

JORDAN ISLAMIC BANK

PUBLIC SHAREHOLDING COMPANY

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(REVIEWED AND UNAUDITED)

31 MARCH 2024

JORDAN ISLAMIC BANK

PUBLIC SHAREHOLDING COMPANY

AMMAN - JORDAN

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(REVIEWED AND UNAUDITED)

31 MARCH 2024

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Independent Auditor's Report

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**REVIEW REPORT ON INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
TO THE CHAIRMAN AND 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 2024 and the related interim condensed consolidated statement of income and interim condensed consolidated statement of comprehensive income for the three month ended 31 March 2024, and the interim condensed consolidated statement of changes in owners' equity and the interim condensed consolidated statement of cash flows and the interim condensed consolidated statement of sources and uses of funds of Al-Qard Al-Hasan for the three month period then ended, and other explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with Financial Accounting Standard 41 "Interim Financial Reporting" 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 Financial Accounting Standard 41 "Interim Financial Reporting" 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
29 April 2024

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JORDAN ISLAMIC BANK - PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF 31 MARCH 2024 (REVIEWED AND UNAUDITED)

STATEMENT (A)

	Notes	31 March 2024	31 December 2023
		JD (Reviewed and Unaudited)	JD (Audited)
Assets			
Cash and balances with central bank of Jordan	4	730,736,625	777,350,208
Balances at banks and financial institutions	5	83,471,586	81,079,251
Investment accounts at banks and financial institutions	6	23,731,150	4,253,943
Wakala Bil Istithmar Accounts	7	42,173,043	42,115,026
Deferred sales receivables and other receivables –net	8	3,037,880,668	2,966,911,453
Ijarah Muntahia Bittamleek assets – net	9	926,537,175	921,810,017
Financing – net	10	40,922,533	39,847,919
Financial assets at fair value through owner's equity – self financed	11	20,068,149	19,680,861
Financial assets at fair value through joint investment accounts holders' equity	12	35,146,884	34,445,102
Financial assets at amortized cost	13	400,519,354	405,438,544
Investments in associates	14	9,432,793	9,338,454
Investments in real estate	15	110,421,258	110,863,490
Al Qard Al Hasan – net		25,822,969	24,119,037
Property and equipment – net		84,861,370	85,163,156
Intangible assets		10,338,374	8,752,312
Right of use assets		11,729,395	10,322,875
Deferred tax assets		788,086	743,047
Other assets	16	93,762,231	83,597,523
Total Assets		5,688,343,643	5,625,832,218
Liabilities, Joint Investment Accounts Holders' Equity, non-controlling interests and Owner's Equity			
Liabilities			
Banks and financial institutions' accounts		10,763,932	11,898,666
Customers' current and on demand accounts	17	1,368,597,255	1,357,885,272
Cash margins		62,513,483	62,405,648
Other provisions	18	13,122,722	13,044,962
Income tax provision	19 A	24,075,335	29,925,751
Deferred tax liabilities		1,563,105	1,669,338
Lease obligations		11,604,891	10,702,286
Other liabilities	20	41,354,532	39,320,402
Total Liabilities		1,533,595,255	1,526,852,325
Joint Investment Accounts Holders' Equity			
Unrestricted investment accounts	21 A	3,584,759,278	3,538,066,606
Investment accounts holders' reserve in subsidiaries and associates	21 B	15,178,049	15,295,376
Fair value reserve	22 A	(1,533,654)	(1,119,632)
Total joint investment accounts holders' equity		3,598,403,673	3,552,242,350
Non-controlling interests	21 B	38,428	38,571
Total joint investment accounts holders' equity and non-controlling interest		3,598,442,101	3,552,280,921
Provision against future risks	23 A	6,870,652	12,900,524
Equity			
Owner's equity			
Paid-in capital		200,000,000	200,000,000
Statutory reserve		129,978,057	129,978,057
Voluntary reserve		74,053,362	74,053,362
Fair value reserve	22 B	4,083,984	3,843,291
Retained earnings		125,923,738	125,923,738
Profit for the period after tax		15,396,494	-
Total Owner's Equity – Bank's shareholders		549,435,635	533,798,448
Total liabilities, joint investment accounts holders' equity, non-controlling interests and owner's equity		5,688,343,643	5,625,832,218
Accounts Managed for Others:			
Restricted investments		189,170,460	176,788,935
Al Wakala Bi Al Istithmar (Investments portfolio)		569,822,626	546,376,491
Al Wakala Bi Al Istithmar		59,235,865	73,564,134

General Manager

Chairman

The accompanying notes from (1) to (40) 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 2024 (REVIEWED AND UNAUDITED) STATEMENT(B)

	Notes	For The Three Months Ended 31 March	
		2024	2023
		JD (Reviewed and Unaudited)	JD (Reviewed and Unaudited)
Deferred sales revenues	24	43,099,194	37,864,950
Financing revenues	25	149,490	154,315
Gain from financial assets at fair value through joint investment accounts holders' equity	26	423,567	535,141
Gain from financial assets at amortized cost	27	5,405,893	6,087,899
Dividends from subsidiaries and associates	28	600,000	600,000
Revenues from investments in real estate - net	29	116,032	633,722
Revenues from Ijarah Muntahia Bittamleek assets - net		13,935,297	12,644,399
Revenues from other investments		975,307	514,926
Revenues of Joint Investment Accounts		64,704,780	59,035,352
Net income of subsidiaries		393,859	(79,516)
Share of profits from investments in associates		694,200	643,309
Total Revenues of Joint Investment Accounts		65,792,839	59,599,145
Deposits guarantee fees joint investment accounts		(1,512,341)	(1,384,695)
Share of unrestricted investment accounts holders'	30	(25,907,738)	(19,840,997)
Share of investment accounts holders' from net income of subsidiaries		(394,002)	78,967
Share of non-controlling interests' from net income of subsidiaries		143	549
Share of profits from investments in associates		(694,200)	(643,309)
Bank's share of the joint investment accounts revenues as Mudarib and Rab Mal	31	37,284,701	37,809,660
Bank's self-financed revenues	32	9,872	11,446
Bank's share of restricted investments revenues as Mudarib		230,762	150,293
Bank's share of restricted investments revenues as Wakeel		15,894	20,332
Banking services revenues		7,753,634	7,302,903
Foreign currency gain		733,334	435,486
Other income		354,010	264,562
Deposits guarantee fees – self		(1,177,561)	(1,179,097)
Gross Income		45,204,646	44,815,585
Employees expenses		(13,463,058)	(14,062,410)
Depreciation and amortization		(1,607,082)	(1,822,141)
Other expenses		(6,726,817)	(7,843,597)
Recovered from provision for expected credit losses – self		-	1,400,000
Total Expenses		(21,796,957)	(22,328,148)
Profit Before Income Tax		23,407,689	22,487,437
Income tax	19 B	(8,011,195)	(7,374,495)
Profit After Income Tax		15,396,494	15,112,942
		JD / FILS	JD / FILS
Basic Earnings per Share for the Period	33	0/077	0/076

General Manager

Chairman

JORDAN ISLAMIC BANK - PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED 31 MARCH 2024 (REVIEWED AND UNAUDITED) STATEMENT(C)

	For the Three Months Ended 31 March	
	2024	2023
	JD	JD
	(Reviewed And Unaudited)	(Reviewed And Unaudited)
Profit after tax	15,396,494	15,112,942
comprehensive income items, net after tax:		
Items that can't be transferred later to the income statement		
Change in fair value reserve of financial assets – net	240,693	237,555
Total of Comprehensive Income for the Period	15,637,187	15,350,497

The accompanying notes from (1) to (40) 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 2024 (REVIEWED AND UNAUDITED)

STATEMENT (D)

	<u>Paid-in capital</u>	<u>Statutory Reserve</u>	<u>Voluntary Reserve</u>	<u>Fair Value Reserve *</u>	<u>Retained Earnings**</u>	<u>Profit for the Period after Tax</u>	<u>Total</u>
For the three months ended 31 March 2024	JD	JD	JD	JD	JD	JD	JD
Balance at 1 January 2024	200,000,000	129,978,057	74,053,362	3,843,291	125,923,738	-	533,798,448
Profit after tax	-	-	-	-	-	15,396,494	15,396,494
Change in fair value reserve	-	-	-	240,693	-	-	240,693
Total Comprehensive Income for the period after tax	-	-	-	240,693	-	15,396,494	15,637,187
Balance at 31 March 2024	200,000,000	129,978,057	74,053,362	4,083,984	125,923,738	15,396,494	549,435,635

* The fair value reserve balance of JD 4,083,984 as at 31 March 2024 is restricted from use, in accordance with the instructions of the securities commission.

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

** An amount of JD 788,086 from retained earnings balance, which represents deferred tax assets as at 31 March 2024, is restricted from use according to the Central bank of Jordan and the Securities Commission.

The accompanying notes from (1) to (40) 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 2024 (REVIEWED AND UNAUDITED)

STATEMENT (D)

	<u>Paid-in capital</u>	<u>Statutory Reserve</u>	<u>Voluntary Reserve</u>	<u>Fair Value Reserve *</u>	<u>Retained Earnings**</u>	<u>Profit for the Period after Tax</u>	<u>Total</u>
For the three months ended 31 March 2023	JD	JD	JD	JD	JD	JD	JD
Balance at 1 January 2023	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
Total Comprehensive Income for the period after tax	-	-	-	237,555	-	15,112,942	15,350,497
Profits from sale of financial assets at fair value through owner's equity	-	-	-	(5,295)	5,295	-	-
Balance at 31 March 2023	<u>200,000,000</u>	<u>120,471,745</u>	<u>64,602,142</u>	<u>3,160,330</u>	<u>132,579,571</u>	<u>15,112,942</u>	<u>535,926,730</u>

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

** An amount of JD 1,000,000 from retained earnings, which was transferred from 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 balance, which represents deferred tax assets as at 31 March 2023, is restricted from use according to the Central bank of Jordan and the Securities Commission.

The accompanying notes from (1) to (40) form an integral part of these interim condensed consolidated financial statements

JORDAN ISLAMIC BANK - PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
AS OF 31 MARCH 2024 (REVIEWED AND UNAUDITED)

STATEMENT (E)

	Notes	For The Three Months Ended on 31 March	
		2024	2023
		JD (Reviewed And Unaudited)	JD (Reviewed And Unaudited)
Cash flows from operating activities			
Profit before tax		23,407,689	22,487,437
Adjustments for non-monetary items:			
Depreciations and amortizations		1,607,082	1,822,141
Costs of lease obligations		164,512	154,035
provision for expected credit losses - self		-	(1,400,000)
Gain on sale of investments in real estate		(16,293)	(559,851)
Evaluation differences of investments in real estate		(95,171)	-
Gain from sale of repossessed real estate		(19,584)	-
Exchange rates effect on cash and cash equivalents		(540,683)	(190,658)
		24,507,552	22,313,104
Profit before change in assets and liabilities			
Change in Assets and Liabilities:			
(Increase) decrease in investment accounts at banks and financial institutions for more than (3) months		(19,497,500)	1,418,000
Decrease in wakala bil istithmar accounts		-	17,725,000
Increase in deferred sales receivables and other receivables		(77,089,915)	(13,162,231)
Increase in financing		(1,082,336)	(37,815)
Increase in Ijara muntahia bitamleek assets		(4,727,158)	(15,066,428)
(Increase) decrease in Al Qard Al Hasan		(228,945)	3,937,385
Increase in other assets		(1,984,478)	(8,713,908)
Increase (Decrease) in current and on demand accounts		10,711,983	(32,934,087)
Increase in cash margins		107,835	1,248,236
Increase in other liabilities		2,045,683	19,791,087
		(98,744,831)	(25,794,761)
Net change in assets and liabilities			
Net cash flows from (used in) operating activities before tax and other payments			
		(74,237,279)	(3,481,657)
Taxes paid	19 A	(13,906,650)	(6,487,057)
End of service indemnity provision paid	18	(212,511)	(135,103)
		(88,356,440)	(10,103,817)
Net Cash Flows used in Operating Activities			
Cash flows from Investment Activities			
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' equity-self		928	10,802
Purchase of financial assets at fair value through owner's equity-self		-	(797)
Proceeds from sale of financial assets at fair value through joint investment accounts holders' equity		114,535	-
Purchase of financial assets at fair value through joint investment accounts holders' equity		(1,377,031)	-
Purchase of financial assets at amortized cost		(8,734,451)	(3,853,332)
Maturity of financial assets at amortized cost		13,602,935	21,256,483
Proceeds from sale of investments in real estates		442,232	1,677,765
Purchase of investments in real estates		-	(107,930)
Acquired repossessed real estate		(1,506,695)	(327,111)
Proceeds from sale of repossessed real estate		334,496	1,158,265
Purchase of properties and equipment		(720,789)	(954,564)
Purchase of intangible assets		(1,838,005)	(309,201)
		318,155	18,551,064
Net cash flows from Investment Activities			
Cash Flow from Financing Activities			
Increase (decrease) in unrestricted investment accounts holders' equity		46,551,698	(12,798,146)
Payment of lease liabilities		(1,078,979)	(901,616)
		45,472,719	(13,699,762)
Net Cash Flow from (used in) Financing Activities			
Net Decrease in Cash and Cash Equivalents			
		(42,565,566)	(5,252,515)
Exchange rates effect on cash and cash equivalents		540,683	190,658
		848,063,381	726,121,519
Cash and cash equivalents at the beginning of the period			
		806,038,498	721,059,662
Cash and Cash Equivalents at end of period			
	34	806,038,498	721,059,662

The accompanying notes from (1) to (40) form an integral part of these interim condensed consolidated 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 2024 (REVIEWED AND) **STATEMENT (F)**

	31 March 2024 JD (Reviewed And Unaudited)	31 December 2023 JD (Audited)
Beginning balance for the period / year	28,300,475	41,906,315
Sources of the Fund:		
Central bank account/ Al Qard Al Hasan Fund	4,860,792	6,516,675
Sources the Bank is authorized to use	30,923,329	53,845,565
Outside the Bank	2,352,628	2,394,621
Total sources of the fund's assets for the period / year	38,136,749	62,756,861
Uses of the Fund:		
Education	156,980	478,860
Medical treatment	100,670	370,840
Marriage	41,200	351,350
Overdraft accounts and other Qard al Hasan	8,977,857	16,398,730
Social advances for the Bank's employees	505,996	2,936,482
Central Bank of Jordan Program for Facing Corona Pandemic & Med-term agreement	-	100,000
Total uses for the period / year	9,782,703	20,636,262
Settled for the period / year	(9,553,758)	(34,242,102)
Ending balance for the period / year	28,529,420	28,300,475
Less: Provision for expected credit loss – self	(2,706,451)	(4,181,438)
Ending balance for the period / year– net	25,822,969	24,119,037

The accompanying notes from (1) to (40) form an integral part of these condensed consolidated interim financial statements

JORDAN ISLAMIC BANK - PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 MARCH 2024 (REVIEWED AND UNAUDITED)

(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 dinar 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 inside 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 bank owned by Al Baraka Group – Bahrain as 66% (the parent company), which shares are listed on the Bahrain market.

The interim condensed consolidated financial statements were authorized for issue by the Bank's Board of Directors in their No.3 meeting held on 29 April 2024.

(2) Significant Accounting Policies

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

The accompanying consolidated financial statements of the Bank and its subsidiaries financed from the Bank's funds and the joint investment funds ("the group") have been prepared in accordance with the Financial Accounting Standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), and it was approved by Central Bank of Jordan. 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 Which ever is stricter is 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 estates, 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 infringing repossessed real estate that is got rid of.
- No expected credit losses provision is calculated on exposures of the Jordanian government or its guarantees.
- Profits are suspended on non-performing credit financing.
- The mandatory cash reserve at the Central Bank of Jordan is not excluded from cash and cash equivalents in the statement of cash flows.
- The items of the financial position and income statement are presented and disclosed in accordance with the disclosure requirements issued by the Accounting and Auditing Organization for Islamic Financial Institutions, the indicative forms issued by the Central Bank of Jordan and the requirements of the Central Bank of Jordan.

JORDAN ISLAMIC BANK - PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 MARCH 2024 (REVIEWED AND UNAUDITED)

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 owner's 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 the 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 was approved by Central Bank of Jordan, 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 2024 do not necessarily indicate the expected results for the year ended 31 December 2024 and no appropriation was made for the nine months profits ended 31 March 2024 That is conducted at the end of the financial year.

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("Group"). 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 Intercompany 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 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 within the consolidated income statement 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 owner's equity.

The Bank owns the following subsidiaries as of 31 March 2024:

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

JORDAN ISLAMIC BANK - PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 MARCH 2024 (REVIEWED AND UNAUDITED)

3-2 Changes in Accounting Policies:

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Bank's annual 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 FASs. 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.

There are no new standards that are binding, and the group has not applied them as of 31 March 2024.

(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 expected credit losses for 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 and 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 2024	31 December 2023
	JD	JD
	(Reviewed And Unaudited)	(Audited)
Cash in vaults	184,021,793	167,785,610
Balances at the Central Bank of Jordan:		
Current accounts	360,379,582	426,174,524
Statutory cash reserve	186,335,250	183,390,074
Total balances at the Central Bank of Jordan	546,714,832	609,564,598
Total	730,736,625	777,350,208

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.

An amount of JD 73,514,153 and JD 56,668,768 were deducted as at 31 March 2024 and as at 31 December 2023 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 2024 and 31 December 2023.

There are no restricted balances except for the statutory cash reserve as of 31 March 2024 and 31 December 2023. 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 according to the instructions of the Central Bank of Jordan regarding the application of the impairment standard for assets, credit losses and high-risk liabilities No. (30) dated July 5, 2020.

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(5) Balances at Banks and Financial Institutions

This item consists of the following:

	Foreign banks and financial institutions	
	31 March 2024	31 December 2023
	JD	JD
	(Reviewed And Unaudited)	(Audited)
Current and on demand accounts	34,663,305	41,135,339
provision for expected credit loss	(2,577,846)	(1,527,269)
Net Current and on demand accounts	32,085,459	39,608,070
Unrestricted accounts maturing within 3 months or less	51,402,500	41,476,500
Less: provision for expected credit loss	(16,373)	(5,319)
Net unrestricted accounts maturing within 3 months or less	51,386,127	41,471,181
Total	83,471,586	81,079,251

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 2024 and 31 December 2023 except for current accounts amounted to (2,968,857 JD) as of 31 March 2024 compared to (1,923,631 JD) as of 31 December 2023, which is subtracted from cash and cash equivalent.

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(6) Investment accounts at bank and financial institutions

This item consists of the following:

	Foreign banks and financial institutions	
	31 March 2024	31 December 2023
	JD	JD
	(Reviewed and Unaudited)	(Audited)
Within (3-6) months	20,561,000	4,254,000
Within (9-12) months	3,190,500	-
Less: expected credit losses provision	(20,350)	(57)
Total	23,731,150	4,253,943

There are no restricted balances for foreign banks and financial institutions as of 31 March 2024 and 31 December 2023.

(7) Wakala Bil Istithmar Accounts

This item consists of the following:

	Foreign banks and financial institutions	
	31 March 2024	31 December 2023
	JD	JD
	(Reviewed And Unaudited)	(Audited)
Maturing within three month or less	24,815,000	7,090,000
Within (3-6) months	-	17,725,000
Within (6-9) months	17,725,000	-
Within (9-12) months	-	17,725,000
Less: Expected credit losses provision	(366,957)	(424,974)
Total	42,173,043	42,115,026

There are no restricted balances at the foreign banks and financial institutions as of 31 March 2024 and 31 December 2023.

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A. Movement on balances at 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 2024 (Reviewed and Unaudited):

	Stage 1	Stage 2	Stage 3	Total
	Individual	Individual		
	JD	JD		JD
Balance at the beginning of the period	127,436,952	45,256	1,923,631	129,405,839
New balances and accounts during the period	65,984,004	-	-	65,984,004
Balances and accounts settled	(44,042,096)	(35,668)	-	(44,077,764)
Transferred from restricted investment accounts	-	-	1,063,500	1,063,500
Adjustments due to changes exchange rates	-	-	(18,274)	(18,274)
Balance at the end of the period	149,378,860	9,588	2,968,857	152,357,305

As of 31 December 2023 (Audited):

	Stage 1	Stage 2	Stage 3	Total
	Individual	Individual		
	JD	JD	JD	JD
Balance at the beginning of the period	79,863,598	-	1,000,309	80,863,907
New balances and accounts during the year	81,659,994	2,795	763	81,663,552
Balances and accounts settled	(33,836,906)	(207,273)	-	(34,044,179)
Transferred (from) to stage 2	(249,734)	249,734	-	-
Transferred from restricted investment accounts	-	-	1,063,500	1,063,500
Adjustments due to changes exchange rates	-	-	(140,941)	(140,941)
Balance at the end of the period	127,436,952	45,256	1,923,631	129,405,839

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 2024 (Reviewed and Unaudited):

	Stage 1	Stage 2	Stage 3	Total
	Individual	Individual		
	JD		JD	JD
Balance at the beginning of the period	462,504	1,549	1,493,566	1,957,619
Expected credit loss on new balances and accounts during the period	19,545	-	-	19,545
Expected credit loss recovered from balances and accounts settled	(48,587)	(1,414)	-	(50,001)
Impact due to transferred from restricted investment accounts	-	-	1,063,500	1,063,500
Adjustments due to exchange rates changes	-	-	(9,137)	(9,137)
Balance at the end of the period	433,462	135	2,547,929	2,981,526

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As of 31 December 2023 (Audited):

	Stage 1	Stage 2		
	Individual	Individual	Stage 3	Total
	JD	JD	JD	JD
Balance at the beginning of the period	336,775	-	500,155	836,930
Expected credit loss on new balances and accounts during the year	166,995	96	381	167,472
Expected credit loss recovered from balances and accounts settled	(25,868)	(13,945)	-	(39,813)
Transferred (from) to stage 2	(15,398)	15,398	-	-
Impact due to transferred from restricted investment accounts	-	-	1,063,500	1,063,500
Adjustments due to exchange rates changes	-	-	(70,470)	(70,470)
Balance at the end of the period	462,504	1,549	1,493,566	1,957,619

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(8) Deferred Sales Receivables and Other Receivables – Net

This item consists of the following:

	Joint		Self		Total	
	31 March 2024	31 December 2023	31 March 2024	31 December 2023	31 March 2024	31 December 2023
	JD	JD	JD	JD	JD	JD
	(Reviewed And Unaudited)	(Audited)	(Reviewed And Unaudited)	(Audited)	(Reviewed And Unaudited)	(Audited)
Individuals (Retail):						
Murabaha to the purchase orderer	1,004,720,447	977,064,943	-	-	1,004,720,447	977,064,943
Deferred sales	13,796,361	14,233,096	-	-	13,796,361	14,233,096
Ijarah Mawsoofa Bil Thimma	13,422,982	12,207,817	-	-	13,422,982	12,207,817
Ijarah Muntahia Bittamleek receivables	7,878,937	7,575,802	-	-	7,878,937	7,575,802
Istisna'a	716,009	335,463	-	-	716,009	335,463
Customers' receivables	7,289,492	7,076,041	2,336,734	2,386,804	9,626,226	9,462,845
Real estate financing	586,060,642	582,814,108	-	-	586,060,642	582,814,108
Corporate:						
International Murabaha	30,805,646	28,952,856	-	-	30,805,646	28,952,856
Murabaha to the purchase orderer	720,697,108	655,142,126	-	-	720,697,108	655,142,126
Ijarah Muntahia Bittamleek receivables	370,639	376,806	-	-	370,639	376,806
Istisna'a	14,011,831	15,131,782	-	-	14,011,831	15,131,782
Small and Medium Enterprises (SME's):						
Murabaha to the purchase orderer	189,892,558	186,368,176	-	-	189,892,558	186,368,176
Deferred sales	55,115	75,974	-	-	55,115	75,974
Ijarah Mawsoofa bil Thimma	804,009	22,755	-	-	804,009	22,755
Ijarah Muntahia Bittamleek receivables	637,107	605,892	-	-	637,107	605,892
Istisna'a	1,492,279	1,582,582	-	-	1,492,279	1,582,582
Customers' receivables	-	-	4,141,815	4,207,014	4,141,815	4,207,014
Government and public sector	926,464,625	932,500,508	33,842	58,825	926,498,467	932,559,333
Total	3,519,115,787	3,422,066,727	6,512,391	6,652,643	3,525,628,178	3,428,719,370
Less: deferred revenues	(320,091,064)	(301,930,742)	-	-	(320,091,064)	(301,930,742)
Less: suspended revenues	(9,262,678)	(8,840,213)	-	-	(9,262,678)	(8,840,213)
Less: deferred mutual insurance	(31,368,286)	(30,131,872)	-	-	(31,368,286)	(30,131,872)
Less: expected credit loss provision	(125,680,660)	(119,560,268)	(1,344,822)	(1,344,822)	(127,025,482)	(120,905,090)
Net deferred sales and other receivables	3,032,713,099	2,961,603,632	5,167,569	5,307,821	3,037,880,668	2,966,911,453

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

	Joint (Reviewed and Unaudited)				
	For the period ended 31 March 2024				
	Retail	Real estate financing	Large corporates	Small and Medium Enterprises	Total
	JD	JD	JD	JD	JD
Balance at the beginning of the period	4,256,876	1,187,263	2,829,837	566,237	8,840,213
Add: suspended revenues during the period	424,297	151,825	299,466	59,922	935,510
Less: revenue in suspense transferred to revenue	<u>(350,527)</u>	<u>(13,092)</u>	<u>(123,778)</u>	<u>(25,648)</u>	(513,045)
Balance at the end of the period	<u>4,330,646</u>	<u>1,325,996</u>	<u>3,005,525</u>	<u>600,511</u>	<u>9,262,678</u>
	Joint (Audited)				
	For the year ended 31 December 2023				
	Retail	Real estate financing	Large corporates	Small and Medium Enterprises	Total
	JD	JD	JD	JD	JD
Balance at the beginning of the year	4,435,761	1,186,801	3,037,492	725,116	9,385,170
Add: suspended revenues during the year	1,562,532	418,060	1,069,981	255,428	3,306,001
Less: revenue in suspense transferred to revenue	<u>(1,640,195)</u>	<u>(272,649)</u>	<u>(1,079,837)</u>	<u>(333,211)</u>	(3,325,892)
Less: suspended revenues written off	<u>(101,222)</u>	<u>(144,949)</u>	<u>(197,799)</u>	<u>(81,096)</u>	(525,066)
Balance at the end of the year	<u>4,256,876</u>	<u>1,187,263</u>	<u>2,829,837</u>	<u>566,237</u>	<u>8,840,213</u>

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(9) Ijarah Muntahia Bittamleek Assets - Net

	Joint	
	31 March 2024	31 December 2023
	JD (Reviewed and Unaudited)	JD (Audited)
Cost	1,177,390,022	1,160,427,050
Accumulated depreciation	(250,777,847)	(238,542,033)
Impairment provision	(75,000)	(75,000)
Net Ijarah Muntahia Bittamleek assets	926,537,175	921,810,017

The accrued Ijarah installments amounted to JD 8,886,683 as at 31 March 2024 compared as at 31 December 2023 JD 8,558,500 were included in deferred sales receivables and other receivables (Note 8).

(10) Financing – Net

	Joint		Self		Total	
	31 31 March 2024	31 December 2023	31 31 March 2024	31 December 2023	31 31 March 2024	31 December 2023
	JD (Reviewed And Unaudited)	JD (Audited)	JD (Reviewed And Unaudited)	JD (Audited)	JD (Reviewed And Unaudited)	JD (Audited)
Individuals (Retail):						
Diminishing Musharaka	41,012,765	39,925,049	173,692	179,072	41,186,457	40,104,121
Less: Expected credit loss provision	(262,264)	(253,710)	(1,660)	(2,492)	(263,924)	(256,202)
Net Financing	40,750,501	39,671,339	172,032	176,580	40,922,533	39,847,919

Non-performing deferred sales receivables, Ijarah Muntahia Bittamleek receivables, other receivables, financing and Al Qard Al Hasan amounted to JD 125,623,052 as at 31 March 2024, representing 3.49% of deferred sales receivable, Ijarah Muntahia Bittamleek receivables, other receivables, financing and Al Qard Al Hasan balance compared to JD 105,054,334 as at 31 December 2023, representing 3.00% 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 118,434,284 as at 31 March 2024, representing 3.30% of deferred sales, Ijarah Muntahia Bittamleek receivables, other receivables, financing and Al Qard Al Hasan balance after deducting suspended revenues, compared to JD 98,169,507 as at 31 December 2023, representing 2.81% 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 929,493,551 as at 31 March 2024, representing 25.85% of deferred sales, other receivables and financing balance, compared to JD 935,554,417 as at 31 December 2023, representing 26.75% 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 2024 (Reviewed And Unaudited):

	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD		
Balance at the beginning of the period	1,554,042,188	1,063,481,170	378,255,206	45,125,637	115,316,938	3,156,221,139
New facilities during the period	384,194,956	149,600,393	43,311,166	2,393,612	257,807	579,757,934
Settled facilities	(311,663,845)	(130,132,877)	(49,921,718)	(4,778,305)	(4,860,301)	(501,357,046)
Transferred (from) to stage 1	28,424,290	11,862,000	(28,085,643)	(11,139,479)	(1,061,168)	-
Transferred (from) to stage 2	(74,877,919)	(21,312,540)	78,986,422	23,100,960	(5,896,923)	-
Transferred (from) to stage 3	(160,330)	(675,194)	(20,309,146)	(6,594,521)	27,739,191	-
Balance at the end of the period	1,579,959,340	1,072,822,952	402,236,287	48,107,904	131,495,544	3,234,622,027

As of 31 December 2023 (Audited):

	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD		
Balance at the beginning of the year	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 year	658,525,781	412,028,403	158,769,388	9,000,460	6,047,972	1,244,372,004
Settled facilities	(675,277,983)	(362,211,030)	(164,392,819)	(18,295,189)	(27,362,354)	(1,247,539,375)
Transferred (from) to stage 1	53,627,957	14,956,592	(51,462,882)	(12,392,264)	(4,729,403)	-
Transferred (from) to stage 2	(91,831,894)	(28,546,828)	106,742,151	32,821,215	(19,184,644)	-
Transferred (from) to stage 3	(15,435,414)	(6,945,619)	(20,656,090)	(8,663,092)	51,700,215	-
Written of facilities	-	-	-	-	(6,585,530)	(6,585,530)
Balance at the end of the year	1,554,042,188	1,063,481,170	378,255,206	45,125,637	115,316,938	3,156,221,139

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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 2024 (Reviewed And Unaudited):

	Large corporates	SMEs	Individuals	Real estate financing	Total
	JD	JD	JD	JD	JD
Balance at the beginning of the period	54,818,320	14,436,436	39,471,408	16,616,566	125,342,730
Expected credit loss on the new facilities during the period	665,605	269,078	657,423	80,669	1,672,775
Expected credit loss recovered from settled facilities	(791,561)	(305,459)	(780,497)	(40,630)	(1,918,147)
Transferred (from) to stage 1	555,816	12,981	674,741	350,438	1,593,976
Transferred (from) to stage 2	(296,236)	160,646	(225,280)	431,560	70,690
Transferred (from) to stage 3	(259,581)	(173,626)	(449,461)	(781,998)	(1,664,666)
Impact on ending balance provision due to change in staging classification	3,026,492	1,125,409	2,626,230	1,011,344	7,789,475
Adjustments	176,300	25,672	(1,640,226)	(1,452,722)	(2,890,976)
Balance at the end of the period	57,895,155	15,551,137	40,334,338	16,215,227	129,995,857
Reallocated:					
Individual level provision	57,895,155	13,041,706	10,562,661	7,985,711	89,485,233
Collective level provision	-	2,509,431	29,771,677	8,229,516	40,510,624

As of 31 December 2023 (Audited):

	Large corporates	SMEs	Individuals	Real estate financing	Total
	JD	JD	JD	JD	JD
Balance at the beginning of the year	55,333,502	17,440,531	34,512,265	21,745,435	129,031,733
Expected credit loss on the new facilities during the year	4,481,153	964,719	2,294,281	760,184	8,500,337
Expected credit loss recovered from settled facilities	(3,829,059)	(1,381,068)	(2,668,850)	(1,356,083)	(9,235,060)
Transferred (from) to stage 1	1,265,562	116,218	2,160,524	842,286	4,384,590
Transferred (from) to stage 2	4,631,417	1,164,166	95,933	(105,702)	5,785,814
Transferred (from) to stage 3	(5,896,979)	(1,280,384)	(2,256,457)	(736,584)	(10,170,404)
Impact on ending balance provision due to change in staging classification	4,249,259	981,601	4,410,775	8,165,654	17,807,289
Adjustments	(1,741,872)	(2,770,123)	1,585,012	(11,766,775)	(14,693,758)
Written off facilities	(3,674,663)	(799,224)	(662,075)	(931,849)	(6,067,811)
Balance at the end of the period	54,818,320	14,436,436	39,471,408	16,616,566	125,342,730
Reallocated:					
Individual level provision	54,818,320	12,373,913	9,657,234	8,262,589	85,112,056
Collective level provision	-	2,062,523	29,814,174	8,353,977	40,230,674

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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 2024 (Reviewed and Unaudited)						As of 31 December 2023 (Audited)
	Stage 1		Stage 2		Stage 3	Total	Total
	Individual	Collective	Individual	Collective			
	JD	JD	JD	JD	JD	JD	JD
Balance at the beginning of the period / year	3,564,292	9,294,179	32,224,194	3,923,605	76,336,460	125,342,730	129,031,733
Impairment loss on new exposures during the period / year	629,075	194,075	347,527	297,857	204,241	1,672,775	8,500,337
Recovered from impairment loss on settled exposures	(565,871)	(91,403)	(435,556)	(245,405)	(579,912)	(1,918,147)	(9,235,060)
Transferred (from) to stage 1	918,910	1,096,029	(777,070)	(684,109)	(553,760)	-	-
Transferred (from) to stage 2	(335,996)	(80,650)	2,281,227	756,861	(2,621,442)	-	-
Transferred (from) to stage 3	(620)	(3,697)	(736,807)	(769,412)	1,510,536	-	-
Impact on impairment loss due to change in staging classification	(276,666)	(1,060,209)	(1,836,418)	804,408	10,158,360	7,789,475	17,807,289
Impact on provision due to adjustment	2,091,694	(6,239,135)	(1,698,250)	1,902,591	1,052,124	(2,890,976)	(14,693,758)
Impairment loss on written off exposures	-	-	-	-	-	-	(6,067,811)
Balance at the end of the period / year	6,024,818	3,109,189	29,368,847	5,986,396	85,506,607	129,995,857	125,342,730

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

	31 March 2024	31 December 2023
	JD	JD
	(Reviewed And Unaudited)	(Audited)
Quoted financial assets		
Companies shares	6,216,245	5,805,840
Total financial assets – quoted	6,216,245	5,805,840
Unquoted financial assets		
Companies shares	2,851,904	2,875,021
Al Wakala Bi Al Istithmar (investment portfolio)	11,000,000	11,000,000
Total financial assets - unquoted	13,851,904	13,875,021
Total financial assets at fair value through owner's equity – self financed	20,068,149	19,680,861

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

	31 March 2024	31 December 2023
	JD	JD
	(Reviewed And Unaudited)	(Audited)
Quoted financial assets:		
Companies shares	13,972,798	14,874,723
Total quoted financial assets	13,972,798	14,874,723
Unquoted financial assets:		
Companies shares	19,972,086	18,368,379
Al Wakala Bi Al Istithmar (investment portfolio)	1,202,000	1,202,000
Total unquoted financial assets	21,174,086	19,570,379
Total financial assets at fair value through joint investment accounts holders' equity	35,146,884	34,445,102

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(13) Financial Assets at Amortized Cost

	31 March 2024	31 December 2023
	JD	JD
	(Reviewed And Unaudited)	(Audited)
Quoted financial assets		
Islamic Sukuk	12,762,000	12,762,000
Less: expected credit losses provision	(106,432)	(61,929)
Net quoted financial assets	12,655,568	12,700,071
Unquoted financial assets at amortized cost		
Islamic Sukuk	387,873,581	392,727,989
Islamic banks portfolio	1,818,373	1,832,449
Total unquoted financial assets	389,691,954	394,560,438
Less: expected credit losses provision	(1,828,168)	(1,821,965)
Net unquoted financial assets	387,863,786	392,738,473
Total Financial Assets at amortized cost	400,519,354	405,438,544

Islamic Sukuk in Jordanian Dinars rate of return ranges between (3.55% - 6.00%) payable on a semi-annual basis, with a maturity of less than 3 years.

Islamic Sukuk in US Dollars rate of return on long term ranges between (6.87% - 10.00%) payable on a semi-annual basis, with a maturity of less than 9 years.

Rate of return on short term Islamic Sukuk in US Dollars ranges between (5.60% - 6.15%) with a maturity of 3-6 months.

A. Cumulative movement on financial assets at amortized cost:

As of 31 March 2024 (Reviewed and Unaudited):

	Stage 1	Stage 2	Stage 3	Total
	Individual	Individual	Individual	Individual
	JD	JD	JD	JD
Balance at the beginning of the period	405,489,989	14,076	1,818,373	407,322,438
New investments during the period	8,734,451	-	-	8,734,451
Matured investments	(13,588,859)	(14,076)	-	(13,602,935)
Balance at the end of the period	400,635,581	-	1,818,373	402,453,954

As of 31 December 2023 (Audited):

	Stage 1	Stage 2	Stage 3	Total
	Individual	Individual	Individual	Individual
	JD	JD	JD	JD
Balance at the beginning of the year	393,671,885	3,016,672	1,818,373	398,506,930
New investments during the year	195,652,986	14,076	-	195,667,062
Matured investments	(183,834,882)	(3,016,672)	-	(186,851,554)
Balance at the end of the year	405,489,989	14,076	1,818,373	407,322,438

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B. Cumulative movement on the expected credit loss:

As of 31 March 2024 (Reviewed And Unaudited):

	<u>Stage 1</u>	<u>Stage 2</u>		
	<u>Individual</u>	<u>Individual</u>	<u>Stage 3</u>	<u>Total</u>
	JD	JD	JD	JD
Balance at the beginning of the period	65,497	24	1,818,373	1,883,894
Expected credit loss on new investments during the period	8,191	-	-	8,191
Expected credit loss recovered from matured investments	(19,996)	(24)	-	(20,020)
Changes resulting from adjustments	62,535	-	-	62,535
Balance at the end of the period	<u>116,227</u>	<u>-</u>	<u>1,818,373</u>	<u>1,934,600</u>

As of 31 December 2023 (Audited):

	<u>Stage 1</u>	<u>Stage 2</u>		
	<u>Individual</u>	<u>Individual</u>	<u>Stage 3</u>	<u>Total</u>
	JD	JD	JD	JD
Balance at the beginning of the year	142,555	184,090	1,818,373	2,145,018
Expected credit loss on new investments during the year	44,617	24	-	44,641
Expected credit loss recovered from matured investments	(121,675)	(184,090)	-	(305,765)
Changes resulting from adjustments	-	-	-	-
Balance at the end of the year	<u>65,497</u>	<u>24</u>	<u>1,818,373</u>	<u>1,883,894</u>

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(14) 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 2024	31 December 2023	31 March 2024	31 December 2023
		%			JD	JD	JD	JD
Associates					(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	1,555,006	1,538,478
Islamic Insurance Co.	Jordan	33.3	Insurance	1995	4,625,908	4,625,908	7,877,787	7,799,976
Total associates					5,696,415	5,696,415	9,432,793	9,338,454

Investments in associates are presented - using equity method, Fair value of these investments as at 31 March 2024 amounted to JD 9,006,960 compared to JD 7,966,400 as at 31 December 2023.

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(15) Investments in Real Estate

	Joint	
	31 March 2024	31 December 2023
	JD (Reviewed And Unaudited)	JD (Audited)
Investments in real estate *	110,421,258	110,863,490
Total	<u>110,421,258</u>	<u>110,863,490</u>

* Investments in real estate are presented at fair value, with a book value (cost) of JD 105,719,586 as at 31 March 2024 compared to JD 106,050,355 as at 31 December 2023.

- Movements on investments in real estate were as follow:

	31 March 2024 (Reviewed and Unaudited)		
	Lands	Buildings	Total
	JD	JD	JD
Balance at the beginning of the period	63,957,497	46,905,993	110,863,490
Disposals	(442,232)	-	(442,232)
Net Investments in real estate at the end of the period	<u>63,515,265</u>	<u>46,905,993</u>	<u>110,421,258</u>

	31 December 2023 (Audited)		
	Lands	Buildings	Total
	JD	JD	JD
Balance at the beginning of the year	67,225,609	46,470,583	113,696,192
Additions	-	168,970	168,970
Disposals	(8,136,326)	(58,295)	(8,194,621)
Revaluation difference	4,868,214	324,735	5,192,949
Net Investments in real estate at the end of the year	<u>63,957,497</u>	<u>46,905,993</u>	<u>110,863,490</u>

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 of 31 December 2023. The fair value was determined based on recent market transactions as well as independent appraisers' information and professional judgments.

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(16) Other Assets

	31 March 2024	31 December 2023
	JD	JD
	(Reviewed And Unaudited)	(Audited)
Accrued revenues	6,529,919	6,679,873
Prepaid expenses	10,471,069	339,297
Temporary debit accounts	9,366,297	8,032,556
Stationery and publications	691,888	635,326
Stamps	85,263	79,285
Credit card accounts	12,009,191	10,668,072
Settlement guarantee fund deposits	25,000	25,000
Refundable deposits	391,670	385,405
immediate payment receivables	5,728	3,750,528
Repossessed assets by the Bank against outstanding debts - net*	53,757,264	52,577,034
Others	428,942	425,147
Total	93,762,231	83,597,523

* **Movement on the repossessed assets against outstanding debts was as follow:**

	31 March 2024	31 December 2023
	JD	JD
	(Reviewed And Unaudited)	(Audited)
Beginning balance for the period / year	54,510,915	45,056,818
Additions	1,506,695	14,474,962
Disposals	(314,912)	(5,020,865)
Ending balance for the period / year	55,702,698	54,510,915
Provision for repossessed assets *	(567,784)	(567,784)
Provision for impairment in repossessed assets	(1,377,650)	(1,366,097)
Total	53,757,264	52,577,034

* According to the central bank of Jordan 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 of repossessed real estate was stopped and the balance was released existing allowance against any of the infringing of repossessed real estate that is disposed of.

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(17) Customers' Current and on Demand Accounts

	31 March 2024 (Reviewed and Unaudited)				
	Retail	Large corporates	Small and Medium Enterprises	Government and public sector	Total
	JD	JD	JD	JD	JD
Current accounts	779,526,245	24,472,038	274,164,366	33,022,528	1,111,185,177
On demand accounts	255,866,091	324,529	1,221,458	-	257,412,078
Total	1,035,392,336	24,796,567	275,385,824	33,022,528	1,368,597,255

	31 December 2023 (Audited)				
	Retail	Large corporates	Small and Medium Enterprises	Government and public sector	Total
	JD	JD	JD	JD	JD
Current accounts	784,124,874	22,065,664	272,358,753	21,630,661	1,100,179,952
On demand accounts	256,260,387	487,150	957,783	-	257,705,320
Total	1,040,385,261	22,552,814	273,316,536	21,630,661	1,357,885,272

Government and public sector deposits inside the Kingdom amounted to JD 33,022,528 representing 2.41% of the total customers' current and on demand accounts as at 31 March 2024 compared to JD 21,630,661 representing 1.59% as at 31 December 2023.

Dormant accounts amounted to JD 11,280,408 as of 31 March 2024 compared to JD 11,519,230 as of 31 December 2023.

The restricted accounts amounted to JD 6,852,625 representing 0.50% of the total customers' current and on demand accounts as of 31 March 2024 compared to JD 7,752,466 representing 0.57% as of 31 December 2023 of the total customers' current and on demand accounts.

(18) Other provisions

	31 March 2024 (Reviewed and Unaudited)				
	Beginning Balance for the period	Appropriated during the period	Transferred to (from) during the period	Utilized during the period	Ending Balance for the period
	JD	JD	JD	JD	JD
End of service indemnity provision	3,350,056	-	-	(212,511)	3,137,545
Legal case held against bank provision	75,000	-	-	-	75,000
Employees' vacation provision	3,950,000	-	-	-	3,950,000
Expected credit losses provision against Contingent liabilities -(Note 38-B) Joint	455,424	-	(134,971)	-	320,453
Expected credit losses provision against Contingent liabilities -(Note 38-B) Self	5,214,482	-	425,242	-	5,639,724
Total	13,044,962	-	290,271	(212,511)	13,122,722

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31 December 2023 (Audited)

	Beginning Balance for the year	Appropriated during the year	Transferred to (from) during the year	Utilized during the year	Ending Balance for the year
	JD	JD	JD	JD	JD
End of service indemnity provision	5,200,000	550,000	-	(2,399,944)	3,350,056
Legal cases held against bank provision	75,000	-	-	-	75,000
Employees' vacation provision	3,800,000	150,000	-	-	3,950,000
Expected credit losses provision against Contingent liabilities -(Note 38-B) Joint	736,810	-	(281,386)	-	455,424
Expected credit losses provision against Contingent liabilities -(Note 38-B) Self	5,842,350	-	(627,868)	-	5,214,482
Total	15,654,160	700,000	(909,254)	(2,399,944)	13,044,962

(19) Income Tax Provision

A- Bank's Income Tax Provision:

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

	31 March 2024	31 December 2023
	JD	JD
	(Reviewed And Unaudited)	(Audited)
Beginning balance for the period / year	29,925,751	31,300,247
Income tax paid	(13,906,650)	(27,654,238)
Income tax accrued	8,056,234	32,242,542
Income tax paid in advance for the year 2023	-	(5,962,800)
Ending balance for the period / year	24,075,335	29,925,751

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

	31 March	
	2024	2023
	JD	JD
	(Reviewed And Unaudited)	(Reviewed And Unaudited)
Income tax expense for the profit of the period	8,056,234	7,374,495
Less: deferred tax assets (formed during the period)	(45,039)	-
Total	8,011,195	7,374,495

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 and 2022, but the Income and Sales Tax Department has not reviewed the records up to the date of this interim condensed consolidated 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 2024.

Subsidiary Companies:

Al Samaha Financing and Islamic Investment Limited Private Company:

The Company reached a final settlement with the income tax department up to end of 2022, with the exception of the years 2019,2020,2021 where the company submitted the income tax declarations for the years 2019,2020,2021,the income and sales tax department has not reviewed the records up to the date of this interim condensed consolidated financial statements .

Sanabel Al-Khair for financial investment Company Ltd:

The Company reached a final settlement with the income tax department up to end of 2022, with the exception of the year 2021 where the company submitted the income tax declaration for the year 2021,the income and sales tax department has not reviewed the records up to the date of this interim condensed consolidated financial statements.

Omaryeh school company Ltd:

The Company reached final settlement with the income tax department up to end of 2022.

Future Applied Computer Technology Company Ltd:

The Company reached final settlement with the income tax department up to end of 2022 , with the exception of the year 2021 and the company submitted the income tax declaration for the year 2021, the income and sales tax department has not reviewed the records up to the date of this interim condensed consolidated financial statements.

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(20) Other Liabilities

This item consists of the following:

	31 March 2024	31 December 2023
	JD	JD
	(Reviewed And Unaudited)	(Audited)
Accepted cheques	225,727	333,416
Revenues received in advance	911,504	1,555,044
Al Qard Al Hasan Fund	2,352,628	2,394,621
Temporary deposits	1,972,576	1,975,326
Miscellaneous credit balances	1,425,930	1,640,906
Cheques against notes payables	5,581,904	5,965,229
Investments deposit profits	-	450,735
Banker's cheques	9,951,402	7,128,518
Accounts payable	1,356,402	1,199,041
Customer collection bills	5,631,255	6,020,454
Cards limits - received in advance	7,955,441	7,028,723
others	3,989,763	3,628,389
Total	41,354,532	39,320,402

(21) Unrestricted Investment Accounts

A- This item consists of the following:

	31 March 2024 (Reviewed and Unaudited)					
	Retail	Large corporates	Small and Medium Enterprises	Government and public sector	Banks	Total
	JD	JD	JD	JD	JD	JD
Saving accounts	600,450,583	1,395,626	8,305,404	999	29,478,583	639,631,195
Notice accounts	6,717,442	-	3,434,761	679,806	13,923,347	24,755,356
Term accounts	2,383,438,936	52,052,949	264,062,500	159,910,604	35,000,000	2,894,464,989
Total	2,990,606,961	53,448,575	275,802,665	160,591,409	78,401,930	3,558,851,540
Depositors' share from Investment returns	22,027,005	393,670	2,046,163	1,182,819	258,081	25,907,738
Total unrestricted investment accounts	3,012,633,966	53,842,245	277,848,828	161,774,228	78,660,011	3,584,759,278
	31 December 2023 (Audited)					
	Retail	Large corporates	Small and Medium Enterprises	Government and public sector	Banks	Total
	JD	JD	JD	JD	JD	JD
Saving accounts	613,753,651	2,035,680	7,850,331	834	25,048,793	648,689,289
Notice accounts	7,251,271	-	3,369,511	669,287	13,977,981	25,268,050
Term accounts	2,316,033,844	47,332,577	255,663,493	153,120,592	35,000,000	2,807,150,506
Total	2,937,038,766	49,368,257	266,883,335	153,790,713	74,026,774	3,481,107,845
Depositors' share from Investment returns for the second half of 2023	45,697,123	1,100,189	6,787,296	2,254,041	1,120,112	56,958,761
Total unrestricted investment accounts	2,982,735,889	50,468,446	273,670,631	156,044,754	75,146,886	3,538,066,606

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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 investments deposit accounts.

Unrestricted investment accounts (Government of Jordan and Public Sector) inside the Kingdom amounted to JD 161,774,228 representing 4.51 % of the total unrestricted investment accounts as at 31 March 2024 compared to JD 156,044,754 representing 4.41 % as at 31 December 2023.

Dormant accounts amounted to JD 27,317,575 as at 31 March 2024 compared to JD 28,740,581 as at 31 December 2023.

The withdrawal restricted investment accounts amounted to JD 6,366,610 representing 0.18 % of the total unrestricted investment accounts as at 31 March 2024 compared to JD 6,809,398 representing 0.19 % as at 31 December 2023.

The balance of the mutual insurance fund included in the unrestricted investment accounts amounted to 61,052,446 JD as of 31 March 2024 (2023: 61,174,333 JD) (Note 23-B).

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

	Joint	
	31 March 2024	31 December 2023
	JD	JD
	(Reviewed And Unaudited)	(Audited)
Investment accounts holders' reserve – Subsidiaries	11,441,671	11,653,337
Investment accounts holders' reserve – Associates	3,736,378	3,642,039
Total	15,178,049	15,295,376
Non-Controlling Interests-investment account holders	38,428	38,571

(22) Fair Value Reserve -net

A- Joint

	Joint	
	31 March 2024	31 December 2023
	JD	JD
	(Reviewed And Unaudited)	(Audited)
Financial assets evaluation at fair value through joint investment accounts holders' equity reserve	(4,448,691)	(4,103,776)
Investments evaluation in real estate reserve	2,915,037	2,984,144
Total	(1,533,654)	(1,119,632)

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Movement on the fair value reserve / joint investment accounts holders' equity were as follows:

	31 March 2024 (Reviewed and Unaudited)		
	Financial assets at fair value	Investments in real estate	Total
	JD	JD	JD
Balance at the beginning of the period *	(6,618,994)	4,813,135	(1,805,859)
Unrealized (losses) profits	(556,314)	8,899	(547,415)
Deferred tax assets (liabilities)	2,726,617	(1,786,635)	939,982
Profits transferred to the consolidated income statement	-	(120,362)	(120,362)
Balance at the end of the period	(4,448,691)	2,915,037	(1,533,654)

	31 December 2023 (Audited)		
	Financial assets at fair value	Investments in real estate	Total
	JD	JD	JD
Balance at the beginning of the year	(3,141,520)	4,288,313	1,146,793
Unrealized (losses) profits	(3,160,771)	4,732,960	1,572,189
Deferred tax assets (liabilities)	2,515,218	(1,828,991)	686,227
Profits transferred to the consolidated income statement	(316,703)	(4,208,138)	(4,524,841)
Balance at the end of the year	(4,103,776)	2,984,144	(1,119,632)

* The fair value reserve beginning balance includes the prior year deferred tax liabilities of JD 686,227.

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B- Self

	Self	
	31 March 2024	31 December 2023
	JD (Reviewed And Unaudited)	JD (Audited)
Financial assets evaluation reserve at fair value through owner's equity – self	4,083,984	3,843,291
Total	4,083,984	3,843,291

Movement on the fair value reserve / owner's equity (shareholders equity) were as follows:

	Financial assets at fair value	
	31 March 2024	31 December 2023
	JD (Reviewed And Unaudited)	JD (Audited)
Beginning Balance for the period / year *	6,198,856	4,722,693
Unrealized profits	388,215	1,481,457
Deferred tax liabilities	(2,503,087)	(2,355,565)
Profits transferred to retained earnings	-	(5,294)
Ending Balance for the period / year	4,083,984	3,843,291

* The fair value reserve beginning balance includes the prior year deferred tax liabilities of JD 2,355,565.

(23) Provision for future expected risks and mutual insurance fund

A. Movement on provision for future risks were as follows:

	31 March 2024	31 December 2023
	JD (Reviewed And Unaudited)	JD (Audited)
Beginning balance for the period / year	12,900,524	15,155,371
Transfer to provision for expected credit loss-joint	(6,029,872)	(2,254,847)
Ending Balance for the period / year	6,870,652	12,900,524

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B. Mutual Insurance Fund

Movement on the Mutual Insurance Fund were as follows:

	31 March 2024	31 December 2023
	JD	JD
	(Reviewed And Unaudited)	(Audited)
Beginning balance for the period / year	61,174,333	54,352,361
Add: profits for the years 2023 and 2022	1,087,549	2,388,860
Add: insurance premiums collected during the period / year	3,446,280	12,578,487
Add: amounts recovered from prior years losses	30,378	179,376
Less: insurance premiums paid during the period / year	(3,822,168)	(7,060,355)
Less: income tax fund's for the years 2023 and 2022	(846,926)	(662,135)
Less: fund's committee members remunerations	(17,000)	(16,783)
Less: consulting fees during the period / year	-	(1,741)
Less: losses written off during the period / year	-	(583,737)
Ending balance for the period / year	61,052,446	61,174,333

- 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.

- The bank expanded the coverage of the insured segment as of 1 July 2023 to include those who debts due amount (equal JD 200 thousand or less) instead of (JD 150 thousand or less) after obtaining the approval of the Central Bank of Jordan.

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 an accrual basis instead of cash basis with regards to insurance premiums received from subscribers.

- 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 fund insurance is among the unrestricted investment accounts (note 21-A).

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

	31 March 2024	31 December 2023
	JD	JD
	(Reviewed And Unaudited)	(Audited)
Provision for expected credit loss - Bank	123,469,650	117,349,258
Expected credit loss provision - Al Samaha Financing and Islamic Investment.	824,865	824,865
Expected credit loss provision - for Al Omariah school company	1,386,145	1,386,145
Total	125,680,660	119,560,268

D. Movement on the provision for expected credit losses and the Impairment provisions – joint (note 5,6,7,8,9,10,13,16 &18)

	31 March 2024	31 December 2023
	JD	JD
	(Reviewed and Unaudited)	(Audited)
Balance at the beginning of the period / year	124,592,527	127,947,727
Transferred from provision of expected future risk (Note 23 -A)	6,029,872	2,254,847
Provision from subsidiaries	-	331,706
Written-off debts	-	(5,941,753)
Others	(308)	-
Balance at the end of the period/ year	130,622,091	124,592,527

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(24) Deferred Sales 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	
	2024	2023	2024	2023	2024	2023
	JD (Reviewed And Unaudited)	JD (Reviewed And Unaudited)	JD (Reviewed And Unaudited)	JD (Reviewed And Unaudited)	JD (Reviewed And Unaudited)	JD (Reviewed And Unaudited)
Individuals (Retail):						
Murabaha to the purchase orderer	15,083,987	12,370,358	-	-	15,083,987	12,370,358
Deferred sales	266,975	234,663	-	-	266,975	234,663
Ijarah Mawsoofa Bil Thimma	219,965	158,742	-	-	219,965	158,742
Istisna'a	2,345	3,445	-	-	2,345	3,445
Real Estate Financing	7,970,195	7,178,407	-	-	7,970,195	7,178,407
Corporate:						
International Murabaha	325,922	102,238	-	-	325,922	102,238
Murabaha to the purchase orderer	7,799,695	5,408,717	-	-	7,799,695	5,408,717
Istisna'a	189,232	279,623	-	-	189,232	279,623
Small and Medium Enterprises:						
Murabaha to the purchase orderer	2,658,453	2,319,943	-	-	2,658,453	2,319,943
Deferred sales	1,072	188	-	-	1,072	188
Ijarah Mawsoofa Bil Thimma	426	6,003	-	-	426	6,003
Istisna'a	42,461	3,467	-	-	42,461	3,467
Government and public sector	8,538,466	9,799,156	-	-	8,538,466	9,799,156
Total	43,099,194	37,864,950	-	-	43,099,194	37,864,950

(25) 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	
	2024	2023	2024	2023	2024	2023
	JD (Reviewed And Unaudited)	JD (Reviewed And Unaudited)	JD (Reviewed And Unaudited)	JD (Reviewed And Unaudited)	JD (Reviewed And Unaudited)	JD (Reviewed And Unaudited)
Individuals (Retail):						
Diminishing Musharaka	149,490	154,315	950	823	150,440	155,138
Total	149,490	154,315	950	823	150,440	155,138

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

	Joint	
	For the three months ended on 31 March	
	2024	2023
	JD (Reviewed And Unaudited)	JD (Reviewed And Unaudited)
Dividends distribution income	402,858	535,141
Gain from financial assets at fair value	20,709	-
Total	423,567	535,141

(27) Gain from Financial Assets at Amortized Cost

	Joint	
	For the three months ended on 31 March	
	2024	2023
	JD (Reviewed And Unaudited)	JD (Reviewed And Unaudited)
Islamic Sukuk	5,405,893	6,022,901
Islamic banks portfolio	-	64,998
Total	5,405,893	6,087,899

(28) Dividends from subsidiaries and associates

	Ownership percentage	Distribution percentage	Joint	
			31 March 2024	31 March 2023
			JD (Reviewed and Unaudited)	JD (Reviewed and Unaudited)
			%	%
Subsidiaries				
Al Samaha Financing and Investment Company Ltd.	100.0	5.0	600,000	600,000
Total			600,000	600,000

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(29) Revenue from Investments in Real Estate -Net

	Joint	
	For the three months ended on 31 March	
	2024	2023
	JD (Reviewed And Unaudited)	JD (Reviewed And Unaudited)
Net rent income from investment in real estate	99,739	73,871
Net income from sale of investment in real estate	16,293	559,851
Revenues from investments in real estate	116,032	633,722

(30) Share of Unrestricted Investment Accounts Holders

	For the three months ended on 31 March	
	2024	2023
	JD (Reviewed And Unaudited)	JD (Reviewed And Unaudited)
	Banks and Financial Institutions	258,081
Customers:		
Saving	2,026,584	1,865,670
Notice Accounts	66,137	63,276
Investment Deposits	23,556,936	17,709,946
Total	25,907,738	19,840,997

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

	For the three months ended on 31 March	
	2024	2023
	JD (Reviewed And Unaudited)	JD (Reviewed And Unaudited)
	Mudarib	20,773,293
Rab Mal	16,511,408	14,914,815
Total	37,284,701	37,809,660

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(32) Bank's Self-financed Revenue

	For the three months ended on 31 March	
	2024	2023
	JD	JD
	(Reviewed And Unaudited)	(Reviewed And Unaudited)
Financing revenues – Note (25)	950	823
Dividends from financial assets at the fair value through owner's equity	7,976	6,902
Profits from sale of financial assets at fair value through income statement	946	3,721
Total	9,872	11,446

(33) Basic Earnings Per Share (EPS)

	For the three months ended on 31 March	
	2024	2023
	(Reviewed And Unaudited)	(Reviewed And Unaudited)
Profit for the period after income tax (JD)	15,396,494	15,112,942
Weighted average number of shares (share)	200,000,000	200,000,000
Basic earnings per share (JD/Fils)	0/077	0/076

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

(34) Cash and Cash Equivalents

	For the three months ended on 31 March	
	2024	2023
	JD	JD
	(Reviewed And Unaudited)	(Reviewed And Unaudited)
Cash and balances with the Central Banks maturing within 3 months*	730,736,625	660,358,058
Add: Balances at banks and financial institutions maturing within 3 months	86,065,805	87,191,106
Less: Balances at banks and financial institutions maturing within 3 months	(10,763,932)	(26,489,502)
Total	806,038,498	721,059,662

* Includes statutory reserve (note 4).

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(35) 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 2024	31 December 2023
		JD	JD
		(Reviewed And Unaudited)	(Audited)
Al Omariah Schools Company Ltd.	99.8%	16,000,000	16,000,000
Al Samaha Financing and Islamic Investment Limited Private Company.	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 parent company, 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.

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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 2024	31 December 2023
					JD	JD
				JD	JD	JD
				JD (Reviewed And Unaudited)	JD (Audited)	
Interim condensed consolidated statement of financial position items:						
Deferred sales receivables	-	958,051	935,017	2,336,821	4,229,889	13,694,377
Financing of employees housing/ Musharaka	-	-	-	1,572,928	1,572,928	1,479,489
Deposits	176,055	12,740,871	2,795,243	3,771,761	19,483,930	20,165,045
Wakala Bil Istithmar Accounts	42,540,000	-	-	-	42,540,000	42,540,000
Off consolidated statement of financial position items:						
Guarantees and letters of credit	-	101,713	548,000	-	649,713	1,090,943
					For the three months ended on 31 March	
					2024	2023
					JD	JD
					(Reviewed And Unaudited)	(Reviewed And Unaudited)
Interim condensed Consolidated income statement items:						
Paid expenses	-	2,235,523	133,516	1,152,275	3,521,314	4,481,272
Received revenues	-	20,377	17,929	36,309	74,615	201,688
Paid profits	-	150,280	37,352	46,618	234,250	237,342

- Murabaha rate on granted financing ranged between 3% - 4.75% annually as at 31 March 2024 (2023: 3.0% - 4.75%).
- The return rate on Musharaka financing granted for employees ranged between 2.0% - 4.8% annually as at 31 March 2024 (2023: 2.0% - 4.8%).
- Guarantees commission rate ranged between 1% - 4% annually as at 31 March 2024 (2023: 1% - 4%). Letters of credit commission rate ranged between 1/4% - 3/8% quarterly as 31 March 2024 (2023: 1/4% - 3/8% quarterly).
- Individual and corporate deposits revenue equals to the percentage of revenue for related parties deposits.

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C. Compensation of the Bank's Executive Management Benefits (Salaries, Remuneration and other Benefits) were as follows:

	For the three months Ended on 31 March	
	2024	2023
	JD	JD
	(Reviewed And Unaudited)	(Reviewed And Unaudited)
Salaries, remuneration and transportation	1,048,318	1,098,991
Total	1,048,318	1,098,991

(36) Segment information

A. Information about the 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:

Retails accounts:

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

Institutions 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. The below table illustrate the information on the Bank's business sectors distributed according to its activities:

						Total	
						For the three months ending on 31	
						March (Reviewed and Unaudited)	
	Retails	Institutions	Investment in assets	Treasury	Others	2024	2023
	JD	JD	JD	JD	JD	JD	JD
Total revenues (joint and self financed)	40,497,612	23,015,544	1,166,351	9,106,885	15,894	73,802,286	67,220,374
Net income of subsidiaries and share of profit from investments in associates	-	-	1,088,059	-	-	1,088,059	563,793
Deposits guarantee fees (joint and self financed)	(1,477,920)	(836,525)	(42,530)	(332,347)	(580)	(2,689,902)	(2,563,792)
Revenue and share of the unrestricted accounts and non-controlling from the net income of subsidiaries and share of investment from profits of associates	(14,240,144)	(8,466,603)	(1,088,059)	(3,200,991)	-	(26,995,797)	(20,404,790)
Segment results	24,779,548	13,712,416	1,123,821	5,573,547	15,314	45,204,646	44,815,585
Allocated expenses	(12,751,797)	(6,090,368)	(335,225)	(2,619,567)	-	(21,796,957)	(22,328,148)
Profits before tax	12,027,751	7,622,048	788,596	2,953,980	15,314	23,407,689	22,487,437
Income tax	(3,828,634)	(2,948,907)	(136,087)	(1,092,973)	(4,594)	(8,011,195)	(7,374,495)
Profit after tax	8,199,117	4,673,141	652,509	1,861,007	10,720	15,396,494	15,112,942
						31 March 2024	31 December 2023
						(Reviewed And Unaudited)	(Audited)
Sector assets	1,737,579,869	1,367,046,301	1,492,692,820	880,112,404	-	5,477,431,394	5,427,914,851
Investment in associates	-	-	9,432,793	-	-	9,432,793	9,338,454
Unallocated assets	-	-	-	-	201,479,456	201,479,456	188,578,913
Total assets	1,737,579,869	1,367,046,301	1,502,125,613	880,112,404	201,479,456	5,688,343,643	5,625,832,218
Segment liabilities	4,048,026,302	905,330,231	-	10,763,932	-	4,964,120,465	4,907,850,544
Unallocated liabilities	-	-	-	-	174,787,543	174,787,543	184,183,226
Total liabilities, joint investment accounts holders' equity, non-controlling interests and provision against future risks	4,048,026,302	905,330,231	-	10,763,932	174,787,543	5,138,908,008	5,092,033,770
						For the three months ending on 31 March (Reviewed and Unaudited)	
						2024	2023
Capital expenditures	-	-	-	-	2,558,794	2,558,794	1,263,765
Depreciation and amortization	-	-	-	-	1,607,082	1,607,082	1,822,141

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(37) Capital Management

The Bank's capital consists of the paid-in capital, statutory reserve, voluntary reserve, other reserves and retained earnings.

According to the Central Bank of Jordan instruction based on the decisions by Islamic Financial Services Board, the Bank should maintain sufficient capital to face the risks that related to the bank's business, which is credit risks, market risks and operational risks, the capital adequacy ratio should be at least 12.5% according to the established instructions.

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 2024 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 2024	31 December 2023
	Thousands JD (Reviewed And Unaudited)	Thousands JD (Audited)
Common Equity Tier I	479,723	475,767
Paid-in capital	200,000	200,000
Statutory reserve	129,978	129,978
Voluntary reserve	74,053	74,053
Retained earnings	81,924	81,924
Accumulated change in full fair value	2,078	1,943
Profits for the period after tax less expected dividends distribution	5,396	-
Intangible assets	(10,338)	(8,752)
Deferred tax assets	(788)	(743)
Investments in Banks, financial institutions and Takaful companies capital That the Bank owns 10% of less.	(494)	(494)
Investments in Banks, financial institutions and Takaful, companies capital, beyond unified regulatory scope that the Bank owns 10% or more.	(2,086)	(2,142)
Additional Tier I	-	-
Additional Tier II	4,461	7,219
Expected credit loss stage 1 (self) and the bank share from expected credit loss stage 1 (mixed) (not to exceed 1.25%) of risky assets	4,461	7,219
Total regulatory capital	484,184	482,986
Risk Weighted Assets (RWA)	2,367,479	2,355,086
Common Equity Tier I Ratio	20.26%	20.20%
Additional Tier I Ratio	-	-
Tier I Ratio	20.26%	20.20%
Tier II Ratio	0.19%	0.31%
Capital Adequacy Ratio	20.45%	20.51%

- Financial leverage percentage has reached (18.95%) as of 31 March 2024 (31 December 2023: 18.78%).

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

Contingent Credit Commitments (indirect facilities)

	31 March 2024	31 December 2023
	JD	JD
	(Reviewed and Unaudited)	(Audited)
Letters of credit	27,270,544	23,646,560
Acceptances	1,185,206	1,539,522
Guarantees:	152,940,043	150,688,540
Payment	48,942,347	47,496,284
Performance	76,017,963	65,730,596
Others	27,979,733	37,461,660
Unutilized Limits/ Direct	119,065,470	127,997,890
Unutilized Limits/ Indirect	71,875,572	68,904,898
Total	372,336,835	372,777,410

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A. Cumulative movement on indirect facilities (Commitments and Contingent Liabilities):

As of 31 March 2024 (Reviewed And Unaudited):

	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD		
Balance at the beginning of the period	240,480,479	46,442,101	77,410,164	1,268,220	7,176,446	372,777,410
New exposures during the period	97,564,337	13,490,292	32,320,126	951,647	3,795,449	148,121,851
Matured exposures	(103,038,725)	(14,561,245)	(25,869,668)	(901,700)	(4,191,088)	(148,562,426)
Transferred (from) to stage1	4,733,475	1,137,456	(4,482,381)	(523,607)	(864,943)	-
Transferred (from) to stage2	(11,604,628)	(1,108,387)	11,930,468	1,146,337	(363,790)	-
Transferred (from) to stage3	(12,745)	(148,550)	(1,022,335)	(294,683)	1,478,313	-
Balance at the end of the period	228,122,193	45,251,667	90,286,374	1,646,214	7,030,387	372,336,835

As of 31 December 2023 (Audited):

	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD		
Balance at the beginning of the year	302,369,720	40,994,717	67,040,378	1,392,791	6,525,777	418,323,383
New exposures during the year	221,605,579	35,557,315	73,056,870	1,024,015	7,089,056	338,332,835
Matured exposures	(274,084,946)	(29,985,500)	(71,100,082)	(1,128,768)	(7,579,512)	(383,878,808)
Transferred (from) to stage 1	12,762,573	192,353	(12,463,636)	(185,363)	(305,927)	-
Transferred (from) to stage 2	(21,072,256)	(256,896)	21,132,880	267,046	(70,774)	-
Transferred (from) to stage 3	(1,100,191)	(59,888)	(256,246)	(101,501)	1,517,826	-
Balance at the end of the year	240,480,479	46,442,101	77,410,164	1,268,220	7,176,446	372,777,410

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B. Cumulative movement on the expected credit loss for indirect facilities (Commitments and Contingent Liabilities) (note 18):

As of 31 March 2024 (Reviewed And Unaudited):

	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD		
Balance at the beginning of the period	446,446	229,579	289,436	158,772	4,545,673	5,669,906
Expected credit loss on new exposures during the period	188,753	105,568	144,817	167,329	2,525,811	3,132,278
Expected credit loss from matured exposures	(150,456)	(108,816)	(126,042)	(166,905)	(2,753,300)	(3,305,519)
Transferred (from) to stage 1	170,734	343,623	(12,578)	(60,957)	(440,822)	-
Transferred (from) to stage 2	(22,132)	(12,178)	100,981	39,822	(106,493)	-
Transferred (from) to stage 3	(87)	(11,035)	(3,840)	(47,022)	61,984	-
Impact on ending balance provision due to change in staging classification through the period	(158,997)	(338,021)	(75,258)	181,489	801,356	410,569
Changes resulting from Adjustments	(45,576)	22,528	18,201	(372)	58,162	52,943
Balance at the end of the period	428,685	231,248	335,717	272,156	4,692,371	5,960,177

As of 31 December 2023 (Audited):

	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD		
Balance at the beginning of the year	1,018,191	195,018	488,864	186,056	4,691,031	6,579,160
Expected credit loss on new exposures during the year	400,425	186,035	267,093	125,824	4,510,840	5,490,217
Expected credit loss from matured exposures	(372,771)	(139,339)	(238,257)	(134,963)	(3,931,818)	(4,817,148)
Transferred (from) to stage 1	267,913	39,032	(62,267)	(33,467)	(211,211)	-
Transferred (from) to stage 2	(71,541)	(2,411)	85,356	10,468	(21,872)	-
Transferred (from) to stage 3	(2,721)	(375)	(1,716)	(6,191)	11,003	-
Impact on ending balance provision due to change in staging classification through the year	(49,260)	11,422	(59,435)	(37,705)	(232,659)	(367,637)
Changes resulting from adjustments	(743,790)	(59,803)	(190,202)	48,750	(269,641)	(1,214,686)
Balance at the end of the year	446,446	229,579	289,436	158,772	4,545,673	5,669,906

JORDAN ISLAMIC BANK - PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 MARCH 2024 (REVIEWED AND UNAUDITED)

(39) Lawsuits Filed Against the Bank

The lawsuits filed against the Bank (self) amounted to JD 122,700 as of 31 March 2024 with a provision of JD 3,000 (provision booked amounted to JD 75,000) compared to JD 122,600 as of 31 December 2023 with a provision of JD 9,000. The lawsuits filed against the Bank (joint) as of 31 March 2024 amounted to JD 2,792,187 with a provision of JD 56,245 compared to JD 2,757,169 as of 31 December 2023 with a provision of JD 56,245. 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 self established provisions.

(40) Statutory Reserves

The Bank did not make the legal deductions according to the legislations of the Companies Law , since these condensed financial statements are interim financial statements.