

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

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

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

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Independent Auditor's Review Report

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In the Name of Allah, the Beneficent, the Merciful

Review Report

AM/ 014589

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

### Introduction

We have reviewed the condensed consolidated interim statement of financial position of Safwa Islamic Bank (a Public Shareholding limited Company) as of September 30, 2023 and the related condensed consolidated interim statements of profit or loss and comprehensive income for the three months and nine months period ended September 30, 2023, changes in shareholders' equity and cash flows for the nine months 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 this 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  
October 30, 2023

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

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

		30 September 2023 (Reviewed) JD	31 December 2022 (Audited) JD
	Note		
<b><u>Assets</u></b>			
Cash and balances at the Central Bank	4	232,031,866	203,295,535
Balances at banks and the financial institutions		15,881,477	13,551,162
International wakala investments-net	5	94,231,849	63,141,396
Financial assets at fair value through profit or loss		141,847	35,143
Deferred sales receivables and other receivables-net	6	1,313,823,503	1,316,974,157
Financial assets at fair value through shareholders' equity -self financed		486,000	235,000
Financial assets at fair value through unrestricted investment accounts' holders equity-net	7	411,040,608	272,659,187
Financial assets at amortized cost -net		-	37,313,000
Investment in associate		349,622	345,954
Ijara Muntahia Bittamleek assets-net	8	676,074,059	613,299,772
Qard Hasan-Net	Statement "E"	11,710,895	6,780,358
Property and equipment-net		21,037,778	21,286,068
Intangible assets - net		1,767,183	2,002,476
Right of use assets		9,767,569	10,017,830
Deferred tax assets	10/C	11,516,419	8,268,512
Other assets	9	45,522,177	14,911,705
<b>Total Assets</b>		<b>2,845,382,852</b>	<b>2,584,117,255</b>
<b><u>Liabilities</u></b>			
Banks and financial Institutions accounts		28,323,024	17,989,093
Customers' current accounts		331,079,159	299,878,280
Cash margins		69,035,269	42,900,132
Income tax provision	10/A	7,888,507	8,746,097
Other provisions		163,719	440,000
Lease liabilities		9,489,213	10,044,519
Other liabilities	11	72,669,754	57,997,365
<b>Total Liabilities</b>		<b>518,648,645</b>	<b>437,995,486</b>
<b><u>Unrestricted Investment Accounts Holders' Equity</u></b>			
Unrestricted investment accounts	12	2,144,187,225	1,975,334,213
Fair value reserve		(1,444,539)	(1,016,785)
<b>Total Unrestricted Investment Accounts Holders' Equity</b>		<b>2,142,742,686</b>	<b>1,974,317,428</b>
<b><u>Shareholders' Equity</u></b>			
Paid up capital		100,000,000	100,000,000
Statutory reserve		32,208,887	32,208,887
Fair value reserve - self		(47,069)	14,593
Retained earnings		39,615,676	39,580,861
Profit for the period - Statement ( B )		12,214,027	-
<b>Total Shareholders' Equity</b>		<b>183,991,521</b>	<b>171,804,341</b>
<b>Total Liabilities, Unrestricted Investment Accounts Holders' and Shareholders' Equity</b>		<b>2,845,382,852</b>	<b>2,584,117,255</b>
<b>Wakala Investments accounts</b>		<b>-</b>	<b>730,737</b>

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.

**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		For The Nine Months Period	
		Ended 30 September		Ended 30 September	
		2023 ( Reviewed )	2022 ( Reviewed )	2023 ( Reviewed )	2022 ( Reviewed )
		JD	JD	JD	JD
Deferred sales revenue	13	21,557,978	18,571,813	65,270,266	51,587,892
Ijara Muntahia Bittamleek assets revenue		13,456,375	10,170,540	38,648,194	28,667,422
Gain from International wakala investments		1,176,347	431,565	2,890,813	666,793
Gain from financial assets at fair value through unrestricted investment accounts' holders equity	14	3,146,973	1,625,775	8,573,091	3,369,293
Gain (loss) from financial assets at fair value through profit or loss	15	8,512	7,206	32,860	(25,240)
Gain from financial assets at amortized cost		324,326	514,449	1,336,449	1,766,983
Net share of joint funds from profits of associate company		-	-	3,668	8,496
(Loss) from foreign currencies evaluation		(66,450)	(25,832)	(75,666)	(171,875)
Other jointly revenues - net		342,739	94,909	1,155,139	560,027
<b>Total unrestricted investment revenue</b>		<b>39,946,800</b>	<b>31,390,425</b>	<b>117,834,814</b>	<b>86,429,791</b>
Deposit Insurance fees - jointly financed accounts		(682,689)	(597,594)	(2,048,066)	(1,792,784)
Share of unrestricted investment accounts holders'		(24,549,883)	(16,122,927)	(68,393,249)	(42,959,859)
Expected credit losses on joint items	5& 6 &7&11	(3,280,000)	(3,264,252)	(11,274,074)	(8,598,845)
<b>Bank's share of revenue from unrestricted investments as a mudarib and rab mal</b>		<b>11,434,228</b>	<b>11,405,652</b>	<b>36,119,425</b>	<b>33,078,303</b>
Bank's self financed revenue	16	222,717	201,821	691,911	546,108
Banks share from the restricted investments revenue as agent (wakeel)		41,009	16,687	64,588	67,964
Gain from foreign currencies		732,029	350,028	1,626,839	1,244,205
Banking services revenue - net		2,539,672	2,271,226	6,388,046	6,747,042
Other revenue		(1,099)	24,834	26,439	36,929
Deposit Insurance fees - self financed		(433,986)	(405,791)	(1,301,958)	(1,217,373)
<b>Gross Income</b>		<b>14,534,570</b>	<b>13,864,457</b>	<b>43,615,290</b>	<b>40,503,178</b>
Employees' expenses		(4,300,287)	(4,000,818)	(12,537,304)	(11,492,590)
Depreciation and amortization		(798,528)	(793,866)	(2,349,506)	(2,347,165)
Depreciation of Ijara muntahia bittamleek assets- self financed		(130,663)	(117,859)	(386,912)	(301,864)
Expected credit losses on self items	6& 11& Statement (E)	(114,804)	(63,520)	(233,116)	(282,320)
Amortisation of right of use assets		(431,071)	(421,262)	(1,283,788)	(1,236,089)
Finance costs / discount on lease liability		(85,815)	(90,336)	(267,177)	(261,262)
Rent expenses		(31,952)	(47,892)	(120,067)	(132,485)
Other expenses		(2,182,067)	(2,018,006)	(6,731,628)	(5,855,937)
<b>Total expenses</b>		<b>(8,075,187)</b>	<b>(7,553,559)</b>	<b>(23,909,498)</b>	<b>(21,909,712)</b>
<b>Profit for the period before tax</b>		<b>6,459,383</b>	<b>6,310,898</b>	<b>19,705,792</b>	<b>18,593,466</b>
Income tax expense	10/B	(2,451,000)	(2,384,658)	(7,491,765)	(7,072,526)
<b>Profit for the period</b>		<b>4,008,383</b>	<b>3,926,240</b>	<b>12,214,027</b>	<b>11,520,940</b>
<b>Comprehensive income items</b>					
<b>Items that will not be reclassified subsequently to the condensed consolidated interim statement of profit or loss :</b>					
<b>Add: other comprehensive Income items after tax :</b>					
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		2,000	-	(61,662)	1,293
<b>Total comprehensive income for the period</b>		<b>4,010,383</b>	<b>3,926,240</b>	<b>12,187,180</b>	<b>11,522,233</b>
		JD/FILS	JD/FILS	JD/FILS	JD/FILS
Basic and diluted earnings per share for the period	17	0/040	0/039	0/122	0/115

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
<b><u>For the nine months period ended 30 september 2023</u></b>						
Balance as at the beginning of the year	100,000,000	32,208,887	14,593	39,580,861	-	171,804,341
Total comprehensive income for the period - (Statement B)	-	-	(61,662)	34,815	12,214,027	12,187,180
<b>Balance as of 30 september 2023</b>	<b>100,000,000</b>	<b>32,208,887</b>	<b>(47,069)</b>	<b>39,615,676</b>	<b>12,214,027</b>	<b>183,991,521</b>
<b><u>For the nine months period ended 30 september 2022</u></b>						
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)	-	-	1,293	-	11,520,940	11,522,233
<b>Balance as of 30 September 2022</b>	<b>100,000,000</b>	<b>29,766,889</b>	<b>1,293</b>	<b>26,910,838</b>	<b>11,520,940</b>	<b>168,199,960</b>

- Retained earnings include a balance of JD 666,074 as at 30 September 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.**

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

	Note	For the nine months period ended	
		30 september	
		2023 (Reviewed )	2022 (Reviewed )
		JD	JD
<b><u>Cash Flows from Operating Activities</u></b>			
Profit for the period before tax - statement (B)		19,705,792	18,593,466
<b>Adjustments for non-cash items:</b>			
Depreciation and amortization		2,349,506	2,347,165
Depreciation of Ijara Muntahia Bittamleek assets(self & jointly financed)		40,278,036	32,966,569
Depreciation of right of use assets		1,283,788	1,236,089
Finance costs (discount on lease liabilities)		267,177	261,262
Unrealized (Profits) for financial assets at fair value through profit or loss		(75)	-
Expected credit losses provision - joint		11,274,074	8,598,845
Expected credit losses provision - self		233,116	282,320
Net share of joint funds from associate company (profits)		(3,668)	(8,496)
(Profits) from the sale of property and equipment		(800)	-
Provision for impairment seized real estates / joint funds	9	103,974	239,356
(Gains) losses from sale of seized assets against debts		(64,515)	13,833
<b>Cash Flows from Operating Activities before Changes in working capital</b>		<b>75,426,405</b>	<b>64,530,409</b>
<b>Changes in working capital:</b>			
(Increase) in deferred sales receivables and other receivables		(8,409,873)	(208,398,053)
(Increase) in Ijara Muntahia Bittamleek assets		(103,052,323)	(93,579,074)
(Increase) in Qard Hasan		(5,050,935)	(1,842,968)
(Increase) in other assets		(30,942,079)	(3,778,161)
Increase in customers' current accounts		31,200,879	15,576,577
Increase (decrease) in cash margin accounts		26,135,137	(5,325,649)
Increase in other liabilities		14,624,603	15,903,423
<b>Net cash flows (used in) operating activities before income tax paid and paid for the lawsuits provision</b>		<b>(68,186)</b>	<b>(216,913,496)</b>
Income tax paid	10/A	(11,610,802)	(10,428,679)
Paid from lawsuits provisions		(276,281)	-
<b>Net cash flows (used in) operating activities</b>		<b>(11,955,269)</b>	<b>(227,342,175)</b>
<b><u>Cash Flows from Investing Activities</u></b>			
Net (purchase) of financial assets at fair value through unrestricted investment accounts holders equity		(138,717,699)	(82,372,990)
Net (purchase) sale of financial assets at fair value through profit or loss		(106,629)	1,565,294
Net (purchase) of financial assets at fair value through equity - self financed		(264,307)	(197,607)
Maturity of financial assets at amortized cost		37,313,000	27,439,000
Cash dividends from associate company		-	6,250
(Purchase) of intangible assets		(373,265)	(831,376)
(Purchase) of property and equipment		(1,491,857)	(811,722)
Proceeds from sale of assets seized by the bank		292,148	345,100
Net (increase) decrease in International Wakala Investments		(30,960,409)	15,909,770
<b>Net cash flows (used in) investing activities</b>		<b>(134,309,018)</b>	<b>(38,948,281)</b>
<b><u>Cash Flows from Financing Activities</u></b>			
Increase in unrestricted investment holders equity		168,853,012	184,906,136
Paid for Lease liability		(1,856,010)	(1,887,139)
(Dividends) shareholders		-	(5,871,428)
<b>Net cash flows from financing activities</b>		<b>166,997,002</b>	<b>177,147,569</b>
<b>Net increase ( decrease ) in cash and cash equivalents</b>		<b>20,732,715</b>	<b>(89,142,887)</b>
Cash and cash equivalents at beginning of the year		198,857,604	350,416,577
<b>Cash and cash equivalents at end of the period</b>	18	<b>219,590,319</b>	<b>261,273,690</b>
<b>Non-cash transactions :</b>			
Financing transferred to off statement of financial position or bad debts		(12,114,982)	-

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 September 2023(Reviewed)	31 December 2022(Audited)
	JD	JD
<b>Balance at the beginning of the peroid / year</b>	<b>4,240,493</b>	<b>1,279,581</b>
Sources of the fund from :		
Shareholders' equity	(9,870,726)	(12,596,708)
<b>Total Sources of the fund during the peroid / year</b>	<b>(9,870,726)</b>	<b>(12,596,708)</b>
Uses of the fund on :		
Companies	16,822,647	15,526,344
Employees	60,719	31,276
<b>Total uses during the peroid / year</b>	<b>16,883,366</b>	<b>15,557,620</b>
Gross balance	<b>11,253,133</b>	<b>4,240,493</b>
Add: exposed accounts	1,057,580	3,019,285
Less : Expected credit losses provision	(599,818)	(479,420)
<b>Balance at the end of the peroid / year - Net</b>	<b>11,710,895</b>	<b>6,780,358</b>



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

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**(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 nine months ended 30 September 2023 has been approved by the Bank's Board of Directors at its meeting No. (6/2023) on 29 October 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 nine – months operations ended 30 September 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 nine-month period ended 30 September 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 September 2023 is as follows:

<b>Subsidiary name</b>	<b>Paid in Capital</b>	<b>Source of Funding</b>	<b>Ownership %</b>	<b>Company Main Activity</b>	<b>Operation location</b>	<b>Acquisition Date</b>
	(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 September 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 (26).

#### (4) CASH AND BALANCES AT THE CENTRAL BANK

The details of this item are as follows:

	30 September 2023 (Reviewed)	31 December 2022 (Audited)
	JD	JD
Cash on hand	29,939,396	25,077,875
<b>Balances at the Central Bank of Jordan:</b>		
Current accounts	109,331,252	90,036,172
Statutory cash reserve	92,761,218	88,181,488
<b>Total</b>	<b>232,031,866</b>	<b>203,295,535</b>

- Except for the statutory cash reserve, there are no other restricted cash balances at the Central Bank of Jordan as at 30 September 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)	Stage 1 (individual)
	For the period ended 30 September 2023	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	27,440,729	8,140,186
Settled balances	(3,565,919)	(166,476,466)
<b>Balance at the end of the period / year</b>	<b>202,092,470</b>	<b>178,217,660</b>

#### (5) INTERNATIONAL WAKALA INVESTMENTS - NET

	Jointly financed	
	30 September 2023 (Reviewed)	31 December 2022 (Audited)
	JD	JD
<b>Matures:</b>		
Within a month	46,439,668	37,005,663
From a month to three months	26,493,736	18,395,607
From three to six months	17,903,850	2,127,000
From six months to a year	3,545,000	5,893,575
<b>Total International Wakala Investments</b>	<b>94,382,254</b>	<b>63,421,845</b>
Less: Expected credit losses for international wakala investment	(150,405)	(280,449)
<b>Net International Wakala Investments</b>	<b>94,231,849</b>	<b>63,141,396</b>

# **(6) DEFERRED SALES RECEIVABLES AND OTHER RECEIVABLES - NET**

The details of this item are as follows :

	Jointly financed		Self financed		Total	
	30 September 2023 (Reviewed )	31 December 2022 (Audited )	30 September 2023 (Reviewed )	31 December 2022 (Audited )	30 September 2023 (Reviewed )	31 December 2022 (Audited )
	JD	JD	JD	JD	JD	JD
<b>Individuals (retail)</b>						
Murabaha to the purchase orderer	456,992,026	422,186,379	1,631,503	1,573,351	458,623,529	423,759,730
Ijara Muntahia Bittamleek - receivables	2,483,213	445,923	1,980	782	2,485,193	446,705
Other receivables	7,803,198	6,502,529	20,393	26,633	7,823,591	6,529,162
<b>Real estate financing</b>	19,292,740	20,838,066	-	-	19,292,740	20,838,066
Ijara Muntahia Bittamleek - receivables	2,250,971	939,480	-	-	2,250,971	939,480
<b>Corporate</b>						
International Murabaha	4,443,583	-	-	-	4,443,583	-
Murabaha to the purchase orderer	447,697,918	524,119,481	-	-	447,697,918	524,119,481
Ijara Muntahia Bittamleek - receivables	1,426,976	1,821,670	-	-	1,426,976	1,821,670
Other receivables	-	-	125,693	324,783	125,693	324,783
<b>Small and medium enterprises</b>						
Murabaha to the purchase orderer	61,354,814	53,176,897	-	-	61,354,814	53,176,897
Ijara Muntahia Bittamleek - receivables	160,136	92,223	-	-	160,136	92,223
Other receivables	-	-	407,710	648,089	407,710	648,089
<b>Government and the public sector</b>	550,177,337	522,438,962	-	-	550,177,337	522,438,962
<b>Total</b>	<b>1,554,082,912</b>	<b>1,552,561,610</b>	<b>2,187,279</b>	<b>2,573,638</b>	<b>1,556,270,191</b>	<b>1,555,135,248</b>
Less: Deferred revenue	183,263,732	178,770,653	248,028	207,853	183,511,760	178,978,506
Suspended revenue	2,095,707	2,723,411	7,112	7,112	2,102,819	2,730,523
provision for Expected credit losses	56,686,129	56,409,431	145,980	42,631	56,832,109	56,452,062
<b>Net deferred sales receivable and other receivables</b>	<b>1,312,037,344</b>	<b>1,314,658,115</b>	<b>1,786,159</b>	<b>2,316,042</b>	<b>1,313,823,503</b>	<b>1,316,974,157</b>

- The non- performing deferred sales receivables , other receivables , facilities, Ijara Muntahia Bittamleek receivables and Qard Al-Hasan amounted to JD 44,101,838 as at 30 September 2023, representing 2.81% of deferred sales receivables, other receivables, facilities, Ijara Muntahia Bittamleek receivables and Qard Al-Hasan ( JD 40,904,287 as at 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 41,999,019 as at 30 September 2023, representing 2.68 % 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 non- performing facilities transferred to off condensed consolidated financial position items, amounted to JD 12,114,982 as at 30 September 2023 , Moreover , these financing are fully covered with the suspended interests and provisions.
- 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 1,445,071. Moreover, the provision calculated based on the individual customer (non-performing) amounted to JD 28,442,649 as at 30 September 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 458,186,296 as at 30 September 2023 representing 29.21% 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 nine months period ended 30 September 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	10,484,652	649,027	176,174	50,432	327,340	11,687,625
Settled facilities	(4,534,081)	(476,157)	(920,270)	(168,327)	(294,346)	(6,393,181)
Transfer to Stage 1	-	93,265	-	(92,719)	(546)	-
Transfer to Stage 2	-	(30,796)	-	30,796	-	-
Transfer to Stage 3	-	(11,227)	(124)	(580)	11,933	2
The total impact on the size of exposures as a result of changing the classification between stages	-	(7,128)	-	(27,043)	867	(33,304)
Changes resulting from modifications	(321,556)	(182,354)	(29,286)	(56,409)	(2,511)	(592,116)
facilities transferred to off condensed consolidated financial position items or bad debts	-	-	-	-	(44,625)	(44,625)
<b>Total balance at the end of the period</b>	<b>11,228,902</b>	<b>1,516,101</b>	<b>268,764</b>	<b>210,507</b>	<b>1,018,578</b>	<b>14,242,852</b>

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

Item	For the nine months period ended 30 September 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	398,428	3,084	8,226	-	-	409,738
Recoverable from the loss on settled facilities	(241,220)	(1,394)	(6,805)	-	-	(249,419)
Transfer to Stage 1	-	-	498	-	-	498
Transfer to Stage 2	(4)	(1)	(16)	-	-	(21)
Transfer to Stage 3	4	1	(482)	-	-	(477)
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	385	658	7,499	-	-	8,542
Changes resulting from modifications	(3,198)	102,859	(150)	-	-	99,511
facilities transferred to off condensed consolidated financial position items or bad debts	(100)	(44,525)	-	-	-	(44,625)
<b>Total balance at the end of the period</b>	<b>415,330</b>	<b>127,026</b>	<b>203,442</b>	<b>-</b>	<b>-</b>	<b>745,798</b>

**Redistribution:**

Provisions on an individual basis	415,330	126,324	194,483	-	-	736,137
Provisions at a collective basis	-	702	8,959	-	-	9,661

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

**B- Jointly financed**

Item	For the nine months period ended 30 September 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	88,398,241	103,430,435	5,204,968	4,208,121	187,570	201,429,335
Settled facilities	(32,284,302)	(23,209,684)	(7,165,251)	(3,483,844)	(521,514)	(66,664,595)
Transfer to Stage 1	7,334,798	3,588,509	(7,334,798)	(3,588,509)	-	-
Transfer to Stage 2	(10,285,118)	(31,301,760)	10,285,118	33,464,308	(2,162,548)	-
Transfer to Stage 3	(119,819)	(2,645,001)	(11,917,980)	(1,125,326)	15,808,126	-
The total impact on the size of exposures as a result of changing the classification between stages	3,029,990	(381,536)	2,382,403	(2,424,053)	(325,093)	2,281,711
Changes resulting from modifications facilities transferred to off condensed consolidated financial position items or bad debts	(73,259,079)	(42,117,497)	(14,020,912)	220,323	922,496	(128,254,669)
	-	-	-	-	(11,135,855)	(11,135,855)
<b>Total balance at the end of the period</b>	<b>820,708,331</b>	<b>380,357,140</b>	<b>76,164,305</b>	<b>51,571,155</b>	<b>39,922,542</b>	<b>1,368,723,473</b>

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

Item	For the nine months period ended 30 September 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	875,325	74,626	688,359	190,065	-	1,828,375
Recoverable from impairment loss on settled facilities	(1,001,878)	(23,222)	(214,876)	(97,918)	-	(1,337,894)
Transfer to Stage 1	123,819	(18,965)	(113,618)	(404)	-	(9,168)
Transfer to Stage 2	(4,662,155)	40,907	1,596,783	89,660	-	(2,934,805)
Transfer to Stage 3	4,538,336	(21,942)	(1,483,165)	(89,256)	-	2,943,973
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	(747,983)	98,434	2,438,621	(84,447)	-	1,704,625
Changes resulting from modifications facilities transferred to off condensed consolidated financial position items or bad debts	1,530,305	817,306	4,731,913	2,137,923	-	9,217,447
	(10,870,899)	-	(264,956)	-	-	(11,135,855)
<b>Total balance at the end of the period</b>	<b>28,642,517</b>	<b>3,024,355</b>	<b>19,566,092</b>	<b>5,453,165</b>	<b>-</b>	<b>56,686,129</b>
<b>Redistribution:</b>						
Provisions on an individual basis	28,642,517	2,455,476	10,263,740	5,432,701	-	46,794,434
Provisions at a collective basis	-	568,879	9,302,352	20,464	-	9,891,695

**Suspended revenue :**

The movement on suspended revenue is as follows:

	Self financed							
	For the nine months period ended 30 September 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: settled revenue transferred to off condensed consolidated financial position items or bad debts	-	-	-	-	-	-	-	-
Less: suspended revenue transferred to revenue	-	-	-	-	-	-	-	-
<b>Balance at the end of the period / year</b>	<b>-</b>	<b>7,112</b>	<b>-</b>	<b>7,112</b>	<b>-</b>	<b>7,112</b>	<b>-</b>	<b>7,112</b>

  

	Jointly financed							
	For the nine months period ended 30 September 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	386,060	312,216	98,499	796,775	609,566	288,274	52,271	950,111
Less: settled revenue transferred to off condensed consolidated financial position items or bad debts	88,588	845,914	-	934,502	-	-	-	-
Less: suspended revenue transferred to revenue	257,006	218,465	14,506	489,977	368,473	6,688	1,123	376,284
<b>Balance at the end of the period / year</b>	<b>1,266,270</b>	<b>611,119</b>	<b>218,318</b>	<b>2,095,707</b>	<b>1,225,804</b>	<b>1,363,282</b>	<b>134,325</b>	<b>2,723,411</b>

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

The details of this item are as follows:

	Jointly financed	
	30 September 2023 (Reviewed)	31 December 2022 (Audited)
	JD	JD
<b>Quoted Financial Assets :</b>		
Corporate Shares	2,042,548	1,748,930
Islamic Sukuk	69,937,825	53,086,503
<b>Total quoted Financial Assets</b>	<b>71,980,373</b>	<b>54,835,433</b>
<b>Unquoted Financial Assets :</b>		
Corporate Shares	5,895,576	3,951,976
Islamic Sukuk	333,306,124	214,104,719
<b>Total unquoted financial assets</b>	<b>339,201,700</b>	<b>218,056,695</b>
<b>Total Financial Assets At Fair Value through Unrestricted Investment Accounts Holders' Equity</b>	<b>411,182,073</b>	<b>272,892,128</b>
<b>Less: Expected Credit Losses provision of financial assets</b>	<b>(141,465)</b>	<b>(232,941)</b>
<b>Net Financial Assets At Fair Value through Unrestricted Investment Accounts Holders' Equity-Net</b>	<b>411,040,608</b>	<b>272,659,187</b>

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



**(8) 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
<b><u>30 September 2023 (Reviewed)</u></b>	JD	JD	JD	JD	JD	JD	JD	JD	JD
Ijara Muntahia Bittamleek assets-Real Estate	722,772,698	(120,932,366)	601,840,332	8,266,849	(1,960,538)	6,306,311	731,039,547	(122,892,904)	608,146,643
Ijara Muntahia Bittamleek assets-Machines	80,038,664	(16,433,766)	63,604,898	-	-	-	80,038,664	(16,433,766)	63,604,898
Ijara Muntahia Bittamleek assets-Vehicles	5,008,627	(686,109)	4,322,518	-	-	-	5,008,627	(686,109)	4,322,518
<b>Total</b>	<b>807,819,989</b>	<b>(138,052,241)</b>	<b>669,767,748</b>	<b>8,266,849</b>	<b>(1,960,538)</b>	<b>6,306,311</b>	<b>816,086,838</b>	<b>(140,012,779)</b>	<b>676,074,059</b>

	Jointly financed			Self financed			Total		
	Cost	Accumulated Depreciation	Net Value	Cost	Accumulated Depreciation	Net Value	Cost	Accumulated Depreciation	Net Value
<b><u>31 December 2022 (Audited)</u></b>	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
<b>Total</b>	<b>730,953,212</b>	<b>(123,822,320)</b>	<b>607,130,892</b>	<b>7,900,380</b>	<b>(1,731,500)</b>	<b>6,168,880</b>	<b>738,853,592</b>	<b>(125,553,820)</b>	<b>613,299,772</b>

- The accrued Ijara installments amounted to JD 6,323,276 as at 30 September 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 6).
- The non-performing Ijara Muntahia Bittamleek amounted to JD4,416,285 as at 30 September 2023, representing 0.65% 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).

## (9) OTHER ASSETS

The details of this item are as follows:

	30 September 2023 (Reviewed)	31 December 2022 ( Audited)
	JD	JD
Seized assets by the bank against debts-net*	36,003,315	8,283,321
Prepaid expenses	1,548,606	1,540,096
Deposit Insurance Corporation fees/Prepaid	1,116,675	-
Accrued revenue	3,999,756	3,038,178
Stationery and printing inventory	211,914	239,181
Withholding income tax	35,422	21,695
Petty cash and advances	43,438	37,460
Other accounts receivable	837,116	795,418
Others	1,725,935	956,356
<b>Total</b>	<b>45,522,177</b>	<b>14,911,705</b>

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

	For the nine months period ended 30 September 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	-	28,041,590	28,041,590	1,532,849
Sales and disposals	(515)	(217,107)	(217,622)	(949,063)
<b>Total</b>	<b>391,729</b>	<b>37,046,179</b>	<b>37,437,908</b>	<b>9,613,940</b>
Provision of seized assets (CBJ Instructions/impairment of real estate)	(343,441)	(1,091,152)	(1,434,593)	(1,330,619)
<b>Balance at the end of the period / year</b>	<b>48,288</b>	<b>35,955,027</b>	<b>36,003,315</b>	<b>8,283,321</b>

- 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 nine months period ended 30 September 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 impairment of real estate	(2,609)	(127,904)	(130,513)	(222,164)
Additions to the provision for violating real estate (CBJ Instructions)	-	-	-	(30,394)
Disposal from the provision for impairment of real estate	-	23,930	23,930	10,435
Disposal from the provision of seized assets (CBJ Instructions)	2,609	-	2,609	-
<b>Balance at the end of the period / year</b>	<b>(343,441)</b>	<b>(1,091,152)</b>	<b>(1,434,593)</b>	<b>(1,330,619)</b>

## **(10) INCOME TAX**

### **A- Income tax provision**

The movement on the income tax provision is as follows :

	For the nine months period ended 30 September	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	10,739,672	10,842,374
Income tax from the sale of financial assets	13,540	-
Previous years adjustments (setting off tax deposits for the subsidiary)	-	(22,068)
Less: Income tax paid	(11,610,802)	(10,406,611)
<b>Ending balance for the period/year</b>	<b>7,888,507</b>	<b>8,746,097</b>

### **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 nine months period ended 30 September	
	2023 ( Reviewed)	2022 ( Reviewed)
	JD	JD
Income tax due	(10,739,672)	(7,912,389)
Add: Release deferred tax assets- self financed	(127,147)	-
Less: Deferred tax assets- self financed	-	28,990
Less: Deferred tax assets- jointly financed	3,375,054	810,873
<b>Total</b>	<b>(7,491,765)</b>	<b>(7,072,526)</b>

- 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 nine months period ended 30 September					For the year ended
	2023 (Reviewed)					31 December
	Beginning Balance for	Released Amounts	Additional Amounts	Ending Balance for the period	Deferred tax	Deferred tax
	JD	JD	JD	JD	JD	JD
<b>Deferred tax assets - self financed</b>						
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 (CB) 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	58,316	-	155,151	58,957	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
<b>Total Deferred tax assets - self financed</b>	<b>2,087,424</b>	<b>334,597</b>	<b>-</b>	<b>1,752,827</b>	<b>666,074</b>	<b>793,221</b>
<b>Deferred tax assets - jointly financed</b>						
Provision for impairment of assets seized by the bank against debts and provision for seized real estate (CB) regulations) - jointly financed	885,487	-	103,973	989,460	375,995	336,485
Provision for credit losses for the first and second stages - jointly financed	18,786,331	-	8,777,749	27,564,080	10,474,350	7,138,806
<b>Total Deferred tax assets - jointly financed</b>	<b>19,671,818</b>	<b>-</b>	<b>8,881,722</b>	<b>28,553,540</b>	<b>10,850,345</b>	<b>7,475,291</b>
<b>Total</b>	<b>21,759,242</b>	<b>334,597</b>	<b>8,881,722</b>	<b>30,306,367</b>	<b>11,516,419</b>	<b>8,268,512</b>

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

	For the nine months period ended 30 September	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	(127,147)	(48,054)
<b>Balance at the End of the period/year</b>	<b>666,074</b>	<b>793,221</b>

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

	For the nine months period ended 30 September	For the year ended 31 December
	2023 (Reviewed)	2022 (Audited )
	JD	JD
Balance at the beginning of the period/year	7,475,291	6,064,796
Additions during the period/year	3,375,054	1,410,495
<b>Balance at the end of the period/year</b>	<b>10,850,345</b>	<b>7,475,291</b>

(11) OTHER LIABILITIES

The details of this item are as follows:

	30 September 2023 (Reviewed)	31 December 2022 (Audited )
	JD	JD
Accrued and not paid expenses	2,812,753	850,782
Certified cheques	9,135,204	6,405,993
Expected credit losses on off - balance sheet items-self financed	139,785	175,041
Expected credit losses on off balance sheet items - jointly financed	1,231,383	1,148,342
Shareholders' and customers' deposits	9,551,318	7,611,239
Customers' share of profits from unrestricted investment	29,898,234	26,127,822
Temporary deposits *	14,736,748	11,842,010
Visa Claims	4,171,424	2,897,543
Others	992,905	938,593
<b>Total</b>	<b>72,669,754</b>	<b>57,997,365</b>

\* It includes intermediate accounts for an amount of JD 4,060,729 as at 30 September 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 nine months period ended 30 September 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	60,184,183	-	1,028,510	-	-	61,212,693
Accrued exposures	(22,574,005)	-	(4,002,579)	-	-	(26,576,584)
Transfer to Stage 1	880,902	-	(880,902)	-	-	-
Transfer to Stage 2	(1,619,872)	-	1,619,872	-	-	-
Transfer to Stage 3	-	-	(22,500)	-	22,500	-
The total impact on the size of exposures as a result of changing the classification between stages	114,152	-	(1,098,565)	-	-	(984,413)
Changes resulting from modifications	(10,769,478)	-	27,203	-	-	(10,742,275)
<b>Total balance at the end of the period</b>	<b>133,356,780</b>	<b>-</b>	<b>3,206,192</b>	<b>-</b>	<b>147,809</b>	<b>136,710,781</b>

**- Movement on the provision for expected credit losses for indirect facilities /self financed for the nine months period ended 30 September 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	20,189	-	8,854	-	-	29,043
Impairment loss of matured / derecognized exposures	(17,367)	-	(1,407)	-	-	(18,774)
Transfer to Stage 1	11,328	-	(11,328)	-	-	-
Transfer to Stage 2	(3,985)	-	3,985	-	-	-
Transfer to Stage 3	-	-	(713)	-	713	-
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	(9,125)	-	(3,257)	-	(713)	(13,095)
Changes resulting from modifications	(29,180)	-	(3,250)	-	-	(32,430)
<b>Total balance at the end of the period</b>	<b>122,441</b>	<b>-</b>	<b>17,344</b>	<b>-</b>	<b>-</b>	<b>139,785</b>

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

B- jointly financed

- Movement on indirect facilities for the nine months period ended 30 September 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	49,380,202	-	405,227	-	-	49,785,429
Accrued exposures	(29,545,526)	-	(603,129)	-	-	(30,148,655)
Transfer to Stage 1	785,688	-	(785,688)	-	-	-
Transfer to Stage 2	(2,955,000)	-	2,955,000	-	-	-
Transfer to Stage 3	-	-	-	-	-	-
The total impact on the size of exposures as a result of changing the classification between stages	131,756	-	(2,145,126)	-	-	(2,013,370)
Changes resulting from modifications	18,737,869	-	926,995	-	-	19,664,864
<b>Total balance at the end of the period</b>	<b>204,243,167</b>	<b>-</b>	<b>3,714,804</b>	<b>-</b>	<b>-</b>	<b>207,957,971</b>

- Movement on the provision for expected credit losses for indirect facilities /jointly financed for the nine months period ended 30 September 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	235,686	-	9,418	-	-	245,104
Impairment loss of matured / derecognized exposures	(102,016)	-	(14,109)	-	-	(116,125)
Transfer to Stage 1	14,543	-	(14,543)	-	-	-
Transfer to Stage 2	(29,861)	-	29,861	-	-	-
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	(13,243)	-	854	-	-	(12,389)
Changes resulting from modifications	(41,200)	-	7,651	-	-	(33,549)
<b>Total balance at the end of the period</b>	<b>1,160,361</b>	<b>-</b>	<b>71,022</b>	<b>-</b>	<b>-</b>	<b>1,231,383</b>

## (12) UNRESTRICTED INVESTMENT ACCOUNTS

The details of this item are as follows:

30 September 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	176,737,972	26,130,375	55,787,433	5,038,489	38,378,448	302,072,717
Term accounts / Investing deposits	904,828,439	172,343,220	99,770,529	170,170,256	4,942,368	1,352,054,812
Certificates of investing deposit	312,242,851	19,033,599	24,137,966	24,896,244	41,355,787	421,666,447
<b>Total</b>	<b>1,393,809,262</b>	<b>217,507,194</b>	<b>179,695,928</b>	<b>200,104,989</b>	<b>84,676,603</b>	<b>2,075,793,976</b>
Depositors' share from investments' revenue	46,001,900	7,430,118	5,034,252	7,352,269	2,574,710	68,393,249
<b>Total unrestricted investment accounts</b>	<b>1,439,811,162</b>	<b>224,937,312</b>	<b>184,730,180</b>	<b>207,457,258</b>	<b>87,251,313</b>	<b>2,144,187,225</b>

  

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
<b>Total</b>	<b>1,218,484,778</b>	<b>238,955,908</b>	<b>156,485,735</b>	<b>225,002,582</b>	<b>73,190,426</b>	<b>1,912,119,429</b>
Depositors' share from investments' revenue	40,246,149	8,298,053	4,427,200	8,247,442	1,995,940	63,214,784
<b>Total unrestricted investment accounts</b>	<b>1,258,730,927</b>	<b>247,253,961</b>	<b>160,912,935</b>	<b>233,250,024</b>	<b>75,186,366</b>	<b>1,975,334,213</b>

- 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 September 2023 is (4.47%) (for the same period last year was (3.36 %)).
- The general percentage of the profit on USD for the period ended 30 September 2023 is (3.71%) (for the same period last year was (1.52%)).
- The unrestricted investment accounts for the Government and Public sector amounted to JD 207,457,258 as at 30 September 2023 which represents 9.68 % 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 withdrawal restricted amounted to JD 2,001,858 as at 30 September 2023 which represents 0.09% 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 September 2023 amounted to JD 10,309,408 (As at 31 December 2022 amounted to JD 18,942,524).



**(13) DEFERRED SALES REVENUE**

The details of this item are as follows:

	For the nine months period ended 30 September			
	2023(Reviewed)		2022(Reviewed)	
	Jointly financed	Self financed	Jointly financed	Self financed
	JD	JD	JD	JD
<b>Individuals (Retail)</b>				
Murabaha to the purchase orderer	22,202,259	81,738	18,958,396	71,885
<b>Real estate facilities</b>	1,281,976	-	1,828,026	-
<b>Corporate</b>				
International Murabaha	133,543	-	35,744	-
Murabaha to the purchase orderer	22,592,688	-	17,605,039	-
<b>Small and medium enterprises</b>				
Murabaha to the purchase orderer	3,013,465	-	2,150,937	-
<b>Government and the public sector</b>	16,046,335	-	11,009,750	-
<b>Total</b>	<b>65,270,266</b>	<b>81,738</b>	<b>51,587,892</b>	<b>71,885</b>

**(14) 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 nine months period ended 30 September	
	2023 (Reviewed)	2022 (Reviewed)
	JD	JD
Shares dividends	139,445	38,251
Gain (losses) from sale of financial assets	4,784	(12,029)
Islamic Sukuk profits	8,428,862	3,343,071
<b>Total</b>	<b>8,573,091</b>	<b>3,369,293</b>

**(15) 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 nine months period ended 30 September							
	2023 (Reviewed)				2022(Reviewed)			
	Realized gains	Unrealized gains	Dividends	Total	Realized (losses)	Unrealized (losses)	Dividends	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Corporate Shares	-	-	-	-	(23,987)	-	541	(23,446)
Sukuk	32,785	75	-	32,860	(964)	-	-	(964)
<b>Total</b>	<b>32,785</b>	<b>75</b>	<b>-</b>	<b>32,860</b>	<b>(24,951)</b>	<b>-</b>	<b>541</b>	<b>(24,410)</b>
<b>Less:</b>								
Contract commission	-	-	-	-	830	-	-	830
<b>Total</b>	<b>32,785</b>	<b>75</b>	<b>-</b>	<b>32,860</b>	<b>(25,781)</b>	<b>-</b>	<b>541</b>	<b>(25,240)</b>

**(16) BANK'S SELF - FINANCED REVENUE**

The details of this item are as follows:

		Self financed	
		For the nine months period ended 30 September	
Note		2023 (Reviewed)	2022 (Reviewed)
		JD	JD
Ijara Muntahia Bittamleek revenue		568,173	473,467
Deferred sales revenue	13	81,738	71,885
Gain from financial assets at fair value through statement of profit or loss self - financed		42,000	756
<b>Total</b>		<b>691,911</b>	<b>546,108</b>

**(17) EARNINGS PER SHARE FOR THE PERIOD**

The details of this item are as follows:

		For the nine months period ended 30 September	
		2023 (Reviewed)	2022 (Reviewed)
		JD	JD
Profit for the period		12,214,027	11,520,940
		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		<b>0/122</b>	<b>0/115</b>

**(18) CASH AND CASH EQUIVALENTS**

The details of this item are as follows:

		For the nine months period ended 30 September	
		2023 (Reviewed)	2022 (Reviewed)
		JD	JD
Cash balances with CBJ maturing within three months		232,031,866	265,662,333
Add: cash at banks and banking institutions maturing within three months		15,881,477	11,480,130
Less: banks and financial banking accounts maturing within three months		(28,323,024)	(15,868,773)
<b>Total</b>		<b>219,590,319</b>	<b>261,273,690</b>

## **(19) 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-Etiihad Islamic company for investment*	Sharia directors members	Total	
						30 September	31 December
						2023 (Reviewed)	2022 (Audited)
	JD	JD	JD	JD	JD	JD	JD
<b><u>Condensed consolidated intreim statements of financial position items</u></b>							
Balances at banks and banking institutions	-	-	-	137,215	-	137,215	191,518
Unrestricted investments accounts and current	122,915	1,089,672	583,488	10,824,086	54,940	12,675,101	33,132,006
Deferred sales receivables and facilities	-	384,706	412	-	-	385,118	294,673
Ijara Muntahia Bittamleek assets	-	1,328,122	480,354	-	-	1,808,476	2,023,365
<b><u>Off statement of financial position items :</u></b>							
Letters of guarantee	-	-	1,500	-	-	1,500	1,500
<b><u>Condensed consolidated intreim statement of profit or loss and comprehensive income items:</u></b>						For the nine months period ended 30 September	
						2023 (Reviewed)	2022 (Reviewed)
Dividends	72	29,741	8,412	378,799	315	417,339	746,107
Salaries and bonuses	-	1,284,501	41,251	-	39,299	1,365,051	1,405,274
Transportation	-	-	452,726	-	19,800	472,526	384,320
Card Services	-	-	-	6,381	-	6,381	6,381

\* 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 7.74% 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 1.14% and 5.36% respectively.
- Executive management salaries and benefits for the nine months period ended 30 September 2023 amounted to JD 1,284,501 (JD 1,324,721 as at 30 September 2022).
- All facilities granted to related parties are performing and no provisions were recorded for it .

**(20) 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 nine month period ended 30 September	
					2023(Reviewed)	2022(Reviewed)
					Total	Total
	JD	JD	JD	JD	JD	JD
Net revenue (joint and self financed)	9,408,799	29,507,807	15,494,873	477,885	54,889,364	49,102,023
Expected credit losses (joint and self financed)	(5,337,787)	(6,344,053)	174,650	-	(11,507,190)	(8,881,165)
<b>Results of segment operations</b>	<b>4,071,012</b>	<b>23,163,754</b>	<b>15,669,523</b>	<b>477,885</b>	<b>43,382,174</b>	<b>40,220,858</b>
Distributed expenses	(2,670,907)	(1,484,858)	(599,315)	-	(4,755,080)	(4,283,582)
Undistributed expenses	-	-	-	(18,921,302)	(18,921,302)	(17,343,810)
<b>Profit for the period before tax</b>	<b>1,400,105</b>	<b>21,678,896</b>	<b>15,070,208</b>	<b>(18,443,417)</b>	<b>19,705,792</b>	<b>18,593,466</b>
Income tax expense	-	-	-	(7,491,765)	(7,491,765)	(7,072,526)
<b>Profit for the period</b>	<b>1,400,105</b>	<b>21,678,896</b>	<b>15,070,208</b>	<b>(25,935,182)</b>	<b>12,214,027</b>	<b>11,520,940</b>

	Retail	Corporate	Treasury	Other	30 September 2023	31 December 2022
					(Reviewed)	(Audited)
					JD	JD
Segments' assets	847,200,434	1,004,000,731	904,570,561	-	2,755,771,726	2,527,630,664
Undistributed assets	-	-	-	89,611,126	89,611,126	56,486,591
<b>Total assets</b>	<b>847,200,434</b>	<b>1,004,000,731</b>	<b>904,570,561</b>	<b>89,611,126</b>	<b>2,845,382,852</b>	<b>2,584,117,255</b>
Segments' liabilities and total equity of unrestricted investment accounts holders	1,644,581,220	781,493,499	145,105,419	-	2,571,180,138	2,335,084,933
Undistributed liabilities	-	-	-	90,211,193	90,211,193	77,227,981
<b>Total liabilities and Total equity of unrestricted investment accounts holders</b>	<b>1,644,581,220</b>	<b>781,493,499</b>	<b>145,105,419</b>	<b>90,211,193</b>	<b>2,661,391,331</b>	<b>2,412,312,914</b>

	For the nine months period ended	
	September 30	
	2023 (Reviewed)	2022 (Reviewed)
	JD	JD
Capital expenditure	1,865,122	1,643,098
Depreciation and amortization	2,349,506	2,347,165

**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 September 2023 (Reviewed)			31 December 2022 (Audited)		
	Inside Jordan	Outside Jordan	Total	Inside Jordan	Outside Jordan	Total
	JD	JD	JD	JD	JD	JD
<b>Total assets</b>	<b>2,661,185,938</b>	<b>184,196,914</b>	<b>2,845,382,852</b>	<b>2,455,115,206</b>	<b>129,002,049</b>	<b>2,584,117,255</b>

	For the nine months period ended			For the nine months period ended		
	30 September 2023 (Reviewed)			30 September 2022 (Reviewed)		
	Inside Jordan	Outside Jordan	Total	Inside Jordan	Outside Jordan	Total
	JD	JD	JD	JD	JD	JD
<b>Net revenue</b>	<b>49,607,970</b>	<b>5,281,394</b>	<b>54,889,364</b>	<b>47,377,358</b>	<b>1,724,665</b>	<b>49,102,023</b>
<b>Capital expenditure</b>	<b>1,865,122</b>	<b>-</b>	<b>1,865,122</b>	<b>1,643,098</b>	<b>-</b>	<b>1,643,098</b>

## (21) 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 September 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 September 2023(Reviewed) JD"000	31 December 2022(Audited) JD"000
<b>Basic capital items</b>	<b>174,453</b>	<b>164,358</b>
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)	(47)	15
The Bank's share of the fair value reserve in full if the fund's are mixed	(639)	(489)
Profit for the period after tax and after proposed dividends	12,214	-
Intangible assets	(1,767)	(2,002)
Deferred tax assets	(666)	(793)
The Bank's share of the deferred tax assets in case of (jointly financed)	(4,796)	(3,591)
The Bank's share in the capital of banks and financial Institutions that is less than 10%	(1,671)	(572)
<b>Additional capital</b>	<b>-</b>	<b>-</b>
<b>Supporting capital</b>	<b>4,773</b>	<b>3,509</b>
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)	4,773	3,509
Investment in financial banks and takaful companies that is less than 10%	-	-
<b>Total regulatory capital</b>	<b>179,226</b>	<b>167,867</b>
<b>Total risk weighted assets</b>	<b>1,038,650</b>	<b>995,811</b>
<b>Capital adequacy ratio (%)</b>	<b>17.26%</b>	<b>16.86%</b>
Basic capital ratio (%)	16.80%	16.50%
First slide ratio Tier 1 (%)	16.80%	16.50%
Second slide ratio Tier 2 (%)	0.46%	0.35%
Leverage ratio	14.87%	15.35%

## (22) Liquidity Coverage Ratio

- The liquidity coverage ratio in total amounted to 371.7% as at 30 September 2023 with an average rate of 331.49% 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 382.6% as at 30 September 2023 with an average rate of 310.99% during the period (233.9% as at 31 December 2022 and an average rate of 318.5 % during the year).

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

	30 September 2023 (Reviewed)	31 December 2022 (Audited)
	JD	JD
Letters of credit	63,160,750	29,950,341
Acceptances	29,530,682	39,972,923
Letters of guarantee:		
-Payment	14,829,081	16,243,883
-Performance	17,145,539	16,412,649
-Others	12,044,729	11,221,564
<b>Total</b>	<b>136,710,781</b>	<b>113,801,360</b>
<b>B. Contingent credit and commitments/jointly financed :</b>		
- Unutilized credit limits / direct	207,957,971	170,669,703
<b>Total</b>	<b>207,957,971</b>	<b>170,669,703</b>

\*Indirect unutilized credit limits / self financed amounted to JD 70,728,235 as at 30 September 2023 .

**(24) LAWSUITS AGAINST THE BANK**

The total amount of the legal cases filed against the bank was amounted to JD 1,111,572 as at 30 September 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 cases referred to above, Alawsuits was filed against the Bank related to real estate owned, leased, financed, and/or mortgaged in favor of the bank, and these cases do not a financial impact or obligation on the Bank.

**(25) 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				
<b>Financial assets at fair value through statement profit or loss</b>	<b>141,847</b>	<b>35,143</b>	Level 1	Quoted rates in financial markets	Not applicable	Not applicable
<b>Financial assets at fair value through shareholders' equity - self financed</b>	<b>486,000</b>	<b>235,000</b>	Level 1	Quoted rates in financial markets	Not applicable	Not applicable
<b>Financial assets at fair value through unrestricted investment accounts' holders equity - net</b>						
Quoted shares	2,042,548	1,748,930	Level 1	Quoted rates in financial markets	Not applicable	Not applicable
Quoted sukuk	69,796,360	52,853,562	Level 1	Quoted rates in financial markets	Not applicable	Not applicable
Unquoted shares	5,895,576	3,951,976	Level 3	The latest financial statements available	Not applicable	Not applicable
Unquoted sukuk	333,306,124	214,104,719	Level 2	A similar financial instrument	Not applicable	Not applicable
<b>Total Financial assets at fair value through unrestricted investments accounts - net</b>	<b>411,040,608</b>	<b>272,659,187</b>				
<b>Total</b>	<b>411,668,455</b>	<b>272,929,330</b>				

There were no transfer between level 1 and 2 during the period ended 30 September 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 September 2023 (Reviewed)		31 December 2022 (Audited)		Fair value hierarchy
	Book value	Fair value	Book value	Fair value	
	JD	JD	JD	JD	
<b>Financial assets not determined at fair value</b>					
Deferred sales receivables and other receivables - net	1,313,823,503	1,497,335,263	1,316,974,157	1,495,952,663	Level 2
Financial assets at amortized cost	-	-	37,313,000	38,017,572	Level 2
Ijara Muntahia Bittamleek assets-net	676,074,059	676,074,059	613,299,772	613,299,772	Level 2
<b>Total financial assets not determined at fair value</b>	<b>1,989,897,562</b>	<b>2,173,409,322</b>	<b>1,967,586,929</b>	<b>2,147,270,007</b>	
<b>Financial liabilities not determined at fair value</b>					
Customers' current accounts and unrestricted investment accounts	2,475,266,384	2,504,692,880	2,275,212,493	2,301,137,367	Level 2
Cash margin accounts	69,035,269	69,507,007	42,900,132	43,103,080	Level 2
<b>Total financial liabilities not determined at fair value</b>	<b>2,544,301,653</b>	<b>2,574,199,887</b>	<b>2,318,112,625</b>	<b>2,344,240,447</b>	

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

**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 nine months ended 30 September 2023

**- Financial Accounting Standard No. 42 "Presentation and Disclosure in the Financial Statements of Takaful Institutions"**

This standard aims to establish general requirements for the presentation of financial statements, minimum disclosure contents, and the structure of financial statements that facilitate fair presentation in line with Sharia standards and the rules of Takaful institutions.

This standard will be applied as of January 1, 2025 to the financial statements of Takaful entities, with early adoption permitted, taking into account the previous or simultaneous application of Financial Accounting Standard No. 1 "Public Presentation and Disclosure in Financial Statements" and IAS No. 43 "Accounting for Takaful: Recognition And measurement." It is not expected to have a significant impact when implemented.

**International Accounting Standard No. 43 "Accounting for Takaful: Recognition and Measurement"**

This standard aims to clarify the principles of evidence and measurement for takaful arrangements and the supporting processes to present information related to these arrangements fairly to stakeholders. This standard replaces Financial Accounting Standard 13 "Disclosure of the Basis for Determining and Distributing Surplus or Deficit in Islamic Insurance Companies," Financial Accounting Standard 15 "Allocations and Reserves in Islamic Insurance Companies," and Financial Accounting Standard 19 "Subscriptions in Islamic Insurance Companies."

This standard will be applied as of January 1, 2025 to the financial statements of Takaful entities, with early application permitted, taking into account the simultaneous application of Financial Accounting Standard No. 42 "Presentation and Disclosure in the Financial Statements of Takaful Institutions" and it is not expected to have a material impact upon its application.