البنك العربي الاسلامي الدولي

ISLAMIC INTERNATIONAL ARAB BANK

"ثقة ... أمان ... وإستثمار حلال"

الأردن

ANNUAL REPORT

2023

الأردن

بسم الله الرحمن الرحيم

His Majesty King
Abdullah II Bin Al Hussein

HRH the Crown Prince
Hussein Bin Abdullah II

Our Vision ...

To be the leading Islamic Banking institution in the Arab world.

Our Mission ...

To achieve leadership in our chosen markets in accordance with Islamic Sharia rules as an organization dedicated to deliver highest quality products and the special services to the customer presented through a highly qualified staff in compliance with the best professional and ethical standards within a motivating environment, supported by advanced technologies and efficient distribution channels to achieve high and advanced financial results.

Our Core Values ...

- Honesty and decency with ourselves and others.
- Pursuit of excellence and fulfillment of our promises.
- Adherence to the principles and rules of the Islamic Sharia throughout all our operations.
- Belief that there is always a better means and the challenge lies in discovering it.
- Commitment to Corporate Governance.
- Commitment to social responsibility.

البنك العربي الاسلامي الدولي
ISLAMIC INTERNATIONAL ARAB BANK

(Public Shareholding Limited Company)
Amman – Hashemite Kingdom of Jordan

Tel: 569 4901   Fax: 569 4914
P.O. Box 925802, Amman 11190 - Jordan

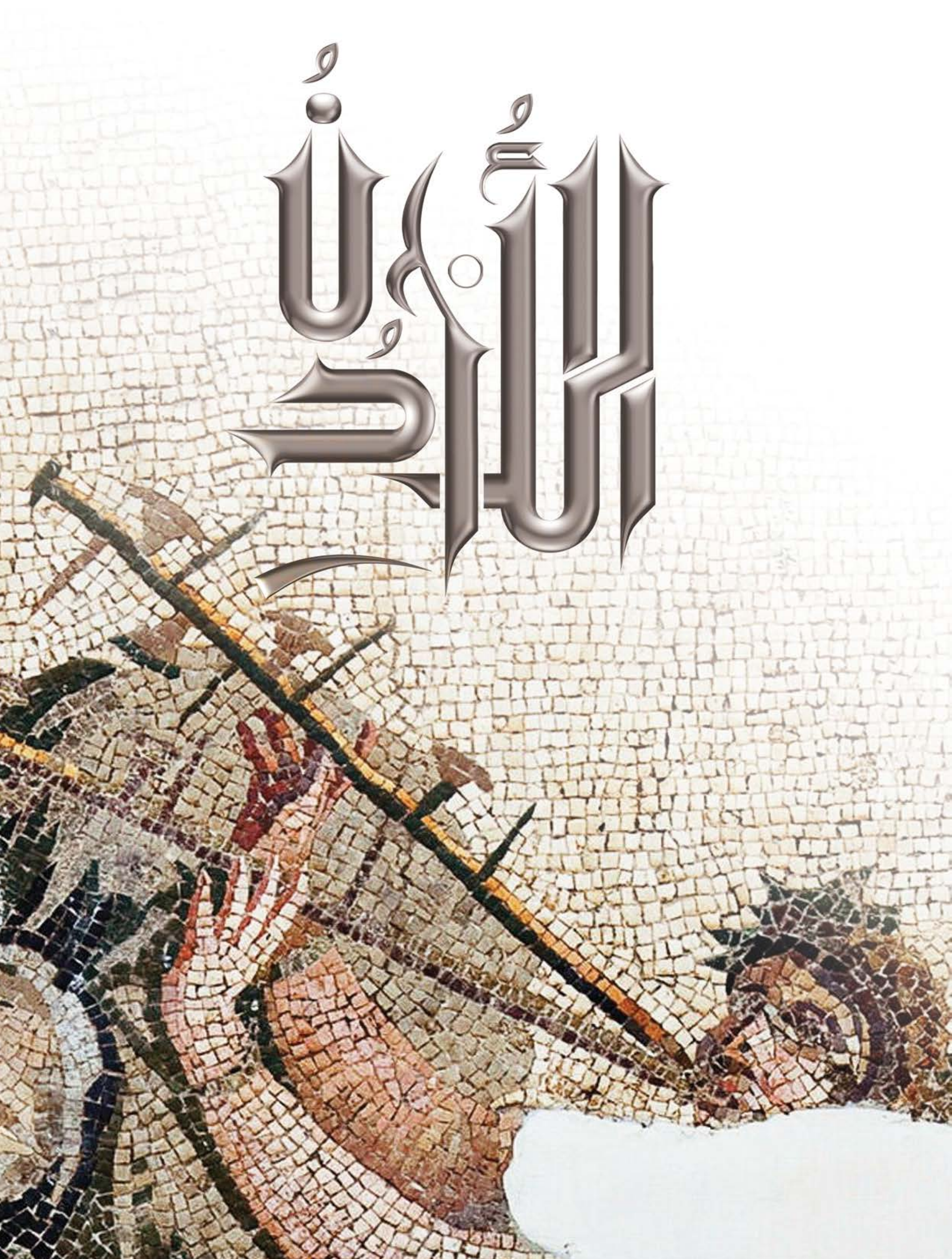
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Table of Contents

Contents

Shari'a Supervisory Commitee	10
Sharia Board committee Annual Report	13
Message from the Chairman	16
Message from the General Manager	19
Board of Directors	23
Top Management	24
Auditors' Report and Financial	26
Statements	71

Islamic International Arab Bank
(Public Shareholding Limited Co,)

Based on the conclusive verse differentiating between permitted and prohibited "Allah has permitted trading and forbidden usury" & our belief in the prominent message of Islam in economy being founded on equity and participation, and having the essential banking, commercial, investment and finance efficiency supported by distinguished banking expertise, IIAB commenced its banking operations on Shawwal 12, 1418 AH, February 9, 1998, Today, the Islamic International Arab Bank is one of the leading Islamic banking institutions in Jordan and the region.

The Bank was established as a public shareholding company in accordance with the Companies' ACT of 1989; IIAB was registered in the Public Shareholding Companies' Register under No. 327 on March 30, 1997.

Allah Almighty says in the Holy Qur'an:

"So ask the people of the message if you do not know"

(Surah Al-Anbya' Verse 7, Surah An-Nahl Verse 43)

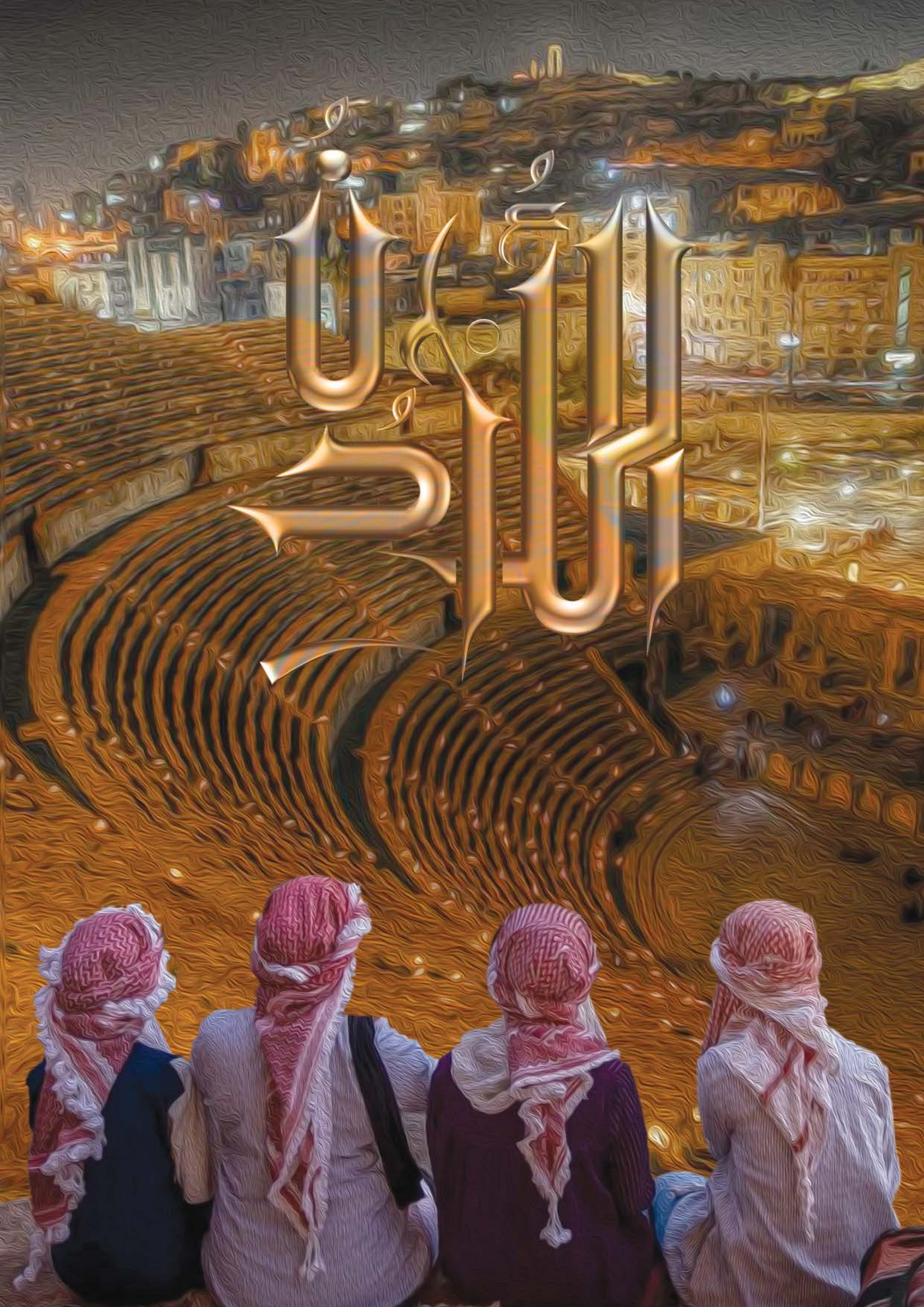
His Eminence Dr, Ahmad Hlayel
Committee Chairman

Dr, Ahmad Ayade
Committee Executive Member

His Eminence Shaykh Saed Hejawe
Committee Member

Considering the breadth of the field of Islamic Fiqh, and in light of the many developments and changes of the modern economy and its complexity, in addition to the need for a good judgment and deep honest diligence to understand the Fiqh rules to get the Shariah opinion in financial, transactions, and modern banking issues, the necessity of Shariah Supervisory Committee of The Bank emerged based on the Shariah principle: "who works hard and does it right, is rewarded twice and who works hard and does it wrong, is rewarded once".

The Committee performs a significant role in issuing fatwas based on existing Shariah principles or effort that cope with the contemporary need. The committee approves all the contracts and agreements needed by the Bank with other bodies and institutions before they are accredited, sets an array of Shariah-compliant standards to govern the banking operations and offers consultations in issues presented by other relevant bodies.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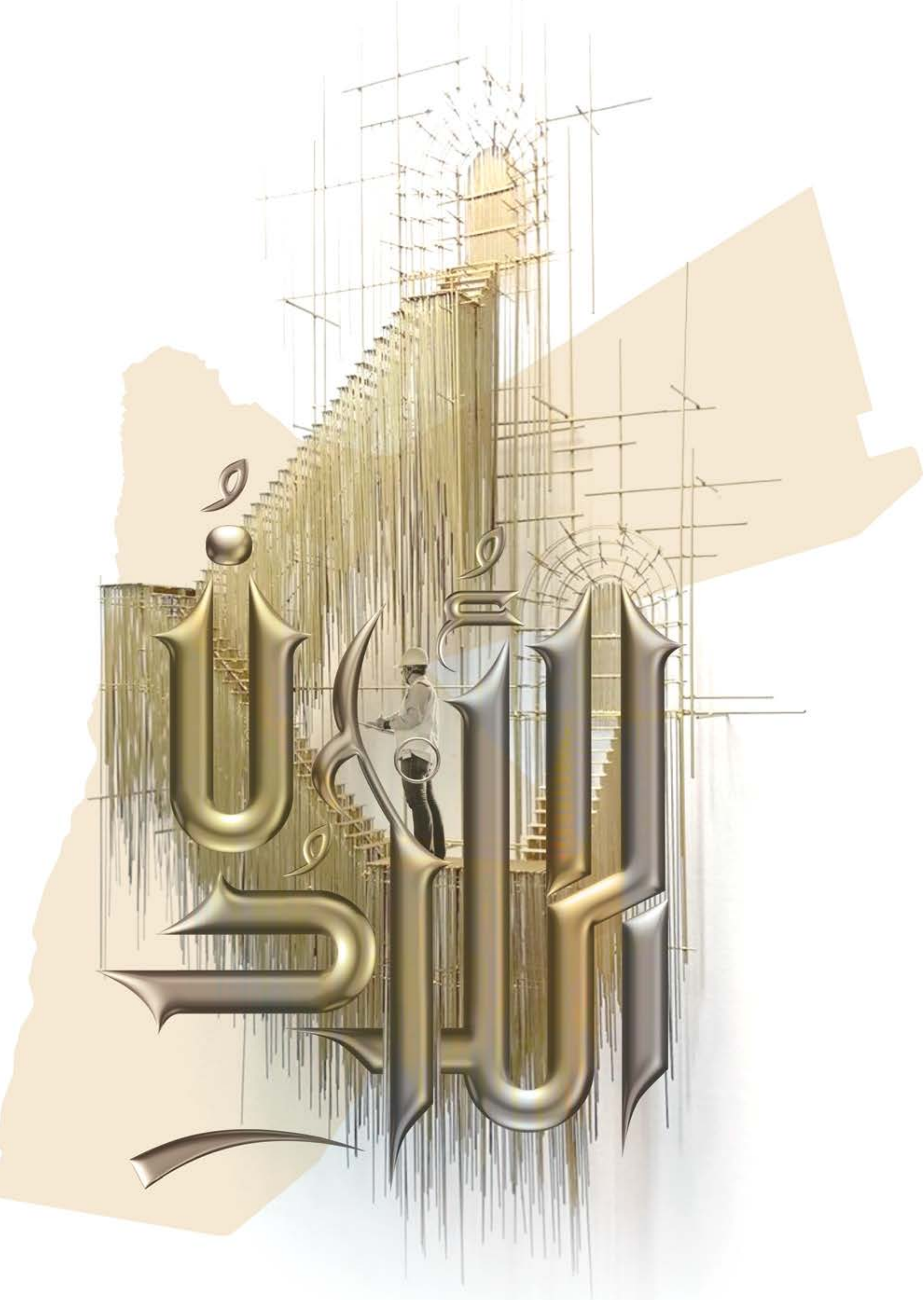
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In the name of Allah,
The All-Merciful, The Ever-Merciful

for the financial period ending in 31/12/2023

All praise is due to Allah, the Lord of all that exists, and may peace and blessings be upon our Prophet Muhammad and upon his family and his companions in their entirety.

Dear Shareholders,

Greetings,

The Sharia Board committee would like to provide you with its annual report for the financial period ending on 31/12/2023 based on the bank statute and according to the commitment signed between us.

The committee has inspected the used principles and contracts related to transactions proposed by the bank during the financial period ending in 31/12/2023, in addition to conducting the due control for expressing an opinion whether the bank is committing to the Islamic Sharia provisions and principles as well as Fatwa and guidelines issued by the committee.

The committee has inspected the used principles and contracts related to transactions proposed by the bank during the financial period ending in 31/12/2023, in addition to conducting the due control for expressing an opinion whether the bank is committing to the Islamic Sharia provisions and principles as well as Fatwa and guidelines issued by the committee.

The committee conducted an inspection that included checking documentation and procedures followed by the bank based on examining each type of transaction. It also planned and implemented control to obtain all information and explanations considered necessary for providing adequate proof that provides reasonable confirmation that the bank transaction did not breach the Sharia regulations of Islamic investment tools.

Through meetings; the committee continued setting the necessary basis and terms with the required processing in all aspects and matters needed by the nature of banking transactions in light of the developments that appeared through practical application and incompatible with the Sharia regulations, with clarifying some new banking issues and indicating their Sharia status.

The committee revised the bank balance sheet as in 31/12/2023, income statement for the period ending in 31/12/2023, and clarifications of financial statements as they provide a comprehensive illustration of bank works and required to be submitted to the concerned sections at the bank; and the committee did not find any Sharia breach within what was reviewed.

The committee reviewed the reports prepared by the Internal Sharia Audit Department for headquarters and branches transactions in addition to the remarks and suggestions provided and procedures undertaken by the executive administration in this regard.

The responsibility of the Sharia Control Committee is represented in expressing an independent opinion with indicating Islamic Sharia opinion according to Sharia principles and provisions, while the responsibility of implementation according to Islamic Sharia fatwa and principles lies upon bank administration. Accordingly, we consider the following:

- Contracts, operations, and transactions implemented by the bank during the period ending in 31/12/2023 that we reviewed are done according to the Islamic investment tools and Sharia regulations.
- Basis of distributing profits and bearing loss by joining investment holders and Investment Risks Fund is compatible with the accredited rules and basis by us.
- The revenues achieved from doubted resources of being incompatible with the Sharia regulations of Islamic investments were spent on charity.

Hope Allah will guide the persons responsible for the bank towards more success and achievement, thanking them for their cooperation and commitment to the Islamic Sharia provisions.

This report is issued on Rajab 16/1445 AH, corresponding to January 28, 2024.

Prof. Dr. Ahmad Hlayil	Prof. Dr. Ahmad Ayadi	Sheikh Saeed Al-Hijjawi
Committee Chairman	Executive Member	Committee Member

Distinguished Shareholders,

Peace, mercy, and blessing of Allah be upon you, and we pray upon the most honored, envoy of mercy to all, our master prophet Mohammed, and upon his progeny and his companions.

On my behalf and on behalf of the members of IIAB Board of Directors, I extend my appreciation and gratitude to all members of the Bank's family, including senior executive management and all functional levels, who have done everything in their power to sustain the Bank's business and continue to achieve the desired goals, and to the eminent and virtuous members of the Shariah Supervisory Board for their effective role in following up the bank's business to ensure its compliance with the principles of the Sharia.

The bank continues its efforts to achieve strategic goals, the bank shows achieving a growth on financing portfolio by the end of year 2023 that exceed 1.975 billion JD, with growth rate 2.9% compared to 2022, and the value of customers' deposits including restricted deposits and cash margins reached a value 2.933 billion JD, an increase of 5.8% compared to the last year, and achieving profit after tax of 35 million JD (45.03 million JD before tax), which confirms the success of the bank's executive management in applying best practices in managing both sides of assets, liabilities, and revenue from commissions and banking fees, in light of the strategic directions set by the Board of Directors regardless of the global and regional circumstances, and their impact on the local economy.

I am pleased to point out the achieved digital transformation milestones by the bank, which put the bank on the right path towards providing the best customer experience with the highest levels of cybersecurity.

In the end, I hope that through the annual report for the year 2023, we have succeeded in presenting the results of the bank's business in accordance with international standards of financial disclosure and all the requirements transparency and integrity assuring our sincerity in maintaining the confidence of our customers to keep our promise of safe, trust, and halal profit.

"Mohammed Said" Shahin

Chairman


الأردن

General Manager's Message

Distinguished Shareholders,

Peace, mercy and blessing of Allah be upon you, and we pray upon the most honored, envoy of mercy to all, our master prophet Mohammed (PBUH), and upon his progeny and his companions.

On behalf of the Executive management of the Islamic International Arab Bank, I would like to present to you the Annual Report for 2023. On this occasion, I would like to extend my thanks and gratitude to the Bank's Board of Directors and its esteemed general assembly for the high confidence they have entrusted in the team of the Islamic International Arab Bank, and seize this opportunity to thank The Sharia Supervisory Board for their active role in supervising, advising, and their guidance aimed at keeping the essence of the Bank's work in compliance with the rules and principles of Islamic Sharia.

Balanced financial performance

Regardless the escalated regional geopolitical tensions, which affect the performance of all sectors, The bank shows achieving a growth on financing portfolio by the end of year 2023 that exceed 1.975 billion JD, with growth rate 2.9% compared to 2022, and the value of customers' deposits including restricted deposits and cash margins reached a value 2.933 billion JD, with an increase of 5.8% compared to the last year, and achieving profit before tax of 45.03 million JD (35 million JD after tax) and its similar to the profits achieved before tax in the year 2022.

The bank's capital adequacy ratio (CAR) as IFSB based on risk-weighted assets at the end of 2023, amounted to 19.26%, while the Central Bank's requirements for capital adequacy set to a minimum of 12%.

Development of banking channels and digital transformation

The branch network expanded to 47 branches covering all governorates of the Kingdom, to ease the access to financial solutions for the all segments. In addition, the bank renewing selected branches with keep them up to best service standards. The ATM network continued to expand during 2023 to reach 123 ATMs in all governorates, offering state of the art services such as online banknote acceptance (BNA).

The digital transformation strategy continues to achieve its targets and has significantly improved customers' journeys. During 2023, many new services have been launched, especially through the Arabi Islami Mobile App, including E-voucher, Loyalty program, Carseer service and more. Moreover, many digital banking-related projects are in progress to enable the infrastructure for upcoming digital services.

As IIAB offers an elevated service for "Thurya" VIP customers through exclusive privileges for them. A number of "Thurya" hubs opened in selected branches and were specially designed to cater VIPs' needs, and the objective is to open new hubs to reach 15 during.

IIAB has an ambitious plan for regional expansion, capitalizing on the successful journey for more than 25 years in the local market, the reputation of the bank abroad, and being a member of the Arab Bank Group, which exists in the five continents.

Talent management and human capital

IIAB's investment in its individuals aims mainly to enhance commitment to the bank's values and prudent banking practices to provide services with the highest level of professionalism to its customers in a manner that achieves goals. (2,453) employees participated in (96) internal and external training courses.

Active CSR

Active Corporate Social Responsibility is an integral part of the bank's business, and this responsibility is reflected on all the bank's products and services to the benefit of both the economy and individuals through enhancing the economic added value and increase personal savings. IIAB applies responsible finance roles to protect its customers' rights and enhance their ability to meet their families' needs and their responsibility towards society.

Towards the future

We hope that year of 2024 be a blessing year for our Hashemite Kingdome, and for all Arab and Islamic Countries, Asking Allah to sustain safe and welfare for Jordan under the role of His Majesty King Abdullah II Bin Al Hussein.

Finally, I cannot but thank you again for your generosity, hoping that we will succeed in this annual report for 2023 to present the results of IIAB's business in line with international standards for financial disclosures with all the required transparency and honesty, assuring our sincerity in maintaining the confidence of our customers to keep our promise of safe, trust, and halal profit.

Allah grants us success.

Peace and mercy of Allah be upon you.

Iyad Ghasoub Asali
General Manager


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Board of Directors

Chairman

- **"Mohamed Saed" Mohamed Shaheen**

Vice Chairman

- **Mr. Mohammad Abdel-Fattah AlGhanamah**

Board Members

- **Mr. Naim Rasim AlHussaini**
- **Mr. Ziad Bahjat Homsi**
- **Mr. Jamal Mahmoud Tu'meh**
- **Dr. Hana Mohammad Helal Hunaity** (starting from 16/5/2023)
- **Mr. Khaldoun Khalil A. AlJanini** (starting from 16/5/2023)

Secretary of the Board of Directors

- **Dr. Mohsen Fayez Abu Awad**

Auditors

- **Deloitte & Touche** (Middle East) - Jordan

- **Mr. Iyad Asali**
  General Manager

- **Dr. Mohsen Fayez Abu Awad**
  Chief Business and Investment Officer
  Secretary of the Board of Directors

- **Belal Issa Mustafa**
  Chief Support and Operations Officer

- **Mr. Ishaq Khalil Qandeel**
  Chief Credit Officer

- **Mr. Abbas Jamal Marei**
  Chief Finance Officer

- **Mr. Abed Al-Kareem Ersan Sukari**
  Head of Risk Division

- **Mr. Salim Asad Taber**
  Head of Human Resources Division

- **Mr. Husameddin Ahmad Salah**
  Legal Consultant/ Head of Legal Department

- **Mr. Hamdi T. Al-Mahmoud**
  Head of Audit Division

- **Mr. "Mohammad Bashar" "Mohammad Moner" Al-Sarraj**
  Head of Regulatory Compliance Dept.

- **Dr. Omar Mustafa Al-Sharif**
  Head of Sharia compliance / Sharia Board Secretary
  Starting from 10/5/2023

- **Mr. Mahmoud Sadiq Mahmoud Odeh**
  Sharia Audit Manager
  Starting from 10/5/2023

Disclosure of names of representatives of legal directors and determine whether representative is executive non-executive independent or non-independent

Chairman

"Mohamed Saed" Mohamed Shaheen

– representing the Arab Bank plc / Independent, non-executive

Vice-Chairman

Mr. Mohamed Ghanameh

– representing the Arab Bank plc / Non-independent, non-executive

Board Members

Mr. Naim Al-Hussain

– representing the Arab Bank plc / Non-independent non-executive

Mr. Ziad Homsi

– representing the Arab Bank pl c/ Independent non-executive

Mr. Jamal Mahmoud Tu'meh

– representing the Arab Bank plc / Non-Independent, non-executive

Dr. Hana Mohammad Helal Hunaity

– representing the Arab Bank plc / Non-Independent, non-executive (starting from 16/5/2023)

Mr. Khaldoun Khalil A. AlJanini

– representing the Arab Bank plc / Non-Independent, non-executive (starting from 16/5/2023)

Secretary of the Board of Directors

Dr. Mohsen Abu Awad

Executive positions in the company and the names of the persons who occupy them

Position	Name of the person who occupy the position
General Manager	Mr. Iyad Asali
Chief Business and Investment Officer	Dr. Mohsen Fayez Abu Awad
Chief Support and Operations Officer	Mr. Belal Issa Mustafa
Chief Credit Officer	Mr. Ishaq Khalil Qandeel
Chief Financial Officer	Mr. Abbas Jamal Marei
Head of Risk Division	Mr. Abed Al-Kareem Ersan Sukari
Head of Human Resources Division	Mr. Salim Asad Taber
Legal Consultant/ Head of Legal Department	Mr. Husameddin Ahmad Salah
Head of Audit Division	Mr. Hamdi T. Al-Mahmoud
Head of Regulatory Compliance Dept.	Mr. "Mohammad Bashar" "Mohammad Moner" Al-Sarraj
Head of Sharia compliance / Sharia Board Secretary - Starting from 10/5/2023	Dr. Omar Mustafa Al-Sharif
Sharia Audit Manager/ - Starting from 10/5/2023	Mr. Mahmoud Sadiq Mahmoud Odeh


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Board of Directors Members

Mr."Mohammed Said" Mohammed Shahin

Current position: Chairman

Date of Birth: 2/7/1948

Qualifications:

- Master's degree in economic development (1977-1978) - Harvard University/ Cambridge - Massachusetts, United States of America.
- Bachelor's degree in Economics (1969-1973) - American University / Cairo - Arab Republic of Egypt
- Higher education at the French College De La Salle (1954 - 1969) - Amman Jordan

Previous & Current Experience:

- Chairman of the Board of Directors of the Islamic International Arab Bank (2017- to date)
- Member of the Senate / Jordanian Parliament (2019)
- Member of the Board of Directors of Capital Bank / Amman - Jordan (2013-2017)
- Governor and Chairman of the Board of Directors / Central Bank of Jordan (2011-2012)
- Deputy Governor and Member of the Board of Directors/Central Bank of Jordan (2003-2011)
- General Manager and Vice Chairman of the Board of Directors / Deposit Insurance Corporation (2001-2003)
- Executive Director/Department of Foreign Operations and Investments - Central Bank of Jordan (1992-2001)
- Head of Investments Department / Arab Monetary Fund - Abu Dhabi - United Arab Emirates (1986-1992)
- He held several positions in the Foreign Operations and Investments Department at the Central Bank of Jordan (1973-1986)

Memberships

- Vice Chairman of the Administrative Board of the Military Trust Fund / Amman - Jordan
- Member of the Executive Board for Privatization / Amman - Jordan
- Chairman of the Board of Directors of the Jordan International Bank / London - United Kingdom
- Chairman of the Board of Directors of the Deposit Insurance Corporation / Amman - Jordan
- Chairman of the Board of Directors of the Loan Guarantee Corporation / Amman - Jordan
- Chairman of the Board of Directors of the Jordan Mortgage Refinance Company / Amman - Jordan
- Chairman of the Board of Directors of the Anti-Money Laundering and Terrorist Financing Unit / Amman - Jordan
- Chairman of the Board of Directors of the Al Hussein Fund for Creativity and Excellence / Amman - Jordan
- Chairman of the Board of Directors of the Institute of Banking Studies / Amman – Jordan
- Chairman of the Board of Directors of the Arab Potash Company / Amman - Jordan
- Member of the Board of Trustees of the Arabian Academy for Banking and Financial Sciences/ Amman - Jordan
- Vice Chairman of the Board of Trustees of Al-Aman Fund for the Future of Orphans/ Amman - Jordan
- Chairman of the Islamic Financial Services Council for the year 2011 / Kuala Lumpur - Malaysia

- Deputy Governor of the International Monetary Fund / Washington DC
- Deputy Governor - Islamic Development Bank / Jeddah - Kingdom of Saudi Arabia
- Member of the Board of Directors of the Arab Trade Finance Program / Abu Dhabi - United Arab Emirates
- Member of the Board of Directors of the Arab Monetary Fund / Abu Dhabi - United Arab Emirates
- Vice Chairman of the Board of Directors of the Jordan Industrial Development Bank / Amman - Jordan
- Member of the Board of Directors of the Arab Corporation for Investment and Export Credit Guarantee / Kuwait
- Member of the Board of the Arab Potash Company / Amman – Jordan

Memberships

Nothing

Mr. Mohammad Abdel-Fattah Al Ghanamah

Current position: Vice Chairman

Date of Birth: 6/1/1952

Qualifications:

- Bachelor of Science / Mathematics (1975)
  Riyadh University (King Saud) - Kingdom of Saudi Arabia

Previous & Current Experience:

- Practical experience: (47 years of banking experience):
- Executive Vice President / Director of Credit Department (since 4/2010)
  Credit Department / Arab Bank -Head office / Jordan
- Executive Vice President (2007/2010)
  Corporate Banking and Investment Department / Arab Bank – Head office / Jordan
- Head of Corporate Finance Group (1999/2007)
  Banque Saudi Fransi - Riyadh / Kingdom of Saudi Arabia
- Head of Corporate Finance Group (1995/1999)
  United Saudi Commercial Bank (United Saudi Bank) - Riyadh / Kingdom of Saudi Arabia
- Assistant General Manager of Facilities (1990/1995)
  Cairo Bank Amman / Jordan
- Director of Corporate Facilities (1989/1990)
  Gulf International Bank / Bahrain
- Director of Foreign Branches Facilities (1987/1989)
  Arab Bank – Head office/ Jordan
- Director of Corporate Facilities for the Central Region (1976/1987)
  Citibank Riyadh / Saudi American Bank - Riyadh / Kingdom of Saudi Arabia

Memberships

- Member of the Board of Directors - Arab National Bank / Riyadh - Kingdom of Saudi Arabia
- Vice Chairman of the Board of Directors - Islamic International Arab Bank / Amman - Jordan
- Chairman of the Board of Directors - Arab National Leasing Company / Amman - Jordan
- Vice Chairman of the Board of Directors - Al Arabi Investment Group Company / Amman - Jordan
- Vice Chairman of the Board of Directors - T-Bank - Istanbul / Turkey
- Member of the Board of Directors - Arab Bank - Syria / Syria
- Member of the Board of Directors - Oman Arab Bank / Oman

Mr. Ziad Bahjat Homsi -

Current position: Board Member

Date of Birth: 25/6/1954

Qualifications:

- Bachelor of Business Administration - United States of America

Previous & Current Experience:

- Chairman of the Board of Directors of the International Chamber of Commerce - Jordan 2023.
- Member of the Arab Labor Organization - Financial Supervision Authority affiliated with the Board of Directors since 2018.
- Member of the Board of Trustees of Al Hussein bin Abdullah II Technical University 2016-2018.
- Vice President and Board Member of the Arab Labor Organization 2014-2018.
- Member of the Board of Trustees of the National Center for Human Rights 2012-2015 and 2017-2019.
- Member of the Board of Directors of the Jordan Water Company - Miyahuna (2012-2015).
- Member of the Twenty-seventh + Twenty-sixth Senate.
- President of the Jordanian-European Institute for Business Development (positive) / 2012-2018.
- President of the Amman Chamber of Industry 2012-2018.
- Member of the Board of Directors of the Social Security Investment Fund 2008-2017.
- Member of the Board of Directors of the Social Security Corporation for several terms.
- Vice Chairman of the Board of Directors of the National Tourism Development Company 2008.
- Member of the Advisory Committee of the Faculty of Arts and Design at the University of Jordan 2007.
- Member of the Board of Directors of the Jordan Chamber of Industry 2005.
- Vice Chairman of the Board of Directors of the Jordanian Industrial Estates Corporation (2003-2008).
- Chairman of the Board of Directors - Ajnad Establishment for Industry and Trade / Homsi and Hanawi Company 2002.
- Member of the Board of Directors of Al-Etihad Savings and Investment Bank (1999-2000).
- Vice President and Board Member of the Amman Chamber of Industry 1987-2002 and 2005-2018.
- Member of the Jordanian Businessmen Association.
- Member of several Jordanian economic and charitable societies.

Mr. Naim Rasim Al-Hussaini

Current position: Board Member

Date of Birth: 28/11/1962

Qualifications:

- Sciences in Industrial Management 1985.

Previous & Current Experience:

- Banque Saudi Fransi, Regional Director - Retail Banking Group 2000-2005
- Banque Saudi Fransi -Sector Manager - Retail Asset Sales - Retail Banking Group 2005-2006
- Banque Saudi Fransi -Acting Director, Retail Banking Group 2006-2007
- Banque Saudi Fransi -Director of the Retail Banking Group 2008-2011
- Arab bank -Director of the Retail Banking Group 2011-2022
- Arab bank -Deputy General Manager of Retail Banking and Wealth Management 2022 –present

Memberships

- Board memeber/ Arab Tunisian Bank- Tunis : from 12/4/2012- to 25/11/2023
- Chairman / Arab Tunisian Bank- Tunis : from 25/11/2011- present
- Board memeber/ Jordan Hotels and Tourism (Jordan Hotel) : from 13/10/2015- present
- Board memeber/Islamic International Arab Bank: from 13/10/2015- present
- Board memeber/Arab Naional Bank- Suadi Arabia: from 01/04/2023- present

Mr. Jamal Mahmoud Tu'meh

Current position: Board Member

Date of Birth: 31/8/1974

Qualifications:

- Bachelor's degree in Computer Science - University of Jordan 1996.

Previous & Current Experience:

- Housing Bank from: October 1996 to: December 1997
- Qatari Ministry of Interior from: December 1997 to: May 1999
- The Saudi Investment Bank from: May 1999 to: May 2008
- Banque Saudi Fransi from: June 2008 to: February 2012
- Arab Bank from: March 2012 to: present

Memberships

Nothing

Dr. Hana Mohammad Helal Hunaity

Current position: Board Member

Date of Birth: 15/1/1969

Qualifications:

- Bachelor's degree in Physics from the Faculty of Science at the University of Jordan, 1991.
- Higher Diploma in Banking and Financial Sciences / Islamic Banks / Arab Academy for Banking and Financial Sciences 2002.
- Master's in Banking and Financial Sciences / Specialization in Islamic Banks / Arab Academy for Banking and Financial Sciences 2003.
- Doctorate of Philosophy in Banking and Financial Sciences / Specialization in Islamic Banks / Arab Academy for Banking and Financial Sciences 2007.

Previous & Current Experience:

- Expert at the International Islamic Jurisprudence Academy of the Muslim World League from 2009 until now.
- Full-time faculty member, Professor of Islamic Banking at the International University of Islamic Sciences, Department of Islamic Banking, from 2013 until now.
- Lecturer at the Royal Jordanian Command and Staff College/Jordanian Armed Forces/Arab Army on Islamic economics and Islamic banking from 2014 until now.
- Member of the Central Sharia Supervisory Board for Islamic bonds at the Jordanian Securities Commission from 2022 until now.
- Diverse academic experiences at a number of administrative levels.
- Consultant as the first woman at the Arab and Islamic levels to the Islamic Development Bank to issue the first Jordanian sovereign bonds.
- Obtained a professorship degree with double the points.

Memberships

Nothing

Mr. Khaldoun Khalil A. AlJanini

Current position: Board Member

Date of Birth: 1970

Qualifications:

- Bachelor's degree in Business Administration and Economics, University of Jordan.
- Master's in Business Administration, University of Jordan.

Previous & Current Experience:

- Assistant General Manager, Treasury and Capital Markets
  Jordan National Bank (1995 – 2016)
- - Director of the Treasury Department
  Arab Bank (2016- present)

Memberships

Nothing

Dr. Mohsen Fayez Abu Awad

Current position: Secretary of the Board of Directors

Date of Birth: 3/6/1963

Qualifications:

- PhD. in Commercial Banks

Previous & Current Experience:

- Chief Business officer in Islamic International Arab Bank Starting from (2014)
- Head of Corporate division in the Islamic International Arab Bank (2005-2013)

Executive Management

Mr. Iyad Asali

Current position: General Manager

Date of Birth: 4/1/1966

Qualifications:

- Bachelor's degree in Business Administration/Economics and Statistics/University of Jordan 1986
- Master of Management / American University - Cairo 1989

Experience:

- Bank of Oman Limited–Dubai-UAE -9/1989 to 11/1992
- Arab Banking Corporation Bank since 1992 Until 31/10/1999, director of the Credit Department
- Arab National Bank from 11/1999 until 7/2007 as Head of the Commercial Banking Department, with the rank of Deputy General Manager,
- Jordan Ahli Bank as Executive Vice President/Deputy General Manager, Group Head Banking services for large companies since 7/2007 Until 2/2011
- General Manager of the Islamic International Arab Bank. Since 01/03/2011,

Dr. Mohsen Fayez Abu Awad

Current position: Chief Business and Investment Officer

Date of Birth: 03/06/1963

Qualifications:

- Bachelor of Banking and Financial Sciences / Yarmouk University 1985
- Master of Banking and Finance / Arab Institute for Banking Studies 1993
- PhD in Finance / Arab Academy for Banking and Financial Sciences 2006

Experience:

- From 1985 to 1987, he worked as an accountant in the Jordanian Armed Forces.
- Jordan Islamic Bank for the period 3/1988 until 9/2005, where he worked in the deposits departments, the inspection and regulation department, and the Investment department at the rank of assistant manager.
- Since 8/2005, he has joined the Islamic International Arab Bank, where he worked as Director of the Corporate Credit Department, Director of the Corporate Sector Department.
- Director of the Department of Major and Commercial Companies, Director of the Corporate Department

Mr. Belal Issa Mustafa

Current position: Head of Support and Operations Sector

Date of Birth: 14/08/1970

Qualifications:

Bachelor of Accounting / University of Jordan 1992.

Experience:

- Arab Bank for the period from 01/02/1994 to 30/11/2009
- The Islamic International Arab Bank from 01/12/2009 to date

Mr. Ishaq Khalil Qandeel

Current position: Chief Credit Officer

Date of Birth: 1/11/1972

Qualifications:
Bachelor degree in Accounting/ mutah University 1997.

Experience:

- Arab Bank Doha from 4/1998 until 7/2007 as responsible for corporate relations.
- Since 7/2007 at the Islamic International Arab Bank Supervisor of the credit review, then director of the credit review department.

Mr. Abbas Jamal Marei

Current position: Chief Finance Officer

Date of Birth: 04/03/1975

Qualifications:

- Bachelor of Accounting / Al-Zaytoonah University of Jordan 1997
- Master's degree in Islamic banking / International Islamic Sciences University 2012

Experience:

- Arab Jordan Investment Bank from 24/05/1997 to 01/05/2004 Central Accounting Department.
- From 18/04/2004 until 30/04/2006, Bank of Jordan, Section Head in the Finance Department.
- From 02/05/2006 to date Islamic International Arab Bank.

Mr. Abed Al-Kareem Ersan Sukari

Current position: Head of Risk Division

Date of Birth: 01/10/1976

Qualifications:

- Bachelor of Banking and Financial Sciences / The Hashemite University 1999
- Master's degree in Financial Economics / The Hashemite University 2004

Experience:

- Islamic International Arab Bank 01/2000 to 09/2005 last job Risk supervisor.
- From 2005 until 08/2007, he was a senior consultant at Burgan Company BDO Kuwait, and Al Rajhe Bank.
- Since 06/11/2007 he joined the Islamic International Arab Bank..

Mr. Salim Asad Taber- Head of Human Resources Division

Current position: Head of Risk Division

Date of Birth: 17/06/1978

Qualifications:

- Bachelor's degree in Economics / Al al-Bayt University 2000

Experience:

- Credit follow-up for the period from 11/2000 to 02/2002
- Training and employment for the period from 02/2002 to 03/2008
- Human Resources Operations since 13/03/2008

Mr. Husameddin Ahmad Salah

Current position: Legal Consultant/ Head of Legal Department
Date of Birth: 03/05/1966

Qualifications:

- Bachelor of Laws / University of Jordan 1990.

Experience:

- 30 years of experience in Law and Legal Consultation.

Mr. Hamdi T. Al-Mahmoud

Current position: Head of Audit Division
Date of Birth: 29/12/1965

Qualifications:

- Bachelor of Banking and Financial Sciences / Al-Isra Private University 2003

Experience:

- Arab Bank for the period from 08/1988 - 07/2009, last job Facilities Audit Manager.
- From 05/07/2009 to date, the Islamic International Arab Bank, where he rose from audit supervisor to director of the banking audit department, then director of the internal audit department.

Mr. "Mohammad Bashar" "Mohammad Moner" Al-Sarraj

Current position: Head of Regulatory Compliance Dept.
Date of Birth: 15-09-1963

Qualifications:

- Bachelor of Economics and Commerce / Department of Business Administration - Psychology / University of Jordan 1987

Experience:

- Egyptian Arab Land Bank from 09/1989 until 08/2011, The last position is Executive Director of Compliance and Anti-Money Laundering Department and customer accounts Opening Unit.
- From 08/2011 to 08/2012, the Arab Bank as a Senior corporate compliance manager.

Dr. Omar Mustafa Al-Sharif- Head of Sharia compliance / Sharia Board Secretary

Current position: Head of Sharia compliance / Sharia Board Secretary
Date of Birth: 03/08/1978

Qualifications:

- Bachelor's degree in Jurisprudence and its Principles / University of Jordan 2000
- Master's degree in Jurisprudence and its Principles / University of Jordan 2003
- Doctorate of Philosophy in Jurisprudence and its Principles / University of Jordan 2007

Experience:

- Academic, research and teaching experiences for the period from 2000 to 2008.
- Sharia Auditor - Internal Audit Department for the period from 05/2008 to 06/2015.
- Director of the Internal Sharia Audit Department from 06/2015 to date.

Mr. Mahmoud Sadiq Mahmoud Odeh - Sharia Audit Manager

Current position: Sharia Audit Manager
Date of Birth: 07/26/1978

Qualifications:

- Bachelor's degree in Accounting / Al al-Bayt University 2000

Experiences:

- 24 years in the field of banking, including 20 years in internal audit.
- Since 20/11/2000, the Islamic International Arab Bank.


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منذ كان البدء والإنسان

Auditor's Report and Financial Statements For the Period Ending on 31/12/2023

Contents

42	Independent Auditor's Report
47	Statement of Financial Position
48	Statement of Profit or Loss
49	Statement of Other Comprehensive Income
50	Statement of Changes in Shareholder's Equity
51	Statement of Cash Flows
52	A Statement of the Sources and Uses of Al-Qard Al-Hasan Funds
53	Statement of Changes in Restricted Investments
54	Statement of Changes in Wakala Investment Accounts
55	Notes to the Financial Statements

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AM / 7565

To the Shareholder of
Islamic International Arab Bank
(A Public Shareholding Limited Company)
Amman – The Hashemite Kingdom of Jordan

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Islamic International Arab Bank (Public Shareholding limited Company) ("the Bank"), which comprise the statement of financial position as at December 31, 2023, and the statement of profit or loss, statement of comprehensive income, statement of changes in shareholders' equity, statement of cash flows, statement of the sources and uses of Al-Qard Al-Hasan funds, statement of changes in restricted investments, and statement of changes in Wakala investment accounts for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Bank as at December 31, 2023, and the results of the operations, changes in shareholders' equity, its cash flows, statement of the Sources and Uses of Al-Qard Al-Hasan Funds, statement of changes in restricted investment, and statement of changes in Wakala investment accounts for the year then ended in accordance with the Financial Accounting Standards ("FAS") issued by the Accounting and Auditing Organization for Islamic Financial Institutions ("AAOIFI") as modified by the Central Bank of Jordan.

In our opinion, the Bank has also complied with the Islamic Shariah Principles and Rules as determined by the Shariah Supervisory Board of the Bank during the year ended December 31, 2023.

Basis for Opinion

We conducted our audit in accordance with the Auditing Standards for Islamic Financial Institutions ("ASIFIs") issued by AAOIFI. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank in accordance with the AAOIFI's Code of Ethics for Accountants and Auditors of Islamic Financial Institutions ("the Code"), together with the ethical requirements that are relevant to our audit of the financial statements in Jordan, and we have fulfilled our other responsibilities in accordance with these requirements and the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Other Matters

1- The accompanying financial statements are a translation of the original financial statements, which are in the Arabic language, to which reference should be made.

2- The financial statements of the Bank for the year ended December 31, 2022 were audited by another auditor who expressed an unmodified opinion on those statements on February 1, 2023.

Key Audit Matters

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

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

A description was provided on how to examine each of the matters referred to below in the audit procedures:

	Key Audit Matters	How our audit addressed the key audit matter
1.	**Expected credit losses in the financing portfolio (Deferred sales receivables and other receivables , and Lease-to-Own assets and Al-Qard Al-Hasan) and other indirect financing** As stated in note 6, 7, and 54 to the Bank's financial statements, the net balance of deferred sales receivables, other receivables, and lease to own assets, and Al-Qard Al-Hasan amounted to approximately JD 2 billion as of December 31, 2023, representing about 69% of total assets. The provision for credit losses related to these reached around JD 38 million. Additionally, the total amount of indirect financing amounted to approximately JD 306 million as off-balance sheet items. The provision for expected credit losses related to them was about JD 1.5 million.	We established an audit approach which included both testing the design and operating effectiveness of internal controls over the determination of expected credit losses and risk-based substantive audit procedures. Our procedures over internal controls focused on the governance over the process controls around the ECL methodology, completeness and accuracy of credit facilities data used in the expected loss models, management review of outcomes, management validation and approval processes, the assignment of borrower's classification, consistency of application of accounting of accounting policies and the process for calculating allowances.

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	Key Audit Matters	How our audit addressed the key audit matter
	The determination of the Bank's expected credit losses for credit facilities is a material and complex estimate requiring significant management judgement in the evaluation of the credit quality and the estimation of inherent losses in the portfolio. The financial statement risk arises from several aspects requiring substantial judgement of management, such as the estimation of probabilities of default and loss given defaults for various stages, the determination of significant increase in credit risk (SICR) and credit-impairment status (default), the use of different modelling techniques and consideration of manual adjustments. When calculating expected credit losses, the banks take into account credit quality indicators for each financing and portfolio. It distributes credit facilities according to risk grades and estimates losses for each institution based on its nature and risk characteristics. The Bank's expected credit losses are calculated against credit exposures, according to the requirements by AAOIFI as modified by the Central Bank of Jordan. Credit exposures granted directly to the Jordanian Government as well as credit exposures guaranteed by the Jordanian Government are excluded from the determination of the allowance for expected credit losses. In addition, expected credit losses are also adjusted to take into consideration any special arrangements with the Central Bank of Jordan. The recognition of specific allowances on impaired facilities under the CBJ instructions is based on the rules prescribed by the CBJ on the minimum allowances to be recognized, together with any additional allowances to be recognised based on management's estimate of expected cash flows related to those credit facilities. In calculating expected credit losses, the Bank considered credit quality indicators for each loan and portfolio, stratified financing by risk grades and estimated losses for each facility based upon their nature and risk profile. Auditing these complex judgements and assumptions involves especially challenging auditor judgement due to the nature and extent of audit evidence and effort required to address these matters and therefore this item is considered to be a key audit matter.	The primary procedures which we performed to address this key audit matter included, but were not limited to, the following: • For a risk-based sample of individual loans, we performed a detailed credit review, assessed the information for evaluating the creditworthiness and staging classification of individual borrowers and challenged the assumptions underlying the expected credit loss allowance calculations, such as the validation of the exposure at default at year-end, collateral valuations and estimates of recovery as well as considered the consistency of the Bank's application of its impairment policy. • We evaluated controls over approval, accuracy and completeness of impairment allowances and governance controls, including assessing key management and committee meetings that form part of the approval process for credit impairment allowances. • For credit facilities not assessed individually, we evaluated controls over the modelling process, including model monitoring, validation and approval. • We tested controls over model outputs and the mathematical accuracy and computation of the expected credit losses by re-performing or independently calculating elements of the expected credit losses based on relevant source documents with the involvement of our credit specialists. • We challenged key assumptions, inspected the calculation methodology and challenged the ECL amount of the total portfolio. We evaluated key assumptions such as thresholds used to determine SICR and including the scenario weights. • We evaluated post-model adjustments and management overlays in the context of key model and data limitations identified by the Bank in order to assess these adjustments, focusing on PD and LGD used for corporate loans and challenged their rationale; • We have identified the adjustments made by management through assessing modifications to the models related to macroeconomic factors and future vision scenarios, which were integrated into the impairment calculation process. This was achieved by our experts challenging selected multiple economic scenarios and applying weights to capture any losses. • And we determined if the amount recorded as the allowance for expected credit losses was determined in accordance with the Financial Accounting Standards issued by AAOIFI as modified by the Central Bank of Jordan. • We assessed the disclosure in the financial statements relating to this matter against the requirements of the Financial Accounting Standards issued by AAOIFI.

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	Key Audit Matters	How the key audit matter was addressed
2.	**IT systems and controls related to the preparation of the financial statements** We identified IT systems and controls over financial reporting as an area of focus due to the extensive volume and variety of transactions which are processed daily by the Group and rely on the effective operation of automated and IT dependent manual controls. There is a risk that automated accounting procedures and related internal controls are not accurately designed and operating effectively. In particular, the incorporated relevant controls are essential to address the potential risk for fraud and error as a result of change to applications or underlying data.	Our audit approach depends to a large extent on the effectiveness of automated controls and IT-dependent manual controls and therefore we performed an undersigning of the bank's IT related control environment and identified IT applications, databases and operating systems that are relevant for the financial reporting process and to our audit. For relevant IT-dependent controls within the financial reporting process we identified, with the involvement of our internal IT specialist, supporting general IT controls and evaluated their design, implementation and operating effectiveness. We performed an understanding of applications relevant for financial reporting and testing key controls in the areas of access protection, integrity of system interfaces and linkage of such controls to the reliability, completeness and accuracy of financial reporting including also computer-generated reports used in financial reporting.

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Other Information included in the Bank's Annual Report for the Year 2023

Other information consists of the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The Board of Directors is responsible for other information. We expect that the annual report will be made available to us after the date of our audit report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

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

If, based on the work we have performed, we conclude that there is a material mistatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

These financial statements and the Bank's undertaking to operate in accordance with the Islamic Shari'ah rules and Principles are the responsibility of the Bank's Board of Directors.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with FAS issued by the AAOIFI as modified by the Central Bank of Jordan and for such internal control as the Bank's Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Bank financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and have communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguard applied.

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

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Report on Other Legal and Regulatory Requirements
The Bank maintains proper books of accounts, which are in agreement with the financial statements. We recommend that the shareholders approve the financial statements.

Amman – The Hashemite Kingdom of Jordan

February 11, 2024

Deloitte & Touche (M.E.) - Jordan

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STATEMENT OF FINANCIAL POSITION

	Notes	December 31, 2023	December 31, 2022
		JD	JD
ASSETS			
Cash and balances with Central Bank of Jordan	4	**519,136,912**	709,456,182
Balances with Banks and financial institutions	5	**9,259,115**	4,272,764
Deferred sales receivables and other receivables – Net	6	**1,047,842,857**	993,172,752
Ijara Muntahia Bittamleek assets – Net	7	**903,709,841**	895,722,799
Financial assets at fair value through shareholders' equity – Self financed	8	**5,819,111**	5,813,534
Financial assets at fair value through joint investment accounts holders' equity	9	**9,044,623**	6,132,492
Financial assets at amortized cost – Net	10	**279,252,169**	173,302,637
Investments in real estate	11	**18,521,658**	18,758,571
Al-Qard Al-Hasan loans – Net	Statement A	**71,648,856**	65,000,767
Property and equipment – Net	12	**18,437,942**	18,229,714
Intangible assets – Net	13	**1,908,828**	1,627,653
Right of use assets	14	**8,190,721**	7,520,961
Deferred tax assets	20/C	**3,700,896**	3,212,544
Other assets	15	**28,621,575**	35,188,903
TOTAL ASSETS		**2,925,095,104**	2,937,412,273
LIABILITIES			
Banks and financial institutions' accounts	16	**2,846,629**	388,381
Customers' current accounts	17	**746,265,256**	803,710,156
Cash margin	18	**32,900,820**	32,392,790
Other provisions	19	**3,699,372**	3,448,600
Provision for income tax	20/A	**8,914,289**	15,130,064
Deferred tax liabilities	20/D	**368,380**	366,260
Lease liabilities	14	**6,993,931**	6,276,041
Other liabilities	21	**80,817,458**	91,916,654
TOTAL LIABILITIES		**882,806,135**	953,628,946
Joint Investment Accounts Holders' Equity			
Unrestricted investment accounts	22	**1,769,073,663**	1,721,936,408
Fair value reserve - net	25	**(88,544)**	(127,766)
Total joint investment accounts holders' equity		**1,768,985,119**	1,721,808,642
SHAREHOLDERS' EQUITY			
Paid-in capital	23	**100,000,000**	100,000,000
Statutory reserve	24	**54,470,972**	49,967,639
Voluntary reserve	24	**4,262,322**	4,262,322
Fair value reserve - net	25	**601,040**	597,583
Retained earnings	26	**113,969,516**	107,147,141
Total shareholders' equity		**273,303,850**	261,974,685
Total liabilities, joint investment accounts holders and shareholders' equity		**2,925,095,104**	2,937,412,273
Restricted investments	Statement B	**368,601,990**	192,595,862
Wakalah investments Accounts	Statement C	**16,229,902**	21,485,444

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE ACCOMPANYING AUDIT REPORT.

STATEMENT OF INCOME

		For the Year Ended December 31,	
	Notes	**2023**	2022
		JD	JD
Revenues			
Deferred sales revenues	27	**60,757,745**	50,770,642
Revenue from financial assets at amortized cost	28	**8,669,966**	2,667,147
Net income from investment in real estates	29	**123,453**	476,079
Revenue from Ijara Muntahia Bittamleek Assets	30	**68,271,738**	57,788,127
Ju'alah commissions	31	**1,350,806**	1,323,498
Other revenues	40	**86,975**	282,306
(provision) Recoveries from expected credit loss and impairment loss	32	**(1,053,174)**	1,464,591
Total Revenue from Joint Investments Accounts		**138,207,509**	114,772,390
Deposit insurance fees on joint investment accounts	33	**(3,056,911)**	(2,821,414)
Unrestricted investment accounts share	34	**(60,080,895)**	(36,712,496)
Banks' Share in income from Joint Investment as Mudarib and Fund Owner (Rab Al-Mal)	35	**75,069,703**	75,238,480
Bank's self-financed revenues	36	**63,407**	71,737
Bank's share in restricted investment profit as Mudarib	37/A	**3,568,294**	590,137
Bank's share in restricted investment profit as agent (Wakeel)	37/B	**254,902**	486,037
Gains from foreign currencies	38	**1,807,125**	1,546,183
Banking services revenues	39	**13,353,606**	12,455,051
Other revenues	40	**284,260**	930,277
Deposit insurance fees on current accounts	33	**(2,364,336)**	(2,387,312)
Gross Income		**92,036,961**	88,930,590
Expenses			
Employees' expenses	41	**28,988,747**	26,773,952
Depreciation and amortization	12&13	**3,127,913**	2,976,135
Other expenses	42	**12,320,228**	9,392,573
Depreciation of Ijara Muntahia Bittamleek assets	30	**30,896**	40,813
Provisions (Recoveries) for expected credit loss - self	6&54	**150,000**	(6,326,267)
Amortization of right of use assets	43	**1,310,049**	1,240,523
Lease liabilities discount / Finance costs	43	**131,110**	132,080
Rental expenses	43	**602,213**	374,726
Other provisions	19	**342,477**	136,958
Total expenses		**47,003,633**	34,741,493
Profit before income tax		**45,033,328**	54,189,097
Income tax	20/B	**(9,707,620)**	(18,691,929)
Profit for the year		**35,325,708**	35,497,168
Earnings per share for the year	44	**0,353**	0,355

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE ACCOMPANYING AUDIT REPORT.

STATEMENT OF OTHER COMPREHENSIVE INCOME

.	Notes	For the Year Ended December 31,	
		2023	2022
		JD	JD
Profit for the year		**35,325,708**	35,497,168
Comprehensive income items: Items that will not be reclassified subsequently to Profit or loss statement			
Net change in fair value reserve	25	**3,457**	(18,213)
Total Comprehensive Income for the Year		**35,329,165**	35,478,955

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE ACCOMPANYING AUDIT REPORT.

Statement Of Changes In Shareholders' Equity

			Reserves				
	Notes	Paid-in capital	Statutory	Voluntary	Fair value reserve - Net	Retained earnings *	Total
		JD	JD	JD	JD	JD	JD
For the year ended December 31, 2023							
Balance at beginning of the year		**100,000,000**	**49,967,639**	**4,262,322**	**597,583**	**107,147,141**	**261,974,685**
Profit for the year		-	-	-	-	**35,325,708**	**35,325,708**
Net change in fair value reserve after tax	**25**	-	-	-	**3,457**	-	**3,457**
Total comprehensive income for the year		-	-	-	**3,457**	**35,325,708**	**35,329,165**
Transferred to reserves		-	**4,503,333**	-	-	**(4,503,333)**	-
Dividends**		-	-	-	-	**(24,000,000)**	**(24,000,000)**
Balance at the end of the year		**100,000,000**	**54,470,972**	**4,262,322**	**601,040**	**113,969,516**	**273,303,850**
For the year ended December 31, 2022							
Balance at beginning of the year		100,000,000	44,548,730	4,262,322	615,796	117,068,882	266,495,730
Profit for the year		-	-	-	-	35,497,168	35,497,168
Net change in fair value reserve after tax	25	-	-	-	(18,213)	-	(18,213)
Total comprehensive income for the year		-	-	-	(18,213)	35,497,168	35,478,955
Transferred to reserves		-	5,418,909	-	-	(5,418,909)	-
Dividends**		-	-	-	-	(40,000,000)	(40,000,000)
Balance at the end of the year		100,000,000	49,967,639	4,262,322	597,583	107,147,141	261,974,685

* Retained earnings include an amount of JD 3,700,896 caas of December 31, 2023 that cannot be used based on the instructions of the Central Bank of Jordan. This amount represents the amount of deferred tax assets related to the Bank's self-financed operations (JD 3,212,544 as at December 31, 2022).

* Retained earnings include a restricted amount of JD 181,121 as of December 31, 2023 which represents the general Banking reserve surplus that resulted from Financial Accounting Standard (30) implementation.

** On 9 April 2023, the General Assemble of Shareholders approved the distribution of cash dividends of JD 24,000,000 to the sole shareholder (Arab Bank plc.), representing 24% of the authorized and paid in capital from distributable retained earnings for the year 2023 (JD 40,000,000 which is 40% for the year 2022).

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE ACCOMPANYING AUDIT REPORT.

Statement Of Cash Flows

	Note	December 31, 2023	December 31, 2022
		JD	JD
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit before tax		**45,033,328**	54,189,097
Adjustments to non - cash items:			
Depreciation and amortization	12 & 13	**3,127,913**	2,976,135
Depreciation of investments in real estate	29	**192,972**	194,503
Amortization of premium/discount on issuance of financial assets at amortized cost	10	**151,467**	138,365
Provision (Recoveries from) expected credit loss - self	6 & 54	**150,000**	(6,326,267)
Provision (Recoveries from) expected credit loss - joint	6 & 54	**1,053,174**	(1,464,591)
Other provisions	19	**342,477**	136,958
Right of use assets amortization	43	**1,310,049**	1,240,523
Finance costs / discount lease liabilities	43	**131,110**	132,080
(Gains) Losses on the sale of fixed assets	12	**(9,458)**	16,911
Provision for impairment of property and equipment	42	**681,901**	-
Effect of exchange rate fluctuations on cash and cash equivalents	38	**(1,021)**	35,957
Net cash from operating activities before change in the working capital		**52,163,912**	51,269,671
Change in working capital items			
(Increase) in deferred sales receivables and other receivables		**(56,787,651)**	(70,440,646)
Decrease in deferred sales receivables through the income statement		**-**	6,513,267
(Increase) in Ijara Muntahia Bittamleek assets		**(11,700,306)**	(88,958,871)
Decrease (Increase) in other assets		**8,714,222**	(8,866,709)
(Increase) in Al-Qard Al-Hasan loans		**(6,648,089)**	(7,668,875)
(Decrease) Increase in customers' current accounts		**(57,444,900)**	23,429,632
Increase in cash margins		**508,030**	23,990
(Decrease) in other liabilities		**(7,716,442)**	53,780,299
Net cash (used in) operating activities before Tax and provisions paid		**(78,911,224)**	(40,918,242)
Provisions paid	19	**(91,705)**	(412,165)
Tax paid	6 & 20	**(17,814,690)**	(16,459,891)
Net cash (used in) operating activities		**(96,817,619)**	**(57,790,298)**
CASH FLOWS FROM INVESTING ACTIVITIES:			
(Purchase) of financial assets at fair value through joint investments accounts holders' equity		**(2,872,909)**	(1,947,265)
(purchase) financial assets at amortized cost	10	**(149,857,000)**	(149,929,091)
Maturity of financial assets at amortized cost (net)	10	**44,030,755**	3,545,000
Sale (Purchase) of investment in real estates	11	**270,120**	1,160,192
(Purchase) of property and equipment	12	**(3,338,701)**	(2,174,904)
(Purchase) of intangible assets	13	**(966,725)**	(841,102)
Proceed from sale of property and equipment		**15,666**	6,175
Net cash (used in) from investing activities		**(112,718,794)**	(150,180,995)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Increase in joint investment account holders' equity		**47,137,255**	57,150,858
Paid lease obligations	14	**(1,393,030)**	(1,552,709)
Distributed dividends	26	**(24,000,000)**	(40,000,000)
Net cash flows from financing activities		**21,744,225**	15,598,149
Effect of exchange rate fluctuations on cash and cash equivalents	38	**1,021**	(35,957)
Net (decrease) in cash and cash equivalents		**(187,791,167)**	(192,409,101)
Cash and cash equivalents at beginning of the year		**713,340,565**	905,749,666
Cash and cash equivalents at the end of the year	45	**525,549,398**	713,340,565
Non-cash items:			
Increase in foreclosed assets		**3,939,819**	1,771,791
Increased investment in real estate resulting from the transfer of foreclosed assets		**-**	1,027,386
Capitalization of projects under implementation, including property, equipment and intangible assets		**119,086**	172,055

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE ACCOMPANYING AUDIT REPORT.

STATEMENT OF SOURCES AND USES OF AL - QARD AL - HASAN FUND

Statement (A)

	Notes	December 31, 2023	December 31, 2022
		JD	JD
Balance at the beginning of the year		**64,484,696**	57,442,205
Sources of the fund:			
Shareholders' equity		**(84,893,871)**	(75,002.660)
Total sources of fund's assets during the year		**(84,893,871)**	(75,002,660)
Uses of the Fund:			
Personal advances		**5,687,080**	6,567,033
Revolving cards		**86,250,525**	75,478,118
Total used during the year		**91,937,605**	82,045,151
Balance at the end of the year		**71,528,430**	64,484,696
Current and overdrawn accounts		**1,413,195**	1,549,614
Less: expected credit loss provision	6	**(1,292,769)**	(1,033,543)
Balance at the end of the year – net		**71,648,856**	65,000,767

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STATEMENT OF CHANGES IN RESTRICTED INVESTMENTS

Statement (B)

	Note	International Murabaha	Cash Balances	Total
		JD	JD	JD
For the year ended 31 December 2023				
Investments at the beginning of the year		**192,573,066**	**22,796**	**192,595,862**
Add: Deposits		**293,006,262**	**3,702**	**293,009,964**
Less: Withdrawals		**(128,803,664)**	**-**	**(128,803,664)**
Less: Bank's fees as Mudarib	37	**(3,568,294)**	**-**	**(3,568,294)**
Add: Investment gains	37	**15,368,122**	**-**	**15,368,122**
Investments at the end of the year		**368,575,492**	**26,498**	**368,601,990**
Revenues for distribution		**3,305**	**-**	**3,305**
Total		**3,305**	**-**	**3,305**
For the year ended 31 December 2022				
Investments at the beginning of the year		186,670,593	3,252,103	189,922,696
Add: Deposits		100,586,332	-	100,586,332
Less: Withdrawals		(97,313,010)	(3,229,307)	(100,542,317)
Less: Bank's fees as Mudarib	37	(590,137)	-	(590,137)
Add: Investment gains	37	3,219,288	-	3,219,288
Investments at the end of the year		192,573,066	22,796	192,595,862
Revenues for distribution		803	-	803
Total		803	-	803

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STATEMENT OF CHANGES IN WAKALAH INVESTMENT

Statement (C)

	Note	Local financing	Cash Balances	Total
For the year ended 31 December 2023				
		JD	**JD**	**JD**
Investments at the beginning of the year		**17,355,858**	**4,129,586**	**21,485,444**
Add: Deposits		**4,051,268**	**2,475,843**	**6,527,111**
Less: Withdrawals		**(11,782,653)**	**-**	**(11,782,653)**
Add: Investments' gains		**644,412**	**-**	**644,412**
Less: Bank's fees as Agent (Wakeel)	37	**(254,902)**	**-**	**(254,902)**
Less: Client's share*	37	**(389,510)**	**-**	**(389,510)**
Investments at the end of the year		**9,624,473**	**6,605,429**	**16,229,902**
Revenue received in advance		**495,745**	**-**	**495,745**

	Note	Local financing	Cash Balances	Total
For the year ended 31 December 2022				
		JD	JD	JD
Investments at the beginning of the year		18,197,918	12,529,539	30,727,457
Add: Deposits		12,097,399	-	12,097,399
Less: Withdrawals		(12,939,459)	(8,399,953)	(21,339,412)
Add: Investments' gains		981,454	-	981,454
Less: Bank's fees as Agent (Wakeel)	37	(486,037)	-	(486,037)
Less: Client's share*	37	(495,417)	-	(495,417)
Investments at the end of the year		17,355,858	4,129,586	21,485,444
Revenue received in advance		891,523	-	891,523

* The client's share of the returns is transferred to his accounts with the Central Bank of Jordan.

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE ACCOMPANYING AUDIT REPORT.

1. General

- Islamic International Arab Bank ("the Bank") was established as a Public Shareholding Limited Company on 30 March 1997 pursuant to the provisions of the company's law No. (22) Of 1997.
- The Bank provides all Banking, financial, and investment activities that comply with Islamic standards through its headquarters and its 45 branches inside the kingdom. The Bank's transactions are governed by the applicable Bank's law.
- The Islamic International Arab Bank is wholly owned by the Arab Bank and the financial statements are consolidated with the financial statements of the Arab Bank.
- The financial statements were authorized for issue by the Bank's Board of Directors in their meeting no. (1) held on January 28, 2024 and its subject to the approval of the General Assembly and Central Bank of Jordan.
- The Bank's Supervisory Board reviewed the financial statements on January 28, 2024 and issued their report thereon.

2. Significant Accounting Policies

Basis of preparation of the financial statements

- The Bank's financial statements have been prepared in accordance with the standards issued by the Accounting and Auditing Organization of Islamic Financial Institutions (AAOIFI), in conformity with applicable local laws and regulations, and with the Central Bank of Jordan's regulations. In the absence of Financial Accounting Standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions relating to financial statements items, the International Financial Reporting Standards and related interpretations are applied in conformity with the standards, pending the promulgation of Islamic Standards, therefore.
- The financial statements are prepared on the historical cost basis except for financial assets at fair value and sales receivables through the statement of income, which are recognized at fair value at the date of the financial statements.
- The financial statements have been presented in Jordanian Dinar, which is the functional currency of the Bank.
- The Bank modified the principle of mixing owner's equity with the accounts of the holders of joint investment as from the beginning of May 2013, maintaining the existing investments financed by the holders of equity (self) until maturity.
- The basic differences between the Islamic accounting standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions and the international financial reporting standards as they must be applied and what has been approved by the Central Bank of Jordan are as follows:

First: Allowances for expected credit losses are made in accordance with Financial Accounting Standard No. (30) issued by the Accounting and Auditing Organization for Islamic Financial Institutions and in accordance with the instructions of the Central Bank of Jordan, whichever is more severe. The fundamental differences are as follows:

- Sukuks issued by or guaranteed by the Jordanian government are excluded so that credit exposures to and guaranteed by the Jordanian government are treated without credit losses.
- When calculating credit losses against credit exposures, the calculation results are compared in accordance with Financial Accounting Standard No. (30) issued by the Accounting and Auditing Organization for Islamic Financial Institutions with the Central Bank of Jordan's instructions No. (47/2009) issued on December 10, 2009 for each stage separately. The most severe results are taken.
- Profits and commissions on non-performing credit financings granted to customers are suspended in accordance with the instructions of the Central Bank of Jordan.
- In certain special cases the Central Bank of Jordan approves arrangements for the calculation and recognizing of expected credit loss for customers over a specified period.

Second: The assets that were transferred to the bank in settlement of debts appear in the summary interim statement of financial position among other assets at the value that was transferred to the bank or the fair value, whichever is less, and they are re-evaluated on the date of the financial information individually, and any decline in their value is recorded as a loss in the profit statement. Or summary interim losses and comprehensive income and the increase is not recorded as revenue. The subsequent increase is taken into the summary interim statement of profits or losses and comprehensive income to the extent that it does not exceed the value of the decrease that was recorded previously. The calculation of a gradual allocation for real estate will be completed according to Central Bank Letter No. 10/3/13246 dated September 2, 2021, at the rate of (5%) of the total book values of those real estate, starting from the year 2022, so that the required percentage of (50%) of that is reached. Real estate by the end of the year 2030. On October 10, 2022, a subsequent circular was issued by the Central Bank of Jordan, according to which the deduction of allocations against expropriated real estate in violation of the provisions of the Banking Law was canceled, stressing the need to maintain the allocations allocated for expropriated real estate in violation of the provisions of the Banking Law, and that only the allocated allocation be released against Any of the violating properties that are disposed of.

The separation between what belongs to the shareholders' equity and what belongs to the joint investment accounts equity has been taken into consideration.

Unrestricted investment accounts means joint investment accounts wherever they appear.

Changes in accounting policies

The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the preparation of the Bank's financial statements for the year ended December 31, 2022, with the exception of the standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions, which became effective as of December 1, 2023, which are as follows:

- Financial Accounting Standard No. 39 "Financial Reports on Zakat".

  - This standard improves on and replaces the previously issued Financial Accounting Standard 9 "Zakat". This standard aims to determine the accounting treatment of zakat in the records of Islamic financial institutions, including presentation and disclosure in their financial statements.

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

  - The date of application of this standard is as of January 1, 2023, but it has no impact on the bank's data, since according to the bank's policy, the responsibility for zakat falls on the deposit holders and shareholders separately.

- Financial Accounting Standard No. 41 "Interim Financial Report"

  - The aim of this standard is to define the principles of interim financial reporting for all institutions that apply the financial accounting standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), and it should also be read in conjunction with other accounting standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) and accounting principles. Generally accepted standards that apply in the relevant regulatory scopes. This standard applies to institutions that choose to prepare interim financial reports in accordance with applicable laws, regulatory systems, or practices, or are obligated to do so.

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

Sectors' Information

- The business sector represents a group of assets and operations, which jointly provides products or services subject to risks and returns different from those relating to other business sectors measured in accordance with the reports used by the Chief Operating Officer and key decision maker at the Bank.

- The geographical sector relates to providing products or services in a specific economic environment subject to risks and returns different from those relating to segments operating in other economic environments.

Basis of distributing profits among shareholders equity and joint investment accounts holders.

	Rate	
Share of Joint Investment Accounts Holders According to the slides	**30%- 63%**	Which is, a rate of 2.6% to 5.9% for the first half and from 2.6% to 6.1% for the second half of the year 2023 on the dinar (compared to 1.6% to 3.7% for the first half and 1.5% to 5.2% for the second half of the year 2022) and the rates of 1.37% to 3.11% and 1.53% to 3.47% on the US dollar for the first and second half of the year 2023, respectively (compared to 0.40% To 0.92% and 1.03% to 2.34% for the year 2022).
Share of Shareholders' Equity According to the slides	**37%-70%**	

- The Bank donates a certain amount from its share in income from joint investment as Mudarib or fund owner (Rab Al-Mal) to raise the percentage of profit distributed to some/all unrestricted investment accounts holders (according to categories).
- The bank took a decision at the end of the year 2023 to postpone the distribution of profits on customers' deposits in dinars to take place during the month of January 2024, as the bank decided to give up part of its share in the profits as money to customers to raise the general percentage. The bank waived an amount of 18,600,000 dinars for the benefit of customers from its share of profits during the year 2023 (compared to an amount of 5,500,000 dinars for the year 2022).
- The Bank grants priority in investment to the holders of the joint investment accounts. These accounts are charged with the advertisement and publicity expenses in respect of the products that the Bank releases. Such expenses are life insurance premiums in respect of those financed by Ijara Muntahia Bittamaleek contracts and the expenses related to investment in real estate,and other expenses approved by the Shari'a Supervisory Board, which are invested from the deposits accounts that participate in profits.
- The percentage of profits distributed to restricted investment assets in dollars ranged between 3.02% and 4.60% for the year 2023 (compared to 0.15% and 4.14% for the year 2022).

Revenue, Earnings and Losses Not Compliant with Islamic

The Bank's revenue, earnings, and losses not in compliance with Islamic (if any) are recorded in a special account in the statement of financial position within other credit balances. They are not recorded in the statement of income and are disbursed as charity as determined by the Supervisory Board.

Zakah

The responsibility for Zakah is assumed by the holders of deposits and shareholders separately.

Deferred Sales Receivables

Murabaha Contracts

These are sale of a commodity at its first purchase price paid by the seller (the Bank) with known and an agreed upon mark-up. The sale may be on an ordinary Murabaha basis called (Simple Murabaha), in which the Bank practices trade. According to simple Murabaha, the Bank buys the commodities without reliance on a prior promise by a customer to buy them, and then the Bank offers such commodities for sale by Murabaha at an agreed upon price and profit. Otherwise, the sale could be Murabaha coupled with a promise from a customer, i.e., the Bank buys the commodity only after the customer determines his desires with the existence of a prior promise to buy, which is then called (Murabaha to purchase order).

- The Bank applies the commitment to the promise principle in Murabaha to the purchase orderers contracts in accordance with the standards issued by Accounting and Auditing Organization for Islamic Financial Institutions. However, in the event of abstention, the Bank sells the commodity and refers to the commander of purchase to compensate for the actual losses.

- Murabaha receivables are recorded upon their occurrence at their nominal value. They are measured at the end of the financial year at the net cash value expected to be realized.

- The profits are recorded upon concluding the cash Murabaha contracts or to a period not exceeding the financial year.

- Income of deferred sales for a period exceeding the financial year is recorded by distributing it over the future financial years for the term, whereby a share of the profits is allocated for each financial year regardless of whether or not it is a cash delivery.

Al Ju'alah

It is a contract in which one of the parties (the Ja'il) offers specified compensation (the Ju'alah / commission) to anyone who will achieve a determined result (the 'Amil) in a known or unknown period , (Remuneration for guaranteed work that has been done).

Al Istisna'

- A sale contract described as a condition of the work. The price may be immediate or by installments (deferred).

- Cost of Istisna' includes direct and indirect costs related to Istisna' contracts. Such costs do not include general and administrative, marketing expenses and costs of research and development.

- The costs of Istisna' process and the costs prior to signing the contract are recorded in the financial year under the item Istisna' under process at the amounts disbursed by the Bank. The invoices sent to Al Mustasnee (the buyer) by the Bank are recorded under Istisna' receivables account and deducted from the account of Istisna' under process in the statement of financial position.

- Istisna' revenue is recorded upon concluding the contract either through completion of execution or expiry of the contract, whichever is earlier.

- If Al Mustasnee (the buyer) does not fully pay the agreed upon price and reach an agreement to pay in installments during the contract execution or after its completion, deferred profits are recorded and deducted from the balance of Istisna' receivables account in the Bank's statement of financial position. This is carried out whether the method followed in recording Istisna' revenues is the percentage of completion method or the completed contract method. Moreover, the deferred profits distribution is made over the future financial years whereby a share of the profits is allocated for each financial year, whether the settlement is made by cash or not.

- If the Bank retains the manufactured item for any reason, such assets are measured at the expected cash value to be realized or at cost, whichever is lower. The difference (if any) is recorded as a loss in the statement of income in the financial year in which it is realized.

Assets Available for Deferred Payment Sale

- This item represents assets acquired by the Bank for the purpose of selling these assets on a deferred basis (installments). This type of selling assets is also called instalment-bargain sale to distinguish it from Murabaha to the purchase orderer. The assets available for deferred payment sale are recorded at cost at the time of contracting and measured at cost basis (purchase value and any direct expenses which are acquisition-related).

- The assets available for deferred payment sale are measured at the end of the financial period at fair value. The amount of change resulting from the re-valuation process if any is measured on the basis of book value compared with fair value, and the unrealized profit (loss) is recorded in the investments fair value reserve.

- Profits of the deferred sales shall be recognized on an accrual basis and proportionally allocated over the period of the contract. Profits related to future financial periods shall be recognized in deferred sales profit account.
- Deferred sales receivables shall be recognized at contract inception and measured at their face value (contracted value).

Financing Investments

Mudaraba Financing

- It is a partnership in profit between two parties whereby one party provides the capital, and the other party provides the work, and it is instituted between the holders of investment accounts (Rab Al-Mal) and the Bank (Mudarib). The Bank and the division of gain as agreed, whereby losses are charged to Rab Al-Mal except in the events of infringement of the Bank (Al Mudarib), its default, or violation of the conditions. In such cases, the Bank bears the consequences arising therefrom. The partnership is also instituted between the Bank in its capacity as the capital holder in its own name or on behalf of the holders of investment accounts and craftsmen and other business owners such as farmers and industrialists. Such Mudaraba is different from the traditional speculation that involves adventure and taking risks in sale and purchase activities.
- Mudaraba finance is recorded upon delivering the capital to Al Mudarib or putting it under his control. The provided capital is measured by the paid amount or at fair value if in-kind. If a difference results from the valuation of the in-kind item between the fair value and the book value, it is recognized as a profit (loss) in the statement of income. At the end of the financial year, the amount the Bank redeems from the Mudaraba capital is deducted.
- The Bank's share of the gains (losses) arising and expiring during a financial year is recorded after the settlement of the Mudaraba process. In events where Mudaraba process continues for more than a financial year, the Bank's share of the profits is recorded upon realization of the profits by accounting for them, in whole or any part thereof, in the financial year in which the profits occur to the extent of distributed profits. Moreover, losses for that year are recorded to the extent of losses by which the Mudaraba capital is reduced.
- If losses are incurred due to Mudareb infringement or default, such losses are recorded as receivables debited to Mudareb's account.

Musharaka Financing

- It is the provision of funds by the Bank and customer equally or differently in order to set up a new project or participate in an existing one, whereby each of them would own a share in the capital either on a fixed or diminishing basis and would be entitled to its share of the gains. Losses are divided proportionate to the partner's share in capital, whereby it would be inappropriate to stipulate otherwise.
- The Bank's share in Musharaka capital is recorded upon delivery to the managing partner or when it is deposited in Musharaka account, as it is measured at the cash paid value or at fair value if in-kind. If a difference results from the evaluation of the in-kind item between fair value and book value, it is recognized as a profit (loss) in the statement of income.
- The capital in the diminishing Musharaka is measured at the end of the financial year at the historical value less the historical value of the share sold at the agreed upon fair value, and the difference between both values is recorded as a profit or loss in the statement of income.
- The Bank's share of the gains or (losses) of Musharaka financing which arises or expires during the financial year is recorded after settlement. In the event that Musharaka continues for more than a financial year, the Bank's share of the profits is recorded upon their realization by accounting for them, in whole or any part thereof, between the Bank and the partner in the financial year in which the profits occur to the extent of the distributed profits. Moreover, losses for a financial year are recorded in that year to the extent of the losses by which the Bank's share in the Musharaka capital is reduced.
- An additional provision of expected credit losses for Deferred Sale Receivable and Other Receivables in case there is an indication of a significant increase in credit risk.

- At the end of the financial year, the financing assets are recorded at cost or at cash value expected to be realized, whichever is lower, and the difference is recorded as a financing's impairment provision.

- The income from deferred sales and non-performing financing granted to customers is held in suspense in accordance with the Central Bank of Jordan instructions.

- The deferred sales receivables and funding financed from the joint investment accounts are written off in case efforts relating to their collection are not successful against the Investment Risks Fund (except for what has been granted / financed and then written off from the deferred sales receivables and finances in the same year whereby they are recorded in the statement of income within investment income). Any amounts collected from the previously written-off receivables and finances are added to the Investment Risks Fund, except for what has been recorded in the statement of income within investment income. Moreover, deferred sales receivables and funding financed from the Bank's own funds for which an impairment provision is taken are written off, if the related collection procedures are not successful, and deducted from the impairment provision. Any surplus in the total impairment provision is transferred to the statement of income, and any amounts of the previously written-off receivables and finances collected are added to income.

Financial Assets Recognition Date

Sales and purchase of financial assets are recognized on the trading date (the date the Bank is liable of selling or buying the financial assets)

Financial Assets at Amortized Cost

- These represent financial assets that the Bank's management aims to hold according to its business model to collect their contractual cash flows. Moreover, they represent fixed or determinable payments for their capital and gains.

- These assets are recorded at cost upon purchase plus acquisition costs, and they are re-valued at the end of the current period based on the effective profit method. Any profits or losses resulting from the amortization process are recognized in the statement of income, and any impairment in value is recorded in the statement of income.

- The amount of impairment in the value of these assets represents the difference between the book value and present value of the expected cash flows discounted at the original effective profit rate whereby any provisions resulting from impairment in the value of these assets are deducted. Moreover, any financial assets may not be reclassified to/ from this item.

- If any of these assets financed from the Bank's own funds is sold before maturity, the result of the sale is recorded in a separate item within the statement of comprehensive income and disclosed accordingly.

Financial Assets at Fair value through Shareholders' Equity - Self Financed

- These assets represent investments in equity instruments financed from the Bank's funds for retaining them for the long term.

- These assets are recorded upon purchase at fair value plus acquisition costs. Subsequently, these assets are re-valued at fair value. The change in fair value is recognized under the fair value reserve within shareholders' equity.

- If such assets or any part thereof is sold, gains or losses resulting therefore are recorded in retained earnings.

- Gains generated from such financial assets are recorded on the date of the declaration of their distribution in the statement of income.

- Gains or losses resulting from foreign currency exchange differences relating to these assets are recorded in the fair value reserve.

Financial Assets at Fair value through joint investment accounts holder's equity

- These assets represent investments in equity instruments financed from joint investment account for retaining them for the long term.
- These assets are recorded upon purchase at fair value plus acquisition costs. Subsequently, these assets are re-valued at fair value. The change in fair value is recognized under the fair value reserve within joint investment account holder's equity.
- If such assets or any part thereof is sold, gains or losses resulting therefore are recorded in statement of income.
- The impairment loss previously recorded in the statement of income may be recovered if it is objectively found that the increase in fair value occurred in a period subsequent to recording the impairment losses through the fair value reserve recognized within joint investment accounts holders' equity.
- Gains generated from such financial assets are recorded on the date of the declaration of their distribution in the statement of income.
- Gains or losses resulting from foreign currency exchange differences relating to these assets are recorded in the fair value reserve within joint investment account holders' equity.
- Financial assets whose fair value cannot be reliably determined are recognized at cost, and the impairment test is carried out at the end of every financial period. Moreover, the impairment in their value is recorded in the statement of income and may not be recovered during subsequent periods.

Deferred Sales Receivables through the Statement of Income / Self - Financed

- These are sale receivables (International Murabaha) due to the Bank's buying of commodities with the purpose of selling them in the near future.
- These receivables are recorded at fair value upon sale and subsequently re-valued at fair value through the market indicators of these receivables. Moreover, the change in fair value is recognized in the statement of income.
- The Bank may dispose of these receivables by a debt assignment to another person at their net nominal or book value, and the difference is recorded in the statement of income.

Ijara Muntahia Bittamleek (Lease to Own)

- It is a benefit contract for a compensation which expires by the lessee's acquisition of the leased assets.
- The assets acquired for Ijara are measured, at the date of their acquisition, at historical cost, including direct costs to render them usable. The leased assets are depreciated according to the straight-line method over the life of Ijara contract.
- When the recoverable amount from any of the acquired Ijara assets is lower than their net book value, their value is reduced to the recoverable amount, and the impairment amount is recorded in the statement of income.
- The income from Ijara is distributed over the financial years covered by the Ijara contract.

Foreclosed Assets

- They are the assets that are repossessed by the Bank to settle the debts and obligations of the borrowers without the Bank having any intention of owning them. In the future, if the Bank sees an investment opportunity, the Bank can transfer it to real estate investment in terms of calculating provisions.
- Assets that have been repossessed by the Bank in settlement of outstanding debts are shown in the balance sheet among other assets.

- The assets that have been repossessed by the Bank in settlement of the debts due to the value that it has transferred to the Bank or at the fair value whichever is lower, and are re-evaluated at the date of the financial statements at fair value and any decline in their value is subtracted from the income statement, taking into account the ownership of the funds invested in these assets.

- The value of the increase in its value is not recorded as revenue whereby the subsequent increase is recorded to the extent that it does not exceed the value of the decline that was previously established, taking into consideration the ownership of the funds invested in these assets, noting that it is subject to the instructions of the Central Bank of Jordan.

Investment in Real Estate

It is the acquisition of real estate to obtain periodical income or in anticipation of the increase of value thereof or both. Initially, the investment in real estate is recognized at cost plus direct cost, and it is subsequently measured depending on its application whether for utilization (cost or fair value model) or for sale. When the Bank approves either model, it has to apply it to all investments in real estate.

a. Investment in Real Estate Held–for-Use

The cost or fair value model is applied as follows:

Cost Model:

Investments in real estate are recorded at cost less accumulated depreciation and impairment (if any). In the event that the Bank decides to apply this model, it has to apply it to all investments in real estate.

Fair Value Model:

Investments are measured at fair value, and the increase in value is recorded in the fair value reserve. Moreover, any decrease in fair value is deducted from previously recorded increase. If there is no increase in the previously recorded value, the difference is recognized in the statement of income. Furthermore, if the Bank decides to apply this model, it has to apply it to all investments in real estate.

Noting that the Bank follows the cost model.

b. Investments in Real Estate Held-for-Sale

- Investments in real estate are recorded at the book value or fair value less costs of sale, whichever is lower. Moreover, these investments are not depreciated. The difference is recorded in the statement of income.

- Real estates may be transferred from the investment portfolio to the property and equipment portfolio or vice versa if the change in the purpose of their utilization can be established. The transfer is made at cost less deprecation if the Bank uses the cost model in measuring the portfolio's real estates. If the Bank uses the fair value model, real estates are transferred at their fair value at the date of transfer.

- If real estate is transferred from the Bank's property and equipment to the investment in real estate portfolio, the transfer is made at the cost of the real estate less depreciation and impairment provision (if any) as at the date of cessation of use.

Fair value of financial assets

- The closing prices (selling price) on the date of the financial statements in active markets represent the fair value of financial instruments that have market prices. If there are no actual prices or no active trading of some financial instruments or the market is inactive, the fair value is estimated by comparing it with the current market value of a similar instrument.

- Valuation methods aim at obtaining a fair value that reflects market expectations and considers market factors and any expected risks or benefits when assessing the value of financial assets If there are financial assets whose fair value cannot be reliably measured, they are shown at cost after deducting any impairment in their value.

Impairment of financial assets

The Bank reviews the recorded values of the financial assets at the date of the financial position to determine whether there are indicators that indicate a decline in their value individually or in the form of a group, and in case of such indicators, the recoverable value is estimated in order to determine the impairment loss.

Provisions

Provisions are recognized when the Bank has obligations at the date of the statement of financial position arising from past events and settlement of these obligations is probable and can be measured reliably.

Property and Equipment

Property and equipment are stated at cost after deducting accumulated depreciation and any impairment in their value. Property and equipment (except for lands) are depreciated when ready for use according to the straight-line method over their expected useful lives at the following annual rates:

	Depreciation rate
Buildings	2%
Furniture, fixture and equipment	2%-15%
Vehicles	20%
Computers	25%
Improvements and decorations	15%

The useful lives of property and equipment are reviewed at the end of each financial year. In case the expected useful life is different from what was determined before, the change in estimate is recorded in the following years, being a change in estimates.

The carrying amount of properties and equipment is reviewed for impairment purposes only when there are indications or events suggesting they the carrying amount they not be recoverable.

When the recoverable amount of any property and equipment is less than their net carrying value, their value is reduced to the recoverable amount, and the impairment loss is recorded in the statement of income.

Intangible Assets

- Intangible assets acquired through a method other than merger are recorded at cost.
- Intangible assets are classified based on the estimation of their useful life for a definite or an indefinite period. Intangible assets with definite useful economic lives are amortized over their useful lives, and amortization is recorded in the statement of income. Furthermore, the impairment in the value of intangible assets with indefinite useful lives are reviewed at the date of the financial statements, and any impairment in their value is recorded in the statement of income.
- Intangible assets resulting from the Bank's operations are not capitalized but included in the statement of income in the same year.
- Indications of impairment of intangible assets are reviewed at the date of the financial statements, their useful lives are reassessed, and any adjustments are made in the subsequent years.
- Software and systems are stated in the statement of financial position at cost after deducting accumulated amortization. They are amortized when ready for use based on the straight- line method over their expected useful lives at an annual rate of 25%.

End of Service Indemnity Provision

Annual indemnities paid to the employees who leave employment are recorded in the end-of- service indemnity provision when paid. Indemnity paid in excess of the provision is taken in the statement of income upon payment, and a provision for the Bank's obligations in respect of staff end-of-service indemnity is taken in the statement of income in accordance with the Bank's personnel by-laws and the provisions of the Labor Law.

Income Tax

- Tax expenses represent accrued taxes and deferred taxes.
- Tax expenses are accounted for based on taxable income which differs from income declared in the financial statements because the latter includes non-taxable revenue or taxable expenses disallowed in the current year but deductible in subsequent years, 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 Hashemite Kingdom of Jordan.
- 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 financial statements and the value of the taxable amount. Deferred taxes are calculated, using the financial position liability method. Moreover, these deferred taxes are calculated according to the tax rates expected to be applied upon settling the tax liability or the realization of the deferred tax assets.
- Deferred tax assets are reviewed at the date of the financial statements and reduced when it is no longer probable to benefit from these tax assets partially or totally.

Accounts Managed on Behalf of Customers (restricted accounts)

These represent the accounts managed by the Bank on behalf of its customers but do not represent part of the Bank's assets. The fees and commissions for managing these accounts are recognized in the statement of income.

Accounts Managed by Wakalah

These represent accounts managed by the Bank as Wakalah according to a program with the Central Bank of Jordan. The funds invested by Wakalah are recognized off-the statement of financial position whereas the Bank's share from the Wakalah (returns) is recorded in the statement of income.

Realization of Income and Recognition of Expenses

- Realization of income and recognition of expenses are recognized on the accrual basis, except for revenue from deferred sales and non-performing finances that are not recognized as revenue but recorded in the suspense income accounts.
- Commissions are recorded as a revenue upon rendering the related services. Dividend income is recognized when earned (when approved by the General Assembly of Shareholders).

Foreign Currencies

- Transactions in foreign currencies during the year are recorded at the exchange rates prevailing at the date of the transactions.
- Financial assets and financial liabilities are translated based on the average exchange rates declared by the Central Bank of Jordan on the date of the financial position.
- Non-monetary assets and liabilities denominated in foreign currencies and recorded at fair value are translated on the date when their fair value is determined.
- Gains and losses resulting from foreign currency translation are recorded in the statement of income.

Lease contracts

- The Bank recognizes right-of-use assets and corresponding lease liabilities in respect of all lease arrangements in which the lessee is, except for short-term leases (defined as leases of 12 months or less) and leases of low-value assets and for these contracts, the Bank recognizes lease payments as an operating expense on a straight-line basis over the term of the lease.

- The lease liability is initially measured at the present value of the lease payments that have not been paid at the commencement date of the lease, discounted using a discount rate of 2% - 3%.

- Lease liabilities are presented as a separate line item in the statement of financial position.

- Right-of-use assets are amortized over the lease term, which ranges from 5-10 years. Right-of-use assets are presented as a separate line item in the statement of financial position.

Cash and Cash Equivalents

This item represents cash and cash balances that mature within three months and comprise cash and balances at the Central Bank, and balances at Banks and financial institutions less Banks and financial institutions' accounts that mature within three months and restricted balances.

3. Use of estimates

Preparation of the financial statements and application of accounting policies require the Bank's Management to perform estimates and assumptions that affect the amounts of financial assets and financial liabilities, fair value reserve and disclosure of contingent liabilities. These estimates and assumptions also affect the revenue, expenses and provisions as well as the changes in fair value reported in the statement of comprehensive income. In particular, the Bank's Management is required to make significant judgements for estimating the amounts and timing of future cash flows. Moreover, the mentioned estimates are necessarily based on several assumptions and factors with varying degrees of consideration and uncertainty. Furthermore, the actual results may differ from the estimates due to the changes resulting from the conditions of such estimates in the future. In the opinion of management, the estimates used in the financial statements are reasonable.

We believe that the estimates within the financial statements are reasonable and are detailed as follows:

Lawsuit provision

A provision for lawsuits raised against the Bank is taken based on a legal study prepared by the Bank's legal advisor. Moreover, the study highlights potential risks that the Bank may encounter in the future. Such legal assessments are reviewed periodically.

Impairment of financial assets

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

Decrease in the value of expropriated properties

The decline in the value of expropriated properties is proven based on recent real estate evaluations approved by certified estimators for the purposes of calculating the decline in the value of the properties. This decline is reviewed periodically, and any decline in its value is recorded as a loss in the consolidated statement of profit or loss and comprehensive income and is not recorded Increase as revenue.

A gradual allocation for real estate is calculated according to the letter of the Central Bank of Jordan No. 10/3/13246 dated September 2, 2021, at the rate of (5%) of the total book values of those properties, starting from the year 2022, so that the required percentage of (50%) of those properties is reached. Real estate By the end of the year 2030, on October 10, 2022, a subsequent circular was issued by the Central Bank of Jordan, according to which the deduction of allocations against expropriated properties in violation of the provisions of the Banking Law was canceled, with an emphasis on the necessity of maintaining the allocations allocated to expropriated properties that violate the provisions of the Banking Law, and that only the allocated allocation be released against any Of the illegal properties being disposed of.

Income tax provision

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

Methodology for applying International Accounting Standard No. 30 (Financial Instruments): Inputs, mechanisms and assumptions used to calculate expected credit losses

The key concepts with a fundamental impact that require a high degree of management diligence that have been considered by the Bank when applying the standard include:

Assessing the substantial increase in credit risk:

To assess whether the credit risk on a financial asset has increased significantly since the date of its inception, the Group 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 Group's existing risk management processes.
Our assessment of significant increases in credit risk will be performed once every three months and separately for each individual exposure based on three factors. If any of the following factors indicates that a significant increase in credit risk has occurred, the instrument will be moved from Stage 1 to Stage 2:

1. We have set limits to measure the substance of credit risk based on the change in the risk of a financial instrument stumble compared to the date of its inception.

2. In addition to using qualitative factors to assess the results of the change in the classification stages or make adjustments to reflect the situation of the significant increase in credit risk.

3. IAS 30 (financial instruments) includes an assumption of a significant increase in the credit risk of financial instruments that have defaulted and matured for more than 30 days. Within the instructions of the Central Bank of Jordan, it is assumed that there is a significant increase in the credit risk of financial instruments that have defaulted and are due for more than 30 days.

Macroeconomic Factors, Forward Looking Information and Use of Multiple Scenarios

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

- Probability of default (PD), loss given default (LGD) and Exposure At Default (EAD) inputs used to estimate Stage 1 and Stage 2 credit loss allowances are designed based on the macroeconomic variables (or changes in macroeconomic variables) that are most closely correlated with credit losses in relation to the portfolio.

- Each of the macroeconomic scenarios used in calculating the expected credit loss is associated with variable macroeconomic factors.

- In our estimates used in calculating stage 1 and stage 2 ECLs, discounted weighted scenarios that include future macroeconomic information for the next three years are used.

- The base scenario depends on the macroeconomic reality (such as: GDP, inflation, stock prices, unemployment rate...). The ups and downs changes in economic factors will be prepared on the basis of possible alternative economic conditions.

Definition of default

The definition of default used in the measurement of expected credit losses and the assessment to determine movement between stages will be consistent with the definition of default used for internal credit risk management purposes. There is the rebuttable presumption that default has occurred when an exposure is greater than 90 days past due.

Defaults are defined by the Bank if in the event that is it ascertained that the customer may not fully pay his obligations or if the customer is due on a substantial value from the facilities for a period of 90 days or more.

Expected Life

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.

Useful lives of property, equipment, intangible assets and real estate within the real estate investment portfolio:

Management estimates the useful lives of tangible and intangible assets upon initial recognition. Moreover, Management periodically re-assesses the useful lives of tangible and intangible assets to calculate annual depreciation and amortization based on the general condition of those assets and estimates of the productive activities expected in the future. The impairment loss (if any) is charged to the statement of income. The factors that affect the estimated useful lives of tangible and intangible assets include Management's estimates for the period in which the Bank is expected to use these assets as well as technological development and obsolescence.

In case of any difference between the useful lives of tangible and intangible assets and Management's estimates this will significantly affect the depreciation expense which in return will significantly affect the statement of profit or loss.

The management evaluates the real estate within the real estate investment portfolio periodically, and an allowance is taken for any decrease in its value within the provision for future expected credit losses, as the portfolio is within the joint investment and the Bank follows the cost model, and the buildings are depreciated using a straight-line method within this portfolio at a rate of 2% annually.

Financial assets:

The management conducts a periodic review of the financial assets, which are shown at cost, to estimate any decline in their value, and this decline (if any) is included in the income statement for the period.

Fair value levels:

The standard requires identification and disclosure of the level in the fair value hierarchy at which fair value measurements are categorized in their entirety and separation of fair value measurements into levels defined in IFRS. The difference between level (2) and level (3) fair value measurements means evaluating whether the information or inputs are observable and the significance of the unobservable information, which requires careful judgment and analysis of the inputs used to measure fair value, including consideration of all factors of origin or liability.

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

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

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

Average life of lease contracts: 5-10 years

Discount rate: 2%-3%.

4. Cash and Balances with Central Bank of Jordan

This item consists of the following:

	December 31, 2023	December 31, 2022
	JD	JD
Cash in vaults	**56,279,236**	50,990,817
Balances with Central Bank of Jordan		
Current and call accounts	**364,540,862**	556,691,777
Statutory cash reserve	**98,316,814**	101,773,588
Total	**519,136,912**	709,456,182

- Except for the cash reserve, there are no restricted cash balances as at December 31, 2023 and 2022.
- No provision for expected credit losses has been calculated for balances with the Central Bank, as they are exposures to the Jordanian government.

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

	Stage 1	
	December 31, 2023	December 31, 2022
	JD	JD
Balance at the beginning of the year	**658,465,365**	843,675,217
New balances during the year	**3,098,740,122**	2,572,559,464
Paid balances	**(3,294,347,811)**	(2,757,769,316)
Balance at the end of the year	**462,857,676**	658,465,365

5. Balances with Banks and Financial Institutions

The details for this item as follow:

	Local Banks and financial institutions		Foreign Banks and financial institutions		Total	
	December 31,		December 31,		December 31,	
	2023	2022	**2023**	2022	**2023**	2022
	JD	JD	**JD**	JD	**JD**	JD
Current and call	**2,636,557**	2,016,723	**6,622,558**	2,256,041	**9,259,115**	4,272,764
	2,636,557	2,016,723	**6,622,558**	2,256,041	**9,259,115**	4,272,764

- There are no restricted cash balances as at December 31, 2023 and 2022.

- There are no balances with Banks and financial institutions on which the Bank earns returns as of December 31, 2023 and 2022.

- The balances with Banks and financial institutions are all current account to cover the operations of the Bank and there is no need to calculate a provision for expected credit loss according to the FAS (30).

- The movement on the balances with Banks and financial institutions is as follows:

	Stage 1	
	December 31, 2023	December 31, 2022
	JD	JD
Balance at the beginning of the year	**4,272,764**	18,227,011
New balances during the year	**6,599,609,327**	5,363,884,648
Paid balances	**(6,594,622,976)**	(5,377,838,895)
Balance at the end of the year	**9,259,115**	4,272,764

6. Deferred Sales Receivables and other Receivables – Net

The details for this item as follow:

	Joint		Self-financed		Total	
	December 31,		December 31,		December 31,	
	2023	2022	**2023**	2022	**2023**	2022
	JD	JD	**JD**	JD	**JD**	JD
Retail						
Murabaha to the purchase orderer	**410,165,091**	385,117,371	**-**	-	**410,165,091**	385,117,371
Receivables – Ijara Muntahia Bittamleek	**2,082,016**	1,366,310	**-**	-	**2,082,016**	1,366,310
Ju'alah guarantees	**15,812,601**	14,232,294	**-**	-	**15,812,601**	14,232,294
Real estate financing	**185,550,920**	178,210,777	**-**	-	**185,550,920**	178,210,777
Corporates						
International Murabaha	**192,919,012**	155,551,402	**437,014**	438,313	**193,356,026**	155,989,715
Murabaha to purchase order	**299,066,312**	301,555,491	**2,377,907**	2,407,400	**301,444,219**	303,962,891
Receivables – Ijara Muntahia Bittamleek	**2,145,510**	1,702,463	**-**	-	**2,145,510**	1,702,463
Paid receivables- guarantees	**-**	-	**72,602**	57,490	**72,602**	57,490
Ju'alah guarantees	**1,015**	-	**-**	-	**1,015**	-
Small and Medium Enterprises						
Murabaha to purchase order	**80,425,157**	71,521,143	**2,861**	2,753	**80,428,018**	71,523,896
Receivables – Ijara Muntahia Bittamleek	**877,540**	1,487,863	**4,043**	11,395	**881,583**	1,499,258
Paid guarantees	**-**	-	**17,154**	17,154	**17,154**	17,154
Ju'alah guarantees	**18,578**	18,839	**-**	-	**18,578**	18,839
Total	**1,189,063,752**	1,110,763,953	**2,911,581**	2,934,505	**1,191,975,333**	1,113,698,458
Less: deferred revenue	**(88,896,454)**	(70,613,420)	**-**	(6)	**(88,896,454)**	(70,613,426)
Deferred mutual insurance	**(15,728,124)**	(13,733,651)	**-**	-	**(15,728,124)**	(13,733,651)
Expected credit loss provision	**(33,979,657)**	(30,891,187)	**(2,890,874)**	(2,911,856)	**(36,870,531)**	(33,803,043)
Revenues in suspense	**(2,620,098)**	(2,358,323)	**(17,269)**	(17,263)	**(2,637,367)**	(2,375,586)
Net deferred sales receivables and other receivables	**1,047,839,419**	993,167,372	**3,438**	5,380	**1,047,842,857**	993,172,752

Expected credit loss Provision for Deferred Sales Receivables, and Al-Qard Al-Hasan - Self

The following is the movement on the expected credit losses:

2023	Retail	Corporates	Small and Medium Enterprises	Total
	JD	JD	JD	JD
Balance at the beginning of the year	**927,454**	**2,786,154**	**231,791**	**3,945,399**
Expected credit losses provision	**250,489**	**76,292**	**51,370**	**378,151**
Recoveries from ECL	**(71,256)**	**(64,588)**	**(4,063)**	**(139,907)**
Settlements during the year	-	**76,244**	**(76,244)**	-
Balance at the end of the year	**1,106,687**	**2,874,102**	**202,854**	**4,183,643**
Provision for ECL of non- performing sales receivables stage3 on individual customer basis	**914,790**	**2,799,767**	**175,664**	**3,890,221**
Provision for ECL of watch-list sales receivables- stage2 on individual customer basis	**46,789**	**2,417**	**25,433**	**74,639**
Provision for ECL on performing sales receivable- stage1 on individual customer basis	**145,108**	**71,918**	**1,757**	**218,783**
Balance at the end of the year	**1,106,687**	**2,874,102**	**202,854**	**4,183,643**

2022	Retail	Corporates	Small and Medium Enterprises	Total
	JD	JD	JD	JD
Balance at the beginning of the year	737,877	3,233,833	241,984	4,213,694
Expected credit losses provision	220,368	20,646	11,384	252,398
Recoveries from ECL	(30,791)	(468,325)	(21,577)	(520,693)
Balance at the end of the year	927,454	2,786,154	231,791	3,945,399
Provision for ECL of non- performing sales receivables stage3 on individual customer basis	802,186	2,748,676	227,732	3,778,594
Provision for ECL of watch-list sales receivables- stage2 on individual customer basis	45,626	24,845	318	70,789
Provision for ECL on performing sales receivable- stage1 on individual customer basis	79,642	12,633	3,741	96,016
Balance at the end of the year	927,454	2,786,154	231,791	3,945,399

- The total provisions prepared for debts calculated on individual customer basis have been disclosed.

Direct facilities at amortized cost according to Bank's internal rating as at December 31, 2023 (after deducting deferred revenues and deferred mutual insurance) as follows:

	Joint				Self				Total				2022
Item	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Low risk	11,627,895	-	-	11,627,895	-	-	-	-	11,627,895	-	-	11,627,895	9,494,526
Acceptable	1,000,354,259	28,935,324	-	1,029,289,583	71,439,770	357,957	-	71,797,727	1,071,794,029	29,293,281	-	1,101,087,310	1,036,224,198
Watch list	-	13,398,444	-	13,398,444	-	147,989	-	147,989	-	13,546,433	-	13,546,433	21,629,843
Non-performing	-	-	30,123,252	30,123,252	-	-	3,907,490	3,907,490	-	-	34,030,742	34,030,742	28,037,124
Substandard	-	-	992,413	992,413	-	-	48,165	48,165	-	-	1,040,578	1,040,578	1,007,173
Doubtful	-	-	3,372,753	3,372,753	-	-	82,970	82,970	-	-	3,455,723	3,455,723	2,048,583
Bad debts	-	-	25,758,086	25,758,086	-	-	3,776,355	3,776,355	-	-	29,534,441	29,534,441	24,981,368
Total	1,011,982,154	42,333,768	30,123,252	1,084,439,174	71,439,770	505,946	3,907,490	75,853,206	1,083,421,924	42,839,714	34,030,742	1,160,292,380	1,095,385,691

The movement on balances of direct facilities loans at amortized cost as at December 31, 2023 (after deducting deferred revenues and deferred mutual insurance) is as follows:

	Joint				Self				Total				2022
Item	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	971,689,685	30,485,930	24,241,267	1,026,416,882	64,609,702	563,250	3,795,857	68,968,809	1,036,299,387	31,049,180	28,037,124	1,095,385,691	1,014,785,594
New facilities granted during the year	616,128,766	35,831,840	3,421,007	655,381,613	29,151,496	281,920	353,948	29,787,364	645,280,262	36,113,760	3,774,955	685,168,977	698,696,811
Settled facilities	(570,700,909)	(21,887,791)	(4,770,621)	(597,359,321)	(22,092,668)	(402,018)	(408,281)	(22,902,967)	(592,793,577)	(22,289,809)	(5,178,902)	(620,262,288)	(618,096,714)
Transferred to stage 1	3,425,625	(2,938,882)	(486,743)	-	165,901	(150,435)	(15,466)	-	3,591,526	(3,089,317)	(502,209)	-	-
Transferred to stage 2	(6,426,296)	7,206,873	(780,577)	-	(265,223)	275,113	(9,890)	-	(6,691,519)	7,481,986	(790,467)	-	-
Transferred to stage 3	(2,134,717)	(6,364,202)	8,498,919	-	(129,438)	(61,884)	191,322	-	(2,264,155)	(6,426,086)	8,690,241	-	-
Total balance at the end of the year	1,011,982,154	42,333,768	30,123,252	1,084,439,174	71,439,770	505,946	3,907,490	75,853,206	1,083,421,924	42,839,714	34,030,742	1,160,292,380	1,095,385,691

Following is the movement on expected credit loss provision as at December 31, 2023 (after deducting deferred revenues and deferred mutual insurance) as follows:

	Joint				Self				Total				2022
Item	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Balance at beginning of the year	6,440,245	5,503,369	18,947,573	30,891,187	96,016	70,789	3,778,594	3,945,399	6,536,261	5,574,158	22,726,167	34,836,586	31,071,582
Provision for expectedcredit loss	-	-	1,053,174	1,053,174	165,704	73,337	139,110	378,151	165,704	73,337	1,192,284	1,431,325	1,246,095
Recoveries from expected credit loss provision	-	-	-	-	(57,383)	(54,855)	(27,669)	(139,907)	(57,383)	(54,855)	(27,669)	(139,907)	(2,978,981)
Transferred to stage 1	408,646	(273,666)	(134,980)	-	15,501	(12,888)	(2,613)	-	424,147	(286,554)	(137,593)	-	-
Transferred to stage 2	(79,757)	428,217	(348,460)	-	(873)	4,397	(3,524)	-	(80,630)	432,614	(351,984)	-	-
Transferred to stage 3	(3,096)	(544,801)	547,897	-	(182)	(6,141)	6,323	-	(3,278)	(550,942)	554,220	-	-
Adjustments during the year	(3,086,811)	942,841	4,179,266	2,035,296	-	-	-	-	(3,086,811)	942,841	4,179,266	2,035,296	5,497,890
Total balance at the end of year	3,679,227	6,055,960	24,244,470	33,979,657	218,783	74,639	3,890,221	4,183,643	3,898,010	6,130,599	28,134,691	38,163,300	34,836,586

Direct credit facilities at amortized cost according to Bank's internal rating – Large corporates as at December 31, 2023 (after deducting deferred revenues and deferred mutual insurance) as follows:

	Joint				Self				Total				2022
Item	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Low risk	3,466,579	-	-	3,466,579	-	-	-	-	3,466,579	-	-	3,466,579	2,168,967
Acceptable	430,360,482	22,554,732	-	452,915,214	1,465,914	6,653	-	1,472,567	431,826,396	22,561,385	-	454,387,781	420,729,327
Watch list	-	7,978,860	-	7,978,860	-	22,035	-	22,035	-	8,000,895	-	8,000,895	14,444,354
Non-performing debt	-	-	19,065,881	19,065,881	-	-	2,817,038	2,817,038	-	-	21,882,919	21,882,919	15,672,174
Substandard	-	-	114,576	114,576	-	-	1,090	1,090	-	-	115,666	115,666	6,183
Doubtful	-	-	1,963,854	1,963,854	-	-	-	-	-	-	1,963,854	1,963,854	-
Bad debts	-	-	16,987,451	16,987,451	-	-	2,815,948	2,815,948	-	-	19,803,399	19,803,399	15,665,991
Total	433,827,061	30,533,592	19,065,881	483,426,534	1,465,914	28,688	2,817,038	4,311,640	435,292,975	30,562,280	21,882,919	487,738,174	453,014,822

Following is the movement on direct credit facilities at amortized cost – large corporates as at December 31, 2023 (after deducting deferred revenues and deferred mutual insurance) as follows:

	Joint				Self				Total				Total
Item	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	2022
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	419,079,846	16,674,163	12,906,235	448,660,244	1,448,759	139,880	2,765,939	4,354,578	420,528,605	16,814,043	15,672,174	453,014,822	425,741,972
New facilities granted during the year	376,663,566	28,536,047	2,431,919	407,631,532	172,187	28,295	81,880	282,362	376,835,753	28,564,342	2,513,799	407,913,894	397,292,130
Settled facilities	(360,072,976)	(12,942,359)	(476,411)	(373,491,746)	(170,237)	(139,880)	(30,781)	(340,898)	(360,243,213)	(13,082,239)	(507,192)	(373,832,644)	(368,864,407)
Transferred to stage 1	564,383	(564,383)	-	-	15,986	(15,986)	-	-	580,369	(580,369)	-	-	-
Transferred to stage 2	(3,017,296)	3,017,296	-	-	(393)	393	-	-	(3,017,689)	3,017,689	-	-	-
Transferred to stage 3	(2,740)	(4,201,398)	4,204,138	-	-	-	-	-	(2,740)	(4,201,398)	4,204,138	-	-
Adjustments during the year	612,278	14,226	-	626,504	(388)	15,986	-	15,598	611,890	30,212	-	642,102	(1,154,873)
Total balance at the end of year	433,827,061	30,533,592	19,065,881	483,426,534	1,465,914	28,688	2,817,038	4,311,640	435,292,975	30,562,280	21,882,919	487,738,174	453,014,822

Following is the movement on expected credit loss– large corporates as at December 31, 2023 (after deducting deferred revenues and deferred mutual insurance) as follows:

	Joint				Self				Total				Total
Item	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	2022
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Balance at beginning of the year	4,798,012	4,481,124	11,911,585	21,190,721	12,633	24,845	2,748,676	2,786,154	4,810,645	4,505,969	14,660,261	23,976,875	21,737,987
Provision for expected credit loss	-	-	1,053,174	1,053,174	71,338	2,438	2,516	76,292	71,338	2,438	1,055,690	1,129,466	1,014,343
Recoveries from expected credit loss provision	-	-	-	-	(12,073)	(24,846)	(27,669)	(64,588)	(12,073)	(24,846)	(27,669)	(64,588)	(1,852,624)
Transferred to stage 1	24,862	(24,862)	-	-	20	(20)	-	-	24,882	(24,882)	-	-	-
Transferred to stage 2	(66,641)	66,641	-	-	-	-	-	-	(66,641)	66,641	-	-	-
Transferred to stage 3	(6)	(337,018)	337,024	-	-	-	-	-	(6)	(337,018)	337,024	-	-
Adjustments during the year	(2,848,850)	621,829	3,190,525	963,504	-	-	76,244	76,244	(2,848,850)	621,829	3,266,769	1,039,748	3,077,169
Total balance at theend of year	1,907,377	4,807,714	16,492,308	23,207,399	71,918	2,417	2,799,767	2,874,102	1,979,295	4,810,131	19,292,075	26,081,501	23,976,875

Direct credit facilities at amortized cost according to Bank's internal rating – Small and Medium Enterprises as at December 31, 2023 (after deducting deferred revenues and deferred mutual insurance) as follows:

	Joint				Self				Total				Total
Item	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	2022
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Low risk	4,508,618	-	-	4,508,618	-	-	-	-	4,508,618	-	-	4,508,618	4,245,361
Acceptable	63,508,153	3,199,454	-	66,707,607	59,190	7,588	-	66,778	63,567,343	3,207,042	-	66,774,385	57,496,434
Watch list	-	2,264,494	-	2,264,494	-	92,807	-	92,807	-	2,357,301	-	2,357,301	3,426,258
Non-performing debt	-	-	3,957,921	3,957,921	-	-	175,662	175,662	-	-	4,133,583	4,133,583	5,542,331
Substandard	-	-	25,295	25,295	-	-	363	363	-	-	25,658	25,658	236,586
Doubtful	-	-	280,477	280,477	-	-	8,274	8,274	-	-	288,751	288,751	1,285,164
Bad debts	-	-	3,652,149	3,652,149	-	-	167,025	167,025	-	-	3,819,174	3,819,174	4,020,581
Total	68,016,771	5,463,948	3,957,921	77,438,640	59,190	100,395	175,662	335,247	68,075,961	5,564,343	4,133,583	77,773,887	70,710,384

Following is the movement on direct credit facilities at amortized cost – Small and Medium Enterprises as at December 31, 2023 (after deducting deferred revenues and deferred mutual insurance) as follows:

	Joint				Self				Total				Total
Item	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	2022
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Balance at beginning of the year	57,647,400	7,313,538	5,314,599	70,275,537	154,497	52,618	227,732	434,847	57,801,897	7,366,156	5,542,331	70,710,384	78,045,198
New facilities granted during the year	54,837,026	4,616,597	334,565	59,788,188	169,153	91,711	27,773	288,637	55,006,179	4,708,308	362,338	60,076,825	50,373,444
Settled facilities	(44,874,468)	(5,736,946)	(2,015,574)	(52,626,988)	(245,755)	(43,168)	(84,524)	(373,447)	(45,120,223)	(5,780,114)	(2,100,098)	(53,000,435)	(57,552,154)
Transferred to stage 1	808,814	(805,397)	(3,417)	-	8,589	(8,589)	-	-	817,403	(813,986)	(3,417)	-	-
Transferred to stage 2	(356,673)	450,426	(93,753)	-	(26,872)	27,857	(985)	-	(383,545)	478,283	(94,738)	-	-
Transferred to stage 3	(52,094)	(360,044)	412,138	-	(1,618)	(4,048)	5,666	-	(53,712)	(364,092)	417,804	-	-
Adjustments during the year	6,766	(14,226)	9,363	1,903	1,196	(15,986)	-	(14,790)	7,962	(30,212)	9,363	(12,887)	(156,104)
Total balance at the end of year	68,016,771	5,463,948	3,957,921	77,438,640	59,190	100,395	175,662	335,247	68,075,961	5,564,343	4,133,583	77,773,887	70,710,384

Following is the movement on expected credit loss – Small and Medium Enterprises as at December 31, 2023 (after deducting deferred revenues and deferred mutual insurance) as follows:

	Joint				Self				Total				Total
Item	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	2022
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Balance at beginning of the year	574,793	268,544	2,718,755	3,562,092	3,741	318	227,732	231,791	578,534	268,862	2,946,487	3,793,883	3,277,301
Provision for ECL	-	-	-	-	1,635	25,352	24,383	51,370	1,635	25,352	24,383	51,370	11,384
Recoveries from expected credit loss	-	-	-	-	(3,041)	(1,022)	-	(4,063)	(3,041)	(1,022)	-	(4,063)	(443,471)
Transferred to stage 1	39,850	(38,767)	(1,083)	-	26	(26)	-	-	39,876	(38,793)	(1,083)	-	-
Transferred to stage 2	(4,318)	23,488	(19,170)	-	(577)	987	(410)	-	(4,895)	24,475	(19,580)	-	-
Transferred to stage 3	(256)	(2,801)	3,057	-	(27)	(176)	203	-	(283)	(2,977)	3,260	-	-
Adjustments during the year	(181,831)	157,307	(454,538)	(479,062)	-	-	(76,244)	(76,244)	(181,831)	157,307	(530,782)	(555,306)	948,669
Total balance at the end of year	428,238	407,771	2,247,021	3,083,030	1,757	25,433	175,664	202,854	429,995	433,204	2,422,685	3,285,884	3,793,883

Direct credit facilities at amortized cost as internal rating of the Bank – Real estates as at December 31, 2023 (after deducting deferred revenues and deferred mutual insurance) as follows:

	Joint				Self				Total				Total
Item	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	2022
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Low risk	-	-	-	-	-	-	-	-	-	-	-	-	-
Acceptable	155,785,626	967,147	-	156,752,773	-	-	-	-	155,785,626	967,147	-	156,752,773	152,941,820
Watch list	-	1,978,841	-	1,978,841	-	-	-	-	-	1,978,841	-	1,978,841	2,577,855
Non-performing debt	-	-	3,175,669	3,175,669	-	-	-	-	-	-	3,175,669	3,175,669	2,601,322
Substandard	-	-	244,561	244,561	-	-	-	-	-	-	244,561	244,561	196,194
Doubtful	-	-	409,080	409,080	-	-	-	-	-	-	409,080	409,080	237,911
Bad debts	-	-	2,522,028	2,522,028	-	-	-	-	-	-	2,522,028	2,522,028	2,167,217
Total	155,785,626	2,945,988	3,175,669	161,907,283	-	-	-	-	155,785,626	2,945,988	3,175,669	161,907,283	158,120,997

Following is the movement on direct credit facilities at amortized cost – Real estates as of December 31, 2023 (after deducting deferred revenues and deferred mutual insurance) as follows:

	Joint				Self				Total				Total
Item	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	2022
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Balance at beginning of the year	**151,725,342**	**3,794,333**	**2,601,322**	**158,120,997**	-	-	-	-	**151,725,342**	**3,794,333**	**2,601,322**	**158,120,997**	133,261,772
Facilities granted during the year	**48,829,894**	**1,511,854**	**156,191**	**50,497,939**	-	-	-	-	**48,829,894**	**1,511,854**	**156,191**	**50,497,939**	65,115,445
Settled facilities	**(43,726,778)**	**(2,059,494)**	**(925,381)**	**(46,711,653)**	-	-	-	-	**(43,726,778)**	**(2,059,494)**	**(925,381)**	**(46,711,653)**	(40,256,220)
Transferred to stage 1	**623,734**	**(557,968)**	**(65,766)**	-	-	-	-	-	**623,734**	**(557,968)**	**(65,766)**	-	-
Transferred to stage 2	**(842,761)**	**1,428,477**	**(585,716)**	-	-	-	-	-	**(842,761)**	**1,428,477**	**(585,716)**	-	-
Transferred to stage 3	**(823,805)**	**(1,171,214)**	**1,995,019**	-	-	-	-	-	**(823,805)**	**(1,171,214)**	**1,995,019**	-	-
Total balance at the end of year	**155,785,626**	**2,945,988**	**3,175,669**	**161,907,283**	-	-	-	-	**155,785,626**	**2,945,988**	**3,175,669**	**161,907,283**	158,120,997

Following is the movement on expected credit loss – Real estates as of December 31, 2023 (after deducting deferred revenues and deferred mutual insurance) as follows:

	Joint				Self				Total				Total
Item	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	2022
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Balance at beginning of the year	**331,676**	**227,688**	**1,663,488**	**2,222,852**	-	-	-	-	**331,676**	**227,688**	**1,663,488**	**2,222,852**	2,155,862
Provision for expected credit loss	-	-	-	-	-	-	-	-	-	-	-	-	-
Recoveries from expected credit loss	-	-	-	-	-	-	-	-	-	-	-	-	(420,944)
Transferred to stage 1	**18,614**	**(15,486)**	**(3,128)**	-	-	-	-	-	**18,614**	**(15,486)**	**(3,128)**	-	-
Transferred to stage 2	**(4,130)**	**301,236**	**(297,106)**	-	-	-	-	-	**(4,130)**	**301,236**	**(297,106)**	-	-
Transferred to stage 3	**(311)**	**(36,641)**	**36,952**	-	-	-	-	-	**(311)**	**(36,641)**	**36,952**	-	-
Adjustments during the year	**(29,904)**	**(153,048)**	**1,010,977**	**828,025**	-	-	-	-	**(29,904)**	**(153,048)**	**1,010,977**	**828,025**	487,934
Total balance at the end of year	**315,945**	**323,749**	**2,411,183**	**3,050,877**	-	-	-	-	**315,945**	**323,749**	**2,411,183**	**3,050,877**	2,222,852

Direct credit facilities at amortized cost according to Bank's internal rating – Retail as of December 31, 2023 (after deducting deferred revenues and deferred mutual insurance) as follows:

	Joint				Self				Total				Total
Item	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	2022
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Low risk	3,652,698	-	-	3,652,698	-	-	-	-	3,652,698	-	-	3,652,698	3,080,198
Acceptable	350,699,998	2,213,991	-	352,913,989	69,914,666	343,716	-	70,258,382	420,614,664	2,557,707	-	423,172,371	405,056,617
Watch list	-	1,176,249	-	1,176,249	-	33,147	-	33,147	-	1,209,396	-	1,209,396	1,181,376
Non-performing debt	-	-	3,923,781	3,923,781	-	-	914,790	914,790	-	-	4,838,571	4,838,571	4,221,297
Substandard	-	-	607,981	607,981	-	-	46,712	46,712	-	-	654,693	654,693	568,210
Doubtful	-	-	719,342	719,342	-	-	74,696	74,696	-	-	794,038	794,038	525,508
Bad debts	-	-	2,596,458	2,596,458	-	-	793,382	793,382	-	-	3,389,840	3,389,840	3,127,579
Total	354,352,696	3,390,240	3,923,781	361,666,717	69,914,666	376,863	914,790	71,206,319	424,267,362	3,767,103	4,838,571	432,873,036	413,539,488

Following is the movement on direct credit facilities at amortized cost – Retail as of December 31, 2023 (after deducting deferred revenues and deferred mutual insurance) as follows:

	Joint				Self				Total				Total
Item	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	2022
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Balance at beginning of the year	343,237,097	2,703,896	3,419,111	349,360,104	63,006,446	370,752	802,186	64,179,384	406,243,543	3,074,648	4,221,297	413,539,488	377,736,652
Granted facilities during the year	135,798,280	1,167,342	498,332	137,463,954	28,810,156	161,914	244,295	29,216,365	164,608,436	1,329,256	742,627	166,680,319	185,915,792
Settled facilities	(122,026,687)	(1,148,992)	(1,353,255)	(124,528,934)	(21,676,676)	(218,970)	(292,976)	(22,188,622)	(143,703,363)	(1,367,962)	(1,646,231)	(146,717,556)	(151,423,933)
Transferred to stage 1	1,428,694	(1,011,134)	(417,560)	-	141,326	(125,860)	(15,466)	-	1,570,020	(1,136,994)	(433,026)	-	-
Transferred to stage 2	(2,209,566)	2,310,674	(101,108)	-	(237,958)	246,863	(8,905)	-	(2,447,524)	2,557,537	(110,013)	-	-
Transferred to stage 3	(1,256,078)	(631,546)	1,887,624	-	(127,820)	(57,836)	185,656	-	(1,383,898)	(689,382)	2,073,280	-	-
Adjustments during the year	(619,044)	-	(9,363)	(628,407)	(808)	-	-	(808)	(619,852)	-	(9,363)	(629,215)	1,310,977
Total balance at the end of year	354,352,696	3,390,240	3,923,781	361,666,717	69,914,666	376,863	914,790	71,206,319	424,267,362	3,767,103	4,838,571	432,873,036	413,539,488

Following is the movement on expected credit loss – Retail as of December 31, 2023 (after deducting deferred revenues and deferred mutual insurance) as follows:

	Joint				Self				Total				Total
Item	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	2022
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Balance at beginning of the year	**735,764**	**526,013**	**2,653,745**	**3,915,522**	**79,642**	**45,626**	**802,186**	**927,454**	**815,406**	**571,639**	**3,455,931**	**4,842,976**	3,900,432
Provision for expected credit loss	-	-	-	-	**92,731**	**45,547**	**112,211**	**250,489**	**92,731**	**45,547**	**112,211**	**250,489**	220,368
Recoveries from expected credit loss	-	-	-	-	**(42,269)**	**(28,987)**	-	**(71,256)**	**(42,269)**	**(28,987)**	-	**(71,256)**	(261,942)
Transferred to stage 1	**325,320**	**(194,551)**	**(130,769)**	-	**15,455**	**(12,842)**	**(2,613)**	-	**340,775**	**(207,393)**	**(133,382)**	-	-
Transferred to stage 2	**(4,668)**	**36,852**	**(32,184)**	-	**(296)**	**3,410**	**(3,114)**	-	**(4,964)**	**40,262**	**(35,298)**	-	-
Transferred to stage 3	**(2,523)**	**(168,341)**	**170,864**	-	**(155)**	**(5,965)**	**6,120**	-	**(2,678)**	**(174,306)**	**176,984**	-	-
Adjustments during the year	**(26,226)**	**316,753**	**432,302**	**722,829**	-	-	-	-	**(26,226)**	**316,753**	**432,302**	**722,829**	984,118
Total balance at the end of year	**1,027,667**	**516,726**	**3,093,958**	**4,638,351**	**145,108**	**46,789**	**914,790**	**1,106,687**	**1,172,775**	**563,515**	**4,008,748**	**5,745,038**	4,842,976

Revenue in Suspense

The following is the movement on the revenue in suspense:

	Self					
	Small and Medium Enterprises		Corporates		Total	
	December 31,		December 31,		December 31,	
	2023	2022	**2023**	2022	**2023**	2022
	JD	JD	**JD**	JD	**JD**	JD
Balance at the beginning of the year	**-**	1,490	**17,263**	17,228	**17,263**	18,718
Add: Revenue suspended during the year	**-**	-	**6**	35	**6**	35
Less: Revenue in suspense transferred to income	**-**	(1,490)	**-**	-	**-**	(1,490)
Balance at the end of the year	**-**	-	**17,269**	17,263	**17,269**	17,263

	Joint				
			Corporates		
2023	Retail	Real estate finances	Large	Small and medium enterprises	Total
	JD	JD	JD	JD	JD
Balance at the beginning of the year	**476,726**	**342,081**	**766,051**	**773,465**	**2,358,323**
Add: Revenue suspended during the year	**193,615**	**84,868**	**224,180**	**154,149**	**656,812**
Less: Revenue in suspense transferred to income	**(161,850)**	**(27,820)**	**(120,931)**	**(84,436)**	**(395,037)**
settlements	**(8,669)**	**(32,748)**	**-**	**41,417**	**-**
Balance at the end of the year	**499,822**	**366,381**	**869,300**	**884,595**	**2,620,098**
2022					
Balance at the beginning of the year	614,365	279,117	784,424	705,253	2,383,159
Add: Revenue suspended during the year	140,813	90,229	105,697	216,718	553,457
Less: Revenue in suspense transferred to income	(278,539)	(27,160)	(124,088)	(148,506)	(578,293)
settlements	87	(105)	18	-	-
Balance at the end of the year	476,726	342,081	766,051	773,465	2,358,323

- Non-performing Deferred sales receivables, other receivables and Al-Qard Al-Hasan loans amounted to JD 34,504,674 which represents 2.7% of deferred sales receivables and other receivables and Al-Qard Al-Hasan loans balance for the year 2023 compared to JD 28,270,923 which represents 2.4% of the granted balance as at December 31, 2022.

- Non-performing deferred sales receivables, other receivables and Al-Qard Al-Hasan loans after deducting the suspended revenues amounted to JD 31,867,307 which represents 2.5% of deferred sales receivables and other receivables and Al-Qard Al-Hasan loans balance after deducting the suspended revenue for the year 2023 compared to JD 25,940,433 which represents 2.2% of the granted balance as at December 31, 2022.

The movement on expected credit loss as at December 31, 2023 as follows:

	Self					2022
Item (JD)	Corporates	Small and medium enterprises	Retail	Real estate finances	Total	Total
Balance at the beginning of the year	**2,786,154**	**231,791**	**927,454**	-	**3,945,399**	4,213,694
ECL for new facilities during the year	**76,292**	**51,370**	**250,489**	-	**378,151**	252,398
Recoveries from ECL for settled facilities	**(64,588)**	**(4,063)**	**(71,256)**	-	**(139,907)**	(520,693)
Transferred to stage 1	**20**	**26**	**15,455**	-	**15,501**	5,126
Transferred to stage 2	-	**987**	**3,410**	-	**4,397**	123,365
Transferred to stage 3	-	**203**	**6,120**	-	**6,323**	2,988
Effect on provision – as at end of year as a result of reclassification between three stages during a year	**20**	**1,216**	**24,985**	-	**26,221**	131,479
adjustments during the year	**76,224**	**(77,460)**	**(24,985)**	-	**(26,221)**	(131,479)
Balance at the end of the year	**2,874,102**	**202,854**	**1,106,687**	-	**4,183,643**	3,945,399

The movement on segmented expected credit loss as at December 31, 2023 – joint as follows:

	Joint					2022
Item (JD)	Corporates	Small and medium enterprises	Retail	Real estate finances	Total	Total
Balance at the beginning of the year	**21,190,721**	**3,562,092**	**3,915,522**	**2,222,852**	**30,891,187**	26,857,888
ECL for new facilities during the year	**1,053,174**	-	-	-	**1,053,174**	993,697
Recoveries from ECL for settled facilities	-	-	-	-	-	(2,458,288)
Transferred to stage 1	**24,862**	**39,850**	**325,320**	**18,614**	**408,646**	460,163
Transferred to stage 2	**66,641**	**23,488**	**36,852**	**301,236**	**428,217**	61,551
Transferred to stage 3	**337,024**	**3,057**	**170,864**	**36,952**	**547,897**	134,637
Effect on provision – as at end of year as a result of reclassification between three stages during a year	**428,527**	**66,395**	**533,036**	**356,802**	**1,384,760**	656,351
adjustments during the year	**534,977**	**(545,457)**	**189,793**	**471,223**	**650,536**	4,841,539
Balance at the end of the year	**23,207,399**	**3,083,030**	**4,638,351**	**3,050,877**	**33,979,657**	30,891,187

The movement of the expected credit losses provision is as follows:

	2023	2022
	JD	JD
Balance at the beginning of the year	**38,389,342**	34,302,419
Less:		
Released from provisions against expected credit losses that are no longer needed - Stage I	**(3,107,684)**	-
Released from provisions against expected credit losses that are no longer needed - Stage II	**-**	-
Released from provisions against expected credit losses that are no longer needed - Stage III	**-**	(2,458,288)
Released from provisions against expected credit losses that are no longer needed - financial assets at amortized cost Note-10	**(274,754)**	(324,122)
Released from provisions for expected credit losses that are no longer needed - off-balance sheet items - Note 54	**(125,921)**	(4,530)
Released from provision for real estate investment portfolio Note 11	**(226,179)**	(97,206)
Released from an allocation for expropriated real estate Note 15	**(186,884)**	-
Released against debts covered by the Mutual Insurance Fund	**-**	(3,656,965)
Add:		
Exemption from provision for facing expected investment risks	**-**	1,468,691
Provision for expected credit losses - stage 1	**-**	3,603,342
Provision for expected credit losses - stage 2	**548,111**	502,414
Provision for expected credit losses - stage 3	**4,376,786**	491,283
Provision for expected credit losses - off-balance sheet items - Note 54	**49,699**	195,398
Provision against expropriated properties - Note 15	**-**	284,083
Additive from the mutual insurance fund, stage 1*	**346,666**	773,333
Additive from the mutual insurance fund, stage 2*	**4,480**	502,078
Additive from the mutual insurance fund, stage 3*	**920,111**	2,807,412
Total	**40,713,773**	38,389,342

* The equivalent of 1,271,257 JD was transferred from the Mutual Insurance Fund to a combined expected loss provision for the year ending December 31, 2023 (4,082,823 JD for the year ending December 31, 2023) based on the Central Bank of Jordan's approval to include customer default cases.

Mutual Insurance Fund

The movement on the mutual insurance fund is as follows:

	2023	2022
	JD	JD
Balance at the beginning of the year	21,807,019	22,425,494
Add: Fund investment profits for the year	524,272	-
Insurance installments received during the year	7,008,709	5,657,246
Less: fund income tax for the year	(1,717,698)	(1,290,377)
Administrative Expenses	(3,000)	(1,800)
Subscribers' compensation during the year	(879,761)	(823,403)
Financial stamp expenses during the year	(73,498)	(77,318)
Provision for expected credit losses for the Fund's clients	(1,271,257)	(4,082,823)
Balance at the end of the year	25,394,786	21,807,019

The movement on the income tax of the mutual Insurance Fund is as follows:

	2023	2022
	JD	JD
Balance at the beginning of the Year	1,033,528	1,155,229
Less: Income tax paid	(1,402,943)	(1,412,078)
Add: Accrued income tax for the year	1,717,698	1,290,377
Balance at the end of year	1,348,283	1,033,528

The balance of Income tax of Mutual Insurance Fund is included in other liabilities (Note 21).

- A final settlement was reached with the Income and Sales Tax Department until the end of the year 2020. Moreover, the tax returns for the years 2021 and 2022 were submitted and have not yet been reviewed by the Income and Sales Tax Department.
- The Mutual Insurance Fund were prepared in accordance to paragraph No. (D/3) of article (54) of the Banking Law No. 28 for the year 2000.
- The Central Bank of Jordan's approval is required in case of any amendment to the Mutual Insurance Fund.
- In case the Mutual Insurance Fund ceases its activities, the funds shall be disbursed to the Zakat Banks according to the opinion of the Authority.
- During the year 2022, the approval of the Central Bank was obtained to include cases of customers' defaulting and their inability to pay, to be covered by the Mutual Insurance Fund, after verifying that all means available to the bank to collect its rights from the defaulting customer have been exhausted, including legal means, and after obtaining the approval of the Debt Settlement Committee. The Shari'a Supervisory Board and the Mutual Insurance Fund Committee and considering the Mutual Insurance Fund as a risk mitigator. An allowance for expected credit losses for the fund's clients was calculated at an amount of 1,271,257 JD for the year ending December 31, 2023 (4,082,823 JD for the year ending December 31, 2022).
- Compensation for participants to the fund is made as follows:
  - Participant's death.
  - Participant's total or permanent physical disability.
  - Default.
- The balance of the Mutual Insurance Fund appears in the following notes:
  1- Unreceived deferred installments in Note No. 6.
  2- Installments received from the unrestricted investment accounts, note 22.

7. Ijara Muntahia Bittamleek Assets - Net

The details of this item are as follows:

	Joint			Self- financed			Total		
	Cost	Accumulated depreciation	Net value	Cost	Accumulated depreciation	Net value	Cost	Accumulated depreciation	Net value
December 31, 2023	JD	JD	JD	JD	JD	JD	JD	JD	JD
Ijara Muntahia Bittamleek Assets – Real estate	**1,162,783,151**	**(263,059,976)**	**899,723,175**	**284,781**	**(20,223)**	**264,558**	**1,163,067,932**	**(263,080,199)**	**899,987,733**
Ijara Muntahia Bittamleek Assets – Machinery	**8,682,536**	**(4,960,428)**	**3,722,108**	**-**	**-**	**-**	**8,682,536**	**(4,960,428)**	**3,722,108**
Total	**1,171,465,687**	**(268,020,404)**	**903,445,283**	**284,781**	**(20,223)**	**264,558**	**1,171,750,468**	**(268,040,627)**	**903,709,841**
December 31, 2022									
Ijara Muntahia Bittamleek Assets – Real estate	1,122,437,914	(233,326,509)	889,111,405	322,882	(49,889)	272,993	1,122,760,796	(233,376,398)	889,384,398
Ijara Muntahia Bittamleek Assets – Machinery	9,143,260	(2,804,859)	6,338,401	-	-	-	9,143,260	(2,804,859)	6,338,401
Total	1,131,581,174	(236,131,368)	895,449,806	322,882	(49,889)	272,993	1,131,904,056	(236,181,257)	895,722,799

Total due Ijara installments amounted to JD 5,109,109 as at December 31, 2023 (JD 4,568,031 as at December 31, 2022). Moreover, due Ijara balances were disclosed within the deferred sales receivables and other receivables (Note 6).

8. Financial Assets at Fair Value Through Shareholders' Equity- self

The details for this item as follow:

	December 31,	
	2023	2022
	JD	JD
Quoted financial assets		
Investment portfolios managed by other parties *	**5,819,111**	5,813,534
Total financial Assets at fair value through shareholders' equity	**5,819,111**	5,813,534

* This item represents the investment portfolios managed by Al-Arabi Investment Group Company and includes external shares, Islamic Sukuk and International Murabaha.

- There was no transfer to retained earnings under shareholders' equity related to financial assets through shareholders' equity - self.

9. Financial Assets at Fair Value Through Joint Investment Accounts Holder's Equity

The details for this item as follow:

	December 31,	
	2023	2022
	JD	JD
Unquoted financial assets		
Companies shares *	9,044,623	6,132,492
Total	9,044,623	6,132,492

* This represents Bank's share in establishing the following companies:

- Jordan payment and clearing company.
- Jordanian Islamic Banks Co. for Investment.
- Islamic Banks group Co. for SMEs contribution.
- Jordan investment fund co.

10. Financial Assets at Amortized Costs – Net

The details for this item as follow:

	Joint	
	December 31,	
	2023	2022
	JD	JD
Islamic Sukuk - quoted	**34,270,448**	34,421,911
Islamic Sukuk - unquoted	**245,128,241**	139,302,000
Expected credit loss	**(146,520)**	(421,274)
Total	**279,252,169**	173,302,637

The above assets have fixed and determinable payments and matures during the year 2024 to the end of 2027.

The investments at amortized cost according to the Bank's internal rating as at December 31, 2023 are as follows:

Item	Stage 1	Stage 2	Stage 3	Total	2022
	JD	JD	JD	JD	JD
Low risk	**262,996,994**	-	-	**262,996,994**	157,200,096
Acceptable	**7,094,441**	**9,307,254**	-	**16,401,695**	16,523,815
Under watch debt	-	-	-	-	-
Non-working debt	-	-	-	-	-
Substandard	-	-	-	-	-
Doubtful	-	-	-	-	-
Bad debts	-	-	-	-	-
Total	**270,091,435**	**9,307,254**	-	**279,398,689**	173,723,911

The movement on investments as at end of year:

Item	Stage 1	Stage 2	Stage 3	Total	2022
	JD	JD	JD	JD	JD
Balance at the beginning of the year	**164,311,974**	**9,411,937**	-	**173,723,911**	27,478,185
New investments	**149,857,000**	-	-	**149,857,000**	149,929,091
Matured investments/ amortization during the year	**(44,077,539)**	**(104,683)**	-	**(44,182,222)**	(3,683,365)
Transferred to stage 1	-	-	-	-	-
Transferred to stage 2	-	-	-	-	-
Transferred to stage 3	-	-	-	-	-
Balance at the end of the year	**270,091,435**	**9,307,254**	-	**279,398,689**	173,723,911

The movement on expected credit loss provision in aggregation form as at end of year was as follows:

	2023				2022
Item	Stage 1	Stage 2	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Balance at the beginning of the year	**176,223**	**245,051**	-	**421,274**	745,396
New investments	-	-	-	-	-
Recoveries from ECL on matured Investments	-	-	-	-	-
Transferred to stage 1	-	-	-	-	-
Transferred to stage 2	-	-	-	-	-
Transferred to stage 3	-	-	-	-	-
Adjustments during the year	**(119,352)**	**(155,402)**	-	**(274,754)**	(324,122)
Balance at the end of the year	**56,871**	**89,649**	-	**146,520**	421,274

11. Investments in Real Estate

The details for this item as follow:

Investment in real estate for using purposes:

	Joint	
	December 31,	
	2023	2022
	JD	JD
Investments in real estate	**26,255,852**	26,525,972
Accumulated depreciation	**(3,215,223)**	(3,022,251)
Impairment provision	**(4,518,971)**	(4,745,150)
Total	**18,521,658**	18,758,571

The movement on the investment in real estate portfolio during the year was as follows:

2023	Land	Buildings	Total
	JD	JD	JD
Cost			
Balance at the beginning of the year	**12,635,196**	**13,890,776**	**26,525,972**
Additions / Capitalization	**-**	**-**	**-**
Disposals	**(270,120)**	**-**	**(270,120)**
Balance at the end of the year	**12,365,076**	**13,890,776**	**26,255,852**
Accumulated Depreciation			
Accumulated depreciation at the beginning of the year	**-**	**(3,022,251)**	**(3,022,251)**
Depreciation of the year	**-**	**(192,972)**	**(192,972)**
Disposals	**-**	**-**	**-**
Accumulated depreciation at the end of the year	**-**	**(3,215,223)**	**(3,215,223)**
Impairment provision for real estate			
Impairment provision at the beginning of the year	**(4,415,710)**	**(329,440)**	**(4,745,150)**
Impairment of the year	**151,495**	**74,684**	**226,179**
Impairment provision at the end of the year	**(4,264,215)**	**(254,756)**	**(4,518,971)**
Net investment at the end of the year	**8,100,861**	**10,420,797**	**18,521,658**

2022	Land	Buildings	Total
	JD	JD	JD
Cost			
Balance at the beginning of the year	13,597,362	13,170,290	26,767,652
Additions / Capitalization	-	1,027,386	1,027,386
Disposals	(962,166)	(306,900)	(1,269,066)
Balance at the end of the year	12,635,196	13,890,776	26,525,972
Accumulated Depreciation			
Accumulated depreciation at the beginning of the year	-	(2,936,622)	(2,936,622)
Depreciation of the year	-	(194,503)	(194,503)
Disposals	-	108,874	108,874
Accumulated depreciation at the end of the year	-	(3,022,251)	(3,022,251)
Impairment provision for real estate			
Impairment provision at the beginning of the year	(4,481,850)	(360,506)	(4,842,356)
Impairment of the year	66,140	31,066	97,206
Impairment provision at the end of the year	(4,415,710)	(329,440)	(4,745,150)
Net investment at the end of the year	8,219,486	10,539,085	18,758,571

- The buildings within the above real estate portfolio are depreciated on a straight-line basis, at a depreciation rate of 2%.
- The fair value of investments in real estate portfolio amounted to JD 21,425,290 as at December 31, 2023 (JD 21,746,940 as at December 31, 2022).
- The fair value for investment in real estate based on the average of valuations which was performed by independent valuators which has professional qualifications and proper experience to evaluate the place and value of a real estate as at December 31, 2023 and December 31, 2022, the fair value has been determined depending on new market dealings also the valuations of the valuators and their professional judgement.
- There are no burdens, pledges, or restrictions on the title deeds related to the real estate.
- The real estate within a portfolio is evaluated separately and an impairment provision is calculated for the real estates that is impaired.

12. Property and Equipment - Net

The details for this item as follow:

	Land	Buildings	Furniture, Fixtures and Equipment	Vehicles	Computers	Improvements & Decorations	Total
2023	JD	JD	JD	JD	JD	JD	JD
Cost							
Balance at the beginning of the year	**7,474,233**	**5,881,633**	**8,163,530**	**336,508**	**9,952,552**	**12,299,824**	**44,108,280**
Additions	**-**	**-**	**515,152**	**-**	**2,034,955**	**718,339**	**3,268,446**
Disposals	**-**	**-**	**(376,648)**	**-**	**(111,955)**	**(9,513)**	**(498,116)**
Balance at the end of the year	**7,474,233**	**5,881,633**	**8,302,034**	**336,508**	**11,875,552**	**13,008,650**	**46,878,610**
Accumulated Depreciation							
Accumulated depreciation at the beginning of the year	**-**	**1,911,090**	**6,035,707**	**286,245**	**7,162,108**	**10,749,165**	**26,144,315**
Depreciation of the year	**-**	**116,484**	**522,169**	**43,601**	**1,397,289**	**481,906**	**2,561,449**
Disposals	**-**	**-**	**(372,377)**	**-**	**(111,335)**	**(7,717)**	**(491,429)**
Accumulated depreciation at the end of the year	**-**	**2,027,574**	**6,185,499**	**329,846**	**8,448,062**	**11,223,354**	**28,214,335**
Impairment of value	**(681,901)**	**-**	**-**	**-**	**-**	**-**	**(681,901)**
Net Book value for property and equipment	**6,792,332**	**3,854,059**	**2,116,535**	**6,662**	**3,427,490**	**1,785,296**	**17,982,374**
Projects under process	**-**	**-**	**-**	**-**	**17,762**	**437,806**	**455,568**
Net Property and Equipment at the end of the year	**6,792,332**	**3,854,059**	**2,116,535**	**6,662**	**3,445,252**	**2,223,102**	**18,437,942**
2022							
Cost							
Balance at the beginning of the year	7,474,233	5,881,633	8,002,894	336,508	8,436,060	12,265,531	42,396,859
Additions	-	-	393,146	-	2,135,726	171,957	2,700,829
Disposals	-	-	(232,510)	-	(619,234)	(137,664)	(989,408)
Balance at the end of the year	7,474,233	5,881,633	8,163,530	336,508	9,952,552	12,299,824	44,108,280
Accumulated Depreciation							
Accumulated depreciation at the beginning of the year	-	1,794,606	5,724,540	234,391	6,497,233	10,433,934	24,684,704
Depreciation of the year	-	116,484	526,955	51,854	1,278,544	452,098	2,425,935
Disposals	-	-	(215,788)	-	(613,669)	(136,867)	(966,324)
Accumulated depreciation at the end of the year	-	1,911,090	6,035,707	286,245	7,162,108	10,749,165	26,144,315
Net Book value for property and equipment	7,474,233	3,970,543	2,127,823	50,263	2,790,444	1,550,659	17,963,965
Projects under process	-	-	-	-	8,120	257,629	265,749
Net Property and Equipment at the end of the year	7,474,233	3,970,543	2,127,823	50,263	2,798,564	1,808,288	18,229,714
Deprecation rate	-	2	2-15	20	25	15	-

The cost of fully depreciated property and equipment amounted to JD 20,230,197 as at December 31, 2023 (JD 16,118,911 as at December 31, 2022).

13. Intangible Assets – Net

The details for this item as follow:

	Systems and Software	
	2023	2022
	JD	JD
Balance at the beginning of the year	**1,627,653**	1,656,862
Additions	**847,639**	520,991
Amortization for the year	**(566,464)**	(550,200)
Balance at the end of the year*	**1,908,828**	1,627,653
Amortization rate %	**25**	25

* The balance of intangible assets includes an amount of 253,733 JD representing projects under process as of 31 December 2023 (517,583 JD as of 31 December 2022)

14. Right of use assets and lease liability

The movement of right of use assets and lease liability – long term was as follows:

	2023		2022	
	Right of use assets	Lease liability	Right of use assets	Lease liability
	JD	JD	JD	JD
Balance at the beginning of the year	**7,520,961**	**6,276,041**	7,005,940	5,941,126
Addition during the year	**1,979,809**	**1,979,809**	1,755,544	1,755,544
Amortization during the year (note 43)	**(1,310,049)**	**-**	(1,240,523)	-
Finance costs (note 43)	**-**	**131,111**	-	132,080
Paid during the year	**-**	**(1,393,030)**	-	(1,552,709)
Balance as at the end of the year	**8,190,721**	**6,993,931**	7,520,961	6,276,041

15. Other Assets

The details for this item as follow:

	December 31,	
	2023	2022
	JD	JD
Clearing cheques	**330,738**	11,892,075
Prepaid expenses	**2,384,246**	2,434,047
Accrued revenue	**5,857,145**	2,538,590
Foreclosed Assets – Net *	**18,703,951**	17,991,819
Others	**1,345,495**	332,372
Total	**28,621,575**	35,188,903

The following is a summary of the movement on the foreclosed assets:

	December 31, 2023				December 31, 2022
	Land	Buildings	Other	Total	Total
	JD	JD	JD	JD	JD
Balance at the beginning of the year	**12,779,418**	**6,914,317**	**194,000**	**19,887,735**	20,525,382
Additions	**70,781**	**3,869,038**	-	**3,939,819**	1,771,791
Disposals	**(1,680,047)**	**(1,734,524)**	-	**(3,414,571)**	(2,409,438)
Total	**11,170,152**	**9,048,831**	**194,000**	**20,412,983**	19,887,735
Repossessed assets / Impairment provision **	**(1,277,312)**	**(431,720)**	-	**(1,709,032)**	(1,895,916)
Balance at the end of the year *	**9,892,840**	**8,617,111**	**194,000**	**18,703,951**	17,991,819

* The balance of assets owned by the Bank represents expropriated real estate in repayment of bad debts, which the Bank is prohibited from disposing of for a period of one year from the date of registering the property in the name of the Bank.

The instructions of the Central Bank of Jordan require the disposal of real estate whose ownership has been transferred to the Bank within a maximum period of two years from the date of transfer, and the Central Bank of Jordan may, in exceptional cases, extend this period for a maximum of two consecutive years.

** Impairment losses of expropriated real estate include an impairment provision against expropriated real estate against debts of JD 173,551 as on December 31, 2023 (JD 324,331as on December 31, 2022) according to the Central Bank of Jordan letter No. 2510/1/10 dated 14 February 2017 and its amendments.

The instructions of the Central Bank were issued on 10/10/2022, which stipulate the abolition of deductions for expropriated real estate in violation of the provisions of Banking Law No. (28) of 2000 and its amendments, with the need to maintain the allocations for expropriated real estate in violation of the provisions of the Banking Law, provided that only releasing the allotted allowance against any of the infringing real estate that is disposed of .

16. Banks and Financial Institutions Accounts

The details for this item as follow:

	2023			2022		
	Inside Jordan	Outside Jordan	Total	Inside Jordan	Outside Jordan	Total
	JD	JD	JD	JD	JD	JD
Current and call accounts	**651,647**	**2,194,982**	**2,846,629**	86,197	302,184	388,381
Total	**651,647**	**2,194,982**	**2,846,629**	86,197	302,184	388,381

17. Customers' Current Accounts

The details for this item as follow:

	Retail	Corporates	Small and medium enterprises	Government and public sector	Total
December 31, 2023	JD	JD	JD	JD	JD
Current accounts	**584,229,151**	**43,242,236**	**116,024,600**	**2,769,269**	**746,265,256**
Total	**584,229,151**	**43,242,236**	**116,024,600**	**2,769,269**	**746,265,256**

	Retail	Corporates	Small and medium enterprises	Government and public sector	Total
December 31, 2022	JD	JD	JD	JD	JD
Current accounts	628,737,126	44,142,375	127,077,832	3,752,823	803,710,156
Total	628,737,126	44,142,375	127,077,832	3,752,823	803,710,156

Government of Jordan and public sector deposits inside Jordan amounted to JD 2,769,269 as at December 31, 2023, representing 0,37% of the total customers' current accounts (JD 3,752,823 as at December 31, 2022, representing 0,46%).

Restricted deposits amounted to JD 4,033,920 as at December 31, 2023, representing 0,5% of the total customers' current accounts (JD 3,885,594 as at December 31, 2022, representing 0,5%).

Dormant accounts amounted to JD 14,347,929 as at December 31, 2023 (JD 16,309,016 as at December 31, 2022).

18. Cash Margins

The details for this item as follow:

	December 31	
	2023	2022
	JD	JD
Cash margins against sales receivables and financings	**25,231,609**	22,815,691
Cash margins against indirect credit facilities	**5,641,051**	6,550,227
Other cash margins	**2,028,160**	3,026,872
Total	**32,900,820**	32,392,790

The Bank distributed an amount of JD 369,647 to the insurance account holders participating in the profit as at December 31, 2023 (JD 62,889 as at December 31, 2022).

19. Other Provisions

The movement on other provisions is as follows:

	Balance at the beginning of the year	Provision for the year	Paid during the year	Balance at the end of the year
2023	JD	JD	JD	JD
Provision for end-of-service indemnity	3,366,600	342,477	(91,705)	3,617,372
Provision for lawsuits against the Bank	82,000	-	-	82,000
Total	3,448,600	342,477	(91,705)	3,699,372
2022				
Provision for end-of-service indemnity	3,641,807	136,958	(412,165)	3,366,600
Provision for lawsuits against the Bank	82,000	-	-	82,000
Total	3,723,807	136,958	(412,165)	3,448,600

20. Income Tax

a. Provision for Income Tax

The movement on income tax provision is as follows:

	2023	2022
	JD	JD
Balance at the beginning of the year	**15,130,064**	11,545,933
Income tax paid during the year	**(16,411,747)**	(15,001,649)
Income tax paid for previous years	**-**	(46,164)
Income tax payable for the year	**10,195,972**	18,631,944
Balance at the end of the year	**8,914,289**	15,130,064

b. Income tax appearing in the Statement of Income represents the following:

	2023	2022
	JD	JD
Income tax payable for the year	**10,195,972**	18,631,944
Deferred tax assets for the year	**(822,088)**	(425,317)
Amortization of deferred tax assets	**333,736**	485,302
Total	**9,707,620**	18,691,929

A final settlement was reached with the Income and Sales Tax Department until the end of the year 2020. Moreover, the tax returns for the year 2021 and 2022 was submitted and has not yet been reviewed by the Income and Sales Tax Department.

The accrued income tax for the year ended December 31, 2023 and 2022 was calculated in accordance with the Income Tax Law in force.

In the opinion of the Management and the tax consultant, no additional provisions are required for the year ended December 31, 2023 and 2022.

c. Deferred Tax Assets / Liabilities – Self

	December 31, 2023					December 31, 2022
	Beginning balance	Released amounts	Added amounts	End of year balance	Deferred Tax	Deferred Tax
	JD	JD	JD	JD	JD	JD
Deferred Tax Assets – Self						
Provision for end-of-service indemnity	**3,366,600**	**(91,705)**	**342,477**	**3,617,372**	**1,374,601**	1,279,308
Provisions for expected credit loss - self	**1,576,891**	**(786,547)**	**1,139,010**	**1,929,354**	**733,155**	599,218
Provision for impairment of fixed assets	**-**	**-**	**681,901**	**681,901**	**259,122**	-
Provision for fees for lawsuits against the Bank	**82,000**	**-**	**-**	**82,000**	**31,160**	31,160
impairment in the financial assets at fair value through shareholders' equity	**2,727,786**	**-**	**-**	**2,727,786**	**1,036,559**	1,036,559
Effect of the implementation of expected credit loss provision standard	**700,788**	**-**	**-**	**700,788**	**266,299**	266,299
	8,454,065	**(878,252)**	**2,163,388**	**9,739,201**	**3,700,896**	3,212,544

Self-financed deferred tax assets of JD 3,700,896 as at December 31, 2023 resulted from time differences of the provision for end-of- service indemnity, provision for impairment in self – financings, provision for fees on lawsuits against the Bank, impairment in financial assets, and unacceptable tax expenses and deferred for years to come. These deferred tax assets were calculated at a tax rate of 35% in addition to 3% national contribution with a total of 38% and In the management's opinion, these tax benefits from profits will be utilized in the future.

d- Deferred Tax Liabilities - Self

	December 31, 2023					December 31, 2022
	Beginning balance	Released amounts	Added amounts	End of year balance	Deferred Tax	Deferred Tax
	JD	JD	JD	JD	JD	JD
Financial assets at fair value through shareholders' equity	**963,843**	**-**	**5,577**	**969,420**	**368,380**	366,260
	963,843	**-**	**5,577**	**969,420**	**368,380**	366,260

The deferred tax liabilities of JD 368,380 as at December 31, 2023 (JD 366,260 as at December 31, 2022) resulted from gains from valuation of financial assets presented within the fair value reserve of shareholders' equity.

The movement on the deferred tax assets and liabilities – self is as follows:

	December 31, 2023		December 31, 2022	
	Assets	Liabilities	Assets	Liabilities
	JD	JD	JD	JD
Balance at the beginning of the year	**3,212,544**	**366,260**	3,272,529	377,424
Additions during the year	**822,088**	**2,120**	425,317	-
Amortized during the year	**(333,736)**	**-**	(485,302)	(11,164)
Balance at the end of the year	**3,700,896**	**368,380**	3,212,544	366,260

e. Summary of the Reconciliation between Accounting Income with Taxable Income:

	December 31, 2023	December 31, 2022
	JD	JD
Accounting Income	**45,033,328**	54,189,097
Add: Non-deductible tax expenses	**1,024,378**	136,958
Less: Tax-exempt Income	**(24,888,371)**	(7,432,651)
Other adjustments	**10,182,428**	5,533,757
Taxable Income	**31,351,763**	52,427,161
Declared income tax rate	**38%**	38%
Income Tax Provision - Net	**11,913,670**	19,922,321
Actual income tax rate	**22,64%**	34,38%
Attributable to:		
Declared provision – Bank	**10,195,972**	18,631,944
Declared provision – Mutual insurance fund *	**1,717,698**	1,290,377
	11,913,670	19,922,321

* The mutual insurance fund has been established to cover defaults on repayments due to death or total disability or defaults of the customers of sales receivables and financing as per the Fund's Articles of Association approved by the Central Bank of Jordan.

21. Other Liabilities

The details of this item are as follows:

	December 31,	
	2023	2022
	JD	JD
Certified cheques	**9,528,377**	11,837,054
Promissory notes, bills of collection and inward transfers	**7,365,349**	8,939,789
Accrued and unpaid expenses	**875,049**	227,279
Customers' share of revenue from joint investments (saving and term deposit)**	**44,206,975**	28,309,954
Customers' share of revenues from joint investments (cash margin)**	**354,000**	295,342
Commissions received in advance	**478,787**	325,844
Temporary deposit's and others *	**15,062,956**	39,185,716
Expected credit loss (off Balance sheet)- self (note 54)	**1,213,089**	1,301,333
Expected credit loss (off Balance sheet)- joint (note 54)	**359,593**	435,815
Income tax of mutual insurance fund (Note 6)	**1,348,283**	1,033,528
Board of Directors' remunerations	**25,000**	25,000
	80,817,458	91,916,654

* This item includes intermediate accounts amounting to JD 7,437,820 as at December 31, 2023, (JD 28,336,832 as at December 31, 2022) representing accepted L/C's and deferred customers' bills that will be paid at their maturity date.

** The bank took a decision at the end of the year 2023 to postpone the distribution of profits on customers' deposits in dinars to take place during the month of January 2024. The same decision was also taken at the end of 2022, where the distribution of profits on customers' deposits in dinars was postponed until January 2023.

22. Unrestricted Investment Accounts

The details of this item are as follows:

	December 31, 2023					
	Retail	Corporates	Small and medium enterprises	Government and public sector	Central Bank deposits *	Total
	JD	JD	JD	JD	JD	JD
Saving accounts	**252,264,045**	**503,827**	**1,427,474**	**430**	**23,142,295**	**277,338,071**
Term deposits *	**920,632,017**	**115,725,589**	**67,730,055**	**302,544,438**	**38,291,013**	**1,444,923,112**
Total	**1,172,896,062**	**116,229,416**	**69,157,529**	**302,544,868**	**61,433,308**	**1,722,261,183**
Depositors' share of the investment returns	**23,336,979**	**7,733,462**	**1,475,003**	**14,210,541**	**56,495**	**46,812,480**
Total Joint Investment Accounts	**1,196,233,041**	**123,962,878**	**70,632,532**	**316,755,409**	**61,489,803**	**1,769,073,663**

	December 31, 2022					
	Retail	Corporates	Small and medium enterprises	Government and public sector	Central Bank deposits *	Total
	JD	JD	JD	JD	JD	JD
Saving accounts	257,693,527	129,420	1,724,078	429	23,845,894	283,393,348
Term deposits *	917,443,496	104,802,669	58,985,404	320,260,840	27,192,377	1,428,684,786
Total	1,175,137,023	104,932,089	60,709,482	320,261,269	51,038,271	1,712,078,134
Depositors' share of the investment returns	6,255,595	249,944	356,176	2,988,362	8,197	9,858,274
Total Joint Investment Accounts	1,181,392,618	105,182,033	61,065,658	323,249,631	51,046,468	1,721,936,408

* Two investment agreements were signed with the Central Bank of Jordan on February 21, 2019, whereby cash funds are deposited by the Central Bank in two separate accounts, for savings and on behalf of the Central Bank of Jordan with the Bank, with participation rates agreed upon with the Central Bank of Jordan, so that these amounts are granted as financing to the clients of the sectors Specified within the two agreements with preferential returns under the approval of the Central Bank of Jordan and within its parameters stipulated in the agreement.

The joint investment accounts participate in profits based on the following:

- 30% from the monthly balance of saving accounts.
- 100% of the balance of the term accounts with a balance of more than 5 million dinars.
- 100% of the balance of the term accounts with a balance of one million dinars and more, and the period of linking them annually.
- 95% of the balance of term accounts with a balance of less than one million dinars, and the period of linking them is annually.
- 90% of the lowest balance of other term accounts.

- The general rate of profit on the Jordanian Dinar was from 2,6% to 5,9% for the first half and from 2,6% to 6,1% for the second half for the year 2023, (1,6% to 3,7% and 1,5% to 5,2% in the previous year).
- The general rate of profit on USD for the first and second halves of the year 2023 was 1,37% to 3,11% and 1,53% to 3,47% respectively (0,40% to 0,92% and 1,03% to 2,34%in the previous year).
- The restricted accounts amounted to JD 1,374,862 as at December 31, 2023 (JD 1,527,640 as at December 31, 2022).
- The joint investment accounts of the Government of Jordan and Public Sector inside the Jordan amounted to JD 316,755,409 as at December 31, 2023 at 17,9% of the total joint investment accounts (JD 323,249,631 as at December 31, 2022 18,7%).
- Dormant accounts amounted to JD 13,315,005 as at December 31, 2023 (JD 10,413,575 as at December 31, 2022).
- The bank took a decision at the end of the year 2023 to postpone the distribution of profits to customers' deposits in dinars to take place during January 2024, as the bank decided to donate from its own funds to raise the general percentage.
- The bank waived part of its share in profits as Rab Al-Mal to raise the general percentage distributed to holders of deposit accounts sharing in profits according to segments for the year 2023 by an amount of JD 18,600,000 (JD5,500,000 for the year 2022)

23. Paid-in Capital

The authorized and paid-in capital at the end of the fiscal year amounted to JD 100 million divided into 100 million shares, at a par value of JD 1 per share as at December 31, 2023 (100 million shares at a par value of JD 1 per share as at December 31, 2022).

24. Reserves and Dividends

Statutory Reserve

The accumulated amounts in this account are appropriated from the annual net income before tax at 10% in accordance with the Banks Law. This reserve may not be distributed to shareholders.

Voluntary Reserve

The accumulated amounts in this account represent appropriations from annual net income before tax during the previous years at a rate not exceeding 20%. This reserve is used for the purposes of determined by the Board of Directors. Moreover, the General Assembly is entitled to distribute it in whole or in part as dividends to shareholders.

The restricted reserves are as follows:

	December 31,		
	2023	2022	Nature of restriction
	JD	JD	
Statutory reserve	**54,470,972**	49,967,639	Requirement of the Law

Proposed Dividends to Shareholders

The Board of Directors recommended during its meeting No. (1) on 28 January 2024, to distribute JD 20 million to the sole shareholder (Arab Bank), equivalent to 20% of the authorized and paid-up capital from distributable retained earnings, subject to the approval of the Shareholders' General Assembly and the Central Bank of Jordan.

25. Fair Value Reserve – Net

The details of this item are as follows:

	Joint		Self	
	December 31,		December 31,	
	2023	2022	**2023**	2022
	JD	JD	**JD**	JD
Financial assets at fair value	**(88,544)**	(127,766)	**601,040**	597,583
Balance at the end of the year	**(88,544)**	(127,766)	**601,040**	597,583

The movement on the fair value reserve was as follows:

	Joint		Self	
	2023	2022	**2023**	2022
	JD	JD	**JD**	JD
Balance at the beginning of the year	**(127,766)**	(398,306)	**597,583**	615,796
Unrealized (losses) gains	**-**	270,540	**5,577**	(29,377)
Deferred tax liabilities	**39,222**	-	**(2,120)**	11,164
Balance at the end of the year	**(88,544)**	(127,766)	**601,040**	597,583

The fair value reserve is stated at net (after deducting deferred tax liabilities-self) amounted to JD 601,040 as at December 31, 2023 (JD 597,583 as at December 31, 2022).

The negative fair value reserve for financial assets at fair value through joint investment account holder's equity amounted to JD 88,544 as at December 31, 2023 (JD 127,766 as at December 31, 2022).

26. Retained Earnings

The movement on retained earnings is as follows:

	December 31, 2023	December 31, 2022
	JD	JD
Balance at the beginning of the year	**107,147,141**	117,068,882
Profit for the year	**35,325,708**	35,497,168
Transferred to the statutory reserve	**(4,503,333)**	(5,418,909)
Dividends profit *	**(24,000,000)**	(40,000,000)
Balance at the end of the year	**113,969,516**	107,147,141

* The General Assembly of Shareholders, in its meeting held on April 9, 2023, approved the distribution of cash dividends to the sole shareholder (Arab Bank Limited) in the amount of 24,000,000 JD, which represents 24% of the subscribed and paid-up capital, from the retained earnings that can be distributed for the year 2023 (JD 40,000,000 which represents 40% for the year 2022).

27. Deferred Sales Revenue

The details of this item are as follows:

	Joint	
	2023	2022
	JD	JD
Retail		
Murabaha to purchase order	**21,866,101**	19,627,874
Real estate financings	**9,758,152**	9,269,585
Large Corporate		
International Murabaha	**7,006,934**	2,553,063
Murabaha to purchase order	**17,303,964**	15,083,074
Small and Medium Enterprises		
Murabaha to purchase order	**4,822,594**	4,237,046
Total	**60,757,745**	50,770,642

28. Revenue from Financial Assets at Amortized Costs

The details of this item are as follows:

	Joint	
	2023	2022
	JD	JD
Islamic Sukuk	**8,669,966**	2,667,147
	8,669,966	2,667,147

29. Net Income from Investment in Real Estate

The details of this item are as follows:

	Joint	
	2023	2022
	JD	JD
Acquired for Utilization		
Real estate rents	**424,577**	437,042
Gain from sale of real estate	**4,881**	416,974
Other expenses		
Rental income generating expenses	**(107,651)**	(172,822)
Non-Rental income generating expenses	**(5,382)**	(10,612)
Depreciation of buildings	**(192,972)**	(194,503)
	123,453	476,079

Buildings within the real estate portfolio are depreciated according to the straight-line method at a rate of 2%.

30. Revenue from Ijara Muntahia Bittamleek Assets

The details of this item are as follows:

	Joint		Self	
	2023	2022	**2023**	2022
	JD	JD	**JD**	JD
Ijara Muntahia Bittamleek – Real estate	**137,012,921**	128,712,295	**53,769**	63,730
Ijara Muntahia Bittamleek – Machinery	**3,079,858**	3,095,906	**-**	-
Depreciation of Ijara Muntahia Bittamleek assets	**(71,821,041)**	(74,020,074)	**(30,896)**	(40,813)
Total	**68,271,738**	57,788,127	**22,873**	22,917

31. Ju'alah commissions

The details of this item are as follows:

	Joint	
	2023	2022
	JD	JD
Ju'alah commissions (Bargaining)	**1,350,806**	1,323,498
	1,350,806	1,323,498

32. (Provision) Recoveries from expected credit losses and Impairment Losses

The details of this item are as follows:

	Joint	
	2023	2022
	JD	JD
Provisions recovered to revenues from expected future losses (formerly the Investment Risk Facility Fund)	**-**	2,458,288
Provisions for future losses expected and impairment loss	**(1,053,174)**	(993,697)
Net recovered provisions	**(1,053,174)**	1,464,591

33. Deposit insurance fees

The details of this item are as follows:

	Joint		Self	
	2023	2022	**2023**	2022
	JD	JD	**JD**	JD
Deposit insurance fees on Joint investment accounts	**3,056,911**	2,821,414	**-**	-
Deposit insurance fees on current accounts	**-**	-	**2,364,336**	2,387,312
Total	**3,056,911**	2,821,414	**2,364,336**	2,387,312

Amended law of the Deposits Insurance Corporation was issued on 1 April 2019, which included Islamic Banks under the Deposit Guarantee Corporation, noting that Islamic Banks were not previously covered by the law, and the amended law stated that the deposits accounts which are classified within the Bank consignment (credit accounts and equivalent, the part that does not participate in the profits from the joint investment accounts) will entail deposits guarantee fees that the Bank will bear from its own funds, whereas the joint investment accounts will bear the participation fees of the joint investment accounts for these accounts.

34. Unrestricted Investment Accounts Share

The details of this item are as follows:

	2023	2022
	JD	JD
Customers:		
Revenue of investments saving accounts	**1,221,234**	1,130,152
Revenue of term deposit accounts	**58,431,356**	35,201,265
Revenue of cash Margin accounts	**428,305**	381,079
Total	**60,080,895**	36,712,496

* The bank took a decision at the end of the year 2023 to postpone the distribution of profits on customers' deposits in dinars, so that this would be done during the month of January 2024, as the bank decided to give up part of its share in the profits as capital to raise the general percentage. The same decision was taken at the end of the year 2022 to postpone the distribution Profits on customer deposits in Jordanian Dinars will be made during January 2023.

* The bank waived part of its share in profits as capital to raise the general percentage distributed to holders of deposit accounts sharing in profits according to segments for the year 2023 by an amount of 18,600,000 JD (5,500,000 JD for the year 2022).

35. Bank's Share in income from Joint Investment as Mudarib and Fund Owner (Rab Al-Mal)

The details of this item are as follows:

	2023	2022
	JD	JD
Bank's share as Mudarib	**45,145,234**	42,281,139
Bank's share as (Rab Al-Mal)	**29,924,469**	32,957,341
Total	**75,069,703**	75,238,480

36. Bank's Self-Financed Revenue

The details of this item are as follows:

	2023	2022
	JD	JD
Income from Ijara Muntahia Bittamleek assets (Note 30)	**53,769**	63,730
Returns of distributions of financial assets at fair valuethrough shareholders' equity	**9,638**	8,007
Total	**63,407**	71,737

37. Bank's Share in Restricted Investment Profit as Mudarib and as agent (Wakeel)

a.Bank's Share in Restricted Investment profit as Mudarib:

	2023	2022
	JD	JD
Income from restricted investments	**15,368,122**	3,219,288
Less: Share of holders of restricted investments accounts	**(11,799,828)**	(2,629,151)
Bank's share as Mudarib	**3,568,294**	590,137

b. Bank's share in restricted investment profit as agent (Wakeel)*:

	2023	2022
	JD	JD
Income from sales receivables	**644,412**	981,454
Less: Muwakel's share	**(389,510)**	(495,417)
Bank's Share as (Wakeel)	**254,902**	486,037

* This item represents revenue from Murabaha to Purchase order for small enterprise within the Wakaleh investment agreement signed with the Central Bank of Jordan.

38. Gains from Foreign Currencies

The details of this item are as follows:

	Self	
	2023	2022
	JD	JD
Resulted from trading / dealing	**1,806,104**	1,582,140
Resulted from revaluation	**1,021**	(35,957)
Total	**1,807,125**	1,546,183

39. Banking Services Revenue

The details of this item are as follows:

	2023	2022
	JD	JD
Commissions on certified cheques	**38,182**	36,362
Commissions on letters of credit and bills	**848,803**	1,034,011
Commissions on guarantees	**700,769**	601,596
Commissions on transfers	**1,130,431**	997,057
Commissions on Visa	**5,801,827**	4,105,155
Commissions on cheques	**311,712**	288,643
Commissions on electronic services	**1,783,214**	1,746,744
Commissions on execution of financings	**2,115,215**	2,210,396
Commissions on transferred salaries	**2,138,786**	2,105,855
Other commissions	**1,390,274**	1,269,835
Less		
Commissions expense	**(2,905,607)**	(1,940,603)
Total	**13,353,606**	12,455,051

40. Other Revenues

The details of this item are as follows:

	Self		joint	
	2023	2022	**2023**	2022
	JD	JD	**JD**	JD
Revenues from customers services (post, telephone, custody)	**262,299**	235,514	**-**	-
Other income	**21,961**	694,763	**-**	-
Revenues from the sale of foreclosed real estate against debt	**-**	-	**135,176**	309,801
Rentals from the sale of foreclosed real estate against debt	**-**	-	**-**	20,000
Expenses of expropriated real estate for debts	**-**	-	**(48,201)**	(47,495)
Total	**284,260**	930,277	**86,975**	282,306

41.Employees' Expenses

The details of this item are as follows:

	2023	2022
	JD	JD
Salaries, bonuses and employees benefits	**24,479,294**	22,728,763
Bank's contribution in social security	**2,776,058**	2,542,978
Medical expenses	**1,402,674**	1,287,316
Staff training	**184,529**	82,275
Others	**146,192**	132,620
Total	**28,988,747**	26,773,952

42. Other Expenses

The details of this item are as follows:

	2023	2022
	JD	JD
Stationery and printing	**837,729**	803,001
Postage and telephone	**550,453**	474,721
Maintenance and cleaning	**1,005,347**	696,568
Advertising	**1,191,850**	535,619
Insurance expenses	**197,666**	211,124
Electricity and water	**1,024,401**	853,200
Donations	**583,398**	354,947
Subscriptions and fees	**757,854**	937,802
Transportation and travel expenses	**429,512**	371,672
Consultancy and professional fees	**590,757**	408,466
Information systems expenses	**4,264,349**	3,565,524
Board of Directors' remunerations	**25,000**	25,000
Provision for impairment of property and equipment	**681,901**	-
Others	**180,011**	154,929
Total	**12,320,228**	9,392,573

43. Amortization of right of use assets / Lease liability discount / rental expenses:

The details of this item are as follows:

	Right of use assets amortization		Lease liability discount/ finance cost		Rental expenses	
	2023	2022	2023	2022	2023	2022
	JD	JD	**JD**	JD	**JD**	JD
	1,310,049	1,240,523	**131,110**	132,080	**602,213**	374,726
Total	**1,310,049**	1,240,523	**131,110**	132,080	**602,213**	374,726

44. Earnings Per Share

The details of this item are as follows:

	2023	2022
	JD	JD
Profit for the year	**35,325,708**	35,497,168
Weighted-average number of shares	**100,000,000**	100,000,000
Earnings per share for the year - Basic \ Diluted	**0,353**	0,355

45. Cash and Cash Equivalent

The details of this item are as follows:

	December 31,	
	2023	2022
	JD	JD
Cash and balances with the Central Bank of Jordan maturing within three months	**519,136,912**	709,456,182
Add: Balances at Banks and financial institutions maturing within three months	**9,259,115**	4,272,764
Less: Banks and financial institutions' accounts maturing within three months	**(2,846,629)**	(388,381)
Cash and cash equivalent at the end of the year	**525,549,398**	713,340,565

46. Balances and Transactions with Related Parties

The Bank conducts transactions with shareholders, members of the Board of Directors, Executive Management, and Sister Companies in the ordinary course of its business using the Murabaha and commercial commissions rates.

The following is a summary of the transactions with related parties:

						Total	
						December 31,	
	Arab Bank (Parent Company)	Board Members	Parent Company's subsidiaries	Supervisory, board members	Executive Management	**2023**	2022
Statement of Financial Position Items:	JD	JD	JD	JD	JD	**JD**	JD
Balances with Banks and financial institutions	2,636,557	-	466,820	-	-	**3,103,377**	2,617,083
International Murabaha (commodities investment)	-	-	168,813,012	-	-	**168,813,012**	126,482,402
Banks' and financial institutions accounts	76,627	-	530,555	-	-	**607,182**	260,746
Joint investment accounts and current accounts	-	80,068	-	180,847	1,999,449	**2,260,364**	1,984,396
Financial assets at fair value through shareholders' equity managed by sister company	-	-	5,819,111	-	-	**5,819,111**	5,813,534
Sales receivables	-	143,515	-	-	371,482	**514,997**	686,906
Ijara	-	-	-	-	1,474,398	**1,474,398**	1,598,003
Off – Statement of Financial Position Items:							
Guarantees	10,000	-	-	-	-	**10,000**	10,000
International Murabaha (Investment in Commodity)	-	-	310,127,533	-	-	**310,127,533**	149,919,919

						For the Year Ended December 31,	
Statement of Income Items:						**2023**	2022
						JD	JD
Distributed profit – deposits' accounts	-	211	-	3,324	62,889	**66,424**	4,058
Received profit - receivables	-	11,360	-	-	61,459	**72,819**	89,217
Shares' dividends	-	-	9,638	-	-	**9,638**	8,007
Received- Commission Off – Statement of Financial Position Items	212	-	-	-	-	**212**	212
Salaries and remunerations *	-	25,000	-	84,000	2,342,560	**2,451,560**	2,825,067
Transportation – Committees Membership	-	143,458	-	-	-	**143,458**	116,400

- The lowest Murabaha rate that the Bank received was 3% and the highest Murabaha rate was 5,8%. Meanwhile, the lowest dividends distribution rate was 1,5%, and the highest rate of dividends distribution was 6,1% according to the slides.
- All financings granted to related parties are performing, and consequently, no related provisions have been booked.

* The Bank has applied corporate governance instructions for Islamic Banks No. (2/2023) dated 14/2/2023 regarding the definition of executive management.

47. Risk Management

Islamic International Arab Bank deals with the challenges related to Banking risks comprehensively within an overall risk management framework according to the best Banking standards, conventions, and practices, reinforced by a governance structure at the level of the Board of Directors, in particular the committees emanating from the Board and Executive management level.

Risk management represents one of the main control levels within the institutional structural framework of the Bank's risk management. Moreover, Risk management is responsible for developing an effective and secured system to identify the risks by the Bank is exposed to, and its tasks include the following:

- Reviewing Bank's risk management framework before approval by the Board of Directors.
- Implementing risk management strategy as well as developing policies and work procedures to manage whole risk types.
- Developing methodologies for identifying, measuring, controlling and detecting each type of risks.
- Submitting reports to the Board members through the risk management committee and a copy of the reports to senior executive management, including information about the actual risk profile compared with accepted risk appetite, and following up and resolving negative deviations.
- Checking the integration of the risk measurement mechanism with management information systems.
- Studying and analyzing all risk types the Bank is exposed to.
- Submitting recommendations to the risk management committee about the Bank's risk exposure, as well as registering the exceptions in the risk management policy.
- Providing the necessary information about the Bank's risks for disclosure purposes.
- Reinforcing and raising awareness about risks through the best Banking practices and standards.

Risk Management at the Bank is divided into the following sections:

Descriptive Disclosures

The Bank's risk management system, risk management procedures and the main units responsible for it:

The Islamic International Arab Bank deals with the challenges related to banking risks comprehensively within a holistic risk management framework based on the best banking standards, norms and practices, especially corporate governance.

Risk management is the department responsible for developing an efficient and effective system to identify the risks to which the bank is exposed. Its tasks include the following matters:

- Reviewing the Bank's risk management framework before approval by the Board of Directors.
- Implementing risk management strategy as well as developing policies and work procedures to manage whole risk types.
- Developing methodologies for identifying, measuring, controlling and detecting each type of risks.
- Submitting reports to the Board members through the risk management committee and a copy of the reports to senior executive management, including information about the actual risk profile compared with accepted risk appetite, and following up and resolving negative deviations.
- Submitting recommendations to the risk management committee about the Bank's exposure to risk, as well as registering the exceptions in the risk management policy.
- Providing the necessary information about the Bank's risks for disclosure purposes.
- Reinforcing and raising awareness about risks through the best Banking practices and standards.

The risk management in the Bank is divided into the following sections:

Credit risk:

The Bank applies a strategy commensurate with this type of risk to ensure the achievement of its strategic objectives in developing its market share and maintaining the quality of assets and the composition of the credit portfolio.

The Bank also relies on well-established, conservative and prudent credit standards, policies, procedures, methodologies and general frameworks for risk management that take into account all developments in the Banking and legislative environment, in addition to clear organizational structures and automated systems, in addition to diligent follow-up and effective control that enables the Bank to deal with potential risks and challenges the changing environment with a high level of confidence and determination.

Credit decisions are based on the Bank's business strategy and acceptable levels of risk. A review and analysis of the quality and quality of the credit portfolio is carried out periodically according to performance indicators. They also focus on diversity, which is essential to mitigate and diversify risks at the individual customer level, as well as at the sectoral and geographical level. The stress testing mechanisms are used and applied periodically, which include strict and conservative assumptions as a tool for managing the credit portfolio, along with capital planning.

The Credit process in the Bank is an institutional and well-built process that is based on the following main pillars and principles:

- Clear and specific limits for the level of credit risk are determined at the highest administrative levels and then sent to the various business units. These limits are reviewed, monitored, and any necessary adjustments are made periodically.
- Adopting the principle of credit committees to ensure that credit decisions are not individual, but rather taken by the committees.
- Separating the tasks between the business sector management, the credit review department and the credit control department to achieve the principle of independence.
- Graduated fiduciary powers according to the levels of risk for each credit committee at the level of regions and public administration, which are subject to periodic review.
- Clear criteria for the target customer / market and the acceptable level of credit assets.
- An integrated and in-depth financial and credit analysis covering the different aspects of risk for each customer and / or credit operation.
- Providing senior management, credit committees and the risk management committee emanating from the board of directors with periodic reports on credit risk, the quality of the credit portfolio and the quality of the assets.
- Continuous evaluation and follow-up of any credit concentrations and strategies for dealing with them.
- Ensure the effectiveness and capacity of the early warning system on an ongoing basis to identify and detect potential risks.
- Effective management of the legal documentation process, the management of collateral, and its preservation and follow-up to ensure that it covers the corresponding obligations and establish appropriate mechanisms for continuous follow-up.
- The periodic and annual review of the credit facilities granted, with the aim of identifying any negative indicators related to these facilities
- Adopting and applying strict control methods and controls based on continuous monitoring of credit facilities accounts.
- The Bank offers several programs for the retail sector, and they are managed at the portfolio level for each product through product programs that are prepared to cover homogeneous categories of customers. These programs are subject to review and approval on an annual basis or when needed by the relevant committees.

- The Bank has applied IFRS 9 since the beginning of 2018, whereby a model was used to calculate expected losses based on a future outlook closely related to the customer's credit position, indicators of deteriorating credit performance and high credit risks for customers, taking into account macroeconomic factors based on The three stages according to the requirements of the standard, and the Bank approves the credit allocations resulting from the calculation of expected credit losses according to the standard and the instructions of the Central Bank of Jordan in particular.
- A conservative mechanism in calculating provisions and collecting non-performing debts within the highest applicable accounting and oversight standards, by analyzing trends and indicators of late maturities, and this mechanism is subject to periodic credit and legal review on which results are based on non-performing debt management strategies to reduce the ratios and levels of non-performing debts and raise Levels of recovery and coverage.
- To apply stress tests periodically at the level of the portfolio and on major accounts that represent credit concentrations, and to assess the impact of these tests on capital and profits.
- The Bank is continuously improving and developing all of the above aspects in line with the changes and developments in the business environment and the Banking industry and taking advantage of what modern technologies provide in terms of automated systems in this field.
- The Bank continuously attaches great importance to developing skills and raising the level of competencies and experiences by focusing on the involvement of its cadres working in the field of credit with specific and selected training courses and programs to qualify them to perform their duties and responsibilities efficiently and competently.

Operational risk:

It is the risk arising from inadequate or failed policies and procedures for internal processes, people, systems, or risks resulting from external events.

This definition includes legal risks and excludes reputational and strategic risks (as they are evaluated and managed within special policies).

In order to determine the operational risks that the Bank is exposed to, the risk management uses several tools according to international best practices, including:

- CRSA self-assessment workshops for controls and risks on various Bank operations.
- Defining risk indicators on KRI's various operations and products.
- Connecting the various Bank operations, clarifying the reliability relationships between these processes, Process Mapping, and defining and evaluating the risks inherent to these operations and the controls applied to them.

The Islamic International Arab Bank classifies operational risk events according to the best practices for "managing and controlling operational risks" issued by the Basel Committee on Banking Supervision.

Liquidity Risk:

It is the ability of the Bank to finance the increase of its assets and face its liabilities when due without incurring unacceptable losses, according to the definition of the Islamic Financial Services Board, and the objective of the framework for liquidity risk management is to ensure the Bank's ability to meet its financial obligations due at all times and to manage liquidity risks in a consistent manner.

Within the framework of monitoring the liquidity situation, the Director of the Treasury Department and the Director of Risk Management receive daily reports on the actual, expected and optimal liquidity position of the Bank. These reports help the Director of the Treasury Department to provide the Asset and Liability Management Committee with all necessary administrative information on the liquidity position.

The Bank uses various methods to measure and analyze liquidity that help the Bank to plan and manage its financial resources in addition to determining mismatches in assets and liabilities, which may expose the Bank to liquidity risk. These measures include day and month liquidity ratios, cumulative liquidity gap model, liquidity coverage ratio analysis (LCR), The concentrations of major depositors and the liquidity ratios according to the requirements of the Central Bank and stress testing.

The framework for testing liquidity stress conditions is one of the main tools for assessing liquidity risk within hypothetical events inspired by the Bank's experience, regulatory requirements and external events related to the Bank's financial statement.

Market Risk:

Market risk is the probable loss arising from the change in value of the Bank's portfolios due to fluctuation in stock prices, profit rates, foreign exchange rates, and commodity prices. Moreover, market risks are managed on the trading portfolio and Banking portfolio in a manner consistent with Islamic Shari'a. In addition, three main activities expose the Bank to market risk: trading in cash market instruments, foreign currencies, and capital market instruments; trading in the Banking portfolio; and trading in the trading portfolio.

The essential tools in measuring and managing market risk include:

- Net open position for foreign currencies.
- Stress testing.

Compliance with Shari'a Standards Risk:

The Islamic International Arab Bank fully adheres to Standards in force in all of its deals. For this purpose, IIAB provides its employees from all managerial levels with Banking courses to reinforce their abilities and efficiencies and enhance their knowledge and understanding of all Standards.

In order to ensure its compliance with Standards, the Bank established three control units:

1) Shari'a supervision associated with implementation.
2) Shari'a compliance of the Compliance Control Department.
3) The Shari'a Internal Audit Department, which is directly supervised by the Shari'a Supervisory Board and as stipulated in the corporate governance instructions of Islamic banks.

Information security and business continuity:

The Department of Information Security and Business Continuity in Risk Management is the department concerned with following up, developing and applying international standards and internal and external laws related to information security (or cyber security) and the continuity of work in all aspects of the Bank's work, and it works permanently and continuously to develop plans, projects and policies necessary to ensure the continuity of the Bank's business If it is exposed to any interruption as a result of accidents or disasters, and periodic follow-up to conduct checks of the technological infrastructure to protect the Bank from external and internal threats.

One of the most important projects undertaken by the department is the application and implementation of the periodic versions of the PCI-DSS standard. This project has been started since 2013 and has obtained an ISO 27001 standard for the application of security controls necessary to protect data and obtain a certificate of (ISO 22301) for the application of requirements Business continuity.

Among the most important procedures and periodic plans that are implemented, and which are of the interest of the top management are the annual examination of Business Alternative Site and Disaster Recovery Site. The inspection plans and procedures ensure their readiness in case of any emergencies of the Bank.

Other Risks:

Islamic international Arab Bank is exposed to other types of risks, which it manages proactively and prudently.

1. The Bank's risk management culture and the role of risk management policies and strategies in supporting and consolidating the Bank's risk culture management.

Islamic International Arab Bank concerns great importance to the process of establishing a conscious environment for the "risk culture in the Bank" which translates into a set of common values, concepts, objectives and behaviors based on the best practices and standards leading in the Banking sector, where the employee must be known that the risks are the result of choices and decisions and not by chance. Each employee has the role, functions and responsibilities to carry out within limited powers governed by accountability and accountability policies.

Therefore, the Bank within its training and development plans, provides its employees with specialized courses in risk management.

2. The risk limits accepted by the Bank and in line with the Bank's business model.

The Bank determines annually acceptable risk limits for each type of risk and within the Bank's strategic planning where the Bank's ability to withstand risks is determined, assessed and measured effectively and within the levels that the Bank wishes to meet in order to achieve the objectives set.

The Bank's risk tolerance reflects the desired risk levels and non-quantitative risk quality measures within an institutional governance based on global best practices.

3. Stress tests

Stress tests are an important tool used to measure the Bank's ability to withstand shocks and risks as these tests aim to assess the Bank's financial position and within extreme scenarios that can occur, taking into account that these tests have a future dimension and include sensitivity analysis tests and scenario analysis testing where stress tests are an essential part of risk government.

Believing in the importance of risk governance, the Bank has established a specialized committee of experts to identify and develop scenarios where the committee will make its recommendations so that risk management can implement these scenarios.

The results of the stress tests are used in decision-making and strategic planning as they are part of the implementation of the Bank's strategic plan.

The stress tests are part of the expected credit loss calculation, with the Bank conducting three scenarios (best/downside// base) and determining their impact on the expected credit loss model.

The projected credit loss is calculated based on the weighted probability value (An Unbiased and - Probability Weighted Amount) for the three scenarios and based on specific weights approved in advance by the relevant committee.

4. Definition of the Bank's application for default and the processing of default

The definition of default used to measure expected credit losses used to assess the change between stages is consistent with the definition of default used by the Bank's internal credit risk management, and there is an assumption that the default occurs when payment is stopped for 90 days or more.

The relationship officer communicates with the client and alerts to any negative indicators that may lead to a decrease in the quality of finances where these indicators arise from the following aspects: management, financial situation, environment, guarantees as described in the credit policy.

In order to identify the problem in advance to review the structure of the financings and re-evaluate the client credit and thus the possibility of finding a solution to avoid the classification of the client or default, the Credit Control Department issues a statement of accounts due and this list is reviewed on a daily basis by business and credit sector officials, where the official of the development of the customer relationship prepares a detailed report due to any of his clients and presents the report to the relevant authorities and committees according to the approved business procedures.

5. The Bank's internal credit rating system and its operating machinery

The approved internal classification system consists of (10) levels to describe the level of risk for each element of the risk facing the client. The risks are identified on an ascending basis (the higher the degree, the higher the level of risk).

Risk Levels	Risk Degree
Exceptional	1
Excellent	2
Strong	3
Average	4
Acceptable	5
Marginal	6
Watch	7
Substandard	8
Doubtful	9
Loss	10

Ratings (1-6) represent acceptable risk levels in credit and ratings (7-10) represent high risk levels and are managed prudently.

The Bank's credit audit and evaluation process is governed by the credit rules and policies set out in the credit facilities policies where the borrower's credit rating is an essential element in the credit review and evaluation of credit, and for this purpose the Bank has developed and implemented an internal credit rating methodology for customers""Bank Rating System", which evaluates the companies according to the customer's quality and quantity standards, and in parallel the Bank has implemented the Moody's Risk Analysis Classification System (MRA), a credit rating system issued by Moody's Credit Rating Agency, which is based on quality and quality standards. It should be noted that moody's rating system complements the Bank's internal credit rating system and provides a mechanism that complies with Basel's instructions, the Moody's credit rating system is centrally managed in the public administration by the Department of Corporate Business and The Credit Review Department representing the departments used for the system, and the rating of customers is reviewed either using the Bank's rating system or Moody's analysis system. Annual risk when reviewing individual customer facilities.

6. The mechanism approved to calculate the expected credit losses ECL on financial instruments and each item separately.

The Bank calculates projected credit losses based on the weighted average of three scenarios to measure the expected cash deficit, discounted at the actual rate of return (APR).

Cash deficits are the difference between cash flows due to the Group in accordance with the contract and the cash flows expected to be collected.

Therefore, the mechanism for calculating the expected credit loss and the key elements are as follows:

Probability of Default (PD): An estimate of the probability of a customer defaulting within a certain time horizon. A stumble can occur in a specific period during the evaluation period.

Exposure at Default (EAD): Is the estimation of the existing balance subject to default at the moment of reporting plus any amounts expected to be exploited in the future by the client such as granted credit limits and indirect obligations where the probability of withdrawal and timing of withdrawal or payment of all amounts is calculated and the probability of default according to the methodology applied to direct obligations and exposures.

Loss Given Default (LGD): An estimate of the amount of potential loss on default, In the case where the default occurs at a certain time. It represents the difference between contractual cash flows and those that the Bank expects to collect, including the collateral provided.

When estimating expected credit losses, the Bank takes into account three scenarios (the baseline scenario, the upside scenario, and the downside scenario) and each of them is associated with different weights of the probability of default, exposure at default, and the loss given default.

The assessment of various scenarios also includes how to recover the non-performing facilities, including the possibility of remediation of the non-performing facilities and the value of the guarantees or the amounts expected to be collected from the sale of the guarantees.

With the exception of credit cards and other revolving facilities, the maximum period for which credit losses are determined is the contractual life of the financial instruments unless the Bank has the legal right to cancel them in advance.

7. The mechanisms for calculating expected credit losses are summarized as follows:

For the purposes of calculating expected credit losses, credit exposures are distributed according to the rating stages according to Standard No. (30) as follows:

Stage 1

This stage includes credit exposures/debt instruments that have not been significantly increased or influenced by their credit risk since the initial recognition of exposure/instrument or have low credit risk on the date of the preparation of financial statements, including exposures and instruments that meet the following conditions:

- Low-risk exposures/debt instruments
- The debtor has a high ability to meet its short-term obligations
- The Bank does not expect adverse changes in the economy or working environment in the long term that may adversely affect the debtor's ability to meet its obligations

The expected credit loss at this stage represents the potential loss resulting from the stumble that may occur within the next 12 months of the date of the preparation of the financial statements.

Stage 2

This stage includes exposures that have been obtained by an impressive (significant) increase in their credit risk since the initial recognition, but they have not reached the stage of default yet due to the lack of objective evidence to confirm the default.

The Bank will assess on the financial statement preparation date whether credit risk has increased significantly and above the indicators specified in according to the relevant Central Bank of Jordan instructions.

The expected credit loss of credit exposures is calculated within this phase for the full life of credit exposure/debt instrument and represents the expected credit loss resulting from all probability of default during the remaining period of the credit/debt instrument exposure life.

For the purposes of establishing income for credit exposures listed at this stage, the return is calculated on the basis of the total value of credit exposure/debt instrument recorded in the books.

Stage 3

This stage includes debt instruments where there is evidence that it has become a default (irregular) and in this case the expected credit loss for the entire life of credit exposure/debt instrument is calculated according to the factors and indicators specified according to the Central Bank of Jordan instructions where the return is suspended on the accounts listed at this stage.

The Bank will consider all the requirements and limitations of the Central Bank of Jordan to deal with exposures within this phase.

8. Governing the application of the requirements of financial accounting standard No. 30, including the responsibilities of the Board of Directors and executive management to ensure compliance with the requirements of the application of the standard.

The Bank shall take the institutional governance as a platform for action to make the necessary decisions within the proper foundations to develop performance and plans and adopt the necessary measures to ensure the accuracy of the results and the validity and integrity of the methodologies and systems used.

In order to achieve the above objectives, the Bank has established an internal committee comprising all relevant departments and departments, which develop the mechanisms of application, develop policies and procedures of work, and define tasks and responsibilities to be part of the governance of the application of this standard, where the tasks of departments and responsibilities are distributed as follows:

- Committee functions:

The Committee has a role in the management process and approval of the following policies:

- The Bank’s business model
- The methodology for applying the standard and related policies.
- Scenarios and future assumptions used to calculate expected credit losses.
- Certification of ECL results/allocation.
- Submit the results to the General Manager and the Board of Directors.
- Make the necessary recommendations in the topics related to the implementation of the resolution.
- Develop and agree with the Board of Directors.

- Board of Directors:

- Adopting the methodology for applying the standard and related policies.
- Adopt a business model through which the objectives and foundations for the acquisition and classification of financial assets are defined.
- Ensure that effective control systems are in place and that the roles of the relevant entities are determined.
- Ensure that the infrastructure is in place to ensure the application of the standard, which includes (human resources/ internal credit rating systems / automated systems for calculating credit losses, etc.), so that they are able to reach the results that ensure adequate hedging against expected credit losses.
- Ensure that the Bank’s supervisory units, specifically risk management, internal audit management and compliance management, do all the work to verify the validity and integrity of the methodologies and activities used and provide support to these units.

- The Shari'ah Oversight Authority

- Monitoring the Bank's activities in terms of compatibility and non-violation of Islamic law
- Follow-up and review of operations to verify that they are free of any legitimate prohibitions
- Agree to bear any losses resulting from the Bank's operations in relation to the owners of investment accounts.

9.Definition and the process of calculating and monitoring the probability of default and credit exposure when it defaults and the percentage of loss assuming defaults.

The Bank calculates projected credit losses based on the weighted average of three scenarios to measure the expected cash deficit, discounted at the actual rate of return (APR).

Cash deficits are the difference between cash flows due to the Group in accordance with the contract and the cash flows expected to be collected.

Therefore, the mechanism for calculating the expected credit loss and the key elements are as follows:

- Probability of Default (PD): An estimate of the probability of a customer defaulting within a certain time horizon. A stumble can occur in a specific period during the evaluation period.
- Exposure at Default (EAD): Is the estimation of the existing balance subject to default at the moment of reporting plus any amounts expected to be exploited in the future by the client such as granted credit limits and indirect obligations where the probability of withdrawal and timing of withdrawal or payment of all amounts is calculated and the probability of default according to the methodology applied to direct obligations and exposures.
- Loss Given Default (LGD): An estimate of the amount of potential loss on default, In the case where the default occurs at a certain time. It represents the difference between contractual cash flows and those that the Bank expects to collect, including the collateral provided.

When estimating expected credit losses, the Bank takes into account three scenarios (Base scenario, Upside scenario, Downside scenario) and is linked to different weights of probability of default, credit exposure when you default, and the loss ratio assuming the default.

The evaluation of multiple scenarios also includes how to recover distressed facilities, including the possibility of handling distressed facilities and the value of guarantees or amounts expected to be collected from the sale of guarantees.

With the exception of credit cards and other revolving facilities, the maximum period in which credit losses are determined is the contractual age of financial instruments unless the Bank has the legal right to cancel them in advance.

10. Significant change in credit risk parameters on which the Bank relied on in calculating expected credit losses.

The Central Bank of Jordan instructions have been relied upon to implement standard (30) to set parameters of significant changes in credit risk which includes the following but not limited to:

- Reducing the borrower's internal/external or expected credit rating or credit/debt instrument exposure according to the Bank's internal valuation system.
- Fundamental negative changes in the performance and behaviour of the borrower, such as late payment of installments or unwillingness to respond to the Bank.
- The need to reorganize the debtor's obligations (structuring obligations) due to poor repayment capacity, declining cash flows, the need to modify contractual terms with the debtor party or to cancel (waive) some existing contractual terms due to actual/foreseeable breaches of current terms.
- Information on the existence of dues on the debtor party either with the Bank or with any other creditor party.
- Information about the existence of dues from the debtor party, either with the Bank or with any other creditor party.

- The actual or expected negative changes in the operating activity of the borrower such as (decrease in revenues / actual or expected profit margin, increase in operating risks, deficit in working capital, decline in the quality of assets, increase in financial leverage, weakness and decline in liquidity, administrative problems, stopping part of Customer activities and others) which may materially affect the borrower's ability to repay.
- The change in the credit management methodology in the Bank for the credit exposure / debt instrument due to the emergence of negative indicators and changes in the credit risk of the exposure / instrument, so that the credit risk management of exposure / the instrument is expected to become more focused and vigorously and keep it under control or that the Bank will intervene with the party Debtor to manage exposure / instrument.
- Significant increase in credit risk of exposure to credit / other debt instruments attributable to the same borrower from other lenders.

11 The Bank's policy in identifying the common elements (specifications) on which credit risk and expected credit loss are measured on an aggregate basis.

The Bank's policy is based On an Individual Basis and not on aggregate basis.

12.Key economic indicators used by the Bank in calculating expected credit loss (PD)

With many dynamic macroeconomic factors, particularly GDP, government spending, unemployment rates, oil prices, exports... The Bank conducts the necessary statistical analysis to identify important factors of "statistical significance" affecting the non-working debt rate (NPL) according to the following model:

NPL= ƒ (GDP, Government spending, unemployment rates, oil price, exports ... etc.)

The results showed a statistical indication of the following factors:

1. GDP
2. Equity prices
3. Unemployment

48. Credit Risk

1- Distribution of credit exposures according to the degree of classification as of December 31, 2023:

	Self						
Bank's Internal classification	Classification as CBJ regulations	Total of exposures value	Expected credit losses	Loss probability level (PD)	Classification as Rating entities	Classification at Default (EAD)	Average loss at Default (LGD)
		JD	JD			JD	
First: Performing exposures		71,945,716	293,422	-	-	71,945,716	-
A- Financial assets at amortized cost							
Low risk	**Low risk**	-	-	-	-	-	-
Acceptable risks	**Acceptable risks**	-	-	-	-	-	-
B- Deferred sales receivables and other receivables							
Low risk	**Low risk**	-	-	-	-	-	-
Acceptable risks	**Acceptable risks**	**71,797,727**	**218,783**	**0,10% to 10%**	**N/A**	**71,797,727**	**0% to 56%**
Watchlist	**Watchlist**	**147,989**	**74,639**	**0,088% to 88%**	**N/A**	**147,989**	**5% to 57,9%**
Second: Non-performing exposures		**3,907,490**	**3,890,221**	-		**3,907,490**	-
Substandard	**Substandard**	**48,165**	**48,165**	**100%**	**N/A**	**48,165**	-
Doubtable	**Doubtable**	**82,970**	**82,970**	**100%**	**N/A**	**82,970**	-
Bad debts	**Bad debts**	**3,776,355**	**3,759,086**	**100%**	**N/A**	**3,776,355**	-
Total		**75,853,206**	**4,183,643**	-	-	**75,853,206**	-
Off balance sheet items – self							
Unclassfieid	**Unclassfieid**	**139,908,283**	**1,213,089**	**0,1% to 100%**	**N/A**	**139,908,283**	**0% to 72%**

	Joint						
Bank's Internal classification	Classification as CBJ regulations	Total of exposures value	Expected credit losses	Loss probability level (PD)	Classification as Rating entities	Classification at Default (EAD)	Average loss at Default (LGD)
		JD	JD			JD	
First: Performing exposures		**1,333,714,611**	**9,881,707**	**-**	**-**	**1,333,714,611**	**-**
A- Financial assets at amortized cost							
Low risk	**Low risk**	**262,996,994**	**54,764**	**1,403%**	**BB+**	**262,996,994**	**0% to 30,5%**
Acceptable risks	**Acceptable risks**	**16,401,695**	**91,756**	**0,436% to 3,526%**	**B+ - A-**	**16,401,695**	**30,8% to 44,9%**
B- Deferred sales receivables and other receivables							
Low risk	**Low risk**	**11,627,895**	**-**	**0,51% to 6,6%**	**N/A**	**11,627,895**	**-**
Acceptable risks	**Acceptable risks**	**1,029,289,583**	**3,679,227**	**0,058% to 24%**	**N/A**	**1,029,289,583**	**0,01% to 57,9%**
Watchlist	**Watchlist**	**13,398,444**	**6,055,960**	**0,05% to 93%**	**N/A**	**13,398,444**	**0,1% to 58%**
Second: Non-performing exposures		**30,123,252**	**24,244,470**	**-**	**-**	**30,123,252**	**-**
Substandard	**Substandard**	**992,413**	**410,958**	**100%**	**N/A**	**992,413**	**-**
Doubtable	**Doubtable**	**3,372,753**	**2,183,388**	**100%**	**N/A**	**3,372,753**	**-**
Bad debts	**Bad debts**	**25,758,086**	**21,650,125**	**100%**	**N/A**	**25,758,086**	**-**
Total		**1,363,837,863**	**34,126,177**	**-**		**1,363,837,863**	**-**
Off balance sheet items – joint							
unclassified		**166,689,080**	**359,593**	**0,08% to 24%**	**N/A**	**166,689,080**	**0% to 53%**

2- Distribution of exposures according to the Economic sector:

A. Exposure Distribution according Financial instruments (Net) as at December 31, 2023

	Retail	Industrial	Trade	Real Estate	Agriculture	Constructions	Tourism	Transportation	Public services and facilities	Financial	Government and public sector	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Balances with Central Bank of Jordan	-	-	-	-	-	-	-	-	-	-	462,857,676	462,857,676
Balances with Banks and financial institutions	-	-	-	-	-	-	-	-	-	9,259,115	-	9,259,115
Deferred sales Receivables, Other receivables, financings and Qard Al-Hasan	426,628,176	94,688,427	331,347,888	158,490,025	41,496,914	15,624,493	536,239	6,324,511	44,355,040	-	-	1,119,491,713
Sukuk:												
Within financial assets at amortized cost	-	-	-	-	-	-	-	-	-	7,092,334	272,159,835	279,252,169
Other Assets												
Accrued revenues	-	-	1,715,338	-	-	-	-	-	-	75,215	4,066,592	5,857,145
Prepaid expenses	-	-	2,098,383	-	-	-	-	-	-	284,346	1,517	2,384,246
Total	426,628,176	94,688,427	335,161,609	158,490,025	41,496,914	15,624,493	536,239	6,324,511	44,355,040	16,711,010	739,085,620	1,879,102,064
Off- statement of financial position:												
Guarantees	702,229	5,420,724	15,272,979	-	254,213	22,339,818	484,919	694,621	10,088,554	-	-	55,258,057
Letters of credit	-	4,815,665	9,724,482	-	823,824	1,752,051	-	-	-	-	-	17,116,022
Acceptances	123,356	2,577,061	741,012	-	4,866,895	846,818	-	-	38,871	-	-	9,194,013
Unutilized limits	12,725,896	73,674,650	67,822,475	-	12,445,136	47,276,504	267,098	774,607	8,470,223	-	-	223,456,589
Total of financial position items	13,551,481	86,488,100	93,560,948	-	18,390,068	72,215,191	752,017	1,469,228	18,597,648	-	-	305,024,681
Total as at December 31, 2023	**440,179,657**	**181,176,527**	**428,722,557**	**158,490,025**	**59,886,982**	**87,839,684**	**1,288,256**	**7,793,739**	**62,952,688**	**16,711,010**	**739,085,620**	**2,184,126,745**
Total as at December 31, 2022	424,617,805	176,634,061	384,793,142	155,556,064	53,878,912	83,707,495	1,637,060	6,487,306	52,582,822	11,737,225	826,247,901	2,177,879,793

B. Distribution of exposures by stages according to FAS (30) (Net) as at December 31, 2023:

Item (JD)	Stage 1	Stage 2	Stage 3	Total
Retail	**436,513,897**	**3,332,759**	**333,001**	**440,179,657**
Industrial	**165,563,311**	**15,474,218**	**138,998**	**181,176,527**
Trade	**409,608,339**	**16,490,522**	**2,623,696**	**428,722,557**
Real Estate	**155,469,681**	**2,622,239**	**398,105**	**158,490,025**
Agriculture	**48,654,755**	**11,217,586**	**14,641**	**59,886,982**
Constructions	**61,175,956**	**26,663,728**	**-**	**87,839,684**
Tourism	**1,208,714**	**79,166**	**-**	**1,288,256**
Transportation	**7,712,797**	**79,166**	**1,776**	**7,793,739**
Public services and facilities	**62,309,990**	**642,698**	**-**	**62,952,688**
Financial	**16,711,010**	**-**	**-**	**16,711,010**
Government and public sector	**729,773,293**	**9,312,327**	**-**	**739,085,620**
Total	**2,094,701,743**	**85,914,785**	**3,510,217**	**2,184,126,745**

3. Distribution of exposures by geographical region:

A. Distribution of exposures according to geographical region (Net) as at December 31, 2023:

	Jordan	Other Middle East countries	Europe	America	Australia	Other	Asia	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Balances with Central Bank of Jordan	462,857,676	-	-	-	-	-	-	462,857,676
Balances with Banks and financial institutions	2,636,557	371,525	436,250	4,940,529	153,291	81,627	639,336	9,259,115
Deferred sales Receivables, other Receivables, financings and Qard Al-Hasan:	926,578,030	155,336,683	37,577,000	-	-	-	-	1,119,491,713
Within financial assets at amortized cost	245,128,241	34,123,928	-	-	-	-	-	279,252,169
Other Assets								
Accrued revenues	3,897,108	980,951	979,086	-	-	-	-	5,857,145
Prepaid expenses	2,384,246	-	-	-	-	-	-	2,384,246
Total	1,643,481,858	190,813,087	38,992,336	4,940,529	153,291	81,627	639,336	1,879,102,064
Guarantees	55,258,057	-	-	-	-	-	-	55,258,057
Letters of credit	17,116,022	-	-	-	-	-	-	17,116,022
Acceptances	9,194,013	-	-	-	-	-	-	9,194,013
Unutilized limits	223,456,589	-	-	-	-	-	-	223,456,589
Total Off-Balance sheet	305,024,681	-	-	-	-	-		305,024,681
Total as at December 31, 2023	**1,948,506,539**	**190,813,087**	**38,992,336**	**4,940,529**	**153,291**	**81,627**	**639,336**	**2,184,126,745**
Total as at December 31, 2022	1,984,941,393	138,593,128	46,035,061	522,039	87,573	233,520	7,467,079	2,177,879,793

B. Distribution of exposures by stages according to AAOIFI (30) (Net) as at December 31, 2023:

Item (JD)	Stage 1	Stage 2	Stage 3	Total
Jordan	**1,868,393,864**	**76,602,458**	**3,510,217**	**1,948,506,539**
Other Middle East countries	**181,500,760**	**9,312,327**	**-**	**190,813,087**
Europe	**38,992,336**	**-**	**-**	**38,992,336**
America	**4,940,529**	**-**	**-**	**4,940,529**
Asia	**639,336**	**-**	**-**	**639,336**
Australia	**153,291**	**-**	**-**	**153,291**
Other countries	**81,627**	**-**	**-**	**81,627**
Total	**2,094,701,743**	**85,914,785**	**3,510,217**	**2,184,126,745**

4 - Total credit exposures and fair value of collaterals as at December 31, 2023:

A. Total exposures of the Bank's portfolio as at December 31, 2023:

Item (JD)	Total Exposures	Collaterals fair value							Net exposures after collaterals	(ECL)
		Cash margins	Quoted Shares	Banks guarantees	Real estate	Vehicles and equipment	Other	Total collaterals		
Balances with Central Bank of Jordan	462,857,676	-	-	-	-	-	-	-	462,857,676	-
Balances with Banks and financial institutions	9,259,115	-	-	-	-	-	-	-	9,259,115	-
Deferred sales Receivables and other Receivables:										
Retail	432,873,036	3,652,698	-	-	18,094,876	89,311,110	-	111,058,684	321,814,352	5,745,038
Real estate financing	161,907,283	-	-	-	6,458,467	4,452,141	-	10,910,608	150,996,675	3,050,877
Corporates:										
Large Companies	487,738,174	3,466,579	-	-	83,562,316	1,046,928	-	88,075,823	399,662,351	26,081,501
Small and medium enterprises	77,773,887	4,508,618	-	-	6,167,843	3,055,426	-	13,731,887	64,042,000	3,285,884
Sukuk:										
Within financial assets at amortized cost	279,398,689	-	-	-	-	-	-	-	279,398,689	146,520
Other Assets										
Accrued revenues	5,857,145	-	-	-	-	-	-	-	5,857,145	-
Prepaid expenses	2,384,246	-	-	-	-	-	-	-	2,384,246	-
Total	1,920,049,251	11,627,895	-	-	114,283,502	97,865,605	-	223,777,002	1,696,272,249	38,309,820
Off- statement of financial position items:										
Guarantees	56,027,150	4,803,981	-	-	-	-	-	4,803,981	51,223,169	769,093
Letters of credit	17,203,791	837,070	-	-	-	-	-	837,070	16,366,721	87,769
Acceptances	9,296,199	-	-	-	-	-	-	-	9,296,199	102,186
Unutilized limits	224,070,223	-	-	-	20,502,987	-	4,707,561	25,210,548	198,859,675	613,634
Total off- statement of financial position items	306,597,363	5,641,051	-	-	20,502,987	-	4,707,561	30,851,599	275,745,764	1,572,682
Total as at December 31, 2023	**2,226,646,614**	**17,268,946**	**-**	**-**	**134,786,489**	**97,865,605**	**4,707,561**	**254,628,601**	**1,972,018,013**	**39,882,502**

B. Credit exposures within stage 3 as at December 31, 2023:

Item (JD)	Collaterals fair value								Net exposures after collaterals	(ECL)
	Total exposures	Cash margins	Quoted shares	Bank guarantees	Real estate	Vehicles and equipment	Other	Total collaterals		
Retail	4,838,571	-	-	-	-	-	-	-	4,838,571	4,008,748
Real estate financing	3,175,669	-	-	-	-	-	-	-	3,175,669	2,411,183
Corporates:										
Large Companies	21,882,919	-	-	-	-	-	-	-	21,882,919	19,292,075
Small and medium enterprises	4,133,583	-	-	-	-	-	-	-	4,133,583	2,422,685
Total	34,030,742	-	-	-	-	-	-	-	34,030,742	28,134,691
Off- statement of financial position items										
Guarantees	619,034	111,377	-	-	-	-	-	111,377	507,657	367,501
Total off- statement of financial position items	619,034	111,377	-	-	-	-	-	111,377	507,657	367,501
Total	34,649,776	111,377	-	-	-	-	-	111,377	34,538,399	28,502,192

5-Total reclassified credit exposures and total expected credit losses:

A. Total reclassified credit exposure as at December 31, 2023:

Item (JD)	Stage 2		Stage 3		Total reclassified exposures	Percentage of reclassified exposures
	Total exposures	Reclassified exposures	Total exposures	Reclassified exposures		
Deferred sales Receivables and other Receivables	42,839,714	7,481,986	34,030,742	8,690,241	16,172,227	21%
Financial assets at amortized cost	9,307,254	-	-	-	-	0%
Total	52,146,968	7,481,986	34,030,742	8,690,241	16,172,227	19%
Off- statement of financial position items:						
Guarantees	6,452,676	3,361,763	619,034	550,953	3,912,716	55%
Letters of credit	764,707	-	-	-	-	0%
Acceptances	-	-	-	-	-	0%
Unutilized limits	33,116,675	18,794,347	-	-	18,794,347	57%
Total off- statement of financial position items	40,334,058	22,156,110	619,034	550,953	22,707,063	55%
Total	92,481,026	29,638,096	34,649,776	9,241,194	38,879,290	31%

B. The amount of expected credit losses as at December 31, 2023:

	Stage 2		Stage 3		Total reclassified ECL	Percentage of ECL
Item (JD)	Total ECL	Reclassified ECL	Total ECL	Reclassified ECL		
Deferred sales Receivables and other Receivables	**6,130,599**	**432,614**	**28,134,691**	**554,220**	**986,834**	**3%**
Financial assets at amortized cost	**89,649**	-	-	-	-	**0%**
Total	**6,220,248**	**432,614**	**28,134,691**	**554,220**	**986,834**	**3%**
Off- statement of financial position items:						
Guarantees	**130,734**	**75,868**	**367,501**	**19,556**	**95,424**	**19%**
Letters of credit	**3,411**	-	-	-	-	**0%**
Acceptances	-	-	-	-	-	**0%**
Unutilized limits	**306,570**	**99,441**	-	-	**99,441**	**32%**
Total off- statement of financial position items	**440,715**	**175,309**	**367,501**	**19,556**	**194,865**	**24%**
Total	**6,660,963**	**607,923**	**28,502,192**	**573,776**	**1,181,699**	**3%**

C. Reclassified credit losses:

	Reclassified exposures			ECL for Reclassified exposures				
Item (JD)	Total exposures reclassified from stage 2	Total exposures reclassified from stage 3	Total exposure reclassified	Stage 2 (individual)	Stage 2 (collective)	Stage 3 (individual)	Stage 3 (collective)	Total
Deferred sales Receivables and other Receivables	**9,515,403**	**1,292,676**	**10,808,079**	**837,496**	-	**489,577**	-	1,327,073
Total	**9,515,403**	**1,292,676**	**10,808,079**	**837,496**	-	**489,577**	-	1,327,073
Off- statement of financial position items:								
Guarantees	**579,918**	**39,400**	**619,318**	**26,711**	-	**17,112**	-	43,823
Letters of credit	-	-	-	-	-	-	-	-
Acceptances	**43,318**	-	**43,318**	**2,672**	-	-	-	2,672
Unutilized limits	**7,518,959**	-	**7,518,959**	**35,847**	-	-	-	35,847
Total off- statement of financial position items	**8,142,195**	**39,400**	**8,181,595**	**65,230**	-	**17,112**	-	82,342
Total	**17,657,598**	**1,332,076**	**18,989,674**	**902,726**	-	**506,689**	-	1,409,415

49\A. Credit Risk

1.Exposures to Credit Risk (after provision for expected credit losses and before collateral held and other risk mitigating factors)

	Joint		Self		Total	
	December 31,		December 31,		December 31,	
	2023	2022	**2023**	2022	**2023**	2022
Statement	**JD**	JD	**JD**	JD	**JD**	JD
Financial position items:						
Balances with Central Bank	**-**	-	**462,857,676**	658,465,365	**462,857,676**	658,465,365
Balances with Banks and financial institutions	**-**	-	**9,259,115**	4,272,764	**9,259,115**	4,272,764
Deferred Sales Receivables and Other Receivables:						
Retail	**356,528,544**	344,967,856	**70,099,632**	63,251,930	**426,628,176**	408,219,786
Real estate financings	**158,490,025**	155,556,064	**-**	-	**158,490,025**	155,556,064
Corporates:						
Large companies	**459,349,835**	426,703,472	**1,420,269**	1,551,161	**460,770,104**	428,254,633
Small and medium enterprises	**73,471,015**	65,939,980	**132,393**	203,056	**73,603,408**	66,143,036
Sukuk:						
Within financial assets at amortized cost	**279,252,169**	173,302,637	**-**	-	**279,252,169**	173,302,637
Other assets:						
Accrued revenue	**5,857,145**	2,538,590	**-**	-	**5,857,145**	2,538,590
Prepaid expenses	**-**	-	**2,384,246**	2,434,047	**2,384,246**	2,434,047
Off – Statement of Financial Position:						
Letters of Guarantee	**-**	-	**55,258,057**	38,956,202	**55,258,057**	38,956,202
Letters of credit	**-**	-	**17,116,022**	32,672,041	**17,116,022**	32,672,041
Acceptances	**-**	-	**9,194,013**	10,054,222	**9,194,013**	10,054,222
Unutilized limits	**166,329,487**	136,107,554	**57,127,102**	60,902,852	**223,456,589**	197,010,406
Total	**1,499,278,220**	1,305,116,153	**684,848,525**	872,763,640	**2,184,126,745**	2,177,879,793

2.Distribution of Credit Risk Exposure according to the degree of risk, Central Bank of Jordan regulations, and the International Financial Reporting Standards.

The credit exposure is distributed according to the degree of risk according to the following table:

	Joint							Self						
December 31, 2023	Retail	Real estate	Large companies	Medium enterprises	Banks and other financial institutions	Government and public sector	Total	Retail	Large companies	Medium enterprises	Banks and other financial institution	Government and public sector	Total	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Low risk	**3,652,698**	**-**	**3,466,579**	**4,508,618**	**-**	**266,968,864**	**278,596,759**	**-**	**-**	**-**	**-**	**462,859,193**	**462,859,193**	**741,455,952**
Acceptable risk	**417,602,185**	**180,156,046**	**460,892,139**	**69,893,232**	**7,169,656**	**9,401,976**	**1,145,115,234**	**70,258,382**	**3,570,950**	**66,778**	**9,543,461**	**-**	**83,439,571**	**1,228,554,805**
Past due														
Up to 30 days	**107,383**	**3,905**	**755,924**	**181,446**	**-**	**-**	**1,048,658**	**-**	**-**	**-**	**-**	**-**	**-**	**1,048,658**
From 31 to 59 days (stage 2)	**1,390,940**	**487**	**3,203,926**	**465,770**	**-**	**-**	**5,061,123**	**-**	**-**	**-**	**-**	**-**	**-**	**5,061,123**
Watch list	**1,276,937**	**2,097,545**	**8,216,550**	**2,309,596**	**-**	**-**	**13,900,628**	**33,147**	**22,035**	**92,807**	**-**	**-**	**147,989**	**14,048,617**
Non-performing:														
Sub-standard	**654,234**	**275,359**	**114,576**	**25,373**	**-**	**-**	**1,069,542**	**46,712**	**1,090**	**363**	**-**	**-**	**48,165**	**1,117,707**
Doubtful	**753,343**	**437,049**	**2,176,526**	**281,760**	**-**	**-**	**3,648,678**	**74,696**	**-**	**8,274**	**-**	**-**	**82,970**	**3,731,648**
Bad debts	**2,621,988**	**2,580,529**	**17,020,967**	**3,655,480**	**-**	**-**	**25,878,964**	**793,382**	**2,815,948**	**167,025**	**-**	**-**	**3,776,355**	**29,655,319**
Total	**428,059,708**	**185,550,920**	**495,847,187**	**81,321,275**	**7,169,656**	**276,370,840**	**1,474,319,586**	**71,206,319**	**6,410,023**	**335,247**	**9,543,461**	**462,859,193**	**550,354,243**	**2,024,673,829**
Less:														
Deferred revenue and deferred mutual fund	**66,392,991**	**23,643,637**	**10,705,315**	**3,882,635**	**-**	**-**	**104,624,578**	**-**	**-**	**-**	**-**	**-**	**-**	**104,624,578**
Revenues in suspense	**499,822**	**366,381**	**869,300**	**884,595**	**-**	**-**	**2,620,098**	**-**	**17,269**	**-**	**-**	**-**	**17,269**	**2,637,367**
Provision for impairment	**4,638,351**	**3,050,877**	**23,207,399**	**3,083,030**	**2,107**	**144,413**	**34,126,177**	**1,106,687**	**2,874,102**	**202,854**	**-**	**-**	**4,183,643**	**38,309,820**
Net	**356,528,544**	**158,490,025**	**461,065,173**	**73,471,015**	**7,167,549**	**276,226,427**	**1,332,948,733**	**70,099,632**	**3,518,652**	**132,393**	**9,543,461**	**462,859,193**	**546,153,331**	**1,879,102,064**
December 31, 2022														
Low risk	3,080,198	-	2,168,967	4,245,361	-	158,675,622	168,170,148	-	-	-	-	658,475,029	658,475,029	826,645,177
Acceptable risk	391,595,009	172,776,817	425,254,253	59,603,235	7,187,518	9,507,182	1,065,924,014	63,347,734	3,724,437	196,367	4,561,049	-	71,829,587	1,137,753,601
Past due														
Up to 30 days	15,338	41	2,936,040	120,071	-	-	3,071,490	-	-	-	-	-	-	3,071,490
From 31 to 59 days (stage 2)	1,273,032	499	1,591,799	234,691	-	-	3,100,021	-	-	-	-	-	-	3,100,021
Watch list	1,247,117	2,724,537	14,844,199	3,469,868	-	-	22,285,721	29,464	300	10,748	-	-	40,512	22,326,233
Non-performing:														
Sub-standard	582,548	223,611	6,149	236,708	-	-	1,049,016	21,583	34	1,720	-	-	23,337	1,072,353
Doubtful	496,066	252,459	-	1,309,189	-	-	2,057,714	51,440	-	7,298	-	-	58,738	2,116,452
Bad debts	2,426,667	2,232,813	12,900,128	3,808,722	-	-	21,368,330	729,163	2,765,911	218,714	-	-	3,713,788	25,082,118
Total	400,715,975	178,210,777	459,701,535	73,027,845	7,187,518	168,182,804	1,287,026,454	64,179,384	6,490,682	434,847	4,561,049	658,475,029	734,140,991	2,021,167,445
Less:														
Deferred revenue and deferred mutual fund	51,355,871	20,089,780	10,149,112	2,752,308	-	-	84,347,071	-	6	-	-	-	6	84,347,077
Revenues in suspense	476,726	342,081	766,051	773,465	-	-	2,358,323	-	17,263	-	-	-	17,263	2,375,586
Provision for impairment	3,915,522	2,222,852	21,190,721	3,562,092	11,342	409,932	31,312,461	927,454	2,786,154	231,791	-	-	3,945,399	35,257,860
Net	344,967,856	155,556,064	427,595,651	65,939,980	7,176,176	167,772,872	1,169,008,599	63,251,930	3,687,259	203,056	4,561,049	658,475,029	730,178,323	1,899,186,922

Fair value of collaterals against deferred sales receivables, other receivables and financings:

	Joint					Self					
2023	Retail	Real estate financing	Large companies	Small and medium enterprises	Total	Retail	Real estate financing	Large companies	Small and medium enterprises	Total	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Collaterals against:											
Low risk	**3,652,698**	**-**	**3,466,579**	**4,508,618**	**11,627,895**	**-**	**-**	**-**	**-**	**-**	**11,627,895**
Acceptable risk	**106,227,748**	**9,537,978**	**79,965,381**	**8,001,986**	**203,733,093**	**-**	**-**	**-**	**-**	**-**	**203,733,093**
Watch list	**1,090,014**	**449,172**	**2,409,168**	**335,434**	**4,283,788**	**-**	**-**	**-**	**-**	**-**	**4,283,788**
Non-performing:											
Sub-standard	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Doubtful	**-**	**5,393**	**-**	**211,742**	**217,135**	**-**	**-**	**-**	**-**	**-**	**217,135**
Bad debts	**88,224**	**918,065**	**1,644,596**	**674,107**	**3,324,992**	**-**	**-**	**590,099**	**-**	**590,099**	**3,915,091**
Total	**111,058,684**	**10,910,608**	**87,485,724**	**13,731,887**	**223,186,903**	**-**	**-**	**590,099**	**-**	**590,099**	**223,777,002**
Of which:											
Cash margins	**3,652,698**	**-**	**3,466,579**	**4,508,618**	**11,627,895**	**-**	**-**	**-**	**-**	**-**	**11,627,895**
Real estate	**18,094,876**	**6,458,467**	**82,972,217**	**6,167,843**	**113,693,403**	**-**	**-**	**590,099**	**-**	**590,099**	**114,283,502**
Quoted shares	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Vehicles and equipment	**89,311,110**	**4,452,141**	**1,046,928**	**3,055,426**	**97,865,605**	**-**	**-**	**-**	**-**	**-**	**97,865,605**
Accepted Bank guarantees	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	111,058,684	**10,910,608**	**87,485,724**	**13,731,887**	**223,186,903**	**-**	**-**	**590,099**	**-**	**590,099**	**223,777,002**
2022											
Collaterals against:											
Low risk	3,080,198	-	2,168,967	4,245,361	9,494,526	-	-	-	-	-	9,494,526
Acceptable risk	83,936,157	7,024,387	76,892,469	8,198,887	176,051,900	-	-	-	-	-	176,051,900
Watch list	963,078	902,716	3,157,987	167,820	5,191,601	-	-	-	-	-	5,191,601
Non-performing:											
Sub-standard	327,492	6,236	-	250,669	584,397	-	-	-	-	-	584,397
Doubtful	149,838	30,675	-	311,100	491,613	-	-	-	-	-	491,613
Bad debts	1,828,646	839,625	1,204,924	482,835	4,356,030	-	-	615,099	-	615,099	4,971,129
Total	90,285,409	8,803,639	83,424,347	13,656,672	196,170,067	-	-	615,099	-	615,099	196,785,166
Of which:											
Cash margins	3,080,198	-	2,168,967	4,245,361	9,494,526	-	-	-	-	-	9,494,526
Real estate	17,509,061	5,356,716	79,663,238	5,300,345	107,829,360	-	-	615,099	-	615,099	108,444,459
Quoted shares	-	-	-	-	-	-	-	-	-	-	-
Vehicles and equipment	69,696,150	3,446,923	1,592,142	4,110,966	78,846,181	-	-	-	-	-	78,846,181
Accepted Bank guarantees	-	-	-	-	-	-	-	-	-	-	-
	90,285,409	8,803,639	83,424,347	13,656,672	196,170,067	-	-	615,099	-	615,099	196,785,166

3- Sukuk: The following table shows the classification of Sukuk according to external rating agencies:

Rating grade	Rating agency	Within financial assets at amortized cost
		JD
A	Fitch	7,094,441
B	S & P	9,307,254
BB	Fitch	17,868,753
Unrated		245,128,241
Total		279,398,689

Deferred Sales Receivables and Other Receivables and Re-Scheduled Financings:

These are the receivables previously rated as non-performing receivables/financings and excluded from the non-performing receivables and financings framework by virtue of Re-scheduling. These receivables have been classified within watch-list receivables/financings and amounted to JD 10,205 thousand as at December 31, 2023, regardless of whether they remain in the watch list or are transferred to the performing receivables (JD 5,213 thousand as at December 31, 2022).

Deferred Sales Receivables and Other Receivables and Re-structured Financings:

Restructuring means re-arranging receivables/financings in terms of amending installments, extending their life of receivables/financings, deferring some installments, or extending their grace period. They are classified as watch-list receivables/financings and amounted to JD 18,147 thousand as at December 31, 2023 (JD 11,365 thousand as at December 31, 2022).

4.Concentration of Credit Risk Exposures as per Geographical Distribution is as follows:

Item / Geographical Area	Jordan	Other middle eastern countries	Europe	America	Australia	Other	Asia	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Balances with Central Bank of Jordan	462,857,676	-	-	-	-	-	-	462,857,676
Balances with Banks and financial institutions	2,636,557	371,525	436,250	4,940,529	153,291	81,627	639,336	9,259,115
Deferred Sales Receivables: other Receivables and Financings:								
Retail	426,628,176	-	-	-	-	-	-	426,628,176
Real estate financings	158,490,025	-	-	-	-	-	-	158,490,025
Corporates:								
Large companies	267,856,421	155,336,683	37,577,000	-	-	-	-	460,770,104
Small and medium enterprises	73,603,408	-	-	-	-	-	-	73,603,408
Within financial assets at amortized cost	245,128,241	34,123,928	-	-	-	-	-	279,252,169
Other Assets:								
Accrued revenue	3,897,108	980,951	979,086	-	-	-	-	5,857,145
Prepaid expenses	2,384,246	-	-	-	-	-	-	2,384,246
Total as at December 31, 2023	**1,643,481,858**	**190,813,087**	**38,992,336**	**4,940,529**	**153,291**	**81,627**	**639,336**	**1,879,102,064**
Total as at December 31, 2022	1,706,248,522	138,593,128	46,035,061	522,039	87,573	233,520	7,467,079	1,899,186,922

5.Concentration of Credit Risk Exposures as per Economic Concentration is as follows:

Item / Sector	Retail	Industrial	Trading	Real Estate	Agriculture	Constructions	Tourism	Transportation	Services and public utilities	Finance	Government and public sector	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Balances at Central Bank of Jordan	-	-	-	-	-	-	-	-	-	-	462,857,676	462,857,676
Balances at Banks and financial institutions	-	-	-	-	-	-	-	-	-	9,259,115	-	9,259,115
Deferred sales Receivables, other receivables, and Financings	426,628,176	94,688,427	331,347,888	158,490,025	41,496,914	15,624,493	536,239	6,324,511	44,355,040	-	-	1,119,491,713
Sukuk:												
Within financial assets at amortized cost	-	-	-	-	-	-	-	-	-	7,092,334	272,159,835	279,252,169
Other assets	-	-	-	-	-	-	-	-	-	-	-	-
Accrued revenues	-	-	1,715,338	-	-	-	-	-	-	75,215	4,066,592	5,857,145
Prepaid expenses	-	-	2,098,383	-	-	-	-	-	-	284,346	1,517	2,384,246
Total as at December 31, 2023	**426,628,176**	**94,688,427**	**335,161,609**	**158,490,025**	**41,496,914**	**15,624,493**	**536,239**	**6,324,511**	**44,355,040**	**16,711,010**	**739,085,620**	**1,879,102,064**
Total as at December 31, 2022	408,219,786	106,913,849	288,017,428	155,556,064	45,007,031	13,835,916	881,492	3,962,503	38,807,727	11,737,225	826,247,901	1,899,186,922

49\B- Market Risk

The Bank adopts financial policies for managing various risk within a defined strategy. Moreover, the Bank's assets and liabilities management committee monitors, and controls risks and carries out the optimal strategic distribution for assets and liabilities, whether on- or off-the statement of financial position. These risks include:

- Updating the Bank's investment policies; presenting them periodically to the Board of Directors for approval; reviewing the implementation of the investment policies and evaluating their results in comparison with the market indicators and Banking competitiveness.

- Forming investment decision-making committees and vesting authority's inconformity with the Bank's investment policy.

- Setting-up an annual investment plan, taking into consideration projections of the Assets and Liabilities Committee in respect of the expected returns and market rate fluctuations. The plan has to include the investment instruments available in the low-risk market.

- Preparing reports on the market rates and presenting them to the Assets and Liabilities Committee to monitor any sudden drop in the prices of the invested financial instruments to avoid the risks of market rates fluctuations.

1. Rate of Return Risks

- Rate of return risks arise from the increase in long-term fixed rates in the market, which do not correspond immediately with the emerging changes in the high return index. The necessary steps must be taken to ensure availability of administrative measures related to renewal, measurement and follow-up of the average return risk. Moreover, reports should be prepared on rate of return risks. They should also be monitored, and the soundness of their structure should be verified.

- The Bank is exposed to the average return risks due to a gap in the amounts of assets and liabilities as per the multiple maturity times or due to re-pricing of the average return over the subsequent transactions during a specific period. The Bank manages such risks by determining the future profit rates in accordance with the projections of market conditions and developing new instruments that are compliant through the Bank's risk management strategy.

- Obtaining the best possible returns available in the market based on the International Market Index (LIBOR) and (JODIBOR) as a standard and benchmark for both the portfolio and investments managed by the Bank.

- Observing the risks arising from these investments based on the diversity option based on countries, institutions, and regions; and ensuring mitigation of the risk effects arising from managing investment.

- Complying with management of investments by (Matching) the Bank's liabilities, represented by deposits, and assets in foreign currencies comprised of investments in foreign currencies. Accordingly, term restricted deposits are invested on a short-term investment basis while the long- term deposits are invested on a medium- or long- term investment basis.

2. Foreign Exchange Risk

Foreign currencies are managed on a (Spot) basis rather than on a (Forward) basis. Accordingly, the foreign currency positions are monitored daily, and so are the limits for the positions for every currency. Moreover, the Bank's general policy for managing foreign currencies is based on liquidating the position on time and covering the required positions as per the customers' needs. In respect of open foreign currency positions held against each other, the Bank relies on the instructions of the Central Bank of Jordan. These instructions prescribe that licensed Banks should hold open positions (long and short) in foreign currencies, not exceeding 5% of the shareholders' equity for each currency separately. This percentage does not apply to the US Dollar, as it is a base currency. As such, the total position for all currencies may not exceed 15% of the shareholders' equity of the Bank.

2023	Change in Currency Exchange Rate	Effect on Profit and Loss	Effect on Shareholders' Equity
	(%)	JD	JD
USD	**5%**	**221,393**	**-**
EUR	**5%**	**5,706**	**-**
GBP	**5%**	**682**	**-**
Other currencies	**5%**	**37,607**	**-**

2022	Change in Currency Exchange Rate	Effect on Profit and Loss	Effect on Shareholders' Equity
	(%)	JD	JD
USD	5%	35,716	-
EUR	5%	2,838	-
GBP	5%	2,308	-
Other currencies	5%	30,804	-

3. Change in Share Prices Risk

The policy adopted by the Bank regarding the management of stocks and securities is based on analyzing the financial indicators of these prices and evaluating them fairly based on stock valuation models, taking into account the risks of change in the fair value of investments that the Bank works to manage by diversifying investments and diversifying economic sectors.

2023	Change in the Index	Effect on Profit and Loss	Effect on Shareholders' Equity	Effect on joint investments accounts holders
Indicator	(%)	JD	JD	JD
Financial Markets	**5%**	**-**	**290,956**	**452,231**

2022	Change in the Index	Effect on Profit and Loss	Effect on Shareholders' Equity	Effect on joint investments accounts holders
Indicator	(%)	JD	JD	JD
Financial Markets	%5	-	290,677	306,625

4. Commodities' Risks

The commodities' risks arise from the fluctuations in the prices of tradable or leasable assets. Moreover, they are associated with the present and future fluctuations in the market values of specific assets. In this respect, the Bank is exposed to the fluctuations in the prices of commodities bought and fully paid for after signing sales contracts and during the year of acquisition. It is also exposed to the fluctuations in the residual value of the leased premises as at the end of the lease period.

Concentration of Foreign Currency Risk

(To the nearest 000 JDs)

December 31, 2023	US Dollar	Euro	Pound	Japanese Yen	Others	Total (JD)
Assets:						
Cash and Balances with Central Bank	**13,883**	**808**	**222**	**-**	**187**	**15,100**
Balances with Banks and financial institutions	**5,106**	**259**	**345**	**643**	**969**	**7,322**
Sales receivables, other receivables, financings and Ijara	**98,394**	**13,854**	**2,856**	**4**	**5,300**	**120,408**
Financial assets at fair value through shareholders' equity	**5,644**	**-**	**-**	**-**	**-**	**5,644**
Financial assets at amortized cost	**34,270**	**-**	**-**	**-**	**-**	**34,270**
Other assets	**1,411**	**39**	**6**	**-**	**11**	**1,467**
Total assets	**158,708**	**14,960**	**3,429**	**647**	**6,467**	**184,211**
Liabilities:						
Banks and financial institutions' account	**1,962**	**-**	**77**	**-**	**277**	**2,316**
Customers' deposits (current, savings and long term)	**140,624**	**13,951**	**3,290**	**411**	**5,382**	**163,658**
Cash margins	**3,517**	**266**	**39**	**234**	**3**	**4,059**
Other liabilities	**7,361**	**629**	**9**	**-**	**55**	**8,054**
Total Liabilities	**153,464**	**14,846**	**3,415**	**645**	**5,717**	**178,087**
Net concentration within the statement of financial position for the current year	**5,244**	**114**	**14**	**2**	**750**	**6,124**
Contingent liabilities off- statement of financial position for the current year	**-**	**-**	**-**	**-**	**-**	**-**

December 31, 2022						
Total Assets	220,232	17,122	5,164	459	7,095	250,072
Total Liabilities	220,140	17,065	5,118	460	6,478	249,261
Net Concentration within the Statement of Financial Position	92	57	46	(1)	617	811
Contingent Liabilities off- Statement of Financial Position	40,723	5,109	130	270	204	46,436

49\C- Liquidity Risk

Management of cash liquidity is a clear expression of the Bank's ability to meet its cash obligations in the short and long terms within its general strategic framework that aims at realizing an optimal return on its investments. Moreover, the Bank's cash liquidity is reviewed and studied over many years .At the branches, the branch's management and Treasury review and study the cash obligations and the available funds daily. On the Bank's level in general, cash liquidity is studied by the Financial Control Department and General Treasury Department daily. Moreover, the cash liquidity and the Bank's assets and liabilities are studied and analyzed on a monthly basis. The cash liquidity review includes analyzing the maturity dates of assets and liabilities as a whole to ensure that they match properly. Their view also includes analyzing the sources of funds in accordance with the nature of their sources and uses.

First: The following table summarizes the distribution of liabilities (not discounted) on the basis of the remainder of the contractual maturity at the date of the financial statements:

(To the nearest 000JDs)

December 31, 2023	Less than 1 month	From 1 to 3 months	From 3 to 6 months	From 6months to one year	Up to 3 years	More than 3 years	Without maturity	Total
Liabilities								
Banks and financial institutions accounts	**2,847**	**-**	**-**	**-**	**-**	**-**	**-**	**2,847**
Customers' current accounts	**277,856**	**109,692**	**87,304**	**64,916**	**206,497**	**-**	**-**	**746,265**
Cash margins	**15,885**	**66**	**16**	**17,288**	**-**	**-**	**-**	**33,255**
Other provisions	**-**	**-**	**-**	**131**	**130**	**3,438**	**-**	**3,699**
Income tax provision	**4,664**	**-**	**4,250**	**-**	**-**	**-**	**-**	**8,914**
Deferred tax liability	**-**	**-**	**-**	**-**	**-**	**-**	**368**	**368**
Lease liability	**159**	**353**	**375**	**657**	**946**	**4,504**	**-**	**6,994**
Other Liabilities	**23,759**	**7,558**	**3,367**	**-**	**-**	**-**	**1,573**	**36,257**
Joint investment accounts	**331,745**	**186,998**	**130,741**	**1,091,716**	**72,081**	**-**	**-**	**1,813,281**
Joint fair value reserve - Net	**-**	**-**	**-**	**-**	**-**	**-**	**(89)**	**(89)**
Total	**656,915**	**304,667**	**226,053**	**1,174,708**	**279,654**	**7,942**	**1,852**	**2,651,791**
Total Assets (according to expected maturities)	**813,436**	**118,518**	**194,723**	**104,799**	**1,091,120**	**528,271**	**74,228**	**2,925,095**
December 31, 2022								
Banks and financial institutions accounts	388	-	-	-	-	-	-	388
Customers' current accounts	290,867	120,884	96,361	71,837	223,761	-	-	803,710
Cash margins	14,796	469	4,786	12,637	-	-	-	32,688
Other provisions	-	-	-	120	118	3,211	-	3,449
Income tax provision	4,140	-	10,990	-	-	-	-	15,130
Deferred tax liability	-	-	-	-	-	-	366	366
Lease liability	108	216	325	649	2,597	2,381	-	6,276
Other Liabilities	49,607	9,398	2,570	-	-	-	1,737	63,312
Joint investment accounts	229,552	244,594	146,356	1,057,693	72,051	-	-	1,750,246
Joint fair value reserve - Net	-	-	-	-	-	-	(128)	(128)
Total	589,458	375,561	261,388	1,142,936	298,527	5,592	1,975	2,675,437
Total Assets (according to expected maturities)	917,548	119,082	162,345	214,168	1,163,498	290,632	70,139	2,937,412

Liquid Coverage Ratio (LCR)

The liquidity ratio reached 354% as on December 31, 2023, compared to 372% as on December 31, 2022, noting that the minimum liquidity coverage ratio according to the liquidity coverage ratio instructions No. (15/2021) issued by the Central Bank of Jordan is 100%.

Second: Off-Statement of Financial Position Items

	Up to One Year	
	2023	2022
	JD	JD
Letters of credit and acceptances	26,499,990	43,270,070
Unutilized limits	224,070,223	197,666,636
Letters of Guarantees	56,027,150	39,493,313
Total	306,597,363	280,430,019

50. Information about the Bank's Business Sectors

A. Information about the Bank's Activities

The Bank is organized, for administrative purposes, whereby the sectors are measured in accordance with the reports used by the Bank's executive manager and decision-maker through the following four major sectors:

Retail Banking

This includes following up on the joint investment accounts, deferred sales receivables, financings, credit cards and other services.

Corporate Banking

This includes following up on the joint investment accounts, deferred sales receivables, financing and other Banking services related to corporate customers.

Treasury

This sector includes providing trading and treasury services and management of the Bank's funds.

Other

It includes any unusual matters not belonging to the above sectors.

The following represents information about the Bank's business sectors distributed according to activities (amounts in 000 JD):

					Total	
					December 31,	
	Retail	Corporates	Treasury	Others	**2023**	2022
	JD	JD	JD	JD	**JD**	JD
Gross income (Joint and Self)	56,299	4,544	32,193	22	**93,058**	87,427
ECL of sales receivables and other receivables - self	-	(150)	-	-	**(150)**	6,326
ECL - joint	-	(1,053)	-	-	**(1,053)**	1,464
Business Sector Results	56,299	3,341	32,193	22	**91,855**	95,217
Undistributed expenses	(16,842)	(5,062)	(376)	(24,542)	**(46,822)**	(41,028)
Income before Tax	39,457	(1,721)	31,817	(24,520)	**45,033**	54,189
Income tax	(8,506)	371	(6,859)	5,286	**(9,708)**	(18,692)
Income for the Year	30,951	(1,350)	24,958	(19,234)	**35,325**	35,497
Segment's Assets	1,390,433	495,691	959,589	-	**2,845,713**	2,852,874
Sector's Undistributed Assets	-	-	-	79,382	**79,382**	84,538
Total Segment's Assets	1,390,433	495,691	959,589	79,382	**2,925,095**	2,937,412
Segment's Liabilities, Joint Investment Equity and ECL provision	1,791,790	756,450	2,846	-	**2,551,086**	2,558,427
Undistributed Liabilities, Joint Investment Equity and ECL provision	-	-	-	100,705	**100,705**	117,010
Total Segment's Liabilities, Joint Investment Equity and Investment Risk Fund	1,791,790	756,450	2,846	100,705	**2,651,791**	2,675,437

					2023	2022
					JD	JD
Capital expenses	-	-	-	4,305	**4,305**	3,016
Depreciation and Amortization	1,438	4	1	1,685	**3,128**	2,976
Right of use assets	8,191	-	-	-	**8,191**	7,521
Right of use assets-amortization	1,310	-	-	-	**1,310**	1,241

B. Information on the Geographical Distribution

This note represents the geographical distribution of the Bank's operations. The Bank performs its operations mainly in the Hashemite Kingdom of Jordan, and these operations represent the local activities.

The following is the distribution of the Bank's income, assets and capital expenditures as per geographical sector based on their measurement method in accordance with the reports used by the Bank's Executive Manager and decision-maker at the Bank:

	(To the nearest 000 JDs)					
	Inside Kingdom		Outside Kingdom		Total	
	2023	2022	**2023**	2022	**2023**	2022
Gross income	**68,254**	81,907	**23,783**	7,023	**92,037**	88,930
Total assets	**2,689,475**	2,744,036	**235,620**	193,376	**2,925,095**	2,937,412
Capital expenses	**4,305**	3,016	**-**	-	**4,305**	3,016

51. Capital Management

The Bank's management takes into consideration the requirements of the Central Bank of Jordan. These requirements necessitate making available sufficient self-funds to cover a specific rate of the risk-weighted assets consistent with the nature of the granted financing and direct investment for this purpose. Moreover, capital consists of what the Central Bank has determined as regulatory capital (being the primary capital and the supplementary capital).

The capital's Management aims at investing the funds in financial instruments with various risks (high risk and low risk) in order to realize a good return as well as to realize the capital adequacy ratio of 12% required by the Central Bank.

The most significant reason for the change in regulatory capital during the year is that profits realized during the year were not distributed but rather capitalized in shareholders' equity through the statutory, voluntary and special reserves.

The Capital Adequacy ratio is calculated based on the Central Bank of Jordan regulations and the (IFSB). The following represents the Capital Adequacy ratio compared to prior year:

	(to the nearest 000 JDs)	(to the nearest 000 JDs)
	December 31,2023	December 31,2022
	JD	JD
Common equity Tier 1 – net (CET1)	**247,845**	233,253
Common equity Tier 1 – (CET1)	**273,268**	261,909
Authorized and paid up capital	**100,000**	100,000
Statutory reserve	**54,471**	49,968
Voluntary reserve	**4,262**	4,262
Retained earnings	**113,970**	107,147
Fair value reserve	**601**	598
Bank's share from fair value reserve – joint	**(36)**	(66)
Less:		
Intangible assets	**(1,909)**	(1,628)
Proposed profit for distribution	**(20,000)**	(24,000)
Retained earnings restricted to use	**(181)**	(181)
Deferred tax assets – self and joint (After deducting deferred tax liabilities)	**(3,333)**	(2,847)
Tier 2	**2,399**	4,695
Expected credit losses provisions against direct and indirect facilities, self and joint	**2,399**	4,695
Total Regulatory Capital	**250,244**	237,948
Total Risk-weighted Assets	**1,299,174**	1,230,644
Capital Adequacy Ratio (%)	**19,26%**	19,34%
CET1 (%)	**19,08%**	18,95%
Tier1 (%)	**19,08%**	18,95%
Tier2 (%)	**0,18%**	0,38%
Leverage Ratio (%)	17,03%	14,73%

52. Assets and Liabilities maturity analysis

The following table analyzes assets and liabilities in accordance with the expected period of their recoverability or settlement:

	(to the nearest 000 JDs)			
	Up to 1 Year	Over 1 Year	Without Maturity	Total
December 31, 2023	JD	JD	JD	JD
Assets:				
Cash and balances with Central Bank of Jordan	**519,137**	**-**	**-**	**519,137**
Balances with Banks and financial institutions	**9,259**	**-**	**-**	**9,259**
Deferred sales receivables and other receivables – Net	**466,075**	**581,768**	**-**	**1,047,843**
Ijara Muntahia Bittamleek - Net	**135,400**	**768,310**	**-**	**903,710**
Financial assets at fair value through shareholders' equity – Self	**-**	**-**	**5,819**	**5,819**
Financial assets at fair value through joint investment – Accounts' holders	**-**	**-**	**9,044**	**9,044**
Financial assets at amortized cost - Net	**20,562**	**258,690**	**-**	**279,252**
Investments in real estate	**-**	**-**	**18,522**	**18,522**
Al-Qard Al-Hasan loans - Net	**70,077**	**1,572**	**-**	**71,649**
Property and equipment - Net	**-**	**-**	**18,438**	**18,438**
Intangible assets – Net	**477**	**1,432**	**-**	**1,909**
Right-of-use Assets	**1,311**	**6,880**	**-**	**8,191**
Deferred tax assets	**-**	**-**	**3,701**	**3,701**
Other assets	**9,178**	**739**	**18,704**	**28,621**
Total Assets	**1,231,476**	**1,619,391**	**74,228**	**2,925,095**
Liabilities and Joint Investment Accounts' Holders				
Banks and financial institutions accounts	**2,847**	**-**	**-**	**2,847**
Customers' current and demand account	**539,768**	**206,497**	**-**	**746,265**
Cash margins	**33,255**	**-**	**-**	**33,255**
Other provisions	**131**	**3,568**	**-**	**3,699**
Income tax provision	**8,914**	**-**	**-**	**8,914**
Deferred tax liability	**-**	**-**	**368**	**368**
Lease liability	**1,543**	**5,451**	**-**	**6,994**
Other liabilities	**34,684**	**-**	**1,573**	**36,257**
Joint investment accounts	**1,741,200**	**72,081**	**-**	**1,813,281**
Joint fair value reserve - Net	**-**	**-**	**(89)**	**(89)**
Provision for future expected investment risks	**-**	**-**	**-**	**-**
Total Liabilities and Joint Investment Accounts Holders	**2,362,342**	**287,597**	**1,852**	**2,651,791**
Net	**(1,130,866)**	**1,331,794**	**72,376**	**273,304**

	(to the nearest 000 JDs)			
	Up to 1 Year	Over 1 Year	Without Maturity	Total
December 31, 2022	JD	JD	JD	JD
Assets:				
Cash and balances with Central Bank of Jordan	709,456	-	-	709,456
Balances with Banks and financial institutions	4,273	-	-	4,273
Deferred sales receivables and other receivables – Net	467,557	525,615	-	993,172
Ijara Muntahia Bittamleek - Net	150,260	745,463	-	895,723
Financial assets at fair value through shareholders' equity – Self	-	-	5,814	5,814
Financial assets at fair value through joint investment – Accounts' holders	-	-	6,132	6,132
Financial assets at amortized cost - Net	-	173,303	-	173,303
Investments in real estate	-	-	18,758	18,758
Al-Qard Al-Hasan loans - Net	63,406	1,595	-	65,001
Property and equipment - Net	-	-	18,230	18,230
Intangible assets - Net	407	1,221	-	1,628
Right-of-use Assets	1,311	6,210	-	7,521
Deferred tax assets	-	-	3,212	3,212
Other assets	16,473	723	17,993	35,189
Total Assets	1,413,143	1,454,130	70,139	2,937,412
Liabilities and Joint Investment Accounts' Holders				
Banks and financial institutions accounts	388	-	-	388
Customers' current and demand account	579,949	223,761	-	803,710
Cash margins	32,688	-	-	32,688
Other provisions	120	3,329	-	3,449
Income tax provision	15,130	-	-	15,130
Deferred tax liability	-	-	366	366
Lease liability	1,298	4,978	-	6,276
Other liabilities	61,575	-	1,737	63,312
Joint investment accounts	1,678,195	72,051	-	1,750,246
Joint fair value reserve - Net	-	-	(128)	(128)
Provision for future expected investment risks	-	-	-	-
Total Liabilities and Joint Investment Accounts Holders	2,369,343	304,119	1,975	2,675,437
Net	(956,200)	1,150,011	68,164	261,975

53. Fair Value Measurement

The standard requires determining the level and disclosure of the fair value hierarchy into which the fair value measurements are categorized in their entirety, segregating fair value measurements in accordance with the levels defined in IFRS. The difference between level (2) and level (3) of the fair value measurements, i.e., assessing whether the inputs are observable and whether the unobservable inputs are significant. This may require judgement and careful analysis of the inputs used to measure fair value including consideration of factors specific to the asset or liability.

Some of the Bank's financial assets and financial liabilities are measured at fair value at the end of each financial period. The following table gives information about the method of determining the fair value of such financial assets and financial liabilities (valuation techniques and key inputs).

	Fair Value		
Financial Assets / Financial Liabilities	**2023**	2022	Fair Value Hierarchy
	JD	JD	
Financial Assets at Fair Value:			
Financial Assets at Fair Value through Shareholders' Equity - self			
Quoted shares	**5,819,111**	5,813,534	Level 1
Financial Assets at fair value through joint investment accounts holder			
Unquoted shares	**9,044,623**	6,132,492	Level 2
Total	**14,863,734**	11,946,026	

There were no transfers between Level (1) and Level (2) during 2023 and 2022.

• The Bank's Fair Value of Financial Assets and Financial Liabilities Not Measured at Fair Value on a Recurring Basis:

Except for what is detailed in the table below, we believe that the carrying amounts of the financial assets and financial liabilities presented in the Bank's financial statements approximate their fair values:

	December 31, 2023		December 31, 2022		Level
	Book Value	Fair Value	Book Value	Fair Value	
	JD	JD	JD	JD	
Financial Assets not measured at Fair Value					
Deferred sales receivables	1,047,842,857	1,049,558,195	993,172,752	994,064,931	Level 2
Investments in real estate	18,521,658	21,425,290	18,758,571	21,746,940	Level 2
Financial assets at amortized cost	34,123,928	34,368,627	34,000,637	34,246,694	Level 1
Financial assets at amortized cost – unquoted	245,128,241	249,025,349	139,302,000	140,702,354	Level 2
Total financial assets not measured at fair value	1,345,616,684	1,354,377,461	1,185,233,960	1,190,760,919	
Financial Liabilities not measured at Fair Value					
Customers' current and unrestricted accounts	2,515,338,919	2,559,545,894	2,525,646,564	2,553,956,518	Level 2
Cash margins	32,900,820	33,254,820	32,392,790	32,688,132	Level 2
Total Financial Liabilities not measured at Fair Value	2,548,239,739	2,592,800,714	2,558,039,354	2,586,644,650	

Regarding the items shown above, the fair value of the financial assets and liabilities has been determined for Levels (2) and (3) in accordance with the generally accepted pricing models which reflect the credit risk with the parties dealt with.

54. Commitments and Contingent Liabilities (Off – Statement of Financial Position)

Contingent credit commitments:

	2023	2022
	JD	JD
Letters of credit	**17,203,791**	33,054,201
Acceptances	**9,296,199**	10,215,869
Letters of Guarantee:		
Payment	**18,046,378**	15,821,931
Performance	**21,284,696**	12,073,135
Others	**16,696,076**	11,598,247
Unutilized limits – self	**57,381,143**	61,123,267
Unutilized limits – joint	**166,689,080**	136,543,369
Total	**306,597,363**	280,430,019

Total off-balance sheet items according to the internal classification of the bank as of December 31, 2023 is as follows:

	Joint				Self				Total				2022
Item	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Unclassified	143,025,978	23,663,102	-	166,689,080	122,618,293	16,670,956	619,034	139,908,283	265,644,271	40,334,058	619,034	306,597,363	280,430,019
Total	143,025,978	23,663,102	-	166,689,080	122,618,293	16,670,956	619,034	139,908,283	265,644,271	40,334,058	619,034	306,597,363	280,430,019

The movement on the total off-balance sheet items as of December 31, 2023 is as follows:

	Joint				Self				Total				2022
Item	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Total balance as at beginning of the year	122,164,866	14,378,503	-	136,543,369	131,466,970	12,163,281	256,399	143,886,650	253,631,836	26,541,784	256,399	280,430,019	271,170,920
New facilities granted during the year	64,841,889	9,030,756	-	73,872,645	64,140,600	3,518,582	7,782	67,666,964	128,982,489	12,549,338	7,782	141,539,609	110,636,923
Settled facilities	(36,289,518)	(7,437,416)	-	(43,726,934)	(66,155,068)	(5,333,563)	(156,700)	(71,645,331)	(102,444,586)	(12,770,979)	(156,700)	(115,372,265)	(101,377,824)
Transferred to stage 1	6,968,269	(6,968,269)	-	-	835,273	(835,273)	-	-	7,803,542	(7,803,542)	-	-	-
Transferred to stage 2	(14,659,528)	14,010,233	-	-	(7,457,182)	7,496,582	(39,400)	-	(22,116,710)	22,156,110	(39,400)	-	-
Transferred to stage 3	-	-	-	-	(212,300)	(338,653)	550,953	-	(212,300)	(338,653)	550,953	-	-
Total balance at the end of year	143,025,978	23,663,102	-	166,689,080	122,618,293	16,670,956	619,034	139,908,283	265,644,271	40,334,058	619,034	306,597,363	280,430,019

The movement on the expected credit losses for the total off-balance sheet items as of December 31, 2023 is as follows:

	Joint				Self				Total				2022
Item	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Balance at beginning of the year	309,632	126,183	-	435,815	997,463	165,250	138,620	1,301,333	1,307,095	291,433	138,620	1,737,148	1,090,985
Deducted from profits / ECL	-	-	-	-	310,199	159,826	239,622	709,647	310,199	159,826	239,622	709,647	891,394
Recoveries from profits / ECL	-	-	-	-	(659,590)	(125,116)	(13,185)	(797,891)	(659,590)	(125,116)	(13,185)	(797,891)	(436,099)
Transferred to stage 1	32,312	(32,312)	-	-	20,934	(20,934)	-	-	53,246	(53,246)	-	-	-
Transferred to stage 2	(77,518)	77,518	-	-	(80,679)	97,791	(17,112)	-	(158,197)	175,309	(17,112)	-	-
Transferred to stage 3	-	-	-	-	(7,572)	(11,984)	19,556	-	(7,572)	(11,984)	19,556	-	-
Adjustments during the year	(80,715)	4,493	-	(76,222)	-	-	-	-	(80,715)	4,493	-	(76,222)	190,868
Total balance at the end of year	183,711	175,882	-	359,593	580,755	264,833	367,501	1,213,089	764,466	440,715	367,501	1,572,682	1,737,148

Off – Statement of Financial Position as internal rating for the Bank – Letters of Guarantee - Self:

	December 31, 2023				2022
Item (JD)	Stage 1	Stage 2	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Unclassified	**48,955,440**	**6,452,676**	**619,034**	**56,027,150**	**39,493,313**
Total balance as at end of the year	**48,955,440**	**6,452,676**	**619,034**	**56,027,150**	**39,493,313**

The movement on guarantees as at end of year – self is as follows:

	December 31, 2023				2022
Item (JD)	Stage 1	Stage 2	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Total balance as at beginning of the year	**36,117,352**	**3,119,562**	**256,399**	**39,493,313**	35,599,384
New exposures	**27,152,932**	**1,397,693**	**7,782**	**28,558,407**	15,078,372
Matured exposures	**(11,021,446)**	**(846,424)**	**(156,700)**	**(12,024,570)**	(11,184,443)
Transferred to stage 1	**241,265**	**(241,265)**	**-**	**-**	-
Transferred to stage 2	**(3,322,363)**	**3,361,763**	**(39,400)**	**-**	-
Transferred to stage 3	**(212,300)**	**(338,653)**	**550,953**	**-**	-
Total balance as at end of the year	**48,955,440**	**6,452,676**	**619,034**	**56,027,150**	39,493,313

The movement on ECL provision for guarantees as at end of year – self is as follows:

	December 31, 2023				2022
Item (JD)	Stage 1	Stage 2	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Total balance as at beginning of the year	**356,095**	**42,396**	**138,620**	**537,111**	**328,830**
Expected credit loss	**89,523**	**96,157**	**239,622**	**425,302**	**272,704**
Recoveries from ECL	**(123,159)**	**(56,976)**	**(13,185)**	**(193,320)**	**(64,423)**
Transferred to stage 1	**14,727**	**(14,727)**	**-**	**-**	**-**
Transferred to stage 2	**(58,756)**	**75,868**	**(17,112)**	**-**	**-**
Transferred to stage 3	**(7,572)**	**(11,984)**	**19,556**	**-**	**-**
Changes resulted from transfer	**-**	**-**	**-**	**-**	**-**
Total balance as at end of the year	**270,858**	**130,734**	**367,501**	**769,093**	**537,111**

Off – Statement of Financial Position as internal rating for the Bank – Letters of credit

	December 31, 2023				2022
Item (JD)	Stage 1	Stage 2	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Unclassified	**16,439,084**	**764,707**	-	**17,203,791**	**33,054,201**
Total balance as at end of the year	**16,439,084**	**764,707**	-	**17,203,791**	**33,054,201**

The movement on Letters of credit as at December 31, – self is as follows:

	December 31, 2023				2022
Item (JD)	Stage 1	Stage 2	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Total balance as at beginning of the year	**32,572,731**	**481,470**	-	**33,054,201**	**32,158,948**
New exposures during the year	**15,937,342**	**764,707**	-	**16,702,049**	**31,449,459**
Matured exposures	**(32,070,989)**	**(481,470)**	-	**(32,552,459)**	**(30,554,206)**
Transferred to stage 1	-	-	-	-	-
Transferred to stage 2	-	-	-	-	-
Transferred to stage 3	-	-	-	-	-
Total balance as at end of the year	**16,439,084**	**764,707**	-	**17,203,791**	**33,054,201**

The movement on ECL provision for Letters of credit as at December 31, – self is as follows:

	December 31, 2023				2022
Item (JD)	Stage 1	Stage 2	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Total balance as at beginning of the year	**350,695**	**31,465**	-	**382,160**	**197,777**
Expected credit loss	**78,672**	**3,411**	-	**82,083**	**382,160**
Recoveries from ECL	**(345,009)**	**(31,465)**	-	**(376,474)**	**(197,777)**
Transferred to stage 1	-	-	-	-	-
Transferred to stage 2	-	-	-	-	-
Transferred to stage 3	-	-	-	-	-
Changes resulted from transfer	-	-	-	-	-
Total balance as at end of the year	**84,358**	**3,411**	-	**87,769**	**382,160**

Off – Statement of Financial Position as internal rating for the Bank – Indirect limits and acceptances:

	Joint				Self				Total				2022
Item	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Unclassified	143,025,878	23,663,102	-	166,689,080	57,223,769	9,453,573	-	66,677,342	200,249,747	33,116,675	-	233,366,422	197,666,636
Total balance as at end of the year	143,025,878	23,663,102	-	166,689,080	57,223,769	9,453,573	-	66,677,342	200,249,747	33,116,675	-	233,366,422	197,666,636

The movement on the direct credit limits and acceptances as at December 31, 2023 is as follows:

	Joint				Self				Total				2022
Item	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Total balance as at beginning of the year	122,164,866	14,378,503	-	136,543,369	62,776,887	8,562,249	-	71,339,136	184,941,753	22,940,752	-	207,882,505	185,424,670
New facilities granted during the year	64,841,889	9,030,756	-	73,872,645	21,050,326	1,356,182	-	22,406,508	85,892,215	10,386,938	-	96,279,153	60,130,697
Settled facilities	(36,289,518)	(7,437,416)	-	(43,726,934)	(23,062,633)	(4,005,669)	-	(27,068,302)	(59,352,151)	(11,443,085)	-	(70,795,236)	(47,888,731)
Transferred to stage 1	6,968,269	(6,968,269)	-	-	594,008	(594,008)	-	-	7,562,277	(7,562,277)	-	-	-
Transferred to stage 2	(14,659,528)	14,659,528		-	(4,134,819)	4,134,819	-	-	(18,794,347)	18,794,347	-	-	-
Transferred to stage 3	-	-	-	-	-	-	-	-	-	-	-	-	-
Total balance at the end of year	143,025,978	23,663,102	-	166,689,080	57,223,769	9,453,573	-	66,677,342	200,249,747	33,116,675	-	233,366,422	197,666,636

The movement on expected credit losses for the direct credit limits and acceptances as at December 31, 2023 is as follows:

	Joint				Self				Total				2022
Item	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Balance at beginning of the year	309,632	126,183	-	435,815	290,673	91,389	-	382,062	600,305	217,572	-	817,877	375,064
Deducted from profits / ECL	-	-	-	-	142,004	60,258	-	202,262	142,004	60,258	-	202,262	138,363
Recoveries from profits / ECL	-	-	-	-	(191,422)	(36,675)	-	(228,097)	(191,422)	(36,675)	-	(228,097)	(48,065)
Transferred to stage 1	32,312	(32,312)	-	-	6,207	(6,207)	-	-	38,519	(38,519)	-	-	-
Transferred to stage 2	(77,518)	77,518	-	-	(21,923)	21,923	-	-	(99,441)	99,441	-	-	-
Transferred to stage 3	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments during the year	(80,715)	4,493	-	(76,222)	-	-	-	-	(80,715)	4,493	-	(76,222)	190,868
Total balance at the end of year	183,711	175,882	-	359,593	225,539	130,688	-	356,227	409,250	306,570	-	715,820	656,230

The provision for expected credit losses for off-balance sheet items for self and joint is within other liabilities (Note 21) in accordance with AAOIFI Standard No. 30 and the instructions of the Central Bank of Jordan.

55. Lawsuits against the Bank

The lawsuits filed against the Bank amounted to JD 386,997 with a provision of JD 82,000 as at December 31, 2023 (lawsuits amounting to JD (219,800) with a provision of JD 82,000 as at December 31, 2022). Based on the opinion of the legal consultant, no additional amounts will be claimed from the Bank in respect to those lawsuits.

56. Comparison numbers

Some financial statement numbers for the year ending December 31, 2022 have been reclassified to match the financial statement numbers for the year ending December 31, 2023. The reclassification did not result in any impact on the income statement and shareholders' equity for the year 2022. Below are the details of the reclassification:

clause	Before reclassification	Reclassification	After reclassification	
Deferred sales receivables and other receivables, net	1,006,906,403	13,733,651	993,172,752	Reclassification of deferred mutual insurance
Current customer accounts	817,443,807	13,733,651	803,710,156	Reclassification of deferred mutual insurance
Banking services revenues	14,395,654	1,940,603	12,455,051	Reclassification of paid commissions
Other expenses	11,333,176	1,940,603	9,392,573	Reclassification of paid commissions

57. Standards issued but not yet effective

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

Financial Accounting Standard No. 1 - Revised 2021 "Overall Presentation and Disclosure in Financial Statements" defines and improves the comprehensive presentation and disclosure requirements set forth in line with global best practices and replaces Financial Accounting Standard No. 1. The standard applies to all Islamic financial institutions and other institutions that follow the standards Financial accounting issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI). Financial Accounting Standard No. 1 – Revised 2021 is aligned with the amendments to the "Conceptual Framework for Financial Reporting of the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI)" (Revised 2020) (Conceptual Framework). The amended Financial Accounting Standard No. 1 - 2021 will help prepare clear, transparent and understandable financial statements, and in turn will help users of financial statements to make better economic decisions and is not expected to have a material impact when applied.

This standard will be effective as of January 1, 2024, with early adoption permitted.

Financial Accounting Standard No. 40 "Financial Reports for Islamic Finance Windows"

This standard improves and replaces Financial Accounting Standard No. 18 "Islamic Financial Services Provided by Conventional Financial Institutions" and sets out the financial reporting requirements applicable to conventional financial institutions providing Islamic financial services.

This standard requires conventional financial institutions that provide Islamic financial services through Islamic finance windows to prepare and present financial statements for Islamic finance windows in line 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 financial reporting principles, including presentation and disclosure requirements, applicable to Islamic financing windows, and is not expected to have a material impact when applied.

This standard will be applied as of January 1, 2024 to the financial statements of Islamic financing windows for conventional financial institutions, with early application permitted, taking into account the simultaneous application of Financial Accounting Standard No. 1 "Public Presentation and Disclosure in the Financial Statements."

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

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

This standard will be applied as of January 1, 2025 to the financial statements of takaful entities, with early application permitted, taking into account the previous or simultaneous application of Financial Accounting Standard No. 1.

"General Presentation and Disclosure in Financial Statements" and IAS 43 "Accounting for Takaful: Recognition and Measurement". It is not expected to have a significant impact when implemented.

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

This standard aims to clarify the principles of evidence and measurement for Takaful arrangements and supporting processes to present information related to these arrangements fairly to stakeholders. This standard replaces Financial Accounting Standard 13 "Disclosure of the Basis for Determining and Distributing Surplus or Deficit in Islamic Insurance Companies," Financial Accounting Standard 15 "Allocations and Reserves in Islamic Insurance Companies," and Financial Accounting Standard 19 "Subscriptions in Islamic Insurance Companies."
This standard will be applied as of January 1, 2025 to the financial statements of Takaful entities, with early application permitted, taking into account the simultaneous application of Financial Accounting Standard No. 42 "Presentation and Disclosure in the Financial Statements of Takaful Institutions" and it is not expected to have a material impact upon its application.

Islamic Financial Accounting Standard No. 44 "Determining Control over Assets and Business Enterprises."

Islamic Financial Accounting Standard 44 aims to establish principles for assessing whether an organization controls assets and business projects, both in the case of assets subject to a contract based on a joint-venture structure (thus determining whether they are on or off-balance sheet), as well as to impose consolidation of the financial statements of affiliated enterprises.

The date for implementing the standard is immediately after its issuance, i.e. the beginning of January 2024. And it is not expected to have a material impact upon its application.

Islamic Financial Accounting Standard No. 45 "Quasi-Equity (Including Investment Accounts)".

Islamic Financial Accounting Standard 45 aims to state the principles of financial reporting that relate to instruments classified as quasi-equity, such as investment accounts and similar instruments that have been invested with Islamic financial institutions. The standard develops and improves the requirements related to quasi-equity contained in the previous Islamic Financial Accounting Standard 27 "Investment Accounts" and achieves better consistency with the "AAOIFI Conceptual Framework for Financial Reporting" and Islamic Financial Accounting Standard No. 1 "General Presentation and Disclosure in Financial Statements." .

The standard will be applied as of January 1, 2026. And it is not expected to have a material impact upon its application.

Islamic Financial Accounting Standard No. 46 "Off-balance sheet assets under management".

This standard aims to establish financial reporting principles related to off-balance sheet assets under management in accordance with AAOIFI's Conceptual Framework for Financial Reporting, and develops and improves the requirements contained in previous standards.

The standard will be applied as of January 1, 2026. And it is not expected to have a material impact upon its application.

Islamic Financial Accounting Standard No. 47 "Transfer of assets between investment vehicles".

Islamic Financial Accounting Standard 47 "Transfer of Assets between Investment Vessels" replaces Islamic Financial Accounting Standard No. 21 "Disclosure of Transfer of Assets" issued previously, and introduces improvements to it. The standard aims to establish financial reporting principles and disclosure requirements that apply to all asset transfers between investment vehicles (and, where they are of relative importance, between core categories thereof) related to property rights, quasi-property rights, and off-balance sheet assets under management in the Islamic financial institution. It also requires the adoption of accounting policies for these transfers and their consistent application in accordance with Sharia principles and provisions, and describes public disclosure requirements for them in order to achieve a higher level of transparency.

The standard will be applied as of January 1, 2026. And it is not expected to have a material impact upon its application.

Branches and ATMs

Capital's Governorate

- Gardens Branch
- Amman Branch
- Wehdat Branch
- Marka Branch
- Bayader Wadi Seer Branch
- Jabal Hussein Branch
- Jubeiha Branch
- Sweifieh Branch
- Shmeisani Branch
- Yasameen Branch
- Khalda Branch
- Abu Alanda Branch
- North Hashimi Branch
- Istiklal Mall Branch
- Tareq Branch
- Marj Al Hamam Branch
- City Mall Branch
- Madina Munawara Branch
- Abu Nsair Branch
- Huriya Branch
- Al Khalidi Branch
- Izmir Mall Branch
- Mecca Plaza Branch
- Jabal Al-Naser Branch
- Areefa Mall Branch
- Al Raya Mall

Central Governorates

- Zarka Branch
- Zarka University Branch
- Ruseifa Branch
- New Zarka Branch
- Rusaifa-Jabal Shamli Branch
- Madaba Branch
- Salt Branch
- Dair Alla Branch

North Governorates

- Irbid Branch
- Irbid Hashmi St. Branch
- Al Qaselah Branch
- Arabella Mall Branch
- Mafraq Branch
- Ajloun Branch
- Jerash Branch
- Ramtha Branch

South Governorates

- Aqaba Branch
- Karak Branch
- Mu'ta Branch
- Tafileh Branch
- Ma'an Branch

To Contact any of our Branches Please Contact the Arab Islamic Center
Customer Service: 06/5003300 or Toll Free: 080022224

Location of ATMs Network Outside the Bank's Branches

ATM List (Amman):

Government entities:

- **Jordan Customs –** Al Abdali –King Hussein Street
- **Greater Amman Municipality - Greater Amman Municipality Building –** Ras El Ain
- **Supreme Judgement Department -** Tla'a Al Ali – Musa Al Saket Street
- **Ministry of Awqaf and Islamic Affairs –** Al Abdali – Al Razi Street
- **Al Ifta'a Office -** Al Ordon Street
- **The Royal Court – The Royal Court -** Raghdan

Hospitals and pharmacies

- **Orange Pharmacy –** Al Dakhilyeh Circle - Khaled Bin Al Waleed Street
- **Ibn Al Nafees Pharmacy –** Al Ashrafiyeh – Osama Bin Yazeed Street
- **Al Istishari Hospital –** Zahran – Wadi Zaqra – Al Kindi Street
- **Al Hussein Cancer Center –** Queen Rania Street (Next to University of Jordan)
- **Rawhi Pharmacy –** Khalda
- **Rawhi Pharmacy- Altaybeh -** Alkefah st.
- **Shams Abdoun Pharamcy-** Abdoun
- **First Center-** 5th Circle

Malls and Commerical complexes

- **Haidar Murad Complex –** Leaders Center – King Abdullah II Street
- **Abu Saha'era Complex –** Jabal Al Nasr – Al Nadi Street
- **Rawan Cake –** Queen Rania Street
- **Abu Hassan Complex –** Abu Alanda – Al Mahkama Street
- **Al Daoud Complex –** Daheit Al Rasheed – Al Wifaq Street
- **Emirates Complex –** Yadoudeh – Madaba Street
- **Plaza Complex –** Mecca Street
- **Dabouq District-** Khalda
- **Jabal Alqsour** - Nuzha

Service providers

- **Islamic Science University –** Tabarbour – Prince Nayef Bin Asem Street
- **Professional Associations Complex –** Al Shmeisani – Abdul Hameed Sharaf Street
- **Abu Sheikha –** Al Wehdat – Madaba Street
- **Zohour Al Shifa Returant -** Tlaa Al Ali
- **Paradise Bakeries -** Khalda
- **King Hussein** Business Park – Al Sha'ab Street
- **Abu Sheikha –** Gardens Street
- **Abu Sheikha –** Tabarbour – Al Shaheed Street

Gas stations

- **Total Station –** Mecca Street
- **Total Station –** Al Muqabalin – Al Quds Street
- **Total Station –** Al Jubeiha – Queen Rania Street
- **Gulf station- Al Jubeiha -** Queen Rania Street
- **Total Station –** Wadi Saqra
- **Al Manaseer Station –** Airport Road
- **Al Subuh Station**

ATM List (Governates):

North District

Irbid

- **Total Station –** Hakma
- **Beit Yafa Municipality**
- **Al Rousan Station**
- **Al Raddad Station -** Al wasateih
- **Al Fouad Station-** Aydoun
- **Irbid Sepcialty Hospital**

Mafraq

- Al Hussein Bin Ali Street

Jarash

- **Nabe' Al Fawar Pharmacy –**Souf
- **Marsaa**
- **Sakeb**

Ajloun

- Ibbin

Middle District

Balqaa

- **Ain Al Basha Municipality**
- **Total Station-** Salt
- **Al Sabahi -** Salt
- **Al Idafa Pharmacy-** Salt

Zarqa

- **Al Zarqa for Education Crop.**
- **Total Station –** New Zarqa – Al Jeish Street
- **Zarqaa Schools –** King Abdullah Bin AbdelAzeez
- **Mraish market**

South District

Karak

- **Al Marj**
- **Al Qaser**

Maan

- **Military Consumer Establishment** (Souq Al Wafa'a)

Tafila

- **Tafila Technical University**
- **Municipality of Tafila**
- **Total Station-** Al Baydaa

Aqaba

- **Aqaba Gate Complex**
- **Shwiekh Mall**

البنك العربي الاسلامي الدولي

ISLAMIC INTERNATIONAL ARAB BANK

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