

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

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024
TOGETHER WITH THE INDEPENDENT
AUDITOR'S REVIEW REPORT

SAFWA ISLAMIC BANK
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN-THE HASHEMITE KINGDOM OF JORDAN
30 SEPTEMBER 2024

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**Report on Review of Interim Condensed Consolidated Financial Statements
To the Board of Directors of Safwa Islamic Bank - Public Shareholding Company
Amman - Jordan**

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Safwa Islamic Bank (the "Bank") and its subsidiary (the "Group") as at 30 September 2024, comprising of the interim condensed consolidated statement of financial position as at 30 September 2024 and the related interim condensed consolidated statement of income and other comprehensive income, interim condensed consolidated income and attribution related to quasi-equity, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the nine-month period then ended and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with Financial Accounting Standard No. (41) ("Interim Financial Reporting") related to the preparation of interim financial reports issued by the Accounting and Auditing Organization for Islamic Financial Institutions ("AAOIFI"). 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 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 Financial Accounting Standard No. (41).

Other Matter

The consolidated financial statements for the year ended 31 December 2023 and the interim condensed consolidated financial statements for the period ended 30 September 2023 were audited and reviewed by another auditor who expressed an unqualified opinion and unqualified conclusion on 18 February 2024 and 30 October 2023, respectively.

Ernst and Young

Amman – Jordan
27 October 2024

ERNST & YOUNG
Amman - Jordan

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

Interim Condensed Consolidated Statement of Financial Position

	Notes	30 September 2024 (Reviewed) JD	31 December 2023 (Audited) JD
<u>Assets</u>			
Cash and balances at the Central Bank	4	304,224,316	255,949,654
Balances at banks and the financial institutions		51,645,421	26,513,323
International wakala investments - net	5	193,759,897	85,131,319
Deferred sales receivables and other receivables - net	6	1,370,610,614	1,287,370,515
Financial assets at fair value through other comprehensive income - net	7	32,115,877	508,000
Financial assets at fair value through quasi-equity - net	8	463,011,047	452,088,535
Financial assets at amortized cost	9	90,723,000	-
Investment in associate		332,759	349,622
Ijara Muntahia Bittamleek assets - net	10	740,570,969	695,772,768
Qard Hasan - net	11	41,922,438	34,380,739
Property and equipment - net		21,688,499	20,750,849
Intangible assets - net		1,616,787	1,697,221
Right-of-use assets		10,166,900	10,188,361
Deferred tax assets	13/C	14,272,757	12,225,792
Other assets	12	61,893,277	46,056,778
Total Assets		3,398,554,558	2,928,983,476
<u>Liabilities and Quasi-equity and Equity</u>			
<u>Liabilities</u>			
Banks and financial Institutions accounts		28,679,239	23,144,067
Customers' current accounts		330,879,575	319,719,876
Cash margins		155,556,637	95,274,911
Income tax provision	13/A	12,205,897	11,919,750
Other provisions		163,719	163,719
Lease liabilities		9,922,816	10,295,338
Other liabilities	14	79,859,914	82,999,447
Total Liabilities		617,267,797	543,517,108
<u>Quasi-equity</u>			
Unrestricted investment accounts	15	2,576,144,852	2,196,527,695
Fair value reserve		1,884,779	(371,067)
Total Quasi-equity		2,578,029,631	2,196,156,628
<u>Equity</u>			
Paid-in capital		120,000,000	100,000,000
Statutory reserve		35,041,275	35,041,275
Fair value reserve through other comprehensive income		635,706	(25,069)
Retained earnings		34,143,421	54,293,534
Profit for the period - Statement (B)		13,436,728	-
Total Equity		203,257,130	189,309,740
Total Liabilities and Quasi-equity and Equity		3,398,554,558	2,928,983,476

The attached notes (1) to (32) form part of these interim condensed consolidated financial statements and should be read with them

Statement "B"

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

	Notes	For The three Months Period Ended 30 September		For The nine Months Period Ended 30 September	
		2024 (Reviewed)	2023 (Reviewed)	2024 (Reviewed)	2023 (Reviewed)
		JD	JD	JD	JD
Deferred sales income	16	23,618,653	21,589,580	69,574,589	65,352,004
Ijara Muntahia Bittamleek assets income	17	15,905,980	13,516,827	46,198,210	38,829,455
International wakala investments income		2,231,185	1,176,347	6,247,056	2,890,813
Income from financial assets at fair value through other comprehensive income	18	328,527	-	372,527	42,000
Income from financial assets at fair value through quasi-equity	19	5,906,715	3,146,973	18,013,225	8,573,091
Income from financial assets at fair value through statement of income	20	1,658	8,512	6,129	32,860
Income from financial assets at amortized cost	21	901,699	324,326	950,047	1,336,449
Net share of results of investment in an associate company		-	-	(16,863)	3,668
Income (losses) from foreign currencies evaluation		176,859	(66,450)	43,615	(75,666)
Bank's share from the restricted investments revenue as agent		-	41,009	-	64,588
Income from foreign currencies		885,586	732,029	2,374,727	1,626,839
Banking services income - net		3,916,652	2,539,672	10,100,960	6,388,046
Other income		168,073	341,640	1,036,334	1,181,578
Gross income		54,041,587	43,350,465	154,900,556	126,245,725
Deposit insurance fees		(1,252,121)	(1,116,675)	(3,756,365)	(3,350,024)
Provision of expected credit losses and other receivables	22	(8,356,497)	(3,394,804)	(24,169,158)	(11,507,190)
Employees' expenses		(4,842,718)	(4,300,287)	(13,962,324)	(12,537,304)
Depreciation and amortization		(792,846)	(798,528)	(2,358,858)	(2,349,506)
Depreciation of right of use assets		(459,690)	(431,071)	(1,335,075)	(1,283,788)
Finance costs / discount on lease liability		(86,879)	(85,815)	(260,241)	(267,177)
Rent expenses		(57,106)	(31,952)	(133,084)	(120,067)
Other expenses		(2,374,036)	(2,182,067)	(7,063,680)	(6,731,628)
Total expenses		(18,221,893)	(12,341,199)	(53,038,785)	(38,146,684)
Net profit for the period before tax and net profit attributable to quasi-equity		35,819,694	31,009,266	101,861,771	88,099,041
Less : Net profit attributable to quasi-equity		(27,485,727)	(24,549,883)	(80,103,169)	(68,393,249)
Net profit for the period before tax		8,333,967	6,459,383	21,758,602	19,705,792
Income tax expense	13/B	(3,198,234)	(2,451,000)	(8,321,874)	(7,491,765)
Net profit for the period		5,135,733	4,008,383	13,436,728	12,214,027
Other comprehensive income items :					
Gains from sale of financial assets at fair value through other comprehensive income		-	-	-	34,815
Net change in fair value reserve for financial assets		590,775	2,000	660,775	(61,662)
Total comprehensive income for the period		5,726,508	4,010,383	14,097,503	12,187,180
		JD/FILS	JD/FILS	JD/FILS	JD/FILS
Basic and diluted earnings per share for the period	23	0/043	0/033	0/112	0/102

The attached notes (1) to (32) form part of these interim condensed consolidated financial statements and should be read with them

Statement "C"

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

Interim Condensed Consolidated Statement of Income and Attribution Related to Quasi-Equity

	30 September 2024 (Reviewed)	30 September 2023 (Reviewed)
	JD	JD
Net profit for the period before tax and net profit attributable to quasi-equity	101,861,771	88,099,041
Less : Unrelated income to Quasi-equity	(13,542,262)	(8,797,823)
Add : Unrelated expenses to Quasi-equity	28,318,318	25,211,456
Net profit for the period before net profit attributable to quasi-equity	116,637,827	104,512,674
Less : share the mudarib and rab mal	(52,630,749)	(42,519,905)
Add : Bank's support	16,096,091	6,400,480
Net profit attributable to quasi-equity	80,103,169	68,393,249

The attached notes (1) to (32) form part of these interim condensed consolidated financial statements and should be read with them

Statement "D"

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

	Paid-in capital*	Statutory reserve	Fair value reserve - self	Retained Earnings**	Profit for the period	Total
	JD	JD	JD	JD	JD	JD
<u>For the nine months period ended 30 September 2024</u>						
Balance as at the beginning of the period	100,000,000	35,041,275	(25,069)	54,293,534	-	189,309,740
Capital increase	20,000,000	-	-	(20,000,000)	-	-
Capital increase fees	-	-	-	(150,113)	-	(150,113)
Profit for the period - (Statement B)	-	-	-	-	13,436,728	13,436,728
Net change in fair value reserve for financial assets through other comprehensive income	-	-	660,775	-	-	660,775
Total comprehensive income for the period - (Statement B)	-	-	660,775	-	13,436,728	14,097,503
Balance as of 30 September 2024	120,000,000	35,041,275	635,706	34,143,421	13,436,728	203,257,130
<u>For the nine months period ended 30 September 2023</u>						
Balance as at the beginning of the period	100,000,000	32,208,887	14,593	39,580,861	-	171,804,341
Profit for the period - (Statement B)	-	-	(61,662)	34,815	12,214,027	12,187,180
Balance as of 30 September 2023	100,000,000	32,208,887	(47,069)	39,615,676	12,214,027	183,991,521

- Retained earnings include a balance of JD 964,416 as of 30 September 2024 (JD 887,643 as at 31 December 2023) and it is restricted from use based on the Central Bank of Jordan instructions. which represents deferred tax assets -self.

* The Bank's capital was increased from JD (100) million to JD (120) million after obtaining the approval of the Central Bank of Jordan in addition to the approval of the Bank's General Assembly in its meeting held on 18 April 2024.

** Based on Central Bank of Jordan 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 attached notes (1) to (32) form part of these interim condensed consolidated financial statements and should be read with them

Statement "E"

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

	Notes	For the nine months period ended 30 September	
		2024 (Reviewed)	2023 (Reviewed)
		JD	JD
Cash flows from operating activities			
Profit for the period before tax - statement (B)		21,758,602	19,705,792
Adjustments for non-cash items:			
Depreciation and amortization		2,358,858	2,349,506
Depreciation of Ijara Muntahia Bittamleek assets (self & joint)		54,754,412	40,278,036
Depreciation of right of use assets		1,335,075	1,283,788
Finance costs (discount on lease liabilities)		260,241	267,177
Unrealized profit for financial assets at fair value through statement of Income		-	(75)
Provision of expected credit losses and other receivables		24,169,158	11,507,190
Net share of losses (profits) from investments in an associate company		16,863	(3,668)
Loss (gain) from the sale of property and equipment		151	(800)
Provision for impairment seized real estates / joint funds	12	436,216	103,974
Gain from sale of seized assets against debts		(450,735)	(64,515)
Profit before changes in assets and liabilities		104,638,841	75,426,405
Changes in assets and liabilities			
Deferred sales receivables and other receivables		(106,211,333)	(8,409,873)
Ijara Muntahia Bittamleek assets		(99,552,613)	(103,052,323)
Qard Hasan		(8,237,116)	(5,050,935)
Other assets		(17,806,737)	(30,942,079)
Customers' current accounts		11,159,699	31,200,879
Cash margin accounts		60,281,726	26,135,137
Other liabilities		(2,736,775)	14,624,603
Net cash flows used in operating activities before income tax paid and paid from legal provision		(58,464,308)	(68,186)
Income tax paid	13/A	(10,041,995)	(11,610,802)
Paid from legal provision		-	(276,281)
Net cash flows used in operating activities		(68,506,303)	(11,955,269)
Cash flows from investing activities			
Purchase of financial assets at fair value through quasi-equity - net		(8,673,677)	(138,717,699)
Net sale of financial assets at fair value through statement of income		-	(106,629)
Purchase of financial assets at fair value through other comprehensive income		(30,991,650)	(264,307)
(Purchase) maturity of financial assets at amortized cost		(90,723,000)	37,313,000
Purchase of intangible assets		(455,682)	(373,265)
Purchase from sale of property and equipment		(2,760,542)	(1,491,857)
Proceeds from sale of seized assets against debts		1,324,518	292,148
International Wakala Investments		(108,862,743)	(30,960,409)
Net cash flows used in investing activities		(241,142,776)	(134,309,018)
Cash Flows from Financing Activities			
Joint investment accounts		379,617,157	168,853,012
Paid from lease liabilities		(1,946,377)	(1,856,010)
Capital increase fees		(150,113)	-
Net cash flows from financing activities		377,520,667	166,997,002
Net increase in cash and cash equivalents		67,871,588	20,732,715
Cash and cash equivalents at beginning of the year		259,318,910	198,857,604
Cash and cash equivalents at end of the period	24	327,190,498	219,590,319

The attached notes (1) to (32) form part of these interim condensed consolidated financial statements and should be read with them

Safwa Islamic Bank
(Public Shareholding Limited Company)
Amman - The Hashemite Kingdom of Jordan
Notes to the Interim Condensed Consolidated Financial Statements

(1) GENERAL

Safwa Islamic Bank (the "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 -four branches within the Kingdom and its subsidiary, in accordance with the effective Banking Law.

The Bank's authorized and paid-up capital is JD 120 million consisting of 120 million shares with a nominal value of one JD per share, where the Bank's capital was increased from JD (100) million to JD (120) million after obtaining the approval of the Central Bank of Jordan in addition to the approval of the Bank's General Assembly in its meeting held on 18 April 2024.

Etihad Islamic Investment Company ("the Parent Company") owns 62.37% of the Bank's capital.

The interim condensed consolidated financial statements for the nine months ended 30 September 2024 were approved by the Bank's Board of Directors at its meeting no. (5/2024) on 24 October 2024.

(2) BASIS OF PREPARATION AND ACCOUNTING POLICIES

(2-1) Basis of preparation of the interim condensed consolidated financial statements:

The interim condensed consolidated financial statements of the Bank and its subsidiary financed from the Bank's funds (the "Group") have been prepared in accordance with Financial Accounting Standard No. (41) ("Interim Financial Reporting") related to the preparation of interim financial reports issued by the Accounting and Auditing Organization for Islamic Financial Institutions ("AAOIFI"). The Bank also complies with the applicable local laws and the instructions of the Central Bank of Jordan and in the absence of standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions related to the items of the financial statements, the International Financial Reporting Standards and their interpretations are applied in conformity with Sharia' standards until Islamic standards are issued for them.

The Bank complies with the instructions of the Central Bank of Jordan and the local laws in force.

The Bank has fully implemented the Islamic Accounting Standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions starting from 1 January 2024 instead of the Islamic Accounting Standards as amended by the instructions of the Central Bank of Jordan and the variances between these two frameworks are not material to the interim condensed consolidated financial statements.

The interim condensed consolidated financial statements have been prepared in accordance with the historical cost basis except for the financial assets at fair value through other comprehensive income and financial assets at fair value through quasi equity.

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

The interim condensed consolidated financial statements do not contain all information and disclosures for annual consolidated financial statements prepared in accordance with Sharia' rules and principles determined by the Bank's Sharia Supervisory Board and in accordance with Financial Accounting Standards issued by Accounting and Auditing Organization for Islamic Financial Institutions and it shall be read in conjunction with the Bank's annual report as of 31 December 2023. In addition, the results for the nine-month period ended 30 September 2024 do not necessarily indicate the expected results for the year ended 31 December 2024 and no appropriation was made for the profits of nine months period ended 30 September 2024 since it is made at year-end.

(2-2) Basis of consolidation of the interim condensed consolidated financial statements:

The interim condensed consolidated financial statements comprise of the financial statements of the Bank and its subsidiary which is financed by the Bank's own funds and the Bank has the control to govern the operational and financial policies of the subsidiary to obtain benefits from its activities, all inter-company balances, transactions, revenue, expenses and off –balance sheet items between the Bank and its subsidiary are eliminated.

The financial statements of the subsidiary are prepared for the same reporting period as the Bank using same accounting policies applied by the Bank.

The subsidiary's operation results are consolidated in the interim condensed consolidated statements of income and other comprehensive income from the acquisition date which is the date the Bank actually obtains control on the subsidiary. The subsidiary's discontinued operation results are consolidated in the interim condensed consolidated statements of income and other comprehensive income which is the date that the Bank loses the control on its subsidiary.

The Bank owns the following subsidiary as of 30 September 2024:

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

(2-3) Changing in accounting policies:

The accounting policies used in the preparation of the interim condensed consolidated financial statements are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2023 except for the impact of the application of the following standards:

Financial Accounting Standard No. (1) (Revised 2021) - General Presentation and Disclosure in Financial Statements

The Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) has issued this revised standard, which supersedes the previous Financial Accounting Standard No. (1) "General Presentation and Disclosure in the Financial Statements of Islamic Banks and Financial Institutions." The standard introduces the concepts of quasi-equity, off-balance sheet assets under management and comprehensive income to enhance the information provided to users of financial statements.

The Bank has implemented the standard and implemented certain presentation and disclosure changes in the interim financial statements for the period. The application of this standard did not have a material impact on the recognition and measurement principle.

The following illustrates the most important amendments to the standard:

1. The revised conceptual framework is now an integral part of the Financial Accounting Standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions.
2. The term quasi-equity has been added to the standard, which represents a broader concept to include "joint investment accounts" and other transactions under similar structures. Similarly, the broader term "off-balance sheet assets under management" is now used instead of "restricted investment accounts."
3. The concept of other comprehensive income has been included, with the option of preparing a single statement that is a combination of the income statement and other comprehensive income statement or preparing the two statements separately. The Bank has chosen to prepare a single statement.
4. A new statement "statement of income and attribution related to quasi-equity" has been added.
5. The statement of Qard Hasan has been moved to the notes to the financial statements and hence the statement of Qard Hasan has been removed as a main statement.
6. Treatment of changes in accounting policies, changes in estimates and correction of errors has been improved.
7. The disclosures of related parties, subsequent events and the going concern basis have been improved.
8. The disclosures of foreign currencies and segment reporting have been improved.

Financial Accounting Standard No. (40) "Financial Reporting for Islamic Finance Windows"

This standard improves and replaces FAS no. (18) "Islamic financial services provided by conventional financial institutions" and specifies financial reporting requirements applicable to conventional financial institutions that provide Islamic financial services. This standard requires traditional financial institutions that provide Islamic financial services through Islamic financing windows to prepare and submit financial statements for Islamic financing windows aligned with the requirements of this standard and other financial accounting standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI). This standard provides principles of financial reporting including presentation and disclosure requirements applicable to Islamic finance windows.

This standard is not applicable to the Bank.

Financial Accounting Standard No. (44) "Determining Control of Assets and Business"

Financial Accounting Standard no. (44) aims to establish principles for assessing whether an enterprise controls assets and business projects both in the case of assets subject to a participatory structure contract (so as to determine whether they are on or off-balance sheet) as well as to enforce the consolidation of the financial statements of subsidiaries.

The application of this standard had no impact on the interim condensed consolidated financial statements.

New Standard Issued but Not Yet Effective

The following new accounting standard issued but not yet effective up to the date of the interim consolidated financial statements is listed below, and the Bank will apply this standard when it becomes effective:

Financial Accounting Standard No. (45) “Quasi Equity (Including Investment Accounts)”

The Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) issued FAS (45) in 2023. This standard describes the financial reporting principles for participatory investment instruments (including investment accounts) in which an Islamic financial institution controls the underlying assets (usually as a working partner), on behalf of stakeholders other than the owners' equity. Such instruments (including, in particular, unrestricted investment accounts) normally qualify for on-balance sheet accounting and are recorded as quasi-equity. This standard also provides the overall criteria for on-balance sheet accounting standards for participatory investment instruments and quasi-equity as well as pooling, recognition, derecognition, measurement, presentation and disclosure of quasi-equity instruments. The standard also addresses financial reporting related to quasi-equity instruments. The standard also addresses financial reporting related to other quasi-equity instruments and certain specific issues.

This standard is effective for financial reporting periods beginning on or after 1 January 2026.

The concept of quasi-equity was introduced in FAS 1 “General Presentation and Disclosures in Financial Statements” (revised 2021).

The standard will be implemented from 1 January 2026 and is not expected to have a material impact on the Bank upon its adoption.

3) Use of estimates

The preparation of interim condensed consolidated financial statements requires the Bank's 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, expenses, and the provisions and the fair value changes reported in equity and Quasi-equity. In particular, considerable judgment by the Bank's management is required in the estimation of the amount and timing of future cash flows. Such estimates are necessarily based on assumptions about several factors involving varying degrees of judgment and uncertainty and actual results may differ as a result of changes in conditions and circumstances of those estimates in the future.

We believe that our estimates in the interim condensed consolidated financial statements are reasonable, and the estimates are summarized as follows :

A. Provision for expected credit losses for deferred sales receivables and other receivables.

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

Impairment of financial assets

The Bank applies the expected credit loss requirements and the amendments relating to the classification and measurement of financial instruments. The effect of the following instructions of the Central Bank of Jordan related to the application of AAOIFI (30) is recognized by recording the impact on the consolidated statement of Profit or loss and comprehensive income in respect of assets and financing (self). The expected credit losses and other provisions for jointly financed and investments, that were classified at fair value through unrestricted investment accounts holders' equity will be charged on the common pool.

Credit-impaired financial assets

The financial asset is considered to be "credit-impaired" when one or more events have an adverse effect on the estimated future cash flows of the financial asset. Credit-impaired financial assets are referred to as third stage assets. Evidence of credit impairment includes observable data on the following events:

- The debtor is facing significant financial difficulties (severe weakness in the financial statements).
- Non-compliance with contractual conditions, such as the existence of dues equal to or greater than (90) days.
- The Bank amortized part of the debtor's obligations for reasons related to financial difficulties facing the debtor and his inability to pay the obligations in full on time.
- The existence of clear indicators indicating the imminent bankruptcy of the debtor.
- Lack of an active market for a financial instrument due to financial difficulties faced by the debtor (source of credit exposure/non-cash debt instrument).

If a single event cannot be identified, instead, the combined effect of several events may cause the financial assets to turn into assets with a credit-impaired value. The Bank assesses whether there has been a decline in credit of financial instruments measured at fair value through quasi-equity/equity at the date of each report. To assess whether there is credit impairment to corporate debt instruments. Furthermore, a combination of factors such as Sukuk proceeds, credit rating, and the borrower's ability to increase funding is considered.

The Bank has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

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

Definition of default

The instructions of the Central Bank of Jordan are applied, where credit facilities are considered non-performing if their maturity or the maturity of one of their installments has passed for a period of time equal to or more than 90 days or there are clear indications indicating the possibility of default of credit facilities. The Bank's concept of default also includes the possibility of non-payment of Sukuk, Wakalat and international murabaha with banks and banking institutions.

The payment of due installments is followed up through the dedicated departments within a general framework and approved policies for this purpose.

When assessing whether a customer is unlikely to pay his credit obligation, the bank takes into account qualitative and quantitative indicators. Such information includes the type of asset, also the Bank uses various sources of information to assess defaults that are developed internally or obtained from external sources.

Significant increase in credit risk

The Bank monitors all financial assets, financial liabilities, and financial guarantee contracts that are subject to impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there is a significant increase in credit risk, the Bank will measure the allowance for loss on a life-long basis rather than the expected (12) month credit loss.

The mechanism of calculating the expected credit losses (ECL)

The mathematical model for calculating the expected credit losses according to Financial Accounting Standard no. (30) issued by the Accounting and Auditing Organization for Islamic Financial Institutions ("AAOIFI") is as follows:

$$\text{Expected Credit Loss} = \text{Probability of Default (PD)} * \text{Exposure at Default (EAD)} * \text{Loss Given Default (LGD)}$$

The calculation of Expected Credit Loss (ECL) depended on the calculation of the following variables:

Definition of probability of default and the mechanism of calculation and controlling (PD):

It is the probability of irregularity in repayment where it is measured for the purpose of calculating the expected credit losses for each stage from the implementation of the Financial Accounting Standard no. (30) issued by the AAOIFI based on historical data that reflecting historical default rates as well as stress tastings related to macroeconomic variables, where the Bank has reflected the global and local economic conditions, on the possibility of default (Macroeconomic Adjusted PD) and adopting it as a basis in the process of calculating expected credit losses, with the aim of precaution.

The probability of default for a period of 12 months is calculated for the facilities included in stage one and the life-time probability of default for the facilities in stage two and three. The bank adopts a PD on the level of corporate portfolio clients and investment portfolio clients on an individual basis, while a general ratio for each individual product is based on a collective basis.

Definition of Exposure at Default and Mechanism of Calculating and Controlling (EAD):

It is the amount of potential exposure that is subject to risk (uncovered balance by acceptable collaterals) for exposures that fall within the scope of Financial Accounting Standard no. (30) issued by the AAOIFI through forward-looking for the period in which the default may occur. The exposure at default is measured for the purposes of calculating expected credit losses for each stage according to FAS 30 issued by AAOIFI where an EAD haircut is used to determine the on-balance sheet exposure that subjected to risk where the off-balance statistical exposure utilization (DDF) is used to determine the potential utilization for those exposures (LGs, LCs and Unutilized Limits). Exposure at Default (EAD) is calculated by the total facilities for the first and second stages and net facilities for the third stage.

Definition of loss given default and mechanism of calculating and controlling (LGD):

It is the amount of loss that arises as a result of defaulted facilities and that is calculated through a statistical model which analyzes the historical collections for each portfolio, where it measured for the purpose of calculating the expected credit loss for each stage of expected credit losses according to the instructions for the implementation of FAS 30 issued by AAOIFI by calculating the recoverable amount of the different collateral (cars, real estate, cash margins, land, machinery, equipment and vehicles) provided to the Bank against the facilities that granted and legally documented into contracts through a conversion factor for each type of collateral taking into consideration the timing of reaching each type of collateral and turn them into cash (expected cash flow and timing).

The main economic variables used by the Bank in calculating the expected credit losses (ECL) :

The main economic variables (macroeconomic variables) were included in the automated system for calculating the expected credit losses. The Bank adopts three scenarios, which are the base scenario, the optimistic scenario, and the pessimistic scenario, which were determined based on economic studies issued by the World Bank and international rating agencies. The weights of the scenarios used by the Bank are as follows:

Scenario	Weight as of 30 September 2024	Weight as of 31 December 2023
Baseline	50%	50%
Optimistic	10%	5%
Pessimistic	40%	45%

B. Income tax provision:

The income tax expense is charged to its financial year according to the accounting regulations, laws and standards. Deferred tax assets, liabilities, and required tax provision are recognized and calculated.

C. Legal provisions:

A provision is taken to meet any potential legal obligations based on the legal study prepared by the Bank's legal counsel which identifies the risks that may arise in the future and reviews the study periodically.

(4) CASH AND BALANCES AT THE CENTRAL BANK

The details of this item are as follows:

	30 September 2024 (Reviewed)	31 December 2023 (Audited)
	JD	JD
Cash on hand	29,727,761	27,298,492
Balances at the Central Bank of Jordan:		
Current accounts	170,141,498	133,591,073
Statutory cash reserve	104,355,057	95,060,089
Total balances at the Central Bank of Jordan	274,496,555	228,651,162
Total	304,224,316	255,949,654

- Except for the statutory cash reserve, there are no other restricted cash balances at the Central Bank of Jordan as at 30 September 2024 and 31 December 2023.
- Provision for expected credit losses has not been calculated on the balances at the Central Bank of Jordan, as they are exposures to the Jordanian government.

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

	Stage 1 (individual) For the period ended 30 September 2024 (Reviewed) 2024 JD	Stage 1 (individual) For the year ended 31 December 2023 (Audited) 2023 JD
Balance at the beginning of the period / year	228,651,162	178,217,660
New balances during the period / year	86,528,358	50,433,502
Settled balances	(40,682,965)	-
Balance at the end of the period / year	274,496,555	228,651,162

(5) INTERNATIONAL WAKALA INVESTMENTS - NET

The details of this item are as follows:

	Jointly financed	
	30 September 2024 (Reviewed)	31 December 2023 (Audited)
	JD	JD
Matures:		
Within a month	134,049,875	40,072,224
From a month to three months	40,700,650	37,042,980
From three to six months	19,317,000	8,089,578
Total International Wakala Investments	194,067,525	85,204,782
Less: Provision for expected credit losses for international wakala investment	(307,628)	(73,463)
Net International Wakala Investments	193,759,897	85,131,319

(6) DEFERRED SALES RECEIVABLES AND OTHER RECEIVABLES - NET

The details of this item are as follows :

	Joint		Self		Total	
	30 September	31 December	30 September	31 December	30 September	31 December
	2024 (Reviewed)	2023 (Audited)	2024 (Reviewed)	2023 (Audited)	2024 (Reviewed)	2023 (Audited)
	JD	JD	JD	JD	JD	JD
Individuals (retail)						
Murabaha to the purchase orderer	509,334,438	468,912,266	1,982,514	1,837,634	511,316,952	470,749,900
Ijara Muntahia Bittamleek - receivables	2,937,082	2,333,538	1,307	-	2,938,389	2,333,538
Other receivables	10,577,090	8,443,484	20,391	20,391	10,597,481	8,463,875
Real estate financing	17,973,613	18,763,701	-	-	17,973,613	18,763,701
Ijara Muntahia Bittamleek - receivables	3,198,014	2,655,792	-	-	3,198,014	2,655,792
Corporate						
International Murabaha	-	2,238,029	-	-	-	2,238,029
Murabaha to the purchase orderer	480,537,868	431,091,493	-	-	480,537,868	431,091,493
Ijara Muntahia Bittamleek - receivables	1,362,484	666,410	-	-	1,362,484	666,410
Other receivables	-	-	71,444	112,202	71,444	112,202
Small and medium enterprises						
Murabaha to the purchase orderer	73,022,969	62,336,934	-	-	73,022,969	62,336,934
Ijara Muntahia Bittamleek - receivables	-	23,519	-	-	-	23,519
Other receivables	-	-	250,046	389,168	250,046	389,168
Government and the public sector	542,911,840	531,023,519	-	-	542,911,840	531,023,519
Total	1,641,855,398	1,528,488,685	2,325,702	2,359,395	1,644,181,100	1,530,848,080
Less: Deferred revenue	185,963,604	179,999,187	305,752	285,008	186,269,356	180,284,195
Suspended revenue	3,466,810	2,330,284	7,112	7,112	3,473,922	2,337,396
Provision for expected credit losses	83,795,182	60,823,719	32,026	32,255	83,827,208	60,855,974
Net deferred sales receivable and other receivables	1,368,629,802	1,285,335,495	1,980,812	2,035,020	1,370,610,614	1,287,370,515

- The non- performing deferred sales receivables, Ijara Muntahia Bittamleek receivables, other receivables , facilities and Qard Al-Hasan amounted to JD 74,182,805 as at 30 September 2024, representing 4.40% of deferred sales receivables, Ijara Muntahia Bittamleek receivables, other receivables, facilities and Qard Al-Hasan(JD 45,306,142 as at 31 December 2023, representing 2.89% of deferred sales receivables, Ijara Muntahia Bittamleek receivables, other receivables, facilities and Qard Al-Hasan).
- The non- performing deferred sales receivables, Ijara Muntahia Bittamleek receivables, other receivables , facilities and Qard Al-Hasan after deducting suspended revenue amounted to JD 70,708,883 as at 30 September 2024, representing 4.20% of deferred sales receivables, Ijara Muntahia Bittamleek receivables , other receivables, facilities and Qard Al-Hasan after deducting suspended revenue amounted (JD 42,968,746 as at 31 December 2023, representing 2.75% of deferred sales receivables, Ijara Muntahia Bittamleek receivables, other receivables, facilities and Qard Al-Hasan).
- There are no non-performing debts converted to items outside the interim condensed consolidated statement of financial position during the period 30 September 2024 compared to JD 12,114,982 as at 31 December 2023, noting that these debts are fully covered by provisions and outstanding profits.
- The provision for impairment of the joint facilities , which is calculated based on the Central Bank of Jordan's Instructions No.(47/2009) in the (under supervision) portfolio amounted to JD 2,097,767 . Moreover, the provision calculated based on the individual customer (non-performing) amounted to JD 48,048,223 as at 30 September 2024 (JD 1,773,195 and JD 30,015,210 respectively as at 31 December 2023).
- 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 463,449,968 as at 30 September 2024 representing 27.46% of the balance of deferred sales receivables , Ijara Muntahia Bittamleek receivables, other receivables and facilities (JD 433,652,661 as at 31 December 2023, representing 27.69% of the balance of deferred sales receivables , other receivables and facilities).

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

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

Item	For the nine months ended 30 September 2024 (Reviewed)						For the year ended 31 December 2023 (Audited)
	Stage 1		Stage 2		Stage 3	Total	Total
	Individual	Collective	Individual	Collective			
	JD	JD	JD	JD	JD	JD	JD
Total balance at the beginning of the period / year	32,284,007	1,716,023	2,133,784	149,130	1,041,219	37,324,163	9,618,451
New facilities during the period / year	40,595,316	883,703	605,017	25,837	561,249	42,671,122	35,032,653
Settled facilities	(31,765,354)	(347,902)	(2,052,556)	(74,412)	(8,273)	(34,248,497)	(6,700,005)
Transfer to Stage 1	-	16,783	-	(15,803)	(980)	-	-
Transfer to Stage 2	(2,720)	(22)	2,720	25	(3)	-	-
Transfer to Stage 3	-	(11,988)	(472)	(22,806)	35,266	-	-
The total impact on the size of exposures as a result of changing the classification between stages	-	(11,544)	(90)	31	(19,453)	(31,056)	(24,286)
Changes resulting from modifications	(1,772)	(256,678)	(31,881)	(17,958)	99,399	(208,890)	(558,025)
Facilities written off or transferred to statement of financial position outside items	-	-	-	-	-	-	(44,625)
Total balance at the end of the period / year	41,109,477	1,988,375	656,522	44,044	1,708,424	45,506,842	37,324,163

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

Item	For the nine months ended 30 September 2024 (Reviewed)						For the year ended 31 December 2023 (Audited)
	Corporate	Small and medium enterprises	Individual (Retail)	Real estate finance	Government and the public sector	Total	Total
	JD	JD	JD	JD	JD	JD	JD
Balance at the beginning of the period / year	533,253	144,574	230,577	-	-	908,404	522,051
Impairment loss on new facilities during the period / year	368,797	349,205	87,935	-	-	805,937	572,380
Recoverable from the loss on settled facilities	(216,856)	(866)	(6,381)	-	-	(224,103)	(250,162)
Transfer to Stage 1	(10)	910	(2)	-	-	898	-
Transfer to Stage 2	(4)	-	(171)	-	-	(175)	-
Transfer to Stage 3	14	(910)	172	-	-	(724)	-
Effect on the provision as a result of the change in classification between the three stages during the period / year	976	907	4,660	-	-	6,543	8,388
Changes resulting from modifications	55,572	47,621	3,619	-	-	106,812	100,372
Facilities written off or transferred to statement of financial position outside items	-	-	-	-	-	-	(44,625)
Total balance at the end of the period / year	741,742	541,441	320,409	-	-	1,603,592	908,404
Redistribution:							
Provisions on an individual basis	741,742	540,746	311,512	-	-	1,594,000	900,011
Provisions at a collective basis	-	695	8,897	-	-	9,592	8,393

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

B- Joint

Item	For the nine months ended 30 September 2024 (Reviewed)						For the year ended 31 December 2023 (Audited)
	Stage 1		Stage 2		Stage 3	Total	Total
	Individual	Collective	Individual	Collective			
	JD	JD	JD	JD	JD	JD	JD
Total balance at the beginning of the period / year	792,117,590	391,835,502	73,137,097	47,849,424	41,219,601	1,346,159,214	1,371,067,546
New facilities during the period / year	143,991,829	121,170,823	10,261,595	6,250,370	369,926	282,044,543	250,087,875
Settled facilities	(25,516,067)	(26,958,334)	(5,415,434)	(2,778,780)	(523,380)	(61,191,995)	(103,769,493)
Transfer to Stage 1	17,545,243	7,966,418	(17,545,243)	(7,850,434)	(115,984)	-	-
Transfer to Stage 2	(28,746,637)	(25,354,754)	28,746,637	26,563,349	(1,208,595)	-	-
Transfer to Stage 3	(146,439)	(1,171,271)	(17,340,402)	(5,684,374)	24,342,486	-	-
The total impact on the size of exposures as a result of changing the classification between stages	(1,535,244)	(1,883,906)	(2,517,003)	(471,048)	117,424	(6,289,777)	622,206
Changes resulting from modifications	(54,749,963)	(47,686,258)	(3,341,494)	(2,900,785)	381,499	(108,297,001)	(160,713,065)
Facilities written off or transferred to statement of financial position outside items	-	-	-	-	-	-	(11,135,855)
Total balance at the end of the period / year	842,960,312	417,918,220	65,985,753	60,977,722	64,582,977	1,452,424,984	1,346,159,214

- The movement on provision for expected credit losses on credit facilities - joint:

Item	For the nine months ended 30 September 2024 (Reviewed)						For the year ended 31 December 2023 (Audited)
	Corporate	Small and medium enterprises	Individual (Retail)	Real estate finance	Government and the public sector	Total	Total
	JD	JD	JD	JD	JD	JD	JD
	JD	JD	JD	JD	JD	JD	JD
Balance at the beginning of the period / year	31,589,864	3,147,430	20,594,586	5,491,839	-	60,823,719	56,409,431
Impairment loss on new facilities during the period / year	1,222,705	38,504	658,061	2,332,734	-	4,252,004	2,577,852
Recoverable from impairment loss on settled facilities	(1,218,883)	(470,661)	(624,408)	(1,498,801)	-	(3,812,753)	(3,282,224)
Transfer to Stage 1	2,077,997	1,657	221,845	(1,484)	-	2,300,015	-
Transfer to Stage 2	(6,161,322)	39,186	(235,481)	(199,223)	-	(6,556,840)	-
Transfer to Stage 3	4,083,325	(40,843)	13,636	200,707	-	4,256,825	-
Effect on the provision as a result of the change in classification between the three stages during the period / year	2,964,167	85,994	5,021,289	671,451	-	8,742,901	3,164,406
Changes resulting from modifications	2,131,736	793,258	9,985,336	878,981	-	13,789,311	13,090,109
Facilities written off or transferred to statement of financial position outside items	-	-	-	-	-	-	(11,135,855)
Total balance at the end of the period / year	36,689,589	3,594,525	35,634,864	7,876,204	-	83,795,182	60,823,719

Redistribution:

Provisions on an individual basis	36,689,589	3,243,327	17,392,956	7,818,437	-	65,144,309	39,702,815
Provisions at a collective basis	-	351,198	18,241,908	57,767	-	18,650,873	21,120,904

Suspended revenue :

The movement on suspended revenue is as follows:

	Self							
	For the nine months ended 30 September 2024 (Reviewed)				For the year ended 31 December 2023 (Audited)			
	Individual (Retail)	Corporate	Small and medium enterprises	Total	Individual (Retail)	Corporate	Small and medium enterprises	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Balance at the beginning of the period / year	-	7,112	-	7,112	-	7,112	-	7,112
Add: suspended revenue during the period / year	-	-	-	-	-	-	-	-
Less : suspended revenue transferred to revenue	-	-	-	-	-	-	-	-
Balance at the end of the period / year	-	7,112	-	7,112	-	7,112	-	7,112

	Joint							
	For the nine months ended 30 September 2024 (Reviewed)				For the year ended 31 December 2023 (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	1,380,940	699,135	250,209	2,330,284	1,225,804	1,363,282	134,325	2,723,411
Add: suspended revenue during the period / year	687,968	646,993	101,338	1,436,299	542,805	400,232	131,194	1,074,231
Less : Revenues that have been settled/non-existent or transferred to items outside the financial position list	-	-	-	-	88,588	845,914	-	934,502
Less : suspended revenue transferred to revenue	260,603	2,748	36,422	299,773	299,081	218,465	15,310	532,856
Balance at the end of the period / year	1,808,305	1,343,380	315,125	3,466,810	1,380,940	699,135	250,209	2,330,284

(7) FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPERHENSIVE INCOME-NET :

The details of this item are as follows:

	Self	
	30 September 2024 (Reviewed)	31 December 2023 (Audited)
	JD	JD
Quoted Financial Assets :		
Corporate Shares	570,000	508,000
Islamic Sukuk	31,590,425	-
Total quoted Financial Assets	32,160,425	508,000
Total financial assets at fair value through other comprehensive income :	32,160,425	508,000
Less : Provision for expected credit losses on financial assets	(44,548)	-
Net financial assets at fair value through other comprehensive income :	32,115,877	508,000

(8) FINANCIAL ASSETS AT FAIR VALUE THROUGH JOINT QUASI-EQUITY- NET

The details of this item are as follows:

	Joint	
	30 September 2024 (Reviewed)	31 December 2023 (Audited)
	JD	JD
Quoted Financial Assets :		
Corporate Shares	1,511,331	2,312,403
Islamic Sukuk	124,898,554	83,457,020
Total quoted Financial Assets	126,409,885	85,769,423
Unquoted Financial Assets		
Corporate Shares	6,826,003	5,881,231
Islamic Sukuk	329,931,794	360,587,505
Total unquoted financial assets	336,757,797	366,468,736
Total Financial Assets At Fair Value through Quasi-equiy	463,167,682	452,238,159
Less: Provision for expected credit losses for financial assets	(156,635)	(149,624)
Net Financial Assets At Fair Value through Quasi-equiy	463,011,047	452,088,535

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

(9) FINANCIAL ASSETS AT AMORTIZED COST

The details of this item are as follows:

	Joint	
	30 September 2024	31 December 2023
	JD	JD
Unquoted Financial Assets:		
Islamic Sukuk	90,723,000	-
Total unquoted Financial Assets	90,723,000	-
Total Financial Assets at Amortized Cost	90,723,000	-

- Matured during the years 2029.

- There is no need to take expected credit losses against financial assets at amortized cost because these instruments are issued under the guarantee of the Jordanian government.

(10) IJARA MUNTAHIA BITTAMLEEK ASSETS - NET

	Joint			Self			Total		
	Cost	Accumulated Depreciation	Net Value	Cost	Accumulated Depreciation	Net Value	Cost	Accumulated Depreciation	Net Value
<u>30 September 2024 (Reviewed)</u>	JD	JD	JD	JD	JD	JD	JD	JD	JD
Ijara Muntahia Bittamleek assets-Real Estate	810,645,155	(150,139,781)	660,505,374	8,671,971	(2,108,104)	6,563,867	819,317,126	(152,247,885)	667,069,241
Ijara Muntahia Bittamleek assets-Machines	87,662,820	(18,774,040)	68,888,780	-	-	-	87,662,820	(18,774,040)	68,888,780
Ijara Muntahia Bittamleek assets-Vehicles	5,923,823	(1,310,875)	4,612,948	-	-	-	5,923,823	(1,310,875)	4,612,948
Total	904,231,798	(170,224,696)	734,007,102	8,671,971	(2,108,104)	6,563,867	912,903,769	(172,332,800)	740,570,969

	Joint			Self			Total		
	Cost	Accumulated Depreciation	Net Value	Cost	Accumulated Depreciation	Net Value	Cost	Accumulated Depreciation	Net Value
<u>31 December 2023 (Audited)</u>	JD	JD	JD	JD	JD	JD	JD	JD	JD
Ijara Muntahia Bittamleek assets-Real Estate	745,035,326	(127,341,664)	617,693,662	8,247,587	(2,050,328)	6,197,259	753,282,913	(129,391,992)	623,890,921
Ijara Muntahia Bittamleek assets-Machines	83,241,239	(16,318,926)	66,922,313	-	-	-	83,241,239	(16,318,926)	66,922,313
Ijara Muntahia Bittamleek assets-Vehicles	5,836,477	(876,943)	4,959,534	-	-	-	5,836,477	(876,943)	4,959,534
Total	834,113,042	(144,537,533)	689,575,509	8,247,587	(2,050,328)	6,197,259	842,360,629	(146,587,861)	695,772,768

- The accrued Ijara installments amounted to JD 7,498,887 as of 30 September 2024 (JD 5,679,259 as of 31 December 2023). Moreover, the accrued Ijara installments were presented under deferred sales receivables and other receivables (Note 6).

- The non-performaing Ijara Muntahia Bittamleek amounted to JD 10,921,286 as of 30 September 2024, representing 1.47% of the balance of Ijara Muntahia Bittamleek assets (JD 5,276,218 as of 31 December 2023, representing 0.76% of the balance of Ijara Muntahia Bittamleek assets).

(11) Al-Qard Al-Hasan - NET

The details of this item are as follows :

	30 September	31 December
	2024 (Reviewed)	2023 (Audited)
	JD	JD
Balance at the beginning of the period / year	34,221,814	4,240,493
Sources of the fund from :		
Equity	(41,024,539)	(12,780,208)
Total Sources of the fund during the period / year	(41,024,539)	(12,780,208)
Uses of the fund on :		
Companies	47,735,189	42,691,704
Employees	48,777	69,825
Retail	189,295	-
Total uses during the period / year	47,973,261	42,761,529
Gross balance	41,170,536	34,221,814
Add: exposed accounts	2,323,468	1,035,074
Less : Provision for expected credit losses	(1,571,566)	(876,149)
Balance at the end of the period / year - Net	41,922,438	34,380,739

(12) OTHER ASSETS

The details of this item are as follows:

	30 September 2024(Reviewed)	31 December 2023(Audited)
	JD	JD
Seized assets by the bank against debts-net*	49,652,890	36,407,094
Prepaid expenses	1,501,016	1,838,427
Deposit Insurance Corporation fees/Prepaid	1,252,122	-
Accrued revenue	7,534,046	5,671,086
Stationery and printing inventory	339,047	271,612
Withholding income tax	18,103	40,697
Petty cash and advances	37,326	41,650
Other accounts receivable - net**	194,446	869,165
Others	1,364,281	917,047
Total	61,893,277	46,056,778

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

	For the nine months ended 30 September 2024 (Reviewed)			For the year ended 31 December 2023 (Audited)
	Seized real estates self	Seized real estates joint	Total	Total
	JD	JD	JD	JD
Balance at the beginning of the period / year	391,729	37,450,928	37,842,657	9,613,940
Additions	-	14,783,347	14,783,347	28,446,339
Sales and disposals	-	(1,101,335)	(1,101,335)	(217,622)
Total	391,729	51,132,940	51,524,669	37,842,657
Provision of seized assets (CBJ Instructions/impairment of real estate)	(343,441)	(1,528,338)	(1,871,779)	(1,435,563)
Balance at the end of the period / year	48,288	49,604,602	49,652,890	36,407,094

- 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 as maximum period.

- 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 ended 30 September 2024 (Reviewed)			For the year ended 31 December 2023 (Audited)
	Seized real estates self	Seized real estates joint	Total	Total
	JD	JD	JD	JD
Provision balance at the beginning of the period / year	(343,441)	(1,092,122)	(1,435,563)	(1,330,619)
Additions to the provision for depreciation in real estate	-	(471,332)	(471,332)	(148,687)
Additions to the provision for violating real estate (CBJ Instructions)	-	-	-	-
Disposal from the provision for impairment of real estate	-	35,116	35,116	41,134
Disposal from the provision of seized assets (CBJ Instructions)	-	-	-	2,609
Balance at the end of the period / year	(343,441)	(1,528,338)	(1,871,779)	(1,435,563)

** Receivables include Legal expenses in the amount of JOD 619,542 fully covered by other receivables provision at the same amount as at 30 September 2024.

(13) INCOME TAX

A- Income tax provision

The movement on the income tax provision inside the bank is as follows :

	For the nine months ended 30 September 2024 (Reviewed)	For the year ended 31 December 2023(Audited)
	JD	JD
Beginning balance for the period/year	11,919,750	8,746,097
Accrued income tax	10,368,839	14,770,915
Income tax from the sale of financial assets	-	13,540
Previous years adjustments (setting off tax deposits for the subsidiary)	(40,697)	-
Less: Income tax paid	(10,041,995)	(11,610,802)
Ending balance for the period/year	12,205,897	11,919,750

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

	For the nine months ended 30 September	
	2024 (Reviewed)	2023 (Reviewed)
	JD	JD
Income tax for the period	10,368,839	10,739,672
Released from deferred tax assets - self	-	127,147
Added from deferred tax assets - self	(76,773)	-
Added from deferred tax assets - joint	(1,970,192)	(3,375,054)
Total	8,321,874	7,491,765

- Income tax has been calculated in accordance with the Income Tax Law No. (34) of 2014 and its amendments. The Bank's statutory income tax rate is 35% plus 3% National Contribution Tax, with a total of 38%.

- 'A final settlement of income tax has been reached until the end of 2020, and the Bank submitted its self-assessment statements for the years 2021 , 2022 , 2023 within the legal period, and the Income and Sales Tax Department has not reviewed the Bank's records until the date of preparing these interim condensed consolidated financial statements.

- 'In the opinion of management and its tax consultant, the tax provision recorded is sufficient as at 30 September 2024.

The Subsidiary :

Misk Financial Brokerage Company:

- Tax clearance was obtained until the end of 2023 .

C- Deferred tax assets

The details of this item are as follows:

	For the nine months ended 30 September				For the year ended	
	2024 (Reviewed)				31 December	
	Beginning Balance for the year	Released Amounts	Additional Amounts	Ending Balance for the period	Deferred tax	Deferred tax
	JD	JD	JD	JD	JD	JD
<u>Deferred tax assets - self</u>						
Provision of lawsuits against the bank	63,719	-	-	63,719	24,213	24,213
Provision for impairment of assets seized by the bank against debts and provision for seized real estate (CB) regulations) - self	343,441	-	-	343,441	130,507	130,507
Provision for credit losses for the first and second stages - self	289,163	-	202,035	491,198	186,655	109,882
Difference in the application of Standard (32) Islamic private Lease	889,002	-	-	889,002	337,821	337,821
Provision for contingent liabilities	100,000	-	-	100,000	38,000	38,000
Unpaid Employee bonuses	650,578	-	-	650,578	247,220	247,220
Total Deferred tax assets - self	2,335,903	-	202,035	2,537,938	964,416	887,643
<u>Deferred tax assets - joint</u>						
Provision for impairment of assets seized by the bank against debts and provision for seized real estate (CB) regulations) - joint	990,431	-	537,908	1,528,339	580,769	376,364
Provision for credit losses for the first and second stages - joint	28,846,802	-	4,646,809	33,493,611	12,727,572	10,961,785
Total Deferred tax assets - joint	29,837,233	-	5,184,717	35,021,950	13,308,341	11,338,149
Total	32,173,136	-	5,386,752	37,559,888	14,272,757	12,225,792

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

	For the nine months ended 30 September	For the year ended 31 December
	2024 (Reviewed)	2023 (Audited)
	JD	JD
Balance at the beginning of the period/year	887,643	793,221
Additions during the period/year	76,773	319,489
Released during the period/year	-	(225,067)
Ending balance for the period/year	964,416	887,643

- The movement on deferred tax assets - Joint is as follows:

	For the nine months ended 30 September 2024 (Reviewed)	For the year ended 31 December 2023 (Audited)
	JD	JD
Balance at the beginning of the period/year	11,338,149	7,475,291
Additions during the period / year	1,970,192	3,862,858
Ending balance for the period/year	13,308,341	11,338,149

(14) OTHER LIABILITIES

The details of this item are as follows:

	30 September 2024 (Reviewed)	31 December 2023 (Audited)
	JD	JD
Accrued and not paid expenses	3,425,169	1,618,292
Certified cheques	8,453,227	9,868,834
Provision of expected credit losses on off balance sheet items - self (Note 29)**	267,687	137,628
Provision of expected credit losses on off balance sheet items - joint(Note 29)***	869,308	1,402,126
Shareholders and customers deposits	11,972,812	10,406,587
Customers' share of profits from unrestricted investment	32,114,527	32,856,675
Temporary deposits*	9,939,843	14,543,920
Transactions on the way	384,318	135,926
Outgoing transfers	166,770	89,983
Visa Claims	4,508,321	4,349,375
Others	7,757,932	7,590,101
Total	79,859,914	82,999,447

* It includes intermediate accounts for an amount of JD 5,376,033 as at 30 September 2024 (JD 10,193,322 as at 31 December 2023), 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

- Movement on indirect facilities :

Item	For the nine months ended 30 September 2024 (Reviewed)						For the year ended 31 December 2023 (Audited)
	Stage 1		Stage 2		Stage 3	Total	Total
	Individual	Collective	Individual	Collective			
	JD	JD	JD	JD	JD	JD	JD
Total balance at the beginning of the period / year	117,879,308	-	3,356,757	-	147,809	121,383,874	113,801,360
New exposures during the period / year	116,523,016	-	3,502,699	-	-	120,025,715	73,731,901
Accrued exposures	(10,039,992)	-	(854,505)	-	-	(10,894,497)	(34,516,805)
Transfer to Stage 1	72,350	-	(72,350)	-	-	-	-
Transfer to Stage 2	(4,176,991)	-	4,176,991	-	-	-	-
Transfer to Stage 3	(9,488)	-	(502,000)	-	511,488	-	-
The total impact on the size of exposures as a result of changing the classification between stages	(24,381)	-	2,193,029	-	-	2,168,648	(167,015)
Changes resulting from modifications	(38,041,707)	-	(71,601)	-	-	(38,113,308)	(31,465,567)
Total balance at the end of the period / year	182,182,115	-	11,729,020	-	659,297	194,570,432	121,383,874

- Movement on the provision for expected credit losses (indirect facilities) :

Item	For the nine months ended 30 September 2024 (Reviewed)						For the year ended 31 December 2023 (Audited)
	Stage 1		Stage 2		Stage 3	Total	Total
	Individual	Collective	Individual	Collective			
	JD	JD	JD	JD	JD	JD	JD
Balance at the beginning of the period / year	120,152	-	17,476	-	-	137,628	175,041
Impairment loss on new exposures during the period / year	12,627	-	19,986	-	-	32,613	28,190
Impairment loss of matured / derecognized exposures	(5,582)	-	(3,017)	-	-	(8,599)	(24,603)
Transfer to Stage 1	187	-	(187)	-	-	-	-
Transfer to Stage 2	(23,155)	-	23,155	-	-	-	-
Transfer to Stage 3	(57)	-	(425)	-	482	-	-
Effect on the provision as a result of the change in classification between the three stages during the period/year	(187)	-	139,541	-	(482)	138,872	(14,371)
Changes resulting from modifications	(32,418)	-	(409)	-	-	(32,827)	(26,629)
Total balance at the end of the period / year	71,567	-	196,120	-	-	267,687	137,628

***Expected credit loss of indirect facilities

B- joint

- Movement on indirect facilities :

Item	For the nine months ended 30 September 2024 (Reviewed)						For the year ended 31 December 2023 (Audited)
	Stage 1		Stage 2		Stage 3	Total	Total
	Individual	Collective	Individual	Collective			
	JD	JD	JD	JD	JD	JD	JD
Total balance at the beginning of the period / year	226,250,120	-	3,463,449	-	-	229,713,569	170,669,703
New exposures during the period / year	30,166,575	-	245,977	-	-	30,412,552	68,671,811
Accrued exposures	(62,931,182)	-	(2,710,660)	-	-	(65,641,842)	(30,771,696)
Transfer to Stage 1	596,312	-	(596,312)	-	-	-	-
Transfer to Stage 2	(394,515)	-	394,515	-	-	-	-
Transfer to Stage 3	-	-	-	-	-	-	-
The total impact on the size of exposures as a result of changing the classification between stages	201,788	-	530,814	-	-	732,602	(190,034)
Changes resulting from modifications	(11,759,904)	-	19,006	-	-	(11,740,898)	21,333,785
Total balance at the end of the period / year	182,129,194	-	1,346,789	-	-	183,475,983	229,713,569

- Movement on the provision for expected credit losses (indirect facilities /joint) :

Item	For the nine months ended 30 September 2024 (Reviewed)						For the year ended 31 December 2023 (Audited)
	Stage 1		Stage 2		Stage 3	Total	Total
	Individual	Collective	Individual	Collective			
	JD	JD	JD	JD	JD	JD	JD
Balance at the beginning of the period / year	1,337,819	-	64,307	-	-	1,402,126	1,148,342
Impairment loss on new exposures during the period / year	116,102	-	3,416	-	-	119,518	363,158
Impairment loss of matured / derecognized exposures	(330,092)	-	(50,529)	-	-	(380,621)	(123,383)
Transfer to Stage 1	10,876	-	(10,876)	-	-	-	-
Transfer to Stage 2	(3,244)	-	3,244	-	-	-	-
Transfer to Stage 3	-	-	-	-	-	-	-
Effect on the provision as a result of the change in classification between the three stages during the period/year	(7,714)	-	19,827	-	-	12,113	(3,073)
Changes resulting from modifications	(284,024)	-	196	-	-	(283,828)	17,082
Total balance at the end of the period / year	839,723	-	29,585	-	-	869,308	1,402,126

(15) UNRESTRICTED INVESTMENT ACCOUNTS

The details of this item are as follows:

For the nine months ended 30 September 2024 (Reviewed)						
	Individual	Corporate	Small and medium enterprises	Governmental and Public sector	Banks and Financial Institutions	Total
	JD	JD	JD	JD	JD	JD
Saving accounts	247,672,695	73,008,668	140,234,321	8,988,519	39,591,020	509,495,223
Term accounts / Investing deposits	900,653,905	182,541,471	96,668,130	163,430,472	46,599,214	1,389,893,192
Certificates of investing deposit	435,425,023	43,132,152	35,852,017	57,040,507	25,203,569	596,653,268
Total	1,583,751,623	298,682,291	272,754,468	229,459,498	111,393,803	2,496,041,683
Depositors' share from investments' revenue	53,302,857	9,166,911	6,016,231	8,565,695	3,051,475	80,103,169
Total unrestricted investment accounts	1,637,054,480	307,849,202	278,770,699	238,025,193	114,445,278	2,576,144,852

For the year ended 31 December 2023 (Audited)						
	Individual	Corporate	Small and medium enterprises	Governmental and Public sector	Banks and Financial Institutions	Total
	JD	JD	JD	JD	JD	JD
Saving accounts	177,854,180	26,509,581	80,270,165	7,981,193	38,158,333	330,773,452
Term accounts / Investing deposits	874,921,624	139,957,783	104,219,141	162,094,071	-	1,281,192,619
Certificates of investing deposit	352,017,857	23,585,730	32,218,881	41,994,820	40,510,358	490,327,646
Total	1,404,793,661	190,053,094	216,708,187	212,070,084	78,668,691	2,102,293,717
Depositors' share from investments' revenue	63,652,001	8,850,031	7,814,114	10,588,868	3,328,964	94,233,978
Total unrestricted investment accounts	1,468,445,662	198,903,125	224,522,301	222,658,952	81,997,655	2,196,527,695

- 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 2024 is (4.51%) (for the same period last year was (4.47 %)).
- The general percentage of the profit on USD for the period ended 30 September 2024 is (3.37%) (for the same period last year was (3.71%)).
- The unrestricted investment accounts for the Government and Public sector amounted to JD 238,025,193 as of 30 September 2024 which represents 9.24 % of the total joint investment accounts (As of 31 December 2023 amounted to JD 222,658,952 which represents 10.14 % of the total joint investment accounts).
- The restricted accounts amounted to JD 12,272,577 as of 30 September 2024 which represents 0.48% of the total joint investment (As of 31 December 2023 amounted to JD 1,710,428 which represent 0.08% of the total joint investment).
- The dormant accounts as of 30 September 2024 amounted to JD 7,700,613 (As of 31 December 2023 amounted to JD 8,836,620).

(16) DEFERRED SALES INCOME

The details of this item are as follows:

	For the nine months ended 30 September					
	2024(Reviewed)			2023(Reviewed)		
	Joint JD	Self JD	Total JD	Joint JD	Self JD	Total JD
Individuals (Retail)						
Murabaha to the purchase orderer	26,706,146	94,097	26,800,243	22,202,259	81,738	22,283,997
Real estate facilities	2,035,472	-	2,035,472	1,281,976	-	1,281,976
Corporate						
International Murabaha	655,569	-	655,569	133,543	-	133,543
Murabaha to the purchase orderer	19,967,285	-	19,967,285	22,592,688	-	22,592,688
Small and medium enterprises						
Murabaha to the purchase orderer	3,705,756	-	3,705,756	3,013,465	-	3,013,465
Government and the public sector	16,410,264	-	16,410,264	16,046,335	-	16,046,335
Total	69,480,492	94,097	69,574,589	65,270,266	81,738	65,352,004

(17) IJARA MUNTAHIA BELTAMLEEK INCOME

The details of this item are as follows:

	For the nine months ended 30 September					
	2024			2023		
	Joint JD	Self JD	Total JD	Joint JD	Self JD	Total JD
Ijara Muntahia Beltamleek – real state	95,478,752	585,011	96,063,763	74,153,796	568,173	74,721,969
Ijara Muntahia Beltamleek – machines	4,462,007	-	4,462,007	4,049,592	-	4,049,592
Ijara Muntahia Bittamleek assets-vehicles	426,852	-	426,852	335,930	-	335,930
Depreciation for Ijara Muntahia Beltamleek assets	(54,352,921)	(401,491)	(54,754,412)	(39,891,124)	(386,912)	(40,278,036)
Total	46,014,690	183,520	46,198,210	38,648,194	181,261	38,829,455

(18) INCOME FROM FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

The details of this item are as follows:

	For the nine months ended 30 September	
	2024(Reviewed)	2023(Reviewed)
	Self JD	Self JD
Shares dividends	44,000	42,000
Gains on sale of financial assets	78,970	-
Islamic Sukuk profits	249,557	-
Total	372,527	42,000

(19) INCOME FROM FINANCIAL ASSETS AT FAIR VALUE THROUGH QUASI-EQUITY

The details of this item are as follows:

	For the nine months ended 30 September	
	2024(Reviewed)	2023(Reviewed)
	Joint JD	Joint JD
Shares dividends	108,254	139,445
Gains on sale of financial assets	254,574	4,784
Islamic Sukuk profits	17,650,397	8,428,862
Total	18,013,225	8,573,091

(20) INCOME FROM FINANCIAL ASSETS AT FAIR VALUE THROUGH STATEMENT OF INCOME

The details of this item are as follows:

	For the nine months ended 30 September							
	2024 (Reviewed)				2023 (Reviewed)			
	Joint				Joint			
	Realized gains	Unrealized gains	Dividends	Total	Realized (Losses) gains	Unrealized gains	Dividends	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Sukuk	6,129	-	-	6,129	32,785	75	-	32,860
Total	6,129	-	-	6,129	32,785	75	-	32,860

(21) INCOME FROM FINANCIAL ASSETS AT AMORTIZED COST

The details of this item are as follows:

	For the nine months ended 30 September	
	2024 (Reviewed)	2023 (Reviewed)
	Joint	Joint
	JD	JD
Islamic sukuk income	950,047	1,336,449
Total	950,047	1,336,449

(22) PROVISION EXPENSE FOR EXPECTED CREDIT LOSSES AND OTHER RECEIVABLES

The details of this item are as follows:

	For the nine months ended 30 September					
	2024 (Reviewed)			2023 (Reviewed)		
	Joint	Self	Total	Joint	Self	Total
	JD	JD	JD	JD	JD	JD
International Wakala Investments	234,165	-	234,165	(130,044)	-	(130,044)
deferred sales receivables , facilities and Qard Al-Hasan	22,971,463	695,188	23,666,651	11,412,553	268,372	11,680,925
Financial assets at fair value through Other Comprehensive Income	-	44,548	44,548	-	-	-
Financial assets at fair value through Quasi-equity	7,011	-	7,011	(91,476)	-	(91,476)
Items off balance sheet	(532,818)	130,059	(402,759)	83,041	(35,256)	47,785
Other receivables	-	619,542	619,542	-	-	-
Total	22,679,821	1,489,337	24,169,158	11,274,074	233,116	11,507,190

(23) EARNINGS PER SHARE FOR THE PERIOD

The details of this item are as follows:

	For the nine month ended 30 September	
	2024 (Reviewed)	2023 (Reviewed)
	JD	JD
	share	share
Profit for the period	13,436,728	12,214,027
Weighted average number of shares	120,000,000	120,000,000
	JD/Fils	JD/Fils
Basic and diluted earnings per share for the period	0/112	0/102

(24) CASH AND CASH EQUIVALENTS

The details of this item are as follows:

	For the nine month ended 30 September	
	2024 (Reviewed)	2023 (Reviewed)
	JD	JD
Cash balances with Central Bank of Jordan maturing within three months	304,224,316	232,031,866
Add: Balances at banks and financial institutions maturing within three months	51,645,421	15,881,477
Less: Balances at banks and financial institutions maturing within three months	(28,679,239)	(28,323,024)
Total	327,190,498	219,590,319

(25) 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	Etihad Islamic investment company *	Sharia supervisory members	Total	
						30 September	31 December
						2024 (Reviewed)	2023 (Audited)
	JD	JD	JD	JD	JD	JD	JD
<u>Interim condensed consolidated statements of financial position items :</u>							
Balances at banks and banking institutions	-	-	-	508,558	-	508,558	995,237
Joint investments accounts and current accounts	184,407	1,559,256	712,110	11,311,720	176,326	13,943,819	13,591,349
Deferred sales receivables and facilities	-	436,605	447	-	-	437,052	409,409
Ijara Muntahia Bittamleek assets	-	1,058,902	472,178	-	-	1,531,080	1,776,306

Off statement of financial position items :

Letters of guarantee	-	-	-	-	-	-	1,500
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Interim condensed consolidated statement of income and comprehensive income items:

						For the nine months ended 30 September	
						2024 (Reviewed)	2023 (Reviewed)
Dividends	56	44,246	12,230	408,371	1,537	466,440	417,339
Profits received	-	59,954	32,460	-	-	92,414	81,680
Salaries and bonuses	-	1,413,415	41,251	-	39,299	1,493,965	1,365,051
Transportation	-	-	465,300	-	19,800	485,100	472,526
Card Services	-	-	-	6,381	-	6,381	6,381
Paid commissions	-	-	-	62,149	-	62,149	50,381

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

- The lowest and highest received Murabaha rate were 6.58% and 7.75% respectively
- The lowest and highest rate of Ijara Muntahia Bittamleek received by the Bank were 3.75% and 7.25% respectively.
- The lowest and highest distributed profit rate were 0.02% and 5.60% respectively.
- Executive management salaries and benefits for the period ended 30 September 2024 amounted to JD 1,413,415 (JD1,284,501 as of 30 September 2023).
- All facilities granted to related parties are performing and no provisions were recorded for it .

(26) BANK SEGMENT INFORMATION

A. Information on the Bank's Activities

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

Individuals Accounts:-

This sector follows up on the joint investment accounts, deferred sales receivables, facilities, and other services related to individuals.

Corporate Accounts:-

This sector includes joint investment accounts, deferred sales receivables, facilities, and other banking services related to customers corporate.

Treasury:-

This sector includes 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 :

	Individuals	Corporate	Treasury	Other	For the nine months ended	
					30 September	
					2024 (Reviewed)	2023 (Reviewed)
					Total	Total
	JD	JD	JD	JD	JD	JD
Net revenue	62,179,151	57,400,277	34,051,482	1,269,646	154,900,556	126,245,725
Results of segment's operations	62,179,151	57,400,277	34,051,482	1,269,646	154,900,556	126,245,725
Expected credit losses	(15,569,619)	(8,312,039)	(287,500)	-	(24,169,158)	(11,507,190)
Distributed expenses	(4,177,685)	(2,458,191)	(695,103)	-	(7,330,979)	(6,803,146)
Undistributed expenses	-	-	-	(21,538,648)	(21,538,648)	(19,836,348)
Net profit for the period before tax and net profit attributable to quasi-equity	42,431,847	46,630,047	33,068,879	(20,269,002)	101,861,771	88,099,041
Less : Net profit attributable to quasi-equity	(49,698,188)	(25,136,030)	(5,268,951)	-	(80,103,169)	(68,393,249)
Net profit for the period before tax	(7,266,341)	21,494,017	27,799,928	(20,269,002)	21,758,602	19,705,792
Income tax expense	-	-	-	(8,321,874)	(8,321,874)	(7,491,765)
Net profit for the period	(7,266,341)	21,494,017	27,799,928	(28,590,876)	13,436,728	12,214,027

	Individuals	Corporate	Treasury	Other	30 September 2024	31 December 2023
					(Reviewed)	(Audited)
					JD	JD
Segments' assets	885,117,769	1,117,578,960	1,286,219,609	-	3,288,916,338	2,838,064,475
Undistributed assets	-	-	-	109,638,220	109,638,220	90,919,001
Total assets	885,117,769	1,117,578,960	1,286,219,609	109,638,220	3,398,554,558	2,928,983,476
Liabilities and Quasi-equity	1,858,765,750	1,032,903,845	201,475,487	-	3,093,145,082	2,634,295,482
Undistributed liabilities	-	-	-	102,152,346	102,152,346	105,378,254
Total liabilities and Quasi-equity	1,858,765,750	1,032,903,845	201,475,487	102,152,346	3,195,297,428	2,739,673,736

	For the nine months ended	
	30 September	
	2024 (Reviewed)	2023 (Reviewed)
	JD	JD
Capital expenditures	3,216,224	1,865,122
Depreciation and amortization	2,358,858	2,349,506

Geographical Distribution Information

The following disclosure represents the geographical distribution for the bank's operations. The Bank performs its operations mainly inside the Kingdom. Which represent the local operation.

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

	30 September 2024 (Reviewed)			31 December 2023 (Audited)		
	Inside Jordan	Outside Jordan	Total	Inside Jordan	Outside Jordan	Total
	JD	JD	JD	JD	JD	JD
Total assets	3,006,328,094	392,226,464	3,398,554,558	2,732,645,198	196,338,278	2,928,983,476

	For the nine months ended			For the nine months ended		
	30 September 2024 (Reviewed)			30 September 2023 (Reviewed)		
	Inside Jordan	Outside Jordan	Total	Inside Jordan	Outside Jordan	Total
	JD	JD	JD	JD	JD	JD
Net income	142,823,365	12,077,191	154,900,556	120,964,331	5,281,394	126,245,725
Capital expenditures	3,216,224	-	3,216,224	1,865,122	-	1,865,122

(27) CAPITAL MANAGEMENT

The Bank's management takes into consideration the Central Bank of Jordan's requirements which require the Bank to have sufficient self 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 12.5% as required by the Central Bank of Jordan.

The capital adequacy ratio is calculated as on 30 September 2024 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 2024(Reviewed) JD"000	31 December 2023(Audited) JD"000
Basic capital items	195,374	179,468
Quoted and (Paid) up capital	120,000	100,000
Retained earnings	34,143	54,294
Statutory reserve	35,041	35,041
Full fair value reserve - Self	636	(25)
The bank's share of the full fair value reserve in the case of commingling of funds	833	(159)
Profit for the period after tax and after proposed dividends	13,437	-
Intangible assets	(1,617)	(1,697)
Tax assets	(964)	(888)
The Bank's share of the tax assets in the case of commingling of funds	(5,879)	(4,853)
The bank's share in the capital of banks, financial Institutions and takaful companies that is less than 10%	(256)	(2,245)
Additional capital	-	-
Support capital	8,492	4,496
Self 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.	8,492	4,496
The bank's share in the capital of banks, financial Institutions and takaful companies that is less than 10%	-	-
Total regulatory capital	203,866	183,964
Total risk weighted assets	1,209,301	1,124,074
Capital adequacy ratio (%)	%16.86	%16.37
Basic capital ratio (%)	%16.16	%15.97
First tier ratio (%)	%16.16	%15.97
Second tier ratio (%)	%0.70	%0.40
Leverage ratio	%13.62	%14.99

(28) Liquidity Coverage Ratio

- The liquidity coverage ratio in total amounted to 636.2% as on 30 September 2024 with an average rate of 659.6% during the period (349.9% as on 31 December 2023 and an average rate of 355.3% during the year).
- The liquidity coverage ratio in Jordanian Dinars reached 425.3% as at 30 September 2024 with an average rate of 377.1% during the period (355.4% as at 31 December 2023 and an average rate of 328.4 % during the year).

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

	30 September 2024 (Reviewed)	31 December 2023 (Audited)
	JD	JD
Letters of credit	147,074,952	68,971,198
Acceptances	10,393,101	7,978,979
Letters of guarantee:		
-Payment	9,298,986	14,787,127
-Performance	19,560,454	16,932,374
-Others	8,242,939	12,714,196
Total	194,570,432	121,383,874
B. Contingent credit and commitments/joint		
Unutilized credit limits / direct	183,475,983	229,713,569
Total	183,475,983	229,713,569

*Indirect unutilized credit limits / self amounted to JD 109,885,122 as of 30 September 2024 .

The expected credit losses calculated against contingent credit commitments/self amounted under the implementation instructions of FAS (30) issued by Organization for Islamic Financial Institutions to JD 267,687 as at 30 September 2024 (JD 137,628 as at 31 December 2023) and recorded in the other liabilities (note 14).

The expected credit losses calculated against contingent credit commitments/ joint amounted under the implementation instructions of FAS (30) issued by Organization for Islamic Financial Institutions to JD 869,308 as at 30 September 2024 (JD 1,402,126 as at 31 December 2023) and recorded in other liabilities (note 14).

(30) LAWSUITS AGAINST THE BANK

The total amount of the legal cases filed against the Bank (self) was JD 1,486,806 as at 30 September 2024 (JD 1,093,872 as at 31 December 2023) which are within the Bank's normal course of business. In the opinion of the management and the bank's lawyers, the allocated (self) case allowance of JD 63,719 as at 30 September 2024 is sufficient to meet the obligations that the Bank may incur as a result of these cases (JOD 63,719 as at 31 December 2023).

In addition to the cases referred to above, lawsuits were filed against the Bank and five other persons (natural and legal) and its related to the annulment of contracts of 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.

(31) FAIR VALUE HIERARCHY

The international financial reporting standard no.(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		Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable	Relationship of unobservable inputs to fair value
	30 September 2024 (Reviewed)	31 December 2023 (Audited)				
	JD	JD				
Financial assets at fair value through other comprehensive income - net	32,115,877	508,000	Level 1	Quoted rates in financial markets	Not applicable	Not applicable
Financial assets at fair value through quasi-equity - net						
Quoted shares	1,511,331	2,312,403	Level 1	Quoted rates in financial markets	Not applicable	Not applicable
Quoted sukuk	124,741,919	83,307,396	Level 1	Quoted rates in financial markets	Not applicable	Not applicable
Unquoted shares	6,826,003	5,881,231	Level 3	The latest financial statements available	Not applicable	Not applicable
Unquoted sukuk	329,931,794	360,587,505	Level 2	A similar financial instrument	Not applicable	Not applicable
Total Financial assets at fair value through Quasi-equity - net	463,011,047	452,088,535				
Total	495,126,924	452,596,535				

There were no transfer between level 1 and 2 during the period ended 30 September 2024 and the year 31 December 2023 .

B. Fair value of financial assets and financial liabilities for the bank 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 2024 (Reviewed)		31 December 2023 (Audited)		Fair value hierarchy
	Book value	Fair value	Book value	Fair value	
	JD	JD	JD	JD	
Financial assets not determined at fair value					
Deferred sales receivables and other receivables - net	1,370,610,614	1,556,879,970	1,287,370,515	1,467,654,710	Level 2
Financial assets at amortized cost	90,723,000	91,673,047	-	-	Level 2
Ijara Muntahia Bittamleek assets - net	740,570,969	740,570,969	695,772,768	695,772,768	Level 2
Total financial assets not determined at fair value	2,201,904,583	2,389,123,986	1,983,143,283	2,163,427,478	
Financial liabilities not determined at fair value					
Customers' current accounts and unrestricted investment accounts	2,907,024,427	2,938,174,356	2,516,247,571	2,548,506,151	Level 2
Cash margin accounts	155,556,637	156,521,235	95,274,911	95,873,006	Level 2
Total financial liabilities not determined at fair value	3,062,581,064	3,094,695,591	2,611,522,482	2,644,379,157	

(32) Comparative information

Some accounts in the previous year/period financial statements have been reclassified to conform to the presentation of the financial statements for the current period, however, this reclassification had no impact on earnings and equity in the previous year/period.