	3,122,161	142,856	-	-	41,623	-	184,479
Doubtful	2,571,762	502,428	2,377,618	816,807	-	6,268,615	64,177	-	-	14,759	-	78,936
Loss	14,917,975	14,252,236	4,690,481	9,457,146	-	43,317,838	336,214	-	6,563	136,303	-	479,080
Total	**484,906,668**	**294,903,582**	**273,630,568**	**123,438,294**	**1,098,979,661**	**2,275,858,773**	**7,412,661**	**154,363**	**2,653,566**	**4,819,942**	**2,998,485**	**18,039,017**
Of which :												
Cash margins	4,051,647	-	-	5,699,874	-	9,751,521	-	-	-	-	-	-
Acceptable bank guarantees	-	-	25,863,779	-	-	25,863,779	-	-	-	-	-	-
Real estate	121,433,006	284,886,018	229,524,045	94,047,427	-	729,890,496	3,068,347	154,363	2,049,032	2,038,259	-	7,310,001
Traded shares	-	-	-	-	-	-	2,729,740	-	-	2,435,797	-	5,165,537
Vehicles and machinery	359,422,015	10,017,564	18,242,744	23,690,993	-	411,373,316	1,614,574	-	604,534	345,886	-	2,564,994

Scheduled deferred sales receivables and other receivables and financing:

These represent receivables/finances which have been classified as non-performing and were set aside in terms of the non-performing receivables/finances in accordance with a legal scheduling agreement and re-classified as watch list or performing receivables/finances with total amount of JD (10,611,677) as at 31 December 2023 against JD (16,305,836) as at 31 December 2022.

Restructured deferred sales receivables and other receivables and financing:

Restructuring means rearranging receivables/finances in terms of amending the instalments or extending the term of receivables/finances, deferring some instalments or extending the grace period, etc. and reclassifying these receivables/finances as watch list with total of JD (297,491) as at 31 December 2023 against JD (29,253,342) at 31 December 2022.

Sukuk:

The following table illustrate Sukuk rating presented within the financial assets at fair value through the joint investment accounts holders' equity and financial assets at amortized cost according to external rating agencies:

31 December 2023

Rating	Financial assets at amortized cost JD
B+	398,375,541
B	7,048,951
B-	14,052
Total	**405,438,544**

31 December 2022

Rating	Financial assets at amortized cost JD
B+	382,034,687
B	13,707,808
BB-	619,417
Total	**396,361,912**

3- Concentration of credit exposure (items within the consolidated statement of financial position) according to geographical area were as follows:

	Inside the Kingdom	Other Middle East Countries	Europe	Asia*	America	Other Countries	Total
	JD	JD	JD	JD	JD	JD	JD
Balances with central bank of Jordan	609,564,598	-	-	-	-	-	609,564,598
Balances at banks and financial institutions	42,698	45,761,515	6,960,406	52,993	28,261,639	-	81,079,251
Investment accounts at bank and financial instituations	-	4,253,943	-	-	-	-	4,253,943
Al-Wakala Bi Al Istithmar accounts	-	42,115,026	-	-	-	-	42,115,026
Deferred sales and other receivables and financing:							
Individuals	855,560,764	-	-	-	-	-	855,560,764
Real estate financing	518,119,921	-	-	-	-	-	518,119,921
Companies:							
Large corporates	575,773,649	17,645,784	11,304,892	-	-	-	604,724,325
Small and Medium Enterprises (SMEs)	170,208,743	-	-	-	-	-	170,208,743
Government and public sector	882,264,656	-	-	-	-	-	882,264,656
Sukuk:							
Within financial assets at amortized cost	387,989,003	10,400,590	7,048,951	-	-	-	405,438,544
Total as at 31 December 2023	**3,999,524,032**	**120,176,858**	**25,314,249**	**52,993**	**28,261,639**	**4,076,923**	**4,173,329,771**
Total as at 31 December 2022	**3,904,220,223**	**76,901,253**	**30,948,086**	**3,738,535**	**19,927,329**	**4,076,923**	**4,039,812,349**

* Except for Middle East Countries

4- Concentration of credit exposure (items within the consolidated statement of financial position) according to economic sector were as follows:

	Financial	Industrial	Commercial	Real estate	Agriculture	Individuals	Government and public sector	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Balances with central bank of Jordan	-	-	-	-	-	-	609,564,598	609,564,598
Balances at banks and financial institutions	81,079,251	-	-	-	-	-	-	81,079,251
Investment accounts at banks and financial institutions	4,253,943							4,253,943
Al-Wakala Bi Al Istithmar accounts	42,115,026	-	-	-	-	-	-	42,115,026
Deferred sales and other receivables and financing	-	237,127,022	451,607,456	518,119,921	44,753,700	897,005,654	882,264,656	3,030,878,409
Sukuk:								
Within financial assets at amortized cost	-	-	405,438,544	-	-	-	-	405,438,544
Total as at 31 December 2023	**127,448,220**	**237,127,022**	**857,046,000**	**518,119,921**	**44,753,700**	**897,005,654**	**1,491,829,254**	**4,173,329,771**
Total as at 31 December 2022	**80,026,977**	**231,299,515**	**797,294,912**	**518,486,354**	**43,681,775**	**831,802,594**	**1,537,220,222**	**4,039,812,349**

2. Liquidity Risks

Liquidity risk is defined as the Bank's inability to provide the required liquidity to cover its obligations at their respective due dates. Bank manage such risks throughout the following:

1. Maintaining reasonable liquidity to cover outgoing cash flows.
2. Diversifing sources of financing.
3. Establishing the Assets and Liabilites committee .
4. Distribution of financing among various sectors and geographical areas to mitigate concentration risk.
5. Liquidity management is based on natural and emergency circumstances including using and analyzing assets and various financial ratios maturities (maturity gaps).
6. Monitoring liquidity by periodically following up on the indicators of the emergency financing plan.
7. Preparing scenarios for internal stress-testing situations related to liquidity risks.

Our bank is obligated to measure liquidity risks in accordance with the instructions of Central Bank of Jordan and as follows:

Liquidity Coverage Ratio (LCR)

The monthly average of the liquidity coverage ratio (LCR) according to the instructions of the Central bank of Jordan from 1 January 2023 to 31 December 2023 (262.5%) (the minimum for this ratio according to the instructions of the Central bank of Jordan is 100%).

Items for calculating the LCR as of 31 December 2023

Statement	Before adjustments and deductions	After adjustments and deductions
	JD	JD
Assets level one	1,053,554,458	1,053,554,458
Assets level two *	8,750,668	4,375,334
Total high quality liquid assets	1,062,305,126	1,057,929,792
Cash outflows	2,733,162,083	525,249,847
Cash inflows	437,025,254	216,022,309

***** The maximum level for assets level two is JD 424,922,050 (40% of the total high-quality liquid assets).

Calculating the LCR as of 31 December 2023.

Statement	After Adjustments and deductoins
	JD
Total high quality liquid assets after adjustments	1,057,929,792
Net cash outflows	309,227,538
Liquidation coverage	٪342.1

Legal Liquidity Ratio (LLR):

The daily average of the legal liquidity ratio (LLR) in total currencies and in the Jordanian dinar, from 1 January 2023 to 31 December 2023 (121% and 112%), respectively. (The minimum for this percentage according to the instructions of the Central bank of Jordan is 100% and 70%, respectively).

First: The below table summarize the maturity profile of the Bank's liabilities (not discounted) based on contractual undiscounted repayment obligations at the date of the consolidated financial statements:

	Less than 1 month	1 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	More than 3 years	Without maturity	Total
31 December 2023	JD	JD	JD	JD	JD	JD	JD	JD
Liabilities:								
Due to banks and financial institutions	3,997,206	-	-	-	7,901,460	-	-	11,898,666
Customers' current accounts	503,717,517	194,003,836	153,267,278	112,530,720	118,309,776	276,056,145	-	1,357,885,272
Cash margins	13,181,368	6,783,656	6,665,572	7,132,184	8,592,860	20,050,008	-	62,405,648
Other provisions	-	-	-	-	-	-	13,044,962	13,044,962
Income tax provision	-	-	29,925,751	-	-	-	-	29,925,751
Deferred tax liabilities	-	-	-	365,798	428,958	-	874,582	1,669,338
Expected credit loss provision	-	-	-	-	-	-	12,900,524	12,900,524
Other liabilities	2,750,576	4,196,306	1,925,115	29,447,686	15,327,343	6,261,434	4,289,972	64,198,432
Unrestricted investment accounts holders' equity	396,511,628	153,466,120	162,853,821	349,240,246	742,798,437	1,733,196,354	38,571	3,538,105,177
Total	**920,158,295**	**358,449,918**	**354,637,537**	**498,716,634**	**893,358,834**	**2,035,563,941**	**31,148,611**	**5,092,033,770**
Total assets (according to expected maturity date)	**1,150,345,623**	**268,529,491**	**328,208,802**	**629,265,550**	**1,815,339,873**	**1,245,691,545**	**188,451,334**	**5,625,832,218**

	Less than 1 month	1 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	More than 3 years	Without maturity	Total
31 December 2022	JD	JD	JD	JD	JD	JD	JD	JD
Liabilities:								
Due to banks and financial institutions	10,687,311	-	-	-	26,417,188	-	-	37,104,499
Customers' current accounts	515,823,330	199,164,562	157,464,395	115,764,227	120,536,724	281,252,357	-	1,390,005,595
Cash margins	12,780,186	6,459,755	6,261,358	6,577,426	7,794,274	18,186,638	-	58,059,637
Other provisions	-	-	-	-	-	-	15,654,160	15,654,160
Income tax provision	-	-	31,300,247	-	-	-	-	31,300,247
Deferred tax liabilities	-	-	-	325,912	939,501	-	964,991	2,230,404
Expected credit loss provision	-	-	-	-	-	-	15,155,371	15,155,371
Other liabilities	6,635,756	3,798,594	1,859,319	22,059,830	14,964,849	6,511,669	4,577,993	60,408,010
Unrestricted investment accounts holders' equity	396,606,566	156,485,114	161,412,971	334,467,295	685,231,229	1,598,872,869	38,956	3,333,115,000
Total	**942,533,149**	**365,908,025**	**358,298,290**	**479,194,690**	**855,883,765**	**1,904,823,533**	**36,391,471**	**4,943,032,923**
Total assets (according to expected maturity date)	**999,334,828**	**231,651,951**	**304,110,616**	**663,811,376**	**1,525,806,536**	**1,555,903,678**	**182,990,171**	**5,463,609,156**

Second: Off consolidated financial position items:

	31 December 2023			
	Up to one year	From one to five years	More than five years	Total
		JD		JD
Letters of credit and acceptances	23,768,082	1,418,000	-	25,186,082
Guarantees	143,436,284	7,232,523	19,733	150,688,540
Unutilized limits-direct	127,997,890	-	-	127,997,890
Unutilized limits-indirect	68,904,898	-	-	68,904,898
Capital liabilities	12,353,374	-	-	12,353,374
Total	**376,460,528**	**8,650,523**	**19,733**	**385,130,784**

	31 December 2022			
	Up to one year	From one to five years	More than five years	Total
		JD		JD
Letters of credit and acceptances	88,900,048	-	-	88,900,048
Guarantees	123,841,354	6,874,760	17,651	130,733,765
Unutilized limits-direct	121,088,843	-	-	121,088,843
Unutilized limits-indirect	77,600,727	-	-	77,600,727
Capital liabilities	9,743,101	-	-	9,743,101
Total	**421,174,073**	**6,874,760**	**17,651**	**428,066,484**

3. Market Risks:

Market risk is the risk of loss resulting from fluctuations in the market price, which relates to equity instruments in the trading book, exchange rates, market rate of return, commodity and inventory prices, the Bank seeks to mitigate these risks throughout the following:

1) Diversifying and distributing investments among various sectors and geographical areas.
2) Analyzing rate of returns trends and expected exchange rates and investments.
3) Establishing limits to investments on the level of the country, currency, market, instrument and counter party.
4) Adapting the currency positions in accordance with Central bank of Jordan regulations.
5) Studying and analyzing the risks related to new investments and clearing them through detailed reports before accepting them.
6) Complianing with the policies, procedures and instructions of the relevant regulatory authorities.
7) Calculating value at risk (VaR) to measure the risks of changes in stock prices and foregin currencies.

A. Rate of return risks

Rate of return risk results from the decline in the rate of return on investments compared to the local market increase in the rate of return “interest” and the Bank’s inability to increase the rate of return on granted facilities with fixed rate of return (Murabaha).

The Bank manages these risks through out the following:

1) Managing the rate of return gaps and cost of assets and liabilities according to various maturity dates.
2) Studying the investments return trends.

	31 December 2023			
	Change (increase) in rate of return (1%)	Sensitivity (profits and losses)	Owner’s equity sensitivity	Investment accounts holders’ equity sensitivity
	JD	JD	JD	JD
Jordanian Dinars	10,498,080	-	5,651,941	4,846,139

	31 December 2023			
	Change (decrease) in rate of return (1%)	Sensitivity (profits and losses)	Owner’s equity sensitivity	Investment accounts holders’ equity sensitivity
	JD	JD	JD	JD
Jordanian Dinars	(10,498,080)	-	(5,651,941)	(4,846,139)

	31 December 2022			
	Change (increase) in rate of return (1%)	Sensitivity (profits and losses)	Owner’s equity sensitivity	Investment accounts holders’ equity sensitivity
	JD	JD	JD	JD
Jordanian Dinars	10,093,310	-	6,158,907	3,934,403

	31 December 2022			
	Change (decrease) in rate of return (1%)	Sensitivity (profits and losses)	Owner’s equity sensitivity	Investment accounts holders’ equity sensitivity
	JD	JD	JD	JD
Jordanian Dinars	(10,093,310)	-	(6,158,907)	(3,934,403)

B. Foreign currency risks

Foreign currency risk is the risk arising from the change in the foreign currency prices that the Bank maintains. Foreign currencies are managed on the basis of spot trading and foreign currencies positions are monitored on a daily basis against the approved limit for each currency, since the Bank's policy in managing foreign currencies, is to clear customer's current positions and cover required positions according to customer's needs.

Bank's investment policy stipulate that the maximum limit of the foreign currencies positions shall not exceed 15% of the total owner's equity (at a maximum limit of 5% of the owner's equity for each currency except for US Dollars) in order to cover the customers' needs in terms of letters of credit, transfers and bills under collection and not for speculation or trading purposes.

	31 December 2023			
Currency	Net Position	Change in the exchange rate (5%)	Impact on profits and losses	Impact on owner's equity
USD	61,463,278	-	-	-
Euro	703,304	35,165	21,802	2,056
GBP	168,139	8,407	5,212	-
JPY	3,055	153	95	-
Other Currencies	1,513,765	75,688	46,927	-

	31 December 2022			
Currency	Net Position	Change in the exchange rate (5%)	Impact on profits and losses	Impact on owner's equity
USD	48,040,572	-	-	-
Euro	104,246	5,212	3,232	1,979
GBP	50,750	2,538	1,573	-
JPY	4,750	238	147	-
Other Currencies	2,243,375	112,169	69,545	-

Concentration of foreign currency risks:

31 December 2023	USD	Euro	GBP	JPY	Others	Total
Assets:						
Cash and balances at vault and central bank of Jordan	87,206,282	6,918,085	1,780,151	-	2,687,455	98,591,973
Cash at banks and financial institutions	73,431,880	6,414,434	384,272	52,995	2,283,591	82,567,172
Investment accounts at banks and financial institutions	4,254,000	-	-	-	-	4,254,000
Al-Wakala Bi Al Istithmar accounts	42,540,000	-	-	-	-	42,540,000
Deferred sales receivables and other receivables	150,852,627	18,182,092	3,198,545	-	3,700,767	175,934,031
Financial assets at fair value through the owner's equity – self financed	821,758	41, 126	-	-	-	862,884
Financial assets at fair value through joint investment accounts holders' equity	1,545,620	-	-	-	-	1,545,620
Financial assets at amortized cost	19,333,435	-	-	-	-	19,333,435
Other assets	935,907	121,366	9,677	-	60,822	1,127,762
Total Assets	**380,921,509**	**31,677,103**	**5,372,635**	**52,995**	**8,732,635**	**426,756,877**
Liabilities:						
Due to banks and financial institutions	1,330,346	114,139	-	-	52,201	1,496,686
Cash margins	3,629,241	374,144	-	-	-	4,003,385
Current accounts	54,354,731	9,123,823	413,439	-	1,106,306	64,998,299
Unrestricted investment accounts	258,942,719	21,337,945	4,791,057	49,940	6,034,467	291,156,128
Other liabilities	1,201,194	23,748	-	-	25,896	1,250,838
Total liabilities	**319,458,231**	**30,973,799**	**5,204,496**	**49,940**	**7,218,870**	**362,905,336**
Net concentration in the consolidated financial position statement - 2023	61,463,278	703,304	168,139	3,055	1,513,765	63,851,541
Contingent Liabilities – off consolidated statement of financial position item – 2023	24,792,299	3,476,126	-	-	633,432	28,901,857
31 december 2022						
Total Assets	**363,841,970**	**25,886,820**	**5,765,823**	**55,921**	**8,557,962**	**404,108,496**
Total Liabilities	**315,801,398**	**25,782,574**	**5,715,073**	**51,171**	**6,314,587**	**353,664,803**
Net concentration in the consolidated financial position statement – 2022	48,040,572	104,246	50,750	4,750	2,243,375	50,443,693
Contingent Liabilities – off consolidated statement of financial position item – 2022	83,756,492	3,880,450	1,742,346	-	2,663,588	92,042,876

C. Equity price risks

Equity price risks result from a change in the fair value of investments in equity. The Bank seeks to manage these risks through diversifying investments in various geographical areas and economic sectors.

	Change in index (5%)	Impact on losses and profits	Impact on owner's equity	Impact on investment account holders' equity
	JD	JD	JD	JD
31 December 2023				
Amman Stock Exchange Index	96,158	-	-	96,158
31 December 2022				
Amman Stock Exchange Index	218,497	-	-	218,497

D. Commodity risks

Commodity risks arise from the fluctuations in the value of marketable assets. These risks are related to the current and future fluctuations and market values of specific assets. The Bank is exposed to fluctuations of fully paid commodity prices after the commencement of Salam contracts and to the fluctuations in the remaining value of the leased assets at the end of the lease term.

4. Non- compliance risks

Non-compliance risks represents legal penalties and/or decided by the supervisory authorities, Financial losses, reputational risks and/or financial crime risks and/or fraud, corruption and bribery risks and/or the risks of legal non-compliance, to which the bank may be exposed as a result of non-compliance with laws, regulations, instructions and orders. And the rules of conduct, standards and sound banking practices, decisions and fatwas issued by the Sharia Supervisory Board.

In order to protect the bank from these risks, the Compliance Monitoring Department ensures that the bank and its internal policies comply with all laws, regulations, instructions, orders, codes of conduct, standards and sound banking practices issued by local and international regulatory authorities, by setting and developing a compliance monitoring policy and guide, preparing and developing the general policy to combat money laundering and preparing procedures and work guides regarding internal and external laws, regulations, and instructions, preparing a charter of professional conduct, and holding the necessary training courses.

5. Operational Risks

Operational risks are the risks of loss arising from inadequacy or failure in internal operations, personnel or systems, or from external events. This includes risks of interruption in the availability of vital processes, legal risk and Islamic Shari'a non-compliance risk and excludes strategic and reputational risks. The Bank seeks to limit these risks throughout the following:

Reviewing the bank's operations and preparing documented policies and procedures that all necessary controls are included to reduce the probability and/or the impact of operational events.

Building a database of all errors, losses and operational events that occur with the bank in order to evaluate and analyze them, identify weaknesses and work to raise the efficiency of the applied control procedures to reduce their recurrence in the future.

Automatically applying the Risk and Control Self-Assessment (RCSA) methodology using the operational risk management system (GRC) with the aim of improving the control environment and assisting senior management and internal audit in identifying high-risk areas and weaknesses in internal control systems.

Prepare and monitor the Key Risk Indicators (KRI's) automatically using the operational risk management system (GRC) for the Bank's main operations and develop corrective action plans in case they exceed the acceptable risk limits.

Preparing, updating and examining a Business Continuity Plan (BCP) and a Disaster Recovery Plan (IT DR) to reduce the exposures and interruptions faced by the bank, and a recovery plan to reduce the effects and losses resulting from crises and/or disasters - God forbid.

Legal department reviews all contracts and related documents used by the Bank.

The Shariah Supervisory Board of our Bank reviews and approves the contracts, agreements and operations forms related to all of our Bank's transactions, with the aim of ensuring that the mentioned contracts, agreements and operations are free of legal prohibitions.

The Information Technology department, in coordination and cooperation with the Information Cyber Security department, set the necessary policies and procedures to maintain the security and confidentiality of information in the Bank, and the authority to access programs and systems in the Bank.

The Occupational Safety and Health Committee sets the necessary instructions and conditions to ensure a safe work environment, in addition to educating employees of the need to follow occupational safety and health conditions on an ongoing basis.

6. Reputational Risks

Reputational risks is being viewed by the Bank as negative impression on the Bank's reputation which might lead to potential losses in the sources of funding and loss of customers to competitive banks. The Bank seeks to limits these risks throughout a set of policies and procedures to enhance the customers' confidenceh and providing a good banking services and maintaining banking confidentiality and avoid undertaking illegal acts or financing unfavorable sectors and provides suitable information security controls.

7. Strategic risks

It is the risk arising from the current and future impact on income or capital resulting from negative business decisions, improper implementation of decisions, or failure to respond to economic changes.

8. Information Technology risk

The increased use of information technology has led to improvement in the effectiveness and efficiency of the operations and services provided by our bank, but it has also brought with it new risks related to information technology.

Under the supervision of the Information Technology Governance Committee and the Board Risk Committee, Our bank manages these risks to avoid exposure to them or mitigate their impact, through continuous monitoring and evaluation of the risks associated with information technology and its impact on banking operations and services in terms of the added value of technical solutions compared to their cost, In terms of quality and quality of projects with a technical basis and evaluation of their results on the bank’s business and improving the level of performance compared to security and technical events that may result from its operation.

There are a number of outputs for the information technology risk management process according to the instructions for governing information and accompanying technology issued by the Central bank of Jordan and according to the instructions of COBIT 2019, the most important of which is the detailed risk reigester for each technical process or banking service, risk scenarios, risk indicators and risk assessment of outsourcing parties.

9. Stress testing

Application methodology:
Our bank stress testing methodology includes identifying all types of risks our bank may face under stressful conditions, and assessing the Bank's ability to withstand these risks according to stress scenarios.

Role and Integrity of stress tests with risk management governance, risk culture and capital planning:
The role of the Board of Directors and senior management is to establish test objectives, identify the scenarios required for each type of risk, and assess the results and needed actions based on the results, especially the ones which have an integral role in the decision-making (capital planning).

Scenario selection mechanism, including key assumptions related to macroeconomic variables:
The Bank carries out sensitivity scenarios analysis determined based on the Central bank of Jordan instructions in addition to other scenarios based on the assumption and proposal of the Bank to measure the degree of tolerance.

The mechanism of using the tests results in decision making at the appropriate administrative level, including the strategic decisions of the Board of Directors and the senior executive management:
The Risk Management Department prepares a summary of the results of the stress tests and raises them to the concerned parties, indicating the final impact of the tests within specific grades (low / medium / high) and whom is authorized party to make related decisions.

Governance application of stress tests:
The Bank identifies parties related to stress testing (Board of Directors / Risk Management Committee, Assets and Liabilities Committee, Risk Management Department, Business and other supervisory departments) and their respective responsibility for achieving complementarity and judgment in carrying out the required tests.

A. Expected credit losses distribution according to classification degree:

As at 31 December 2023	Classification according to (47/2009)	Total Exposure	Expected credit losses (ECL)	Propability of default (PD)	External Crdit rating	Exposure at default (EAD)	Loss given default (LGD)
Performing Exposures							
Internal Rating from 1 to -6	Acceptable risk	1,216,646,303	7,978,525	٪2.7		1,216,646,303	٪17
Internal Rating from 1 to -6	Watch list	117,467,430	22,997,178	٪3.0		117,467,430	٪19
Internal Rating from +7 to -7	Acceptable risk	59,050,063	5,158,573	٪9.8		59,050,063	٪14
Internal Rating from +7 to -7	Watch list	6,960,119	734,296	٪9.9		6,960,119	٪26
Internal Rating from 8 to 10	Acceptable risk	6,172,234	3,813,671	٪100		6,172,234	٪38
Internal Rating from 8 to 10	Watch list	11,355,201	4,865,506	٪100		11,355,201	٪34
External credit rating	Low risk	1,879,759,436	-	٪0.7	B+	1,879,759,436	٪0
External credit rating	Acceptable risk	112,775,969	515,662	٪1.4	A to CCC+	112,775,969	٪48
External credit rating	Watch list	79,592	1,798	٪6.8	CCC+	79,592	٪50
Collective Portfolio	Acceptable risk	1,137,675,592	6,384,428	٪0.9		1,137,675,592	٪42
Collective Portfolio	Watch list	24,535,624	3,575,167	٪43.3		24,535,624	٪42
Total Performing Exposures						**4,572,477,563**	
Non-Performing Exposures							
Internal Rating from 8 to 10	Substandard	2,408,763	889,108	٪100		2,408,763	٪37
Internal Rating from 8 to 10	Doubtful	15,590,835	9,747,497	٪100		15,590,835	٪47
Internal Rating from 8 to 10	Loss	43,802,400	28,265,608	٪100		43,802,400	٪52
External credit rating	Loss	3,786,616	3,334,244	٪100	D	3,786,616	٪71
Collective Portfolio	Substandard	5,097,371	2,793,318	٪100		5,097,371	٪80
Collective Portfolio	Doubtful	5,321,966	3,484,866	٪100		5,321,966	٪82
Collective Portfolio	Loss	26,805,910	14,419,614	٪100		26,805,910	٪73
Total Non-Performing Exposures						**102,813,861**	
Total Exposures						**4,675,291,424**	

As at 31 December 2022	Classification according to (47/2009)	Total Exposure	Expected credit losses (ECL)	Propability of default (PD)	External Crdit rating	Exposure at default (EAD)	Loss given default (LGD)
Performing Exposures							
Internal Rating from 1 to -6	Acceptable risk	1,118,705,779	7,363,052	٪3.9		1,118,705,779	٪18
Internal Rating from 1 to -6	Watch list	74,441,809	1,798,064	٪5.0		74,441,809	٪17
Internal Rating from +7 to -7	Acceptable risk	47,134,239	2,376,879	٪12.8		47,134,239	٪15
Internal Rating from +7 to -7	Watch list	59,881,656	23,832,076	٪12.3		59,881,656	٪28
Internal Rating from 8 to 10	Acceptable risk	2,187,494	1,046,647	٪100		2,187,494	٪48
Internal Rating from 8 to 10	Watch list	16,837,021	7,473,075	٪100		16,837,021	٪34
External credit rating	Low risk	1,906,049,571	-	٪1.3	B+	1,906,049,571	٪0
External credit rating	Acceptable risk	142,066,927	1,255,655	٪5.6	A to CCC+	142,066,927	٪47
Collective Portfolio	Acceptable risk	1,101,956,486	4,215,537	٪1.1		1,101,956,486	٪41
Collective Portfolio	Watch list	22,921,233	3,242,115	٪50.6		22,921,233	٪39
Total Performing Exposures						**4,492,182,215**	
Non-Performing Exposures							
Internal Rating from 8 to 10	Substandard	2,573,409	1,481,659	٪100		2,573,409	٪53
Internal Rating from 8 to 10	Doubtful	4,641,687	2,879,088	٪100		4,641,687	٪49
Internal Rating from 8 to 10	Loss	51,958,964	33,862,450	٪100		51,958,964	٪44
External credit rating	Loss	1,818,373	1,818,373	٪100	D	1,818,373	٪100
Collective Portfolio	Substandard	5,048,786	2,566,350	٪100		5,048,786	٪72
Collective Portfolio	Doubtful	4,158,869	2,234,605	٪100		4,158,869	٪72
Collective Portfolio	Loss	27,767,110	13,657,925	٪100		27,767,110	٪71
Total Non-Performing Exposures						**97,967,198**	
Total Exposures						**4,590,149,413**	

B. Distribution of exposure according to economic sector:

1. Financial instruments total exposure distribution:

As at 31 December 2023	Financial	Industrial	Commercial	Real estate	Agriculture	Shares	Individuals	Government and public sector	Others	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Balances with central bank of Jordan	-	-	-	-	-	-	-	609,564,598	-	609,564,598
Balances at banks and financial institutions	41,135,339	-	-	-	-	-	-	-	-	41,135,339
Investments and Al-Wakala Bi Al Istithmar accounts	88,270,500	-	-	-	-	-	-	-	-	88,270,500
Deferred Sales receivables, Other Receivables, Financing, and Al Qard Al Hasan	28,952,856	231,046,666	278,495,274	534,736,489	38,145,096	-	895,047,212	882,264,656	267,532,890	3,156,221,139
Financial assets	19,333,435	-	-	-	-	-	-	387,989,003	-	407,322,438
Within financial assets at fair value through income statement	-	-	-	-	-	-	-	-	-	-
Within financial assets at fair value through comprehensive income	-	-	-	-	-	-	-	-	-	-
Within financial assets at amortized cost	19,333,435	-	-	-	-	-	-	387,989,003	-	407,322,438
Encumbered financial assets (Debt instruments)	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-	-
Total	**177,692,130**	**231,046,666**	**278,495,274**	**534,736,489**	**38,145,096**	**-**	**895,047,212**	**1,879,818,257**	**267,532,890**	**4,302,514,014**
Guarantees	6,793,004	13,677,793	32,097,374	-	2,038,619	-	4,874,502	-	91,207,248	150,688,540
Letter of credits	3,467,131	11,695,862	5,231,089	-	512,795	-	181,446	-	2,558,237	23,646,560
Acceptances	-	136,872	607,006	-	795,644	-	-	-	-	1,539,522
Unutilized limits	326,080	58,115,005	81,020,960	-	10,741,966	-	19,218,058	-	27,480,719	196,902,788
Grand total	**188,278,345**	**314,672,198**	**397,451,703**	**534,736,489**	**52,234,120**	**-**	**919,321,218**	**1,879,818,257**	**388,779,094**	**4,675,291,424**

As at 31 December 2022	Financial	Industrial	Commercial	Real estate	Agriculture	Shares	Individuals	Government and public sector	Others	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Balances with central bank of Jordan	-	-	-	-	-	-	-	526,481,153	-	526,481,153
Balances at banks and financial institutions	34,424,407	-	-	-	-	-	-	-	-	34,424,407
Investments and Al-Wakala Bi Al Istithmar accounts	46,439,500	-	-	-	-	-	-	-	-	46,439,500
Deferred Sales receivables , Other Receivables, Financing, and Al Qard Al Hasan	26,082,518	242,637,257	284,338,094	540,231,789	37,313,009	-	839,346,888	1,010,739,069	185,285,416	3,165,974,040
Financial assets	31,857,472	-	-	-	-	-	-	366,649,458	-	398,506,930
Within financial assets at fair value through income statement	-	-	-	-	-	-	-	-	-	-
Within financial assets at fair value through comprehensive income	-	-	-	-	-	-	-	-	-	-
Within financial assets at amortized cost	31,857,472	-	-	-	-	-	-	366,649,458	-	398,506,930
Encumbered financial assets (Debt instruments)	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-	-
Total	**138,803,897**	**242,637,257**	**284,338,094**	**540,231,789**	**37,313,009**	**-**	**839,346,888**	**1,903,869,680**	**185,285,416**	**4,171,826,030**
Guarantees	7,530,080	12,305,726	16,775,808	-	1,353,179	-	28,652,248	-	64,116,724	130,733,765
Letter of credits	2,862,587	42,048,932	4,470,215	-	1,029,327	-	4,943,613	-	20,427,026	75,781,700
Acceptances	-	-	1,641,724	-	814,683	-	330,860	-	10,331,081	13,118,348
Unutilized limits	5,500	41,512,832	44,188,280	-	4,647,675	-	53,597,646	-	54,737,637	198,689,570
Grand total	**149,202,064**	**338,504,747**	**351,414,121**	**540,231,789**	**45,157,873**	**-**	**926,871,255**	**1,903,869,680**	**334,897,884**	**4,590,149,413**

2. Distribution of exposures according to the stages of classification in accordance with FAS 30:

As at 31 December 2023

	Stage 1		Stage 2			
	Individual	Collective	Individual	Collective	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Financial	183,416,169	612,162	83,592	500	4,165,922	188,278,345
Industrial	197,055,898	3,888,657	107,066,876	436,257	6,224,510	314,672,198
Commercial	213,798,410	13,555,264	138,931,944	1,366,603	29,799,482	397,451,703
Real estate	106,759,435	339,853,764	51,911,653	14,911,910	21,299,727	534,736,489
Agriculture	29,028,692	932,078	21,999,046	154,654	119,650	52,234,120
Shares	-	-	-	-	-	-
Individuals	75,859,797	733,386,973	37,961,699	28,336,416	43,776,333	919,321,218
Government and public sector	1,879,818,257	-	-	-	-	1,879,818,257
Others	251,277,553	17,694,370	97,769,890	1,187,518	20,849,763	388,779,094
Total	**2,937,014,211**	**1,109,923,268**	**455,724,700**	**46,393,858**	**126,235,387**	**4,675,291,424**

As at 31 December 2022

	Stage 1		Stage 2			
	Individual	Collective	Individual	Collective	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Financial	142,545,682	752,149	3,021,672	1,973	2,880,588	149,202,064
Industrial	231,381,764	2,849,379	92,217,789	214,731	11,841,084	338,504,747
Commercial	182,601,755	6,683,729	131,989,665	1,199,552	28,939,420	351,414,121
Real estate	105,500,967	352,285,727	51,409,242	13,804,845	17,231,008	540,231,789
Agriculture	24,232,921	1,109,522	19,473,221	160,515	181,694	45,157,873
Shares	-	-	-	-	-	-
Individuals	132,204,713	687,302,858	34,469,337	27,519,084	45,375,263	926,871,255
Government and public sector	1,903,869,680	-	-	-	-	1,903,869,680
Others	204,482,615	24,211,005	86,731,582	1,146,598	18,326,084	334,897,884
Total	**2,926,820,097**	**1,075,194,369**	**419,312,508**	**44,047,298**	**124,775,141**	**4,590,149,413**

C. Distribution of exposure according to geographical sectors:

1. Geographic sector total exposure distribution:

As at 31 December 2023	Inside the Kingdom	Other Middle East Countries	Europe	Asia	Africa	America	Other countries	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Balances with central bank of Jordan	609,564,598	-	-	-	-	-	-	609,564,598
Balances at banks and financial institutions	226,644	6,626,040	5,967,550	52,995	-	28,262,110	-	41,135,339
Investment and Al Wakala Bi Al Istithmar accounts	-	88,270,500	-	-	-	-	-	88,270,500
Deferred Sales receivables, Other Receivables, Financing and Al Qard Al Hasan	3,127,268,283	25,790,407	3,162,449	-	-	-	-	3,156,221,139
Financial assets	387,989,003	17,515,062	-	-	1,818,373	-	-	407,322,438
Within financial assets at fair value through income statement	-	-	-	-	-	-	-	-
Within financial assets at fair value through other comprehensive income	-	-	-	-	-	-	-	-
Within financial assets at amortized cost	387,989,003	17,515,062	-	-	1,818,373	-	-	407,322,438
Encumbered financial assets (Debt instruments)	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-
Total for the year	**4,125,048,528**	**138,202,009**	**9,129,999**	**52,995**	**1,818,373**	**28,262,110**	**-**	**4,302,514,014**
Guarantees	149,411,278	1,277,262	-	-	-	-	-	150,688,540
Letter of credits	23,646,560	-	-	-	-	-	-	23,646,560
Acceptances	1,539,522	-	-	-	-	-		1,539,522
Unutilized limits	196,902,788	-	-	-	-	-	-	196,902,788
Grand total	**4,496,548,676**	**139,479,271**	**9,129,999**	**52,995**	**1,818,373**	**28,262,110**	**-**	**4,675,291,424**

As at 31 December 2022	Inside the Kingdom	Other Middle East Countries	Europe	Asia	Africa	America	Other countries	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Balances with central bank of Jordan	526,481,153	-	-	-	-	-	-	526,481,153
Balances at banks and financial institutions	1,540	7,469,974	6,737,114	286,563	-	19,929,216	-	34,424,407
Investment and Al Wakala Bi Al Istithmar accounts	-	46,439,500	-	-	-	-	-	46,439,500
Deferred Sales receivables, Other Receivables, Financing and Al Qard Al Hasan	3,140,110,261	20,932,545	4,931,234	-	-	-	-	3,165,974,040
Financial assets	366,649,458	26,402,530	-	3,636,569	1,818,373	-	-	398,506,930
Within financial assets at fair value through income statement	-	-	-	-	-	-	-	-
Within financial assets at fair value through comprehensive income	-	-	-	-	-	-	-	-
Within financial assets at amortized cost	366,649,458	26,402,530	-	3,636,569	1,818,373	-	-	398,506,930
Encumbered financial assets (Debt instruments)	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-
Total for the year	**4,033,242,412**	**101,244,549**	**11,668,348**	**3,923,132**	**1,818,373**	**19,929,216**	**-**	**4,171,826,030**
Guarantees	128,422,304	2,282,471	-	28,990	-	-	-	130,733,765
Letter of credits	75,781,700	-	-	-	-	-	-	75,781,700
acceptances	13,118,348	-	-	-	-	-		13,118,348
Unutilized limits	198,689,570	-	-	-	-	-	-	198,689,570
Grand total	**4,449,254,334**	**103,527,020**	**11,668,348**	**3,952,122**	**1,818,373**	**19,929,216**	**-**	**4,590,149,413**

2. Distribution of exposures according to the stages of classification in accordance with FAS 30:

As at 31 December 2023

	Stage 1		Stage 2			
	Individual	Collective	Individual	Collective	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Inside the Kingdom	2,762,137,671	1,109,923,268	455,645,108	46,393,858	122,448,771	4,496,548,676
Other Middle East Countries	137,431,436	-	79,592	-	1,968,243	139,479,271
Europe	9,129,999	-	-	-	-	9,129,999
Asia	52,995	-	-	-	-	52,995
Africa	-	-	-	-	1,818,373	1,818,373
America	28,262,110	-	-	-	-	28,262,110
Total	**2,937,014,211**	**1,109,923,268**	**455,724,700**	**46,393,858**	**126,235,387**	**4,675,291,424**

As at 31 December 2022

	Stage 1		Stage 2			
	Individual	Collective	Individual	Collective	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Inside the Kingdom	2,791,817,093	1,075,194,369	416,295,836	44,047,298	121,899,738	4,449,254,334
Other Middle East Countries	102,469,990	-	-	-	1,057,030	103,527,020
Europe	11,668,348	-	-	-	-	11,668,348
Asia	935,450	-	3,016,672	-	-	3,952,122
Africa	-	-	-	-	1,818,373	1,818,373
America	19,929,216	-	-	-	-	19,929,216
Total	**2,926,820,097**	**1,075,194,369**	**419,312,508**	**44,047,298**	**124,775,141**	**4,590,149,413**

D. Distribution of collaterals fair value against credits exposure

This disclosure is prepared in two stages, the first one for total credit exposure while the second one for exposures under stage 3 according to FAS 30.

		Gurantees Fair Value								
As of 31 December 2023	Total exposure	Cash Margins	Traded shares	Accepted LC's	Real estate	Vehicles	Others	Total Gurantees	Exposure at default	ECL
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Balances with central bank of Jordan	609,564,598	-	-	-	-	-	-	-	609,564,598	-
Balances at banks and financial institutions	41,135,339	-	-	-	-	-	-	-	41,135,339	1,527,269
Investment and Al Wakala Bi Al Istithmar accounts	88,270,500	-	-	-	-	-	-	-	88,270,500	430,350
Deferred Sales receivables, Other Receivables, Financing and Al Qard Al Hasan:	3,156,221,139	12,028,083	4,994,646	28,952,856	735,636,187	482,109,587	-	1,263,721,359	1,892,499,780	125,342,730
Individual	895,047,212	5,055,986	1,080,803	-	118,874,765	420,605,334	-	545,616,888	349,430,324	39,471,408
Real estate loans	534,736,489	-	-	-	288,011,371	10,767,409	-	298,778,780	235,957,709	16,616,566
Corporate	844,172,782	6,972,097	3,913,843	28,952,856	328,750,051	50,736,844	-	419,325,691	424,847,091	69,254,756
Large Corporate	659,529,316	-	-	28,952,856	232,857,543	20,746,975	-	282,557,374	376,971,942	54,818,320
SME's	184,643,466	6,972,097	3,913,843	-	95,892,508	29,989,869	-	136,768,317	47,875,149	14,436,436
Government and public sector	882,264,656	-	-	-	-	-	-	-	882,264,656	-
Sukuk:	407,322,438	-	-	-	-	-	-	-	407,322,438	1,883,894
Within financial assets at fair value through income statement	-	-	-	-	-	-	-	-	-	-
Within financial assets at fair value through comprehensive income	-	-	-	-	-	-	-	-	-	-
Within financial assets at amortized cost	407,322,438	-	-	-	-	-	-	-	407,322,438	1,883,894
Financial instrument	-	-	-	-	-	-	-	-	-	-
Encumbered financial assets (Debt instruments)	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-	-
Total	**4,302,514,014**	**12,028,083**	**4,994,646**	**28,952,856**	**735,636,187**	**482,109,587**	**-**	**1,263,721,359**	**3,038,792,655**	**129,184,243**
Gurantees	150,688,540	22,570,178	-	-	88,645,376	13,312,832	-	124,528,386	26,160,154	4,882,343
Letters of credit	23,646,560	607,934	-	-	9,021,225	402,736	-	10,031,895	13,614,665	39,404
Acceptancess	1,539,522	1,282,411	-	-	254,459	2,652	-	1,539,522	-	472
Unutilized limits	196,902,788	8,098,839	-	-	114,401,093	10,354,865	-	132,854,797	64,047,991	1,504,437
Grand total	**4,675,291,424**	**44,587,445**	**4,994,646**	**28,952,856**	**947,958,340**	**506,182,672**	**-**	**1,532,675,959**	**3,142,615,465**	**135,610,899**

As of 31 December 2022	Total exposure	Gurantees Fair Value								Exposure at default	ECL
		Cash Margins	Traded shares	Accepted LC's	Real estate	Vehicles	Others	Total Gurantees			
	JD	JD	JD	JD	JD	JD	JD	JD		JD	JD
Balances with central bank of Jordan	526,481,153	-	-	-	-	-	-	-		526,481,153	-
Balances at banks and financial institutions	34,424,407	-	-	-	-	-	-	-		34,424,407	589,873
Investment and Al Wakala Bi Al Istithmar accounts	46,439,500	-	-	-	-	-	-	-		46,439,500	247,057
Deferred Sales receivables, Other Receivables, Financing and Al Qard Al Hasan:	3,165,974,040	10,241,266	5,165,535	25,863,779	736,710,752	413,938,310	-	1,191,919,642		1,974,054,398	129,031,733
Individual	839,346,888	4,541,392	2,729,739	-	124,011,608	361,036,589	-	492,319,328		347,027,560	34,512,265
Real estate loans	540,231,789	-	-	-	285,040,381	10,017,564	-	295,057,945		245,173,844	21,745,435
Corporate	775,656,294	5,699,874	2,435,796	25,863,779	327,658,763	42,884,157	-	404,542,369		371,113,925	72,774,033
Large Corporate	590,563,187	-	-	25,863,779	231,573,077	18,847,278	-	276,284,134		314,279,053	55,333,502
SME's	185,093,107	5,699,874	2,435,796	-	96,085,686	24,036,879	-	128,258,235		56,834,872	17,440,531
Government and public sector	1,010,739,069	-	-	-	-	-	-	-		1,010,739,069	-
Sukuk:	398,506,930	-	-	-	-	-	-	-		398,506,930	2,145,018
Within financial assets at fair value through income statement	-	-	-	-	-	-	-	-		-	-
Within financial assets at fair value through comprehensive income	-	-	-	-	-	-	-	-		-	-
Within financial assets at amortized cost	398,506,930	-	-	-	-	-	-	-		398,506,930	2,145,018
Financial instrument	-	-	-	-	-	-	-	-		-	-
Encumbered financial assets (Debt instruments)	-	-	-	-	-	-	-	-		-	-
Other assets	-	-	-	-	-	-	-	-		-	-
Total	**4,171,826,030**	**10,241,266**	**5,165,535**	**25,863,779**	**736,710,752**	**413,938,310**	**-**	**1,191,919,642**		**2,979,906,388**	**132,013,681**
Gurantees	130,733,765	19,207,057	-	-	80,440,318	10,263,115	-	109,910,490		20,823,275	5,243,703
Letters of credit	75,781,700	2,567,455	-	-	12,172,071	265,211	-	15,004,737		60,776,963	232,814
Other Liabilities	211,807,918	8,430,353	-	-	100,388,972	7,893,758	-	116,713,083		95,094,835	1,102,641
Grand total	**4,590,149,413**	**40,446,131**	**5,165,535**	**25,863,779**	**929,712,113**	**432,360,394**	**-**	**1,433,547,952**		**3,156,601,461**	**138,592,839**

E. Reclassified exposures:

1. Total reclassified exposures:

	Stage 2		Stage 3		Total	
As at 31 December 2023	Total exposure JD	Reclassified exposures JD	Total exposure JD	Reclassified exposures JD	reclassified exposures JD	Percentage
Balances with central bank of Jordan	-	-	-	-	-	-
Balances at banks and financial institutions	45,256	214,913	1,923,631	-	214,913	٪11
Investment and Al Wakala Bi Al Istithmar accounts	-	-	-	-	-	-
Deferred Sales receivables, Other Receivables, Financing and Al Qard Al Hasan	423,380,843	139,563,365	115,316,938	51,700,215	191,263,580	٪36
Financial assets	14,076	-	1,818,373	-	-	-
Within financial assets at fair value through income statement	-	-	-	-	-	-
Within financial assets at fair value through comprehensive income	-	-	-	-	-	-
Within financial assets at amortized cost	14,076	-	1,818,373	-	-	-
Encumbered financial assets (Debt instruments)	-	-	-	-	-	-
Other assets	-	-	-	-	-	-
Total	**423,440,175**	**139,778,278**	**119,058,942**	**51,700,215**	**191,478,493**	**٪35**
Guarantees	31,626,732	2,786,404	6,846,940	133,759	2,920,163	٪8
Letter of credits	5,697,470	1,266,633	-	-	1,266,633	٪22
Acceptancess	156,556	-	-	-	-	٪0
Unutilized limits	41,197,625	17,346,889	329,506	1,384,067	18,730,956	٪45
Grand total	**502,118,558**	**161,178,204**	**126,235,388**	**53,218,041**	**214,396,245**	**٪34**

As at 31 December 2022	Stage 2 Total exposure	Stage 2 Reclassified exposures	Stage 3 Total exposure	Stage 3 Reclassified exposures	Total reclassified exposures	Percentage
	JD	JD	JD	JD	JD	
Balances with central bank of Jordan	-	-	-	-	-	-
Balances at banks and financial institutions	-	-	1,000,309	829,754	829,754	٪83
Investment and Al Wakala Bi Al Istithmar accounts	-	-	-	-	-	-
Deferred Sales receivables, Other Receivables, Financing and Al Qard Al Hasan	391,909,965	138,689,133	115,430,682	44,363,140	183,052,273	٪36
Financial assets	3,016,672	-	1,818,373	-	-	-
Within financial assets at fair value through income statement	-	-	-	-	-	-
Within financial assets at fair value through comprehensive income	-	-	-	-	-	-
Within financial assets at amortized cost	3,016,672	-	1,818,373	-	-	-
Encumbered financial assets (Debt instruments)	-	-	-	-	-	-
Other assets	-	-	-	-	-	-
Total	**394,926,637**	**138,689,133**	**118,249,364**	**45,192,894**	**183,882,027**	**٪36**
Guarantees	26,738,671	3,241,181	6,109,035	287,612	3,528,793	٪11
Letter of credits	3,780,877	-	-	-	-	٪0
Other liabilities	37,913,621	16,927,288	416,742	185,432	17,112,720	٪45
Grand total	**463,359,806**	**158,857,602**	**124,775,141**	**45,665,938**	**204,523,540**	**٪35**

2. Expected credit loss for reclassified exposures:

	Reclassified exposures			ECL for reclassified exposures				
				Exposures within stage 2		Exposures within stage 3		
As at 31 December 2023	Total reclassified exposures from stage 2	Total reclassified exposures from stage 3	Total reclassified exposures	Individual	Collective	Individual	Collective	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Balances with central bank of Jordan	-	-	-	-	-	-	-	-
Balances at banks and financial institutions	214,913	-	214,913	1,549	-	1,493,566	-	1,495,115
Investment and Al Wakala Bi Al Istithmar accounts	-	-	-	-	-	-	-	-
Deferred Sales receivables, Other Receivables, Financing and Al Qard Al Hasan	139,563,365	51,700,215	191,263,580	31,834,315	3,922,048	43,959,741	21,354,974	101,071,078
Financial assets	-	-	-	24	-	1,818,373	-	1,818,397
Within financial assets at fair value through income statement	-	-	-	-	-	-	-	-
Within financial assets at fair value through comprehensive income	-	-	-	-	-	-	-	-
Within financial assets at amortized cost	-	-	-	24	-	1,818,373	-	1,818,397
Encumbered financial assets (debt instruments)	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-
Total	**139,778,278**	**51,700,215**	**191,478,493**	**31,835,888**	**3,922,048**	**47,271,680**	**21,354,974**	**104,384,590**
Guarantees	2,786,404	133,759	2,920,163	127,729	100,660	3,458,642	898,889	4,585,920
Letter of credits	1,266,633	-	1,266,633	9,312	-	-	-	9,312
Acceptances	-	-	-	204	-	-	-	204
Unutilized limits	17,346,889	1,384,067	18,730,956	152,192	58,111	185,313	2,829	398,445
Grand total	**161,178,204**	**53,218,041**	**214,396,245**	**32,125,325**	**4,080,819**	**50,915,635**	**22,256,692**	**109,378,471**

	Reclassified exposures			ECL for reclassified exposures				
				Exposures within stage 2		Exposures within stage 3		
As at 31 December 2022	Total reclassified exposures from stage 2	Total reclassified exposures from stage 3	Total reclassified exposures	Individual	Collective	Individual	Collective	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Balances with central bank of Jordan	-	-	-	-	-	-	-	-
Balances at banks and financial institutions	-	829,754	829,754	-	-	354,002	-	354,002
Investment and Al Wakala Bi Al Istithmar accounts	-	-	-	-	-	-	-	-
Deferred Sales receivables, Other Receivables, Financing and Al Qard Al Hasan	138,689,133	44,363,140	183,052,274	13,693,319	1,126,462	202,017	746,524	15,768,322
Financial assets	-	-	-	-	-	-	-	-
Within financial assets at fair value through income statement	-	-	-	-	-	-	-	-
Within financial assets at fair value through other comprehensive income	-	-	-	-	-	-	-	-
Within financial assets at amortized cost	-	-	-	-	-	-	-	-
Encumbered financial assets (debt instruments)	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-
Total	**138,689,133**	**45,192,894**	**183,882,028**	**13,693,319**	**1,126,462**	**556,019**	**746,524**	**16,122,324**
Guarantees	3,241,181	287,612	3,528,793	18,536	401	749	54	19,740
Letter of credits	-	-	-	-	-	-	-	-
Acceptances	-	-	-	-	-	-	-	-
Other liabilities	16,927,288	185,432	17,112,720	189,499	2,440	1,217	628	193,784
Grand total	**158,857,602**	**45,665,938**	**204,523,541**	**13,901,354**	**1,129,303**	**557,985**	**747,206**	**16,335,848**

(64) Segment information

A. Information about the Bank's activities

The Bank is organized for administrative purposes based on the reports submitted to the General Manager and the chief decision maker into four main business sectors:

Retail accounts: These encompass following up on the unrestricted investment accounts, deferred sales receivables and other financing and banking services related to individuals.

Corporate accounts: These encompass following up on the unrestricted investment accounts, deferred sales receivables and other financing and banking services related to the institutions.

Investment in assets: This includes investing in real estate and leasing.

Treasury: This includes trading services and managing the Bank's funds.

B. The below table illustrate the information on the Bank's business sectors distributed according to its activities:

	Retails	Corporate	Investment in assets	Treasury	Others	Total 2023	Total 2022
	JD	JD	JD	JD	JD	JD	JD
Total revenues (joint and self financed)	155,807,039	84,326,948	15,952,023	34,776,824	773,354	291,636,188	266,480,457
Net income of subsidiaries and share of profit from investments in associates	-	-	1,611,377	-	-	1,611,377	1,867,251
Deposits guarantee (self and joint)	(5,488,088)	(2,964,137)	(550,582)	(1,224,965)	(27,240)	(10,255,012)	(9,918,288)
Revenue and share of the unrestricted accounts and non-controlling from the net income of subsidiaries and share of investment from profits of asscociates	(58,626,403)	(37,360,491)	(1,611,377)	(13,021,043)	-	(110,619,314)	(83,990,874)
Segment results	91,692,548	44,002,320	15,401,441	20,530,816	746,114	172,373,239	174,438,546
Allocated expenses	(41,822,733)	(22,011,748)	(4,337,128)	(9,649,484)	-	(77,821,093)	(78,899,893)
Profits before tax	49,869,815	21,990,572	11,064,313	10,881,332	746,114	94,552,146	95,538,653
Income tax	(15,752,739)	(10,487,091)	(1,760,689)	(4,026,093)	(223,834)	(32,250,446)	(34,429,642)
Profit after tax	**34,117,076**	**11,503,481**	**9,303,624**	**6,855,239**	**522,280**	**62,301,700**	**61,109,011**
Sector assets	1,695,768,255	1,335,110,154	1,492,238,014	904,798,428	-	5,427,914,851	5,286,425,762
Investment in associates	-	-	9,338,454	-	-	9,338,454	9,336,930
Unallocated assets	-	-	-	-	188,578,913	188,578,913	167,846,464
Total assets	**1,695,768,255**	**1,335,110,154**	**1,501,576,468**	**904,798,428**	**188,578,913**	**5,625,832,218**	**5,463,609,156**
Segment liabilities	4,023,121,150	872,830,728	-	11,898,666	-	4,907,850,544	4,760,186,138
Unallocated liabilities	-	-	-	-	184,183,226	184,183,226	182,846,785
Total liabilities, joint investment accounts holders' equity, non-controlling interests and provision against future risks	**4,023,121,150**	**872,830,728**	**-**	**11,898,666**	**184,183,226**	**5,092,033,770**	**4,943,032,923**
Capital expenditures	-	-	-	-	6,403,806	6,403,806	7,136,286
Depreciation and amortization	-	-	-	-	6,473,115	6,473,115	8,138,542

C. Geographical Distribution Information:

This sector represents the geographical distribution of the Bank's activities. The Bank undertakes its activities primarily inside the Hashemite Kingdom of Jordan.

The below table illustrate the distribution of the Bank's revenues, assets and capital expenditures according to the geographical area and the internal policy of the Bank based on the method of measurement and as viewed by the General Manager and the chief decision makers:

	Inside the Kingdom		Outside the Kingdom		Total	
	2023	2022	2023	2022	2023	2022
	JD	JD	JD	JD	JD	JD
Total revenues	283,913,836	263,091,028	7,722,352	3,389,429	291,636,188	266,480,457
Total assets	5,452,026,479	5,328,017,030	173,805,739	135,592,126	5,625,832,218	5,463,609,156
Capital expenditures	6,403,806	7,136,286	-	-	6,403,806	7,136,286

(65) Capital management

The Bank's capital consists of the paid-in capital, statutory reserve, voluntary reserve, other reserve, and retained earnings.

Accoarding to the Central Bank of Jordan instructions based on the decisions by Islamic Financial Services Board,the bank should maintain sufficient capital to face th risks that related to the bank's business,which is credit risks,market risks and operational risks, the capital adequacy ratio should be at least 12.5% according to the established instructions.

The Bank achieves its capital objectives throughout the following:

- Achieving a satisfactory return on capital without affecting the financial stability of the Bank and achieving acceptable return on owner's equity.

- Achieving the required level of capital according to Basel Committee requirements and the supervisory bodies instructions.

- Providing an adequate capital to expand the granting of financing and large investments in consistency with the Central bank of Jordan regulations as well as facing any future risks.

Capital adequacy ratio was calculated as at 31 December 2023 in accordance with Central bank of Jordan instruction number (72/ 2018) dated 4 February 2018 and in accordance with standard number (15) issued by Islamic Financial Services Board:

	31 December 2023	31 December 2022
	Thousands JD	Thousands JD
Common Equity Tier I	**475,767**	**459,084**
Paid-in capital	200,000	200,000
Statutory reserve	129,978	120,472
Voluntary reserve	74,053	64,602
Retained earnings	81,924	82,574
Accumulated change in full fair value	1,943	1,983
Intangible assets	(8,752)	(7,058)
Deferred tax assets	(743)	(751)
10% of less of investments in Banks, financial institutions and Takaful companies capital	(494)	(494)
10% or more of investments in Banks, finanical institutions and Takaful companies capital, beyond unified regulatory scope	(2,142)	(2,244)
Additional Tier I	-	-
Additional Tier II	**7,219**	**10,069**
Expected credit loss stage 1 (self) and the bank share from expected credit loss stage 1 (mixed) (not to exceed 1.25%) of risky assets	**7,219**	**10,069**
Total regulatory capital	**482,986**	**469,153**
Risk Weighted Assets (RWA)	**2,355,086**	**2,212,230**
Common Equity Tier I Ratio	**٪20.20**	**٪20.75**
Additional Tier I Ratio	**-**	**-**
Tier I Ratio	**٪20.20**	**٪20.75**
Tier II Ratio	**٪0.31**	**٪0.46**
Capital Adequacy Ratio	**٪20.51**	**٪21.21**

- Financial leverage percentage has reached 18.78% as of 31 December 2023 (2022: 18.46%).

(66) Accounts managed for customers

Accounts managed for customers amounted to JD 796,729,560 as at 31 December 2023 compared to JD 727,119,000 as at 31 December 2022. These accounts are not presented within the Bank’s assets and liabilities in the consolidated financial statements (note 57,58 and 59).

(67) Maturity analysis of assets and liabilities

The table below summarizes the expected maturity of the Bank's assets and liabilities. The maturities of assets and liabilities have been determined according to when they are expected to be recovered or settled.

	31 December 2023		
	Within 1 year	More than 1 year	Total
	JD	JD	JD
Assets:			
Cash and balances with central bank of Jordan	777,350,208	-	777,350,208
Balances at banks and financial institutions	81,079,251	-	81,079,251
Unrestricted investment accounts at banks and financial institutions	4,253,943	-	4,253,943
Al-Wakala Bi Al Istithmar accounts	42,115,026	-	42,115,026
Deferred sales receivables and other receivables –Net	1,234,643,568	1,732,267,885	2,966,911,453
Ijarah Muntahia Bittamleek assets – Net	92,987,209	828,822,808	921,810,017
Financing – Net	3,474,611	36,373,308	39,847,919
Financial Assets at fair value through owner's equity – self financed	17,510,646	2,170,215	19,680,861
Financial assets at fair value through– joint investment accounts holders' equity	26,134,326	8,310,776	34,445,102
Financial assets at amortized cost	4,749,470	400,689,074	405,438,544
Investments in associates	7,003,840	2,334,614	9,338,454
Investment in real estate	22,172,698	88,690,792	110,863,490
Al Qard Al Hasan – Net	19,115,443	5,003,594	24,119,037
Property and equipment- Net	-	85,163,156	85,163,156
Intangible assets – Net	-	8,752,312	8,752,312
Deferred tax assets	743,047	-	743,047
Other assets	43,016,180	50,904,218	93,920,398
Total assets	**2,376,349,466**	**3,249,482,752**	**5,625,832,218**
Liabilities and unrestricted investment accounts holders' equity:			
Due to banks and financial institutions	3,997,206	7,901,460	11,898,666
Customers' current and on demand accounts-trusteeship	963,519,351	394,365,921	1,357,885,272
Cash margins	33,762,780	28,642,868	62,405,648
Other provisions	-	13,044,962	13,044,962
Income tax provision	29,925,751	-	29,925,751
Deferred tax liabilities - self	365,798	1,303,540	1,669,338
Other liabilities	37,722,854	12,299,834	50,022,688
Unrestricted investment accounts	1,062,071,815	2,475,994,791	3,538,066,606
Fair value reserve	596,829	(1,716,461)	(1,119,632)
Investment accounts holders' reserve in subsidiaries and associates	-	15,295,376	15,295,376
Non-controlling interests	-	38,571	38,571
Future risks provision	-	12,900,524	12,900,524
Total liabilities and unrestricted investment accounts and holders' equity	**2,131,962,384**	**2,960,071,386**	**5,092,033,770**
Net	**244,387,082**	**289,411,366**	**533,798,448**

	31 December 2022		
	Within 1 year	More than 1 year	Total
	JD	JD	JD
Assets:			
Cash and balances with central bank of Jordan	719,230,111	-	719,230,111
Balances at banks and financial institutions	43,400,535	-	43,400,535
Investment accounts at banks and financial institutions	1,417,959	-	1,417,959
Al-Wakala Bi Al Istithmar accounts	17,642,782	17,565,701	35,208,483
Deferred sales receivables and other receivables –Net	1,076,180,272	1,886,186,323	2,962,366,595
Ijarah Muntahia Bittamleek assets – Net	77,845,784	810,396,395	888,242,179
Financing – Net	3,319,028	35,128,943	38,447,971
Financial Assets at fair value through income statement	47,359	-	47,359
Financial Assets at fair value through owner's equity – self	16,235,462	1,773,347	18,008,809
Financial assets at fair value through– joint investment accounts holders' equity	25,120,189	8,749,727	33,869,916
Financial assets at amortized cost	129,015,603	267,346,309	396,361,912
Investments in associates	7,002,697	2,334,233	9,336,930
Investment in real estate	22,739,238	90,956,954	113,696,192
Al Qard Al Hasan – Net	27,964,804	8,162,937	36,127,741
Property and equipment- Net	-	85,502,051	85,502,051
Intangible assets – Net	-	7,058,271	7,058,271
Deferred tax assets	750,951	-	750,951
Other assets	30,995,998	43,539,193	74,535,191
Total assets	**2,198,908,772**	**3,264,700,384**	**5,463,609,156**
Liabilities and unrestricted investment accounts holders' equity:			
Due to banks and financial institutions	10,687,311	26,417,188	37,104,499
Customers' current and on demand accounts-trusteeship	988,216,514	401,789,081	1,390,005,595
Cash margins	32,078,725	25,980,912	58,059,637
Other provisions	-	15,654,160	15,654,160
Income tax provision	31,300,247	-	31,300,247
Deferred tax liabilities – self	325,912	1,904,492	2,230,404
Other liabilities	33,821,748	10,933,043	44,754,791
Unrestricted investment accounts	1,048,971,946	2,284,104,098	3,333,076,044
Fair value reserve	531,751	179,261	711,012
Investment accounts holders' reserve in subsidiaries and associates	-	14,942,207	14,942,207
Non-controlling interests	-	38,956	38,956
Future risks provision	-	15,155,371	15,155,371
Total liabilities and unrestricted investment accounts and holders' equity	**2,145,934,154**	**2,797,098,769**	**4,943,032,923**
Net	**52,974,618**	**467,601,615**	**520,576,233**

(68) Contractual Commitments and Contingent Liabilities (Off consolidated statement of financial position)

A. Contingent credit commitments

	31 December 2023	31 December 2022
	JD	JD
Letters of credit	23,646,560	75,781,700
Acceptances	1,539,522	13,118,348
Guarantees:	150,688,540	130,733,765
Payment	47,496,284	42,504,266
Performance	65,730,596	57,456,050
Others	37,461,660	30,773,449
Unutilized Limits/ Direct	127,997,890	121,088,843
Unutilized Limits/ Indirect	68,904,898	77,600,727
Total	**372,777,410**	**418,323,383**

B. Contractual commitments

	31 December 2023	31 December 2022
	JD	JD
Property, equipment and softwares contracts	10,953,311	8,770,332
Construction project contracts	1,400,063	972,769
Total	**12,353,374**	**9,743,101**

C. Indirect facilities expected credit loss:

1. Cumulative movement on indirect facilities (Contractual Commitments and Contingent Liabilities)

	Stage 1		Stage 2			
As at 31 December 2023	Individual	Collective	Individual	Collective	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	302,369,720	40,994,717	67,040,378	1,392,791	6,525,777	418,323,383
New exposures during the year	221,605,579	35,557,315	73,056,870	1,024,015	7,089,057	338,332,836
Matured exposures	(274,084,946)	(29,985,500)	(71,100,082)	(1,128,768)	(7,579,512)	(383,878,808)
Transferred (from) to stage 1	12,762,573	192,353	(12,463,636)	(185,363)	(305,927)	-
Transferred (from) to stage 2	(21,072,256)	(256,896)	21,132,880	267,046	(70,774)	-
Transferred (from) to stage 3	(1,100,191)	(59,888)	(256,246)	(101,501)	1,517,826	-
Balance at the end of the year	**240,480,479**	**46,442,101**	**77,410,164**	**1,268,220**	**7,176,447**	**372,777,411**

	Stage 1		Stage 2			
As at 31 December 2022	Individual	Collective	Individual	Collective	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	196,827,280	44,124,921	157,190,012	1,386,528	7,630,714	407,159,455
New exposures during the year	284,078,967	28,720,160	61,130,166	1,149,610	6,379,026	381,457,929
Matured exposures	(249,856,114)	(31,489,952)	(80,149,129)	(1,339,494)	(7,459,312)	(370,294,001)
Transferred (from) to stage 1	90,894,197	220,345	(90,644,197)	(218,695)	(251,650)	-
Transferred (from) to stage 2	(19,507,472)	(414,952)	19,753,067	415,402	(246,045)	-
Transferred (from) to stage 3	(67,138)	(165,805)	(239,541)	(560)	473,044	-
Balance at the end of the year	**302,369,720**	**40,994,717**	**67,040,378**	**1,392,791**	**6,525,777**	**418,323,383**

D. Cumulative movement on the expected credit loss for indirect facilities (Contractual Commitments and Contingent Liabilities)(Note 26) :

	Stage 1		Stage 2			
	Individual	Collective	Individual	Collective	Stage 3	Total
As at 31 December 2023	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	1,018,191	195,018	488,864	186,056	4,691,031	6,579,160
Expected credit loss on new exposures during the year	400,425	186,035	267,093	125,824	4,510,840	5,490,217
Expected credit loss from matured exposures	(372,771)	(139,339)	(238,257)	(134,963)	(3,931,818)	(4,817,148)
Transferred (from) to stage 1	267,913	39,032	(62,267)	(33,467)	(211,211)	-
Transferred (from) to stage 2	(71,541)	(2,411)	85,356	10,468	(21,872)	-
Transferred (from) to stage 3	(2,721)	(375)	(1,716)	(6,191)	11,003	-
The effect on the provision -as at the end of the year due to changing the classification between the three stages during the year	(49,260)	11,422	(59,435)	(37,705)	(232,659)	(367,637)
Changes resulting from Adjustments	(743,790)	(59,803)	(190,202)	48,750	(269,641)	(1,214,686)
Balance at the end of the year	**446,446**	**229,579**	**289,436**	**158,772**	**4,545,673**	**5,669,906**

	Stage 1		Stage 2			
	Individual	Collective	Individual	Collective	Stage 3	Total
As at 31 December 2022	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	936,258	143,576	2,160,502	116,112	5,178,895	8,535,343
Expected credit loss on new exposures during the year	935,087	154,165	436,620	144,230	4,654,009	6,324,111
Expected credit loss from matured exposures	(300,904)	(73,460)	(366,239)	(70,850)	(4,473,511)	(5,284,964)
Transferred (from) to stage 1	1,703,624	30,585	(1,597,700)	(29,026)	(107,483)	-
Transferred (from) to stage 2	(115,067)	(2,391)	208,036	2,841	(93,419)	-
Transferred (from) to stage 3	(340)	(681)	(1,626)	(1)	2,648	-
The effect on the provision -as at the end of the year due to changing the classification between the three stages during the year	(1,702,195)	(29,327)	(183,010)	27,427	31,215	(1,855,890)
Changes resulting from Adjustments	(438,272)	(27,449)	(167,719)	(4,677)	(501,323)	(1,139,440)
Balance at the end of the year	**1,018,191**	**195,018**	**488,864**	**186,056**	**4,691,031**	**6,579,160**

E. Distribution of unutilized limits balance according to the bank internal credit rating

	31 December 2023						31 December 2022
	Stage 1		Stage 2				
	Individual	Collective	Individual	Collective	Stage 3	Total	Total
	JD	JD	JD	JD	JD	JD	JD
Internal Credit rating from 1 to -6	135,911,624	-	38,406,722	-	-	174,318,346	179,123,451
Internal Credit rating from +7 to -7	-	-	2,092,163	-	-	2,092,163	3,653,593
Internal Credit rating from 8 to 10	-	-	-	-	325,026	325,026	383,862
Collective portfolio	-	19,464,033	302,000	396,740	4,480	20,167,253	15,528,664
Total	**135,911,624**	**19,464,033**	**40,800,885**	**396,740**	**329,506**	**196,902,788**	**198,689,570**

F. Distribution of documentary credits according to the internal credit rating categories of the bank

	31 December 2023						31 December 2022
	Stage 1		Stage 2				
	Individual	Collective	Individual	Collective	Stage 3	Total	Total
	JD	JD	JD	JD	JD	JD	JD
Internal Credit rating from 1 to -6	13,838,056	-	5,517,156	-	-	19,355,212	71,201,642
Internal Credit rating from +7 to -7	-	-	180,314	-	-	180,314	1,197,085
Internal Credit rating from 8 to 10	-	-	-	-	-	-	-
Collective portfolio	-	643,903	-	-	-	643,903	520,385
External credit rating	3,467,131	-	-	-	-	3,467,131	2,862,588
Total	**17,305,187**	**643,903**	**5,697,470**	**-**	**-**	**23,646,560**	**75,781,700**

G. Distribution of acceptances according to the bank internal credit rating

	31 December 2023						31 December 2022
	Stage 1		Stage 2				
	Individual	Collective	Individual	Collective	Stage 3	Total	Total
	JD	JD	JD	JD	JD	JD	JD
Internal Credit rating from 1 to -6	1,202,953	-	156,556	-	-	1,359,509	13,118,348
Internal Credit rating from +7 to -7	-	-	-	-	-	-	-
Internal Credit rating from 8 to 10	-	-	-	-	-	-	-
Collective portfolio	-	180,013	-	-	-	180,013	-
Total	**1,202,953**	**180,013**	**156,556**	**-**	**-**	**1,539,522**	**13,118,348**

H. Distribution of Gurantees according to the bank internal credit rating

	31 December 2023						31 December 2022
	Stage 1		Stage 2				
	Individual	Collective	Individual	Collective	Stage 3	Total	Total
	JD	JD	JD	JD	JD	JD	JD
Internal Credit rating from 1 to -6	84,465,626	-	28,617,479	-	-	113,083,105	88,363,252
Internal Credit rating from +7 to -7	-	-	2,067,513	-	-	2,067,513	7,284,304
Internal Credit rating from 8 to 10	-	-	-	-	5,178,081	5,178,081	4,304,025
Collective portfolio	-	26,119,151	50,000	871,480	1,624,247	28,664,878	28,119,629
External credit rating	1,595,091	35,000	20,260	-	44,612	1,694,963	2,662,555
Total	**86,060,717**	**26,154,151**	**30,755,252**	**871,480**	**6,846,940**	**150,688,540**	**130,733,765**

I. Detailed Indirect facilities

	31 December 2023					
	Stage 1		Stage 2			
	Individual	Collective	Individual	Collective	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Unutilized limits	135,911,624	19,464,033	40,800,885	396,740	329,506	196,902,788
Banking Guarantees	86,060,717	26,154,151	30,755,252	871,480	6,846,940	150,688,540
Letters of credit	17,305,187	643,903	5,697,470	-	-	23,646,560
Acceptances	1,202,953	180,013	156,556	-	-	1,539,522
Total	**240,480,481**	**46,442,100**	**77,410,163**	**1,268,220**	**7,176,446**	**372,777,410**

	31 December 2022					
	Stage 1		Stage 2			
	Individual	Collective	Individual	Collective	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Unutilized limits	145,250,254	15,131,733	37,526,790	364,051	416,742	198,689,570
Banking Guarantees	72,543,460	25,342,599	25,709,931	1,028,740	6,109,035	130,733,765
Letters of credit	71,480,438	520,385	3,780,877	-	-	75,781,700
Acceptances	13,095,568	-	22,780	-	-	13,118,348
Total	**302,369,720**	**40,994,717**	**67,040,378**	**1,392,791**	**6,525,777**	**418,323,383**

J. Detailed expected credit loss for indirect facilities

	31 December 2023					
	Stage 1		Stage 2			
	Individual	Collective	Individual	Collective	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Unutilized limits	265,160	840,832	152,191	58,112	188,142	1,504,437
Banking Guarantees	152,717	143,706	127,729	100,660	4,357,531	4,882,343
Letters of credit	28,352	1,740	9,312	-	-	39,404
Acceptances	217	51	204	-	-	472
Total	**446,446**	**986,329**	**289,436**	**158,772**	**4,545,673**	**6,426,656**

	31 December 2022					
	Stage 1		Stage 2			
	Individual	Collective	Individual	Collective	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Unutilized limits	555,776	53,208	184,764	49,773	257,574	1,101,095
Banking Guarantees	245,196	140,500	288,267	136,283	4,433,457	5,243,703
Letters of credit	215,685	1,310	15,819	-	-	232,814
Acceptances	1,534	-	14	-	-	1,548
Total	**1,018,191**	**195,018**	**488,864**	**186,056**	**4,691,031**	**6,579,160**

(69) Zakah:

The net assets method was used for the purpose of determining the zakah pool and calculating the value of zakah on attributable to relevant stakeholders. The amount of zakah due from stakeholders is as follows:

-Bank shareholders: The value of zakah due is 26.4 fils per share.
-unrestricted investment accounts' holders: The value of zakah due is 19.4 fils per dinar.
- Wakala Bil Istithmar accounts holders (investment portfolios): The value of zakah due is 17 fils per dinar.

(70) Lawsuits filed against the Bank

The lawsuits filed against the Bank (self) amounted to JD 122,600 as of 31 December 2023 with a required provision of JD 9,000 (provision booked amounted to JD 75,000) compared to JD 58,650 as of 31 December 2022 with a provision of JD 10,000. The lawsuits filed against the Bank (joint) as of 31 December 2023 amounted to JD 2,757,169 with a provision of JD 56,245 compared to JD 2,270,313 as of 31 December 2022 with a provision of JD 62,245. The Bank's management and its legal advisor believe that any obligations that may arise from the lawsuits against joint investments will be recognized within the investment risk fund, while the lawsuits against the Bank (self) will be covered by the established provision.

(71) New accounting standards issued but not yet effective

The standards and interpretations that are issued but not yet effective, up to the date of issuance of the consolidated financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

FAS 1 (Revised 2021): General Presentation and Disclosures in the Financial Statements
The revised FAS 1- "General Presentation and Disclosures in the Financial Statements" describes and improves the overall presentation and disclosure requirements prescribed in line with the global best practices and supersedes the earlier FAS 1. It is applicable to all Islamic financial institutions and other institutions following AAOIFI FASs. The revision of FAS 1 is in line with the modifications made to the "AAOIFI Conceptual Framework for Financial Reporting" (revised 2020) (the conceptual framework). The revised FAS 1 will assist preparers to produce financial statements that are clear, transparent and understandable, and in turn will aid the users to take better economic decisions.

This standard shall be effective beginning on or after 1 January 2024 with early adoption permitted.

FAS 42: Presentation and disclosure in the financial statements of Takaful institutions

The objective of this standard is to make improvements to the presentation and disclosure requirements in line with international best practices and to replace the previously issued Financial Accounting Standard 12 “General Presentation and Disclosure in the Financial Statements of Islamic Insurance Companies.”

This standard will be effective from January 1, 2025, with early adoption permitted.

Islamic Accounting Standard 43: “Takaful Accounting: Recognition and Measurement”

The objective of this standard is to define the principles of recognition and measurement for Takaful arrangements and additional (complementary) transactions for Takaful institutions. This standard replaces the following financial accounting standards: FAS 13 regarding “Disclosure of the basis for determining and distributing the surplus or deficit in Islamic insurance companies” and FAS 15 regarding “Provisions and reserves in Islamic insurance companies” and FAS 19 regarding “Contributions in Islamic insurance companies ”.

This standard will be effective from January 1, 2025, with early adoption permitted.

Financial Accounting Standard :45 (Quasi-equity (including investment accounts)).

The standard aims to clarify the principles of financial reporting that relate to instruments classified as quasi-equity, such as investment accounts and similar instruments that have been invested in Islamic financial institutions. The standard develops and improves the requirements relating to quasi-equity contained in the previous FAS 27 “Investment Accounts” and achieves better consistency with AAOIFI’s Conceptual Framework for Financial Reporting and FAS 1 “General Presentation and Disclosure in Financial Statements”.

This standard shall be effective as of January 1, 2026, with early adoption permitted.

Financial Accounting Standard 46: (Off-balance sheet assets under management).

The standard aims to establish financial reporting principles related to off-balance sheet assets under management in accordance with AAOIFI’s “Conceptual Framework for Financial Reporting,” and develops and makes improvements to the requirements contained in previous standards.

This standard shall be effective as of January 1, 2026, with early adoption permitted.

Financial Accounting Standard 47: (Transfer of assets between investment pools):

Financial Accounting Standard 47 “Transfer of Assets between Investment pools” replaces the previously issued Financial Accounting Standard 21 “Disclosure of Transfers of Assets” and makes improvements to it. The standard aims to establish financial reporting principles and disclosure requirements that apply to all asset transfers between investment vessels (and, where they are of relative importance, between core categories thereof) related to property rights, quasi-rights, and off-balance sheet assets under management in the Islamic financial institutions. It also requires the adoption of accounting policies for these transfers and their consistent application in accordance with Sharia principles and provisions, and describes requirements for public disclosure thereof for the purpose of achieving a higher level of transparency.

This standard shall be effective as of January 1, 2026, with early adoption permitted.

(72) Comparative figures

Some of the 2022 figures were reclassified to correspond with the year 2023 presentation with no effect on equity or income.