

**JORDAN ISLAMIC BANK**

**PUBLIC SHAREHOLDING COMPANY**

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (REVIEWED AND  
UNAUDITED)**

**31 MARCH 2023**

**JORDAN ISLAMIC BANK**

**PUBLIC SHAREHOLDING COMPANY**

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (REVIEWED AND  
UNAUDITED)**

**31 MARCH 2023**

**AMMAN - JORDAN**

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**Independent Auditor's Report**

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**REVIEW REPORT ON INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
TO THE BOARD OF DIRECTORS OF JORDAN ISLAMIC BANK  
(PUBLIC SHAREHOLDING COMPANY)**

**Introduction**

We have reviewed the accompanying interim condensed consolidated statement of financial position of Jordan Islamic Bank (the "Bank") and its subsidiaries (together the "Group") as at 31 March 2023 and the related interim condensed consolidated statement of income and interim condensed consolidated statement comprehensive income for the three month ended 31 March 2023, and the interim condensed consolidated statements of changes in owner's equity and cash flows and sources and uses of funds of Al-Qard Al-Hasan Fund for the three months then ended and other explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with the Financial Accounting Standards issued by Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) as adopted by Central Bank of Jordan. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.


**Scope of Review**

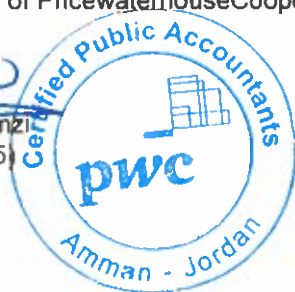
We conducted our review in accordance with the International Standard on Review Engagements (2410) "Review of Interim Financial Information performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for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

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not properly prepared, in all material respects, in accordance with the Financial Accounting Standards issued by Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) as adopted by Central Bank of Jordan

For and on behalf of PricewaterhouseCoopers "Jordan"

  
Omar Jamal Kalanzi  
License No. (1015)



Amman, Jordan  
26 April 2023

**JORDAN ISLAMIC BANK - PUBLIC SHAREHOLDING COMPANY**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS OF 31 MARCH 2023 (REVIEWED AND UNAUDITED)**

**STATEMENT (A)**

	Notes	31 March 2023 JD (Reviewed and Unaudited)	31 December 2022 JD (Audited)
<b>Assets</b>			
Cash and balances with central bank of Jordan	4	660,358,058	719,230,111
Balances at banks and financial institutions	5	67,828,132	43,400,535
Investment accounts at banks and financial institutions	6	-	1,417,959
Wakala Bil Istithmar accounts	7	35,260,296	35,208,483
Deferred sales receivables and other receivables –net	8	2,975,092,287	2,962,366,595
Ijarah Muntahia Bittamleek assets – net	9	903,308,607	888,242,179
Financing – net	10	38,512,531	38,447,971
Financial assets at fair value through income statement – self financed	11	44,248	47,359
Financial assets at fair value through owner's equity – self financed	12	18,378,566	18,008,809
Financial assets at fair value through joint investment accounts holders' equity	13	30,151,498	33,869,916
Financial assets at amortized cost	14	379,046,496	396,361,912
Investments in associates	15	9,337,693	9,336,930
Investments in real estate	16	111,979,938	113,696,192
Al Qard Al Hasan – net		34,238,817	36,127,741
Property and equipment – net		85,144,525	85,502,051
Intangible assets		7,155,988	7,058,271
Right of use assets		11,592,183	10,763,279
Deferred tax assets		750,951	750,951
Other assets	17	71,274,865	63,338,951
<b>Total assets</b>		<b>5,439,455,679</b>	<b>5,463,176,195</b>
<b>Liabilities, joint investment accounts holders' equity, non-controlling interests and owner's equity</b>			
<b>Liabilities</b>			
Banks and financial institutions' accounts		26,489,502	37,104,499
Customers' current and on demand accounts	18	1,357,071,508	1,390,005,595
Cash margins		59,307,873	58,059,637
Other provisions	19	14,907,871	15,654,160
Income tax provision	20 A	32,187,685	31,300,247
Deferred tax liabilities		696,495	2,230,404
Lease obligations		11,442,546	10,952,521
Other liabilities	21	53,210,514	33,369,309
<b>Total liabilities</b>		<b>1,555,313,994</b>	<b>1,578,676,372</b>
<b>Joint investment accounts holders' equity</b>			
Unrestricted investment accounts	22 A	3,320,796,994	3,333,076,044
Investment accounts holders' reserve in subsidiaries and associates	22 B	14,248,130	14,942,207
Fair value reserve – net	23 A	(2,023,943)	711,012
<b>Total joint investment accounts holders' equity</b>		<b>3,333,021,181</b>	<b>3,348,729,263</b>
Non-controlling interests - investment accounts holders' equity	22 B	38,403	38,956
<b>Total joint investment accounts holders' equity and non-controlling interest</b>		<b>3,333,059,584</b>	<b>3,348,768,219</b>
Provision against future risks	24 A	15,155,371	15,155,371
<b>Equity</b>			
<b>Owner's equity</b>			
Paid-in capital		200,000,000	200,000,000
Statutory reserve		120,471,745	120,471,745
Voluntary reserve		64,602,142	64,602,142
Fair value reserve	23 B	3,160,330	2,928,070
Retained earnings		132,579,571	132,574,276
Profit for the period after tax		15,112,942	-
<b>Total owner's equity – Bank's shareholders</b>		<b>535,926,730</b>	<b>520,576,233</b>
<b>Total liabilities, joint investment accounts holders' equity, non-controlling interests and owner's equity</b>		<b>5,439,455,679</b>	<b>5,463,176,195</b>
<b>Accounts managed for others:</b>			
Restricted investments		130,297,415	116,452,531
Al Wakala Bi Al Istithmar (Investments portfolio)		549,431,949	535,034,031
Al Wakala Bi Al Istithmar		75,924,962	75,632,438

**General Manager**

**Chairman**

The accompanying notes from (1) to (41) form an integral part of these interim condensed consolidated financial statements

**JORDAN ISLAMIC BANK - PUBLIC SHAREHOLDING COMPANY**  
**INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT**  
**FOR THE THREE MONTHS ENDED 31 MARCH 2023 (REVIEWED AND UNAUDITED)** **STATEMENT (B)**

	Notes	For the Three Months Ended 31 March	
		2023	2022
		JD (Reviewed and Unaudited)	JD (Reviewed and Unaudited)
Deferred sales revenues	25	37,864,950	37,021,998
Financing revenues	26	154,315	134,423
Gain from financial assets at fair value through joint investment accounts holders' equity	27	535,141	395,719
Gain from financial assets at amortized cost	28	6,087,899	3,806,220
Revenues from subsidiaries and associates	29	600,000	1,000,000
Revenues from investments in real estate	30	633,722	2,424,783
Revenues from Ijarah Muntahia Bittamleek assets		12,644,399	11,931,401
Revenues from other investments		514,926	322,155
<b>Revenues of joint investment accounts</b>		<b>59,035,352</b>	<b>57,036,699</b>
Net income of subsidiaries		(79,516)	132,958
Share of profit from investments in associates		643,309	686,007
<b>Total revenues of joint investment accounts</b>		<b>59,599,145</b>	<b>57,855,664</b>
Share of deposits guarantee fees investment accounts holders'		(1,384,695)	(1,310,937)
Share of unrestricted investment accounts holders'	31	(19,840,997)	(16,806,233)
Share of unrestricted investment accounts holders' from income of subsidiaries		78,967	(132,841)
Share of non-controlling interests' from income of subsidiaries		549	(117)
Share of profit from investments in associates		(643,309)	(686,007)
<b>Bank's share of the joint investment accounts revenues as Mudarib and Rab Mal</b>	32	<b>37,809,660</b>	<b>38,919,529</b>
Bank's self-financed revenues	33	11,446	8,325
Bank's share of restricted investments revenues as Mudarib		150,293	144,261
Bank's share of restricted investments revenues as Wakeel		20,332	35,603
Banking services revenues		7,302,903	6,723,543
Foreign currency gain		435,486	544,851
Other income		263,023	1,027,658
Share of deposits guarantee fees – self		(1,179,097)	(1,168,851)
<b>Gross income</b>		<b>44,814,046</b>	<b>46,234,919</b>
Employees expenses		(14,062,410)	(13,444,114)
Depreciation and amortization		(1,822,141)	(2,047,871)
Other expenses		(7,842,058)	(6,721,941)
Recovered from provision of expected credit losses – self		1,400,000	-
<b>Total expenses</b>		<b>(22,326,609)</b>	<b>(22,213,926)</b>
<b>Profit before income tax</b>		<b>22,487,437</b>	<b>24,020,993</b>
Income tax	20 B	(7,374,495)	(8,911,200)
<b>Profit after income tax</b>		<b>15,112,942</b>	<b>15,109,793</b>
<b>Basic earnings per share for the period</b>	34	<b>0/076</b>	<b>0/076</b>

General Manager

Chairman

The accompanying notes from (1) to (41) form an integral part of these interim condensed consolidated financial statements

**JORDAN ISLAMIC BANK - PUBLIC SHAREHOLDING COMPANY**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME**  
**FOR THE THREE MONTHS ENDED 31 MARCH 2023 (REVIEWED AND UNAUDITED)**  
**STATEMENT (C)**

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	For the Three Months ended 31 March	
	2023	2022
	JD	JD
	(Reviewed and Unaudited)	(Reviewed and Unaudited)
Profit after income tax	15,112,942	15,109,793
<b>Other comprehensive income, net after Tax:</b>		
Change in fair value of financial assets – net	237,555	135,918
<b>Total comprehensive income for the period</b>	<b>15,350,497</b>	<b>15,245,711</b>

The accompanying notes from (1) to (41) form an integral part of these interim condensed consolidated financial statements

**JORDAN ISLAMIC BANK - PUBLIC SHAREHOLDING COMPANY**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNER'S EQUITY**  
**FOR THE THREE MONTHS ENDED 31 MARCH 2023 (REVIEWED AND UNAUDITED)**  
**STATEMENT (D)**

	Paid-in Capital	Statutory Reserve	Voluntary Reserve	Fair Value Reserve *	Retained Earnings**	Profit for the Period	Total
	JD	JD	JD	JD	JD	JD	JD
<b>For the three months ended 31 March 2023</b>							
<b>Balance at 1 January 2023</b>	200,000,000	120,471,745	64,602,142	2,928,070	132,574,276	-	520,576,233
Profit after tax	-	-	-	-	-	15,112,942	15,112,942
Change in fair value reserve	-	-	-	237,555	-	-	237,555
<b>Total comprehensive income for the period after tax</b>	-	-	-	<b>237,555</b>	-	<b>15,112,942</b>	<b>15,350,497</b>
Gains from selling financial assets at fair value through equity	-	-	-	(5,295)	5,295	-	-
<b>Balance at 31 March 2023</b>	<b>200,000,000</b>	<b>120,471,745</b>	<b>64,602,142</b>	<b>3,160,330</b>	<b>132,579,571</b>	<b>15,112,942</b>	<b>535,926,730</b>

\* The fair value reserve balance of JD 3,160,330 as at 31 March 2023 is restricted from use according to the instructions of the securities commission.

\*\* An amount of JD 1,000,000 from retained earnings, which was transferred from the general banking risk reserve, is restricted from use without prior approval from the Central Bank of Jordan.

\*\* An amount of JD 750,951 from retained earnings, which represents deferred tax assets as of 31 December 2022, is restricted from use without prior approval from the Central Bank of Jordan and securities commission.

The accompanying notes from (1) to (41) form an integral part of these condensed consolidated interim financial statements

**JORDAN ISLAMIC BANK - PUBLIC SHAREHOLDING COMPANY**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNER'S EQUITY**  
**FOR THE THREE MONTHS ENDED 31 MARCH 2023 (REVIEWED AND UNAUDITED)**  
**STATEMENT (D)**

	Paid-in Capital	Statutory Reserve	Voluntary Reserve	Fair Value Reserve *	Retained Earnings**	Profit for the Period	Total
	JD	JD	JD	JD	JD	JD	JD
<b>For the three months ended 31 March 2022</b>							
<b>Balance at 1 January 2022</b>	200,000,000	110,912,379	55,081,786	3,069,831	140,544,987	-	509,608,983
Profit after tax	-	-	-	-	-	15,109,793	15,109,793
Change in fair value reserve	-	-	-	135,918	-	-	135,918
<b>Total comprehensive income for the period after tax</b>	-	-	-	<b>135,918</b>	-	<b>15,109,793</b>	<b>15,245,711</b>
<b>Balance at 31 March 2022</b>	<b>200,000,000</b>	<b>110,912,379</b>	<b>55,081,786</b>	<b>3,205,749</b>	<b>140,544,987</b>	<b>15,109,793</b>	<b>524,854,694</b>

\* The fair value reserve balance of JD 3,205,749 as at 31 March 2022 is restricted from use according to the instructions of securities commission.

\*\* An amount of JD 1,000,000 from retained earnings, which was transferred from the general banking risk reserve, is restricted from use without prior approval from the Central Bank of Jordan.

The accompanying notes from (1) to (41) form an integral part of these interim condensed consolidated financial statements



**JORDAN ISLAMIC BANK - PUBLIC SHAREHOLDING COMPANY**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE THREE MONTHS ENDED 31 MARCH 2023 (REVIEWED AND UNAUDITED)**  
**STATEMENT (E)**

	Notes	For The Three Months ended on 31 March	
		2023	2022
		JD	JD
		(Reviewed and Unaudited)	(Reviewed and Unaudited)
<b><u>Cash flows from operating activities</u></b>			
<b>Profit before Tax</b>		22,487,437	24,020,993
<b>Adjustments for non-monetary items:</b>			
Depreciations and amortizations		1,822,141	2,047,871
Costs of lease obligations		154,035	160,920
Provision for expected credit losses -self		(1,400,000)	-
Gain on sale of property and equipment		-	(533,278)
Gain on sale of investment in real estate		(559,851)	-
Exchange rates effect on cash and cash equivalents		(190,658)	(356,142)
<b>Profit before change in assets and liabilities</b>		<b>22,313,104</b>	<b>25,340,364</b>
<b>Change in Assets and Liabilities:</b>			
Decrease in investment accounts at banks and financial institutions maturing after 3 months		1,418,000	-
Decrease in Wakala investment accounts – more than one year		17,725,000	-
(Increase) Decrease in deferred sales receivables and other receivables		(13,162,231)	22,395,754
Increase in financing		(37,815)	(54,821)
Increase in Ijara muntahia bitamleek assets		(15,066,428)	(9,734,501)
Decrease in Al Qard Al Hasan		3,937,385	6,364,455
Increase in other assets		(8,713,908)	(8,759,681)
Decrease in current and on demand accounts		(32,934,087)	(53,950,928)
Increase in cash margins		1,248,236	1,258,367
Increase in other liabilities		19,791,087	13,029,077
<b>Net change in Assets and Liabilities</b>		<b>(25,794,761)</b>	<b>(29,452,278)</b>
<b>Net cash flows used in operating activities before Tax and other payments</b>		<b>(3,481,657)</b>	<b>(4,111,914)</b>
Taxes paid	20 A	(6,487,057)	(12,236,574)
End of service provision		(135,103)	-
<b>Net cash flows (used in) from operating activities</b>		<b>(10,103,817)</b>	<b>(16,348,488)</b>
<b><u>Cash flows from investment activities</u></b>			
Proceeds from sale of financial assets at fair value through income statement-self		684	-
Proceeds from sale of financial assets at fair value through owner's equity-self		10,802	-
Purchase of financial assets at fair value through owner's equity-self		(797)	-
Purchase of financial assets at amortized cost – net		(3,853,332)	(13,869,846)
Maturity of financial assets at amortized cost- net		21,256,483	44,192,488
Sale of real estate investments		1,677,765	1,237,087
Purchase of real estate investments		(107,930)	(3,148)
Own of repossessed assets		(327,111)	(2,994,904)
Sale of repossessed assets		1,158,265	1,743,886
Sale of property and equipment		-	4,556,751
Purchase of property and equipment		(954,564)	(791,520)
Purchase of intangible assets		(309,201)	(428,941)
<b>Net cash flows from investment activities</b>		<b>18,551,064</b>	<b>33,641,853</b>
<b><u>Cash flow from financing activities</u></b>			
(Decrease) Increase in unrestricted investment accounts holders' equity		(12,798,146)	8,506,391
Payment of lease liabilities		(901,616)	(1,039,923)
<b>Net cash flow ( used in ) from financing activities</b>		<b>(13,699,762)</b>	<b>7,466,468</b>
<b>Net (Decrease) increase in cash and cash equivalents</b>		<b>(5,252,515)</b>	<b>24,759,833</b>
Exchange rates effect on cash and cash equivalents		190,658	356,142
<b>Cash and cash equivalents at the beginning of the period</b>		<b>726,121,519</b>	<b>890,471,603</b>
<b>Cash and cash equivalents at the end of the period</b>	35	<b>721,059,662</b>	<b>915,587,578</b>

The accompanying notes from (1) to (41) form an integral part of these condensed consolidated interim financial statements

**JORDAN ISLAMIC BANK - PUBLIC SHAREHOLDING COMPANY**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF SOURCES AND USES OF FUNDS OF AL QARD**  
**AL HASAN FUND AS OF 31 MARCH 2023 (REVIEWED AND UNAUDITED)**  
**STATEMENT (F)**

	31 March 2023	31 December 2022
	JD (Reviewed and Unaudited)	JD (Audited)
<b>Beginning balance for the period / year</b>	<b>41,906,315</b>	<b>68,865,578</b>
<b>Sources of the Fund:</b>		
Central bank account / Al Qard Al Hasan Fund	18,957,995	24,706,391
Sources the Bank is authorized to use	28,383,582	58,068,443
Sources outside the Bank	2,488,029	2,522,980
<b>Total sources of the fund for the period / year</b>	<b>49,829,606</b>	<b>85,297,814</b>
<b>Uses of the Fund:</b>		
Education	154,060	480,753
Medical treatment	87,470	368,855
Marriage	45,300	364,390
Overdraft accounts and other Qard al Hasan	6,999,239	12,279,058
Social advances for the Bank's employees	483,651	2,839,180
Central Bank's programme for facing Corona pandemic & med-term crisis agreement	100,000	100,000
<b>Total uses for the period / year</b>	<b>7,869,720</b>	<b>16,432,236</b>
<b>Settled during the period / year</b>	<b>(11,807,105)</b>	<b>(43,391,499)</b>
<b>Ending balance for the period / year</b>	<b>37,968,930</b>	<b>41,906,315</b>
Less: Provision for expected credit loss – self	(3,730,113)	(5,778,574)
<b>Ending balance for the period / year– net</b>	<b>34,238,817</b>	<b>36,127,741</b>

The accompanying notes from (1) to (41) form an integral part of these interim condensed consolidated financial statements

**JORDAN ISLAMIC BANK - PUBLIC SHAREHOLDING COMPANY**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF 31 MARCH 2023 (REVIEWED AND UNAUDITED)**

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**(1) General Information**

Jordan Islamic Bank (the "Bank") was established as a public shareholding company on 28 November 1978 pursuant to the provisions of the Companies Law No. (12) Of 1964, Head Office is located in Amman with a capital of 200 million dinar authorized, subscribed and fully paid up at nominal value at one dinars per share.

The Bank offers banking, financial and investment services on an interest-free basis in compliance with the rules and principles of the Islamic Sharia through its Head Office, 89 branches and 22 banking offices in the Kingdom as well as its subsidiaries. The Bank's transactions are governed by the applicable Bank's Law.

Jordan Islamic Bank shares are listed in Amman Stock Exchange - Jordan.

The interim condensed consolidated financial statements were authorized for issue by the Bank's Board of Directors in their No.3 meeting held on 26 April 2023.

**(2) Significant Accounting Policies**

**2-1 Basis of Preparation of the Interim Condensed Consolidated Financial Statements:**

The accompanying interim condensed consolidated financial statements of the Bank and its subsidiaries financed from the Bank's funds and the joint investment funds have been prepared in accordance with the Financial Accounting Standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), and according to local laws and Central Bank of Jordan Instructions and 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 Shari'a standards, pending the promulgation of Islamic Standards therefor.

The main differences between the Islamic accounting standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions as they should be applied, and the instructions of the Central Bank of Jordan can be summarized as follows:

- The provision for expected credit losses for direct facilities is recorded in accordance with the standard Impairment and Credit Losses and Onerous Commitments (FAS 30) issued by the Accounting and Auditing Organization for Islamic Financial Institutions and Central Bank of Jordan instructions No. 47 of 2009, and the most severe results are taken for the stage 2 and stage 3.
  
- A provision was calculated against the infringing repossessed real estate at the rate of 5% of the total book values of those real estate, and according to the Central Bank of Jordan Circular No. (10/3/16234) dated October 10, 2022, the calculation of the impairment provision for the infringing repossessed real estate was stopped and the balance of the existing provision will be released for any of the repossessed real estate that is got rid of.

**JORDAN ISLAMIC BANK - PUBLIC SHAREHOLDING COMPANY**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF 31 MARCH 2023 (REVIEWED AND UNAUDITED)**

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- No expected credit losses provision is calculated on exposures or guarantees of the Jordanian government.
- Profits are suspended on non-performing credit financing.

The consolidated financial statements have been prepared according to the historical cost basis, except for financial assets through the income statement, financial assets at fair value through equity, financial assets at fair value through equity of joint investment account holders, and investments in real estate, which appear at fair value on the date of the consolidated financial statements.

The consolidated financial statements are presented in Jordanian Dinars (JD) which is the functional currency of the bank.

A distinction should be made between owner's equity (self) and joint investment accounts holders' (joint).

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

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

The consolidated financial statements comprise the financial statements of the Bank and its subsidiaries financed from the Bank's funds and the joint investment funds and subject to the Bank's control. Control exists when the Bank has power to govern the financial and operational policies of subsidiaries in order to obtain benefit from their activities. All intra-company transactions, balances, revenues, and expenses are eliminated.

The financial statements of subsidiaries are prepared for the same reporting period as the Bank, using consistent accounting policies.

The results of subsidiaries operations are consolidated in the interim condensed consolidated Income Statement from the acquisition date, being the date the Bank obtains control over subsidiaries. The results of operations for disposed subsidiaries shall be consolidated in the interim condensed consolidated statements of income until the date of disposal, which is the same date on which the Bank's loses control over subsidiaries.

The non-controlling interests represent the portion not owned by the Bank or by the unrestricted Investment accounts of the subsidiaries owners' equity.

**JORDAN ISLAMIC BANK - PUBLIC SHAREHOLDING COMPANY**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF 31 MARCH 2023 (REVIEWED AND UNAUDITED)**

The Bank owns the following subsidiaries as of 31 March 2023:

Company Name	Paid in capital	Bank's ownership	Nature of Business	Funding source	Country of Incorporation	Acquisition Date
	JD					
Omariah Schools Company Ltd.	16,000,000	99.8%	Education	Jointly	Amman	1987
Al Samaha Financing and Investment Company Ltd.	12,000,000	100%	Financing	Jointly	Amman	1998
Future Applied Computer Technology Company Ltd	5,000,000	100%	Services	Self	Amman	1998
Sanabel Al-Khair for Financial Investments Company Ltd.	5,000,000	100%	Brokerage	Self	Amman	2005

**2-3 Changes in Accounting Policies:**

The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the preparation of the Bank's annual consolidated financial statements for the year ended 31 December 2023, except that the Bank has adopted the following new standards:

**FAS 1 (Revised 2021): General Presentation and Disclosures in the Financial Statements**

The revised FAS 1 "General Presentation and Disclosures in the Financial Statements" describes and improves the overall presentation and disclosure requirements prescribed in line with the global best practices and supersedes the earlier FAS 1. It is applicable to all Islamic financial institutions and other institutions following AAOIFI. The revision of FAS 1 is in line with the modifications made to the "AAOIFI Conceptual Framework for Financial Reporting" (revised 2020) (the conceptual framework). The revised FAS 1 will assist preparers to produce financial statements that are clear, transparent and understandable, and in turn will aid the users to take better economic decisions.

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

**FAS 39: Financial Reporting For Zakah**

This standard improves upon and supersedes FAS 9 "Zakah" issued previously. This standard aims at setting out the accounting treatment of Zakah in the books of Islamic financial institutions, including the presentation and disclosure in its financial statements.

The standard describes the financial reporting principles applicable, depending upon Islamic financial institutions' obligation to pay Zakah. In addition, where an Islamic financial institution is not required by law or by its constitution documents to pay Zakah, it is still required to identify and disclose the amount of Zakah due in respect of the various stakeholders.

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

### **FAS 41: Interim Financial Report**

The objective of this standard is to define the principles for 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 be read together with other accounting standards issued by AAOIFI and generally accepted accounting principles that apply in “related regulatory scopes”. This standard applies to organizations that choose or are required to prepare interim financial reports in accordance with applicable laws, regulations or practices.

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

There are no new standards that are binding and the group has not applied them as of 31 March 2023.

### **3. Use of Estimates**

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of financial assets and liabilities and disclosure of contingent liabilities. These estimates and assumptions also affect the revenues and expenses and the provisions as well as fair value changes reported in shareholders’ equity and unrestricted account holders’ equity. In particular, considerable judgment by management is required in the estimation of the amount and timing of future cash flows. Such estimates are necessarily based on assumptions about several factors involving varying degrees of judgment and uncertainty and actual results may differ as a result of changes in conditions and circumstances of those estimates in the future.

We believe that our estimates in consolidated financial statements are reasonable and detailed as follows:

- Expected credit losses for deferred sales receivables and financing: in determining impairment of financial assets, judgment is required in the estimation of the amount and timing of future cash flows as well as an assessment of whether the credit risk on the financial assets has increased significantly since initial recognition and incorporation of forward looking information in the measurement of expected credit losses.
- Income tax provision: the fiscal period is charged with its related income tax according to the laws and accounting standards. Also, the deferred tax assets and liabilities as well as the required tax provision are estimated and recorded.
- Management periodically reevaluates the financial assets carried at cost in order to assess any expected credit losses. The expected credit losses are allocated in accordance to the financing party.
- A provision is set for the lawsuits raised against the Bank. This provision is based to an adequate 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.

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**4. Cash and Balances with Central Bank**

This item consists of the following:

	31 March 2023	31 December 2022
	JD	JD
	(Reviewed and Unaudited)	(Audited)
<b>Cash in vaults</b>	206,575,979	192,748,958
<b>Balances at the Central Bank of Jordan:</b>		
Current accounts	273,506,205	348,612,184
Statutory cash reserve	180,275,874	177,868,969
<b>Total balances at the Central Bank of Jordan</b>	<b>453,782,079</b>	<b>526,481,153</b>
<b>Total</b>	<b>660,358,058</b>	<b>719,230,111</b>

In compliance with Islamic Shari'a rules and the Bank's Articles of Association and bylaws, the Bank does not earn any interest on balances and current accounts held with the Central Bank of Jordan.

Amounts of JD 54,493,016 and JD 35,218,347 were deducted as at 31 March 2023 and as at 31 December 2022 respectively, which represent cash balances for accounts managed on behalf of others.

There are no balances maturing within more than three months period as of 31 March 2023 and 31 December 2022 .

There are no restricted balances except for the statutory cash reserve as of 31 March 2023 and 31 December 2022. which is not excluded from cash and cash equivalent.

No provision for expected credit losses is calculated on balances with the Central Bank of Jordan.

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**5. Balances at Banks and Financial Institutions**

This item consists of the following:

	Local banks and financial institutions		Foreign banks and financial institutions		Total	
	31 March 2023	31 December 2022	31 March 2023	31 December 2022	31 March 2023	31 December 2022
	JD	JD	JD	JD	JD	JD
	(Reviewed and Unaudited)	(Audited)	(Reviewed and Unaudited)	(Audited)	(Reviewed and Unaudited)	(Audited)
Current and on demand accounts	1,540	1,540	31,533,066	34,422,867	31,534,606	34,424,407
Less: provision for expected credit loss	-	-	(1,569,965)	(589,873)	(1,569,965)	(589,873)
<b>Net Current and on demand accounts</b>	<b>1,540</b>	<b>1,540</b>	<b>29,963,101</b>	<b>33,832,994</b>	<b>29,964,641</b>	<b>33,834,534</b>
Unrestricted accounts maturing within 3 months or less	-	-	37,931,500	9,571,500	37,931,500	9,571,500
Less: provision for expected credit loss	-	-	(68,009)	(5,499)	(68,009)	(5,499)
<b>Net unrestricted accounts maturing within 3 months or less</b>	<b>-</b>	<b>-</b>	<b>37,863,491</b>	<b>9,566,001</b>	<b>37,863,491</b>	<b>9,566,001</b>
<b>Total</b>	<b>1,540</b>	<b>1,540</b>	<b>67,826,592</b>	<b>43,398,995</b>	<b>67,828,132</b>	<b>43,400,535</b>

- In compliance with Islamic Shari'a rules and the Bank's Articles of Association and bylaws, the Bank does not earn any interest on current and on demand accounts at local and foreign banks and financial institutions.

There are no restricted balances at the local and foreign banks and financial institutions as of 31 March 2023 and 31 December 2022 except for current accounts amounted to 1,920,979 JD as of 31 March 2023 compared to 1,000,309 JD as of 31 December 2022.



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**6. Investment accounts at bank and financial institutions**

This item consists of the following:

	<u>Foreign banks and financial institutions</u>	
	<u>31 March</u>	<u>31 December</u>
	<u>2023</u>	<u>2022</u>
	JD	JD
	(Reviewed and Unaudited)	(Audited)
Within (3-6) months	-	1,418,000
Less: expected credit loss provision	-	(41)
<b>Total</b>	<b>-</b>	<b>1,417,959</b>

There are no restricted balances for foreign banks and financial institutions as of 31 March 2023 and 31 December 2022.

**7. Wakala Bil Istithmar Accounts**

This item consists of the following:

	<u>Foreign banks and financial institutions</u>	
	<u>31 March</u>	<u>31 December</u>
	<u>2023</u>	<u>2022</u>
	JD	JD
	(Reviewed and Unaudited)	(Audited)
Maturing within (3) month or less than	17,725,000	-
Within (3-6) months	-	17,725,000
Maturing within more than one year	17,725,000	17,725,000
Less: Expected credit losses provisions	(189,704)	(241,517)
<b>Total</b>	<b>35,260,296</b>	<b>35,208,483</b>

There are no restricted balances for foreign wakala bil Istithmar accounts as of 31 March 2023 and 31 December 2022.

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**A. Movement on balances with banks and financial institutions, investment accounts at banks and financial institution and wakala bil istithmar accounts (notes 5,6 and 7):**

**As of 31 March 2023 (Reviewed and Unaudited):**

	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	JD	JD	JD	JD
<b>Beginning balance</b>	79,863,598	-	1,000,309	80,863,907
New balances and accounts during the year	36,513,500	-	763	36,514,263
Balances and accounts paid	(13,381,971)	-	-	(13,381,971)
Transferred from the provision investment accounts	-	-	1,063,500	1,063,500
Adjustments due to changes exchange rates	-	-	(143,593)	(143,593)
<b>Ending balance</b>	<b>102,995,127</b>	<b>-</b>	<b>1,920,979</b>	<b>104,916,106</b>

**As of 31 December 2022 (Audited):**

	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	JD	JD	JD	JD
<b>Beginning balance</b>	87,585,121	829,754	-	88,414,875
New balances and accounts during the year	37,167,683	-	170,555	37,338,238
Balances and accounts paid	(44,889,206)	-	-	(44,889,206)
Transferred (from) to stage 3	-	(829,754)	829,754	-
<b>Ending balance</b>	<b>79,863,598</b>	<b>-</b>	<b>1,000,309</b>	<b>80,863,907</b>

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**B. movement on the Expected credit losses on banks and financial institutions, investment accounts and Wakala Bil Istithmar accounts (notes 5,6 and 7):**

**As of 31 March 2023 (Reviewed and Unaudited):**

	Stage 1 Individual JD	Stage 2 Individual JD	Stage 3 JD	Total JD
<b>Beginning balance</b>	336,775	-	500,155	836,930
Expected credit loss on new balances and accounts during the period	257,713	-	381	258,094
Expected credit loss recovered from balances and accounts paid	(196,218)	-	-	(196,218)
Impact due to transferred from restricted investment accounts	-	-	1,063,500	1,063,500
Adjustments due to changes	(62,831)	-	-	(62,831)
Adjustments due to exchange rates changes	-	-	(71,797)	(71,797)
<b>Ending balance</b>	<b>335,439</b>	<b>-</b>	<b>1,492,239</b>	<b>1,827,678</b>

**as of 31 December 2022 (Audited):**

	Stage 1 Individual JD	Stage 2 Individual JD	Stage 3 JD	Total JD
<b>Beginning balance</b>	349,304	60,875	-	410,179
Expected credit loss on new balances and accounts during the period	129,663	-	85,278	214,941
Expected credit loss recovered from balances and accounts paid	(142,192)	-	-	(142,192)
Transferred (from) to stage 3	-	(60,875)	60,875	-
Impact on ending balance provision due to change in staging classification	-	-	354,002	354,002
<b>Ending balance</b>	<b>336,775</b>	<b>-</b>	<b>500,155</b>	<b>836,930</b>

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**8. Deferred Sales Receivables and Other Receivables – Net**

This item consists of the following:

	Joint		Self		Total	
	31 March 2023 JD (Reviewed and Unaudited)	31 December 2022 JD (Audited)	31 March 2023 JD (Reviewed and Unaudited)	31 December 2022 JD (Audited)	31 March 2023 JD (Reviewed and Unaudited)	31 December 2022 JD (Audited)
<b>Individuals (Retail):</b>						
Murabaha to the purchase orderer	920,664,768	891,732,063	-	-	920,664,768	891,732,063
Deferred sales	14,520,138	14,421,236	-	-	14,520,138	14,421,236
Ijarah Mawsoofa Bil Thimma	11,326,262	10,587,044	-	-	11,326,262	10,587,044
Ijarah Muntahia Bittamleek receivables	6,982,874	7,079,170	-	-	6,982,874	7,079,170
Istisna'a	180,583	203,143	-	-	180,583	203,143
Customers' receivables	6,474,992	6,802,081	4,066,554	4,167,097	10,541,546	10,969,178
Musharaka receivables	12,053	-	-	-	12,053	-
<b>Real estate financing</b>	<b>583,164,877</b>	<b>582,005,690</b>	<b>-</b>	<b>-</b>	<b>583,164,877</b>	<b>582,005,690</b>
<b>Corporate:</b>						
International Murabaha	26,080,941	25,863,779	-	-	26,080,941	25,863,779
Murabaha to the purchase orderer	585,141,844	563,644,181	-	-	585,141,844	563,644,181
Ijarah Mawsoofa Bil Thimma	-	62,395	-	-	-	62,395
Ijarah Muntahia Bittamleek receivables	171,102	161,834	-	-	171,102	161,834
Istisna'a	19,664,815	20,753,667	-	-	19,664,815	20,753,667
<b>Small and Medium Enterprises (SME's):</b>						
Murabaha to the purchase orderer	187,944,192	178,837,849	-	-	187,944,192	178,837,849
Deferred sales	25,589	13,956	-	-	25,589	13,956
Ijarah Mawsoofa bil Thimma	191,459	336,640	-	-	191,459	336,640
Ijarah Muntahia Bittamleek receivables	575,248	529,378	-	-	575,248	529,378
Istisna'a	92,756	185,500	-	-	92,756	185,500
Customers' receivables	-	-	2,746,435	2,673,868	2,746,435	2,673,868
<b>Government and public sector</b>	<b>1,052,922,843</b>	<b>1,098,979,661</b>	<b>187,255</b>	<b>3,401</b>	<b>1,053,110,098</b>	<b>1,098,983,062</b>
<b>Total</b>	<b>3,416,137,336</b>	<b>3,402,199,267</b>	<b>7,000,244</b>	<b>6,844,366</b>	<b>3,423,137,580</b>	<b>3,409,043,633</b>
Less: deferred revenues	(288,646,146)	(288,856,957)	-	-	(288,646,146)	(288,856,957)
Less: suspended revenues	(9,382,341)	(9,385,170)	-	-	(9,382,341)	(9,385,170)
Less: deferred mutual insurance	(26,627,368)	(25,481,658)	-	-	(26,627,368)	(25,481,658)
Less: expected credit loss provision	(122,645,438)	(122,209,253)	(744,000)	(744,000)	(123,389,438)	(122,953,253)
<b>Net deferred sales and other receivables</b>	<b><u>2,968,836,043</u></b>	<b><u>2,956,266,229</u></b>	<b><u>6,256,244</u></b>	<b><u>6,100,366</u></b>	<b><u>2,975,092,287</u></b>	<b><u>2,962,366,595</u></b>

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Movements on the suspended revenues (note 8) were as follows:

	Joint (Reviewed and Unaudited)				
	For the period ended 31 March 2023				
	Retail	Real estate financing	Large corporates	Small and Medium Enterprises	Total
	JD	JD	JD	JD	JD
Balance at the beginning of the period	4,435,761	1,186,801	3,037,492	725,116	9,385,170
Add: suspended revenues during the period	306,253	81,939	209,714	50,063	647,969
Less: revenue in suspense reversed to revenue	<u>(345,639)</u>	<u>(36,809)</u>	<u>(239,531)</u>	<u>(28,819)</u>	<u>(650,798)</u>
<b>Balance at the end of the period</b>	<b><u>4,396,375</u></b>	<b><u>1,231,931</u></b>	<b><u>3,007,675</u></b>	<b><u>746,360</u></b>	<b><u>9,382,341</u></b>
	Joint (Audited)				
	For the year ended 31 December 2022				
	Retail	Real estate financing	Large corporates	Small and Medium Enterprises	Total
	JD	JD	JD	JD	JD
Balance at the beginning of the year	5,298,051	1,309,327	2,710,773	943,611	<b>10,261,762</b>
Add: suspended revenues during the year	1,539,050	380,351	787,462	274,113	<b>2,980,976</b>
Less: revenue in suspense reversed to revenue	<u>(2,271,705)</u>	<u>(415,210)</u>	<u>(460,743)</u>	<u>(456,724)</u>	<b><u>(3,604,382)</u></b>
Less: suspended revenues written off	<u>(129,635)</u>	<u>(87,667)</u>	-	<u>(35,884)</u>	<b><u>(253,186)</u></b>
<b>Balance at the end of the year</b>	<b><u>4,435,761</u></b>	<b><u>1,186,801</u></b>	<b><u>3,037,492</u></b>	<b><u>725,116</u></b>	<b><u>9,385,170</u></b>

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**(9) Ijarah Muntahia Bittamleek Assets – Net**

	Joint	
	31 March 2023	31 December 2022
	JD	JD
	(Reviewed and Unaudited)	(Audited)
Cost	1,108,319,056	1,079,970,555
Accumulated Depreciation	(204,935,449)	(191,653,376)
Impairment Provision	(75,000)	(75,000)
<b>Ijarah Muntahia Bittamleek assets - net</b>	<b>903,308,607</b>	<b>888,242,179</b>

The accrued Ijarah installments amounted to JD 7,729,224 as at 31 March 2023 compared as at 31 December 2022 JD 7,770,382 were included in deferred sales receivables and other receivables (Note 8).

**(10) Financing – Net**

	Joint		Self		Total	
	31 March 2023	31 December 2022	31 March 2023	31 December 2022	31 March 2023	31 December 2022
	JD	JD	JD	JD	JD	JD
	(Reviewed and Unaudited)	(Audited)	(Reviewed and Unaudited)	(Audited)	(Reviewed and Unaudited)	(Audited)
<b>Individuals (Retail):</b>						
Diminishing Musharaka	38,591,910	38,549,429	193,782	198,448	38,785,692	38,747,877
<b>Total</b>	<b>38,591,910</b>	<b>38,549,429</b>	<b>193,782</b>	<b>198,448</b>	<b>38,785,692</b>	<b>38,747,877</b>
Less: Expected credit loss provision	(271,131)	(298,019)	(2,030)	(1,887)	(273,161)	(299,906)
<b>Net Financing</b>	<b>38,320,779</b>	<b>38,251,410</b>	<b>191,752</b>	<b>196,561</b>	<b>38,512,531</b>	<b>38,447,971</b>

Non-performing deferred sales receivables, Ijarah Muntahia Bittamleek receivables, other receivables, financing and Al Qard Al Hasan amounted to JD 99,574,858 as at 31 March 2023, representing 2,85% of deferred sales receivable, Ijarah Muntahia Bittamleek receivables, other receivables, financing and Al Qard Al Hasan balance compared to JD 100,734,560 as at 31 December 2022, representing 2,89% of the utilized balance at the end of the previous year.

Non-performing deferred sales receivables, Ijarah Muntahia Bittamleek receivables, other receivables, financing and Al Qard Al Hasan after deducting suspended revenues amounted to JD 92,230,729 as at 31 March 2023, representing 2,64% of deferred sales, Ijarah Muntahia Bittamleek receivables, other receivables, financing and Al Qard Al Hasan balance after deductions suspended revenues, compared to JD 93,325,578 as at 31 December 2022, representing 2,68% of the utilized balance at the end of the previous year.

Deferred sales, other receivables, and financing granted to and guaranteed by the Government of Jordan amounted to JD 1,056,105,182 as at 31 March 2023, representing 30,18 % of deferred sales, other receivables and financing balance, compared to JD 1,101,978,146 as at 31 December 2022, representing 31,58% of the utilized balance at the end of the previous year.

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**A- Cumulative movement on direct facilities(deferred sales receivables, other receivables, financing and Al-Qard Al-Hasan):**

**As of 31 March 2023 (Reviewed and Unaudited):**

	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the period	1,624,433,741	1,034,199,652	349,255,458	42,654,507	115,430,682	3,165,974,040
New facilities during the period	212,128,819	92,973,438	45,574,627	1,443,878	-	352,120,762
Settled facilities	(203,729,669)	(86,872,855)	(45,845,135)	(2,496,584)	(3,914,212)	(342,858,455)
Transferred (from) to stage 1	32,966,431	14,357,884	(32,669,789)	(13,416,741)	(1,237,785)	-
Transferred (from) to stage 2	(62,090,618)	(13,439,950)	67,938,964	15,505,560	(7,913,956)	-
Transferred (from) to stage 3	(379,797)	(236,463)	(6,229,831)	(5,104,772)	11,950,863	-
<b>Balance at the end of the period</b>	<b><u>1,603,328,907</u></b>	<b><u>1,040,981,706</u></b>	<b><u>378,024,294</u></b>	<b><u>38,585,848</u></b>	<b><u>114,315,592</u></b>	<b><u>3,175,236,347</u></b>

**As of 31 December 2022 (Audited):**

	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	1,517,201,239	928,239,973	410,039,568	47,562,501	128,617,707	3,031,660,988
New facilities during the year	586,709,681	391,113,514	139,930,373	7,570,137	-	1,125,323,705
Settled facilities	(506,062,271)	(271,665,662)	(169,448,626)	(16,553,064)	(25,131,470)	(988,861,093)
Transferred (from) to stage 1	121,983,457	15,857,801	(120,360,886)	(13,220,753)	(4,259,619)	-
Transferred (from) to stage 2	(84,439,576)	(23,483,363)	111,150,895	27,538,238	(30,766,194)	-
Transferred (from) to stage 3	(10,958,789)	(5,862,611)	(22,055,866)	(10,242,552)	49,119,818	-
Written of facilities	-	-	-	-	(2,149,560)	(2,149,560)
<b>Balance at the end of the year</b>	<b><u>1,624,433,741</u></b>	<b><u>1,034,199,652</u></b>	<b><u>349,255,458</u></b>	<b><u>42,654,507</u></b>	<b><u>115,430,682</u></b>	<b><u>3,165,974,040</u></b>

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**B- Cumulative movement on the expected credit loss for direct facilities (deferred sales receivables, other receivables, financing and Al-Qard Al-Hasan):**

**As of 31 March 2023 (Reviewed and Unaudited):**

	Large			Real estate	Total
	corporates	SMEs	Individuals	financing	
	JD	JD	JD	JD	
Balance at the beginning of the period	55,333,502	17,440,531	34,512,265	21,745,435	129,031,733
Expected credit loss on the new facilities during the period	1,206,927	301,617	530,785	95,374	2,134,703
Expected credit loss recovered from settled facilities	(4,037)	(92,449)	(598,065)	(49,377)	(743,928)
Transferred (from) to stage 1	(27,761)	(92,070)	(1,543,241)	(860,020)	(2,523,092)
Transferred (from) to stage 2	(692,243)	(1,054,078)	(1,084,415)	(477,830)	(3,308,566)
Transferred (from) to stage 3	720,004	1,146,148	2,627,656	1,337,850	5,831,658
Impact on ending balance provision due to change in staging classification	(769,886)	149,907	364,114	159,354	(96,511)
Adjustments	(5,603,404)	(2,195,020)	4,308,355	556,784	(2,933,285)
<b>Balance at the end of the period</b>	<b>50,163,102</b>	<b>15,604,586</b>	<b>39,117,454</b>	<b>22,507,570</b>	<b>127,392,712</b>

**Reallocated:**

Individual level provision	50,163,102	13,366,823	10,336,085	9,050,119	82,916,129
Collective level provision	-	2,237,763	28,781,369	13,457,451	44,476,583

**As of 31 December 2022 (Audited):**

As of 31 December 2022	Large			Real estate	Total
	corporates	SMEs	Individuals	financing	
	JD	JD	JD	JD	
<b>Balance at the beginning of the year</b>	<b>37,577,278</b>	<b>16,660,354</b>	<b>40,832,834</b>	<b>24,544,680</b>	<b>119,615,146</b>
Expected credit loss on the new facilities during the year	15,206,264	1,378,746	1,869,913	1,771,520	20,226,443
Expected credit loss recovered from settled facilities	(2,468,642)	(743,819)	(998,309)	(539,618)	(4,750,388)
Transferred (from) to stage 1	535,206	216,432	1,458,945	1,244,730	3,455,313
Transferred (from) to stage 2	9,471,589	2,306,160	215,874	(883,802)	11,109,821
Transferred (from) to stage 3	(10,006,794)	(2,522,593)	(1,674,819)	(360,928)	(14,565,134)
Impact on ending balance provision due to change in staging classification	(9,009,683)	116,363	3,018,989	1,181,904	(4,692,427)
Adjustments	14,028,284	905,809	(9,431,803)	(5,186,083)	316,207
Written off facilities	-	(876,921)	(779,359)	(26,968)	(1,683,248)
<b>Balance at the end of the year</b>	<b>55,333,502</b>	<b>17,440,531</b>	<b>34,512,265</b>	<b>21,745,435</b>	<b>129,031,733</b>

**Reallocated:**

Individual level provision	55,333,502	15,077,956	10,190,840	8,247,520	88,849,818
Collective level provision	-	2,362,575	24,321,425	13,497,915	40,181,915



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**Cumulative movement on the expected credit loss for direct facilities (sales receivables, other receivables, financing and Al-Qard Al-Hasan)**

	As of 31 March 2023 (Reviewed and Unaudited)					As of 31 December 2022 (Audited)	
	Stage 1		Stage 2		Stage 3	Total	Total
	Individual	Collective	Individual	Collective			
	JD	JD	JD	JD	JD	JD	
Balance at the beginning of the period/ year	2,471,972	13,493,041	31,454,763	3,595,985	78,015,972	129,031,733	119,615,146
Impairment loss on new exposures	797,475	196,506	899,584	241,140	-	2,134,705	20,226,442
Recovered from impairment loss on settled exposures	(21,793)	(63,887)	(15,171)	(193,695)	(449,382)	(743,928)	(4,750,388)
Transferred (from) to stage 1	396,155	1,237,633	(186,649)	(762,664)	(684,475)	-	-
Transferred (from) to stage 2	(208,569)	(39,519)	2,024,859	650,450	(2,427,221)	-	-
Transferred (from) to stage 3	(136,255)	(2,248)	(22,857)	(511,414)	672,774	-	-
Impact on impairment loss due to change in staging classification	(296,722)	(1,210,716)	(1,763,934)	324,880	2,849,981	(96,511)	(4,692,426)
Impact on provision due to adjustment	(477,035)	(447,188)	(963,136)	(332,173)	(713,755)	(2,933,287)	316,207
Impairment loss on written off exposures	-	-	-	-	-	-	(1,683,248)
<b>Balance at the end of the period / year</b>	<b>2,525,228</b>	<b>13,163,622</b>	<b>31,427,459</b>	<b>3,012,509</b>	<b>77,263,894</b>	<b>127,392,712</b>	<b>129,031,733</b>

**(11) Financial Assets at Fair Value Through Income Statement – Self Financed**

	31 March 2023	31 December 2022
	JD	JD
	(Reviewed and Unaudited)	(Audited)
<b>Quoted financial assets</b>		
Companies shares	44,248	47,359
<b>Total financial assets at fair value through income statement – self financed</b>	<b>44,248</b>	<b>47,359</b>

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**(12) Financial Assets at Fair Value Through Owner's Equity – Self Financed**

	31 March 2023	31 December 2022
	JD	JD
	(Reviewed and Unaudited)	(Audited)
<b>Quoted financial assets</b>		
Companies shares	5,043,741	4,673,901
<b>Total financial assets – quoted</b>	<b>5,043,741</b>	<b>4,673,901</b>
<b>Unquoted financial assets</b>		
Companies shares	2,419,403	2,419,486
Al Wakala Bi Al Istithmar (investment portfolio)	10,915,422	10,915,422
<b>Total financial assets - unquoted</b>	<b>13,334,825</b>	<b>13,334,908</b>
<b>Total financial assets at fair value through owner's equity – self financed</b>	<b>18,378,566</b>	<b>18,008,809</b>

**(13) Financial Assets at Fair Value Through Joint Investment Account Holder's Equity**

	31 March 2023	31 December 2022
	JD	JD
	(Reviewed and Unaudited)	(Audited)
<b>Quoted financial assets:</b>		
Companies shares	15,490,032	19,179,595
<b>Total quoted financial assets</b>	<b>15,490,032</b>	<b>19,179,595</b>
<b>Unquoted financial assets:</b>		
Companies shares	13,370,419	13,399,274
Al Wakala Bi Al Istithmar (investment portfolio )	1,291,047	1,291,047
<b>Total unquoted financial assets</b>	<b>14,661,466</b>	<b>14,690,321</b>
<b>Total financial assets at fair value through the investment accounts holders' equity</b>	<b>30,151,498</b>	<b>33,869,916</b>

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**(14) Financial Assets at Amortized Cost**

	31 March 2023	31 December 2022
	JD (Reviewed and Unaudited)	JD (Audited)
<b>Quoted financial assets</b>		
Islamic Sukuk	12,762,000	12,762,000
Expected credit losses provision	(98,092)	(105,654)
<b>Net quoted financial assets</b>	<b>12,663,908</b>	<b>12,656,346</b>
<b>Unquoted financial assets at amortized cost</b>		
Islamic Sukuk	360,223,689	376,430,472
Islamic banks portfolio	8,118,090	9,314,458
<b>Total unquoted financial assets</b>	<b>368,341,779</b>	<b>385,744,930</b>
Expected credit losses provision	(1,959,191)	(2,039,364)
<b>Net unquoted financial assets</b>	<b>366,382,588</b>	<b>383,705,566</b>
<b>Total Financial Assets at amortized cost</b>	<b>379,046,496</b>	<b>396,361,912</b>

Islamic Sukuk rate of return in JD ranges between 3.55% - 5.47% payable on a semi-annual basis, with a maturity of less than 4 years.

Islamic Sukuk rate of return in US Dollars Long run ranges between 6.87% - 9.37% payable on a semi annual basis, with a maturity of less than 3 years.

Short term Islamic Sukuk rate of return in US Dollars Short run ranges between 4,90% - 5,78%,with a maturity of 3 to 6 months.

**A. Cumulative movement on financial assets at amortized cost:**

**As of 31 March 2023 (Reviewed and Unaudited):**

	Stage 1 Individual JD	Stage 2 Individual JD	Stage 3 JD	Total JD
<b>Balance at the beginning of the period</b>	<b>393,671,885</b>	<b>3,016,672</b>	<b>1,818,373</b>	<b>398,506,930</b>
New investments during the period	3,853,332	-	-	3,853,332
Matured investments	(20,366,811)	(889,672)	-	(21,256,483)
<b>Balance at the end of the period</b>	<b>377,158,406</b>	<b>2,127,000</b>	<b>1,818,373</b>	<b>381,103,779</b>

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**As of 31 December 2022 (Audited):**

	Stage 1	Stage 2		
	Individual	Individual	Stage 3	Total
	JD	JD	JD	JD
<b>Balance at the beginning of the year</b>	<b>268,622,313</b>	-	<b>1,818,373</b>	<b>270,440,686</b>
New investments during the year	180,555,181	3,016,672	-	183,571,853
Matured investments	(55,505,609)	-	-	(55,505,609)
<b>Balance at the end of the year</b>	<b>393,671,885</b>	<b>3,016,672</b>	<b>1,818,373</b>	<b>398,506,930</b>

**B. Cumulative movement on the expected credit loss:**

**As of 31 March 2023 (Reviewed and Unaudited):**

	Stage 1	Stage 2		
	Individual	Individual	Stage 3	Total
	JD	JD	JD	JD
<b>Balance at the beginning of the period</b>	<b>142,555</b>	<b>184,090</b>	<b>1,818,373</b>	<b>2,145,018</b>
Expected credit loss on new investments during the period	5,235	-	-	5,235
Adjustments	(31,152)	(61,818)	-	(92,970)
<b>Balance at the end of the period</b>	<b>116,638</b>	<b>122,272</b>	<b>1,818,373</b>	<b>2,057,283</b>

**As of 31 December 2022 (Audited):**

	Stage 1	Stage 2		
	Individual	Individual	Stage 3	Total
	JD	JD	JD	JD
<b>Balance at the beginning of the year</b>	<b>170,264</b>	-	<b>1,818,373</b>	<b>1,988,637</b>
Expected credit loss on new investments during the year	36,782	184,090	-	220,872
Expected credit loss recovered from matured investments	(7,905)	-	-	(7,905)
Adjustments	(56,586)	-	-	(56,586)
<b>Balance at the end of the year</b>	<b>142,555</b>	<b>184,090</b>	<b>1,818,373</b>	<b>2,145,018</b>

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**(15) Investments in associates**

This item consists of the following:

Company Name	Country of incorporation	Percentage of ownership	Nature of activity	Acquisition date	Joint			
					Cost		Value under equity method	
					31 March 2023	31 December 2022	31 March 2023	31 December 2022
		%			JD	JD	JD	JD
					(Reviewed and Unaudited)	(Audited)	(Reviewed and Unaudited)	(Audited)
Jordan Center for International Trading Co.	Jordan	28.4	Commercial	1983	1,070,507	1,070,507	1,552,661	1,554,240
Islamic Insurance Co.	Jordan	33.3	Insurance	1995	4,625,908	4,625,908	7,785,032	7,782,690
<b>Total associates</b>					<b>5,696,415</b>	<b>5,696,415</b>	<b>9,337,693</b>	<b>9,336,930</b>

Investments in associates are measured using equity method. Fair value of these investments as at 31 March 2023 amounted to JD 7,895,330 compared to JD 8,153,270 as at 31 December 2022.

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**(16) Investments in Real Estate**

	Joint	
	31 March 2023	31 December 2022
	JD	JD
	(Reviewed and Unaudited)	(Audited)
Investments in real estate *	111,979,938	113,696,192
<b>Total</b>	<b>111,979,938</b>	<b>113,696,192</b>

\* Investments in real estate are presented at fair value, with a book value (cost) of JD 108,397,894 as at 31 March 2023 compared to JD 109,407,879 as at 31 December 2022.

- Movements on investments in real estate were as follow:

	31 March 2023 (Reviewed and Unaudited)		
	Lands	Buildings	Total
	JD	JD	JD
Balance at the beginning of the period	67,225,609	46,470,583	113,696,192
Disposals	(1,716,254)	-	(1,716,254)
<b>Net Investments in real estate at the end of the period</b>	<b>65,509,355</b>	<b>46,470,583</b>	<b>111,979,938</b>

	31 December 2022 (Audited)		
	Lands	Buildings	Total
	JD	JD	JD
Balance at the beginning of the year	70,771,125	48,252,521	119,023,646
Disposals *	(5,230,892)	(300,081)	(5,530,973)
Revaluation difference	1,685,376	(1,481,857)	203,519
<b>Net Investments in real estate at the end of the year</b>	<b>67,225,609</b>	<b>46,470,583</b>	<b>113,696,192</b>

- The fair value of real estate investments is based on the average of the valuations made by independent appraisers who have the professional qualifications and experience to evaluate the location and type of properties subject to appraisal as on 31 March 2023 and 31 December 2022. The fair value was determined based on recent market transactions as well as independent appraisers' information and professional judgments.

\* On 22 December 2022, one of the lands was transferred from investments in real estate (joint investment accounts) to the bank's self-assets, due to the bank's desire to use it for the purpose of establishing an electricity generation plant to serve its branches, where the approval of the Real Estate Investment Committee was obtained to sell the property based on the average real estate estimates of three accredited real estate valuers amounted to 240,373 JD, and the book value of the property at the date of the transfer amounted to 134,020 JD, and as a result of this transfer, a profit for joint investment account holders amounted to 106,354 JD. There was no fundamental change in the value of these assets at the beginning and end of the financial period. These assets are indivisible and did not result in any differences in foreign currency, and the prior approval of the Central Bank of Jordan was taken according to the instructions.

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**(17) Other Assets**

	31 March 2023	31 December 2022
	JD (Reviewed and Unaudited)	JD (Audited)
Accrued revenues	4,175,933	2,692,593
Prepaid expenses	8,254,457	367,939
Temporary debit accounts	9,021,762	7,965,934
Stationery and publications	537,630	627,479
Stamps	91,649	69,322
Credit card accounts	6,726,213	8,352,247
Settlement guarantee fund deposits	25,000	25,000
Refundable deposits	353,671	351,980
Repossessed assets - net *	42,042,254	42,820,248
Others	46,296	66,209
<b>Total</b>	<b>71,274,865</b>	<b>63,338,951</b>

\* Movment on the repossessed assets to meet outstanding debts was as follow:

	31 March 2023	31 December 2022
	JD (Reviewed and Unaudited)	JD (Audited)
<b>Beginning balance for the period / year</b>	<b>45,056,818</b>	<b>37,378,971</b>
Additions	327,111	12,719,324
Disposals	(1,158,265)	(5,041,477)
<b>Ending balance for the period / year</b>	<b>44,225,664</b>	<b>45,056,818</b>
Provision for acquired assets **	(609,689)	(612,731)
provision for impairment in acquired assets	(1,573,721)	(1,623,839)
<b>Total</b>	<b>42,042,254</b>	<b>42,820,248</b>

\*\* A provision was calculated against the infringement repossessed real estate at the rate of 5% of the total book values of those real estate during the year 2022, and according to the Central Bank of Jordan Circular No. (10/3/16234) dated 10 October 2022, the calculation of the impairment provision for the infringement repossessed real estate was stopped and the balance was released existing allowance against any of the infringing repossessed real estate that is disposed off.

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**(18) Customers' Current and on Demand Accounts**

	31 March 2023 (Reviewed and Unaudited)				
	Retail	Large corporates	Small and Medium Enterprises	Government and public sector	Total
	JD	JD	JD	JD	JD
Current accounts	789,675,053	24,231,899	249,786,997	33,613,170	1,097,307,119
On demand accounts	257,627,471	1,025,659	1,110,926	333	259,764,389
<b>Total</b>	<b>1,047,302,524</b>	<b>25,257,558</b>	<b>250,897,923</b>	<b>33,613,503</b>	<b>1,357,071,508</b>

	31 December 2022 (Audited)				
	Retail	Large corporates	Small and Medium Enterprises	Government and public sector	Total
	JD	JD	JD	JD	JD
Current accounts	820,449,773	19,207,829	257,806,231	28,203,834	1,125,667,667
On demand accounts	262,423,818	919,321	994,789	-	264,337,928
<b>Total</b>	<b>1,082,873,591</b>	<b>20,127,150</b>	<b>258,801,020</b>	<b>28,203,834</b>	<b>1,390,005,595</b>

Government and public sector deposits inside the Kingdom amounted to JD 33,613,503 representing 2,48% of the total customers' current and on demand accounts as at 31 March 2023 compared to JD 28,203,834 representing 2,03% as at 31 December 2022.

Dormant accounts amounted to JD 13,659,037 as of 31 March 2023 compared to JD 14,229,016 as of 31 December 2022.

The restricted accounts amounted to JD 6,961,849 representing 0,51% of the total customers' current and on demand accounts as of 31 March 2023 compared to JD 7,153,085 representing 0,51% as of 31 December 2022 of the total customers' current and on demand accounts.

**(19) Other provisions**

This item consists of the following:

	31 March 2023 (Reviewed and Unaudited)				
	Beginning Balance	Appropriated during the year	Transferred to (from) during the year	Utilized during the year	Ending Balance
	JD	JD	JD	JD	JD
End of service indemnity provision	5,200,000	-	-	(135,103)	5,064,897
Legal case held against bank provision	75,000	-	-	-	75,000
Employees' vacation provision	3,800,000	-	-	-	3,800,000
Contingencies provision – Joint contingencies provision - Self	736,810	-	(279,412)	-	457,398
	5,842,350	-	(331,774)	-	5,510,576
<b>Total</b>	<b>15,654,160</b>	<b>-</b>	<b>(611,186)</b>	<b>(135,103)</b>	<b>14,907,871</b>



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	31 December 2022 (Audited)				
	Beginning	Appropriated	Transferred to	Utilized	Ending
	Balance	during the	(from) during	during	Balance
	JD	year	the year	the year	JD
End of service indemnity provision	4,350,000	850,000	-	-	5,200,000
Legal cases held against bank provision	75,000	-	-	-	75,000
Employees' vacation provision	3,600,000	200,000	-	-	3,800,000
Contingencies provision – Joint	2,132,047	-	(1,395,237)	-	736,810
Contingencies provision – Self	6,403,296	-	(560,946)	-	5,842,350
<b>Total</b>	<b>16,560,343</b>	<b>1,050,000</b>	<b>(1,956,183)</b>	<b>-</b>	<b>15,654,160</b>

**(20) Income Tax Provision**

**A- Bank's Income Tax Provision:**

Movements on the Bank's income tax provision were as follows:

	31 March 2023	31 December 2022
	JD	JD
	(Reviewed and Unaudited)	(Audited)
<b>Beginning balance for the period / year</b>	<b>31,300,247</b>	<b>32,652,979</b>
Income tax paid	(6,487,057)	(28,749,724)
Income tax expense	7,374,495	35,180,593
Income tax paid in advance for the year 2022	-	(7,783,601)
<b>Ending balance for the period / year</b>	<b>32,187,685</b>	<b>31,300,247</b>

**B- The income tax expense shown in the interim condensed consolidated Income Statement represents the following:**

	For the Three Months ended	
	31 March	
	2023	2022
	JD	JD
	(Reviewed and Unaudited)	(Reviewed and Unaudited)
Income tax for the period	7,374,495	8,911,200
<b>Total</b>	<b>7,374,495</b>	<b>8,911,200</b>

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Income tax was calculated in accordance with Income Tax Law No. (38) of 2018 and its amendments, to become 35% income tax in addition to 3% national contribution, a total of 38% for the Bank.

The Bank reached a final settlement up to end of 2020 and the Bank submitted the income tax declarations for the years 2021, but the Income and Sales Tax Department has not reviewed the records up to the date these of financial statements.

There are no pending cases concerning the bank with the Income Tax Court, and in the opinion of the bank's administration and its tax consultant, the tax allocations taken are sufficient as of 31 March 2023.

**Subsidiaries :**

**Al Samaha Financing and Investment Company Ltd:**

The Company reached a final income tax settlement up to 2018 and the Company submitted the income tax declarations for the years 2019, 2020, 2021 and 2022 but the Income and Sales Tax Department has not reviewed the records up to the date of this financial statement.

**Sanabel Al-Khair for financial investment Company Ltd:**

The Company reached a final income tax settlement up to 2020 and the Company submitted the income tax declarations for the year 2021,2022 but the Income and Sales Tax Department has not reviewed the records up to the date of this financial statement.

**Omaryeh School Company Ltd:**

The Company reached a final income tax settlement up to 2018 and the Company submitted the income tax declarations for the years 2019, 2020 and 2021, but the Income and Sales Tax Department has not reviewed the records up to the date of this financial statement.

**Future Applied Computer Technology Company Ltd:**

The Company reached a final settlement with the income tax department up to end of the year 2020 and the Company submitted the income tax declarations for the year 2021 but the Income and Sales Tax Department has not reviewed the records up to the date these of financial statements.

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**(21) Other Liabilities**

	31 March 2023	31 December 2022
	JD (Reviewed and Unaudited)	JD (Audited)
Accepted cheques	455,765	632,593
Revenues received in advance	979,731	1,489,248
Al Qard Al Hasan Fund	2,488,029	2,522,980
Temporary deposits	1,502,787	1,342,299
Other credit balances	2,615,681	1,576,988
Cheques against notes payables	5,984,946	5,704,024
Term deposit profits	16,761,821	-
Banker's cheques	7,973,850	6,823,072
Accounts payable	1,822,461	1,270,121
Collection bills	2,444,131	3,569,151
Cards limits - prepaid	6,651,939	6,147,168
Others	3,529,373	2,291,665
<b>Total</b>	<b>53,210,514</b>	<b>33,369,309</b>

**(22) Unrestricted Investment Accounts**

**A- This item consists of the following:**

	31 March 2023 (Reviewed and Unaudited)					
	Retail	Large corporates	Small and Medium Enterprises	Government and public sector	Banks	Total
	JD	JD	JD	JD	JD	JD
Saving accounts	618,111,699	2,019,672	9,375,019	277	23,253,555	652,760,222
Notice accounts	7,979,801	-	3,226,201	659,077	9,976,205	21,841,284
Term accounts	2,165,439,149	61,310,783	199,777,625	169,826,934	30,000,000	2,626,354,491
<b>Total</b>	<b>2,791,530,649</b>	<b>63,330,455</b>	<b>212,378,845</b>	<b>170,486,288</b>	<b>63,229,760</b>	<b>3,300,955,997</b>
Depositors' share from Investment returns	16,925,152	383,975	1,296,100	1,033,665	202,105	19,840,997
<b>Total unrestricted investment accounts</b>	<b>2,808,455,801</b>	<b>63,714,430</b>	<b>213,674,945</b>	<b>171,519,953</b>	<b>63,431,865</b>	<b>3,320,796,994</b>
	31 December 2022 (Audited)					
	Retail	Large corporates	Small and Medium Enterprises	Government and public sector	Banks	Total
	JD	JD	JD	JD	JD	JD
Saving accounts	634,656,330	580,959	8,099,703	278	24,204,359	667,541,629
Notice accounts	8,818,494	-	4,163,348	641,666	8,045,265	21,668,773
Term accounts	2,107,740,965	60,016,758	191,594,253	172,390,043	30,000,000	2,561,742,019
<b>Total</b>	<b>2,751,215,789</b>	<b>60,597,717</b>	<b>203,857,304</b>	<b>173,031,987</b>	<b>62,249,624</b>	<b>3,250,952,421</b>
Depositors' share from Investment returns	66,190,642	2,167,236	6,338,253	6,670,997	756,495	82,123,623
<b>Total unrestricted investment accounts</b>	<b>2,817,406,431</b>	<b>62,764,953</b>	<b>210,195,557</b>	<b>179,702,984</b>	<b>63,006,119</b>	<b>3,333,076,044</b>

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Unrestricted investment accounts share of profits is calculated as follows:

- 40% of the annual average balance of saving accounts.
- 70% of the annual average balance of notice accounts.
- 90% of the minimum balance of term accounts.

Unrestricted investment accounts (Government of Jordan and Public Sector) inside the Kingdom amounted to JD 171,519,953 representing 5,17% of the total unrestricted investment accounts as at 31 March 2023 compared to JD 179,702,984 representing 5,39% as at 31 December 2022.

Dormant accounts amounted to JD 39,605,246 as at 31 March 2023 compared to JD 42,388,562 as at 31 December 2022.

The withdrawal restricted investment accounts amounted to JD 6,946,017 representing 0.21% of the total unrestricted investment accounts as at 31 March 2023 compared to JD 4,536,979 representing 0,14% as at 31 December 2022.

The balance of the mutual insurance fund included in the unrestricted investment accounts amounted to 51,484,965 JD as of 31 March 2023 (2022: 54,352,361JD) (Note 24-B).

**B- Investment accounts holders' reserve and non- controlling interest – in subsidiaries and associates**

	Joint	
	31 March 2023	31 December 2022
	JD	JD
	(Reviewed and Unaudited)	(Audited)
Investment accounts holders' reserve – Subsidiaries	10,606,852	11,301,692
Investment accounts holders' reserve – Associates	3,641,278	3,640,515
<b>Total</b>	<b>14,248,130</b>	<b>14,942,207</b>
<b>Non-Controlling Interests- Investment accounts holders</b>	<b>38,403</b>	<b>38,956</b>

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**(23) Fair Value Reserve - Net**

**A- Joint**

	Joint	
	31 March 2023	31 December 2022
	JD	JD
	(Reviewed and Unaudited)	(Audited)
Financial assets at fair value through joint investment accounts holders' equity reserve	(4,244,810)	(1,947,742)
Investments in real estate reserve	2,220,867	2,658,754
<b>Total</b>	<b>(2,023,943)</b>	<b>711,012</b>

**B- Self**

	Self	
	31 March 2023	31 December 2022
	JD	JD
	(Reviewed and Unaudited)	(Audited)
Financial assets reserve at fair value through owner's equity – self	3,160,330	2,928,070
<b>Total</b>	<b>3,160,330</b>	<b>2,928,070</b>

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**C- Movements on the fair value reserve\ joint investment accounts holders' equity were as follows:**

	31 March 2023 (Reviewed and Unaudited)		
	Financial		
	assets at fair	Investments in	Total
	value	real estate	
	JD	JD	JD
<b>Balance at the beginning of the period *</b>	(3,141,520)	4,288,313	1,146,793
Unrealized losses	(3,704,948)	(146,418)	(3,851,366)
Deferred tax assets (liabilities)	2,601,658	(1,361,177)	1,240,481
Profits transferred to the consolidated income statement	-	(559,851)	(559,851)
<b>Balance at the end of the period</b>	<b>(4,244,810)</b>	<b>2,220,867</b>	<b>(2,023,943)</b>

	31 December 2022 (Audited)		
	Financial		
	assets at fair	Investments in	Total
	value	real estate	
	JD	JD	JD
<b>Balance at the beginning of the year</b>	(2,968,345)	6,284,657	3,316,312
Unrealized (losses) profits	(173,175)	1,261,242	1,088,067
Deferred tax assets (liabilities)	1,193,778	(1,629,559)	(435,781)
Profits transferred to the consolidated income statement	-	(3,257,586)	(3,257,586)
<b>Balance at the end of the year</b>	<b>(1,947,742)</b>	<b>2,658,754</b>	<b>711,012</b>

\* The fair value reserve beginning balance includes the prior year deferred tax liabilities of JD 435,781 .

**D- Movements on the fair value reserve / owner's equity (shareholders' equity) were as follows:**

	Financial assets at fair value	
	31 March	31 December
	2023	2022
	JD	JD
	(Reviewed and Unaudited)	(Audited)
<b>Beginning Balance for the period / year *</b>	4,722,693	4,951,340
Unrealized (losses) profits	379,908	(228,647)
Deferred tax liabilities	(1,936,976)	(1,794,623)
Profits transferred to retained earning	(5,295)	-
<b>Ending Balance for the period / year</b>	<b>3,160,330</b>	<b>2,928,070</b>

\* The fair value reserve beginning balance includes the prior year deferred tax liabilities of JD 1,794,623.

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**(24) Provision for future expected risks**

**A. Movements on a provision for future expected risks were as follows:**

	31 March 2023	31 December 2022
	JD (Reviewed and Unaudited)	JD (Audited)
Beginning balance for the period / year	15,155,371	25,000,000
Transfers to provision for expected credit loss- joint	-	(9,844,629)
<b>Ending balance for the period / year</b>	<b>15,155,371</b>	<b>15,155,371</b>

**B. Mutual Insurance Fund**

Movements on the Mutual Insurance Fund were as follows:

	31 March 2023	31 December 2022
	JD (Reviewed and Unaudited)	JD (Audited)
<b>Beginning balance for the period / year</b>	54,352,361	50,448,766
Add: profits for the years 2022 and 2021	1,470,391	1,155,864
Add: insurance premiums collected during the period / year	2,954,501	10,508,047
Add: amounts recovered from prior years losses	49,705	213,330
Less: insurance premiums paid during the period / year	(7,060,355)	(6,357,548)
Less: advance tax payments for the year 2022	(264,855)	-
Less: tax payment for the year 2021	-	(1,104,317)
Less: fund's committee members remunerations	(16,783)	(16,000)
Less: consulting fees during the period / year	-	(1,740)
Less: losses written off during the period / year	-	(494,041)
<b>Ending balance for the period / year</b>	<b>51,484,965</b>	<b>54,352,361</b>

The mutual insurance fund was established based on Article (54) - paragraph (D/3) of the Banks Law No. (28) for the year 2000.

Prior approval of the Central Bank of Jordan must be obtained in case of any changes to the mutual insurance fund policies.

In case of discontinuing the mutual insurance fund for any reason, the Board of Directors shall determine the way of spending the fund's sources for charity.

The Central Bank of Jordan approved considering the Mutual Insurance Fund as mitigating risk exposure according to its letter No. (10/1/12160) dated 9 October 2014.

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Compensation payment for the subscriber is made from the Fund as determined by the Bank from the subscriber's outstanding debt insured in Murabaha or in any other form of deferred sales or as determined by the Bank from the debt and/or the remaining amount from the Ijarah asset in the following cases:

- Death of subscriber.
- The subscriber's physical disability, fully or partially
- The subscriber's insolvency due to lack of income sources for at least one year, without having an asset or possessing the leased estate to settle his debt and has no opportunity to obtain income source in the upcoming year that enable the debtor to settle his debt or to continue in the finance lease and based on the bank's decision about it.

As of the beginning of 2018, the group has applied the accrual basis instead of cash basis with regards to insurance premiums received from subscribers, additionally, it was approved to increase the ceiling of coverage to become JD 150 thousand .

Mutual insurance fund covers financing granted by the Bank (financing granted from joint investment accounts and Al Wakala Bi Al Istithmar accounts (Investments Portfolio)).

The balance of the mutual insurance fund is included within the unrestricted investment accounts(Note 22).

**C. Provision for expected credit losses - Deferred sales receivables and other receivables –joint (Note 8)**

	31 March 2023	31 December 2022
	JD	JD
	(Reviewed and Unaudited)	(Audited)
Provision for expected credit loss - Bank	120,766,134	120,329,949
Expected credit loss provision for Al Samaha Funding and Investment Company Ltd.	824,865	824,865
Expected credit loss provision for Al Omariah Schools Company Ltd.	1,054,439	1,054,439
<b>Total</b>	<b><u>122,645,438</u></b>	<b><u>122,209,253</u></b>



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**D. Movement on the provision for expected credit losses and the Impairment provision - joint:**

	31 March 2023	31 December 2022
	JD	JD
	(Reviewed and Unaudited)	(Audited)
<b>Beginning balance for the period / year</b>	<b>127,947,727</b>	<b>119,661,999</b>
Transferred from provision of expected future risk (Note 24(A))	-	9,844,629
Provision from subsidiaries	-	6,113
Write-offs	-	(1,565,014)
Others	(354)	-
<b>Ending balance for the period / year</b>	<b>127,947,373</b>	<b>127,947,727</b>

**(25) Deferred Sales Revenues**

	Joint	
	For the Three Months ended on 31 March	
	2023	2022
	JD	JD
	(Reviewed and Unaudited)	(Reviewed and Unaudited)
<b>Individuals (Retail):</b>		
Murabaha to the purchase orderer	12,370,358	11,379,560
Deferred sales	234,663	235,208
Ijarah Mawsoofa Bil Thimma	158,742	140,792
Istisna'a	3,445	4,037
<b>Real Estate Financing</b>	<b>7,178,407</b>	<b>7,477,516</b>
<b>Large Corporate:</b>		
International Murabaha	102,238	55,196
Murabaha to the purchase orderer	5,408,717	4,657,548
Istisna'a	279,623	348,769
<b>Small and Medium Enterprises:</b>		
Murabaha to the purchase orderer	2,319,943	2,061,091
Deferred sales	188	162
Ijarah Mawsoofa Bil Thimma	6,003	488
Istisna'a	3,467	9,142
<b>Government and public sector</b>	<b>9,799,156</b>	<b>10,652,489</b>
<b>Total</b>	<b>37,864,950</b>	<b>37,021,998</b>

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**(26) Financing Revenues**

	Joint		Self		Total	
	For the Three Months ended on 31 March		For the Three Months ended on 31 March		For the Three Months ended on 31 March	
	2023	2022	2023	2022	2023	2022
	JD	JD	JD	JD	JD	JD
	(Reviewed and Unaudited)	(Reviewed and Unaudited)	(Reviewed and Unaudited)	(Reviewed and Unaudited)	(Reviewed and Unaudited)	(Reviewed and Unaudited)
<b>Individuals (Retail):</b>						
Diminishing Musharaka	154,315	134,423	823	2,602	155,138	137,025
<b>Total</b>	<b>154,315</b>	<b>134,423</b>	<b>823</b>	<b>2,602</b>	<b>155,138</b>	<b>137,025</b>

**(27) Gain from Financial Assets at Fair Value Through Joint Investment Accounts Holders' Equity**

	Joint	
	For the Three Months ended on 31 March	
	2023	2023
	JD	JD
	(Reviewed and Unaudited)	(Reviewed and Unaudited)
Dividends distribution income	535,141	395,719
<b>Total</b>	<b>535,141</b>	<b>395,719</b>

**(28) Gain from Financial Assets at Amortized Cost**

	Joint	
	For the Three Months ended on 31 March	
	2023	2023
	JD	JD
	(Reviewed and Unaudited)	(Reviewed and Unaudited)
Islamic Sukuk	6,022,901	3,710,367
Islamic banks portfolio revenues	64,998	95,853
<b>Total</b>	<b>6,087,899</b>	<b>3,806,220</b>

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**(29) Revenues from subsidiaries and associates**

	Ownership percentage	Distribution percentage	Joint	
			For the Three Months ended on 31 March	
			2023	2022
			JD (Reviewed and Unaudited)	JD (Reviewed and Unaudited)
<b>Subsidiaries</b>				
Al Samaha Financing and Investment Company Ltd.	100	5.0	600,000	600,000
<b>Associates</b>				
Islamic Insurance Co.	33.3	8.0	-	400,000
<b>Total</b>			<b>600,000</b>	<b>1,000,000</b>

**(30) Revenue from Investments in Real Estate**

	Joint	
	For the Three Months ended on 31 March	
	2023	2022
	JD (Reviewed and Unaudited)	JD (Reviewed and Unaudited)
Total rent income from investments in real estate	73,871	148,261
Net sale Income from investing in real estate	559,851	2,276,522
<b>Revenues from investments in real estate</b>	<b>633,722</b>	<b>2,424,783</b>

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**(31) Share of Unrestricted Investment Accounts Holders**

	For the Three Months ended on 31 March	
	2023	2022
	JD	JD
	(Reviewed and Unaudited)	(Reviewed and Unaudited)
<b>Banks and Financial Institutions</b>	202,105	197,048
<b>Customers:</b>		
Saving Accounts	1,865,670	1,715,314
Notice Accounts	63,276	61,118
Term Accounts	17,709,946	14,911,121
<b>Total</b>	<b>19,840,997</b>	<b>16,884,601</b>

**(32) Bank's Share of the Joint Investment Accounts Revenues as Mudarib and Rab-Mal**

	For the Three Months ended on 31 March	
	2023	2022
	JD	JD
	(Reviewed and Unaudited)	(Reviewed and Unaudited)
Bank's share as Mudarib	22,894,845	26,455,480
Bank's share as Rab Mal	14,914,815	12,464,049
<b>Total</b>	<b>37,809,660</b>	<b>38,919,529</b>

**(33) Bank's Self financed Revenue**

	For the Three Months ended on 31 March	
	2023	2023
	JD	JD
	(Reviewed and Unaudited)	(Reviewed and Unaudited)
Financing revenues – Note (26)	823	2,602
Dividend from financial assets at the fair value through owner's equity	6,902	5,723
Gain from financial assets at fair value through consolidated income statement	3,721	-
<b>Total</b>	<b>11,446</b>	<b>8,325</b>

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**(34) Basic Earnings Per Share (EPS)**

	For the Three Months Ended on 31 March	
	2023	2022
	Reviewed) and Unaudited)	Reviewed) and Unaudited)
Profit for the period after income tax (JD)	15,112,942	15,109,793
Weighted average number of shares (share)	200,000,000	200,000,000
<b>Basic earnings per share (JD/Fils)</b>	<b>0/076</b>	<b>0/076</b>

- The bank has not issued any new shares or convertible financial instruments that may lead to a reduced share.

**(35) Cash and Cash Equivalents**

This item consists of the following:

	For the Three Months Ended on 31 March	
	2023	2023
	JD	JD
	Reviewed) and Unaudited)	Reviewed) and Unaudited)
Cash and balances with Central Banks maturing within 3 months *	660,358,058	914,704,463
Add: Balances at banks and financial institutions maturing within 3 months	87,191,106	54,800,961
Less: Balances at banks and financial institutions maturing within 3 months	(26,489,502)	(53,917,846)
<b>Total</b>	<b>721,059,662</b>	<b>915,587,578</b>

\* It includes statutory cash reserve (Note 4)

**(36) Related Parties Transactions**

**A. The interim condensed consolidated financial statements include the financial statements of the Bank and the following subsidiaries:**

Company Name	Ownership	Paid-in Capital	
		31 March 2023	31 December 2022
		JD	JD
		(Reviewed and Unaudited)	(Audited)
Al Omariah Schools Company Ltd.	99.8%	16,000,000	16,000,000
Al Samaha Financing and Investment Company Ltd.	100%	12,000,000	12,000,000
Future Applied Computer Technology Company Ltd.	100%	5,000,000	5,000,000
Sanabel Al-Khair for Financial Investments Company Ltd.	100%	5,000,000	5,000,000

The Bank entered into transactions with the shareholders, subsidiaries, associates, major shareholders, board members and senior executive management within the Bank's ordinary course of business using normal Murabaha rates and commercial commissions. All deferred sales receivables, financing and Ijarah Muntahia Bittamleek granted to related parties are considered performing and within the first stage.

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**B. Below is a summary of transactions with related parties:**

	Related parties				Total	
	Parent Company	Associates	Subsidiaries	Board members and Senior Executive management	31 March 2023	31 December 2022
	JD	JD	JD	JD	JD	JD
<b>Interim condensed consolidated statement of financial position items:</b>						
Deferred sales receivables	-	1,281,761	1,864,300	10,372,363	<b>13,518,424</b>	<b>12,580,475</b>
Financing of employees housing/ Musharaka	-	-	-	1,407,427	<b>1,407,427</b>	<b>825,476</b>
Deposits	119,653	13,267,960	2,849,665	2,002,619	<b>18,239,897</b>	<b>13,282,615</b>
<b>Off consolidated statement of financial position items:</b>						
Guarantees and Letters of credit	-	101,000	523,500	3,217,569	<b>3,842,069</b>	<b>4,096,534</b>
					For the Three Months Ended on 31 March	
					2023	2022
					JD	JD
					(Reviewed and Unaudited)	(Reviewed and Unaudited)
<b>Consolidated income statement items:</b>						
Paid expenses	-	3,172,709	65,296	1,243,267	<b>4,481,272</b>	<b>2,737,264</b>
Received revenues	7	27,362	22,327	151,992	<b>201,688</b>	<b>200,497</b>
Paid Profits	-	189,497	31,582	16,263	<b>237,342</b>	<b>128,514</b>

- Murabaha rate on granted financing ranged between 3% - 4.75% annually as at 31 March 2023 (2022: 3% - 4.75%).
- Musharaka profit rate of financing granted to the employees ranged between 2% - 4.8% annually as at 31 March 2023 (2022: 2% - 4.8%).
- Guarantees commission rate ranged between 1% - 4% annually as at 31 March 2023 (2022: 1% - 4%). Letters of credit commission rate ranged between (1/4% - 3/8%) quarterly as 31 March 2023 (2022: 1/4% - 3/8% quarterly).
- Individual and corporate deposits revenue is equals to the percentage of revenue for related parties deposits.

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**C. Summary of the Bank's senior executive management benefits (salaries, remuneration and other benefits) were as follows:**

	For the Three Months Ended on 31 March	
	2023	2022
	JD	JD
	(Reviewed and Unaudited)	(Reviewed and Unaudited)
Salaries, remuneration and transportation *	1,065,672	908,695
End of service benefits	33,319	-
<b>Total</b>	<b><u>1,098,991</u></b>	<b><u>908,695</u></b>

\* According to the instructions of corporate governance for banks No.(2/2023) dated 14 February 2023, the salaries of facilities managers, the head of the treasury and the financial institutions of the senior executive management were included.

**(37) Segment Information**

**A. Information about Bank's Activities**

The Bank is organized for administrative purposes based on the reports submitted to the General Manager and the chief decision maker into four main business sectors:

**Retail**

These encompass following up on the unrestricted investment accounts, deferred sales receivables and other financing and banking services related to individuals.

**Corporate Accounts**

These encompass following up on the unrestricted investment accounts, deferred sales receivables and other financing and banking services related to the institutions.

**Investment in Assets**

This includes investing in real estate and leasing.

**Treasury**

This includes trading services and managing the Bank's funds.

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**B. Below is the Bank's business sectors distributed according to its activities:**

	Investment in					Total	
						For the Three Months	
						Ended on 31 March	
						2023	2022
Retail	Corporate	Assets	Treasury	Others	2023	2022	
JD	JD	JD	JD	JD	JD	JD	
					(Reviewed & Unaudited)	(Reviewed & Unaudited)	
Total revenues (Joint and self financed)	35,645,639	21,058,408	1,778,874	8,715,582	20,332	67,218,835	65,520,940
Net income of subsidiaries and share of profit from investments in associates	-	-	563,793	-	-	563,793	818,965
Deposits guarantee fees (Joint and self financed)	(1,361,669)	(800,598)	(67,811)	(332,937)	(777)	(2,563,792)	(2,401,420)
Share of the unrestricted investment accounts and non-controlling interests from the net income of associates	(10,543,871)	(6,720,553)	(563,793)	(2,576,573)	-	(20,404,790)	(17,703,566)
<b>Segment Results</b>	<b>23,740,099</b>	<b>13,537,257</b>	<b>1,711,063</b>	<b>5,806,072</b>	<b>19,555</b>	<b>44,814,046</b>	<b>46,234,919</b>
Allocated expenses	(12,584,759)	(6,247,535)	(591,279)	(2,903,036)	-	(22,326,609)	(22,213,926)
<b>Profit before tax</b>	<b>11,155,340</b>	<b>7,289,722</b>	<b>1,119,784</b>	<b>2,903,036</b>	<b>19,555</b>	<b>22,487,437</b>	<b>24,020,993</b>
Income tax	(2,807,590)	(3,088,047)	(224,686)	(1,248,305)	(5,867)	(7,374,495)	(8,911,200)
<b>Profit after tax</b>	<b>8,347,750</b>	<b>4,201,675</b>	<b>895,098</b>	<b>1,654,731</b>	<b>13,688</b>	<b>15,112,942</b>	<b>15,109,793</b>
						31 March	31 December
						2023	2023
						JD	JD
						(Reviewed & Unaudited)	(Audited)
Segment assets	1,709,052,106	1,338,791,529	1,442,909,353	763,446,486	-	5,254,199,474	5,286,425,762
Investment in associates	-	-	9,337,693	-	-	9,337,693	9,336,930
Unallocated assets	-	-	-	-	175,918,512	175,918,512	167,413,503
<b>Total Assets</b>	<b>1,709,052,106</b>	<b>1,338,791,529</b>	<b>1,452,247,046</b>	<b>763,446,486</b>	<b>175,918,512</b>	<b>5,439,455,679</b>	<b>5,463,176,195</b>
Segment liabilities	3,855,758,325	822,110,177	-	26,489,502	-	4,704,358,004	4,760,186,138
Unallocated liabilities	-	-	-	-	199,170,945	199,170,945	182,413,824
<b>Total liabilities, equity of joint investment account holders , non-controlling interests, and provision for future risks</b>	<b>3,855,758,325</b>	<b>822,110,177</b>	<b>-</b>	<b>26,489,502</b>	<b>199,170,945</b>	<b>4,903,528,949</b>	<b>4,942,599,962</b>
						For the Three Months	
						Ended on 31 March	
						2023	2022
						JD	JD
						(Reviewed & Unaudited)	(Reviewed & Unaudited)
Capital expenditures	-	-	-	-	1,263,765	1,263,765	1,220,461
Depreciation and amortization	-	-	-	-	1,822,141	1,822,141	2,047,871



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**(38) Capital Management**

The Bank's capital consists of the paid-in capital, statutory reserve, voluntary reserve, other reserves and retained earnings. The Bank achieves its capital objectives throughout the following:

- Achieving a satisfactory return on capital without affecting the financial stability of the Bank and achieving acceptable return on owner's equity.
- Achieving the required level of capital according to Basel Committee requirements and the supervisory bodies instructions.
- Providing an adequate capital to expand the granting of financing and large investments in consistency with the Central Bank of Jordan regulations as well as facing any future risks.

Capital adequacy ratio was calculated as at 31 March 2023 in accordance with standard number (15) issued by Islamic Financial Services Board, based on Central Bank of Jordan instruction number (72/2018) dated 4 February 2018.

	31 March 2023 Thousands JD (Reviewed and Unaudited)	31 December 2022 Thousands JD (Audited)
<b>Common Equity Tier I</b>	<b>463,232</b>	<b>459,084</b>
Paid-in capital	200,000	200,000
Statutory reserve	120,472	120,472
Voluntary reserve	64,602	64,602
Retained earnings	82,574	82,574
Accumulated change in full fair value	1,106	1,983
Profits for the period after tax less expected dividends distribution	5,118	-
Intangible assets	(7,156)	(7,058)
Deferred tax assets	(751)	(751)
10% of less of investments in Banks, financial institutions and Takaful companies capital.	(494)	(494)
10% or more of investments in Banks, financial institutions and Takaful companies capital, beyond unified regulatory scope.	(2,239)	(2,244)
<b>Additional Tier I</b>	-	-
<b>Additional Tier II</b>	<b>8,593</b>	<b>10,069</b>
Expected credit loss provision stage 1 (self) and bank share of expected credit loss provision stage 1 (mixed) (not to exceed 1.25%) of risky assets	8,593	10,069
<b>Total regulatory capital</b>	<b>471,825</b>	<b>469,153</b>
<b>Risk Weighted Assets (RWA)</b>	<b>2,247,602</b>	<b>2,212,230</b>
<b>Common Equity Tier I Ratio</b>	<b>20.61%</b>	<b>20.75%</b>
<b>Additional Tier I Ratio</b>	-	-
<b>Tier I Ratio</b>	<b>20.61%</b>	<b>20.75%</b>
<b>Tier II Ratio</b>	<b>0.38%</b>	<b>0.46%</b>
<b>Capital Adequacy Ratio</b>	<b>20.99%</b>	<b>21.21%</b>

\*Financial leverage percentage has reached 19.18% as of 31 March 2023 (31 December 2022: 18.46%)

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**(39) Commitments and Contingent Liabilities (Off the Interim Condensed Consolidated Statement of Financial Position)**

**Contingent Credit Commitments ( indirect facilities)**

	31 March 2023	31 December 2022
	JD	JD
	(Reviewed and Unaudited)	(Audited)
<b>Letters of credit</b>	<b>59,857,649</b>	<b>75,781,700</b>
<b>Acceptances</b>	<b>2,276,261</b>	<b>13,118,348</b>
<b>Guarantees:</b>	<b>133,464,656</b>	<b>130,733,765</b>
Payment	43,235,093	42,504,266
Performance	60,235,024	57,456,050
Others	29,994,539	30,773,449
<b>Unutilized Limits/ Direct</b>	<b>103,860,947</b>	<b>121,088,843</b>
<b>Unutilized Limits/ Indirect</b>	<b>67,172,639</b>	<b>77,600,727</b>
<b>Total</b>	<b>366,632,152</b>	<b>418,323,383</b>

**A. Cumulative movement on indirect facilities:**

**As of 31 March 2023 (Reviewed and Unaudited):**

	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD		
<b>Balance at the beginning of the period</b>	302,369,720	40,994,717	67,040,378	1,392,791	6,525,777	418,323,383
New exposures during the period	93,730,095	12,365,115	37,175,810	510,512	-	143,781,532
Matured exposures	(149,628,228)	(10,007,430)	(32,362,550)	(146,968)	(3,327,587)	(195,472,763)
Transferred (from) to stage 1	5,613,487	949,256	(5,354,522)	(666,333)	(541,888)	-
Transferred (from) to stage 2	(11,321,642)	(331,199)	11,784,152	366,449	(497,760)	-
Transferred (from) to stage 3	(2,912,704)	(177,784)	(304,724)	(387,374)	3,782,586	-
<b>Balance at the end of the period</b>	<b>237,850,728</b>	<b>43,792,675</b>	<b>77,978,544</b>	<b>1,069,077</b>	<b>5,941,128</b>	<b>366,632,152</b>

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**As of 31 December 2022 (Audited):**

	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD		
<b>Balance at the beginning of the year</b>	196,827,280	44,124,921	157,190,012	1,386,528	7,630,714	407,159,455
New exposures during the year	290,457,993	28,720,160	61,130,166	1,149,610	-	381,457,929
Matured exposures	(249,856,114)	(31,489,952)	(80,149,129)	(1,339,494)	(7,459,312)	(370,294,001)
Transferred (from) to stage 1	90,894,197	220,345	(90,644,197)	(218,695)	(251,650)	-
Transferred (from) to stage 2	(19,507,472)	(414,952)	19,753,067	415,402	(246,045)	-
Transferred (from) to stage 3	(6,446,164)	(165,805)	(239,541)	(560)	6,852,070	-
<b>Balance at the end of the year</b>	<b>302,369,720</b>	<b>40,994,717</b>	<b>67,040,378</b>	<b>1,392,791</b>	<b>6,525,777</b>	<b>418,323,383</b>

**B. Cumulative movement on the expected credit loss for indirect facilities**

**As of 31 March 2023 (Reviewed and Unaudited):**

	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD		
<b>Balance at the beginning of the period</b>	1,018,191	195,018	488,864	186,056	4,691,031	6,579,160
Expected credit loss on new exposures during the period	2,682,832	93,830	352,323	93,283	-	3,222,268
Expected credit loss from matured exposures	(138,711)	(23,950)	(87,208)	(10,568)	(520,828)	(781,265)
Transferred (from) to stage 1	126,786	296,175	(10,440)	(106,235)	(306,286)	-
Transferred (from) to stage 2	(56,966)	(3,396)	195,010	9,843	(144,491)	-
Transferred (from) to stage 3	(2,441,155)	(18,239)	(537)	(38,907)	2,498,838	-
Impact on ending balance provision due to change in staging classification	(121,739)	(292,360)	(140,206)	20,773	334,378	(199,154)
Adjustments	(370,168)	(29,586)	(246,848)	11,439	(2,217,872)	(2,853,035)
<b>Balance at the end of the period</b>	<b>699,070</b>	<b>217,492</b>	<b>550,958</b>	<b>165,684</b>	<b>4,334,770</b>	<b>5,967,974</b>

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**As of 31 December 2022 (Audited):**

	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD		
<b>Balance at the beginning of the year</b>	936,258	143,576	2,160,502	116,112	5,178,895	8,535,343
Expected credit loss on new exposures during the year	5,589,096	154,165	436,620	144,230	-	6,324,111
Expected credit loss from matured exposures	(300,904)	(73,460)	(366,239)	(70,850)	(4,473,511)	(5,284,964)
Transferred (from) to stage 1	1,703,624	30,585	(1,597,700)	(29,026)	(107,483)	-
Transferred (from) to stage 2	(115,067)	(2,391)	208,036	2,841	(93,419)	-
Transferred (from) to stage 3	(4,654,349)	(681)	(1,626)	(1)	4,656,657	-
Impact on ending balance provision due to change in staging classification	(1,702,195)	(29,327)	(183,010)	27,427	31,215	(1,855,890)
Adjustments	(438,272)	(27,449)	(167,719)	(4,677)	(501,323)	(1,139,440)
<b>Balance at the end of the year</b>	<b>1,018,191</b>	<b>195,018</b>	<b>488,864</b>	<b>186,056</b>	<b>4,691,031</b>	<b>6,579,160</b>

**(40) Lawsuits Filed Against the Bank**

The lawsuits filed against the Bank (self) amounted to JD 56,950 as of 31 March 2023 with a provision of JD 7,950 (provision booked amounted to JD 75,000) compared to JD 58,650 as of 31 December 2022 with a provision of JD 10,000. The lawsuits filed against the Bank (joint) as of 31 March 2023 amounted to JD 2,254,369 with a provision of JD 29,745 compared to JD 2,270,313 as of 31 December 2022 with a provision of JD 62,245. The Bank's management and its legal advisor believe that any obligations that may arise from the lawsuits against joint investments will be recognized within the investment risk fund, while the lawsuits against the Bank (self) will be covered by the established provision.

**(41) Statutory Reserves**

The Bank did not appropriate any amounts to the reserves as required by the Companies Law, since these condensed financial statements are interim financial statements.