

SAFWA ISLAMIC BANK
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN-THE HASHEMITE KINGDOM OF JORDAN

CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
FOR THE SIX MONTHS ENDED 30 JUNE 2023
TOGETHER WITH THE INDEPENDENT
AUDITOR'S REVIEW REPORT

SAFWA ISLAMIC BANK
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN-THE HASHEMITE KINGDOM OF JORDAN
30 JUNE 2023

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In the Name of Allah, the Beneficent, the Merciful

Review Report

AM/ 014589

The Chairman and the Board of Directors of
Safwa Islamic Bank
(A Public Shareholding Limited Company)
Amman – The Hashemite Kingdom of Jordan

We have reviewed the condensed consolidated interim statement of financial position of Safwa Islamic Bank (a Public Shareholding limited Company) as of 30 June 2023 and the related condensed consolidated interim statements of profit or loss and comprehensive income for the three months and six months periods ended on 30 June 2023, changes in shareholders' equity and cash flows for the six month then ended, and a summary of significant accounting policies and other explanatory information. Management is responsible for the preparation and fair presentation of this condensed consolidated interim financial information in accordance with the Financial Accounting Standards issued by Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) as adopted by the Central Bank of Jordan. Our responsibility is to express a conclusion on these condensed consolidated interim financial information based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information is not prepared, in all material respects, in accordance with the Financial accounting standards issued by accounting and auditing organisation for Islamic financial institutions (AAOIFI) as adopted by the Central Bank of Jordan.

Other Matters

The accompanying condensed consolidated interim financial information is a translation of the statutory condensed consolidated interim financial information in the Arabic language to which reference is to be made.

Amman – The Hashemite Kingdom of Jordan
July 23, 2023


Deloitte & Touche (M.E.) - Jordan
Deloitte & Touche (M.E.)
ديلويت أند توش (الشرق الأوسط)
010105

Statement "A"

Safwa Islamic Bank
(A Public Shareholding Limited Company)
Amman-The Hashemite Kingdom of Jordan

Condensed Consolidated Interim Statement of Financial Position

	Note	30 June 2023 (Reviewed) JD	31 December 2022 (Audited) JD
<u>Assets</u>			
Cash and balances at the Central Bank	4	269,339,571	203,295,535
Balances at banks and the financial institutions	5	5,418,235	13,551,162
International wakala investments-net	6	95,371,562	63,141,396
Financial assets at fair value through profit or loss	7	-	35,143
Deferred sales receivables and other receivables-net	8	1,305,834,221	1,316,974,157
Financial assets at fair value through shareholders' equity -self financed	9	484,000	235,000
Financial assets at fair value through unrestricted investment accounts' holders equity-net	10	267,295,534	272,659,187
Financial assets at amortized cost -net		37,313,000	37,313,000
Investment in associate		349,622	345,954
Ijara Muntahia Bittamleek assets-net	11	671,813,327	613,299,772
Qard Hasan-Net	Statement "E"	4,346,803	6,780,358
Property and equipment-net		21,173,135	21,286,068
Intangible assets - net		1,842,888	2,002,476
Right of use assets	29/A	10,181,301	10,017,830
Deferred tax assets	14/C	10,485,629	8,268,512
Other assets	12	19,000,654	14,911,705
Total Assets		2,720,249,482	2,584,117,255
<u>Liabilities</u>			
Banks and financial Institutions accounts		11,697,524	17,989,093
Customers' current accounts	13	307,337,346	299,878,280
Cash margins		57,398,479	42,900,132
Income tax provision	14/A	7,315,287	8,746,097
Other provisions		163,719	440,000
Lease liabilities	29/B	9,985,482	10,044,519
Other liabilities	15	60,976,371	57,997,365
Total Liabilities		454,874,208	437,995,486
<u>Unrestricted Investment Accounts Holders' Equity</u>			
Unrestricted investment accounts	16	2,086,472,650	1,975,334,213
Fair value reserve	17/B	(1,078,514)	(1,016,785)
Total Unrestricted Investment Accounts Holders' Equity		2,085,394,136	1,974,317,428
<u>Shareholders' Equity</u>			
Paid up capital	18	100,000,000	100,000,000
Statutory reserve	18	32,208,887	32,208,887
Fair value reserve - self	17/A	(49,069)	14,593
Retained earnings	19	39,615,676	39,580,861
Profit for the period - Statement (B)		8,205,644	-
Total Shareholders' Equity		179,981,138	171,804,341
Total Liabilities, Unrestricted Investment Accounts Holders' and Shareholders' Equity		2,720,249,482	2,584,117,255
Wakala Investments accounts	Statement "F"	460,336	730,737

The accompanying notes constitute an integral part of these condensed consolidated interim financial information and should be read with it and the accompanying review report.

Statement "B"

Safwa Islamic Bank
(A Public Shareholding Limited Company)
Amman-The Hashemite Kingdom of Jordan
Condensed Consolidated Interim Statement of Profit or Loss and Comprehensive Income

	Note	For The Three Months Period Ended 30 June		For The Six Months Period Ended 30 June	
		2023 (Reviewed)	2022 (Reviewed)	2023 (Reviewed)	2022 (Reviewed)
		JD	JD	JD	JD
Deferred sales revenue	20	21,462,435	17,141,881	43,712,288	33,016,079
Ijara Muntahia Bittamleek assets revenue		12,611,333	9,433,121	25,191,819	18,496,882
Gain from International wakala investments		948,966	160,430	1,714,466	235,228
Gain from financial assets at fair value through unrestricted investment accounts' holders equity	21	2,823,290	1,190,369	5,426,118	1,743,518
Gain (loss) from financial assets at fair value through profit or loss	22	16,963	(35,042)	24,348	(32,446)
Gain from financial assets at amortized cost		508,858	508,858	1,012,123	1,252,534
Net share of joint funds from profits of associate company		3,668	8,496	3,668	8,496
(Loss) from foreign currencies evaluation		(38,896)	(131,042)	(9,216)	(146,043)
Other jointly revenues - net		296,957	240,850	812,400	465,118
Total unrestricted investment revenue		38,633,574	28,517,921	77,888,014	55,039,366
Deposit Insurance fees - jointly financed accounts		(682,688)	(597,595)	(1,365,377)	(1,195,190)
Share of unrestricted investment accounts holders'	23	(22,575,461)	(14,190,787)	(43,843,366)	(26,836,932)
Expected credit losses on joint items	6 & 8 & 10 & 15	(2,500,067)	(2,500,005)	(7,994,074)	(5,334,593)
Bank's share of revenue from unrestricted investments as a mudarib and rab mal	24	12,875,358	11,229,534	24,685,197	21,672,651
Bank's self financed revenue	25	256,782	170,537	469,194	344,287
Banks share from the restricted investments revenue as agent (wakeel)		8,293	29,898	23,579	51,277
Gain from foreign currencies		495,060	528,567	894,810	894,177
Banking services revenue - net		1,830,748	2,310,682	3,848,374	4,475,816
Other revenue		5,938	1,937	27,538	12,095
Deposit Insurance fees - self financed		(433,986)	(405,791)	(867,972)	(811,582)
Gross Income		15,038,193	13,865,364	29,080,720	26,638,721
Employees' expenses		(4,106,732)	(3,852,069)	(8,237,017)	(7,491,772)
Depreciation and amortization		(781,842)	(780,816)	(1,550,978)	(1,553,299)
Depreciation of Ijara muntahia bittamleek assets- self financed		(127,274)	(78,053)	(256,249)	(184,005)
Expected credit losses on self items	8 & 15 Statement "E"	(144,953)	(6,341)	(118,312)	(218,800)
Amortisation of right of use assets	29/A	(431,070)	(411,413)	(852,717)	(814,827)
Finance costs / discount on lease liability	29/A	(89,920)	(87,243)	(181,362)	(170,926)
Rent expenses		(44,262)	(52,881)	(88,115)	(84,593)
Other expenses		(2,218,178)	(2,074,912)	(4,549,561)	(3,837,931)
Total expenses		(7,944,231)	(7,343,728)	(15,834,311)	(14,356,153)
Profit for the period before tax		7,093,962	6,521,636	13,246,409	12,282,568
Income tax expense	14/B	(2,692,063)	(2,483,406)	(5,040,765)	(4,687,868)
Profit for the period		4,401,899	4,038,230	8,205,644	7,594,700
Comprehensive income items					
Items that will not be reclassified subsequently to the condensed consolidated interim statement of profit or loss :					
Add: other comprehensive Income items after tax :					
Gains from sale of financial assets at fair value through shareholders' equity-self financed		-	-	34,815	-
Net change in fair value reserve for financial assets		(42,000)	-	(63,662)	-
Total comprehensive income for the period		4,359,899	4,038,230	8,176,797	7,594,700
		JD/FILS	JD/FILS	JD/FILS	JD/FILS
Basic and diluted earnings per share for the period	26	0/044	0/040	0/082	0/076

The accompanying notes constitute an integral part of these condensed consolidated interim financial information and should be read with it and the accompanying review report.

Statement "C"

Safwa Islamic Bank
(A Public Shareholding Limited Company)
Amman-The Hashemite Kingdom of Jordan

Condensed Consolidated Interim Statement of Changes in Shareholders' Equity

	Paid up capital	Statutory reserve	Fair value reserve - Self financed	Retained Earnings *	Profit for the period	Total
	JD	JD	JD	JD	JD	JD
<u>For the six months period ended 30 June 2023</u>						
Balance as at the beginning of the year	100,000,000	32,208,887	14,593	39,580,861	-	171,804,341
Gain from sale of financial assets at fair value through shareholders' equity-self financed	-	-	-	34,815		34,815
Net change in fair value reserve for financial assets -self financed	-	-	(63,662)	-	-	(63,662)
Profit for the period - (Statement B)	-	-	-	-	8,205,644	8,205,644
Total comprehensive income for the period - (Statement B)	-	-	(63,662)	34,815	8,205,644	8,176,797
Balance as of 30 June 2023	100,000,000	32,208,887	(49,069)	39,615,676	8,205,644	179,981,138
<u>For the six months period ended 30 June 2022</u>						
Balance as at the beginning of the year	100,000,000	29,766,889	-	32,910,838	-	162,677,727
Distributed Dividends	-	-	-	(6,000,000)	-	(6,000,000)
Total comprehensive income for the period - (Statement B)	-	-	-	-	7,594,700	7,594,700
Balance as of 30 June 2022	100,000,000	29,766,889	-	26,910,838	7,594,700	164,272,427

- Retained earnings include a balance of JD 653,969 as of 30 June 2023 (JD 793,221 as at 31 December 2022) which represents deferred tax assets -self financed and it is restricted from use based on the Central Bank of Jordan instructions.

* Based on CBJ instructions no.(13/2018) that were issued on 6 June 2018 the general banking risks reserve which was transferred to retained earnings, amounted to JD 108,397 is restricted from use without prior approval from the Central Bank of Jordan.

The accompanying notes constitute an integral part of these condensed consolidated interim financial information and should be read with it and the accompanying review report.

Statement "D"

Safwa Islamic Bank
(A Public Shareholding Limited Company)
Amman-The Hashemite Kingdom of Jordan
Condensed Consolidated Interim Statement of Cash Flows

	Note	For the six months period ended	
		30 June	
		(Reviewed) 2023	(Reviewed) 2022
		JD	JD
Cash Flows from Operating Activities			
Profit for the period before tax - statement (B)		13,246,409	12,282,568
Adjustments for non-cash items:			
Depreciation and amortization		1,550,978	1,553,299
Depreciation of Ijara Muntahia Bittamleek assets(self & jointly financed)		26,317,305	19,200,664
Depreciation of right of use assets	29/A	852,717	814,827
Finance costs (discount on lease liabilities)	29/A	181,362	170,926
Unrealized losses for financial assets at fair value through profit or loss	22	-	26,717
Expected credit losses provision - joint	6&8&10&15	7,994,074	5,334,593
Expected credit losses provision - self	8&15& Statement "E"	118,312	218,800
Net share of joint funds from associate company (profits)		(3,668)	(8,496)
(Profits) from the sale of property and equipment		(440)	-
Provision for impairment seized real estates / joint funds	12	62,108	39,939
(Gains) losses from sale of seized assets against debts		(74,556)	23,118
Cash Flows from Operating Activities before Changes in working capital		50,244,601	39,656,955
Changes in working capital:			
Decrease (increase) in deferred sales receivables and other receivables		3,330,887	(115,976,029)
(Increase) in Ijara Muntahia Bittamleek assets		(84,830,860)	(58,184,805)
Decrease (increase) in Qard Hasan		2,263,829	(1,833,158)
(Increase) in other assets		(4,320,649)	(2,808,256)
Increase in customers' current accounts		7,459,066	7,333,447
Increase (decrease) in cash margin accounts		14,498,347	(3,073,517)
Increase in other liabilities		2,867,065	7,411,599
Net cash flows (used in) operating activities before income tax paid		(8,487,714)	(127,473,764)
Income tax paid	14/A	(8,702,232)	(8,301,121)
Paid from lawsuits provisions		(276,281)	-
Net cash flows (used in) operating activities		(17,466,227)	(135,774,885)
Cash Flows from Investing Activities			
Maturity of financial assets at fair value through unrestricted investment accounts holders equity		5,380,193	1,237,874
Net sale of financial assets at fair value through profit or loss		35,143	1,046,367
Net (purchase) of financial assets at fair value through equity - self financed		(264,307)	-
Maturity of financial assets at amortized cost		-	27,439,000
Cash dividends from associate company		-	6,250
(Purchase) of intangible assets		(243,073)	(667,061)
(Purchase) of property and equipment		(1,034,943)	(699,376)
Proceeds from sale of assets seized by the bank		244,148	138,000
Net (increase) in International Wakala Investments		(32,330,106)	(1,225,718)
Net cash flows (used in) from investing activities		(28,212,945)	27,275,336
Cash Flows from Financing Activities			
Increase in unrestricted investment holders equity		111,138,437	107,503,361
Paid for Lease liability	29/B	(1,256,587)	(1,269,763)
(Dividends) shareholders		-	(5,809,159)
Net cash flows from financing activities		109,881,850	100,424,439
Net increase (decrease) in cash and cash equivalents		64,202,678	(8,075,110)
Cash and cash equivalents at beginning of the year		198,857,604	350,416,577
Cash and cash equivalents at end of the period	27	263,060,282	342,341,467

The accompanying notes constitute an integral part of these condensed consolidated interim financial information and should be read with it and the accompanying review report.

Statement "E"

Safwa Islamic Bank
(A Public Shareholding Limited Company)
Amman-The Hashemite Kingdom of Jordan
Statement Of Sources And Uses Of Al-Qard Al-Hasan Fund

	30 June 2023(Reviewed) JD	31 December 2022(Audited) JD
Balance at the beginning of the peroid / year	4,240,493	1,279,581
Sources of the fund from :		
Shareholders' equity	(6,905,463)	(12,596,708)
Total Sources of the fund during the peroid / year	(6,905,463)	(12,596,708)
Uses of the fund on :		
Companies	5,814,035	15,526,344
Employees	41,148	31,276
Total uses during the peroid / year	5,855,183	15,557,620
Gross balance	3,190,213	4,240,493
Add: exposed accounts	1,805,736	3,019,285
Less : Expected credit losses provision	(649,146)	(479,420)
Balance at the end of the peroid / year - Net	4,346,803	6,780,358

Statement "F"

Safwa Islamic Bank
(A Public Shareholding Limited Company)
Amman-The Hashemite Kingdom of Jordan
Consolidated Statement of Changes in Restricted Wakala Accounts

	Local Murabaha	Total
	JD	JD
<u>For the period ended 30 June 2023</u>		
Beginning balance of the year	730,737	730,737
Add: Deposits	-	-
Less: Withdrawals	(270,401)	(270,401)
Add: Investments' gains	1,297,717	1,297,717
Less: Banks share as agent (wakeel)	(23,579)	(23,579)
Less: Muwakel's share	(1,274,138)	(1,274,138)
Investments at the end of period	460,336	460,336
Deferred revenue	-	-
Suspended revenue	-	-
Balance as at 30 June 2023	-	-
	Local Murabaha	Total
	JD	JD
<u>For the year ended 31 December 2022</u>		
Beginning balance of the year	4,288,847	4,288,847
Add: Deposits	1,694,227	1,694,227
Less: Withdrawals	(5,252,337)	(5,252,337)
Add: Investments' gains	1,272,942	1,272,942
Less: Banks share as agent (wakeel)	(95,577)	(95,577)
Less: Muwakel's share	(1,177,365)	(1,177,365)
Investments at the end of year	730,737	730,737
Deferred revenue	48,722	48,722
Suspended revenue	-	-
Balance as at 31 December 2022	48,722	48,722

SAFWA ISLAMIC BANK
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN-THE HASHEMITE KINGDOM OF JORDAN
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

(1) INCORPORATION AND ACTIVITIES

Safwa Islamic Bank is a public shareholding company licensed by the Central Bank of Jordan to practice and provide Islamic business and banking services in accordance with the Banking Law and the Companies Law.

The Bank provides all financial banking and structured investment services on a non-interest basis in accordance with Islamic sharia through the bank's head office and its forty-two branches within the Kingdom and its subsidiary, in accordance with the effective Banking Law.

The authorized and paid-up capital of the bank is JD 100 million, consisting of 100 million shares, with a nominal value of one dinar per share.

Etihad Islamic Investment Company owns 62.37% of the bank's capital.

The condensed consolidated financial information for the six months ended 30 June 2023 has been approved by the Bank's Board of Directors at its meeting No. (4/2023) on 20 July 2023.

The Sharia supervisory Board issued its report for the period ending 30 June 2023 in its meeting No. (3/2023) on 20 July 2023.

(2) BASIS OF PREPARATION

A-Basis of preparation of the Condensed Consolidated Interim Financial Information

The consolidated financial information of the Bank has been prepared according to the financial accounting standards issued by The Accounting and Auditing Organization for Islamic Financial Institutions as adopted by the Central Bank of Jordan.

The standards issued by the International Accounting Standards Board and The interpretations issued by the International Financial Reporting Interpretations Committee are applied in the absence of standards issued by The Accounting and Auditing Organization for Islamic Financial Institutions and will be replaced later by standards issued by the accounting and auditing organization for Islamic financial Institution once the new standards are issued.

The main differences between the Islamic accounting standards issued by the accounting and Auditing Organization for Islamic Financial Institution and the International Financial Reporting standards as they should be applied and what has been approved by Central Bank of Jordan consist of the following:

First: Provisions for expected credit losses are made in accordance with FAS (30) issued by the organization for Islamic Financial Institutions and according to the instructions of the Central Bank of Jordan, whichever is stricter, the major differences are as follows:

- Sukuk issued or guaranteed by the Jordanian government are excluded so that credit exposures on the Jordanian government and guaranteed by it are addressed without credit losses.
- When calculating credit losses against credit exposures, the results are obtained according to FAS (30) issued by the Organization for Islamic Financial Institutions are compared with the instructions of the Central Bank of Jordan No. (47/2009) dated 10, December 2009 for each stage separately. The most stringent result is selected.
- Revenue and commissions are suspended on non-performing credit financing granted to clients in accordance with the Central Bank of Jordan instructions.

Second: Assets seized by the bank against debts are disclosed in the condensed consolidated interim statement of financial position under Other Assets, and recorded using the acquisition value or fair value, whichever is less, and they are revaluated individually at the date of the consolidated financial statements. Any impairment in its value is recorded as a loss in the Condensed Consolidated Interim Statement of Profit or Loss and Comprehensive Income however, the increase in value is not recorded as revenue. Subsequent increase in fair value is recorded in the Condensed Consolidated Interim Statement of Profit or Loss and Comprehensive Income to the extent that it does not exceed the value of the decrease that has been previously recorded. Also, a progressive provision is recorded for the assets seized against debts, according to the Central Bank of Jordan letter No. 10/3/13246 dated on 2 September 2021 as (5%) of the total book values of these properties starting from the year 2022 to achieve the required percentage of (50%) for these properties by the end of year 2030, On October 10, 2022, a subsequent circular was issued by the central Bank of Jordan canceling the deductions of the provisions against the violating seized real estates, emphasizing the necessity of maintaining the already provisioned amounts against violating seized real estates of the banking law, provisions are to be released only when the related seized real estates are disposed.

The condensed consolidated interim financial information is presented in Jordanian Dinar (JD), which is the functional currency of the Bank.

The separation between what belongs to the Shareholders' equity and what belongs to the unrestricted investment accounts holders is taken into consideration.

Unrestricted investment accounts mean joint investment accounts wherever they are mentioned.

The interim condensed consolidated financial information does not include all the information and explanations required for the annual consolidated financial statements prepared in accordance with the Accounting Standards for Islamic Financial institutions issued by the Accounting and Auditing Organization for Islamic financial institutions as approved by the central bank of Jordan, and it must be read with the annual Financial statements of the bank as of 31 December 2022, Moreover, the results of the six – months operations ended 30 June 2023 do not represent the inclusion of the expected results for year ending 31 December 2023. Also, the bank did not deduct the legal reserves on the profits for the six-month period ended 30 June 2023, according to the provisions of the Companies Law and the issued instructions, as this financial information is interim, and that the deductions are made at the end of the fiscal year.

B- Significant Accounting Judgments, Key Sources of Uncertainty Estimation and Risks Management:

The preparation of the condensed consolidated interim financial information and application of the accounting policies are required from the bank's management to make judgments, estimates, and assumptions that affect the amounts of financial assets and financial liabilities disclose contingent liabilities. Moreover, these estimates and judgments affect revenue, expenses, provisions in general,

and expected credit losses as well as the changes in fair value that appear in the condensed consolidated interim statement of profit or loss and within the shareholders' equity. In Particular, the Bank's management is required to make judgments to estimate the amount and timing of future cash flows. These estimates are necessarily based on multiple believes hypothesis and factors with varying degrees of estimation and uncertainty. Meanwhile, the actual results may differ from estimates due to the changes arising from the conditions and circumstances of those estimates in the future.

The bank mangment belives that estimates used in the preparation of this condensed consolidated interim financial information are reasonable and consistent with those used in the preparation of the Bank's annual consolidated financial statements for the year ended 2022.

C-Basis of Consolidation of the Condensed Consolidated Interim Financial Information

The condensed interim financial information comprises of the condensed consolidated interim financial information of the Bank and its subsidiary which are financed by the self funds of the Bank that has the control to govern the operational and financial policies of the Subsidiaries to obtain benefits from their activities, all inter-company balances, transactions, revenue, expenses and off –balance sheet items between the Bank and its subsidiary are eliminated.

The condensed consolidated interim financial information of the subsidiary is prepared for the same reporting period as the Bank, using same accounting policies applied the Bank.

The subsidiary of the Bank at 30 June 2023 is as follows:

Subsidiary name	Paid in Capital	Source of Funding	Ownership %	Company Main Activity	Operation location	Acquisition Date
	(JD)					
Misc for brokerage company	2,000,000	Self	100%	Brokerage	Amman	2011

The subsidiary operations results are consolidated in the condensed consolidated information of profit or loss and comprehensive income from the acquisition date which is the date the bank actually obtains control on the subsidiary. The subsidiary ceased operations result are consolidated in the condensed consolidated information of profit or loss and comprehensive income, Which is the date that the bank loses the control on its subsidiary.

Non-controlling interests represent the portion of owners' equity that is not owned by the Bank in its subsidiary.

3-Accounting policies

The accounting policies used in preparing the condensed consolidated interim financial information for the period ended on 30 June 2023 are consistent with those followed in preparing the consolidated financial information for the year ended 31 December 2022, except for the effect of the Accounting Standards for Islamic institutions which are mentioned in Note (37).

(4) CASH AND BALANCES AT THE CENTRAL BANK

The details of this item are as follows:

	30 June 2023 (Reviewed)	31 December 2022 (Audited)
	JD	JD
Cash on hand	28,575,652	25,077,875
Balances at the Central Bank of Jordan:		
Current accounts	149,417,444	90,036,172
Statutory cash reserve	91,346,475	88,181,488
Total	269,339,571	203,295,535

- Except for the statutory cash reserve, there are no other restricted cash balances at the Central Bank of Jordan as at 30 June 2023 and 31 December 2022.
- Provision for expected credit losses has not been calculated on the balances at the Central Bank of Jordan, as they are exposures to the Jordanian government.

The movement on balances at the Central Bank of Jordan is as follows:

	Stage 1 (individual) For the period ended 30 June 2023	Stage 1 (individual) For the year ended 31 December 2022
	JD	JD
Balance at the beginning of the period / year	178,217,660	336,553,940
New balances during the period / year	68,155,726	8,140,186
Settled balances	(5,609,467)	(166,476,466)
Balance at the end of the period / year	240,763,919	178,217,660

(5) BALANCES AT BANKS AND FINANCIAL INSTITUTIONS

The details of this item are as follows:

	Local banks and financial institutions		Foreign banks and financial institutions		Total	
	30 June (Reviewed) 2023	31 December (Audited) 2022	30 June (Reviewed) 2023	31 December (Audited) 2022	30 June (Reviewed) 2023	31 December (Audited) 2022
	JD	JD	JD	JD	JD	JD
Current and on -Demand accounts	721,038	754,210	4,697,197	12,796,952	5,418,235	13,551,162
Total	721,038	754,210	4,697,197	12,796,952	5,418,235	13,551,162

- There are no balances at banks and financial institutions on which the bank receives returns as at 30 June 2023 and 31 December 2022.
- There are no balances with banks and banking institutions for which the bank charges returns as on 30 June 2023 and as on 31 December 2022.
- All balances of banks and financial institutions are classified within stage1, and there are no movement between stages(First, second and third) or zero balances during the six months period ending 30 June 2023, So there is no need for calculating provisions for expected credit losses for the balances of the banks & financial institutions.
- The movement on balances at banks and banking institutions is as follows :

	Stage 1 (individual) For the period ended 30 June 2023	Stage 1 (individual) For the year ended 31 December 2022
	JD	JD
Balance at the beginning of the period / year	13,551,162	8,293,931
New balances during the period / year	-	713,955
Repaid balances	(4,051,047)	(122,385)
Changes resulting from modifications	(4,081,880)	4,665,661
Balance at the end of the period / year	5,418,235	13,551,162

(6) INTERNATIONAL WAKALA INVESTMENTS - NET

	Jointly financed	
	30 June	31 December
	2023 (Reviewed)	2022 (Audited)
Matures:	JD	JD
Within a month	68,777,206	37,005,663
From a month to three months	19,564,620	18,395,607
From three to six months	3,865,125	2,127,000
From six to twelve months	3,545,000	5,893,575
Total International Wakala Investments	95,751,951	63,421,845
Less: Expected credit losses for international wakala investment	(380,389)	(280,449)
Net International Wakala Investments	95,371,562	63,141,396

The movement on the expected credit losses provision for International Wakala Investments was as follows:

Item	For the period ended 30 June 2023			
	Stage 1	Stage 2	Stage 3	Total
	(Individual)	(Individual)		
	JD	JD	JD	JD
Balance at the beginning of the period	63,421,845	-	-	63,421,845
New balances and deposits during the period	89,759,826	-	-	89,759,826
Repaid balances and deposits	(57,528,270)	-	-	(57,528,270)
Changes resulting from modifications	98,550	-	-	98,550
Total balance at the end of the period	95,751,951	-	-	95,751,951

- There are no transfers between the stages (First , second and third) or written off balances.

The movement on the gross International Wakala Investments was as follows:

Item	For the period ended 30 June 2023			
	Stage 1	Stage 2	Stage 3	Total
	(Individual)	(Individual)		
	JD	JD	JD	JD
Balance at the beginning of the period	280,449	-	-	280,449
Impairment loss of new balances during the period	375,201	-	-	375,201
Recoverable from impairment loss on repaid balance and deposits	(275,525)	-	-	(275,525)
Effect on the provision as a result of the change in classification between the three stages during the period	264	-	-	264
Total balance at the end of the period	380,389	-	-	380,389

(7) FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The details of this item are as follows:

	Jointly financed		Self financed		Total	
	30 June	31 December	30 June	31 December	30 June	31 December
	2023 (Reviewed)	2022 (Audited)	2023 (Reviewed)	2022 (Audited)	2023 (Reviewed)	2022 (Audited)
	JD	JD	JD	JD	JD	JD
Islamic sukuk listed in financial markets	-	35,143	-	-	-	35,143
Total	-	35,143	-	-	-	35,143

(8) DEFERRED SALES RECEIVABLES AND OTHER RECEIVABLES - NET

The details of this item are as follows :

	Jointly financed		Self financed		Total	
	30 June	31 December	30 June	31 December	30 June	31 December
	2023 (Reviewed)	2022 (Audited)	2023 (Reviewed)	2022 (Audited)	2023 (Reviewed)	2022 (Audited)
	JD	JD	JD	JD	JD	JD
Individuals (retail)						
Murabaha to the purchase orderer	442,763,338	422,186,379	1,553,418	1,573,351	444,316,756	423,759,730
Ijara Muntahia Bittamleek - receivables	2,400,883	445,923	2,235	782	2,403,118	446,705
Other receivables	6,783,175	6,502,529	20,590	26,633	6,803,765	6,529,162
Real estate financing	20,431,395	20,838,066	-	-	20,431,395	20,838,066
Ijara Muntahia Bittamleek - receivables	2,847,999	939,480	-	-	2,847,999	939,480
Corporate						
International Murabaha	2,179,324	-	-	-	2,179,324	-
Murabaha to the purchase orderer	455,359,576	524,119,481	-	-	455,359,576	524,119,481
Ijara Muntahia Bittamleek - receivables	2,234,643	1,821,670	-	-	2,234,643	1,821,670
Other receivables	-	-	170,373	324,783	170,373	324,783
Small and medium enterprises						
Murabaha to the purchase orderer	60,340,998	53,176,897	-	-	60,340,998	53,176,897
Ijara Muntahia Bittamleek - receivables	156,628	92,223	-	-	156,628	92,223
Other receivables	-	-	447,407	648,089	447,407	648,089
Government and the public sector	561,430,337	522,438,962	-	-	561,430,337	522,438,962
Total	1,556,928,296	1,552,561,610	2,194,023	2,573,638	1,559,122,319	1,555,135,248
Less: Deferred revenue	185,770,150	178,770,653	214,502	207,853	185,984,652	178,978,506
Suspended revenue	3,035,223	2,723,411	7,112	7,112	3,042,335	2,730,523
Expected credit losses	64,229,047	56,409,431	32,064	42,631	64,261,111	56,452,062
Net deferred sales receivable and other receivables	1,303,893,876	1,314,658,115	1,940,345	2,316,042	1,305,834,221	1,316,974,157

- The non- performing deferred sales receivables , other receivables , facilities, Ijara Muntahia Bittamleek receivables and Qard Al-Hasan amounted to JD 42,854,085 as at 30 June 2023, representing 2.74% of deferred sales receivables, other receivables, facilities, Ijara Muntahia Bittamleek receivables and Qard Al-Hasan (JD 40,904,287 as of 31 December 2022 , representing 2.62% of deferred sales receivables, other receivables, facilities, Ijara Muntahia Bittamleek receivables and Qard Al-Hasan).
- The non- performing deferred sales receivables , other receivables facilities, Ijara Muntahia Bittamleek receivables and Qard Al-Hasan after deducting the suspended revenue amounted to JD 39,811,750 as at 30 June 2023, representing 2.55 % of deferred sales receivable , other receivables facilities, Ijara Muntahia Bittamleek receivables and Qard Al-Hasan (JD 38,173,764 as at 31 December 2022, representing 2.45% of deferred sales receivable , other receivables facilities, Ijara Muntahia Bittamleek receivables and Qard Al-Hasan).
- The provision for impairment of the jointly financed facilities , which is calculated based on the Central Bank of Jordan's Instructions No.(47/2009) in the (under supervision) portfolio amounted to JD 1,927,443. Moreover, the provision calculated based on the individual customer (non-performing) amounted to JD 34,937,390 as at 30 June 2023 (JD 674,809 and JD 33,082,180 respectively as at 31 December 2022).
- The deferred sales receivables and other receivables and facilities granted to and guaranteed by the Government of the Hashemite Kingdom of Jordan amounted to JD 475,157,114 as at 30 June 2023 representing 30.38% of the balance of deferred sales receivables , other receivables and facilities (JD 439,496,601 as at 31 December 2022, representing 28.13% of the balance of deferred sales receivables , other receivables and facilities).

- The movement on credit facilities (after deducting suspended and deferred revenue) was as follows :

A- Self financed (Deferred sales receivables , other receivable and Qard hasan)

Item	For the six months period ended 30 June 2023					
	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD	JD	JD
Total balance at the beginning of the period	5,599,887	1,481,471	1,042,270	474,357	1,020,466	9,618,451
New facilities during the period	2,371,514	371,853	756,483	2,152	4,149	3,506,151
Settled facilities	(3,850,788)	(221,293)	(916,588)	(147,242)	(614)	(5,136,525)
Transfer to Stage 1	-	92,765	-	(92,720)	(45)	-
Transfer to Stage 2	-	(58,607)	-	58,619	(12)	-
Transfer to Stage 3	-	(4,730)	(124)	(289)	5,143	-
The total impact on the size of exposures as a result of changing the classification between stages	-	(44)	-	(32,947)	54	(32,937)
Changes resulting from modifications	(790,935)	(188,123)	48,680	(53,347)	(3,057)	(986,782)
Total balance at the end of the period	3,329,678	1,473,292	930,721	208,583	1,026,084	6,968,358

- The movement on provision for expected credit losses on credit facilities / self financed :

Item	For the six months period ended 30 June 2023					
	Corporate	Small and medium enterprises	Individual (Retail)	Real estate loans	Government and the public sector	Total
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the period	261,035	66,344	194,672	-	-	522,051
Impairment loss on new facilities during the period	50,885	482	2,864	-	-	54,231
Recoverable from the loss on settled facilities	(88,093)	(1,351)	(4,762)	-	-	(94,206)
Transfer to Stage 1	-	-	(3)	-	-	(3)
Transfer to Stage 2	-	(1)	46	-	-	45
Transfer to Stage 3	-	1	(43)	-	-	(42)
Effect on the provision as at the end of the period as a result of the change in classification between the three stages during the period	298	1,110	475	-	-	1,883
Changes resulting from modifications	140,660	57,167	(576)	-	-	197,251
Total balance at the end of the period	364,785	123,752	192,673	-	-	681,210

Redistribution:

Provisions on an individual basis	364,785	123,748	185,355	-	-	673,888
Provisions at a collective basis	-	4	7,318	-	-	7,322

- The movement on credit facilities (after deducting suspended and deferred revenue) was as follows :

B- Jointly financed

Item	For the six months period ended 30 June 2023					
	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD	JD	JD
Total balance at the beginning of the period	837,893,620	372,993,674	98,730,757	24,300,135	37,149,360	1,371,067,546
New facilities during the period	80,550,579	68,088,238	2,902,858	1,901,515	27,038	153,470,228
Settled facilities	(52,890,758)	(13,942,421)	(4,987,158)	(3,004,081)	(122,903)	(74,947,321)
Transfer to Stage 1	7,875,776	4,939,872	(7,875,776)	(4,939,872)	-	-
Transfer to Stage 2	(6,858,629)	(27,451,809)	6,858,629	29,271,462	(1,819,653)	-
Transfer to Stage 3	(118,913)	(1,321,233)	(1,540,684)	(767,483)	3,748,313	-
The total impact on the size of exposures as a result of changing the classification between stages	2,314,754	1,449,475	516,101	(83,476)	(242,617)	3,954,237
Changes resulting from modifications	(42,984,868)	(28,894,954)	(13,060,151)	(926,130)	444,336	(85,421,767)
Total balance at the end of the period	825,781,561	375,860,842	81,544,576	45,752,070	39,183,874	1,368,122,923

- The movement on provision for expected credit losses on credit facilities - jointly financed :

Item	For the six months period ended 30 June 2023.					
	Corporate	Small and medium enterprises	Individual (Retail)	Real estate loans	Government and the public sector	Total
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the period	38,857,647	2,057,211	12,187,031	3,307,542	-	56,409,431
Impairment loss on new facilities during the period	469,065	45,912	360,946	2,786	-	878,709
Recoverable from impairment loss on settled facilities	(647,761)	(16,070)	(129,479)	(2,003)	-	(795,313)
Transfer to Stage 1	133,272	(18,510)	(82,980)	(574)	-	31,208
Transfer to Stage 2	(146,685)	25,441	1,346,112	89,681	-	1,314,549
Transfer to Stage 3	13,413	(6,931)	(1,263,132)	(89,107)	-	(1,345,757)
Effect on the provision as at the end of the period as a result of the change in classification between the three stages during the period	17,937	37,833	1,344,835	(32,924)	-	1,367,681
Changes resulting from modifications	823,023	553,558	2,512,150	2,479,808	-	6,368,539
Total balance at the end of the period	39,519,911	2,678,444	16,275,483	5,755,209	-	64,229,047

Redistribution:

Provisions on an individual basis	39,519,911	2,229,725	9,492,306	5,743,033	-	56,984,975
Provisions at a collective basis	-	448,719	6,783,177	12,176	-	7,244,072

Suspended revenue :

The movement on suspended revenue is as follows:

	Self financed							
	For the six months period ended 30 June 2023 (Reviewed)				For the year ended 31 December 2022 (Audited)			
	Individual (Retail)	Corporate	Small and medium enterprises	Total	Individual (Retail)	Corporate	Small and medium enterprises	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Balance at the beginning of the period / year	-	7,112	-	7,112	-	7,112	-	7,112
Add: suspended revenue during the period / year	-	-	-	-	-	-	-	-
Less: suspended revenue transferred to revenue	-	-	-	-	-	-	-	-
Balance at the end of the period / year	-	7,112	-	7,112	-	7,112	-	7,112

	Jointly financed							
	For the six months period ended 30 June 2023 (Reviewed)				For the year ended 31 December 2022 (Audited)			
	Individual (Retail)	Corporate	Small and medium enterprises	Total	Individual (Retail)	Corporate	Small and medium enterprises	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Balance at the beginning of the period / year	1,225,804	1,363,282	134,325	2,723,411	984,711	1,081,696	83,177	2,149,584
Add: suspended revenue during the period / year	252,152	172,262	68,139	492,553	609,566	288,274	52,271	950,111
Less: suspended revenue transferred to revenue	164,415	5,157	11,169	180,741	368,473	6,688	1,123	376,284
Balance at the end of the period / year	1,313,541	1,530,387	191,295	3,035,223	1,225,804	1,363,282	134,325	2,723,411

The following are credit exposures in accordance to financial accounting standard (30) Issued by the Accounting and Auditing Organization for Islamic Financial Institutions as at 30 June 2023

A- Self-financed

	Stage 1				Stage 2				Stage 3				Total			
	Total	ECL	Suspended revenue	Deferred revenue	Total	ECL	Suspended revenue	Deferred revenue	Total	ECL	Suspended revenue	Deferred revenue	Total	ECL	Suspended revenue	Deferred revenue
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Corporates	2,820,018	31,813	-	-	930,721	23,711	-	-	637,184	309,261	7,112	-	4,387,923	364,785	7,112	-
Small and medium enterprises	93,649	4	-	-	198,571	1	-	-	210,620	123,747	-	-	502,840	123,752	-	-
Retail (Individual)	1,593,537	7,206	-	213,894	10,620	111	-	608	185,392	185,356	-	-	1,789,549	192,673	-	214,502
Real estate financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Government and public sector	509,660	-	-	-	-	-	-	-	-	-	-	-	509,660	-	-	-
Total	5,016,864	39,023	-	213,894	1,139,912	23,823	-	608	1,033,196	618,364	7,112	-	7,189,972	681,210	7,112	214,502

- The financing amount in according to financial accounting standard (30) Issued by the Accounting and Auditing Organization for Islamic Financial Institutions instructions does not include the amount of JD 6,324,330), representing Ijara Muntahia Bittamleek.

B - Jointly financed

	Stage 1				Stage 2				Stage 3				Total			
	Total	ECL	Suspended revenue	Deferred revenue	Total	ECL	Suspended revenue	Deferred revenue	Total	ECL	Suspended revenue	Deferred revenue	Total	ECL	Suspended revenue	Deferred revenue
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Corporates	356,213,096	1,845,525	-	21,352,227	77,585,610	15,085,935	-	7,687,709	25,974,837	22,588,451	1,469,128	258,074	459,773,543	39,519,911	1,469,128	29,298,010
Small and medium enterprises	37,243,946	103,284	-	1,394,586	18,947,432	345,435	-	1,096,800	4,306,248	2,229,725	189,315	70,880	60,497,626	2,678,444	189,315	2,562,266
Retail (Individual)	408,844,503	4,137,360	-	73,673,885	31,069,356	2,645,819	-	3,762,321	12,033,537	9,492,304	1,258,378	637,491	451,947,396	16,275,483	1,258,378	78,073,697
Real estate financing	7,424,444	8,702	-	1,050,420	14,961,783	5,119,597	-	2,720,705	893,167	626,910	118,402	22,247	23,279,394	5,755,209	118,402	3,793,372
Government and public sector	561,430,337	-	-	72,042,805	-	-	-	-	-	-	-	-	561,430,337	-	-	72,042,805
Total	1,371,156,326	6,094,871	-	169,513,923	142,564,181	23,196,786	-	15,267,535	43,207,789	34,937,390	3,035,223	988,692	1,556,928,296	64,229,047	3,035,223	185,770,150

- The financing amount in accordance with Financial accounting standard (30) Issued by the Accounting and Auditing Organization for Islamic Financial Institutions instructions does not include the amount of JD (665,488,997) representing Ijara Muntahia Bittamleek.

The following are credit exposures in accordance to financial accounting standard (30) Issued by the Accounting and Auditing Organization for Islamic Financial Institutions as at 31 December 2022

A- Self-financed

	Stage 1				Stage 2				Stage 3				Total			
	Total	ECL	Suspended revenue	Deferred revenue	Total	ECL	Suspended revenue	Deferred revenue	Total	ECL	Suspended revenue	Deferred revenue	Total	ECL	Suspended revenue	Deferred revenue
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Corporates	5,090,227	64,114	-	-	1,042,270	36,388	-	-	633,881	160,533	7,112	-	6,766,378	261,035	7,112	-
Small and medium enterprises	87,884	4	-	-	417,744	1,143	-	-	209,534	65,197	-	-	715,162	66,344	-	-
Retail (Individual)	1,601,440	6,881	-	207,853	56,613	3,642	-	-	184,163	184,149	-	-	1,842,216	194,672	-	207,853
Real estate financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Government and public sector	509,660	-	-	-	-	-	-	-	-	-	-	-	509,660	-	-	-
Total	7,289,211	70,999	-	207,853	1,516,627	41,173	-	-	1,027,578	409,879	7,112	-	9,833,416	522,051	7,112	207,853

- The financing amount in according to financial accounting standard (30) Issued by the Accounting and Auditing Organization for Islamic Financial Institutions instructions does not include the amount of JD (6,168,880), representing Ijara Muntahia Bittamleek.

B - Jointly financed

	Stage 1				Stage 2				Stage 3				Total			
	Total	ECL	Suspended revenue	Deferred revenue	Total	ECL	Suspended revenue	Deferred revenue	Total	ECL	Suspended revenue	Deferred revenue	Total	ECL	Suspended revenue	Deferred revenue
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Corporates	405,381,364	2,707,606	-	23,840,914	96,094,166	14,927,100	-	8,492,562	24,465,621	21,222,941	1,326,283	314,959	525,941,151	38,857,647	1,326,283	32,648,435
Small and medium enterprises	30,530,086	43,813	-	1,341,258	19,012,516	390,810	-	868,676	3,726,518	1,622,588	134,325	77,926	53,269,120	2,057,211	134,325	2,287,860
Retail (Individual)	410,128,672	2,474,226	-	70,777,568	6,826,814	112,180	-	670,519	12,179,345	9,600,625	1,155,526	758,768	429,134,831	12,187,031	1,155,526	72,206,855
Real estate financing	7,190,329	7,393	-	829,894	13,908,130	2,664,123	-	2,778,977	679,087	636,026	107,277	26,147	21,777,546	3,307,542	107,277	3,635,018
Government and public sector	522,438,962	-	-	67,992,485	-	-	-	-	-	-	-	-	522,438,962	-	-	67,992,485
Total	1,375,669,413	5,233,038	-	164,782,119	135,841,626	18,094,213	-	12,810,734	41,050,571	33,082,180	2,723,411	1,177,800	1,552,561,610	56,409,431	2,723,411	178,770,653

- The financing amount in accordance with Financial accounting standard (30) Issued by the Accounting and Auditing Organization for Islamic Financial Institutions instructions does not include the amount of JD (607,130,892) representing Ijara Muntahia Bittamleek.

(9) FINANCIAL ASSETS AT FAIR VALUE THROUGH SHAREHOLDERS' EQUITY-SELF FINANCED

The details of this item are as follows:

	30 June 2023 (Reviewed)	31 December 2022 (Audited)
	JOD	JOD
Quoted Financial Assets :		
Corporate Shares	484,000	235,000
Total quoted Financial Assets	484,000	235,000
Total Financial assets at fair value through shareholders' equity -self financed	484,000	235,000

(10) FINANCIAL ASSETS AT FAIR VALUE THROUGH UNRESTRICTED INVESTMENT ACCOUNTS HOLDERS' EQUITY - NET

The details of this item are as follows:

	Jointly financed	
	30 June 2023 (Reviewed)	31 December 2022 (Audited)
	JOD	JOD
Quoted Financial Assets :		
Corporate Shares	1,830,044	1,748,930
Islamic Sukuk	66,065,081	53,086,503
Total quoted Financial Assets	67,895,125	54,835,433
Unquoted Financial Assets		
Corporate Shares	4,120,969	3,951,976
Islamic Sukuk	195,434,112	214,104,719
Total unquoted financial assets	199,555,081	218,056,695
Total Financial Assets At Fair Value through Unrestricted Investment Accounts Holders' Equity	267,450,206	272,892,128
Less: Expected Credit Losses provision of financial assets	(154,672)	(232,941)
Net Financial Assets At Fair Value through Unrestricted Investment Accounts Holders' Equity-Net	267,295,534	272,659,187

- Unquoted financial assets were presented at cost or in accordance with latest financial statements.

- The movement of the total financial assets at fair value through unrestricted investment accounts holders' equity for the period ended 30 June 2023:

Item	Stage1 (Individual)	Stage2 (Individual)	Stage3	Total
	JOD	JOD	JOD	JOD
Fair value as at the beginning of the period	272,892,128	-	-	272,892,128
New investments during the period	26,091,543	-	-	26,091,543
Matured and sold investments	(26,064,201)	-	-	(26,064,201)
Change in Fair value	-	-	-	-
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
The total impact on the size of exposures as a result of changing the classification between	-	-	-	-
Changes resulting from modifications	(5,469,264)	-	-	(5,469,264)
Total balance at the end of period	267,450,206	-	-	267,450,206

- Movement on the Expected Credit Losses provision for the financial assets at fair value through unrestricted investment accounts holders' equity for the period ended 30 June 2023:

Item	Stage1 (Individual)	Stage2 (Individual)	Stage3	Total
	JOD	JOD	JOD	JOD
Fair value as at the beginning of the period	232,941	-	-	232,941
Impairment loss on new investments during the period	11,836	-	-	11,836
Recovered from loss of Matured and sold investments	(8,084)	-	-	(8,084)
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Effect on the provision - as at the end of the year - as a result of the change in classification between the three stages during the period	-	-	-	-
Changes resulting from modifications	(82,021)	-	-	(82,021)
Total balance at the end of period	154,672	-	-	154,672

(11) IJARA MUNTAHIA BITTAMLEEK ASSETS - NET

	Jointly financed			Self financed			Total		
	Cost	Accumulated Depreciation	Net Value	Cost	Accumulated Depreciation	Net Value	Cost	Accumulated Depreciation	Net Value
<u>30 June 2023 (Reviewed)</u>	JD	JD	JD	JD	JD	JD	JD	JD	JD
Ijara Muntahia Bittamleek assets-Real Estate	726,093,439	(115,288,019)	610,805,420	8,254,165	(1,929,835)	6,324,330	734,347,604	(117,217,854)	617,129,750
Ijara Muntahia Bittamleek assets-Machines	69,029,914	(18,185,103)	50,844,811	-	-	-	69,029,914	(18,185,103)	50,844,811
Ijara Muntahia Bittamleek assets-Vehicles	4,366,919	(528,153)	3,838,766	-	-	-	4,366,919	(528,153)	3,838,766
Total	799,490,272	(134,001,275)	665,488,997	8,254,165	(1,929,835)	6,324,330	807,744,437	(135,931,110)	671,813,327

	Jointly financed			Self financed			Total		
	Cost	Accumulated Depreciation	Net Value	Cost	Accumulated Depreciation	Net Value	Cost	Accumulated Depreciation	Net Value
<u>31 December 2022 (Audited)</u>	JD	JD	JD	JD	JD	JD	JD	JD	JD
Ijara Muntahia Bittamleek assets-Real Estate	671,947,039	(105,315,553)	566,631,486	7,900,380	(1,731,500)	6,168,880	679,847,419	(107,047,053)	572,800,366
Ijara Muntahia Bittamleek assets-Machines	55,246,985	(18,272,951)	36,974,034	-	-	-	55,246,985	(18,272,951)	36,974,034
Ijara Muntahia Bittamleek assets-Vehicles	3,759,188	(233,816)	3,525,372	-	-	-	3,759,188	(233,816)	3,525,372
Total	730,953,212	(123,822,320)	607,130,892	7,900,380	(1,731,500)	6,168,880	738,853,592	(125,553,820)	613,299,772

- The accrued Ijara installments amounted to JD 7,642,388 as at 30 June 2023 (JD3,300,078 as at 31 December 2022). Moreover, the accrued Ijara installments were presented under deferred sales receivables and other receivables-net (Note 8).
- The non-performing Ijara Muntahia Bittamleek amounted to JD5,651,152 as at 30 June 2023, representing 0.84% of the balance of Ijara Muntahia Bittamleek assets (JD 6,259,572 as at 31 December 2022, representing 1.02% of the balance of Ijara Muntahia Bittamleek assets).

(12) OTHER ASSETS

The details of this item are as follows:

	30 June 2023(Reviewed)	31 December 2022(Audited)
	JD	JD
Seized assets by the bank against debts-net*	8,080,249	8,283,321
Prepaid expenses	2,304,743	1,540,096
Deposit Insurance Corporation fees/Prepaid	2,233,349	-
Accrued revenue	3,479,050	3,038,178
Stationery and printing inventory	246,487	239,181
Withholding income tax	30,618	21,695
Petty cash and advances	163,915	37,460
Other accounts receivable	825,917	795,418
Others	1,636,326	956,356
Total	19,000,654	14,911,705

* The movement summary of the seized assets by the Bank against debts was as follows:

	For the six months period ended 30 June 2023 (Reviewed)			For the year ended 31 December 2022 (Audited)
	Seized real estates self financed	Seized real estates jointly financed	Total	Total
	JD	JD	JD	JD
Balance at the beginning of the period / year	392,244	9,221,696	9,613,940	9,030,154
Additions	-	25,142	25,142	1,532,849
Sales and disposals	(515)	(165,591)	(166,106)	(949,063)
Total	391,729	9,081,247	9,472,976	9,613,940
Provision of seized assets (CBJ Instructions/impairment of real estate)	(343,441)	(1,049,286)	(1,392,727)	(1,330,619)
Balance at the end of the period / year	48,288	8,031,961	8,080,249	8,283,321

- The Central Bank of Jordan's regulations require disposal of seized assets during a maximum period of two years from the date of repossession, and in some exceptional cases the Central Bank of Jordan can extend the period for additional two years.

The following is the movement on the provision for expropriated real estate (Central Bank of Jordan instructions / impairment of real estate):

	For the six months period ended 30 June 2023 (Reviewed)			For the year ended 31 December 2022 (Audited)
	Seized real estates self financed	Seized real estates jointly financed	Total	Total
	JD	JD	JD	JD
Provision balance at the beginning of the period / year	(343,441)	(987,178)	(1,330,619)	(1,088,496)
Additions to the provision for depreciation in real estate	(2,609)	(82,842)	(85,451)	(222,164)
Additions to the provision for violating real estate (CBJ Instructions)	-	-	-	(30,394)
Disposal from the provision for impairment of real estate	-	20,734	20,734	10,435
Disposal from the provision of seized assets (CBJ Instructions)	2,609	-	2,609	-
Balance at the end of the period / year	(343,441)	(1,049,286)	(1,392,727)	(1,330,619)

(13) CUSTOMERS' CURRENT ACCOUNTS

The details of this item are as follows:

	30 June 2023 (Reviewed)				
	Retail	Corporate	Small and medium companies	Governmental and Public sector	Total
	JD	JD	JD	JD	JD
Current accounts	193,019,398	25,510,702	82,433,470	6,373,776	307,337,346
Total	193,019,398	25,510,702	82,433,470	6,373,776	307,337,346

	31 December 2022 (Audited)				
	Retail	Corporate	Small and medium companies	Governmental and Public sector	Total
	JD	JD	JD	JD	JD
Current accounts	190,396,725	29,164,531	77,042,701	3,274,323	299,878,280
Total	190,396,725	29,164,531	77,042,701	3,274,323	299,878,280

- Government and public sector deposits inside the Kingdom as at 30 June 2023 amounted to JD 6,373,776 representing 2.07 % of the total customers' current accounts (As at 31 December 2022 amounted to JD 3,274,323 representing 1.09 % of the total customers' current accounts) .

- The restricted accounts as at 30 June 2023 amounted to JD 1,995,602 representing 0.65% of the total customers' current accounts (As at 31 December 2022 amounted to JD 1,038,984 representing 0.35% of the total customers' current accounts) .

- The dormant accounts as at 30 June 2023 amounted to JD 10,312,109 (As at 31 December 2022 amounted to JD 11,232,528).

(14) INCOME TAX

A- Income tax provision

The movement on the income tax provision is as follows :

	For the six months period ended 30 June	For the year ended 31 December
	2023 (Reviewed)	2022(Audited)
	JD	JD
Beginning balance for the period/year	8,746,097	8,332,402
Accrued income tax	7,257,882	10,842,374
Tax profits realized from the sale of financial assets through shareholders' equity for the subsidiary - self financed	13,540	-
Previous years adjustments (setting off tax deposits for the subsidiary)	-	(22,068)
Less: Income tax paid	(8,702,232)	(10,406,611)
Ending balance for the period/year	7,315,287	8,746,097

B- The income tax expense presented in the Condensed Consolidated Interim Statement of Profit or Loss and Comprehensive Income consists of the following:

	For the three months period ended 30 June	
	2023 (Reviewed)	2022 (Reviewed)
	JD	JD
Income tax due	(7,257,882)	(5,318,893)
Add: Release deferred tax assets- self financed	(139,252)	-
Less: Deferred tax assets- self financed	-	77,699
Less: Deferred tax assets- jointly financed	2,356,369	553,326
Total	(5,040,765)	(4,687,868)

- A rate of 35% was used to calculate the income tax provision in accordance with the law amending the Income and Sales Tax Law No. (38) for the year 2018 in addition to a rate of 3% as national contributions.

Tax status :

The bank:

- A tax clearance was obtained from the Income and Sales Tax Department until the end of 2020.

- The annual tax returns for the years 2021 and 2022 was submitted within the statutory period and not yet been reviewed by the Income and Sales Tax Department to the date of preparing the condensed consolidated Interim financial information.

The Subsidiary :

Misk Financial Brokerage Company:

- A tax clearance was obtained from the Income and Sales Tax Department until the end of 2021 expect for the year 2019 which had been submitted and still not reviewed by the Income and Sales Tax Department .

- The company submitted the annual income statement for the year 2022 and still not reviewed by the Income and Sales Tax Department.

In the opinion of the bank's management and the tax consultant the provisions taken in the interim condensed consolidated Financial information are sufficient for the purposes of tax liabilities.

C- Deferred tax assets

The details of this item are as follows:

	For the six months period ended 30 June				For the year ended	
	2023 (Reviewed)				31 December	
	Beginning Balance for the year	Released Amounts	Additional Amounts	Ending Balance for the period	Deferred tax	Deferred tax
	JD	JD	JD	JD	JD	JD
<u>Deferred tax assets - self financed</u>						
Provision of lawsuits against the bank	340,000	276,281	-	63,719	24,213	129,200
Provision for impairment of assets seized by the bank against debts and provision for seized real estate (CBJ regulations) - self financed	343,441	-	-	343,441	130,508	130,508
Provision for credit losses for the first and second stages - self financed	213,467	90,171	-	123,296	46,852	81,117
Difference in the application of Standard (32) islamic private Lease	773,338	-	-	773,338	293,868	293,868
Provision for contingent liabilities	100,000	-	-	100,000	38,000	38,000
Unpaid Employee bounses	317,178	-	-	317,178	120,528	120,528
Total Deferred tax assets - self financed	2,087,424	366,452	-	1,720,972	653,969	793,221
<u>Deferred tax assets - jointly financed</u>						
Provision for impairment of assets seized by the bank against debts and provision for seized real estate (CBJ regulations) - jointly financed	885,487	-	62,108	947,595	360,086	336,485
Provision for credit losses for the first and second stages - jointly financed	18,786,331	-	6,138,863	24,925,194	9,471,574	7,138,806
Total Deferred tax assets - jointly financed	19,671,818	-	6,200,971	25,872,789	9,831,660	7,475,291
Total	21,759,242	366,452	6,200,971	27,593,761	10,485,629	8,268,512

- The movement on self-financed deferred tax assets is as follows:

	For the six months period ended 30 June	For the year ended 31 December
	2023 (Reviewed)	2022 (Audited)
	JD	JD
Balance at the beginning of the period/year	793,221	669,296
Additions during the period/year	-	171,979
Amortized during the period/year	(139,252)	(48,054)
Balance at the End of the period/year	653,969	793,221

- The movement on jointly-financed deferred tax assets is as follows:

	For the six months period ended 30 June 2023 (Reviewed)	For the year ended 31 December 2022 (Audited)
	JD	JD
Balance at the beginning of the period/year	7,475,291	6,064,796
Additions during the period/year	2,356,369	1,410,495
Balance at the end of the period/year	9,831,660	7,475,291

(15) OTHER LIABILITIES

The details of this item are as follows:

	30 June 2023 (Reviewed)	31 December 2022 (Audited)
	JD	JD
Accrued and not paid expenses	1,807,990	850,782
Certified cheques	7,047,305	6,405,993
Expected credit losses on off - balance sheet items-self financed(Note 33)**	134,194	175,041
Expected credit losses on off balance sheet items - jointly financed(Note 33)***	1,301,129	1,148,342
Shareholders' and customers' deposits	7,659,888	7,611,239
Customers' share of profits from unrestricted investment	29,777,809	26,127,822
Temporary with holdings *	8,250,462	11,842,010
Visa Claims	3,840,043	2,897,543
Others	1,157,551	938,593
Total	60,976,371	57,997,365

* It includes intermediate accounts for an amount of JD 5,903,502 as at 30 June 2023 (JD 9,227,465 as at 31 December 2022), which is the value of credits and deferred policies, and the value will be paid when due.

• **Expected credit losses**

**** Expected credit loss of indirect facilities**

A- Self financed

- Movement on indirect facilities for the six month period ended 30 June 2023:

Item	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD	JD	JD
Total balance at the beginning of the period	107,140,898	-	6,535,153	-	125,309	113,801,360
New exposures during the period	24,871,410	-	1,707,758	-	-	26,579,168
Accrued exposures	(14,677,799)	-	(1,496,059)	-	-	(16,173,858)
Transfer to Stage 1	3,356,300	-	(3,356,300)	-	-	-
Transfer to Stage 2	(703,243)	-	703,243	-	-	-
Transfer to Stage 3	-	-	-	-	-	-
The total impact on the size of exposures as a result of changing the classification between stages	(2,268,997)	-	(395,740)	-	-	(2,664,737)
Changes resulting from modifications	(370,179)	-	(38,757)	-	-	(408,936)
Total balance at the end of the period	117,348,390	-	3,659,298	-	125,309	121,132,997

- Movement on the provision for expected credit losses for indirect facilities /self financed for the six months period ended 30 June 2023:

Item	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the period	150,581	-	24,460	-	-	175,041
Impairment loss on new exposures during the period	13,241	-	4,003	-	-	17,244
Impairment loss of matured / derecognized exposures	(15,523)	-	(1,158)	-	-	(16,681)
Transfer to Stage 1	13,992	-	(13,992)	-	-	-
Transfer to Stage 2	(2,485)	-	2,485	-	-	-
Transfer to Stage 3	-	-	-	-	-	-
Effect on the provision as at the end of the period as a result of the change in classification between the three stages during the period	(12,033)	-	(703)	-	-	(12,736)
Changes resulting from modifications	(26,692)	-	(1,982)	-	-	(28,674)
Total balance at the end of the period	121,081	-	13,113	-	-	134,194

***Expected credit loss of indirect facilities

B- jointly financed

- Movement on indirect facilities for the six months period ended 30 June 2023 :

Item	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD	JD	JD
Total balance at the beginning of the period	167,708,178	-	2,961,525	-	-	170,669,703
New exposures during the period	60,804,918	-	518,855	-	-	61,323,773
Accrued exposures	(27,257,496)	-	(645,020)	-	-	(27,902,516)
Transfer to Stage 1	829,579	-	(829,579)	-	-	-
Transfer to Stage 2	(768,518)	-	768,518	-	-	-
Transfer to Stage 3	-	-	-	-	-	-
The total impact on the size of exposures as a result of changing the classification between stages	(44,162)	-	165,898	-	-	121,736
Changes resulting from modifications	17,723,037	-	1,017,469	-	-	18,740,506
Total balance at the end of the period	218,995,536	-	3,957,666	-	-	222,953,202

- Movement on the provision for expected credit losses for indirect facilities /jointly financed for the six months period ended 30 June 2023 :

Item	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the period	1,096,452	-	51,890	-	-	1,148,342
Impairment loss on new exposures during the period	278,893	-	9,193	-	-	288,086
Impairment loss of matured / derecognized exposures	(87,081)	-	(14,886)	-	-	(101,967)
Transfer to Stage 1	15,382	-	(15,382)	-	-	-
Transfer to Stage 2	(8,985)	-	8,985	-	-	-
Transfer to Stage 3	-	-	-	-	-	-
Effect on the provision as at the end of the period as a result of the change in classification between the three stages during the period	(14,106)	-	10,971	-	-	(3,135)
Changes resulting from modifications	(39,496)	-	9,299	-	-	(30,197)
Total balance at the end of the period	1,241,059	-	60,070	-	-	1,301,129

(16) UNRESTRICTED INVESTMENT ACCOUNTS

The details of this item are as follows:

30 June 2023 (Reviewed)						
	Individual	Corporate	Small and medium enterprises	Governmental and Public sector	Banks and Financial Institutions	Total
	JD	JD	JD	JD	JD	JD
Saving accounts	180,142,482	29,552,822	49,347,935	4,399,137	37,883,324	301,325,700
Term accounts / Investing deposits	917,291,955	175,759,002	85,619,470	179,845,619	8,618,823	1,367,134,869
Certificates of investing deposit	239,989,026	21,697,312	19,914,434	40,443,448	52,124,495	374,168,715
Total	1,337,423,463	227,009,136	154,881,839	224,688,204	98,626,642	2,042,629,284
Depositors' share from investments' revenue	29,032,628	5,035,509	2,816,660	5,389,117	1,569,452	43,843,366
Total unrestricted investment accounts	1,366,456,091	232,044,645	157,698,499	230,077,321	100,196,094	2,086,472,650

31 December 2022 (Audited)						
	Individual	Corporate	Small and medium enterprises	Governmental and Public sector	Banks and Financial Institutions	Total
	JD	JD	JD	JD	JD	JD
Saving accounts	177,773,742	26,744,680	49,189,613	5,707,890	28,950,959	288,366,884
Term accounts / Investing deposits	880,052,230	206,978,206	93,892,953	191,523,819	6,422,843	1,378,870,051
Certificates of investing deposit	160,658,806	5,233,022	13,403,169	27,770,873	37,816,624	244,882,494
Total	1,218,484,778	238,955,908	156,485,735	225,002,582	73,190,426	1,912,119,429
Depositors' share from investments' revenue	40,246,149	8,298,053	4,427,200	8,247,442	1,995,940	63,214,784
Total unrestricted investment accounts	1,258,730,927	247,253,961	160,912,935	233,250,024	75,186,366	1,975,334,213

- Unrestricted investment accounts share of profit is calculated as follows:
- 20% to 50% of the minimum balance of saving accounts in Jordanian Dinar.
- 14% to 33% of the minimum balance of saving accounts in foreign currencies.
- 58% to 97% of the average term accounts in Jordanian Dinar.
- 18% to 61% of the average term accounts in foreign currencies.
- 90% of the average balances of investing certificates of deposit in Jordanian Dinar.
- 80% to 85% of average balances of certificates of investing deposit in foreign currencies .
- The general percentage of the profit on the Jordanian Dinar for the period ended 30 June 2023 is (4.41%) (for the same period last year was (3.27 %)).
- The general percentage of the profit on USD for the period ended 30 June 2023 is (3.60%) (for the same period last year was (1.17%)).
- The unrestricted investment accounts for the Government and Public sector amounted to JD 230,077,321 as at 30 June 2023 which represents 11.03 % of the total unrestricted investment accounts (As at 31 December 2022 amounted to JD 233,250,024 which represents 11.81% of the total unrestricted investment accounts).
- The restricted accounts amounted to JD 725,712 as at 30 June 2023 which represents 0.03% of the total unrestricted investment (As at 31 December 2022 amounted to JD 351,127 which represent 0.02% of the total unrestricted investment).
- The dormant accounts as at 30 June 2023 amounted to JD 12,069,710 (As at 31 December 2022 amounted to JD 18,942,524).

(17) FAIR VALUE RESERVE

The movement of fair value reserve was as follows :

A- Self financed

	For the six months period ended 30 June	For the year ended 31 December
	2023 (Reviewed)	2022 (Audited)
	JD	JD
Financial assets at fair value through share holders' equity - Self financed		
Beginning balance of the period/year	14,593	-
Unrealized (losses) gain on debt instruments / shares	(63,662)	14,593
Ending balance of the period/year	(49,069)	14,593

B - Jointly financed

	For the six months period ended 30 June	For the year ended 31 December
	2023 (Reviewed)	2022 (Audited)
	JD	JD
Financial assets at fair value through unrestricted investment accounts reserves - jointly financed		
Beginning balance of the period/year	(1,016,785)	82,413
Unrealized (losses) on debt instruments / sukuk	(168,388)	(1,176,120)
Unrealized gain on shares	106,659	76,922
Ending balance of the period/year	(1,078,514)	(1,016,785)

(18) PAID UP CAPITAL & STATUTORY RESERVE

PAID UP CAPITAL

The authorized and paid-in capital amounted to JD 100,000,000, consisting of 100,000,000 shares, at a par value of JD 1 per share as at 30 June 2023 and 31 December 2022.

STATUTORY RESERVES

The Bank has not deducted the legal reserves in accordance with the companies Law, where these condensed consolidated financial information is interim and the deduction takes place by the end of the year.

(19) RETAINED EARNINGS

	30 June 2023 (Reviewed)	31 December 2022 (Audited)
	JD	JD
Beginning balance of the period/year	39,580,861	32,910,838
Transferred statutory reserve	-	(2,441,998)
Dividends	-	(6,000,000)
Net sale gain financial assets at fair value through shareholders' equity -self financed	34,815	-
Profit for the period	-	15,112,021
Ending balance of the period / year	39,615,676	39,580,861

- The retained earnings balance as at 30 June 2023 includes an amount to JD 653,969 (31 December 2022 amounted to JD 793,221) which represent deferred tax assets-self financed and it is restricted from use in accordance with the Central Bank of Jordan regulations.
- It is prohibited to dispose of the surplus from the balance of the general banking risk reserve, which is transferred to the retained earnings, amounting to JD 108,397 , except with the prior approval of the Central Bank of Jordan, where the accumulated balance of the general banking risk reserve has been transferred to the retained earnings based on the instructions of the Central Bank of Jordan No. (13/2018) issued On 6 June 2018.

(20) DEFERRED SALES REVENUE

The details of this item are as follows:

	For the six months period ended 30 June			
	2023(Reviewed)		2022(Reviewed)	
	Jointly financed	Self financed	Jointly financed	Self financed
	JD	JD	JD	JD
Individuals (Retail)				
Murabaha to the purchase orderer	14,381,651	50,136	12,305,483	45,968
Real estate facilities	777,224	-	996,806	-
Corporate				
International Murabaha	101,943	-	9,358	-
Murabaha to the purchase orderer	16,113,786	-	11,249,142	-
Small and medium enterprises				
Murabaha to the purchase orderer	1,903,601	-	1,385,240	-
Government and the public sector	10,434,083	-	7,070,050	-
Total	43,712,288	50,136	33,016,079	45,968

(21) GAIN FROM FINANCIAL ASSETS AT FAIR VALUE THROUGH UNRESTRICTED INVESTMENT ACCOUNTS' HOLDERS EQUITY

The details of this item are as follows:

	Jointly financed	
	For the six months period ended 30 June	
	2023 (Reviewed)	2022 (Reviewed)
	JD	JD
Shares dividends	139,352	37,888
Gain from sale of financial assets	9,063	7,751
Islamic Sukuk profits	5,277,703	1,697,879
Total	5,426,118	1,743,518

(22) GAIN (LOSSES) FROM FINANCIAL ASSETS AT FAIR VALUE THROUGH STATEMENT OF PROFIT OR LOSS

The details of this item are as follows:

	Jointly financed							
	For the six months period ended 30 June							
	2023 (Reviewed)				2022(Reviewed)			
	Realized gains	Unrealized (losses)	Dividends	Total	Realized (losses)	Unrealized (losses)	Dividends	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Corporate Shares	-	-	-	-	(3,191)	(26,130)	541	(28,780)
Sukuk	24,348	-	-	24,348	(2,375)	(587)	-	(2,962)
Total	24,348	-	-	24,348	(5,566)	(26,717)	541	(31,742)
Less:								
Contract commission	-	-	-	-	704	-	-	704
Total	24,348	-	-	24,348	(6,270)	(26,717)	541	(32,446)

(23) SHARE OF UNRESTRICTED INVESTMENT ACCOUNTS HOLDERS

The details of this item are as follows:

	Jointly financed	
	For the six month period ended 30 June	
	2023 (Reviewed)	2022 (Reviewed)
	JD	JD
Customers		
Saving accounts	1,421,244	976,962
Term accounts	34,224,719	21,996,963
Certificates of deposit	6,627,950	2,917,885
Total Customers Revenue	42,273,913	25,891,810
Banks		
Banks and financial Institutions accounts	1,569,453	945,122
Total Banks revenue	1,569,453	945,122
Total	43,843,366	26,836,932

(24) BANK'S SHARE OF REVENUE FROM UNRESTRICTED INVESTMENT ACCOUNTS AS MUDARIB AND RAB MAL

The details of this item are as follows:

	Jointly financed	
	For the six month period ended 30 June	
	2023 (Reviewed)	2022 (Reviewed)
	JD	JD
Bank's share as Mudarib*	15,996,760	19,790,837
Bank's share as Rab Mal	8,688,437	1,881,814
Total	24,685,197	21,672,651

* The Bank's share of the joint investment accounts' revenues as a speculator amounted to JD 17,909,591 for the period ended on 30 June 2023 , and JD 1,912,831 were donated with the approval of the Shariah Supervisory Board for the benefit of joint investment account holders (JD 19,994,117 for the period ended on 30 June 2022 , and JD 203,280 were donated).

(25) BANK'S SELF - FINANCED REVENUE

The details of this item are as follows:

		Self financed	
		For the six month period ended 30 June	
Note		2023 (Reviewed)	2022 (Reviewed)
		JD	JD
	Ijara Muntahia Bittamleek revenue	377,058	296,998
	Deferred sales revenue	50,136	45,968
	Gain from financial assets at fair value through statement of profit or loss self - financed	42,000	1,321
	Total	469,194	344,287

(26) EARNINGS PER SHARE FOR THE PERIOD

The details of this item are as follows:

		For the six month period ended 30 June	
		2023 (Reviewed)	2022 (Reviewed)
		JD	JD
	Profit for the period	8,205,644	7,594,700
		share	share
	Weighted average number of shares	100,000,000	100,000,000
		JD/Fils	JD/Fils
	Basic and diluted earnings per share for the period	0/082	0/076

(27) CASH AND CASH EQUIVALENTS

The details of this item are as follows:

		For the six month period ended 30 June	
		2023 (Reviewed)	2022 (Reviewed)
		JD	JD
	Cash balances with CBJ maturing within three months	269,339,571	357,440,743
	Add: cash at banks and banking institutions maturing within three months	5,418,235	8,622,457
	Less: banks and financial banking accounts maturing within three months	(11,697,524)	(23,721,733)
	Total	263,060,282	342,341,467

(28) RELATED PARTY TRANSACTIONS

The Bank entered into transactions with shareholders, board members, and senior management within its normal operations using normal rates of Murabaha and trade commissions. All deferred sales receivables and facilities granted to related parties are performing, and no provisions were taken for these balances. The related parties' transactions are as follows :

	Main shareholders	Senior management	Board of Directors members	Al-Etihad Islamic company for investment*	Sharia directors members	Total	
						30 June	31 December
						2023 (Reviewed)	2022 (Audited)
	JD	JD	JD	JD	JD	JD	JD
<u>Condensed consolidated intreim statements of financial position items</u>							
Balances at banks and banking institutions	-	-	-	175,197	-	175,197	191,518
Unrestricted investments accounts and current accounts	256,240	1,076,062	19,715,160	10,666,697	75,537	31,789,696	33,132,006
Deferred sales receivables and facilities	-	316,706	655	-	-	317,361	294,673
Ijara Muntahia Bittamleek assets	-	1,357,529	482,793	-	-	1,840,322	2,023,365

Off statement of financial position items :

Letters of guarantee	-	-	1,500	-	-	1,500	1,500
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Condensed consolidated intreim statement of profit or loss and comprehensive income items:

						For the six months ended 30 June	
						2023 (Reviewed)	2022 (Reviewed)
Dividends	48	14,381	550,893	219,444	116	784,882	524,485
Salaries and bonuses	-	853,723	27,502	-	26,198	907,423	956,812
Transportation	-	-	299,562	-	13,200	312,762	244,700
Card Services	-	-	-	4,254	-	4,254	3,545

* Al Etihad Islamic For Investment Company which owns 62.37% of Safwa Islamic Bank.

- The lowest and highest received Murabaha rate were 5.47% and 9.46% respectively.
- The lowest and highest rate of Ijara Muntahia Bittamleek received by the Bank were 3.75% and 6.5% respectively.
- The lowest and highest distributed profit rate were 0.87% and 5.82% respectively.
- Executive management salaries and benefits for the six months period ended 30 June 2023 amounted to JD 853,723 (JD 903,106 as at 30 June 2022).
- All facilities granted to related parties are performing and no provisions were recorded for it .

(29) Right of use assets / lease liabilities long -term

The details of this item are as follows:

A- Right of use assets

The Bank rents real estate and stores for periods ranging from one to 15 years, the average lease term is 7 years, the following is the movement on the right of use assets during the period/year:

	For the six month period ended 30 June 2023 (Reviewed)	For the year ended 31 December 2022 (Audited)
	JD	JD
Balance at the beginning of the period/year	10,017,830	9,367,268
Add : Additions during the period/year	1,180,117	2,531,720
Less : Disposals during the period/year	(163,929)	(223,810)
Less : Depreciation for the period/year	(852,717)	(1,657,348)
Balance at the end of period/year	10,181,301	10,017,830

The amounts recorded in the condensed consolidated interim statement of profit or loss and comprehensive income :

	For the six month period ended 30 June 2023 (Reviewed)	For the six month period ended 30 June 2022 (Reviewed)
	JD	JD
Depreciation of the right of use assets for the period	(852,717)	(814,827)
Finance costs (discounting of rental obligations) during the period	(181,362)	(170,926)

B- lease liabilities

	For the six month period ended 30 June 2023 (Reviewed)	For the year ended 31 December 2022 (Audited)
	JD	JD
Balance at the beginning of the period/year	10,044,519	9,342,554
Add : Additions during the period/year	1,180,117	2,531,720
Less : Disposals during the period/year	(163,929)	(223,810)
Finance costs (discounting of rental obligations) during the period/year	181,362	349,169
Less : Paid during the period/year	(1,256,587)	(1,955,114)
Balance at the end of period/year	9,985,482	10,044,519

(30) SEGMENT INFORMATION

A. Information on the Bank's Activities

The Bank is structured for administrative purposes whereby sectors are measured according to the reports used by the executive director and main decision maker at the Bank through three major business sectors :

Retail Accounts:

This sector follows up on the unrestricted investment accounts, deferred sales receivables, financings, and other services related to retail.

Corporate Accounts:

This sector handles unrestricted investment accounts, deferred sales receivables, financings, and other banking services related to corporate customers.

Treasury:

This sector handles the services of brokerage, treasury and management of the Bank's funds.

Information on the Bank's segments according to activities is shown as follows:

	Retail	Corporate	Treasury	Other	For the six month period ended 30 June	
					2023(Reviewed)	2022(Reviewed)
					Total	Total
	JD	JD	JD	JD	JD	JD
Net revenue (joint and self financed)	6,704,242	18,909,474	11,100,659	360,419	37,074,794	31,973,314
Expected credit losses (joint and self financed)	(4,086,453)	(4,002,486)	(23,447)	-	(8,112,386)	(5,553,252)
Results of segment operations	2,617,789	14,906,988	11,077,212	360,419	28,962,408	26,420,062
Distributed expenses	(1,663,583)	(1,012,859)	(387,865)	-	(3,064,307)	(2,759,828)
Undistributed expenses	-	-	-	(12,651,692)	(12,651,692)	(11,377,525)
Profit for the period before tax	954,206	13,894,129	10,689,347	(12,291,273)	13,246,409	12,282,709
Income tax expense	-	-	-	(5,040,765)	(5,040,765)	(4,687,868)
Profit for the period	954,206	13,894,129	10,689,347	(17,332,038)	8,205,644	7,594,841

					30 June 2023	31 December 2022
					(Reviewed)	(Audited)
					JD	JD
Segments' assets	833,453,356	998,133,703	825,978,816	-	2,657,565,875	2,527,630,664
Undistributed assets	-	-	-	62,683,607	62,683,607	56,486,591
Total assets	833,453,356	998,133,703	825,978,816	62,683,607	2,720,249,482	2,584,117,255
Segments' liabilities and total equity of unrestricted investment accounts holders	1,574,955,528	758,637,257	128,234,700	-	2,461,827,485	2,335,084,933
Undistributed liabilities	-	-	-	78,440,859	78,440,859	77,227,981
Total liabilities and Total equity of unrestricted investment accounts holders	1,574,955,528	758,637,257	128,234,700	78,440,859	2,540,268,344	2,412,312,914

	For the six months period ended	
	30 June	
	2023 (Reviewed)	2022 (Reviewed)
	JD	JD
Capital expenditure	1,278,016	1,366,437
Depreciation and amortization	1,550,978	1,553,299

Geographical Distribution Information :

The following disclosure represents the geographical distribution. The Bank performs its operations mainly inside the Kingdom.

Distribution of the Bank's revenue, assets and capital expenditure according to geographical area is as follows :

	30 June 2023 (Reviewed)			31 December 2022 (Audited)		
	Inside Jordan	Outside Jordan	Total	Inside Jordan	Outside Jordan	Total
	JD	JD	JD	JD	JD	JD
Total assets	2,551,940,097	168,309,385	2,720,249,482	2,455,115,206	129,002,049	2,584,117,255

	For the six months period ended			For the six months period ended		
	30 June 2023 (Reviewed)			30 June 2022 (Reviewed)		
	Inside Jordan	Outside Jordan	Total	Inside Jordan	Outside Jordan	Total
	JD	JD	JD	JD	JD	JD
Net revenue	33,907,491	3,167,303	37,074,794	31,045,835	927,479	31,973,314
Capital expenditure	1,278,016	-	1,278,016	1,366,437	-	1,366,437

(31) CAPITAL MANAGEMENT

The Bank's management takes into consideration the Central Bank of Jordan's requirements which require the Bank to have sufficient self-financed resources to cover a certain percentage of its risk-weighted assets based on the nature of the finance granted and direct investment made. Accordingly, the capital considered as per the Central Bank of Jordan's requirements is the regulatory capital (both basic and additional capital) .

Capital management aims to invest the Bank's fund in various risk-weighted investments (low and high risk) to ensure that the Bank obtains a better rate of return and to maintain a capital adequacy of 12% as required by the Central Bank of Jordan.

The capital adequacy ratio is calculated as at 30 June 2023 according to the instructions of the regulatory capital No. (72/2018) issued by the Central Bank of Jordan in accordance with the revised standard No. (15) issued by the Islamic Financial Services Council (IFSB) in support of the provisions of Article (99) / B) from the Banking Law. The following is the capital adequacy ratio in thousands of dinars:

	30 June 2023(Reviewed) JD"000	31 December 2022(Audited) JD"000
Basic capital items	171,720	164,358
Authorised and (Paid) up capital	100,000	100,000
Retained earnings	39,616	39,581
Statutory reserve	32,209	32,209
Full fair value reserve - (Self financed)	(49)	15
The bank's share of the fair value reserve in full if the fund's are mixed	(469)	(489)
Profit for the period after tax and after proposed dividends	8,206	-
Intangible assets	(1,843)	(2,002)
Deferred tax assets	(654)	(793)
The Bank's share of the deferred tax assets in case of (jointly financed)	(4,274)	(3,591)
The bank's share in the capital of banks and financial Institutions that is less than 10%	(1,022)	(572)
Additional capital	-	-
Supporting capital	3,582	3,509
Self financed general banking risks reserve and the bank's share from the General banking risks reserve (joint) (not to exceed 1.25% of financial assets weighted by credit risks)	3,582	3,509
Investment in financial banks and takaful companies that is less than 10%	-	-
Total regulatory capital	175,302	167,867
 Total risk weighted assets	 967,308	 995,811
Capital adequacy ratio (%)	18.12%	16.86%
Basic capital ratio (%)	17.75%	16.50%
First slide ratio Tier 1 (%)	17.75%	16.50%
Second slide ratio Tier 2 (%)	0.37%	0.35%
Leverage ratio	14.97%	15.35%

(32) Liquidity Coverage Ratio

- The liquidity coverage ratio in total amounted to 355.0% as at 30 June 2023 with an average rate of 318.45% during the period (235.8% as at 31 December 2022 and an average rate of 367.8% during the year).
- The liquidity coverage ratio in Jordanian Dinars reached 291.90% as at 30 June 2023 with an average rate of 288.13% during the period (233.9% as at 31 December 2022 and an average rate of 318.5 % during the year).

(33) CONTINGENT COMMITMENTS (OFF BALANCE SHEET)**A. Contingent credit and commitments/self financed : ***

	30 June 2023 (Reviewed)	31 December 2022 (Audited)
	JD	JD
Letters of credit	26,051,449	29,950,341
Acceptances	51,841,844	39,972,923
Letters of guarantee:		
-Payment	15,505,169	16,243,883
-Performance	16,132,113	16,412,649
-Others	11,602,422	11,221,564
Total	121,132,997	113,801,360

B. Contingent credit and commitments/jointly financed :

- Unutilized credit limits / direct	222,953,202	170,669,703
Total	222,953,202	170,669,703

*Indirect unutilized credit limits / self financed amounted to JD 38,979,138 as at 30 June 2023 .

The expected credit losses recorded against contingent credit commitments/self financed amounted under the implementation instructions of FAS (30) issued by Organization for Islamic Financial Institutions to JD 134,194 as at 30 June 2023 (JD 175,041 as at 31 December 2022) and recorded in the other liabilities (note 15).

The expected credit losses recorded against contingent credit commitments/jointly financed amounted under the implementation instructions of FAS (30) issued by Organization for Islamic Financial Institutions to JD 1,301,129 as at 30 June 2023 (JD 1,148,342 as at 31 December 2022) and recorded in other liabilities (note 15).

(34) LAWSUITS AGAINST THE BANK

The total amount of the legal cases filed against the bank was amounted to JD 1,194,057 as at 30 June 2023 (JD 735,575 as at 31 December 2022) and its within bank's normal activities, and as per the management and the bank's lawyer the booked provision is sufficient to cover any obligations that may be incurred by the bank as a result of these cases. In addition to the above cases there is a legal case filed lately against the Bank and five other parties (Individuals and corporate) with an amount of JD 30Million, Its subject matter is claiming to revoke a real estate sales contracts where the Bank was not an absolute party to the sales contacts that are asked to be revoked. And it's under submission of the answers for the case and in the opinion of the bank's lawyer it will has no impact on the Bank.

(35) FAIR VALUE HIERARCHY

The international financial reporting standard (13) requires the identification and disclosure of a level in the fair value hierarchy in which fair value measurements are categorized in full, and the fair value measurements are classified according to the levels specified in IFRS. The difference between level (2) and level (3) for fair value measurements means assessing whether information or inputs are observable and the importance of information that is not observable. This requires careful judgment and analysis of the inputs used to measure fair value including consideration of all factors affecting the asset or liability.

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

Some of the financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table provides information about how the fair value of these financial assets and financial liabilities is determined (valuation techniques and key inputs).

Financial Assets/Financial Liabilities	Fair value as at		Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable	Relationship of unobservable inputs to fair value
	30 June 2023 (Reviewed)	31 December 2022 (Audited)				
	JD	JD				
Financial assets at fair value through statement profit or loss	-	35,143	Level 1	Quoted rates in financial markets	Not applicable	Not applicable
Financial assets at fair value through shareholders' equity - self financed	484,000	235,000	Level 1	Quoted rates in financial markets	Not applicable	Not applicable
Financial assets at fair value through unrestricted investment accounts' holders equity - net						
Quoted shares	1,830,044	1,748,930	Level 1	Quoted rates in financial markets	Not applicable	Not applicable
Quoted sukuk	65,910,409	52,853,562	Level 1	Quoted rates in financial markets	Not applicable	Not applicable
Unquoted shares	4,120,969	3,951,976	Level 3	The latest financial statements available	Not applicable	Not applicable
Unquoted sukuk	195,434,112	214,104,719	Level 2	A similar financial instrument	Not applicable	Not applicable
Total Financial assets at fair value through unrestricted investments accounts - net	267,295,534	272,659,187				
Total	267,779,534	272,929,330				

There were no transfer between level 1 and 2 during the period ended 30 June 2023 and the year 31 December 2022.

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

Except for what is detailed in the following table, Management believes that the carrying amounts of financial assets and financial liabilities recognized in the Bank's financial statements approximate their fair values.

	30 June 2023 (Reviewed)		31 December 2022 (Audited)		Fair value hierarchy
	Book value	Fair value	Book value	Fair value	
	JD	JD	JD	JD	
Financial assets not determined at fair value					
Deferred sales receivables and other receivables - net	1,305,834,221	1,491,818,873	1,316,974,157	1,495,952,663	Level 2
Financial assets at amortized cost	37,313,000	38,000,796	37,313,000	38,017,572	Level 2
Ijara Muntahia Bittamleek assets-net	671,813,327	671,813,327	613,299,772	613,299,772	Level 2
Total financial assets not determined at fair value	2,014,960,548	2,201,632,996	1,967,586,929	2,147,270,007	
Financial liabilities not determined at fair value					
Customers' current accounts and unrestricted investment accounts	2,393,809,996	2,423,322,969	2,275,212,493	2,301,137,367	Level 2
Cash margin accounts	57,398,479	57,663,315	42,900,132	43,103,080	Level 2
Total financial liabilities not determined at fair value	2,451,208,475	2,480,986,284	2,318,112,625	2,344,240,447	

(36) CREDIT RISK

1- Concentration of credit exposures according to geographical distribution

First: Total distribution of exposures by geographical region-self financed (after impairment provision) :

Item	30 June 2023							31 December 2022	
	Within the Kingdom	Other Middle Eastern countries	Europe	Asia*	Africa	America	Other countries	Total	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD
Cash and balances with central banks	240,763,919	-	-	-	-	-	-	240,763,919	178,217,660
Balances at banks and financial institutions	721,038	1,475,768	368,000	967,378	-	1,875,585	10,466	5,418,235	13,551,162
Deposits with banks and financial institutions	-	-	-	-	-	-	-	-	-
Direct credit facilities -net	6,287,148	-	-	-	-	-	-	6,287,148	9,096,400
Sukuk:									
Within financial assets at fair value through statement of profit or loss	-	-	-	-	-	-	-	-	-
Within financial assets at fair value through unrestricted investment accounts holders' equity -net	-	-	-	-	-	-	-	-	-
Within financial assets at amortized cost -net	-	-	-	-	-	-	-	-	-
Other assets	1,146,464	-	-	-	-	-	-	1,146,464	983,469
Total / current period	248,918,569	1,475,768	368,000	967,378	-	1,875,585	10,466	253,615,766	201,848,691
Letters of guarantee	42,024,827	1,106,755	-	-	-	-	-	43,131,582	43,725,745
Letters of credit	20,922,700	5,117,529	-	-	-	-	-	26,040,229	29,934,875
Acceptances	48,921,843	2,905,149	-	-	-	-	-	51,826,992	39,965,699
Grand Total	360,787,939	10,605,201	368,000	967,378	-	1,875,585	10,466	374,614,569	315,475,010

*Except for Middle Eastern countries

Second: Distribution of exposures according to classification stages in accordance with Islamic Accounting Standard No. (30). - Self :

Item	30 Jun 2023					
	Stage 1 Individual	Stage 1 Collective	Stage 2 Individual	Stage 2 Collective	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Within the Kingdom	354,027,163	1,466,082	4,553,194	208,471	533,029	360,787,939
Other Middle Eastern countries	10,605,201	-	-	-	-	10,605,201
Europe	368,000	-	-	-	-	368,000
Asia	967,378	-	-	-	-	967,378
Africa	-	-	-	-	-	-
America	1,875,585	-	-	-	-	1,875,585
Other countries	10,466	-	-	-	-	10,466
Total	367,853,793	1,466,082	4,553,194	208,471	533,029	374,614,569

Third : Total distribution of exposures by geographical region-jointly financed (after impairment provision) :

Item	30 June 2023								31 December 2022
	Within the Kingdom	Other Middle Eastern countries	Europe	Asia *	Africa	America	Other countries	Total	Total
	JD	JD	JD	JD		JD	JD	JD	JD
Cash and balances with central banks	-	-	-	-	-	-	-	-	-
Balances at banks and financial institutions	-	-	-	-	-	-	-	-	-
Deposits with banks and financial institutions	-	-	-	-	-	-	-	-	-
International wakala investments -net	-	84,374,806	10,996,756	-	-	-	-	95,371,562	63,141,396
Direct credit facilities -net	1,301,716,328	2,177,548	-	-	-	-	-	1,303,893,876	1,314,658,115
Sukuk:									
Within financial assets at fair value through Profit or loss	-	-	-	-	-	-	-	-	35,143
Within financial assets at fair value through unrestricted investment accounts holders' equity -net	195,434,112	64,897,700	1,012,709	-	-	-	-	261,344,521	266,958,281
Within financial assets at amortized cost -net	37,313,000	-	-	-	-	-	-	37,313,000	37,313,000
Other assets	3,435,408	-	-	-	-	-	-	3,435,408	3,002,702
Total / current period	1,537,898,848	151,450,054	12,009,465	-	-	-	-	1,701,358,367	1,685,108,637
Unutilized credit limits	221,652,073	-	-	-	-	-	-	221,652,073	169,521,361
Grand total	1,759,550,921	151,450,054	12,009,465	-	-	-	-	1,923,010,440	1,854,629,998

* except for middle eastern contries

Fourthly : Distribution of exposures according to classification stages in accordance with Islamic Accounting Standard No (30) - jointly financed :

Item	30 June 2023					
	Stage 1 Individual	Stage 1 Collective	Stage 2 Individual	Stage 2 Collective	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Within the Kingdom	1,275,693,316	371,613,666	65,244,282	42,753,173	4,246,484	1,759,550,921
Other Middle Eastern countries	151,450,054	-	-	-	-	151,450,054
Europe	12,009,465	-	-	-	-	12,009,465
Asia	-	-	-	-	-	-
Africa	-	-	-	-	-	-
America	-	-	-	-	-	-
Other countries	-	-	-	-	-	-
Total	1,439,152,835	371,613,666	65,244,282	42,753,173	4,246,484	1,923,010,440

2- Distribution of exposures by economic sectors:

First: Total distribution of exposures by economic sector - self financed (after impairment provision) :

Item	30 June 2023										31 December 2022
	Financial	Industry	Trade	Real estates	Agriculture	Shares	Retail	Government and public sector	Other	Total	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Cash and balances with central banks	240,763,919	-	-	-	-	-	-	-	-	240,763,919	178,217,660
Balances at banks and financial institutions	5,418,235	-	-	-	-	-	-	-	-	5,418,235	13,551,162
Deposits with banks and financial institutions	-	-	-	-	-	-	-	-	-	-	-
Direct credit facilities -net	-	101,804	2,452,584	-	-	795,043	570,404	509,660	1,857,653	6,287,148	9,096,400
sukuk :											
Within in financial assets at fair value through Profit or loss	-	-	-	-	-	-	-	-	-	-	-
Within financial assets at fair value through unrestricted investment accounts holders' equity -net	-	-	-	-	-	-	-	-	-	-	-
Within financial assets at amortized cost - net	-	-	-	-	-	-	-	-	-	-	-
Other assets	1,146,464	-	-	-	-	-	-	-	-	1,146,464	983,469
Total / current period / year	247,328,618	101,804	2,452,584	-	-	795,043	570,404	509,660	1,857,653	253,615,766	201,848,691
Letters of guarantees	333,403	3,917,421	8,261,574	3,323,395	519,634	3,481,197	2,542,820	-	20,752,138	43,131,582	43,725,745
Letters of credit	5,117,529	6,487,365	12,235,923	-	-	209,480	1,167,500	-	822,432	26,040,229	29,934,875
Acceptances	3,002,165	3,991,462	44,833,365	-	-	-	-	-	-	51,826,992	39,965,699
Grand total	255,781,715	14,498,052	67,783,446	3,323,395	519,634	4,485,720	4,280,724	509,660	23,432,223	374,614,569	315,475,010

Second: Distribution of exposures according to classification stages in accordance with Islamic Accounting Standard No (30) - self financed :

Item	30 June 2023					
	Stage 1 Individual	Stage 1 Collective	Stage 2 Individual	Stage 2 Collective	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Financial	255,735,715	-	46,000	-	-	255,781,715
Industry	13,097,694	92,700	1,298,379	2,806	6,473	14,498,052
Trade	66,153,813	-	1,488,645	126,570	14,418	67,783,446
Real estates	3,315,327	-	8,068	-	-	3,323,395
Agriculture	504,634	-	15,000	-	-	519,634
Shares	3,602,510	788,120	23,358	6,923	64,809	4,485,720
Retail	3,195,168	570,383	515,152	-	21	4,280,724
Government and public sector	509,660	-	-	-	-	509,660
Other	21,739,272	14,879	1,158,592	72,172	447,308	23,432,223
Total	367,853,793	1,466,082	4,553,194	208,471	533,029	374,614,569

Third : Total distribution of exposures by economic sector-jointly financed (after impairment provision) :

Item	30 June 2023									31 December 2022	
	Financial	Industry	trade	real estates	Agriculture	Shares	Retail	Government and public sector	Other	Total	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Cash and balances with central banks	-	-	-	-	-	-	-	-	-	-	-
Balances at banks and financial institutions	-	-	-	-	-	-	-	-	-	-	-
Deposits with banks and financial institutions	-	-	-	-	-	-	-	-	-	-	-
International wakala investments -net	95,371,562	-	-	-	-	-	-	-	-	95,371,562	63,141,396
Direct credit facilities - net	6,311,539	120,043,854	167,768,940	13,612,287	1,359,413	243,403,635	144,671,304	489,387,532	117,335,372	1,303,893,876	1,314,658,115
Sukuk:											
Within financial assets at fair value through Profit or loss	-	-	-	-	-	-	-	-	-	-	35,143
Within financial assets at fair value through unrestricted investment accounts holders' equity -net	65,910,409	-	-	-	-	-	-	195,434,112	-	261,344,521	266,958,281
Within financial assets at amortized cost -net	-	-	-	-	-	-	-	37,313,000	-	37,313,000	37,313,000
Other assets	3,435,408	-	-	-	-	-	-	-	-	3,435,408	3,002,702
Total / current period	171,028,918	120,043,854	167,768,940	13,612,287	1,359,413	243,403,635	144,671,304	722,134,644	117,335,372	1,701,358,367	1,685,108,637
Unutilized credit limits	3,278,120	84,934,124	63,195,837	1,525,266	379,170	-	18,698,114	-	49,641,442	221,652,073	169,521,361
Grand total	174,307,038	204,977,978	230,964,777	15,137,553	1,738,583	243,403,635	163,369,418	722,134,644	166,976,814	1,923,010,440	1,854,629,998

Fourthly : Distribution of exposures according to classification stages in accordance with Islamic Accounting Standard No (30) - jointly financed

Item	30 June 2023					
	Stage 1 Individual	Stage 1 Collective	Stage 2 Individual	Stage 2 Collective	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Financial	174,305,212	-	-	1,826	-	174,307,038
Industry	179,378,048	6,825,584	16,486,796	1,531,792	755,758	204,977,978
Trade	179,938,224	17,235,136	22,819,181	8,845,139	2,127,097	230,964,777
Real estates	3,029,864	4,860,600	6,534,919	586,561	125,609	15,137,553
Agriculture	379,170	909,385	-	430,066	19,962	1,738,583
Shares	17,239,817	202,493,068	13,443,671	9,585,537	641,542	243,403,635
Retail	18,660,300	128,539,769	37,814	15,642,253	489,282	163,369,418
Government and public sector	722,134,644	-	-	-	-	722,134,644
Other	144,087,556	10,750,124	5,921,901	6,129,999	87,234	166,976,814
Total	1,439,152,835	371,613,666	65,244,282	42,753,173	4,246,484	1,923,010,440

3 - Credit exposures that have been reclassified

First : Total credit exposures classified:

A. Self financed

30 June 2023						
Item	Stage 2		Stage 3		Total exposures that have been reclassified	Percentage of rated exposures
	Total exposure value	The exposures that have been reclassified	Total exposure value	The exposures that have been reclassified		
	JD	JD	JD	JD	JD	
Direct credit facilities-net	1,139,304	(34,514)	1,026,084	5,086	(29,428)	(1.36%)
Letters of guarantee	2,283,231	(202,670)	125,309	-	(202,670)	(8.41%)
Letters of credits	1,376,064	(2,450,387)	-	-	(2,450,387)	(178.07%)
Acceptances	-	-	-	-	-	-
Grand total	4,798,599	(2,687,571)	1,151,393	5,086	(2,682,485)	(45.08%)

B. Jointly financed

30 June 2023						
Item	Stage 2		Stage 3		Total exposures that have been reclassified	Percentage of rated exposures
	Total exposure value	The exposures that have been reclassified	Total exposure value	The exposures that have been reclassified		
	JD	JD	JD	JD	JD	
Direct credit facilities-net	127,296,646	21,006,276	39,183,874	1,928,660	22,934,936	13.78%
Unutilized credit limits	3,957,666	(61,061)	-	-	(61,061)	(1.54%)
Grand total	131,254,312	20,945,215	39,183,874	1,928,660	22,873,875	13.42%

Second : Credit losses expected for exposures that have been reclassified:

30 June 2023								
Item	The exposures that have been reclassified			Expected credit loss on exposures that have been reclassified				Total
	Total exposures that have been reclassified rated from Stage 2	Total exposures that have been reclassified rated from Stage 3	Total exposures that have been reclassified	Stage 2 Individual	Stage 2 Collective	Stage 3 Individual	Stage 3 Collective	
A. Self financed	JD	JD	JD	JD	JD	JD	JD	JD
Direct credit facilities	(34,514)	5,086	(29,428)	(4)	45	(43)	4	2
Letters of guarantee	(202,670)	-	(202,670)	(11,506)	-	-	-	(11,506)
Credits	(2,450,387)	-	(2,450,387)	-	-	-	-	-
Acceptances	-	-	-	-	-	-	-	-
Grand total	(2,687,571)	5,086	(2,682,485)	(11,510)	45	(43)	4	(11,504)

30 June 2023								
Item	The exposures that have been reclassified			Expected credit loss on exposures that have been reclassified				Total
	Total exposures that have been reclassified rated from Stage 2	Total exposures that have been reclassified rated from Stage 3	Total exposures that have been reclassified	Stage 2 Individual	Stage 2 Collective	Stage 3 Individual	Stage 3 Collective	
B. Jointly financed	JD	JD	JD	JD	JD	JD	JD	JD
Direct credit facilities	21,006,276	1,928,660	22,934,936	(146,512)	1,461,062	13,413	(1,359,170)	(31,207)
Unutilized credit limits	(61,061)	-	(61,061)	(6,397)	-	-	-	(6,397)
Grand total	20,945,215	1,928,660	22,873,875	(152,909)	1,461,062	13,413	(1,359,170)	(37,604)

(37) Analysis of the impact of the standards recently issued by the Accounting and Auditing Organization for Islamic financial institutions (AAOIFI)

Financial Accounting Standard No. 39 “Financial Reporting on Zakat

This standard improves and replaces the previously issued Financial Accounting Standard 9 “Zakat”. This standard aims to specify the accounting treatment of Zakat in the records of Islamic financial institutions, including presentation and disclosure in their financial statements.

The standard describes the applicable financial reporting principles based on the obligation of Islamic financial institutions to pay zakat. Additionally, if an Islamic financial institution is not required by law or its founding charter to pay zakat, it must still determine and disclose the amount of zakat due for the benefit of the various stakeholders.

This standard became effective as of 1 Jan 2023 and has no material impact on the interim condensed consolidated financial information for the six months ended 30 June 2023

Financial Accounting Standard 1 - Amended 2021 (Public Presentation and Disclosure in Financial Statements)

The standard applies to all Islamic financial institutions and other institutions that follow the financial accounting standards 2021 issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI). Financial Accounting Standard No. 1 - Amended 2022 is aligned with the amendments to the “Conceptual Framework for Financial Reporting of the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI)” (Amendment 2020) (Conceptual Framework). Amended Financial Accounting Standard No. 1 – 2021 will help prepare clear, transparent, and understandable financial statements, and in turn, will help users of financial statements to make better economic decisions.

The date of application of this standard is as of January 1, 2024, with early application permitted, and it is not expected to have a material impact on the future financial statements of the bank