

BANK AL ETIHAD

PUBLIC SHAREHOLDING LIMITED COMPANY

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (REVIEWED NOT AUDITED)

30 SEPTEMBER 2024

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

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Bank Al Etihad (a public shareholding limited Company) (the “Bank”) as at 30 September 2024, comprising the interim condensed consolidated statement of financial position as at 30 September 2024 and the related interim condensed consolidated statements of income, interim condensed consolidated comprehensive income statement, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the nine months then ended and explanatory notes. The management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with IAS 34 (Interim Financial Reporting). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 (Interim Financial Reporting).

Other matter

The consolidated financial statements for the year ended 31 December 2023 and the interim condensed consolidated financial statements for the period ended 30 September 2023 were audited and reviewed by another auditor. An unqualified opinion and an unqualified conclusion were issued on 28 February 2024 and 30 October 2023, respectively.

Amman – Jordan
29 October 2024

ERNST & YOUNG
Amman - Jordan

BANK AL ETIHAD
(PUBLIC SHAREHOLDING LIMITED COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2024

	Notes	30 September 2024	31 December 2023
		JD	JD
<u>ASSETS</u>		(Unaudited)	(Audited)
Cash and balances at central banks	5	867,159,262	736,205,982
Balances at banks and financial institutions, net	6	386,133,863	371,943,707
Deposits at banks and financial institutions, net	7	21,346,760	14,082,419
Financial assets at fair value through statement of income	8	30,338,074	26,229,319
Direct credit facilities and financing, net	9	4,421,463,259	4,244,911,424
Financial assets at fair value through statement of other comprehensive income	10	99,969,414	66,658,121
Financial assets at amortized cost, net	11	1,852,764,224	1,633,814,826
Investment in associate		332,759	349,622
Property and equipment, net		83,669,490	76,211,079
Deferred tax assets		37,416,030	37,416,374
Right of use assets, net		31,124,171	30,438,070
Intangible assets, net		29,921,831	28,532,909
Other assets, net	12	183,475,802	153,225,585
Total Assets		8,045,114,939	7,420,019,437
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>			
<u>LIABILITIES</u>			
Banks and financial institutions deposits		364,650,545	311,250,220
Customers' deposits	13	6,113,691,819	5,651,353,018
Cash margins		377,516,708	329,660,434
Borrowed funds	16/A	223,635,208	190,406,392
Subordinated Loans	16/B	60,295,000	60,295,000
Sundry provisions		1,245,258	525,787
Lease liabilities		31,174,622	31,098,416
Income tax provision	14	20,089,634	30,872,484
Deferred tax liabilities		189,239	20,282
Other liabilities	15	176,587,393	150,936,220
Total Liabilities		7,369,075,426	6,756,418,253
<u>SHAREHOLDERS' EQUITY</u>			
<u>Bank Shareholders' Equity</u>			
Authorized and paid in capital	23	200,000,000	200,000,000
Share Premium	23	68,213,173	68,213,173
Statutory reserve		85,321,596	85,321,596
Voluntary reserve		57,172,423	57,172,423
Fair value reserve, net	18	(292,255)	2,693,754
Retained earnings	17	42,407,074	65,411,367
Profit for the period		29,949,686	-
Total Bank Shareholders' Equity		482,771,697	478,812,313
Non-controlling Interests		122,367,816	113,888,871
Perpetual Bonds		70,900,000	70,900,000
Total Shareholders' Equity		676,039,513	663,601,184
Total Liabilities and Shareholders' Equity		8,045,114,939	7,420,019,437

The accompanying notes from 1 to 30 form part of these interim condensed consolidated financial statements and should be read with them

BANK AL ETIHAD
(PUBLIC SHAREHOLDING LIMITED COMPANY)
INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2024 (REVIEWED NOT AUDITED)

	Notes	For the three months ended 30		For the nine months ended 30	
		September		September	
		2024	2023	2024	2023
		JD	JD	JD	JD
Interest income		122,656,601	108,573,491	358,168,852	314,490,633
Interest expense		64,433,655	57,100,878	187,539,814	158,226,612
Net interest income		58,222,946	51,472,613	170,629,038	156,264,021
Net commission income		10,424,978	7,674,771	30,582,482	23,559,903
Net interest and commission income		68,647,924	59,147,384	201,211,520	179,823,924
Gain from foreign currencies		6,496,162	4,012,344	15,048,662	9,977,280
Gain from financial assets at fair value through income statement	19	1,273,332	181,632	2,478,400	659,986
Gain (loss) on financial assets at amortized cost		41,659	(5,428)	47,853	(4,755)
Dividends from financial assets at fair value through other comprehensive income	10	36,293	119,065	665,835	1,160,469
Gain on the sale of financial assets at fair value through other comprehensive income	10	78,970	-	78,970	-
Other income		940,864	242,232	2,029,166	1,115,604
Gross income		77,515,204	63,697,229	221,560,406	192,732,508
Expenses					
Employees' expenses		16,967,987	15,826,827	50,310,367	47,164,491
Depreciation and amortization		3,832,399	3,817,468	11,494,845	11,198,923
Other expenses		15,465,347	11,070,111	42,370,656	33,121,313
Provision for expected credit losses, net	21	17,784,788	8,393,418	50,666,900	27,472,238
(Surplus) provision for impairment of seized assets		(160,259)	(66,740)	116,179	(564,367)
Sundry provisions		673,622	22,957	719,471	147,634
Amortization of right of use assets		1,194,370	1,198,493	3,510,690	3,460,754
Rent expense		236,168	191,639	674,714	522,782
Lease finance cost		309,615	346,130	892,761	946,274
Total expenses		56,304,037	40,800,303	160,756,583	123,470,042
Profit from operations		21,211,167	22,896,926	60,803,823	69,262,466
Bank's share from the (loss) profit of an associate Company		-	-	(16,863)	3,668
Profit for the period before tax		21,211,167	22,896,926	60,786,960	69,266,134
Income tax	14	(7,852,938)	(8,239,077)	(22,755,834)	(25,021,459)
Profit for the period		13,358,229	14,657,849	38,031,126	44,244,675
Attributable to:					
Bank's shareholders		10,269,278	12,232,933	29,949,686	36,829,902
Non-controlling Interests		3,088,951	2,424,916	8,081,440	7,414,773
		13,358,229	14,657,849	38,031,126	44,244,675
		JD / Share	JD / Share	JD / Share	JD / Share
Basic and diluted earnings per share for the period	20	0.051	0.061	0.150	0.184

The accompanying notes from 1 to 30 form part of these interim condensed consolidated financial statements and should be read with them

BANK AL ETIHAD
(PUBLIC SHAREHOLDING LIMITED COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2024 (REVIEWED NOT AUDITED)

	For the three months ended		For the nine months ended	
	30 September		30 September	
	2024	2023	2024	2023
	JD	JD	JD	JD
Profit for the period	13,358,229	14,657,849	38,031,126	44,244,675
<u>Other comprehensive income items:</u>				
Added items after tax not to be reclassified to income statement in subsequent periods				
Change in fair value reserve after tax - net	(1,491,139)	(1,757,386)	(2,591,812)	(1,406,816)
Total comprehensive income for the period	11,867,090	12,900,463	35,439,314	42,837,859
Total comprehensive income attributable to:				
Bank's shareholders	8,422,744	10,474,337	26,960,369	35,439,587
Non-controlling Interests	3,444,346	2,426,126	8,478,945	7,398,272
	11,867,090	12,900,463	35,439,314	42,837,859

The accompanying notes from 1 to 30 form part of these interim condensed consolidated financial statements and should be read with them

BANK AL ETIHAD
(PUBLIC SHAREHOLDING LIMITED COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2024 (REVIEWED NOT AUDITED)

	Authorized and paid in capital	Share Premium	Reserves			Retained earnings	Profit for the period	Total Bank's shareholders' equity	Perpetual bonds	Non-controlling Interests	Total Shareholders' Equity
			Statutory	Voluntary	Fair value reserve - net						
For the nine months ended 30 September 2024	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Balance at the beginning of the period	200,000,000	68,213,173	85,321,596	57,172,423	2,693,754	65,411,367	-	478,812,313	70,900,000	113,888,871	663,601,184
Total comprehensive income for the period	-	-	-	-	(2,989,317)	-	29,949,686	26,960,369	-	8,478,945	35,439,314
Realized loss from sale of financial assets at fair value through other comprehensive income	-	-	-	-	3,308	(3,308)	-	-	-	-	-
Capital increase fees	-	-	-	-	-	(150,113)	-	(150,113)	-	-	(150,113)
Distributed dividends (Note 23)	-	-	-	-	-	(20,000,000)	-	(20,000,000)	-	-	(20,000,000)
Issuance of perpetual bonds and their related expenses after excluding the tax effect	-	-	-	-	-	(7,033)	-	(7,033)	-	-	(7,033)
Interest on perpetual bonds after excluding the tax effect	-	-	-	-	-	(2,843,839)	-	(2,843,839)	-	-	(2,843,839)
Balance at the end of the period	200,000,000	68,213,173	85,321,596	57,172,423	(292,255)	42,407,074	29,949,686	482,771,697	70,900,000	122,367,816	676,039,513
For the nine months ended 30 September 2023											
Balance at the beginning of the period	160,000,000	80,213,173	76,227,974	51,192,173	6,482,816	78,930,524	-	453,046,660	-	106,989,990	560,036,650
Total comprehensive income for the period	-	-	-	-	(1,390,315)	-	36,829,902	35,439,587	-	7,398,272	42,837,859
Realized gain from sale of financial assets at fair value through other comprehensive income	-	-	-	-	(323,486)	323,486	-	-	-	-	-
Distributed dividends (Note 23)	-	-	-	-	-	(16,000,000)	-	(16,000,000)	-	-	(16,000,000)
Capital Increase	40,000,000	(12,000,000)	-	-	-	(28,000,000)	-	-	-	-	-
Capital increase fees	-	-	-	-	-	(250,150)	-	(250,150)	-	-	(250,150)
Ownership shares in an subsidiary	-	-	-	-	-	(418,708)	-	(418,708)	-	(3,013,591)	(3,432,299)
Balance at the end of the period	200,000,000	68,213,173	76,227,974	51,192,173	4,769,015	34,585,152	36,829,902	471,817,389	-	111,374,671	583,192,060

- * The retained earnings include restricted balances which amounted to JD 36,969,614 as at 30 September 2024 (JD 37,180,506 as at 31 December 2023) which represents net deferred tax assets after deducting deferred tax liabilities, in accordance with the instructions of the Central Bank of Jordan which is prohibited to release of them without pre-approval from the Central Bank of Jordan.
- * The retained earnings includes an amount of JD 3,332,757 representing profits from revaluation differences of financial assets measured at fair value through income statement as of 30 September 2024.
- * It is prohibited to dispose the amount of JD 108,397 as of 30 September 2024 which represents the balance of the self-generated general banking risk reserve which belongs to Safwa Islamic Bank.

The accompanying notes from 1 to 30 form part of these interim condensed consolidated financial statements and should be read with them

BANK AL ETIHAD
(PUBLIC SHAREHOLDING LIMITED COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2024 (REVIEWED NOT AUDITED)

	Notes	For the nine months ended 30 September	
		2024	2023
		JD	JD
<u>Operating activities</u>			
Profit for the period before tax		60,786,960	69,266,134
Adjustments:			
Depreciation and amortization		11,494,845	11,198,923
Provision for expected credit losses	21	50,666,900	27,472,238
Amortization of right of use assets		3,510,690	3,460,754
Lease finance cost		892,761	946,274
(Gains) losses on sale of financial assets at amortized cost		(47,853)	4,755
Gains on sale of financial assets at fair value through comprehensive income		(78,970)	-
Provision (surplus) for impairment of seized assets	12	116,179	(564,367)
Unrealized (gains) losses on revaluation of financial assets through statement of income	19	(1,284,253)	194
(Gains) losses on sale of property and equipment		(178,749)	10,859
(Gains) losses on revaluation of convertible loans		(6,838)	25,571
Sundry provisions		719,471	147,634
(Gains) losses from the sale of seized assets against due debts		(673,064)	60,805
Bank's share of losses (gains) from investment in an associate company		16,863	(3,668)
Effect of exchange rate fluctuations on cash and cash equivalents		(5,438,124)	(2,739,519)
Profit for the period before changes in assets and liabilities		120,496,818	109,286,587
<u>Changes in Assets and Liabilities -</u>			
Restricted balances		(1,043,759)	(3,438,702)
Direct credit facilities and financing		(228,240,250)	(225,297,292)
Financial assets at fair value through statement of income		(2,824,502)	(1,278,624)
Deposits at banks and financial institutions		(7,270,672)	(13,428,275)
Deposits with banks and financial institutions exceeding three months		46,046,319	7,495,474
Other assets		(29,727,191)	(10,344,287)
Customers deposits		462,338,801	340,837,215
Cash margins		47,856,274	64,758,142
Other liabilities		25,701,992	101,458,044
Net cash flows from operating activities before income tax and paid provisions		433,333,830	370,048,282
Income tax paid	14	(33,287,096)	(34,292,040)
Sundry provisions paid		-	(276,281)
Net cash flows from operating activities		400,046,734	335,479,961
<u>Investing activities</u>			
Net purchase of financial assets at fair value through other comprehensive income		(35,910,274)	(7,212,858)
Net purchase of financial assets at amortized cost		(524,207,102)	(542,303,195)
Matured / sold financial assets at amortized cost		305,573,442	316,829,099
Purchase of intangible assets		(6,703,131)	(6,061,798)
Purchase of property and equipment		(13,774,525)	(9,174,852)
Proceeds from sale of property and equipment		314,227	52,995
Net cash flows used in investing activities		(274,707,363)	(247,870,609)
<u>Financing activities</u>			
Increase in borrowed funds		33,228,816	23,803,484
Increase in subordinated loans		-	14,180,000
Dividends distributed to shareholders		(19,947,472)	(15,984,254)
Payments of principal lease liability		(4,736,158)	(4,565,022)
Net change in non-controlling interests due to increased ownership in a subsidiary		-	(3,432,299)
Issuance of perpetual bonds and their related expenses after excluding the tax effect		(3,488)	-
Interests on perpetual bonds after excluding the tax effect		(1,920,110)	-
Repayment of part of the interest of the lease obligation		(277,188)	(285,796)
Capital Increase Fees		(150,113)	(250,150)
Net cash flows from financing activities		6,194,287	13,465,963
Net Increase in cash and cash equivalents		131,533,658	101,075,315
Effect of exchange rate fluctuations on cash and cash equivalents		5,438,124	2,739,519
Cash and cash equivalents at the beginning of the period		830,940,957	663,792,609
Cash and cash equivalents at the end of the period	22	967,912,739	767,607,443

The accompanying notes from 1 to 30 form part of these interim condensed consolidated financial statements and should be read with them

(1) GENERAL

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

The Bank is engaged in all commercial banking and financing activities through its headquarter and branches within the kingdom, totaling (57) branches, and its subsidiaries in Jordan and Iraq branch. Similarly, the number of Safwa Bank branches within the kingdom reached (44) branches and its subsidiary company.

The bank's shares are listed on the Amman Stock Exchange - Jordan.

The condensed interim consolidated financial statements were approved by the Bank's Board of Directors on 24 October 2024.

(2) SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard (34) (Interim Financial Reporting). The Bank transitioned to fully applying the International Financial Reporting Standards (IFRS) starting from 1 January 2024, instead of IFRS as adopted by the Central Bank of Jordan, the differences between these two frameworks are not material on the interim condensed consolidated financial statements.

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

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

The accompanying interim condensed consolidated financial statements do not include all the information and disclosures to the financial statements required in the annual financial statements, which are prepared in accordance with International Financial Reporting Standards. Moreover, the results of the Bank's operations for the three-month period ended on 30 September 2024 do not necessarily represent indications of the expected results for the year ending 31 December 2024. Therefore, these interim condensed consolidated financial statements should be read with the Bank's annual report for the year ended 31 December 2023 and it does not contain the appropriation of profit on for the nine months period ended at 30 September 2024, which is usually performed at the year end.

BANK AL ETIHAD
(PUBLIC SHAREHOLDING LIMITED COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 SEPTEMBER 2024

BASIS OF CONSOLIDATION OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

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

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

As of 30 September 2024, the Bank owns the following subsidiaries and foreign branches:

A. Investment in subsidiaries

Company's Name	Ownership Percentage	Paid-in Capital	Investment Value	Nature of operation	Established Year	Location
	%	JD	JD			
Al-EtiHAD for Financial Brokerage Company	100	5,000,000	5,000,000	Financial brokerage	2006	Jordan
Al-EtiHAD for Financial Leasing Company	100	12,000,000	12,000,000	Finance leasing	2015	Jordan
Al-EtiHAD Islamic Investment Company*	58	113,039,028	65,562,636	Acquisition of bonds and shares in companies and borrowing the necessary funds from banks	2016	Jordan
Al-EtiHAD for Financial Technology Company (under liquidation)	100	100,000	100,000	Manufacturing, programming, preparing, developing and supplying programs	2019	Jordan
		<u>130,139,028</u>	<u>82,662,636</u>			

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

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

BANK AL ETIHAD
(PUBLIC SHAREHOLDING LIMITED COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 SEPTEMBER 2024

B. Investment in Foreign branches

Company's Name	30 September 2024 (unaudited)			Nature of operation	Established Year	Location
	Ownership	Paid-in	Investment			
	Percentage	Capital	Value			
	%	JD	JD			
Bank Al Etihad – Iraq						
Branch	100	35,450,000	35,450,000	Commercial Bank	2023	Iraq
		35,450,000	35,450,000			

(3) CHANGES IN ACCOUNTING POLICIES

The accounting policies used in the preparation of the interim condensed consolidated financial statements are consistent with those used in the preparation of the annual interim consolidated financial statements for the year ended 31 December 2023 except for the adoption of new amendments on the standards effective as of 1 January 2024 shown below:

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

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

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

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

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

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

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

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

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

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

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

(4) SIGNIFICANT JUDGMENTS AND ESTIMATES USED

USE OF JUDGMENTS AND ESTIMATES:

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

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

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

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

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

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

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

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

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

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

- The Bank uses the following macroeconomic indicators when performing futuristic forecasts for the countries that it operates in:
 - 1- Gross Domestic Product.
 - 2- Inflation rate.
 - 3- Stock market index price.
 - 4- Consumer price index.
 - 5- Import price index.
- The bank uses three scenarios to reach a probable value when to estimate the expected credit losses as follows, noting that during 2024, the bank decided to neutralize the best-case scenario by assigning 0% weight as follows:
 - 1- Main scenario (Baseline) weighted 75%
 - 2- Best scenario (Optimistic S1) weighted 0%
 - 3- Worst case scenario 1 (Pessimistic S3) weighted 25%

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

- **Definition of default:**

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

- **Exposure at default:**

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

B. INCOME TAX

Income tax expenses represent accrued taxes and deferred taxes.

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

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

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

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

C. FAIR VALUE

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

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

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

(5) CASH AND BALANCES AT CENTRAL BANKS

The details of this item are as follows:

	30 September 2024	31 December 2023
	JD	JD
	(Unaudited)	(Audited)
Cash in treasury	128,821,691	134,884,779
Balances at Central Banks:		
Current and call deposits	206,503,191	171,981,428
Term and notice deposits	249,900,000	172,500,000
Statutory cash reserve	281,934,380	256,839,775
	<u>867,159,262</u>	<u>736,205,982</u>

- All balances with central banks are classified within the first stage based on the requirements of IFRS No. (9). There are also no transfers between (stage 1, stage 2 and stage 3) or written-off balances during the nine months ended 30 September 2024 and 31 December 2023.
- Except for the statutory cash reserve, there are no restricted balances as of 30 September 2024 and 31 December 2023.
- There are no balances maturing within a period exceeding three months as of 30 September 2024 and 31 December 2023.

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(6) BALANCES AT BANKS AND FINANCIAL INSTITUTIONS, NET

The details of this item are as follows:

	Local banks and financial institutions		Foreign banks and financial institutions		Total	
	30 September 2024	31 December 2023	30 September 2024	31 December 2023	30 September 2024	31 December 2023
	JD	JD	JD	JD	JD	JD
	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Current and call deposits	8,996,156	289,028	168,982,707	176,748,357	177,978,863	177,037,385
Deposits maturing within 3 months or less	10,000,000	30,000,000	198,449,289	164,974,500	208,449,289	194,974,500
Total	18,996,156	30,289,028	367,431,996	341,722,857	386,428,152	372,011,885
Provision for expected credit loss	-	-	(294,289)	(68,178)	(294,289)	(68,178)
	18,996,156	30,289,028	367,137,707	341,654,679	386,133,863	371,943,707

- Non-interest-bearing balances at banks and financial institutions amounted to JD 76,181,074 as of 30 September 2024 (JD 57,400,238 as of 31 December 2023).
- Restricted balances at banks and financial institutions amounted to JD 16,570,449 as of 30 September 2024 (JD 15,526,690 as of 31 December 2023).

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(7) DEPOSITS AT BANKS AND FINANCIAL INSTITUTIONS, NET

The details of this item are as follows:

	Local banks and financial institutions		Foreign banks and financial institutions		Total	
	30 September 2024	31 December 2023	30 September 2024	31 December 2023	30 September 2024	31 December 2023
	JD	JD	JD	JD	JD	JD
	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Deposits maturing within a period from 3 months to 6 months	6,000,000	-	15,360,250	8,089,578	21,360,250	8,089,578
More than a year	-	6,000,000	-	-	-	6,000,000
Total	6,000,000	6,000,000	15,360,250	8,089,578	21,360,250	14,089,578
Provision for expected credit loss*	-	-	(13,490)	(7,159)	(13,490)	(7,159)
	6,000,000	6,000,000	15,346,760	8,082,419	21,346,760	14,082,419

- There are no restricted withdrawal deposits as of 30 September 2024, and 31 December 2023.

The following is the movement on deposits with banks and financial institutions before the provision for expected credit losses:

	30 September 2024 (Unaudited)		31 December 2023 (Audited)	
	Stage 1 – Individual	Total	Stage 1 – Individual	Total
	JD	JD	JD	JD
Balance at the beginning of the period / year	14,089,578	14,089,578	14,020,575	14,020,575
New deposits during the period / year	15,360,250	15,360,250	14,089,578	14,089,578
Deposits Settled during the period / year	(8,089,578)	(8,089,578)	(14,020,575)	(14,020,575)
Balance at the end of the period / year	21,360,250	21,360,250	14,089,578	14,089,578

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

	30 September 2024 (Unaudited)		31 December 2023 (Audited)	
	Stage 1 - Individual	Total	Stage 1 - Individual	Total
	JD	JD	JD	JD
Balance at the beginning of the period / year	7,159	7,159	6,751	6,751
Provision on new deposits during the period / year	13,490	13,490	7,159	7,159
Recovered from the provision on the settled balances	(7,159)	(7,159)	(6,751)	(6,751)
Balance at the end of the period / year	<u>13,490</u>	<u>13,490</u>	<u>7,159</u>	<u>7,159</u>

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

The details of this item are as follows:

	30 September 2024	31 December 2023
	JD	JD
	(Unaudited)	(Audited)
Government bonds listed in financial markets	3,493,706	2,795,239
Corporate bonds listed in financial markets	1,432,835	1,022,642
Corporate shares listed in financial markets	12,226,202	9,965,008
Investment funds	13,185,331	12,446,430
	<u>30,338,074</u>	<u>26,229,319</u>

(9) DIRECT CREDIT FACILITIES AND FINANCING, NET

The details of this item are as follows:

	30 September 2024	31 December 2023
	JD	JD
	(Unaudited)	(Audited)
Individuals (Retail)		
Overdraft accounts	3,119,569	1,971,029
Loans and bills *	1,128,209,866	1,078,707,595
Credit cards	54,687,222	46,515,963
Real estate loans	1,172,697,353	1,116,094,786
Large Corporates		
Overdraft accounts	64,430,068	71,128,650
Loans and bills *	1,354,270,943	1,256,219,953
Small and Medium Enterprises		
Overdraft accounts	31,803,092	29,898,877
Loans and bills *	280,145,194	256,477,274
Government and Public Sector	599,383,462	599,833,607
	<u>4,688,746,769</u>	<u>4,456,847,734</u>
<u>Less:</u>		
Interest and return in suspense	22,486,228	17,846,427
Provision for expected credit losses	244,797,282	194,089,883
	<u>4,421,463,259</u>	<u>4,244,911,424</u>

* The net loans and bills, after deducting the interest and commissions collected in advance, amounted to JD 13,384,666 as of 30 September 2024 (JD 12,077,413 as of 31 December 2023).

- Direct credit facilities and financing included in stage 3 amounted to JD 251,860,582 which representing 5.37% of total direct credit facilities and financing as of 30 September 2024 (JD 199,435,150 which is represent 4.47% of total direct credit facilities and financing as of 31 December 2023).
- Direct credit facilities and financing included in stage 3 amounted to JD 229,374,354 which representing 4.92% of total direct credit facilities and financing balance after deducting the interest, revenue and commissions in suspense as of 30 September 2024 (JD 181,588,723 which representing 4.09% of total direct credit facilities and financing balance after deducting the interest, revenue and commissions in suspense as of 31 December 2023).
- Direct credit facilities and financing granted to the Jordanian Government and guaranteed by it amounted to JD 605,761,505 which representing 12.92% of total credit facilities and financing as of 30 September 2024 (JD 581,623,355 which representing 13.05% of total direct credit facilities and financing as of 31 December 2023).
- Financing in accordance with Islamic Sharia which belongs to Safwa Islamic Bank amounted to JD 2,237,220,225 which representing 47.71% of total direct credit facilities as of 30 September 2024 (JD 2,069,832,005 which representing 46.44% of total direct credit facilities and financing as at 31 December 2023).

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

	Stage 1		Stage 2		Stage 3	Total
	Individual JD	Collective JD	Individual JD	Collective JD	JD	JD
For the nine months ended 30 September 2024 (Unaudited)						
Balance at the beginning of the year	2,789,176,214	841,603,092	507,423,305	119,209,973	199,435,150	4,456,847,734
New facilities during the period	662,619,749	208,715,222	36,624,884	33,674,672	11,286,733	952,921,260
Settled facilities	(294,714,814)	(58,371,289)	(106,257,056)	(16,283,570)	(7,749,945)	(483,376,674)
Transferred to stage 1	76,472,141	11,507,357	(75,812,782)	(11,390,393)	(776,323)	-
Transferred to stage 2	(129,401,567)	(45,035,956)	133,498,504	46,610,852	(5,671,833)	-
Transferred to stage 3	(10,189,212)	(1,793,835)	(37,585,444)	(8,492,051)	58,060,542	-
Total impact on the volume of exposures as a result of changing the reclassifications between stages	(5,582,590)	(2,218,546)	(2,524,207)	(1,805,905)	718,703	(11,412,545)
Changes resulted from adjustments	(123,420,507)	(78,554,597)	(15,287,455)	(5,528,002)	(1,602,176)	(224,392,737)
Written off credit facilities or transferred as off financial position items*	-	-	-	-	(1,840,269)	(1,840,269)
Balance at the end of the period / year	<u>2,964,959,414</u>	<u>875,851,448</u>	<u>440,079,749</u>	<u>155,995,576</u>	<u>251,860,582</u>	<u>4,688,746,769</u>

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

* An amount of JD 1,238,217 was transferred to off financial position items during the nine months ended 30 September 2024 (JD 22,019,975 during the year ended 31 December 2023) and an amount of JD 602,052 of direct credit facilities and financing were written off during the nine months ended 30 September 2024 in accordance with the Board of Directors decisions in this regard (JD 519,168 as of 31 December 2023).

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Provision for expected credit losses:

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

	Individuals JD	Real Estate Loans JD	Large Corporates JD	Small and Medium Enterprises JD	Total JD
<u>For the nine months ended 30 September 2024 (Unaudited)</u>					
Balance at the beginning of the year	50,355,818	17,889,300	105,993,907	19,850,858	194,089,883
Impairment losses on new credit facilities during the period	5,781,486	3,480,826	10,524,954	2,425,125	22,212,391
Recovered from the provision of expected credit losses	(1,892,504)	(2,733,437)	(7,629,487)	(1,832,984)	(14,088,412)
Transferred to stage 1	846,701	(26,055)	2,295,525	(62,848)	3,053,323
Transferred to stage 2	448,218	(504,172)	(6,378,864)	233,001	(6,201,817)
Transferred to stage 3	(1,294,919)	530,227	4,083,339	(170,153)	3,148,494
Effect on the provision as a result of changing the classifications between the three stages during the period	12,803,860	2,778,347	2,854,683	1,278,407	19,715,297
Changes resulted from adjustments	10,554,453	629,243	11,007,266	1,658,177	23,849,139
Written-off facilities	(334,686)	-	-	(646,330)	(981,016)
Balance at the end of the period	<u>77,268,427</u>	<u>22,044,279</u>	<u>122,751,323</u>	<u>22,733,253</u>	<u>244,797,282</u>
Redistribution:					
Provisions on individual basis	59,017,622	21,986,512	122,751,323	22,381,360	226,136,817
Provisions on collective basis	18,250,805	57,767	-	351,893	18,660,465
	<u>77,268,427</u>	<u>22,044,279</u>	<u>122,751,323</u>	<u>22,733,253</u>	<u>244,797,282</u>

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

- The value of provisions that were no longer needed due to settlements and were transferred against other debts amounted to JD 14,088,412 as of 30 September 2024 (JD 13,094,535 as of 31 December 2023).

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Interest and returns in suspense

* The movement on suspended interest and returns is as follows:

	Individuals JD	Real Estate Loans JD	Large Corporates JD	Small and Medium Enterprises JD	Total JD
<u>For the nine months ended 30 September 2024 (Unaudited)</u>					
Balance at the beginning of the year	7,467,015	2,809,958	4,710,422	2,859,032	17,846,427
Add: Interest and returns in suspense during the period	3,187,453	268,291	1,871,807	1,098,674	6,426,225
Less: Interest and returns transferred to revenue	(581,600)	(26,275)	(47,290)	(272,007)	(927,172)
Interests in suspense written-off	(288,444)	-	-	(570,808)	(859,252)
Balance at the end of the period	<u>9,784,424</u>	<u>3,051,974</u>	<u>6,534,939</u>	<u>3,114,891</u>	<u>22,486,228</u>
<u>For the year ended 31 December 2023 (Audited)</u>					
Balance at the beginning of the year	5,570,164	2,709,063	5,436,609	2,630,900	16,346,736
Add: Interest and returns in suspense during the year	3,029,724	239,542	1,254,684	1,015,538	5,539,488
Less: Interest and returns transferred to revenue	(626,638)	(138,647)	(649,511)	(230,393)	(1,645,189)
Interests in suspense written-off	(506,235)	-	(1,331,360)	(557,013)	(2,394,608)
Balance at the end of the year	<u>7,467,015</u>	<u>2,809,958</u>	<u>4,710,422</u>	<u>2,859,032</u>	<u>17,846,427</u>

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

The details of this item are as follows:

	30 September 2024	31 December 2023
	JD (Unaudited)	JD (Audited)
Shares listed in active markets	27,187,018	31,866,382
Bonds listed in active markets	31,590,425	-
Unlisted shares in active markets	16,728,101	15,159,479
Investment funds	24,508,418	19,632,260
	100,013,962	66,658,121
Less: Provision for expected credit losses	(44,548)	-
	99,969,414	66,658,121

- Transferred losses as a result of selling financial assets at fair value through other comprehensive income amounted to JD 3,308 as of 30 September 2024 (JD 344,555 gains transferred as of 30 September 2023 of which JD 21,069 belongs to non-controlling interests).
- Realized gains on the sale of debt instruments through other comprehensive income amounted to JD 78,970 during the nine months ended as of 30 September 2024 (There were no sales during the nine months ended 30 September 2023).
- The cash dividends on financial assets above amounted to JD 665,835 as of 30 September 2024 (JD 1,160,469 as of 30 September 2023).

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(11) FINANCIAL ASSETS AT AMORTIZED COST, NET

The details of this item are as follows:

	30 September 2024	31 December 2023
	JD	JD
	(Unaudited)	(Audited)
Quoted financial assets:		
Foreign treasury bonds	76,594,438	91,696,901
Corporate bonds and debentures	232,473,988	189,613,293
Unquoted financial assets:		
Governmental treasury bills	105,343,521	108,877,524
Governmental guaranteed bonds	1,429,564,884	1,221,607,600
Corporate bonds and debentures	9,152,000	22,652,000
	1,853,128,831	1,634,447,318
Less: Provision for expected credit losses (stage 1)	(364,607)	(632,492)
	1,852,764,224	1,633,814,826
Treasury bills and bonds analysis:		
With fixed rate	1,853,128,831	1,634,055,985
With floating rate	-	391,333
	1,853,128,831	1,634,447,318

Analysis of bonds and bills according to the IFRS (9):

	30 September 2024	31 December 2023
	JD	JD
	(Unaudited)	(Audited)
Stage 1	1,853,128,831	1,634,447,318
	1,853,128,831	1,634,447,318

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(12) OTHER ASSETS, NET

The details of this item are as follows:

	30 September 2024	31 December 2023
	JD	JD
	(Unaudited)	(Audited)
Assets seized by the Bank against due debts *	99,630,441	78,038,809
Accrued interest and revenue	28,073,632	27,100,676
Discounted commercial papers	16,849,808	17,341,650
Prepaid expenses	10,204,902	7,562,688
Paid margins on letter of guarantees	5,617,614	6,389,990
Clearing cheques	1,609,186	307,331
Convertible loans	1,011,612	1,004,774
Transfers and cheques under collection	596,200	233,915
Others	19,882,407	15,245,752
	<u>183,475,802</u>	<u>153,225,585</u>

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

	30 September 2024	31 December 2023
	JD	JD
	(Unaudited)	(Audited)
Balance at the beginning of the period / year	83,528,320	59,048,934
Additions	27,819,382	28,807,610
Disposals	(6,111,571)	(4,328,224)
	<u>105,236,131</u>	<u>83,528,320</u>
Impairment loss for the period / year	(5,605,690)	(5,489,511)
Balance at the end of the period / year	<u>99,630,441</u>	<u>78,038,809</u>

The movement on the impairment of the seized assets provision against due debts is as follows:

Balance at the beginning of the period / year	5,489,511	6,070,677
Provision (surplus) during the period / year	116,179	(581,166)
Balance at the end of the period / year	<u>5,605,690</u>	<u>5,489,511</u>

- The impairment provision against seized assets amounted to JD 2,230,254 as of 30 September 2024 (JD 1,349,193 as of 31 December 2023), and the provision for the assets seized by the Bank for a period of more than 4 years amounted to JD 3,375,436 as of 30 September 2024 (JD 4,140,318 as of 31 December 2023).

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(13) CUSTOMERS' DEPOSITS

	Corporations				
	Individuals	Large Corporates	Small and Medium Enterprises	Government and public sector	Total
	JD	JD	JD	JD	JD
<u>As of 30 September 2024 (Unaudited)</u>					
Current and demand accounts	507,884,432	212,180,609	423,629,284	7,372,026	1,151,066,351
Saving deposits	983,444,595	74,717,550	149,604,411	9,510,023	1,217,276,579
Term and notice deposits	1,829,166,814	619,934,087	179,393,977	369,035,333	2,997,530,211
Certificates of deposits	603,731,381	45,953,390	38,834,907	59,299,000	747,818,678
	<u>3,924,227,222</u>	<u>952,785,636</u>	<u>791,462,579</u>	<u>445,216,382</u>	<u>6,113,691,819</u>
<u>As of 31 December 2023 (Audited)</u>					
Current and demand accounts	506,333,549	193,872,804	408,774,305	9,943,945	1,118,924,603
Saving deposits	862,848,432	28,513,684	88,598,277	8,157,365	988,117,758
Term and notice deposits	1,728,339,919	581,973,635	185,300,102	411,903,611	2,907,517,267
Certificates of deposits	531,540,903	25,843,940	35,731,547	43,677,000	636,793,390
	<u>3,629,062,803</u>	<u>830,204,063</u>	<u>718,404,231</u>	<u>473,681,921</u>	<u>5,651,353,018</u>

- The Jordanian government and public sector deposits inside the kingdom amounted to JD 445,216,382 representing 7.28% of total deposits as of 30 September 2024 (JD 473,681,921 representing 8.38% as of 31 December 2023).
- Non-interest-bearing deposits amounted to JD 1,110,596,101 representing 18.17% of the total deposits as of 30 September 2024 (JD 1,109,911,255 representing 19.64% as of 31 December 2023).
- Restricted deposits (withdrawal restricted) amounted to JD 30,374,439 representing 0.50% of the total deposits as of 30 September 2024 (JD 9,838,084 representing 0.17% of the total deposits as of 31 December 2023).
- Dormant deposits amounted to JD 42,224,321 representing 0.69% of the total deposits as of 30 September 2024 (JD 39,908,496 representing 0.71% of the total deposits as of 31 December 2023).
- Customer deposits include JD 2,461,699,573 which represents the shared customer investment related to Safwa Islamic Bank as of 30 September 2024 (JD 2,114,530,041 as of 31 December 2023).

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(14) INCOME TAX PROVISION

A. The movement on income tax provision is as follows:

	For the nine months ended 30 September 2024	For the year ended 31 December 2023
	JD	JD
	(Unaudited)	(Audited)
Balance at the beginning of the period / year	30,872,484	28,930,915
Income tax paid during the period / year	(33,287,096)	(35,092,191)
Income tax for the period / year	21,999,476	37,020,220
Income tax from profits from financial assets	-	13,540
Provision for prior years income tax	504,770	-
Balance at the end of the period / year	<u>20,089,634</u>	<u>30,872,484</u>

The income tax reflected in the condensed interim consolidated statement of income represents the following:

	For the nine months ended 30 September 2024	2023
	JD	JD
	(Unaudited)	(Unaudited)
Income tax accrued for the current period profits	21,999,476	23,796,257
Prior years income tax	545,467	-
Impact of deferred tax assets during the period	41,934	1,225,202
Amortization of deferred tax liabilities for the period	168,957	-
	<u>22,755,834</u>	<u>25,021,459</u>

- The legal income tax rate for the Bank was 35% in addition to the national contribution of 3%, the legal income tax rate for Al Etihad Leasing Company and AL Etihad Financial Brokerage companies has reached to 24% in addition to the national contribution of 4% and the income tax rate for Al Etihad Financial Technology has reached to 20% in addition to the national contribution of 1%.
- The Bank submitted the tax return until the year 2023 and a final settlement was reached with Income Tax Department on the results of the bank until end of the year 2020 and the Income and Sales Tax Department did not review the Bank's accounting records for the years 2021 and 2022 and 2023.

- A final settlement with the income tax and sales department for Safwa Islamic Bank has been reached up to the year 2020. The tax returns for the year 2021 and 2022 and 2023 were submitted within the legal period, and the income and sales tax department did not review the accounting records until the date of preparing interim condensed consolidated financial statements.
- Clearance was obtained from income tax and sales department of MESK financial brokerage company (Safwa Islamic subsidiary) until the end of the year 2022 except the year 2019 where the company submitted tax statements for the year 2019 and it was not reviewed by the Income and Sales Tax Department, the Company also submitted the tax return for the year 2023 and it has not yet been reviewed by the Income and Sales Tax Department.
- A final settlement was reached with the Income Tax Department on the results of the business of the Etihad Financial Brokerage Company until the year 2021, the Company also submitted the tax return for the year 2022 and 2023 and has not been reviewed by the Income and Sales Tax Department until the date of preparing the condensed consolidated interim financial information.
- A final settlement was reached with the Income Tax Department on the results of the Etihad Financial Leasing Company's business until the end of 2021 and submitted the self-assessment statement for the year 2022 and 2023 and has not been reviewed by the Income and Sales Tax Department until the date of preparing the condensed consolidated interim financial information.
- A final settlement with the Income and Sales Tax Department for Al Etihad for Financial Technology Company has been reached up to the year 2020. The tax return for the year 2021 and 2022 and 2023 was submitted, and the Income and Sales Tax Department did not review the accounting records until the date of the condensed consolidated interim financial information.
- Al Etihad Islamic Investments Company has submitted the tax return for the year 2023 and final settlement with the Income and Sales Tax Department has been reached up to the year 2022.
- A tax provision has been calculated and recorded as at 30 September 2024 for the bank and its subsidiaries and according to the management and the tax advisor the booked provision is sufficient.
- The percentage of deferred taxes amounted to 38% of the income generated inside Jordan and 13% of the income generated outside Jordan and based on the Bank's management opinion these taxes can be realized in the future.

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(15) OTHER LIABILITIES

The details of this item are as follows:

	30 September 2024	31 December 2023
	JD	JD
	(Unaudited)	(Audited)
Accrued interest and expenses	67,391,045	61,266,169
Deferred cheques	17,022,340	18,008,141
Temporary deposits	17,492,206	10,390,652
Accrued and unpaid expenses	16,672,867	16,357,721
Card settlement accounts	12,635,572	11,398,830
Liabilities payment broker	6,646,646	6,839,593
Provision for expected credit losses for the off-		
Balance sheet items*	3,871,997	4,902,617
Electronic payments system reconciliations	3,738,034	3,196,747
Revenue received in advance	2,800,602	2,758,168
Incoming transfers	1,586,708	453,698
Accounts payable	631,896	698,706
Dividends payable	520,221	467,693
Other liabilities	25,577,259	14,197,485
	<u>176,587,393</u>	<u>150,936,220</u>

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The movement on indirect facilities during the period / year:

	For the nine months ended 30 September 2024 (Unaudited)				For the year ended 31 December 2023 (Audited)
	Stage 1 - Individual	Stage 2 - Individual	Stage 3	Total	
	JD	JD	JD	JD	JD
Balance at the beginning of the period / year	1,395,440,964	53,928,063	2,876,548	1,452,245,575	1,411,929,588
New exposure during the period / year	911,529,707	43,691,989	33,545	955,255,241	920,210,563
Accrued exposure	(635,580,169)	(19,046,637)	(329,507)	(654,956,313)	(843,281,923)
Transferred to stage 1	15,736,025	(15,613,025)	(123,000)	-	-
Transferred to stage 2	(7,479,234)	7,524,234	(45,000)	-	-
Transferred to stage 3	(188,330)	(502,000)	690,330	-	-
Effect on the exposure results change classification between the three stages	(237,226)	4,098,825	(127,256)	3,734,343	(1,072,736)
Changes resulted from adjustments	(94,536,743)	(351,375)	(2,700)	(94,890,818)	(35,539,917)
Balance at the end of the period / year	<u>1,584,684,994</u>	<u>73,730,074</u>	<u>2,972,960</u>	<u>1,661,388,028</u>	<u>1,452,245,575</u>

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

	For the nine months ended 30 September 2024 (Unaudited)				For the year ended 31 December 2023 (Audited)
	Stage 1 - Individual	Stage 2 - Individual	Stage 3	Total	
	JD	JD	JD	JD	JD
Balance at the beginning of the period / year	4,492,510	301,536	108,571	4,902,617	5,021,887
Impairment loss on new exposures during the period / year	1,682,588	108,963	-	1,791,551	2,428,887
Recovered from the impairment loss of the accrued exposures	(1,951,237)	(205,898)	-	(2,157,135)	(2,421,609)
Transferred to stage 1	37,975	(28,975)	(9,000)	-	-
Transferred to stage 2	(40,614)	40,614	-	-	-
Transferred to stage 3	(3,119)	(425)	3,544	-	-
Total impact on volume of exposures as a result of stages reclassifications during the period /year	(24,978)	186,753	12,956	174,731	21,862
Changes resulted from adjustments	(815,719)	(24,048)	-	(839,767)	(148,410)
Balance at the end of the period / year	<u>3,377,406</u>	<u>378,520</u>	<u>116,071</u>	<u>3,871,997</u>	<u>4,902,617</u>

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(16/A) BORROWED FUNDS

	Amount	Total	Number of Installments Remaining	Installments Frequency	Collaterals	Borrowing Interest Rate %
<u>30 September 2024 (Unaudited)</u>	JD					
Central Bank of Jordan borrowing *	83,005,926	15,643	9,993	Monthly	Bank Promissories	0.50 -1.00
Central Bank of Jordan borrowing *	584,129	42	36	Quarterly	Bank Promissories	0.50 -1.00
Central Bank of Jordan borrowing *	2,790,445	36	33	Semi-annual	Bank Promissories	0.50 -1.00
Central Bank of Jordan borrowing *	3,574,272	22	22	Annual	Bank Promissories	0.50 -1.00
Central Bank of Jordan borrowing *	33,210,645	20,003	8,834	Monthly	Bank Promissories	0.00
International Bank for Reconstruction and Development **	1,800,000	20	6	Semi-annually from 15 September 2018	Bank Promissories	6.25
Arab Fund for Economic and Social Development ***	1,772,500	15	15	Semi-annual	Bank Promissories	2.50
Arab Fund for Economic and Social Development ***	7,399,814	32	32	Semi-annual	Bank Promissories	3.00
Arab Fund for Economic and Social Development ***	60,000	15	1	One installment	Bank Promissories	2.50
European Bank for Reconstruction and Development	5,768,400	7	6	Semi-annual from 1 September 2024	-	8.65
European Bank for Reconstruction and Development	303,857	7	6	Semi-annual from 1 September 2024	-	5.67
European Investment Bank	34,470,000	7	7	Semi-annual from 21 December 2024	-	4.45
Jordan Mortgage Refinance Company (Relating to a subsidiary)	2,000,000	1	1	One installment	-	7.75
Jordan Mortgage Refinance Company (Relating to a subsidiary)	5,000,000	1	1	One installment	-	8.00
Local Banks (Relating to a subsidiary)	5,825,000	204	170	Quarterly	-	6.75
Local Banks (Relating to a subsidiary)	14,742,887	829	816	Quarterly	-	7.25
Local Banks (Relating to a subsidiary)	9,995,000	396	396	Quarterly	-	7.25
Local Banks (Relating to a subsidiary)	1,500,000	72	72	Monthly	-	7.50
Local Banks (Relating to a subsidiary)	4,832,333	192	185	Monthly	-	6.00
Local Banks (Relating to a subsidiary)	5,000,000	30	30	Monthly	-	6.50
	<u>223,635,208</u>					

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

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- * Funds have been reborrowed from the Central Bank of Jordan to SMEs' and large corporates' sectors at an interest rate ranging between 2% to 4.5%.
- ** Funds have been reborrowed from the International Bank for Reconstruction and Development to SMEs' and large corporates' sectors at an interest rate ranging between 8% to 10%.
- *** Funds have been reborrowed by the Arab Fund for Economic and Social Development to SMEs' and large corporates' sectors at an interest rate ranging between 4.5% - 10.25%.

(16/B) SUBORDINATED LOANS

	Amount	Number of Installments		Installments Frequency	Borrowing Interest Rate
	JD	Total	Remaining		%
<u>30 September 2024 (Unaudited)</u>					
European Bank for Restructuring and Development	24,815,000	1	1	One instalment dated 6 December 2032	12.85
European Bank for Restructuring and Development	21,300,000	1	1	One instalment dated 8 April 2027	11.75
Sanad Fund for financing micro, SME's	14,180,000	1	1	One instalment dated 30 March 2030	10.82
	<u>60,295,000</u>				
	Amount	Number of Installments		Installments Frequency	Borrowing Interest Rate
	JD	Total	Remaining		%
<u>31 December 2023 (Audited)</u>					
European Bank for Restructuring and Development	24,815,000	1	1	One instalment dated 6 December 2032	12.85
European Bank for Restructuring and Development	21,300,000	1	1	One instalment dated 8 April 2027	11.75
Sanad Fund for financing micro, SME's	14,180,000	1	1	One instalment dated 30 March 2030	10.91
	<u>60,295,000</u>				

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(17) RETAINED EARNINGS

	30 September 2024	31 December 2023
	(Unaudited) JD	(Audited) JD
Balance at the beginning of the period / year	65,411,367	78,930,524
Profit for the year	-	47,137,256
Realized (loss) gain from sale of financial assets at fair value through other comprehensive income	(3,308)	400,715
Transferred to reserves	-	(15,073,872)
Capital increase	-	(28,000,000)
Distributed dividends	(20,000,000)	(16,000,000)
Ownership share in subsidiary	-	(435,765)
Capital increase fees	(150,113)	(250,150)
Issuance of perpetual bonds and their related expenses after excluding the tax effect	(7,033)	(363,234)
Interest on perpetual bonds after excluding the tax effect	(2,843,839)	(934,107)
Balance at the end of the period / year	<u>42,407,074</u>	<u>65,411,367</u>

(18) FAIR VALUE RESERVE, NET

	30 September 2024	31 December 2023
	(Unaudited) JD	(Audited) JD
Balance at the beginning of the period / year	2,693,754	6,482,816
Unrealized losses, net	(3,030,908)	(4,448,787)
Deferred tax assets	41,591	215,586
Deferred tax liabilities	-	844,854
Loss (gain) from sale of financial assets at fair value through other comprehensive income	3,308	(400,715)
Balance at the end of the period / year	<u>(292,255)</u>	<u>2,693,754</u>

The balance of the fair value reserve after deducting deferred tax assets balance amounted to JD 574,246 as of 30 September 2024 (after deducting deferred tax assets 215,586 as of 31 December 2023).

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

	Realized Gains JD	Unrealized Gains (Losses) JD	Dividends Income JD	Total JD
<u>For the nine months ended 30 September 2024 (Unaudited)</u>				
Treasury bills and bonds	46,456	51,133	-	97,589
Corporate shares	790,217	488,516	339,135	1,617,868
Financial derivatives	15,362	(32,445)	-	(17,083)
Investment funds	(2,627)	777,049	5,604	780,026
	<u>849,408</u>	<u>1,284,253</u>	<u>344,739</u>	<u>2,478,400</u>
<u>For the nine months ended 30 September 2023 (Unaudited)</u>				
Treasury bills and bonds	134,381	(18,757)	-	115,624
Corporate shares	404,882	(213,789)	139,392	330,485
Financial derivatives	(12)	-	-	(12)
Investment funds	(18,463)	232,352	-	213,889
	<u>520,788</u>	<u>(194)</u>	<u>139,392</u>	<u>659,986</u>

(20) BASIC AND DILUTED EARNINGS PER SHARE FOR THE PERIOD

	For the three months ended 30 September		For the nine months ended 30 September	
	2024 (Unaudited) JD	2023 (Unaudited) JD	2024 (Unaudited) JD	2023 (Unaudited) JD
Profit for the period	10,269,278	12,232,933	29,949,686	36,829,902
Weighted average number of shares	200,000,000	200,000,000	200,000,000	200,000,000
	<u>JD/Share</u>	<u>JD/Share</u>	<u>JD/Share</u>	<u>JD/Share</u>
Basic and diluted earnings per share for the period	<u>0.051</u>	<u>0.061</u>	<u>0.150</u>	<u>0.184</u>

(21) PROVISION FOR EXPECTED CREDIT LOSSES - NET

	For the nine months ended 30 September	
	2024 (Unaudited) JD	2023 (Unaudited) JD
Balances at banks and financial institutions	226,111	(99,029)
Deposits at banks and financial institutions	6,331	9,036
Financial assets at fair value through comprehensive income	44,548	-
Financial assets at amortized cost	(267,885)	(524)
Direct credit facilities and financing	51,688,415	27,723,700
Contingent liabilities and commitments	(1,030,620)	(160,945)
	<u>50,666,900</u>	<u>27,472,238</u>

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(22) CASH AND CASH EQUIVALENTS

	For the nine months ended 30 September	
	2024	2023
	(Unaudited)	(Unaudited)
	JD	JD
Balances at central banks due within 3 months	867,159,262	749,027,747
<u>Add:</u> Balances at banks and financial institutions due within 3 months	386,428,152	305,701,351
<u>Less:</u> Banks and financial institutions deposit due within 3 months	(269,104,226)	(273,891,507)
<u>Less:</u> Restricted balances	(16,570,449)	(13,230,148)
	<u>967,912,739</u>	<u>767,607,443</u>

(23) SHAREHOLDERS' EQUITY

Authorized and paid in capital-

The authorized and paid-up capital as of 30 September 2024 and 31 December 2023 amounted to JD 200,000,000 divided over 200,000,000 shares, where the par value per share was one JD.

Share Premium-

Share premium amounted to JD 68,213,173 as of 30 September 2024 and 31 December 2023.

Distributed Dividends –

Dividends distributed during 2024 to shareholders amounted to JD 20,000,000 for 2023 (JD 16,000,000 for 2022).

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(24) CONTINGENT LIABILITIES AND COMMITMENTS

	30 September 2024 (Unaudited)	31 December 2023 (Audited)
	JD	JD
Letters of credit	546,786,001	377,766,475
Acceptances	170,512,179	134,886,065
Letters of guarantees:		
- Payments	63,100,408	66,849,149
- Performance	105,238,015	94,941,945
- Other	76,963,153	68,306,116
Futures currency contracts	106,197,699	62,503,548
Unutilized limits of credit facilities and financing	698,788,272	709,495,825
	<u>1,767,585,727</u>	<u>1,514,749,123</u>

(25) LAWSUITS AGAINST THE BANK

The total number of lawsuits filed against the Group amounted to JD 4,450,619 as of 30 September 2024 (JD 2,354,730 as of 31 December 2023) and the provisions made against them amounted to JD 997,469 as of 30 September 2024 (JD 302,182 as of 31 December 2023). The bank's management and legal counsel believe that the provisions made against these cases are sufficient.

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(26) TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The bank has engaged in transactions with major shareholders, board members, and senior management as part of its regular activities, using commercial interest rates and fees. All credit facilities granted to related parties are considered performing, and no provisions have been made against them.

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

	Board of Directors Members	Top Executive Management and major shareholders	Subsidiaries	Others (executive management members of the Bank and their relatives)	Total	
	JD	JD	JD	JD	30 September 2024 (Unaudited) JD	31 December 2023 (Audited) JD
<u>On- Interim Condensed Consolidated Statement of Financial Position Items:</u>						
Direct credit facilities and financing	544,348	2,951,985	1,642,931	70,112,247	75,251,511	67,673,022
Deposits	177,839,830	3,885,590	6,299,707	24,029,184	212,054,311	211,323,536
Deposits at banks and financial institutions	-	-	1,019,749	-	1,019,749	1,636,036
Intangible assets	-	-	1,616,825	-	1,616,825	2,211,755
<u>Off- Interim Condensed Consolidated Statement of Financial Position Items:</u>						
Letters of credit	-	-	-	2,457,918	2,457,918	627,513
Acceptances	-	-	-	5,513,706	5,513,706	4,043,519
Letters of guarantee	10,000	-	1,043,670	9,792,177	10,845,847	9,273,470
					For the nine months ended 30 September	
					2024 (Unaudited) JD	2023 (Unaudited) JD
<u>Condensed Consolidated Interim Statement of income items:</u>						
Interests, returns, and commissions income	24,073	77,572	144,966	4,176,632	4,423,243	2,599,651
Interests, returns, and commissions expense	6,802,642	130,919	600,511	866,100	8,400,172	6,476,834

b. The Salaries, bonuses of bank's Executive management and the fees, transportation and allowances of the board of directors amounted to JD 8,221,144 for the nine months ended 30 September 2024 (JD 5,886,778 for the nine months ended 30 September 2023).

(27) SEGMENTAL INFORMATION BUSINESS

1- Bank Activities Information:

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

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

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

	Individuals JD	Corporates JD	Small and Medium Enterprises JD	Treasury JD	Other JD	Total	
						For the nine months ended 30 September	
						2024 (Unaudited) JD	2023 (Unaudited) JD
Gross Income	139,466,950	128,308,849	22,507,959	119,738,751	899,408	410,921,917	353,286,179
Expected credit losses	(31,211,288)	(15,252,878)	(4,714,262)	511,528	-	(50,666,900)	(27,472,238)
Segment Results	16,754,446	41,455,120	7,125,099	105,095,649	463,192	170,893,506	165,260,270
Less: Expenses not allocated to segments						(110,089,683)	(95,997,804)
Operating income						60,803,823	69,262,466
Bank's share of (losses) profits from associate companies						(16,863)	3,668
Profit before tax						60,786,960	69,266,134
Income tax						(22,755,834)	(25,021,459)
Profit for the period						38,031,126	44,244,675
Other Information							
Capital expenditures						20,477,656	15,236,650
Depreciation and amortization						11,494,845	11,198,923
						Total	
						30 September 2024 (Unaudited) JD	31 December 2023 (Audited) JD
Segment assets	1,870,860,583	2,010,854,330	389,341,054	3,408,551,380	-	7,679,607,347	7,093,625,604
Undistributed assets on segments	-	-	-	-	365,507,592	365,507,592	326,393,833
Total assets	1,870,860,583	2,010,854,330	389,341,054	3,408,551,380	365,507,592	8,045,114,939	7,420,019,437
Segment liabilities	4,011,477,221	1,574,642,706	828,141,881	715,400,726	-	7,129,662,534	6,532,867,417
Undistributed liabilities on segments	-	-	-	-	239,412,892	239,412,892	223,550,836
Total liabilities	4,011,477,221	1,574,642,706	828,141,881	715,400,726	239,412,892	7,369,075,426	6,756,418,253

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(28) CAPITAL ADEQUACY

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

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

	30 September 2024 (Unaudited) JD	31 December 2023 (Audited) JD
Common equity shareholders' rights		
Authorized and paid in capital	200,000,000	200,000,000
Retained earnings	42,407,074	45,411,367
The cumulative change in fair value	(292,255)	2,693,754
Share premium	68,213,173	68,213,173
Statutory reserve	85,321,596	85,321,596
Voluntary reserve	57,172,423	57,172,423
Recognizable non-controlling interests	61,861,251	57,478,118
Interim profit after tax and deduction of the expected distributions	14,949,686	-
Total Equity capital for common stocks	529,632,948	516,290,431
Regulatory adjustments (deductions from capital)		
Goodwill and intangible assets	(29,921,831)	(28,532,909)
Deferred tax assets resulting from investments within Tier 1 (10%)	(37,416,030)	(37,416,374)
Net Equity of common stockholders	462,295,087	450,341,148
Additional capital		
Recognizable non-controlling interests	10,916,691	10,143,197
Perpetual bonds	70,900,000	70,900,000
Total capital (Tier 1 capital)	544,111,778	531,384,345
Tier 2 Capital		
Capital provision for debts instruments tools listed in Tier 1	14,687,942	15,280,504
Recognizable non-controlling interests	14,555,589	13,524,263
Financial instruments tools issued by the Bank that bear supporting capital	47,515,000	51,775,000
Total Supporting Capital	76,758,531	80,579,767
Total Regulatory Capital	620,870,309	611,964,112
Total Risk Weighted Assets	4,264,455,751	4,083,424,049
Capital Adequacy Ratio	14.56%	14.99%
Primary Capital Adequacy Ratio	12.76%	13.01%
Supporting Capital Adequacy Ratio	1.80%	1.97%

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	30 September 2024 (Unaudited) JD	31 December 2023 (Audited) JD
Financial leverage ratio		
Tier 1 Capital	544,111,778	531,384,345
Total assets in and out of the statement of financial positions after removing deductible items from Tier 1	8,939,544,035	8,129,292,079
Financial leverage rate	6.09%	6.54%

Capital adequacy was calculated as of 30 September 2024 and 31 December 2023 based on the instruction of Basel committee III.

<u>Liquidity Coverage Ratio (LCR):</u>	30 September 2024 (Unaudited) JD	31 December 2023 (Audited) JD
Total high quality liquid assets	2,379,587,669	2,020,674,210
Total high-quality liquid assets after deducting and subtracting cap adjustments	2,340,618,023	1,986,819,408
Net cash outflow	838,873,515	858,979,314
Liquidity Coverage Ratio (LCR)	279.02%	231.30%
The liquidity coverage ratio is according to the average end of each month	266.63%	207.38%

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(29) FAIR VALUE HIERARCHY

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

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

Financial Assets	Fair Value		The Level of fair value	Valuation method and inputs used	Important Intangible Inputs	Relation between the Fair Value and the important intangible inputs
	30 September 2024	31 December 2023				
	(Unaudited) JD	(Audited) JD				
Financial Assets at Fair Value						
Financial Assets at Fair Value Through Statement of income:						
Government bonds listed on financial markets	3,493,706	2,795,239	Level 1	Quoted prices in financial markets	Not Applicable	Not Applicable
Corporate bonds listed on financial markets	1,432,835	1,022,642	Level 1	Quoted prices in financial markets	Not Applicable	Not Applicable
Corporate shares	12,226,202	9,965,008	Level 1	Quoted prices in financial markets	Not Applicable	Not Applicable
Investment Funds	13,185,331	12,446,430	Level 2	The fund manager valuation of fair value	Not Applicable	Not Applicable
	<u>30,338,074</u>	<u>26,229,319</u>				
Financial Assets at Fair Value Through Other Comprehensive Income:						
Quoted Shares in active markets	27,187,018	31,866,382	Level 1	Quoted prices in financial markets	Not Applicable	Not Applicable
Investment funds	24,508,418	19,632,260	Level 2	The fund manager valuation of fair value	Not Applicable	Not Applicable
Unquoted Shares in active markets	16,728,101	15,159,479	Level 3	Through using equity method and based on the latest available information	Not Applicable	Not Applicable
	<u>68,423,537</u>	<u>66,658,121</u>				
	<u>98,761,611</u>	<u>92,887,440</u>				

There were no transfers between level 1, level 2, and level 3 during the nine months ended 30 September 2024 and 31 December 2023.

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

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

	30 September 2024 (Unaudited)		31 December 2023 (Audited)		The level of fair value
	Book Value	Fair Value	Book Value	Fair Value	
	JD	JD	JD	JD	
Financial Assets with no specified Fair Value					
Term deposits, call accounts and certificate of deposits at Central Bank	249,900,000	250,016,427	172,500,000	172,646,479	Level 2
Current accounts, and deposits at Banks and Financial Institutions	407,480,623	407,934,294			
			386,026,126	386,391,285	Level 2
Direct credit facilities at amortized costs	4,421,463,259	4,427,134,848	4,244,911,424	4,250,588,835	Level 2
Other financial assets at amortized costs	1,852,764,224	1,874,355,111	1,633,814,826	1,654,472,456	Level 2
	<u>6,931,608,106</u>	<u>6,959,440,680</u>	<u>6,437,252,376</u>	<u>6,464,099,055</u>	
	30 September 2024 (Unaudited)		31 December 2023 (Audited)		The level of fair value
	Book Value	Fair Value	Book Value	Fair Value	
	JD	JD	JD	JD	
Financial Liabilities with no specified Fair Value					
Banks and Financial Institutions Deposits	364,650,545	366,196,508	311,250,220	312,020,823	Level 2
Customers' Deposits	6,113,691,819	6,175,170,271	5,651,353,018	5,708,140,738	Level 2
Cash Margins	377,516,708	378,481,304	329,660,434	330,258,548	Level 2
Borrowed Funds	223,635,208	224,364,909	190,406,392	190,875,472	Level 2
Syndicated Loans	60,295,000	61,460,707	60,295,000	61,429,028	Level 2
	<u>7,139,789,280</u>	<u>7,205,673,699</u>	<u>6,542,965,064</u>	<u>6,602,724,609</u>	

For the items shown above, the fair value of the financial assets and financial liabilities of the second level was determined according to agreed-upon pricing models that reflect the credit risks of the parties with which they are dealt.

(30) OTHER INFORMATION

Subsequent to the date of the financial statements, regarding the merger talks with Jordan Kuwait Bank, the Board of Directors of the Bank decided at its meeting held on 25 September 2024 to end these talks amicably without reaching a final agreement. Accordingly, Etihad Bank and Jordan Kuwait Bank will continue to focus on implementing their independent growth strategy and implementing their future plans separately.