

**BANK AL ETIHAD**

**PUBLIC SHAREHOLDING LIMITED COMPANY**

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (REVIEWED NOT AUDITED)**

**31 MARCH 2024**



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

**Introduction**

We have reviewed the accompanying interim condensed consolidated financial statements of Bank Al Etihad (a public shareholding limited company) (the “Bank”) as at 31 March 2024, comprising the interim condensed consolidated statement of financial position as at 31 March 2024 and the related interim condensed consolidated statements of income, interim condensed consolidated comprehensive income statement, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the three months then ended and explanatory notes. The management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with accounting policies mentioned in (Note 2). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

**Scope of review**

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

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with accounting policies mentioned in (Note 2).

**Other matter**

The consolidated financial statements for the year ended 31 December 2023 and the interim condensed consolidated financial statements for the period ended 31 March 2023 were audited reviewed by another auditor. An unqualified opinion and an unqualified conclusion were issued on 28 February 2024 and 25 April 2023, respectively.

Amman – Jordan  
28 April 2024

**ERNST & YOUNG**  
Amman - Jordan

**BANK AL ETIHAD****(PUBLIC SHAREHOLDING LIMITED COMPANY)****INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION****AS AT 31 MARCH 2024**

	Notes	31 March 2024	31 December 2023
		JD	JD
<b><u>ASSETS</u></b>		(Unaudited)	(Audited)
Cash and balances at central banks	5	704,142,869	736,205,982
Balances at banks and financial institutions, net	6	430,306,418	371,943,707
Deposits at banks and financial institutions, net	7	9,541,866	14,082,419
Financial assets at fair value through statement of income	8	26,791,749	26,229,319
Direct credit facilities and financing, net	9	4,254,685,007	4,244,911,424
Financial assets at fair value through statement of other comprehensive income	10	66,153,964	66,658,121
Financial assets at amortized cost, net	11	1,746,289,627	1,633,814,826
Investment in associate		349,622	349,622
Property and equipment, net		77,278,256	76,211,079
Deferred tax assets		32,515,296	37,416,374
Right of use assets, net		30,984,333	30,438,070
Intangible assets, net		29,014,371	28,532,909
Other assets	12	193,373,199	153,225,585
<b>Total Assets</b>		<b>7,601,426,577</b>	<b>7,420,019,437</b>
<b><u>LIABILITIES AND SHAREHOLDERS' EQUITY</u></b>			
<b><u>LIABILITIES</u></b>			
Banks and financial institutions deposits		295,764,401	311,250,220
Customers' deposits	13	5,774,589,236	5,651,353,018
Cash margins		378,620,294	329,660,434
Borrowed funds	16/A	197,451,501	190,406,392
Subordinated Loans	16/B	60,295,000	60,295,000
Sundry provisions		539,622	525,787
Lease liabilities		30,927,275	31,098,416
Income tax provision	14	22,214,031	30,872,484
Deferred tax liabilities		98,561	20,282
Other liabilities	15	168,297,893	150,936,220
<b>Total Liabilities</b>		<b>6,928,797,814</b>	<b>6,756,418,253</b>
<b><u>SHAREHOLDERS' EQUITY</u></b>			
<b><u>Bank Shareholders' Equity</u></b>			
Authorized and paid in capital	21	200,000,000	200,000,000
Share Premium	21	68,213,173	68,213,173
Statutory reserve	21	85,321,596	85,321,596
Voluntary Reserve		57,172,423	57,172,423
Fair value reserve, net		1,085,941	2,693,754
Retained earnings		64,461,157	65,411,367
Profit for the period		9,179,278	-
<b>Total Bank Shareholders' Equity</b>		<b>485,433,568</b>	<b>478,812,313</b>
Non-controlling Interests		116,295,195	113,888,871
Perpetual Bonds		70,900,000	70,900,000
<b>Total Shareholders' Equity</b>		<b>672,628,763</b>	<b>663,601,184</b>
<b>Total Liabilities and Shareholders' Equity</b>		<b>7,601,426,577</b>	<b>7,420,019,437</b>

The accompanying notes from 1 to 27 form part of these interim condensed consolidated financial statements and should be read with them

**BANK AL ETIHAD**  
**(PUBLIC SHAREHOLDING LIMITED COMPANY)**  
**INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT**  
**FOR THE THREE MONTHS ENDED 31 MARCH 2024 (REVIEWED NOT AUDITED)**

	Notes	For the three months ended 31	
		March	
		2024	2023
		JD	JD
Interest income		115,040,886	100,679,599
Interest expense		(60,671,533)	(47,978,484)
<b>Net interest income</b>		<b>54,369,353</b>	<b>52,701,115</b>
Net commission income		8,465,688	8,538,532
<b>Net interest and commission income</b>		<b>62,835,041</b>	<b>61,239,647</b>
Gain from foreign currencies		4,179,505	2,741,030
Gain from financial assets at fair value through income statement	17	916,138	719,489
Dividends from financial assets at fair value through other comprehensive income	10	79,808	478,508
Other income		383,815	367,503
<b>Gross income</b>		<b>68,394,307</b>	<b>65,546,177</b>
<b>Expenses</b>			
Employees' expenses		16,805,996	15,616,550
Depreciation and amortization		3,787,752	3,583,779
Other expenses		13,090,991	11,008,852
Amortization of right of use assets		1,177,670	1,096,415
Rent Expense		193,390	167,282
Lease finance cost		274,988	291,551
Provision for expected credit losses	19	13,982,164	10,258,727
Provision (surplus) for impairment of seized assets	12	196,407	(137,232)
Sundry provisions		13,835	50,454
<b>Total expenses</b>		<b>49,523,193</b>	<b>41,936,378</b>
<b>Profit for the period before tax</b>		<b>18,871,114</b>	<b>23,609,799</b>
Income tax	14	7,313,185	8,725,932
<b>Profit for the period</b>		<b>11,557,929</b>	<b>14,883,867</b>
Attributable to:			
Bank Shareholders		9,179,278	12,557,071
Non-controlling Interests		2,378,651	2,326,796
		<b>11,557,929</b>	<b>14,883,867</b>
		JD / Share	JD / Share
Basic and diluted earnings per share for the period	18	0.046	0.063

**The accompanying notes from 1 to 27 form part of these interim condensed consolidated financial statements and should be read with them**

**BANK AL ETIHAD**  
**(PUBLIC SHAREHOLDING LIMITED COMPANY)**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE THREE MONTHS ENDED 31 MARCH 2024 (REVIEWED NOT AUDITED)**

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	31 March 2024 JD	31 March 2023 JD
Profit for the period	11,557,929	14,883,867
<b><u>Other comprehensive income items:</u></b>		
<b>Added items not to be reclassified to income statement in subsequent periods</b>		
Change in fair value reserve, net	(1,583,445)	496,146
<b>Total comprehensive income for the period</b>	<b>9,974,484</b>	<b>15,380,013</b>
Attributable to:		
Bank Shareholders	7,568,160	13,045,511
Non-controlling Interests	2,406,324	2,334,502
	<b>9,974,484</b>	<b>15,380,013</b>

The accompanying notes from 1 to 27 form part of these interim condensed consolidated financial statements

**BANK AL ETIHAD**
**(PUBLIC SHAREHOLDING LIMITED COMPANY)**
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**
**FOR THE THREE MONTHS ENDED 31 MARCH 2024 (REVIEWED NOT AUDITED)**

	Authorized and paid in capital	Share Premium	Reserves			Retained earnings	Profit for the period	Total Bank Shareholders' Equity	Perpetual Bonds	Non- controlling Interests	Total Shareholders' Equity
			Statutory	Voluntary	Fair value reserve						
<b>For the three months ended 31 March 2024</b>	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Balance at the beginning of the period	200,000,000	68,213,173	85,321,596	57,172,423	2,693,754	65,411,367	-	478,812,313	70,900,000	113,888,871	663,601,184
Total comprehensive income for the period	-	-	-	-	(1,611,118)	-	9,179,278	7,568,160	-	2,406,324	9,974,484
Realized (loss) from sale of financial assets at fair value through other comprehensive income	-	-	-	-	3,305	(3,305)	-	-	-	-	-
Issuance of perpetual bonds and their related expenses after excluding the tax effect	-	-	-	-	-	(2,418)	-	(2,418)	-	-	(2,418)
Interest on perpetual bonds after excluding the tax effect	-	-	-	-	-	(944,487)	-	(944,487)	-	-	(944,487)
<b>Balance at the end of the period</b>	<u>200,000,000</u>	<u>68,213,173</u>	<u>85,321,596</u>	<u>57,172,423</u>	<u>1,085,941</u>	<u>64,461,157</u>	<u>9,179,278</u>	<u>485,433,568</u>	<u>70,900,000</u>	<u>116,295,195</u>	<u>672,628,763</u>
<b>For the three months ended 31 March 2023</b>											
Balance at the beginning of the period	160,000,000	80,213,173	76,227,974	51,192,173	6,482,816	78,930,524	-	453,046,660	-	106,989,990	560,036,650
Total comprehensive income for the period	-	-	-	-	488,440	-	12,557,071	13,045,511	-	2,334,502	15,380,013
Ownership share in an subsidiary	-	-	-	-	-	(418,708)	-	(418,708)	-	(3,013,591)	(3,432,299)
Realized gain from sale of financial assets at fair value through other comprehensive income	-	-	-	-	(261,922)	261,922	-	-	-	-	-
<b>Balance at the end of the period</b>	<u>160,000,000</u>	<u>80,213,173</u>	<u>76,227,974</u>	<u>51,192,173</u>	<u>6,709,334</u>	<u>78,773,738</u>	<u>12,557,071</u>	<u>465,673,463</u>	<u>-</u>	<u>106,310,901</u>	<u>571,984,364</u>

\* There are restricted balances from retained earnings which amounted to JD 32,214,145 as at 31 March 2024 (JD 37,180,506 as at 31 December 2023) which represents net deferred tax assets after deducting deferred tax liabilities, and in accordance with the instructions of the Central Bank of Jordan, it is prohibited to dispose of them except with its prior approval.

\* The retained earnings balance includes an amount of JD 2,704,096 representing profits from revaluation differences of financial assets measured at fair value through other comprehensive income and from the profit for the period.

\* It is prohibited to dispose of the surplus from the balance of the self-generated general banking risk reserve transferred to the retained earnings, amounting to JD 108,397 as of 31 March 2024, which belongs to Safwa Islamic Bank, except with prior approval from the Central Bank of Jordan.

**The accompanying notes from 1 to 27 form part of these interim condensed consolidated financial statements**

**BANK AL ETIHAD**  
**(PUBLIC SHAREHOLDING LIMITED COMPANY)**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE THREE MONTHS ENDED 31 MARCH 2024 (REVIEWED NOT AUDITED)**

	Notes	31 March 2024 JD	31 March 2023 JD
<b>Operating activities</b>			
Profit for the period before tax		18,871,114	23,609,799
<b>Non-cash Adjustments:</b>			
Depreciation and amortization		3,787,752	3,583,779
Provision for expected credit losses	19	13,982,164	10,258,727
Amortization of right of use assets		1,177,670	1,096,415
Lease finance cost		274,988	291,551
Provision (surplus) for impairment of seized assets	12	196,407	(137,232)
Gains from valuation of financial assets at fair value through statement of income	17	(606,103)	(269,557)
Losses from sale of property and equipment		26,345	2,072
Gain from the valuation of convertible loans		(2,287)	-
Sundry provisions		13,835	50,454
(Gain) losses from the sale of seized assets against due debts		(51,169)	57,684
Effect of exchange rate fluctuations on cash and cash equivalents		(1,521,168)	(530,260)
<b>Profit for the period before changes in assets and liabilities</b>		<b>36,149,548</b>	<b>38,013,432</b>
<b>Changes in Assets and Liabilities -</b>			
Restricted balances		(33,741)	(1,000,701)
Financial assets at fair value through statement of income		43,673	1,986,115
Deposits at banks and financial institutions		4,544,578	(2,262,335)
Banks and financial institutions deposits exceeding three months		(5,500,000)	18,495,474
Direct credit facilities		(23,400,979)	(122,590,438)
Other assets		(40,331,262)	(6,849,424)
Customers deposits		123,236,218	99,082,492
Cash margins		48,959,860	14,611,364
Other liabilities		17,182,447	7,773,767
<b>Net cash flows from operating activities before income tax and paid provisions</b>		<b>160,850,342</b>	<b>47,259,746</b>
Income tax paid	14	(10,964,579)	(9,647,959)
<b>Net cash flows from operating activities</b>		<b>149,885,763</b>	<b>37,611,787</b>
<b>Investing activities</b>			
Net change in financial assets at fair value through other comprehensive income		(1,066,292)	(1,669,876)
Purchase of financial assets at amortized cost		(153,365,704)	(226,423,600)
Matured financial assets at amortized cost		41,019,639	71,098,835
Purchase of property and equipment		(3,180,226)	(2,128,754)
Sale of property and equipment		73,818	961
Purchase of intangible assets		(2,256,329)	(1,667,663)
<b>Net cash flows used in investing activities</b>		<b>(118,775,094)</b>	<b>(160,790,097)</b>
<b>Financing activities</b>			
Dividends distributed to shareholders		(12,658)	(9,138)
Increase in borrowed funds		7,045,109	6,039,840
Increase in the syndicated Loans		-	14,180,000
Issuance of perpetual bonds and their related expenses after excluding the tax effect		(2,418)	-
Interest on perpetual bonds after excluding the tax effect		(944,487)	-
Payments of principal lease liability		(2,170,062)	(2,081,356)
Net change in non-controlling interests		-	(3,432,299)
<b>Net cash flows from financing activities</b>		<b>3,915,484</b>	<b>14,697,047</b>
Net Increase (Decrease) in cash and cash equivalents		<b>35,026,153</b>	<b>(108,481,263)</b>
Effect of exchange rate fluctuations on cash and cash equivalents		1,521,168	530,260
Cash and cash equivalents at the beginning of the period		830,940,957	663,792,609
<b>Cash and cash equivalents at the end of the period</b>	20	<b>867,488,278</b>	<b>555,841,606</b>

The accompanying notes from 1 to 27 form part of these interim condensed consolidated financial statements

**(1) GENERAL**

Bank Al Etihad is a public shareholding company incorporated in Jordan in 1978, in accordance with the Companies law No (12) of (1964). It's headquarter is located in Amman, and it was transformed into a bank during the year 1991.

The Bank is engaged in all commercial banking and financing activities through its headquarter and branches within the kingdom, totaling (57) branches, and its subsidiaries in Jordan. Similarly, the number of Safwa Bank branches within the kingdom reached (42) branches and its subsidiary company.

The Bank's shares are listed and traded in the Amman Stock Exchange

The interim condensed consolidated financial information has been approved by the bank's board of directors based on the recommendation of the audit committee on 25 April 2024.

**(2) SIGNIFICANT ACCOUNTING POLICIES**

**BASIS OF PREPARATION OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

The interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard (34) (Interim Financial Reporting) taking into consideration some amendments on the International Financial Reporting Standards to align with the Central Bank of Jordan regulation.

The interim condensed consolidated financial statements are prepared on a historical cost basis, except for financial assets and liabilities which are presented fair value as of the date of the interim condensed consolidated financial statements.

The interim condensed consolidated financial statements are presented in Jordanian Dinars ("JD"), which is the functional currency of the Bank.

The accompanying interim condensed consolidated financial statements do not include all the information and disclosures to the financial statements required in the annual financial statements, which are prepared in accordance with International Financial Reporting Standards. Moreover, the results of the Bank's operations for the three-month period ended on 31 March 2024 do not necessarily represent indications of the expected results for the year ending 31 December 2024. Therefore, these interim condensed consolidated financial statements should be read with the Bank's annual report for the year ended 31 December 2023 and it does not contain the appropriation of profit on for the three months period ended at 31 March 2024, which is usually performed at the year end.



**BANK AL ETIHAD**  
**(PUBLIC SHAREHOLDING LIMITED COMPANY)**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**31 MARCH 2024**

**BASIS OF CONSOLIDATION OF THE INTERIM CONDENSED FINANCIAL STATEMENTS**

The interim condensed consolidated financial statements comprise of the financial statements of the Bank and the subsidiaries controlled by it. Control is achieved when the Bank is capable of managing the main activities of its subsidiaries and is exposed, or has rights, to variable returns from its involvement with the subsidiaries and has the ability to affect those returns through its power over the subsidiaries. All transactions, balances, revenues, and expenses between the bank and the subsidiaries are eliminated.

The financial statements of the subsidiaries are prepared for the same reporting period as of the Bank, using consistent accounting policies, If the subsidiaries have a different accounting policy than the Bank, necessary adjustments will be reflected to match the Bank's accounting policies.

As of 31 March 2024, the Bank owns the following subsidiaries and foreign branches:

Company's Name	Ownership Percentage	Paid-in Capital	Investment Value	Nature of operation	Established Year	Location
	%	JD				
Al-EtiHAD for Financial Brokerage Company	100	5,000,000	5,000,000	Financial brockrage	2006	Jordan
Al-EtiHAD for Financial Leasing Company	100	12,000,000	12,000,000	Finance leasing	2015	Jordan
Al-EtiHAD Islamic Investment Company*	58	113,039,028	65,562,636	Acquisition of bonds and shares in companies and borrowing the necessary funds from banks	2016	Jordan
Al-EtiHAD for Financial Technology Company	100	100,000	100,000	Manufacturing, programming, preparing, developing and supplying programs	2019	Jordan
Bank Al Etihad – Iraq Branch	100	35,545,000	35,545,000	Commercial Bank	2023	Iraq
		<u>165,684,028</u>	<u>118,207,636</u>			

\* The subsidiary (Al-EtiHAD Islamic Investment Company) which is owned by Bank Al Etihad with a total percentage of 58% has a controlling interest equivalent to 62.4% over Safwa Islamic Bank. Since the bank has control over the subsidiary and Safwa Islamic Bank, their financial information has been consolidated within the interim condensed consolidated financial information of Bank Al Etihad.

Bank Al Etihad directly owns shares in Safwa Islamic Bank amounting to around 3.67% of the total shares of Safwa Islamic Bank.

**(3) CHANGES IN ACCOUNTING POLICIES**

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Bank's annual financial statements for the year ended 31 December 2023, except for the followings adoption of new standards effective as at 1 January 2024:

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

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

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

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

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

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

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

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

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

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

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

**(4) SIGNIFICANT JUDGMENTS AND ESTIMATES USED**

**USE OF JUDGMENTS AND ESTIMATES:**

The preparation of the interim condensed consolidated financial statements and the adoption of the accounting policies requires management to make estimates and assumptions that affect the reported amounts of financial assets and liabilities and disclosure of contingent liabilities. These estimates and assumptions also affect the revenues and expenses and the resultant provisions as well as fair value changes reported in equity. In particular, considerable judgment by management is required in the estimation of the amount and timing of future cash flows. Such estimates are necessarily based on assumptions about several factors involving varying degrees of judgment and uncertainty and actual results may differ resulting in future changes in such provisions.

The management believes that their estimates are reasonable and are as follows:

**A. EXPECTED CREDIT LOSSES FOR FINANCIAL INSTRUMENTS AT AMORTIZED COST:**

In determining provision for expected credit losses for direct credit facilities, important judgement is required from the Bank's management in the estimation of the amount and timing of future cash flows as well as an assessment of whether the credit risk on the financial asset has increased significantly since initial recognition and incorporation of forward-looking information in the measurement of ECL. The following are the most important judgments used:

- **Assessment of Significant Increase in Credit Risk:**

The assessment of a significant increase in credit risk is performed on a relative basis. To assess whether the credit risk on a financial asset has increased significantly since origination, the Bank compares the risk of default occurring over the expected life of the financial asset at the reporting date to the corresponding risk of default at origination, using key risk indicators that are used in the Bank's existing risk management processes. This assessment is used to classify customers and portfolios to credit stages, which are, stage 1 (low risk), stage 2 (acceptable risk) and stage 3 (high risk).

- **Macroeconomic Factors, Forward Looking Information (FLI) and Multiple Scenarios:**

The measurement of expected credit losses for each stage and the assessment of significant increases in credit risk must consider information about past events and current conditions as well as reasonable and supportable forecasts of future events and economic conditions. The estimation and application of forward-looking information will require significant judgment from the Bank's management.

PD, Loss Given Default (LGD) and Exposure At Default (EAD) inputs used to estimate Stage 1 and Stage 2 credit loss allowances are modelled based on the macroeconomic variables (or changes in macroeconomic variables) that are most closely correlated with credit losses in the relevant portfolio. Each macroeconomic scenario used in our expected credit losses calculation will have forecasts of the relevant macroeconomic variables.

Each of the macroeconomic scenarios used in calculating the expected credit losses is associated with variable macroeconomic factors. In our estimates used in calculating the expected credit losses for stage 1 and stage 2 using discounted weighted scenarios, which include future macroeconomic information for the next three years.

- The Bank uses the following macroeconomic indicators when performing futuristic forecasts for the countries that it operates in:
  - 1- Gross Domestic Product.
  - 2- Inflation rate.
  - 3- Stock market index price.
  - 4- Consumer price index.
  - 5- Import price index.
- The bank uses three scenarios to reach a probable value when to estimate the expected credit losses as follows:
  - 1- Main scenario (Baseline) weighted 50%
  - 2- Best scenario (Optimistic S1) weighted 10%
  - 3- Worst case scenario 1 (Pessimistic S3) weighted 40%

The probable options are estimated according to the best approximation related to the historical probability and current affairs. The probable scenarios are evaluated every three months. All scenarios are implemented to all the wallets that are subject to expected credit losses.

• **Definition of default:**

The definition of default used in the measurement of expected credit losses and the assessment to determine movement between stages is consistent with the definition of default used for internal credit risk management purposes. IFRS 9 does not define default, but contains a rebuttable presumption that default has occurred when an exposure is greater than 90 days past due.

• **Exposure at default:**

When measuring ECL, the Bank must consider the maximum contractual period over which the Bank is exposed to credit risk. All contractual terms should be considered when determining the expected life, including prepayment options and extension and rollover options. For certain revolving credit facilities that do not have a fixed maturity, the expected life is estimated based on the period over which the Bank is exposed to credit risk and where the credit losses would not be mitigated by management.

**B. INCOME TAX**

Income tax expenses represent accrued taxes and deferred taxes.

Income tax expenses are accounted for on the basis of taxable income. Moreover, taxable income differs from income declared in the interim condensed consolidated financial statements because the latter includes non-taxable revenues or taxable expenses disallowed in the current year but deductible in subsequent years or accumulated losses acceptable by the tax law and items not accepted for tax purposes or subject to tax.

Taxes are calculated on the basis of the tax rates according to the prevailing laws regulations and instructions of the countries where the bank operates.

Deferred taxes are taxes expected to be paid or recovered as a result of temporary timing differences between the value of the assets and liabilities in the interim condensed consolidated financial statements and the value of the taxable amount. Deferred tax is calculated on the basis of the liability method in the statement of financial position according to the rates expected to be applied when the tax liability is settled, or tax assets are recognized.

Deferred tax assets and liabilities are reviewed as of the date of the interim condensed consolidated financial statements and reduced in case it is expected that no benefit will arise from payment or the elimination of the need for deferred tax liabilities partially or totally.

**C. FAIR VALUE**

Fair value represents the closing market price (assets purchasing / liabilities selling) of financial assets and derivatives on the date of interim condensed consolidated financial statements in active markets. In case declared market prices do not exist active trading of some financial assets and derivatives is not available or the market is inactive fair value is estimated by one of several methods including the following:

- Comparison with the fair value of another financial asset with similar terms and conditions.
- Analysis of the present value of expected future cash flows for similar instruments.
- Adoption of the option pricing models.
- Evaluation of long-term assets and liabilities that bear no interest through discounting cash flows and amortizing premium/discount using the effective interest rate method within interest revenue/expense in the consolidated statement of income.

The valuation methods aim to provide a fair value reflecting the market's expectations taking into consideration the market expected risks and expected benefits when the value of the financial assets. When the financial assets fair value can't be reliably measured, they are stated at cost less any impairment.

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**(5) CASH AND BALANCES AT CENTRAL BANKS**

The details of this item are as follows:

	31 March 2024	31 December 2023
	JD	JD
	(Unaudited)	(Audited)
Cash in treasury	117,914,492	134,884,779
<b>Balances at Central Banks:</b>		
Current accounts and demand deposits	131,147,782	171,981,428
Term and notice deposits	186,800,000	172,500,000
Statutory cash reserve	268,280,595	256,839,775
	<u>704,142,869</u>	<u>736,205,982</u>

- All balances with central banks are classified within the first stage based on the requirements of IFRS No. (9). There are also no transfers between stage 1, stage 2 and stage 3 or written-off balances during the three months ended 31 March 2024 and 31 December 2023.
- Except for the statutory cash reserve, there are no restricted balances as at 31 March 2024 and 31 December 2023.
- There are no balances maturing within a period exceeding three months as at 31 March 2024 and 31 December 2023.

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**(6) BALANCES AT BANKS AND FINANCIAL INSTITUTIONS, NET**

The details of this item are as follows:

	Local banks and financial institutions		Foreign banks and financial institutions		Total	
	31 March 2024	31 December 2023	31 March 2024	31 December 2023	31 March 2024	31 December 2023
	JD (Unaudited)	JD (Audited)	JD (Unaudited)	JD (Audited)	JD (Unaudited)	JD (Audited)
Current accounts and demand deposits	456,856	289,028	129,758,141	176,748,357	130,214,997	177,037,385
Deposits maturing within 3 months or less	38,995,000	30,000,000	261,460,244	164,974,500	300,455,244	194,974,500
	<u>39,451,856</u>	<u>30,289,028</u>	<u>391,218,385</u>	<u>341,722,857</u>	<u>430,670,241</u>	<u>372,011,885</u>
Provision for expected credit loss	-	-	(363,823)	(68,178)	(363,823)	(68,178)
Net balances at banks and financial institutions	<u>39,451,856</u>	<u>30,289,028</u>	<u>390,854,562</u>	<u>341,654,679</u>	<u>430,306,418</u>	<u>371,943,707</u>

- Non-interest bearing balances at banks and financial institutions amounted to JD 34,268,324 as at 31 March 2024 (JD 57,400,238 as at 31 December 2023).
- Restricted balances at banks and financial institutions amounted to JD 15,560,431 as at 31 March 2024 (JD 15,526,690 as at 31 December 2023).
- The balances at banks and financial institutions are classified within the first stage based on the requirements of the IFRS No. (9), and there were no transfers between stages (stage 1, stage 2 and stage 3) or cash balances written-off during the period ended 31 March 2024.

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**(7) DEPOSITS AT BANKS AND FINANCIAL INSTITUTIONS, NET**

The details of this item are as follows:

	Local banks and financial institutions		Foreign banks and financial institutions		Total	
	31 March 2024	31 December 2023	31 March 2024	31 December 2023	31 March 2024	31 December 2023
	JD	JD	JD	JD	JD	JD
	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Deposits maturing within a period from 3 months to 6 months	-	-	-	8,089,578	-	8,089,578
More than 9 months to 12 months	6,000,000	-	3,545,000	-	9,545,000	-
More than a year	-	6,000,000	-	-	-	6,000,000
	<u>6,000,000</u>	<u>6,000,000</u>	<u>3,545,000</u>	<u>8,089,578</u>	<u>9,545,000</u>	<u>14,089,578</u>
Provision for expected credit loss*	-	-	(3,134)	(7,159)	(3,134)	(7,159)
	<u>6,000,000</u>	<u>6,000,000</u>	<u>3,541,866</u>	<u>8,082,419</u>	<u>9,541,866</u>	<u>14,082,419</u>

- There are no restricted deposits as at 31 March 2024 and 31 December 2023.

The movement on deposits at banks and financial institutions is as follows:

	31 March 2024 (Unaudited)		31 December 2023 (Audited)	
	Stage 1 – Individual	Total	Stage 1 – Individual	Total
	JD	JD	JD	JD
Balance at the beginning of the period / year	14,089,578	14,089,578	14,020,575	14,020,575
New deposits during the period / year	3,545,000	3,545,000	14,089,578	14,089,578
Settled balances during the period / year	(8,089,578)	(8,089,578)	(14,020,575)	(14,020,575)
Balance at the end of the period / year	<u>9,545,000</u>	<u>9,545,000</u>	<u>14,089,578</u>	<u>14,089,578</u>



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\* The movement on the provision for expected credit losses is as follows:

	31 March 2024 (Unaudited)		31 December 2023 (Audited)	
	Stage 1 - Individual	Total	Stage 1 - Individual	Total
	JD	JD	JD	JD
Balance at the beginning of the period / year	7,159	7,159	6,751	6,751
Provision on new deposits during the period / year	3,134	3,134	7,159	7,159
Recovered from the provision on the settled balances	(7,159)	(7,159)	(6,751)	(6,751)
Balance at the end of the period / year	<u>3,134</u>	<u>3,134</u>	<u>7,159</u>	<u>7,159</u>

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**(8) FINANCIAL ASSETS AT FAIR VALUE THROUGH STATEMENT OF INCOME**

The details of this item are as follows:

	31 March 2024	31 December 2023
	JD (Unaudited)	JD (Audited)
Government bonds listed in financial markets	2,488,708	2,795,239
Corporate bonds listed in financial markets	1,437,132	1,022,642
Corporate shares listed in financial markets	10,246,938	9,965,008
Investment funds	12,618,971	12,446,430
	<u>26,791,749</u>	<u>26,229,319</u>

**(9) DIRECT CREDIT FACILITIES AND FINANCING, NET**

The details of this item are as follows:

	31 March 2024	31 December 2023
	JD (Unaudited)	JD (Audited)
<b>Individuals (Retail)</b>		
Overdraft accounts	2,662,869	1,971,029
Loans and bills *	1,095,574,932	1,078,707,595
Credit cards	48,263,213	46,515,963
Real estate loans	1,135,615,463	1,116,094,786
<b>Large Corporates</b>		
Overdraft accounts	74,076,320	71,128,650
Loans and bills *	1,231,154,481	1,256,219,953
<b>Small and Medium Enterprises</b>		
Overdraft accounts	29,263,426	29,898,877
Loans and bills *	257,662,405	256,477,274
<b>Government and Public Sector</b>	<u>607,090,630</u>	<u>599,833,607</u>
	4,481,363,739	4,456,847,734
Less: Interest and return in suspense	(19,304,027)	(17,846,427)
Provision for expected credit losses	<u>(207,374,705)</u>	<u>(194,089,883)</u>
	<u>4,254,685,007</u>	<u>4,244,911,424</u>

\* This item represents the net loans and bills notes after deducting interests and commissions received in advance amounted to JD 11,989,112 as of 31 March 2024 ( JD 12,077,413 as of 31 December 2023).

- Direct credit facilities and financing included in stage 3 amounted to JD 215,677,001 which representing 4.81% of total direct credit facilities and financing as at 31 March 2024 (JD 199,435,150 which is represent 4.47% of total direct credit facilities and financing as at 31 December 2023).
  
- Direct credit facilities and financing included in stage 3 amounted to JD 196,372,974 which representing 4.40% of total direct credit facilities and financing balance after deducting the interest, revenue and commisions in suspence as at 31 March 2024 (JD 181,588,723 which representing 4.09% of total direct credit facilities and financing balance after deducting the interest, revenue and commisions in suspence as at 31 December 2023).
  
- Direct credit facilities and financing granted to the Jordanian Government and guaranteed by it amounted to JD 583,834,301 which representing 13.03% of total credit facilities and financing as at 31 March 2024 (JD 581,623,355 which representing 13.05% of total direct credit facilities and financing as at 31 December 2023).
  
- Financing in accordance with Islamic Share'a which belongs to Safwa Islamic Bank amounted to JD 2,105,905,522 which representing 46.99% of total direct credit facilities as at 31 March 2024 (JD 2,069,832,005 which representing 46.44% of total direct credit facilities and financing as at 31 December 2023).

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The movement for direct credit facilities and financing is as follows:

	Stage 1		Stage 2		Stage 3	Total
	Individual JD	Collective JD	Individual JD	Collective JD	JD	JD
For the three months ended 31 March 2024 (Unaudited)						
Balance at the beginning of the year	2,789,176,214	841,603,092	507,423,305	119,209,973	199,435,150	4,456,847,734
New facilities during the period	251,458,664	72,849,111	33,815,433	13,617,447	2,244,914	373,985,569
Settled facilities	(199,030,480)	(14,707,302)	(34,057,444)	(8,966,318)	(1,651,423)	(258,412,967)
Transferred to stage 1	50,484,502	8,418,273	(50,228,880)	(8,406,103)	(267,792)	-
Transferred to stage 2	(111,894,324)	(32,912,854)	114,764,728	33,513,488	(3,471,038)	-
Transferred to stage 3	(148,451)	(92,063)	(14,899,297)	(4,521,342)	19,661,153	-
Total impact on the volume of exposures as a result of changing the reclassification between the three stages during the period	(1,310,188)	(804,093)	(6,154,537)	(327,103)	144,207	(8,451,714)
Changes resulted from adjustments	(42,837,791)	(31,003,398)	(6,304,791)	(2,040,733)	174,653	(82,012,060)
Written off credit facilities or transferred as off financial position items	-	-	-	-	(592,823)	(592,823)
Balance at the end of the period / year	<u>2,735,898,146</u>	<u>843,350,766</u>	<u>544,358,517</u>	<u>142,079,309</u>	<u>215,677,001</u>	<u>4,481,363,739</u>

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	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD	JD	JD
For the year ended 31 December 2023 (Audited)						
Balance at the beginning of the year	2,683,829,394	809,882,358	479,606,976	52,923,448	153,168,123	4,179,410,299
New facilities during the period	694,711,508	250,376,329	82,191,644	21,303,214	12,756,787	1,061,339,482
Settled facilities	(286,524,220)	(70,752,761)	(54,126,805)	(8,783,667)	(14,215,096)	(434,402,549)
Transferred to stage 1	33,502,183	9,310,649	(33,089,643)	(9,279,804)	(443,385)	-
Transferred to stage 2	(109,566,761)	(70,921,185)	116,384,370	73,780,611	(9,677,035)	-
Transferred to stage 3	(13,865,517)	(4,561,201)	(59,818,367)	(2,144,661)	80,389,746	-
Total impact on the volume of exposures as a result of changing the reclassification between stages	(2,082,440)	928,191	(11,044,904)	(5,555,451)	779,775	(16,974,829)
Changes resulted from adjustments	(210,827,933)	(82,659,288)	(12,679,966)	(3,033,717)	(784,622)	(309,985,526)
Written off credit facilities or transferred as off financial position items	-	-	-	-	(22,539,143)	(22,539,143)
Balance at the end of the year	<u>2,789,176,214</u>	<u>841,603,092</u>	<u>507,423,305</u>	<u>119,209,973</u>	<u>199,435,150</u>	<u>4,456,847,734</u>

\* An amount of JD 302,850 was transferred to off financial position items during the three months ended 31 March 2024 ( JD 22,019,975 during the year ended 31 December 2023) and an amount of JD 289,973 of direct credit facilities and financing were written off during the three months ended 31 March 2024 in accordance with the Board of Directors decisions in this regard ( JD 519,168 as of 31 December 2023).

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Provision for expected credit losses:

\* The movement of the provision for expected credit losses for the period / year is as follows:

	Individuals JD	Real Estate Loans JD	Large Corporates JD	Small and Medium Enterprises JD	Total JD
<u>For the three months ended 31 March 2024 (Unaudited)</u>					
Balance at the beginning of the year	50,355,818	17,889,300	105,993,907	19,850,858	194,089,883
Impairment losses on new credit facilities during the period	2,881,271	769,239	5,423,585	1,052,099	10,126,194
Recovered from the provision of expected credit losses	(574,293)	(264,743)	(2,944,043)	(1,152,177)	(4,935,256)
Transferred to stage 1	1,152,963	(87,992)	(613,761)	(130,223)	320,987
Transferred to stage 2	(259,024)	122,240	(3,333,297)	202,105	(3,267,976)
Transferred to stage 3	(893,938)	(34,248)	3,947,058	(71,882)	2,946,990
Effect on the provision as a result of changing the classifications between the three stages during the period	1,855,911	321,779	(287,195)	368,759	2,259,254
Changes resulted from adjustments	3,251,776	815,787	1,592,289	517,352	6,177,204
Written-off facilities	(35,488)	-	-	(307,087)	(342,575)
Balance at the end of the period	<u>57,734,996</u>	<u>19,531,362</u>	<u>109,778,543</u>	<u>20,329,804</u>	<u>207,374,705</u>
Redistribution:					
Provisions on individual basis	45,955,952	19,515,518	109,778,543	19,965,741	195,215,754
Provisions on collective basis	<u>11,779,044</u>	<u>15,844</u>	<u>-</u>	<u>364,063</u>	<u>12,158,951</u>
	<u>57,734,996</u>	<u>19,531,362</u>	<u>109,778,543</u>	<u>20,329,804</u>	<u>207,374,705</u>

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	Individuals JD	Real Estate Loans JD	Large Corporates JD	Small and Medium Enterprises JD	Total JD
For the year ended 31 December 2023 (Audited)					
Balance at the beginning of the year	33,601,233	11,614,714	110,154,001	16,574,834	171,944,782
Impairment losses on new credit facilities during the year	5,715,781	1,358,122	8,645,596	2,232,783	17,952,282
Recovered from the provision of expected credit losses	(1,814,166)	(1,066,271)	(10,009,539)	(204,559)	(13,094,535)
Transferred to stage 1	78,897	(8,660)	161,972	(148,079)	84,130
Transferred to stage 2	2,982,531	(41,669)	(19,644,919)	136,005	(16,568,052)
Transferred to stage 3	(3,061,428)	50,329	19,482,947	12,074	16,483,922
Effect on the provision as a result of changing the classifications between stages	10,250,482	3,927,164	(275,455)	1,101,285	15,003,476
Changes resulted from adjustments	3,643,395	2,055,571	14,505,215	2,224,232	22,428,413
Written-off facilities or transferred to off financial position items	(1,040,907)	-	(17,025,911)	(2,077,717)	(20,144,535)
Balance at the end of the year	<u>50,355,818</u>	<u>17,889,300</u>	<u>105,993,907</u>	<u>19,850,858</u>	<u>194,089,883</u>
Redistribution:					
Provisions on individual basis	41,316,968	17,883,447	105,993,907	19,330,259	184,524,581
Provisions on collective basis	9,038,850	5,853	-	520,599	9,565,302
	<u>50,355,818</u>	<u>17,889,300</u>	<u>105,993,907</u>	<u>19,850,858</u>	<u>194,089,883</u>

- The value of the provisions that were no longer needed as a result of debt settlement and transferred to other debts amounted to JD 4,935,256 as at 31 March 2024 ( JD 13,094,535 as at 31 December 2023).

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Interest in suspense

\* The movement of the interest in suspense is as follows:

	Individuals	Real Estate Loans	Corporations		Total
	JD	JD	Large Corporates	Small and Medium Enterprises	JD
<u>For the three months ended 31 March 2024 (Unaudited)</u>					
Balance at the beginning of the year	7,467,015	2,809,958	4,710,422	2,859,032	17,846,427
<u>Add:</u> Interest and returns in suspense during the period	982,283	155,119	495,478	314,938	1,947,818
<u>Less:</u> Interest and returns transferred to revenue	(204,763)	-	(122)	(35,085)	(239,970)
Interests in suspense written-off	(27,935)	-	-	(222,313)	(250,248)
Balance at the end of the period	<u>8,216,600</u>	<u>2,965,077</u>	<u>5,205,778</u>	<u>2,916,572</u>	<u>19,304,027</u>
<u>For the year ended 31 December 2023 (Audited)</u>					
Balance at the beginning of the year	5,570,164	2,709,063	5,436,609	2,630,900	16,346,736
<u>Add:</u> Interest and returns in suspense during the year	3,029,724	239,542	1,254,684	1,015,538	5,539,488
<u>Less:</u> Interest and returns transferred to revenue	(626,638)	(138,647)	(649,511)	(230,393)	(1,645,189)
Interests in suspense written-off	(506,235)	-	(1,331,360)	(557,013)	(2,394,608)
Balance at the end of the year	<u>7,467,015</u>	<u>2,809,958</u>	<u>4,710,422</u>	<u>2,859,032</u>	<u>17,846,427</u>



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**(10) FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME**

The details of this item are as follows:

	31 March 2024	31 December 2023
	JD (Unaudited)	JD (Audited)
<b>Quoted financial assets:</b>		
Corporate shares	30,587,182	31,866,382
	<u>30,587,182</u>	<u>31,866,382</u>
<b>Unquoted financial assets:</b>		
Corporate shares	15,663,307	15,159,479
Investment funds	19,903,475	19,632,260
	<u>35,566,782</u>	<u>34,791,739</u>
	<u>66,153,964</u>	<u>66,658,121</u>

Transferred losses as a result of selling financial assets at fair value through other comprehensive income amounted to JD 3,305 as at 31 March 2024 (JD 282,991 gains transferred as at 31 March 2023 of which JD 21,069 belongs to non-controlling interests).

The cash dividends on financial assets above amounted to JD 79,808 as at 31 March 2024 (JD 478,508 as at 31 March 2023).

**(11) FINANCIAL ASSETS AT AMORTIZED COST, NET**

The details of this item are as follows:

	31 March 2024	31 December 2023
	JD (Unaudited)	JD (Audited)
<b>Quoted financial assets:</b>		
Foreign treasury bonds	94,025,562	91,696,901
Corporate bonds and debentures	225,025,282	189,613,293
<b>Unquoted financial assets:</b>		
Governmental treasury bills	110,559,026	108,877,524
Governmental guaranteed bonds	1,296,531,513	1,221,607,600
Corporate bonds and debentures	20,652,000	22,652,000
	<u>1,746,793,383</u>	<u>1,634,447,318</u>
Provision for expected credit losses	(503,756)	(632,492)
	<u>1,746,289,627</u>	<u>1,633,814,826</u>
<b>Bonds analysis:</b>		
With fixed rate	1,746,405,600	1,634,055,985
With floating rate	387,783	391,333
	<u>1,746,793,383</u>	<u>1,634,447,318</u>

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Analysis of bonds and bills according to the IFRS No (9):

	31 March 2024	31 December 2023
	JD (Unaudited)	JD (Audited)
Stage 1	1,746,793,383	1,634,447,318
Stage 2	-	-
Stage 3	-	-
	<u>1,746,793,383</u>	<u>1,634,447,318</u>

**(12) OTHER ASSETS**

The details of this item are as follows:

	31 March 2024	31 December 2023
	JD (Unaudited)	JD (Audited)
Assets seized by the Bank against due debts *	86,036,612	78,038,809
Discounted commercial papers	31,302,068	17,341,650
Accrued interest and revenue	24,976,269	27,100,676
Prepaid expenses	16,831,318	7,562,688
Clearing cheques	8,793,711	307,331
Paid margins on letter of guarantees	6,872,429	6,389,990
Transfers and cheques under collection	1,924,616	233,915
Convertible loans	1,007,060	1,004,774
Others	15,629,116	15,245,752
	<u>193,373,199</u>	<u>153,225,585</u>

\* The movement of the assets seized by the Bank against due debts is as follows:

	31 March 2024	31 December 2023
	JD (Unaudited)	JD (Audited)
Balance at the beginning of the period / year	78,038,809	52,978,257
Additions	9,938,904	28,807,610
Disposals	(1,744,694)	(4,328,224)
Impairment loss for the period / year	(196,407)	581,166
Balance at the end of the period / year	<u>86,036,612</u>	<u>78,038,809</u>

The movement of the seized assets provision is as follows:

Balance at the beginning of the period / year	5,489,511	6,070,677
Provision (surplus) during the period / year	196,407	(581,166)
Balance at the end of the period / year	<u>5,685,918</u>	<u>5,489,511</u>

- The impairment provision against seized assets amounted to JD 1,530,963 as at 31 March 2024 (JD 1,349,193 as at 31 December 2023), and the provision for the assets seized by the Bank for a period of more than 4 years amounted to JD 4,154,955 as at 31 March 2024 (JD 4,140,318 as at 31 December 2023).

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**(13) CUSTOMERS' DEPOSITS**

		Corporations		Government and	
	Individuals	Large Corporates	Small and Medium	public sector	Total
	JD	JD	Enterprises	JD	JD
			JD		
<u>As at 31 March 2024 (Unaudited)</u>					
Current and demand accounts	533,042,322	192,946,183	401,215,887	8,562,119	1,135,766,511
Saving deposits	888,038,963	45,847,011	89,099,292	5,222,148	1,028,207,414
Term and notice deposits	1,758,864,206	559,158,707	190,354,171	425,529,637	2,933,906,721
Certificates of deposits	562,164,031	31,828,940	38,796,619	43,919,000	676,708,590
	<u>3,742,109,522</u>	<u>829,780,841</u>	<u>719,465,969</u>	<u>483,232,904</u>	<u>5,774,589,236</u>
<u>As at 31 December 2023 (Audited)</u>					
Current and demand accounts	506,333,549	193,872,804	408,774,305	9,943,945	1,118,924,603
Saving deposits	862,848,432	28,513,684	88,598,277	8,157,365	988,117,758
Term and notice deposits	1,728,339,919	581,973,635	185,300,102	411,903,611	2,907,517,267
Certificates of deposits	531,540,903	25,843,940	35,731,547	43,677,000	636,793,390
	<u>3,629,062,803</u>	<u>830,204,063</u>	<u>718,404,231</u>	<u>473,681,921</u>	<u>5,651,353,018</u>

- The Jordanian government and public sector deposits inside the kingdom amounted to JD 483,232,904 representing 8.37% of total deposits as at 31 March 2024 ( JD 473,681,921 representing 8.38% as at 31 December 2023).

- Non-interest bearing deposits amounted to JD 1,085,846,475 representing 18.8% of the total deposits as at 31 March 2024 ( JD 1,109,911,255 represneting 19.64% as at 31 December 2023).

- Restricted deposits (withdrawal restricted) amounted to JD 18,109,326 representing 0.31% of the total deposits as of 31 March 2024 ( JD 9,838,084 represneting 0.17% of the total deposits as at 31 December 2023).

- Dormant deposits amounted to JD 48,384,428 representing 0.84% of the total deposits as at 31 March 2024 ( JD 39,908,496 represneting 0.71% of the total deposits as at 31 December 2023).

- Customer deposits include JD 2,171,534,481 which represents the shared customer investment related to Safwa Islamic Bank as at 31 March 2024 ( JD 2,114,530,041 as at 31 December 2023).

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**(14) INCOME TAX PROVISION**

	For the three months ended 31 March 2024	For the year ended 31 December 2023
	JD (Unaudited)	JD (Audited)
Balance at the beginning of the period / year	30,872,484	28,930,915
Income tax paid during the period / year	(10,964,579)	(35,092,191)
Accrued income tax	1,806,423	37,020,220
Income tax from profits from financial assets	-	13,540
Provision for prior years income tax	499,703	-
Balance at the end of the period / year	<u>22,214,031</u>	<u>30,872,484</u>

Set out below is the Income tax expense shown in the interim condensed consolidated statement of income:

	For the three months ended 31 March 2024	2023
	JD (Unaudited)	JD (Unaudited)
Income tax accrued for the current period profits	1,806,423	3,993,814
Prior years income tax	540,400	-
Impact of deferred tax assets during the period	4,888,083	4,732,118
Deferred tax liabilities for the period	78,279	-
	<u>7,313,185</u>	<u>8,725,932</u>

- The legal income tax rate for the Bank was 35% in addition to the national contribution of 3%, the legal income tax rate for Al Etihad Leasing Company and AL Etihad Financial Brokerage companies has reached to 24% in addition to the national contribution of 4% and the income tax rate for Al Etihad Financial Technology has reached to 20% in addition to the national contribution of 1%.

- The Bank submitted the tax return until the year 2022 and a final settlement was reached with Income Tax Department on the results of the bank until end of the year 2020 and the Income and Sales Tax Department did not review the Bank's accounting records for the year 2021 and 2022 and according to the management and the tax advisor the booked provision is sufficient as at 31 March 2024 .

- A final settlement with the income tax and sales department for Safwa Islamic Bank has been reached up to the year 2020. The tax returns for the year 2021 and 2022 were submitted within the legal period, and the income and sales tax department did not review the accounting records until the date of preparing interim condensed consolidated financial statements.

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- Clearance was obtained from income tax and sales department of MESK financial brokerage company (Safwa Islamic subsidiary) until the end of the year 2022 except the year 2019 where the company submitted tax statements for the year 2019 and it was not reviewed by the Income and Sales Tax Department, the Company also submitted the tax return for the year 2023 and it has not yet been reviewed by the Income and Sales Tax Department.
- A final settlement was reached with the Income Tax Department on the results of the business of the Etihad Financial Brokerage Company until the year 2022 except for the year 2021 where the company submitted the self-assessment statement for the year 2021 and it was not reviewed by the Income and Sales Tax Department until the date of preparing the condensed consolidated interim financial information.
- A final settlement was reached with the Income Tax Department on the results of the Etihad Financial Leasing Company's business until the end of 2021 and submitted the self-assessment statement for the year 2022 and has not been reviewed by the Income and Sales Tax Department until the date of preparing the condensed consolidated interim financial information.
- A final settlement with the Income and Sales Tax Department for Al Etihad for Financial Technology Company has been reached up to the year 2020. The tax return for the year 2021 and 2022 was submitted, and the Income and Sales Tax Department did not review the accounting records until the date of the condensed consolidated interim financial information.
- A final settlement with the Income and Sales Tax Department for Al Etihad Islamic Investments Company has been reached up to the year 2022.
- The percentage of deferred tax and national contription was 38% for the income from inside Jordan and 13% for the income from outside Jordan and in the Bank's management opinion these deferred taxes will be realized in the future.

**(15) OTHER LIABILITIES**

	<u>31 March 2024</u>	<u>31 December 2023</u>
	JD	JD
	(Unaudited)	(Audited)
Accrued interest expense	66,045,342	61,266,169
Deferred cheques	17,756,862	18,008,141
Temporary deposits	16,826,868	11,047,146
Incoming transfers	14,623,717	453,698
Accrued and unpaid expenses	12,569,652	16,357,721
Card settlement accounts	11,471,986	11,398,830
Liabilities payment broker	6,790,673	6,839,593
Provision for expected credit losses for the off-balance sheet items*	5,094,501	4,902,617
Electronic payments system reconciliations	3,221,886	3,196,747
Revenue received in advance	3,170,585	2,758,168
Accounts payable	488,107	698,706
Dividends payable	455,035	467,693
Other liabilities	9,782,679	13,540,991
	<u>168,297,893</u>	<u>150,936,220</u>

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The movement of the indirect facilities on a collective basis is as follows:

	For the three months ended 31 March 2024 (Unaudited)				For the year ended 31 December 2023 (Audited)
	Stage 1 - Individual	Stage 2 - Individual	Stage 3	Total	
	JD	JD	JD	JD	JD
Balance at the beginning of the period / year	1,395,440,964	53,928,063	2,876,548	1,452,245,575	1,411,929,588
New exposure during the period / year	684,448,929	52,608,551	33,375	737,090,855	920,210,563
Accrued exposure	(442,455,367)	(4,944,356)	(99,012)	(447,498,735)	(843,281,923)
Transferred to stage 1	3,584,260	(3,571,260)	(13,000)	-	-
Transferred to stage 2	(17,775,835)	17,775,835	-	-	-
Transferred to stage 3	(17,880)	(500,000)	517,880	-	-
Effect on the exposure results change classification between the three stages	(1,175,081)	(70,688)	(12,133)	(1,257,902)	(1,072,736)
Changes resulted from adjustments	(41,658,493)	(888,555)	(2,700)	(42,549,748)	(35,539,917)
Balance at the end of the period / year	<u>1,580,391,497</u>	<u>114,337,590</u>	<u>3,300,958</u>	<u>1,698,030,045</u>	<u>1,452,245,575</u>

\* The movement of the provision for expected credit losses for the indirect facilities for the period / year is as follows:

	For the three months ended 31 March 2024 (Unaudited)				For the year ended 31 December 2023 (Audited)
	Stage 1 - Individual	Stage 2 - Individual	Stage 3	Total	
	JD	JD	JD	JD	JD
Balance at the beginning of the period / year	4,492,510	301,536	108,571	4,902,617	5,021,887
Impairment loss on new exposures during the period / year	1,787,833	116,264	150	1,904,247	2,428,887
Recovered from the impairment loss of the accrued exposures	(1,593,591)	(73,452)	-	(1,667,043)	(2,421,609)
Transferred to stage 1	7,337	(7,337)	-	-	-
Transferred to stage 2	(14,002)	14,002	-	-	-
Transferred to stage 3	-	(413)	413	-	-
Total impact on volume of exposures as a result of changing the classification between stages	(894)	4,288	(413)	2,981	21,862
Changes resulted from adjustments	(53,310)	5,009	-	(48,301)	(148,410)
Balance at the end of the period / year	<u>4,625,883</u>	<u>359,897</u>	<u>108,721</u>	<u>5,094,501</u>	<u>4,902,617</u>

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**(16/A) BORROWED FUNDS**

	Amount	Number of Installments		Installments Frequency	Collaterals	Borrowing Interest Rate
		Total	Remaining			
<u>31 March 2024 (Unaudited)</u>	JD					%
Central Bank of Jordan borrowing *	61,041,180	13,819	8,670	Monthly	Bank Promissories	0.50 -1.75
Central Bank of Jordan borrowing *	330,200	37	15	Quarterly	Bank Promissory	1.00
Central Bank of Jordan borrowing *	3,063,091	37	24	Semi-annual	Bank Promissory	0.50 -1.00
Central Bank of Jordan borrowing *	2,291,921	17	17	Annually	Bank Promissory	0.50 -1.00
Central Bank of Jordan borrowing *	44,320,934	22,890	12,253	Monthly	Bank Promissory	0.00
International Bank for Reconstruction and Development **	2,100,000	20	7	Semi-annual starting from 15 September 2018	Bank Promissory	5.35
Arab Fund for Economic and Social Development ***	270,000	15	2	Semi-annual	Bank Promissory	2.50
Arab Fund for Economic and Social Development ***	7,639,419	33	32	Semi-annual	Bank Promissory	3.00
European Bank for Reconstruction and Development	2,694,200	7	7	Semi-annual starting from 1 September 2024	-	8.65
European Bank for Reconstruction and Development	141,800	7	7	Semi-annual starting from 1 September 2024	-	5.82
European Investment Bank	34,470,000	7	7	Semi-annual starting from 21 December 2024	-	4.45
Jordan Mortgage Refinance Company (Relating to a subsidiary)	2,000,000	1	1	one instalment	-	7.75
Jordan Mortgage Refinance Company (Relating to a subsidiary)	2,500,000	1	1	one instalment	-	4.60
Jordan Mortgage Refinance Company (Relating to a subsidiary)	5,000,000	1	1	one instalment	-	7.60
Local Banks (Relating to a subsidiary)	5,825,000	124	112	Quarterly	-	6.75
Local Banks (Relating to a subsidiary)	4,000,000	252	252	Quarterly	-	7.25
Local Banks (Relating to a subsidiary)	14,930,423	828	827	Monthly	-	6.00
Local Banks (Relating to a subsidiary)	4,833,333	30	29	Monthly	-	6.00
	<u>197,451,501</u>					

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	Amount JD	Number of Installments		Installments Frequency	Collaterals	Borrowing Interest Rate %
		Total	Remaining			
<b>31 December 2023 (Audited)</b>						
Central Bank of Jordan borrowing *	52,172,227	13,400	8,287	Monthly	Bank Promissories	0.50 -1.75
Central Bank of Jordan borrowing *	345,900	37	16	Quarterly	Bank Promissory	1.00
Central Bank of Jordan borrowing *	3,152,402	37	24	Semi-annual	Bank Promissory	0.50 -1.00
Central Bank of Jordan borrowing *	2,200,645	17	17	Annually	Bank Promissory	0.50 -1.00
Central Bank of Jordan borrowing *	48,237,651	24,212	14,012	Monthly	Bank Promissory	0.00
International Bank for Reconstruction and Development **	2,400,000	20	8	Semi-annual starting from 15 September 2018	Bank Promissory	7.61
Arab Fund for Economic and Social Development ***	270,000	15	2	Semi-annual	Bank Promissory	2.50
Arab Fund for Economic and Social Development ***	7,118,894	34	32	Semi-annual	Bank Promissory	3.00
European Bank for Reconstruction and Development	2,020,650	7	7	Semi-annual starting from 1 September 2024	-	8.65
European Bank for Reconstruction and Development	106,350	7	7	Semi-annual starting from 1 September 2024	-	5.88
European Investment Bank	34,470,000	7	7	Semi-annual starting from 21 December 2024	-	4.45
Jordan Mortgage Refinance Company (Relating to a subsidiary)	2,000,000	1	1	one instalment	-	7.75
Jordan Mortgage Refinance Company (Relating to a subsidiary)	2,000,000	1	1	one instalment	-	4.70
Jordan Mortgage Refinance Company (Relating to a subsidiary)	2,500,000	1	1	one instalment	-	4.60
Jordan Mortgage Refinance Company (Relating to a subsidiary)	5,000,000	1	1	one instalment	-	7.60
Local Banks (Relating to a subsidiary)	5,781,250	100	94	Quarterly	-	6.75
Local Banks (Relating to a subsidiary)	700,000	36	36	Monthly	-	7.25
Local Banks (Relating to a subsidiary)	14,930,423	828	827	Monthly	-	6.00
Local Banks (Relating to a subsidiary)	5,000,000	30	30	Monthly	-	6.00
	<u>190,406,392</u>					



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\* Funds have been reborrowed from the Central Bank of Jordan to SMEs' and large corporates' sectors at an interest rate ranging between 2.4% to 4.5%.

\*\* Funds have been reborrowed from the International Bank for Reconstruction and Development to SMEs' and large corporates' sectors at an interest rate ranging between 8% to 11.25%.

\*\*\* Funds have been reborrowed from the Arab Fund for Economic and Social Development to SMEs' and large corporates' sectors at an interest rate ranging from 4.5% - 10.25%.

**(16/B) SUBORDINATED LOANS**

	Amount	Number of Installments		Installments Frequency	Collaterals	Borrowing Interest Rate
	JD	Total	Remaining			%
<b>31 March 2024 (Unaudited)</b>						
European Bank for Restructuring and Development	24,815,000	1	1	One instalment dated 6 December 2032	-	12.85
European Bank for Restructuring and Development	21,300,000	1	1	One instalment dated 8 April 2027	-	11.75
Sanad Fund for financing micro, SME's	14,180,000	1	1	One instalment dated 30 March 2030	-	10.83
	<u>60,295,000</u>					
	Amount	Number of Installments		Installments Frequency	Collaterals	Borrowing Interest Rate
	JD	Total	Remaining			%
<b>31 December 2023 (Audited)</b>						
European Bank for Restructuring and Development	24,815,000	1	1	One instalment dated 6 December 2032	-	12.85
European Bank for Restructuring and Development	21,300,000	1	1	One instalment dated 8 April 2027	-	11.75
Sanad Fund for financing micro, SME's	14,180,000	1	1	One instalment dated 30 March 2030	-	10.91
	<u>60,295,000</u>					

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	Realized Gains	Unrealized Gains	Dividends Income	Total
	JD	JD	JD	JD
<u>For the three months ended 31 March</u>				
<u>2024 (Unaudited)</u>				
Treasury bills and bonds	18,316	(15,996)	-	2,320
Corporate shares	257,679	381,132	60,276	699,087
Financial derivatives	(29,038)	(41,723)	-	(70,761)
Investment funds	-	282,690	2,802	285,492
	<u>246,957</u>	<u>606,103</u>	<u>63,078</u>	<u>916,138</u>
<u>For the three months ended 31 March</u>				
<u>2023 (Unaudited)</u>				
Treasury bills and bonds	88,924	(7,143)	-	81,781
Corporate shares	239,038	(104,008)	134,047	269,077
Investment funds	(18,482)	380,708	6,405	368,631
	<u>309,480</u>	<u>269,557</u>	<u>140,452</u>	<u>719,489</u>

**(18) BASIC AND DILUTED EARNINGS PER SHARE FOR THE PERIOD**

	<u>For the three months ended 31 March</u>	
	<u>2024</u>	<u>2023</u>
	<u>(Unaudited)</u>	<u>(Unaudited)</u>
	JD	JD
Profit for the period	9,179,278	12,557,071
Weighted average number of shares	200,000,000	200,000,000
	JD / Share	JD / Share
Basic and diluted earnings per share for the period	<u>0.046</u>	<u>0.063</u>

**(19) PROVISION FOR EXPECTED CREDIT LOSSES**

	<u>For the three months ended 31 March</u>	
	<u>2024</u>	<u>2023</u>
	<u>(Unaudited)</u>	<u>(Unaudited)</u>
	JD	JD
Balances at banks and financial institutions	295,645	(24,280)
Deposits at banks and financial institutions	(4,025)	2,109
Financial assets at amortized cost	(128,736)	(45,671)
Direct credit facilities and financing	13,627,396	10,152,396
Contingent liabilities and commitments	191,884	174,173
	<u>13,982,164</u>	<u>10,258,727</u>

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**(20) CASH AND CASH EQUIVALENTS**

	For the three months ended 31 March	
	2024	2023
	(Unaudited)	(Unaudited)
	JD	JD
Balances at central banks due within three months	704,142,869	649,823,308
<u>Add:</u> Balances at banks and financial institutions due within 3 months	430,670,241	229,706,653
<u>Less:</u> Banks and financial institutions deposits due within 3 months	(251,764,401)	(312,896,208)
<u>Less:</u> Restricted balances	(15,560,431)	(10,792,147)
	<u>867,488,278</u>	<u>555,841,606</u>

**(21) SHAREHOLDERS' EQUITY**

**Authorized and paid in capital -**

The authorized and paid up capital as at 31 March 2024 and 31 December 2023 amounted to JD 200,000,000 divided over 200,000,000 shares, where the par value per share was one JD.

**Share Premium -**

Share premium amounted to JD 68,213,173 as at 31 March 2024 and 31 December 2023.

**Statutory reserve -**

The amounts accumulated in this item represent what has been transferred from the profits before income tax at a rate of 10% over the years and is not distributable to shareholders. Moreover, no amounts from the profits have been transferred as of 31 March 2024, in accordance with the Companies Law.

**(22) CONTINGENT LIABILITIES AND COMMITMENTS**

	31 March 2024	31 December 2023
	(Unaudited)	(Audited)
	JD	JD
Letters of credit	511,512,251	377,766,475
Acceptances	185,542,275	134,886,065
Letters of guarantees:		
- Payments	67,784,542	66,849,149
- Performance	96,913,486	94,941,945
- Other	66,256,253	68,306,116
Futures currency contracts	92,676,421	62,503,548
Unutilized limits of credit facilities and financing	770,021,238	709,495,825
	<u>1,790,706,466</u>	<u>1,514,749,123</u>

**(23) LAWSUITS AGAINST THE BANK**

The total lawsuits raised against the Bank were amounted to JD 2,396,730 as at 31 March 2024 in addition to other customs lawsuits (JD2,354,730 as of 31 December 2023 in addition to other customs lawsuits), provisions booked against them amounted to JD 307,182 as at 31 March 2024 (JD 302,182 as at 31 December 2023) and the Bank management and its legal counsel believe that the provisions booked against these lawsuits are sufficient.

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The Bank entered into transactions with major shareholders, members of the Board of Directors, and executive management within the normal banking practice and according to the normal interest rates and trading commissions. All of the credit facilities granted to related parties are considered to be performing facilities.

a. The following is a summary of the balances and transactions with related parties during the period / year:

		Top Executive Management and major shareholders	Subsidiaries	Others (executive management members of the Bank and their relatives)	Total	
	Board of Directors Members				31 March 2024	31 December 2023
	JD	JD	JD	JD	(Unaudited) JD	(Audited) JD
<u>On- Interim Condensed Consolidated Statement of Financial Position Items:</u>						
Direct credit facilities and financing	625,949	3,607,014	1,718,345	63,211,336	69,162,644	67,673,022
Deposits	164,314,312	5,932,666	17,660,617	27,172,043	215,079,638	211,323,536
Deposits at banks and financial institutions	-	-	574,304	-	574,304	1,636,036
Intangible assets	-	-	2,013,445	-	2,013,445	2,211,755
<u>Off- Interim Condensed Consolidated Statement of Financial Position Items:</u>						
Letters of credit	-	-	-	5,630,909	5,630,909	627,513
Acceptances	-	-	-	3,967,538	3,967,538	4,043,519
Letters of guarantee	11,500	-	792,670	9,144,173	9,948,343	9,273,470
					For the three months ended 31 March	
					2024	2023
					(Unaudited)	(Unaudited)
					JD	JD
<u>Condensed Consolidated Interim Statement of Profit or Loss items:</u>						
Interests, returns, and commissions income	10,765	34,951	25,548	1,345,891	1,417,155	1,535,212
Interests, returns, and commissions expense	2,055,204	51,312	211,790	336,777	2,655,083	1,926,086

b. The Salaries, bonuses of bank's Executive management and the fees, transportation and allowances of the board of directors amounted to JD 3,244,949 for the three months ended 31 March 2024 (JD 2,859,675 for three months ended 31 March 2023).

**(25) SEGMENTAL INFORMATION**

**1- Bank Activities Information:**

For management purposes, the Bank is organized into the following major business segments based on the reports used by the general manager and chief operating decision maker through the following main business segments:

- Individual accounts: This item includes following up on individual customer's deposits and granting them credit facilities, credit cards and other services.
- Small and Medium Enterprises: This item includes following up on the client's deposits and credit facilities. Moreover, these clients are classified based on the volume of the granted deposits and facilities according to the Bank's instructions and principles and in compliance with the regulatory bodies' instructions.
- Large Corporates' Accounts: This item includes following up on the client's deposits and credit facilities. Moreover, these clients are classified based on the volume of the granted deposits and facilities according to the Bank's instructions and principles and in compliance with the regulatory bodies' instructions.
- Treasury: This item includes providing treasury and trading services and managing the Bank's funds and long- term investments at amortized costs, which are maintained to collect the contractual cash flows.
- Investments and Foreign Currencies Management: This item includes the Bank's local and foreign investments which are recorded at fair value, in addition to the foreign currencies trading services.
- Others: This sector includes all the accounts not listed within the segments mentioned above, such as shareholder's rights, investments in associates, property and equipment, general management and support management.

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The following table represents information on the Bank's sectors according to activities:

	Individuals	Corporates	Small and Medium Enterprises	Treasury	Other	Total	
						For the three months ended 31 March	
						2024	2023
						(Unaudited)	(Unaudited)
	JD	JD	JD	JD	JD	JD	JD
Gross Income	46,105,750	39,169,434	7,121,456	37,093,768	207,596	129,698,004	114,275,100
Expected credit losses	(8,767,851)	(4,060,896)	(1,464,486)	311,069	-	(13,982,164)	(10,258,727)
Segment Results	6,749,783	12,875,243	2,040,888	32,528,316	217,913	54,412,143	55,287,450
<u>Less:</u> Expenses not allocated to segments						(35,541,029)	(31,677,651)
Operating income						18,871,114	23,609,799
Bank's share of profits from associate companies						-	-
Profit before tax						18,871,114	23,609,799
Income tax						(7,313,185)	(8,725,932)
Profit for the period						11,557,929	14,883,867
Other Information							
Capital expenditures						5,436,555	3,796,417
Depreciation and Amortization						3,787,752	3,583,779
						Total	
						31 March 2024	31 December 2023
						(Unaudited)	(Audited)
						JD	JD
Segment Assets	1,832,840,334	1,933,800,996	343,889,447	3,127,148,220	-	7,237,678,997	7,093,625,604
Undistributed assets on segments	-	-	-	-	363,747,580	363,747,580	326,393,833
Total Assets	1,832,840,334	1,933,800,996	343,889,447	3,127,148,220	363,747,580	7,601,426,577	7,420,019,437
Segment Liabilities	3,839,095,732	1,475,589,015	748,927,403	637,288,152	-	6,700,900,302	6,532,867,417
Undistributed liabilities on segments	-	-	-	-	227,897,512	227,897,512	223,550,836
Total Liabilities	3,839,095,732	1,475,589,015	748,927,403	637,288,152	227,897,512	6,928,797,814	6,756,418,253

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**(26) CAPITAL ADEQUACY**

In addition to authorized capital, the capital includes the statutory reserve, voluntary reserve, share premium, retained earnings, fair value reserve, general banking risk reserve, and treasury stocks. The Bank is committed to apply the requirements set forth by regulators concerning capital adequacy as follows:

1. Central Bank of Jordan instructions that capital adequacy ratio should not be less than 12% in addition to a 2% additional reserve according to the external branching instructions and an additional reserve of 0.5% for banks classified as locally systemically important banks.
2. Compliance with the minimum limit set for the paid in capital for Jordanian Banks, which should not be less than JD 100 million.
3. The Bank's investments in stocks and shares should not exceed 50% of the subscribed capital.
4. The ratio of credit limits "credit concentration" to regulatory capital.
5. Banks' and Companies' law related to the deduction of the legal reserve at a rate of 10% of the Bank's profit before tax.

	31 March 2023 (Unaudited) JD	31 December 2023 (Audited) JD
Common Equity Shareholders' Rights		
Authorized and paid in capital	200,000,000	200,000,000
Retained earnings after deduction of the expected distributions	44,461,157	45,411,367
The cumulative change in fair value	1,085,941	2,693,754
Share premium	68,213,173	68,213,173
Statuary reserve	85,321,596	85,321,596
Voluntary reserve	57,172,423	57,172,423
Recognizable non-controlling interests	57,330,341	57,478,118
Interim profit after tax and deduction of the expected distributions	4,179,278	-
Total Equity capital for common stocks	517,763,909	516,290,431
<b>Regulatory Adjustments (Deductions from Capital)</b>		
Goodwill and intangible assets	(29,014,371)	(28,532,909)
Deferred tax assets resulting from investments within Tier 1 (10%)	(32,515,296)	(37,416,374)
Net Equity of common stockholders	456,234,242	450,341,148
<b>Additional capital</b>		
Recognizable non-controlling interests	10,117,119	10,143,197
Perpetual bonds	70,900,000	70,900,000
Total capital (Tier 1 capital)	537,251,361	531,384,345
<b>Tier 2 Capital</b>		
Capital provision for debts tools listed in Tier 1	14,761,878	15,280,504
Recognizable non-controlling interests	13,489,492	13,524,263
Financial tools issued by the Bank that bear supporting capital	51,775,000	51,775,000
<b>Total Supporting Capital</b>	80,026,370	80,579,767
Total Regulatory Capital	617,277,731	611,964,112
Total Risk Weighted Assets	4,164,277,009	4,083,424,049
Capital Adequacy Ratio	14.82%	14.99%
Primary Capital Adequacy Ratio	12.90%	13.01%
Supporting Capital Adequacy Ratio	1.92%	1.97%

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	31 March 2024 (Unaudited) JD	31 December 2023 (Audited) JD
Financial leverage rate		
Tier 1 Capital	537,251,361	531,384,345
Total assets in and out of the statement of financial positions after removing deductible items from Tier 1	8,495,061,441	8,129,292,079
Financial leverage rate	6.32%	6.54%

Capital adequacy was calculated as at 31 March 2024 and 31 December 2023 based on the instruction of Basel committee III.

<b><u>Liquidity Coverage Ratio (LCR):</u></b>	31 March 2024 (Unaudited)	31 December 2023 (Audited)
Total high quality liquid assets	2,061,432,190	2,020,674,210
Total high-quality liquid assets after deduction and minus cap adjustments for both level 2 (A) & (B) assets	2,024,840,298	1,986,819,408
Net cash outflow	770,295,240	858,979,314
Liquidity Coverage Ratio (LCR)	262.87%	231.30%
The liquidity coverage ratio is according to the average end of each month	259.50%	207.38%



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**(27) FAIR VALUE HIERARCHY**

a. The fair value of financial assets and financial liabilities of the Bank, which are specified at fair value on an ongoing basis:

Some of financial assets and liabilities of the Bank are valued at fair value at the end of each financial period. The following table shows the information about how to determine the fair value of these financial assets and liabilities (valuation methods and inputs used).

Financial Assets	Fair Value		The Level of fair value	Valuation method and inputs used	Important Intangible Inputs	Relation between the Fair Value and the important intangible inputs
	31 March 2024	31 December 2023				
	(Unaudited) JD	(Audited) JD				
<b>Financial Assets at Fair Value</b>						
Financial Assets at Fair Value Through Statement of Income:						
Government bonds listed on financial markets	2,488,708	2,795,239	Level 1	Quoted prices in financial markets	Not Applicable	Not Applicable
Corporate bonds listed on financial markets	1,437,132	1,022,642	Level 1	Quoted prices in financial markets	Not Applicable	Not Applicable
Corporate shares	10,246,938	9,965,008	Level 1	Quoted prices in financial markets	Not Applicable	Not Applicable
Investment Funds	12,618,971	12,446,430	Level 2	The fund manager valuation of fair value	Not Applicable	Not Applicable
	<u>26,791,749</u>	<u>26,229,319</u>				
<b>Financial Assets at Fair Value Through Other Comprehensive Income:</b>						
Quoted Shares in active markets	30,587,182	31,866,382	Level 1	Quoted prices in financial markets	Not Applicable	Not Applicable
Investment funds	19,903,475	19,632,260	Level 2	The fund manager valuation of fair value	Not Applicable	Not Applicable
Unquoted Shares in active markets	15,663,307	15,159,479	Level 3	Through using equity method and based on the latest available information	Not Applicable	Not Applicable
	<u>66,153,964</u>	<u>66,658,121</u>				
	<u>92,945,713</u>	<u>92,887,440</u>				

There were no transfers between level 1, level 2, and level 3 during the three months ended 31 March 2024 and 31 December 2023.

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b. Financial assets and liabilities of the Bank, with no fair value an going basis:

Except for what is set out in the table below, we believe that the carrying amount of financial assets and liabilities shown in the condensed consolidated financial interim information of the Bank, approximates their fair value:

	31 March 2024 (Unaudited)		31 December 2023 (Audited)		The level of fair value
	Book Value	Fair Value	Book Value	Fair Value	
	JD	JD	JD	JD	
<b>Financial Assets with no specified Fair Value</b>					
Term deposits, call accounts and certificate of deposits at Central Bank	186,800,000	186,885,664	172,500,000	172,646,479	Level 2
Current accounts, and deposits at Banks and Financial Institutions	439,848,284	440,228,667	386,026,126	386,391,285	Level 2
Direct credit facilities at amortized costs	4,254,685,007	4,260,993,251	4,244,911,424	4,250,588,835	Level 2
Other financial assets at amortized costs	1,746,289,627	1,764,246,645	1,633,814,826	1,654,472,456	Level 2
	<u>6,627,622,918</u>	<u>6,652,354,227</u>	<u>6,437,252,376</u>	<u>6,464,099,055</u>	
	31 March 2024 (Unaudited)		31 December 2023 (Audited)		The level of fair value
	Book Value	Fair Value	Book Value	Fair Value	
	JD	JD	JD	JD	
<b>Financial Liabilities with no specified Fair Value</b>					
Banks and Financial Institutions Deposits	295,764,401	297,033,113	311,250,220	312,020,823	Level 2
Customers' Deposits	5,774,589,236	5,834,833,933	5,651,353,018	5,708,140,738	Level 2
Cash Margins	378,620,294	379,668,248	329,660,434	330,258,548	Level 2
Borrowed Funds	197,451,501	198,268,949	190,406,392	190,875,472	Level 2
Syndicated Loans	60,295,000	61,471,646	60,295,000	61,429,028	Level 2
	<u>6,706,720,432</u>	<u>6,771,275,889</u>	<u>6,542,965,064</u>	<u>6,602,724,609</u>	