

JORDAN ISLAMIC BANK

PUBLIC SHAREHOLDING COMPANY

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(REVIEWED AND UNAUDITED)

30 SEPTEMBER 2022

JORDAN ISLAMIC BANK
PUBLIC SHAREHOLDING COMPANY
AMMAN - JORDAN

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Review Report of the Independent auditor

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

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Jordan Islamic Bank (the "Bank") and its subsidiaries (together the "Group") as at 30 September 2022 and the related interim condensed consolidated statement of income and interim condensed consolidated statement comprehensive income for the three and nine month ended 30 September 2022, and the interim condensed consolidated statements of changes in owner's equity and cash flows and sources and uses of funds of Al-Qard Al-Hasan Fund for the nine months then ended and other explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with the Financial Accounting Standards issued by Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) as adopted by Central Bank of Jordan. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

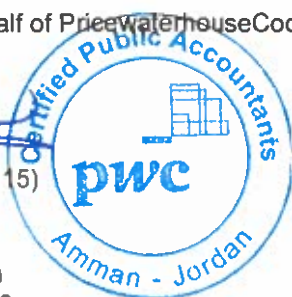
We conducted our review in accordance with the International Standard on Review Engagements (2410) "Review of Interim Financial Information performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for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

Conclusion

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

For and on behalf of PricewaterhouseCoopers "Jordan"


Omar Kalanji
License No. (1015)



Amman, Jordan
24 October 2022

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JORDAN ISLAMIC BANK - PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF 30 SEPTEMBER 2022 (REVIEWED AND UNAUDITED)
STATEMENT (A)

	Notes	30 September 2022 JD (Reviewed And Unaudited)	31 December 2021 JD (Audited)
<u>Assets</u>			
Cash and balances with central bank	4	741,677,638	893,840,158
Balances at banks and financial institutions	5	42,677,437	52,703,935
Wakala Bil Istithmar Accounts	6	35,159,550	35,300,761
Deferred sales receivables and other receivables –net	7	2,920,069,257	2,811,104,715
Ijarah Muntahia Bittamleek assets – net	8	855,127,647	802,548,602
Financing – net	9	37,704,365	36,826,085
Financial assets at fair value through income statement – self-financed	10	99,855	-
Financial assets at fair value through owner's equity – self-financed	11	17,413,090	18,250,074
Financial assets at fair value through joint investment accounts holders' equity	12	32,252,589	31,015,003
Financial assets at amortized cost	13	344,715,711	268,452,049
Investments in associates	14	9,269,668	9,051,815
Investments in real estate	15	115,275,995	119,023,646
Al Qard Al Hasan – net		43,671,476	64,115,042
Property and equipment – net		85,872,824	91,709,560
Intangible assets		6,152,818	4,299,297
Right of use assets		11,183,148	12,283,463
deferred tax assets	19B	674,945	-
Other assets	16	59,897,378	52,057,938
Total Assets		5,358,895,391	5,302,582,143
<u>Liabilities, Joint Investment Accounts Holders' Equity, Non-controlling interests and Owner's Equity</u>			
<u>Liabilities</u>			
Banks and financial institutions' accounts		41,355,337	56,333,430
Customers' current and on demand accounts	17	1,381,259,631	1,379,885,215
Cash margins		59,838,286	58,689,427
Other provisions	18	14,194,460	16,560,343
Income tax provision	19A	24,939,631	32,652,979
Deferred tax liabilities		1,381,445	3,141,708
Lease obligations		11,180,684	12,276,600
Other liabilities	20	38,851,611	41,808,699
Total Liabilities		1,573,001,085	1,601,348,401

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 FINANCIAL POSITION
AS OF 30 SEPTEMBER 2022 (REVIEWED AND UNAUDITED)
STATEMENT (A)

	Notes	30 September 2022 JD (Reviewed And Unaudited)	31 December 2021 JD (Audited)
Joint Investment Accounts Holders' Equity			
Unrestricted investment accounts	21 A	3,237,479,799	3,150,272,953
Investment accounts holders' reserve in subsidiaries and associates	21 B	14,678,279	14,256,895
Fair value reserve	22 A	(306,536)	2,056,113
Total joint investment accounts holders' equity		3,251,851,542	3,166,585,961
Non-controlling interests	21B	38,891	38,798
Total joint investment accounts holders' equity and non-controlling interest		3,251,890,433	3,166,624,759
Provision against future risks	23 A	24,857,532	25,000,000
Equity			
Owner's equity			
Paid-in capital		200,000,000	200,000,000
Statutory reserve		110,912,379	110,912,379
Voluntary reserve		55,081,786	55,081,786
Fair value reserve	22 B	2,560,474	3,069,831
Retained earnings		90,553,142	140,544,987
Profit for the period after tax		50,038,560	-
Total Owner's Equity – Bank's shareholders		509,146,341	509,608,983
Total liabilities, joint investment accounts holders' equity, non-controlling interests and owner's equity		5,358,895,391	5,302,582,143
Accounts Managed for Others:			
Restricted investments		101,865,213	66,273,250
Al Wakala Bi Al Istithmar (Investments portfolio)		540,572,121	505,495,559
Al Wakala Bi Al Istithmar		76,039,387	78,199,218

General Manager

Chairman

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 INCOME STATEMENT
FOR THE THREE AND NINE MONTHS ENDED 30 SEPTEMBER 2022 (REVIEWED AND UNAUDITED)
STATEMENT (B)

	Notes	For the three months Ended 30 September		For the Nine Months Ended 30 September	
		2022	2021	2022	2021
		JD (Reviewed And Unaudited)	JD (Reviewed And Unaudited)	JD (Reviewed And Unaudited)	JD (Reviewed And Unaudited)
Deferred sales revenues	24	38,110,012	36,762,027	112,094,365	108,727,014
Financing revenues	25	129,992	128,119	400,161	378,632
Gain from financial assets at fair value through joint investment accounts holders' equity	26	8,863	18,467	555,690	1,910,281
Gain from financial assets at amortized cost	27	3,095,462	3,661,038	8,072,859	8,528,067
Dividends from subsidiaries and associates	28	-	-	1,048,200	2,119,804
Revenues from investments in real estate	29	345,642	3,095,150	2,747,785	3,879,611
Revenues from Ijarah Muntahia Bittamleek assets		13,158,261	12,132,196	37,601,754	34,681,026
Revenues from other investments		366,310	340,993	1,396,804	1,150,928
Revenues of Joint Investment Accounts		55,214,542	56,137,990	163,917,618	161,375,363
Net income of subsidiaries		607,156	155,364	817,891	75,918
Share of profit from investments in associates		202,221	205,513	701,205	627,296
Total Revenues of Joint Investment Accounts		56,023,919	56,498,867	165,436,714	162,078,577
Deposits guarantee fees investment accounts holders'		(1,309,500)	(1,189,500)	(3,851,546)	(3,566,586)
Share of unrestricted investment accounts holders'	30	(15,629,574)	(16,275,353)	(48,457,555)	(47,291,995)
Share of investment accounts holders' from income of subsidiaries		(606,654)	(155,596)	(817,800)	(76,963)
Share of non-controlling interests' from income of subsidiaries		(502)	232	(91)	1,045
Share of profit from investments in associates		(202,221)	(205,513)	(701,205)	(627,296)
Bank's share of the joint investment accounts revenues as Mudarib and Rab Mal	31	38,275,468	38,673,137	111,608,517	110,516,782
Bank's self-financed revenues	32	14,453	10,904	29,688	234,546
Bank's share of restricted investments revenues as Mudarib		136,036	119,828	403,233	312,670
Bank's share of restricted investments revenues as Wakeel		24,905	36,645	4,329,202	3,884,167
Banking services revenues		6,872,618	5,942,305	20,296,674	16,943,720
Foreign currency gain		597,418	721,321	1,795,952	1,821,434
Other income		130,512	234,941	1,979,692	1,151,998
Share of deposits guarantee fees – self		(1,170,000)	(1,059,000)	(3,508,851)	(3,180,492)
Gross Income		44,881,410	44,680,081	136,934,107	131,684,825
Employees expenses		(11,393,934)	(10,643,258)	(34,593,633)	(32,927,077)
Depreciation and amortization		(1,995,788)	(1,918,772)	(6,130,211)	(6,058,993)
Other expenses		(5,381,600)	(5,046,771)	(17,539,564)	(15,963,921)
Total Expenses		(18,771,322)	(17,608,801)	(58,263,408)	(54,949,991)
Profit Before Income Tax		26,110,088	27,071,280	78,670,699	76,734,834
Income tax	19 B	(9,103,137)	(10,530,242)	(28,632,139)	(29,083,944)
Profit After Income Tax for the Period		17,006,951	16,541,038	50,038,560	47,650,890
		JD / FILS	JD / FILS	JD / FILS	JD / FILS
Basic Earnings per Share for the Period	33	0/085	0/083	0/250	0/238

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 STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE THREE AND NINE MONTHS ENDED 30 SEPTEMBER 2022 (REVIEWED AND UNAUDITED)
STATEMENT (C)

	For the Three Months Ended 30 September		For the Nine Months Ended 30 September	
	2022	2021	2022	2021
	JD	JD	JD	JD
	(Reviewed And Unaudited)	(Reviewed And Unaudited)	(Reviewed And Unaudited)	(Reviewed And Unaudited)
Profit after income tax	17,006,951	16,541,038	50,038,560	47,650,890
Other Comprehensive Income, net after Tax:				
Change in fair value reserve of financial assets – net	(290,092)	(133,661)	(501,202)	246,175
Total of Other Comprehensive Income for the Period	16,716,859	16,407,377	49,537,358	47,897,065

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 NINE MONTHS ENDED 30 SEPTEMBER 2022 (REVIEWED AND UNAUDITED)
STATEMENT (D)

	Paid-in Capital	Statutory Reserve	Voluntary Reserve	Fair Value Reserve *	Retained Earnings**	Profit for the Period	Total
	JD	JD	JD	JD	JD	JD	JD
For the nine months ended 30 September 2022							
(Reviewed and Unaudited)							
Balance on 1 January 2022	200,000,000	110,912,379	55,081,786	3,069,831	140,544,987	-	509,608,983
Profit for the period after tax	-	-	-	-	-	50,038,560	50,038,560
Change in fair value reserve	-	-	-	(501,202)	-	-	(501,202)
Total of Other Comprehensive Income for the period after tax	-	-	-	(501,202)	-	50,038,560	49,537,358
Profit from sale of financial assets at fair value through owner's equity	-	-	-	(8,155)	8,155	-	-
Dividends***	-	-	-	-	(50,000,000)	-	(50,000,000)
Balance on 30 September 2022	200,000,000	110,912,379	55,081,786	2,560,474	90,553,142	50,038,560	509,146,341

* The fair value reserve balance of JD 2,560,474 as of 30 September 2022 is restricted from use.

** 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.

*** The General Assembly approved on 26 April 2022 the distribution of cash dividends to shareholders at a rate of 25% from the paid in capital of JD 200 million/ share, amounted to JD 50 million through distribution from the retained earnings.

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 NINE MONTHS ENDED 30 SEPTEMBER 2022 (REVIEWED AND UNAUDITED)
STATEMENT (D)

	Paid-in Capital	Statutory Reserve	Voluntary Reserve	Fair Value Reserve *	Retained Earnings**	Profit for the Period	Total
	JD	JD	JD	JD	JD	JD	JD
For the nine months ended 30 September 2021 (Reviewed and Unaudited)							
Balance on 1 January 2021	200,000,000	101,261,327	45,472,758	2,888,319	124,731,875	-	474,354,279
Profit for the period after tax	-	-	-	-	-	47,650,890	47,650,890
Change in fair value reserve	-	-	-	246,175	-	-	246,175
Total Comprehensive Income for the period after tax	-	-	-	246,175	-	47,650,890	47,897,065
Profits From sale of financial assets at fair value through owner's equity	-	-	-	(15,495)	15,495	-	-
Dividends***	-	-	-	-	(24,000,000)	-	(24,000,000)
Balance on 30 September 2021	200,000,000	101,261,327	45,472,758	3,118,999	100,747,370	47,650,890	498,251,344

* The fair value reserve balance of JD 3,118,999 as of 30 September 2021 is restricted from use.

** 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

*** The general Assembly approved on 22 April 2021 the distribution of cash dividends to shareholders at a rate of 12% from the paid in capital of JD 200 million / share amounted to JD 24 million through distribution from the retained earnings .

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 30 SEPTEMBER 2022 (REVIEWED AND UNAUDITED)
STATEMENT (E)

	Notes	For The nine Months Ended on 30 September	
		2022	2021
		JD (Reviewed And Unaudited)	JD (Reviewed And Unaudited)
Cash flows from operating activities			
Profit before tax		78,670,699	76,734,834
Adjustments for non-monetary items:			
Depreciations and amortizations		6,130,211	6,058,993
Costs of lease obligations		477,652	511,309
Gain on sale of property and equipment		(533,277)	(5,231)
Gains from sale of a subsidiary		-	(1,071,604)
Exchange rates effect on cash and cash equivalents		(1,143,080)	(1,258,448)
Profit before change in assets and liabilities		83,602,205	80,969,853
Change in Assets and Liabilities:			
Decrease in Wakala Bi Istithmar accounts		17,725,000	17,725,000
Increase in deferred sales receivables and other receivables		(109,856,198)	(210,296,559)
Increase in financing		(852,270)	(2,215,832)
Increase in Ijara muntahia bitamleek assets		(52,573,156)	(76,108,314)
Decrease in Al Qard Al Hasan		19,873,070	6,827,047
Increase in other assets		(2,862,604)	(3,862,340)
Increase in current and on demand accounts		1,374,416	97,965,301
Increase in cash margins		1,148,859	4,321,469
(Decrease) increase in other liabilities		(2,998,113)	561,145
Net change in assets and liabilities		(129,020,996)	(165,083,083)
Net cash flows (used in) operating activities before tax		(45,418,791)	(84,113,230)
Taxes paid	19A	(37,020,432)	(29,885,562)
Net Cash Flows used in Operating Activities		(82,439,223)	(113,998,792)
Cash flows from Investment Activities			
Proceeds from purchase of financial assets at fair value through income statement -self		(99,855)	-
Sale of financial assets at fair value through owner's equity-self		6,110	60,295
Proceeds from sale of financial assets at fair value through joint investment accounts holders' equity		275,000	3,946,126
Purchase of financial assets at fair value through joint investment account holders' equity		(3,114,367)	(1,885,517)
Purchase of financial assets at amortized cost - net		(194,954,871)	(35,226,939)
Maturity of financial assets at amortized cost- net		118,662,709	56,759,373
Proceeds from sale of investment in real estates		1,650,433	2,718,638
Purchase of investment in real estates		(125,990)	(891,918)
Acquired repossessed assets		(8,564,844)	(8,614,424)
Proceeds from sale of repossessed assets		3,023,117	752,899
Proceeds from sale of property and equipment		4,556,778	5,253
Purchase of property and equipment		(2,181,482)	(1,996,469)
Purchase of intangible assets		(2,782,569)	(1,691,439)
Net cash flows (used in) from Investment Activities		(83,649,831)	13,935,878
Cash Flow from Financing Activities			
Increase in unrestricted investment accounts holders' equity		87,549,311	243,660,605
Dividends		(50,000,000)	(24,000,000)
Payment of lease obligations		(1,750,988)	(1,725,832)
Net Cash Flow from Financing Activities		35,798,323	217,934,773
Net (decrease) increase in cash and cash equivalents		(130,290,731)	117,871,859
Exchange rates effect on cash and cash equivalents		1,143,080	1,258,448
Cash and cash equivalents at the beginning of the period		890,471,603	812,686,923
Cash and cash equivalents at the end of the period	34	761,323,952	931,817,230

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 30 SEPTEMBER 2022 (REVIEWED AND UNAUDITED)
STATEMENT (F)

	30 September 2022 JD (Reviewed And Unaudited)	31 December 2021 JD (Audited)
Beginning balance for the period / year	68,865,578	81,208,965
Sources of the Fund:		
Central bank account/ Al Qard Al Hasan Fund	32,514,678	53,439,029
Sources the Bank is authorized to use	46,918,888	48,910,517
Sources outside the Bank	2,515,250	2,129,520
Total sources of the fund's assets for the period / year	81,948,816	104,479,066
Uses of the Fund:		
Education	349,673	462,770
Medical treatment	290,795	403,230
Marriage	264,150	584,010
Overdraft accounts	10,022,829	11,517,567
Social advances for the Bank's employees	2,055,791	2,721,323
Central Bank of Jordan Program for Facing Corona Pandemic & Med-term agreement	100,000	7,581,201
Total uses for the period / year	13,083,238	23,270,101
Settled for the period / year	(32,956,308)	(35,613,488)
Ending balance for the period / year	48,992,508	68,865,578
Less: Provision for expected credit loss – self	(5,321,032)	(4,750,536)
Ending balance for the period / year– net	43,671,476	64,115,042

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

(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 JD 200 million.

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, 84 branches and 27 banking offices in the Kingdom as well as its subsidiaries. The Bank's transactions are governed by the applicable Bank's Law.

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

The interim condensed consolidated financial statements were authorized for issue by the Bank's Board of Directors in their No.6 meeting held on 24 October 2022.

(2) Significant Accounting Policies

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

The accompanying interim condensed consolidated financial statements of the Bank and its subsidiaries financed from the Bank's funds and the joint investment (The group) funds 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, as it is approved by central bank of Jordan and in the absence of Financial Accounting Standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions relating to financial statements items, the International Financial Reporting Standards and related interpretations are applied in conformity with the Shari'a standards, pending the promulgation of Islamic Standards replace it.

JORDAN ISLAMIC BANK - PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 SEPTEMBER 2022 (REVIEWED AND UNAUDITED)

The difference between the Islamic accounting standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) 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 Financial Accounting Standard No. 30 issued by the Accounting and Auditing Organization for Islamic Financial Institutions and the instructions of the Central Bank of Jordan No. 47 of 2009, and the most severe results are taken for the second and third Stages.
- A provision is calculated against the violating repossessed real estates at the rate of 5% annually of the total book values of those real estate starting from the beginning of 2022, so that 50% of these real estates will be reached by the end of 2030.
- No provision for expected credit losses is calculated on the exposures of the Jordanian government or its guarantee.
- Profits are suspended on non-performing credit facilities.

The interim condensed consolidated financial statements are prepared on the historical cost basis except for the financial assets at the fair value through owners' equity and the financial assets at the fair value through the joint investment account holder's equity, financial assets at amortized cost and held for use investment in real estate.

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

A separation between the shareholder equity and the equity of joint investment account holders shall be taken into account.

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 the central bank of Jordan and it shall be read in conjunction with the Bank's annual report as of 31 December 2021. In addition, the results for the three months period ended 30 September 2022 do not necessarily indicate the expected results for the year ended 31 December 2022 and no appropriation was made for the nine months profits ended 30 September 2022 since it is made at year-end.

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

The interim condensed consolidated financial statements include 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 (the group). Control exists when the Bank has power to govern the financial and operating policies of subsidiaries in order to obtain benefit from their activities. The transactions, balances, revenues and expenses between the Bank and its subsidiaries are eliminated.

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

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

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

Investments in subsidiaries are accounted for at cost when the Bank issues separate financial statements.

JORDAN ISLAMIC BANK - PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 SEPTEMBER 2022 (REVIEWED AND UNAUDITED)

The Bank owns the following subsidiaries as of 30 September 2022:

Company Name	Paid in capital	Bank's ownership	Nature of Business	Country of Incorporation	Acquisition Date
	JD				
Omariyah Schools Company Ltd.	16,000,000	99.8%	Education	Amman	1987
Al Samaha Financing and Investment Company Ltd.	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

2-3 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 2021, except that the Bank has adopted the following new standards.

FAS 37 Financial Reporting by Waqf Institutions

This standard provides comprehensive accounting and financial reporting requirements for Waqf and similar institutions including general presentation and disclosures, specific presentation requirements (e.g. in case of Ghallah) and the key accounting treatments in respect of certain aspects specific to Waqf institutions. The principles set forth in this standard are consistent with Shari'ah principles and rules. This enables better comprehension of information included in the general-purpose financial statements and enhances the confidence of the stakeholders of the Waqf institutions.

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

FAS 38 "Wa'ad, Khiyar and Tahawwut"

This standard prescribes the accounting and reporting principles and requirements for Wa'ad (promise), Khiyar (option) and Tahawwut (hedging) arrangements for Islamic financial institutions. Many products e.g. Murabaha and Ijarah offered by institutions combine the application of Wa'ad or Khiyar in one form or another. Ancillary Wa'ad or Khiyar, in line with this standard, is such Wa'ad or Khiyar associated with a Shari'ah compliant arrangement by relation to its structure which does not give rise to any asset or liability unless it has turned into an onerous contract or commitment. Product Wa'ad or Khiyar, on the other hand, is a stand-alone Shari'ah compliant arrangement which is used either as a normal product or, at times, for the purpose of Tahawwut. It may take the form of a single transaction or a series or combination thereof and may convert into a future transaction or series of transactions, in line with Shari'ah principles and rules. Such transactions give rise to an asset or a liability for the parties, subject to the conditions specified in this standard.

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

There are no new standards that are binding on the application, and the bank has not implemented as of 30 September 2022.

(3) Use of Estimates

The preparation of interim condensed consolidated financial statements requires Bank's management to make estimates and assumptions that affect the reported amounts of financial assets and liabilities and disclosure of contingent liabilities. These estimates and assumptions also affect the revenues, expenses, and the resultant provisions and the fair value changes reported in owner's equity and unrestricted investments accounts holder's 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 the interim condensed consolidated financial statements are reasonable and detailed as follows:

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

(4) Cash and Balances with Central Bank

This item consists of the following:

	30 September 2022	31 December 2021
	JD	JD
	(Reviewed And Unaudited)	(Audited)
Cash in vaults	179,725,573	182,360,983
Balances at the Central Bank of Jordan:		
Current accounts	383,460,724	538,000,438
Statutory cash reserve	178,491,341	173,478,737
Total balances at the Central Bank of Jordan	561,952,065	711,479,175
Total	741,677,638	893,840,158

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

Amounts of JD 82,896,325 and JD 49,014,174 were deducted as at 30 September 2022 and as at 31 December 2021 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 30 September 2022 and 31 December 2021.

There are no restricted balances except for the statutory cash reserve as of 30 September 2022 and 31 December 2021.

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(5) Balances at Banks and Financial Institutions

This item consists of the following:

	Local banks and financial institutions		Foreign banks and financial institutions		Total
	30 September 2022	31 December 2021	30 September 2022	31 December 2021	30 September 2022
	JD	JD	JD	JD	JD
	(Reviewed And Unaudited)	(Audited)	(Reviewed And Unaudited)	(Audited)	(Reviewed And Unaudited)
					(Audited)
Current and on demand accounts	1,540	2,057,640	30,158,611	42,257,178	30,160,151
Less: provision for expected credit loss	-	(1,138)	(566,529)	(248,728)	(566,529)
Net Current and on demand accounts	1,540	2,056,502	29,592,082	42,008,450	29,593,622
Unrestricted accounts maturing within 3 months or less	-	-	13,116,500	8,650,057	13,116,500
Less: provision for expected credit loss	-	-	(32,885)	(11,074)	(32,885)
Net unrestricted accounts maturing within 3 months or less	-	-	13,083,815	8,638,983	13,083,815
Total	1,540	2,056,502	42,675,897	50,647,433	42,677,437
					52,703,935

- 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 30 September 2022 and 31 December 2021.

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(6) Wakala Bil Istithmar Accounts

This item consists of the following:

	Foreign banks and financial institutions	
	30 September 2022	31 December 2021
	JD	JD
	(Reviewed And Unaudited)	(Audited)
Maturing within 3 months or less	17,725,000	-
Within (3-6) months	-	17,725,000
Maturing within more than one year	17,725,000	17,725,000
Less: Expected credit losses	(290,450)	(149,239)
Total	35,159,550	35,300,761

There are no restricted balances at the foreign banks and financial institutions as of 30 September 2022 and 31 December 2021.

A. Movement on balances and accounts at banks and financial institutions (notes 5 & 6):

As of 30 September 2022 (Reviewed and Unaudited):

	Stage 1	Stage 2		
	Individual	Individual	Stage 3	Total
	JD	JD	JD	JD
Beginning balance	87,585,121	829,754	-	88,414,875
New balances and accounts during the period	30,841,500	-	96,663	30,938,163
Balances and accounts settled	(40,626,387)	-	-	(40,626,387)
Transferred (from) to stage 3	-	(829,754)	829,754	-
Ending balance	77,800,234	-	926,417	78,726,651

As of 31 December 2021 (Audited):

	Stage 1	Stage 2		
	Individual	Individual	Stage 3	Total
	JD	JD	JD	JD
Beginning balance	85,711,472	439,470	-	86,150,942
New balances and accounts during the year	25,696,482	390,284	-	26,086,766
Balances and accounts paid	(23,822,833)	-	-	(23,822,833)
Ending balance	87,585,121	829,754	-	88,414,875

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B. movement on the Expected credit losses

As of 30 September 2022 (Reviewed and Unaudited):

	Stage 1	Stage 2		
	Individual	Individual	Stage 3	Total
	JD	JD	JD	JD
Beginning balance	349,304	60,875	-	410,179
Expected credit loss on new balances and accounts during the period	97,086	-	48,331	145,417
Expected credit loss recovered from balances and accounts paid	(19,934)	-	-	(19,934)
Transferred (from) to stage 3	-	(60,875)	60,875	-
Impact on ending balance provision due to change in staging classification	-	-	354,002	354,002
Ending balance	426,456	-	463,208	889,664

As of 31 December 2021 (Audited):

	Stage 1	Stage 2		
	Individual	Individual	Stage 3	Total
	JD	JD	JD	JD
Beginning balance	294,494	3,896	-	298,390
Expected credit loss on new balances and accounts during the year	83,914	56,979	-	140,893
Expected credit loss recovered from balances and accounts paid	(17,073)	-	-	(17,073)
Adjustments due to changes	(12,031)	-	-	(12,031)
Ending balance	349,304	60,875	-	410,179

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(7) Deferred Sales Receivables and Other Receivables – Net

This item consists of the following:

	Joint		Self		Total	
	30 September 2022	31 December 2021	30 September 2022	31 December 2021	30 September 2022	31 December 2021
	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	860,360,926	779,363,469	-	-	860,360,926	779,363,469
Deferred sales	13,826,027	12,516,576	-	-	13,826,027	12,516,576
Ijarah Mawsoofa Bil Thimma	10,031,113	8,188,586	-	-	10,031,113	8,188,586
Ijarah Muntahia Bittamleek receivables	6,665,917	6,725,008	-	-	6,665,917	6,725,008
Istisna'a	215,439	240,519	-	-	215,439	240,519
Customers' receivables	6,750,748	6,409,723	4,184,455	4,820,467	10,935,203	11,230,190
Real estate financing	577,978,536	534,061,224	-	-	577,978,536	534,061,224
Corporate:						
International Murabaha	22,172,468	25,170,318	-	-	22,172,468	25,170,318
Murabaha to the purchase orderer	556,447,657	463,400,681	-	-	556,447,657	463,400,681
Ijarah Mawsoofa Bil Thimma	76,423	-	-	-	76,423	-
Ijarah Muntahia Bittamleek receivables	230,496	264,358	-	-	230,496	264,358
Istisna'a	21,976,723	25,190,872	-	-	21,976,723	25,190,872
Small and Medium Enterprises (SME's):						
Murabaha to the purchase orderer	178,344,728	169,998,180	-	-	178,344,728	169,998,180
Deferred sales	16,033	16,815	-	-	16,033	16,815
Ijarah Mawsoofa bil Thimma	530,188	249,375	-	-	530,188	249,375
Ijarah Muntahia Bittamleek receivables	515,701	352,291	-	-	515,701	352,291
Istisna'a	877,549	745,923	-	-	877,549	745,923
Customers' receivables	-	-	2,494,423	2,035,449	2,494,423	2,035,449
Government and public sector	1,098,979,661	1,225,822,220	333,724	33,337	1,099,313,385	1,225,855,557
Total	3,355,996,333	3,258,716,138	7,012,602	6,889,253	3,363,008,935	3,265,605,391
Less: deferred revenues	(293,495,335)	(308,728,178)	-	-	(293,495,335)	(308,728,178)
Less: suspended revenues	(9,607,409)	(10,261,762)	-	-	(9,607,409)	(10,261,762)
Less: deferred mutual insurance	(24,396,183)	(20,961,641)	-	-	(24,396,183)	(20,961,641)
Less: expected credit loss	(114,825,751)	(113,934,095)	(615,000)	(615,000)	(115,440,751)	(114,549,095)
Net deferred sales and other receivables	2,913,671,655	2,804,830,462	6,397,602	6,274,253	2,920,069,257	2,811,104,715

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Movements on expected credit loss for deferred sales receivables, other receivables and financing - joint were as follows (note 7 and 9):

	Retail		Real estate financing		Large corporates		Small and Medium Enterprises		Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD
As at 30 September 2022 (Reviewed And Unaudited)									
Balance at beginning of the period	36,317,834	24,535,693	37,566,585	15,820,512	114,240,624				
Transfer (from) to during the period	(794,965)	(462,359)	4,450,600	(2,319,356)	873,920				
Balance at the end of the period	35,522,869	24,073,334	42,017,185	13,501,156	115,114,544				

	Retail		Real estate financing		Large corporates		Small and Medium Enterprises		Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD
As at 30 September 2022 (Reviewed And Unaudited)									
Expected credit loss of non-performing receivables on individual customer basis	23,173,386	21,557,547	22,191,737	12,154,866	79,077,536				
Expected credit loss of watch list receivables based on individual customer basis	2,263,008	1,760,398	18,350,253	577,175	22,950,834				
Expected credit loss of acceptable risk receivables on individual customer basis	489,871	622,956	1,475,195	422,662	3,010,684				
Expected credit loss of acceptable risk receivables on portfolio basis	9,596,604	132,433	-	346,453	10,075,490				
Total	35,522,869	24,073,334	42,017,185	13,501,156	115,114,544				

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Balance at beginning of the year	34,838,196	31,842,049	29,669,215	14,531,350	110,880,810
Transfer (from) to during the year	4,371,364	(7,207,479)	9,291,185	2,474,384	8,929,454
Used during the year (write-offs)	(2,891,726)	(98,877)	(1,393,815)	(1,185,222)	(5,569,640)
Balance at the end of the year	36,317,834	24,535,693	37,566,585	15,820,512	114,240,624

As at 31 December 2021 (Audited)

Expected credit loss of non-performing receivables on individual customer basis	18,922,849	16,007,266	24,154,171	13,670,391	72,754,677
Expected credit loss of watch list receivables based on individual customer basis	4,512,704	7,964,029	11,599,769	1,368,657	25,445,159
Expected credit loss of acceptable risk receivables on individual customer basis	340,427	423,451	1,812,645	430,763	3,007,286
Expected credit loss of acceptable risk receivables on portfolio basis	12,541,854	140,947	-	350,701	13,033,502
Balance at the end of the year	36,317,834	24,535,693	37,566,585	15,820,512	114,240,624

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Movements on expected credit loss for deferred sales receivables, other receivables and financing – self (note 7 and 9) were as follows:

	Retail	Real estate financing	Large corporates	Small and Medium Enterprises	Government and public sector	Total
	JD	JD	JD	JD	JD	JD
As at 30 September 2022 (Reviewed And Unaudited)						
Balance at beginning of the period	623,986	-	-	-	-	623,986
Transfer from during the period	(8,274)	-	-	-	-	(8,274)
	-	-	-	-	-	-
Balance at the end of the period	615,712	-	-	-	-	615,712

	Retail	Real estate financing	Large corporates	Small and Medium Enterprises	Government and public sector	Total
	JD	JD	JD	JD	JD	JD
As at 30 September 2022 (Reviewed And Unaudited)						
Expected credit loss of non-performing receivables on individual customer basis	319,223	-	-	-	-	319,223
Expected credit loss of watch list receivables based on individual customer basis	286,592	-	-	-	-	286,592
Expected credit loss of watch list receivables on portfolio basis	9,897	-	-	-	-	9,897
Total	615,712	-	-	-	-	615,712

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As at 31 December 2021 (Audited)

Balance at beginning of the year									
Transfer to during the year									
Balance at the end of the year									
	465,605	-	-	-	-	-	-	465,605	
	158,381	-	-	-	-	-	-	158,381	
	623,986	-	-	-	-	-	-	623,986	

As at 31 December 2021 (Audited)

Expected credit loss of non-performing receivables on individual customer basis									
Expected credit loss of watch list receivables based on individual customer basis									
Expected credit loss of watch list receivables on portfolio basis									
Balance at the end of the year									
	258,175	-	-	-	-	-	-	258,175	
	174,245	-	-	-	-	-	-	174,245	
	191,566	-	-	-	-	-	-	191,566	
	623,986	-	-	-	-	-	-	623,986	

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Movements on the suspended revenues (note 7) were as follows:

Joint (Reviewed and Unaudited)					
For the period ended 30 September 2022					
	Retail	Real estate financing	Large corporates	Small and Medium Enterprises	Total
	JD	JD	JD	JD	JD
Balance at the beginning of the period	5,298,051	1,309,327	2,710,773	943,611	10,261,762
Add: suspended revenues during the period	1,125,787	278,220	576,014	200,509	2,180,530
Less: revenue in suspense transferred to revenue	(1,909,464)	(249,268)	(345,047)	(331,104)	(2,834,883)
Balance at the end of the period	4,514,374	1,338,279	2,941,740	813,016	9,607,409

Joint (Audited)					
For the year ended 31 December 2021					
	Retail	Real estate financing	Large corporates	Small and Medium Enterprises	Total
	JD	JD	JD	JD	JD
Balance at the beginning of the year	5,831,156	1,666,950	3,007,008	886,640	11,391,754
Add: suspended revenues during the year	3,575,997	1,022,269	1,844,069	543,738	6,986,073
Less: revenue in suspense transferred to revenue	(3,907,851)	(1,379,892)	(1,610,562)	(441,663)	(7,339,968)
Less: suspended revenues written off	(201,251)	-	(529,742)	(45,104)	(776,097)
Balance at the end of the year	5,298,051	1,309,327	2,710,773	943,611	10,261,762

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(8) Ijarah Muntahia Bittamleek Assets - Net

	Joint	
	30 September 2022	31 December 2021
	JD	JD
	(Reviewed and Unaudited)	(Audited)
Cost	1,045,509,188	991,920,575
Accumulated Depreciation	(190,350,188)	(189,334,731)
Impairment provision	(31,353)	(37,242)
Net Ijarah Muntahia Bittamleek assets	855,127,647	802,548,602

The accrued Ijarah installments amounted to JD 7,412,114 as at 30 September 2022 (31 December 2021: JD 7,341,657) were included in deferred sales receivables and other receivables (Note 7).

(9) Financing – Net

	Joint		Self		Total	
	30 September 2022	31 December 2021	30 September 2022	31 December 2021	30 September 2022	31 December 2021
	JD	JD	JD	JD	JD	JD
	(Reviewed And Unaudited)	(Audited)	(Reviewed And Unaudited)	(Audited)	(Reviewed And Unaudited)	(Audited)
Individuals (Retail):						
Diminishing Musharaka	37,790,471	36,891,228	203,399	250,372	37,993,870	37,141,600
Total	37,790,471	36,891,228	203,399	250,372	37,993,870	37,141,600
Less: Expected credit loss	(288,793)	(306,529)	(712)	(8,986)	(289,505)	(315,515)
Net Financing	37,501,678	36,584,699	202,687	241,386	37,704,365	36,826,085

Non-performing deferred sales receivables, Ijarah Muntahia Bittamleek receivables, other receivables, financing and Al Qard Al Hasan amounted to JD 107,883,086 as at 30 September 2022, representing 3.13% of deferred sales receivable, Ijarah Muntahia Bittamleek receivables, other receivables, financing and Al Qard Al Hasan balance compared to JD 94,225,452 as at 31 December 2021, representing 2.79% of the utilized balance at the end of the previous year.

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Non-performing deferred sales receivables, Ijarah Muntahia Bittamleek receivables, other receivables, financing and Al Qard Al Hasan after deducting suspended revenues amounted to JD 100,104,174 as at 30 September 2022, representing 2.91% of deferred sales, Ijarah Muntahia Bittamleek receivables, other receivables, financing and Al Qard Al Hasan balance after deductions suspended revenues, compared to JD 86,386,757 as at 31 December 2021, representing 2.57% of the utilized balance at the end of the previous year.

Deferred sales, other receivables, and financing granted to and guaranteed by the Government of Jordan amounted to JD 1,102,308,469 as at 30 September 2022, representing 31.95% of deferred sales, other receivables and financing balance, compared to JD 1,228,850,641 as at 31 December 2021, representing 36.45% of the utilized balance at the end of the previous year.

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

As of 30 September 2022 (Reviewed And Unaudited):

	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the period	1,517,201,239	928,239,973	410,039,568	47,562,501	128,617,707	3,031,660,988
New facilities during the period	426,833,438	292,781,677	149,084,229	4,591,085	3,881,846	877,172,275
Settled facilities	(409,635,695)	(225,809,292)	(139,811,608)	(10,605,406)	(474,876)	(786,336,877)
Transferred (from) to stage 1	2,630,304	1,936,658	(615,453)	(888,406)	(3,063,103)	-
Transferred (from) to stage 2	(794,453)	(46,974)	12,527,783	1,398,988	(13,085,344)	-
Transferred (from) to stage 3	(20,867)	(9,496)	(173,952)	(707,412)	911,727	-
Balance at the end of the period	<u>1,536,213,966</u>	<u>997,092,546</u>	<u>431,050,567</u>	<u>41,351,350</u>	<u>116,787,957</u>	<u>3,122,496,386</u>

As of 31 December 2021 (Audited):

	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	1,354,587,429	870,506,572	396,893,617	41,733,267	152,154,438	2,815,875,323
New facilities during the year	564,289,936	403,639,869	177,511,651	6,193,693	1,866,784	1,153,501,933
Settled facilities	(393,787,868)	(329,169,801)	(160,923,037)	(20,714,983)	(27,550,939)	(932,146,628)
Transferred (from) to stage 1	102,739,841	22,898,318	(97,837,749)	(16,184,767)	(11,615,643)	-
Transferred (from) to stage 2	(107,109,792)	(32,526,196)	133,483,935	43,558,329	(37,406,276)	-
Transferred (from) to stage 3	(3,518,307)	(7,108,789)	(39,088,849)	(7,023,038)	56,738,983	-
Written off facilities	-	-	-	-	(5,569,640)	(5,569,640)
Balance at the end of the year	<u>1,517,201,239</u>	<u>928,239,973</u>	<u>410,039,568</u>	<u>47,562,501</u>	<u>128,617,707</u>	<u>3,031,660,988</u>

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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 30 September 2022 (Reviewed And Unaudited):

	Large corporates	SMEs	Individuals	Real estate financing	Total
	JD	JD	JD	JD	JD
Balance at the beginning of the period	37,577,278	16,660,354	40,832,834	24,544,680	119,615,146
Expected credit loss on the new facilities during the period	2,614,412	1,021,579	1,664,545	470,921	5,771,457
Expected credit loss recovered from settled facilities	(131,801)	(435,678)	(449,222)	(144,622)	(1,161,323)
Transferred (from) to stage 1	363,591	1,019,613	1,643,994	667,975	3,695,173
Transferred (from) to stage 2	9,655,878	1,831,993	288,899	(235,223)	11,541,547
Transferred (from) to stage 3	(10,019,469)	(2,851,606)	(1,932,893)	(432,753)	(15,236,721)
Impact on ending balance provision due to change in staging classification	(8,553,935)	4,083	2,278,606	1,049,735	(5,221,511)
Adjustments	10,582,838	(2,996,567)	(3,692,084)	(1,846,667)	2,047,520
Balance at the end of the period	42,088,792	14,253,771	40,634,679	24,074,046	121,051,288
Reallocated:					
Individual level provision	42,088,792	2,260,840	27,465,353	13,612,048	85,427,033
Collective level provision	-	11,992,931	13,169,326	10,461,998	35,624,255

As of 31 December 2021 (Audited):

	Large corporates	SMEs	Individuals	Real estate financing	Total
	JD	JD	JD	JD	JD
Balance at the beginning of the year	29,972,150	15,318,417	37,916,138	31,845,654	115,052,359
Expected credit loss on the new facilities during the year	1,767,622	674,254	2,275,918	610,777	5,328,571
Expected credit loss recovered from settled facilities	(1,318,337)	(68,094)	(1,572,159)	(385,378)	(3,343,968)
Transferred (from) to stage 1	671,872	858,186	1,823,044	415,012	3,768,114
Transferred (from) to stage 2	5,134,553	1,625,708	3,528,859	1,997,272	12,286,392
Transferred (from) to stage 3	(5,806,425)	(2,483,894)	(5,351,903)	(2,412,284)	(16,054,506)
Impact on ending balance provision due to change in staging classification	10,883,215	906,636	(342,594)	(464,262)	10,982,995
Adjustments	(2,333,557)	1,014,363	5,447,257	(6,963,234)	(2,835,171)
Written off facilities	(1,393,815)	(1,185,222)	(2,891,726)	(98,877)	(5,569,640)
Balance at the end of the period	37,577,278	16,660,354	40,832,834	24,544,680	119,615,146
Reallocated:					
Individual level provision	37,577,278	13,501,758	9,425,776	11,262,431	71,767,243
Collective level provision	-	3,158,596	31,407,058	13,282,249	47,847,903

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

	30 September 2022	31 December 2021
	JD	JD
	(Reviewed And Unaudited)	(Audited)
Quoted financial assets		
Companies shares	99,855	-
Total financial assets – quoted	99,855	-

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

	30 September 2022	31 December 2021
	JD	JD
	(Reviewed And Unaudited)	(Audited)
Quoted financial assets		
Companies shares	4,011,652	4,890,407
Total financial assets – quoted	4,011,652	4,890,407
Unquoted financial assets		
Companies shares	2,413,429	2,420,902
Al Wakala Bi Al Istithmar (investment portfolio)	10,988,009	10,938,765
Total financial assets - unquoted	13,401,438	13,359,667
Total financial assets at fair value through owner's equity – self financed	17,413,090	18,250,074

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

	30 September 2022	31 December 2021
	JD	JD
	(Reviewed And Unaudited)	(Audited)
Quoted financial assets:		
Companies shares	17,702,918	19,357,721
Total quoted financial assets	17,702,918	19,357,721
Unquoted financial assets:		
Companies shares	12,441,307	9,263,513
Islamic banks portfolio	806,680	821,691
Al Wakala Bi Al Istithmar (investment portfolio)	1,301,684	1,572,078
Total unquoted financial assets	14,549,671	11,657,282
Total financial assets at fair value through the joint investment accounts holders' equity	32,252,589	31,015,003

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(13) Financial Assets at Amortized Cost

	30 September 2022 JD (Reviewed And Unaudited)	31 December 2021 JD (Audited)
Quoted financial assets		
Islamic Sukuk	12,762,000	12,762,000
Expected credit losses	(150,671)	(108,105)
Net quoted financial assets	12,611,329	12,653,895
Unquoted financial assets		
Islamic Sukuk	324,980,000	249,294,595
Islamic banks portfolio	8,990,847	8,384,091
Total unquoted financial assets	333,970,847	257,678,686
Expected credit losses	(1,866,465)	(1,880,532)
Net unquoted financial assets	332,104,382	255,798,154
Total Financial Assets at amortized cost	344,715,711	268,452,049

- Islamic Sukuk in Jordanian Dinars rate of return ranges between (3.55% - 5.47%) payable on a semi-annual basis, with a maturity of less than 5 years.
- Islamic Sukuk in US Dollars rate of return on long term ranges between (6.87% - 9.37%) payable on a semi-annual basis, with a maturity of less than 4 years.
- Rate of return on short term Islamic Sukuk in US Dollars ranges between (3.5% - 3.66%) with a maturity of 3-6 months.

1. Cumulative movement on financial assets at amortized cost:

As of 30 September 2022 (Reviewed and Unaudited):

	Stage 1 Individual JD	Stage 2 Individual JD	Stage 3 JD	Total JD
Balance at the beginning of the period	268,622,313	-	1,818,373	270,440,686
New investments during the period	127,628,835	-	-	127,628,835
Matured investments	(51,336,674)	-	-	(51,336,674)
Balance at the end of the period	344,914,474	-	1,818,373	346,732,847

As of 31 December 2021 (Audited):

	Stage 1 Individual JD	Stage 2 Individual JD	Stage 3 JD	Total JD
Balance at the beginning of the year	189,393,324	7,090,000	1,818,373	198,301,697
New investments during the year	116,425,956	-	-	116,425,956
Matured investments	(44,286,967)	-	-	(44,286,967)
Transferred (from) to stage 1	7,090,000	(7,090,000)	-	-
Balance at the end of the year	268,622,313	-	1,818,373	270,440,686

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2. Cumulative movement on the expected credit loss:

As of 30 September 2022 (Reviewed and Unaudited):

	Stage 1	Stage 2	Stage 3	Total
	Individual	Individual		
	JD	JD	JD	JD
Balance at the beginning of the period	170,264	-	1,818,373	1,988,637
Expected credit loss on new investments during the period	43,585	-	-	43,585
Expected credit loss recovered from matured investments	(15,086)	-	-	(15,086)
Adjustments	-	-	-	-
Balance at the end of the period	198,763	-	1,818,373	2,017,136

As of 31 December 2021 (Audited):

	Stage 1	Stage 2	Stage 3	Total
	Individual	Individual		
	JD	JD	JD	JD
Balance at the beginning of the year	106,635	503,490	1,818,373	2,428,498
Expected credit loss on new investments during the year	62,159	-	-	62,159
Expected credit loss recovered from matured investments	(18,104)	-	-	(18,104)
Transferred (from) to stage 1	503,490	(503,490)	-	-
Impact on ending balance provision due to change in staging classification	(413,389)	-	-	(413,389)
Adjustments	(70,527)	-	-	(70,527)
Balance at the end of the year	170,264	-	1,818,373	1,988,637

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(14) Investments in associates

This item consists of the following:

				Joint				
	Country of	Percentage	Nature of	Acquisition	Value under			
Company Name	incorporation	of ownership	activity	date	Cost		equity method	
					30	31	30	31
					September	December	September	December
					2022	2021	2022	2021
					JD	JD	JD	JD
		%			(Reviewed		(Reviewed	
					And		And	
					Unaudited)	(Audited)	Unaudited)	(Audited)
Jordan Center for								
International Trading Co	Jordan	28.4	Commercial	1983	1,070,507	1,070,507	1,505,943	1,513,996
Islamic Insurance Co	Jordan	33.3	Insurance	1995	4,625,908	4,625,908	7,763,725	7,537,819
Total associates					5,696,415	5,696,415	9,269,668	9,051,815

Investments in associates are measured using equity method. Fair value of these investments as at 30 September 2022 amounted to JD 8,185,740 compared to JD 8,390,150 as at 31 December 2021.

(15) Investments in Real Estate

	Joint	
	30 September	31 December
	2022	2021
	JD	JD
	(Reviewed And Unaudited)	(Audited)
Investments in real estate *	115,275,995	119,023,646
Total	115,275,995	119,023,646

* Investments in real estate are presented at fair value, with a book value (cost) of JD 111,214,546 as at 30 September 2022 compared to JD 112,738,989 as at 31 December 2021.

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- Movements on investments in real estate were as follow:

	30 September 2022 (Reviewed and Unaudited)		
	Lands	Buildings	Total
	JD	JD	JD
Balance at the beginning of the period	70,771,125	48,252,521	119,023,646
Disposals	(3,517,377)	(230,274)	(3,747,651)
Net Investments in real estate at the end of the period	67,253,748	48,022,247	115,275,995

	31 December 2021 (Audited)		
	Lands	Buildings	Total
	JD	JD	JD
Balance at the beginning of the year	78,390,123	29,218,140	107,608,263
Additions	-	20,751,442	20,751,442
Disposals	(4,766,945)	(176,099)	(4,943,044)
Revaluation difference	(2,852,053)	(1,540,962)	(4,393,015)
Net Investments in real estate at the end of the year	70,771,125	48,252,521	119,023,646

The fair value of real estate investments is based on the average of the valuations made by independent appraisers who have the professional qualifications and experience to evaluate the location and type of properties subject to appraisal as on 30 September 2022 and 31 December 2021. 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

	30 September 2022	31 December 2021
	JD	JD
	(Reviewed And Unaudited)	(Audited)
Accrued revenues	444,483	351,224
Prepaid expenses	2,652,640	250,696
Temporary debit accounts	8,279,340	7,992,949
Stationery and publications	902,217	493,727
Stamps	81,192	83,498
Credit card accounts	5,585,214	5,892,086
Settlement guarantee fund deposits	25,000	25,000
Refundable deposits	365,455	370,315
Reposessed assets - Net *	41,252,671	36,275,835
Others	309,166	322,608
Total	59,897,378	52,057,938

* Movement on the reposessed was as follow:

	30 September 2022	31 December 2021
	JD	JD
	(Reviewed And Unaudited)	(Audited)
Beginning balance for the period / year	37,378,971	39,765,682
Additions	8,564,844	18,279,381
Disposals *	(3,023,117)	(20,666,092)
Ending balance for the period / year	42,920,698	37,378,971
Provision for acquired assets **	(618,381)	(12,363)
provision for impairment in acquired assets	(1,049,646)	(1,090,773)
Total	41,252,671	36,275,835

* A total of JD 19,704,646 was transferred from reposessed assets to investments in real estate after performing a feasibility study in line with the bank's real estate investment policies.

** provision for reposessed assets was calculated in accordance to the letter of the central bank of Jordan No (10/3/13246) dated 2 September 2021 .

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(17) Customers' Current and on Demand Accounts

30 September 2022 (Reviewed and Unaudited)					
	Retail	Large corporates	Small and Medium Enterprises	Government and public sector	Total
	JD	JD	JD	JD	JD
Current accounts	802,289,444	31,949,562	258,902,057	23,583,258	1,116,724,321
On demand accounts	261,373,513	460,147	2,701,650	-	264,535,310
Total	1,063,662,957	32,409,709	261,603,707	23,583,258	1,381,259,631

31 December 2021 (Audited)					
	Retail	Large corporates	Small and Medium Enterprises	Government and public sector	Total
	JD	JD	JD	JD	JD
Current accounts	811,626,581	30,365,058	239,735,467	36,079,404	1,117,806,510
On demand accounts	261,104,491	21,052	953,162	-	262,078,705
Total	1,072,731,072	30,386,110	240,688,629	36,079,404	1,379,885,215

Government and public sector deposits inside the Kingdom amounted to JD 23,583,258 representing 1.71% of the total customers' current and on demand accounts as at 30 September 2022 compared to JD 36,079,404 representing 2.61% as at 31 December 2021.

Dormant accounts amounted to JD 16,497,532 as of 30 September 2022 compared to JD 24,353,617 as of 31 December 2021.

The restricted accounts amounted to JD 7,237,968 representing 0.52% of the total customers' current and on demand accounts as of 30 September 2022 compared to JD 18,600,099, representing 1.35 % as of 31 December 2021 of the total customers' current and on demand accounts.

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(18) Other provisions

This item consists of the following:

30 September 2022 (Reviewed And Unaudited)			
Beginning Balance	Appropriated during the year	Transferred to (from) during the year	Ending Balance
JD	JD	JD	JD
End of service indemnity provision	4,350,000	-	4,350,000
Legal case held against bank provision	75,000	-	75,000
Employees' vacation provision	3,600,000	-	3,600,000
Contingencies provision – Joint	2,132,047	(1,486,998)	645,049
contingencies provision-self	6,403,296	(878,885)	5,524,411
Total	16,560,343	2,365,883	14,194,460

31 December 2021 (Audited)			
Beginning Balance	Appropriated during the year	Transferred to (from) during the year	Ending Balance
JD	JD	JD	JD
End of service indemnity provision	3,850,000	500,000	4,350,000
Legal cases held against bank provision	75,000	-	75,000
Employees' vacation provision	3,500,000	100,000	3,600,000
Contingencies provision - Joint	1,284,360	847,687	2,132,047
Contingencies provision – Self	6,627,116	223,820	6,403,296
Total	15,336,476	600,000	16,560,343

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(19) Income Tax Provision

A- Bank's Income Tax Provision:

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

	30 September 2022	31 December 2021
	JD (Reviewed And Unaudited)	JD (Audited)
Beginning balance for the period / year	32,652,979	26,142,445
Income tax paid	(29,236,831)	(22,509,023)
Income tax expense	29,307,084	37,397,819
Income tax paid for the years 2022, 2021	(7,783,601)	(8,378,262)
Ending balance for the period / year	24,939,631	32,652,979

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

	30 September	
	2022	2021
	JD (Reviewed And Unaudited)	JD (Reviewed And Unaudited)
Income tax expense for the period	29,307,084	29,083,944
Less: deferred tax assets	(674,945)	-
Total	28,632,139	29,083,944

Income tax was calculated to reach 35% in addition to a national contribution of 3% for a total of 38% in accordance with the income tax law No. (34) of 2014 and its amended .

The bank reached a final settlement with the income tax department up to end of 2020. The bank 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 financial statement.

There are no pending legal cases related to the bank with the income tax court and according to the banks administration and its tax advisor the tax provision taken are sufficient as on 30 September 2022.

Subsidiary Companies:

Al Samaha Financing and Investment Company Ltd:

The Company reached a final settlement with the income tax department up to end of 2018, the Company submitted the income tax declaration for the years 2019,2020 and 2021, the income and sales tax department has not reviewed the records up to the date of the 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 2020, and the Company submitted the income tax declaration for 2021. The income and sales tax department has not reviewed the records up to the date of the consolidated financial statement.

Omaryeh school company Ltd:

The Company reached final settlement with the income tax department up to end of 2018, the Company submitted the income tax declaration for the years 2019,2020 and 2021, the income tax department has not reviewed the records up to the date of the consolidated financial statements

Future Applied Computer Technology Company Ltd:

The Company reached final settlement with the income tax department up to end of 2020 , 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 the consolidated financial statements.

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(20) Other Liabilities

This item consists of the following:

	30 September 2022 JD (Reviewed And Unaudited)	31 December 2021 JD (Audited)
Accepted cheques	974,262	1,430,695
Revenues received in advance	1,879,824	882,351
Al Qard Al Hasan Fund	2,515,250	2,129,520
Temporary deposits	1,417,376	902,882
Miscellaneous credit balances	2,729,086	3,475,044
Cheques against notes payables	5,343,542	5,681,826
Term deposit profits	911,370	-
Banker's cheques	7,824,956	10,210,199
Accounts Payable	1,672,337	1,312,576
Billing collection	3,292,720	3,690,473
Cards limits	5,796,288	8,852,484
others	4,494,600	3,240,649
Total	38,851,611	41,808,699

(21) Unrestricted Investment Accounts

A- This item consists of the following:

30 September 2022 (Reviewed and Unaudited)						
	Retail	Large corporates	Small and Medium Enterprises	Government and public sector	Banks	Total
	JD	JD	JD	JD	JD	JD
Saving accounts	625,258,642	1,437,678	4,779,679	33	24,268,615	655,744,647
Notice accounts	8,263,218	-	4,192,191	642,166	7,546,706	20,644,281
Term accounts	2,089,358,388	50,916,890	168,657,959	188,700,079	15,000,000	2,512,633,316
Total	2,722,880,248	52,354,568	177,629,829	189,342,278	46,815,321	3,189,022,244
Depositors' share from Investment returns	41,533,704	798,595	2,727,900	2,888,150	509,206	48,457,555
Total unrestricted investment accounts	2,764,413,952	53,153,163	180,357,729	192,230,428	47,324,527	3,237,479,799
31 December 2021 (Audited)						
	Retail	Large corporates	Small and Medium Enterprises	Government and public sector	Banks	Total
	JD	JD	JD	JD	JD	JD
Saving accounts	642,525,495	233,677	9,929,165	42	24,406,966	677,095,345
Notice accounts	8,795,688	-	4,306,707	628,220	10,000,922	23,731,537
Term accounts	2,075,327,318	29,770,111	133,997,850	129,770,072	16,105,750	2,384,971,101
Total	2,726,648,501	30,003,788	148,233,722	130,398,334	50,513,638	3,085,797,983
Depositors' share from Investment returns	57,043,597	627,702	3,122,403	2,728,034	953,234	64,474,970
Total unrestricted investment accounts	2,783,692,098	30,631,490	151,356,125	133,126,368	51,466,872	3,150,272,953

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Unrestricted investment accounts share of profits is calculated as follows:

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

Unrestricted investment accounts (Government of Jordan and Public Sector) inside the Kingdom amounted to JD 192,230,428 representing 5.94 % of the total unrestricted investment accounts as at 30 September 2022 compared to JD 133,126,368 representing 4.23 % as at 31 December 2021.

Dormant accounts amounted to JD 47,030,457 as at 30 September 2022 compared to JD 46,717,359 as at 31 December 2021.

The withdrawal restricted investment accounts amounted to JD 5,427,912 representing 0.17 % of the total unrestricted investment accounts as at 30 September 2022 compared to JD 5,494,442, representing 0.17 % as at 31 December 2021.

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

	Joint	
	30 September 2022	31 December 2021
	JD	JD
	(Reviewed And Unaudited)	(Audited)
Investment accounts holders' reserve – Subsidiaries	11,105,026	10,901,495
Investment accounts holders' reserve – Associates	3,573,253	3,355,400
Total	14,678,279	14,256,895
Non-Controlling Interests-investment account holders	38,891	38,798

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(22) Fair Value Reserve -net

This item consists of the following:

A- Joint

	Joint	
	30 September 2022	31 December 2021
	JD	JD
	(Reviewed And Unaudited)	(Audited)
Financial assets reserve at fair value through joint investment accounts holders' equity	(2,824,634)	(1,840,374)
Investments reserve in real estate	2,518,098	3,896,487
Total	(306,536)	2,056,113

B- Self

	Self	
	30 September 2022	31 December 2021
	JD	JD
	(Reviewed And Unaudited)	(Audited)
Financial assets reserve at fair value through owner's equity – self	2,560,474	3,069,831
Total	2,560,474	3,069,831

(C) Movements on the fair value reserve for the unrestricted investment accounts holders' equity were as follows:

	30 September 2022 (Reviewed and Unaudited)		
	Financial assets at fair value	Investments in real estate	Total
	JD	JD	JD
Balance at the beginning of the period *	(2,968,345)	6,284,657	3,316,312
Unrealized (losses) profits	(1,587,517)	134,206	(1,453,311)
Deferred tax (liabilities) assets	1,731,228	(1,543,351)	187,877
Profits transferred to the consolidated income statement	-	(2,357,414)	(2,357,414)
Balance at the end of the period	(2,824,634)	2,518,098	(306,536)

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	31 December 2021 (Audited)		
	Financial assets at fair value	Investments in real estate	Total
	JD	JD	JD
Balance at the beginning of the year	(4,066,732)	12,529,346	8,462,614
Unrealized (losses) profits	2,200,120	(3,378,227)	(1,178,107)
Deferred tax (liabilities) assets	1,127,971	(2,388,170)	(1,260,199)
Profits transferred to the consolidated income statement	(1,101,733)	(2,866,462)	(3,968,195)
Balance at the end of the year	(1,840,374)	3,896,487	2,056,113

* The fair value reserve beginning balance includes the prior year deferred tax liabilities of JD 1,260,199.

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

	Financial assets at fair value	
	30 September 2022	31 December 2021
	JD	JD
	(Reviewed And Unaudited)	(Audited)
Beginning Balance for the period / year *	4,951,340	4,658,579
Unrealized (losses) profits	(821,544)	308,256
Deferred tax liabilities	(1,569,322)	(1,881,509)
Profits transferred to retained earnings	-	(15,495)
Ending Balance for the period / year	2,560,474	3,069,831

* The fair value reserve beginning balance includes the prior year deferred tax liabilities of JD 1,881,509.

(23) Provision for future expected risks

A- Movements on a provision for future risks were as follows :

	30 September 2022	31 December 2021
	JD	JD
	(Reviewed And Unaudited)	(Audited)
Beginning balance for the period / year	25,000,000	25,980,009
Transfer to provision for expected credit loss-joint	(142,468)	(980,009)
Ending Balance for the period / year	24,857,532	25,000,000

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B. Mutual Insurance Fund

Movements on the Mutual Insurance Fund were as follows:

	30 September 2022	31 December 2021
	JD (Reviewed And Unaudited)	JD (Audited)
Beginning balance for the period / year	50,448,766	48,820,782
Add: profits for the years 2021 and 2020	1,155,864	1,265,186
Add: insurance premiums collected during the period / year	7,634,058	7,669,033
Add: amounts recovered from prior years losses	179,718	100,837
Add: Other revenues	268,706	-
Less: insurance premiums paid during the period / year	(6,357,548)	(5,473,255)
Less: Taxes paid in advance for 2021	-	(443,768)
Less: income tax for 2021	(1,373,023)	-
Less: fund's committee members remunerations	(16,000)	(16,000)
Less: consulting fees during the period/year	(1,740)	(36,153)
Less: Insurance paid for the dissolution of contracts before 2018	-	(958)
Less: losses written off during the period / year	-	(436,938)
Transferred to expected credit losses provision during period/year	-	(1,000,000)
Ending balance for the period / year	51,938,801	50,448,766

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.

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

- Death of subscriber.
- The subscriber's physical disability, fully or partially.
- The subscriber's insolvency due to lack of income sources for at least one year, without having an asset or possessing the leased estate to settle his debt and has no opportunity to obtain income source in the upcoming year that enable the debtor to settle his debt or to continue in the finance lease and based on the bank's decision about it.
- As of the beginning of 2018, the group has applied the accrual basis instead of cash basis with regards to insurance premiums received from subscribers, additionally, it was approved to increase the ceiling of coverage to become JD 150 thousand instead of JD 100 thousand.
- Mutual insurance fund covers financing granted by the Bank (financing granted from joint investment accounts and Al Wakala Bi Al Istithmar accounts (Investments Portfolio)).
- The balance of the mutual fund insurance is among the unrestricted investment accounts.

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C. Provision for expected credit losses- Deferred sales receivables and other receivables – joint (note 7)

	30 September 2022	31 December 2021
	JD	JD
	(Reviewed And Unaudited)	(Audited)
Provision for expected credit loss-Bank	112,957,885	112,060,904
Expected credit loss provision for Al samaha funding and investment company Ltd	824,865	830,190
Expected credit loss provision for Al omariah school company Ltd	1,043,001	1,043,001
Total	114,825,751	113,934,095

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

	30 September 2022	31 December 2021
	JD	JD
	(Reviewed and Unaudited)	(Audited)
Balance at the beginning of the period/year	119,661,999	115,927,918
Provision during the period/year from the consolidated income statement	-	6,000,000
Transferred from mutual insurance fund (Note 23 B)	-	1,000,000
Transferred from provision of expected future risk (Note 23 A)	142,468	980,009
Provision (recovered) from subsidiaries	(5,325)	657,403
Written-off	-	(4,903,331)
Others	102	-
Balance at the end of the period/ year	119,799,244	119,661,999

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(24) Deferred Sales Revenues

This item consists of the following:

	Joint		self		Total	
	For the nine months ended 30 September		For the nine months end 30 September		For the nine months end 30 September	
	2022	2021	2022	2021	2022	2021
	JD	JD	JD	JD	JD	JD
	(Reviewed And Unaudited)	(Reviewed And Unaudited)	(Reviewed And Unaudited)	(Reviewed And Unaudited)	(Reviewed And Unaudited)	(Reviewed And Unaudited)
Individuals (Retail):						
Murabaha to the purchase orderer	36,516,127	34,205,878	-	-	36,516,127	34,205,878
Deferred sales	697,823	686,644	-	-	697,823	686,644
Ijarah Mawsoofa Bil Thimma	412,668	360,158	-	-	412,668	360,158
Istisna'a	11,976	12,980	-	-	11,976	12,980
Real Estate Financing	21,756,601	20,560,096	-	2000	21,756,601	20,562,096
Corporate:						
International Murabaha	189,107	218,091	-	-	189,107	218,091
Murabaha to the purchase orderer	13,262,931	14,972,513	-	-	13,262,931	14,972,513
Deferred sales	-	78	-	-	-	78
Ijarah Mawsoofa Bil Thimma	2,478	-	-	-	2,478	-
Istisna'a	1,013,776	1,238,395	-	-	1,013,776	1,238,395
Small and Medium Enterprises:						
Murabaha to the purchase orderer	6,465,977	5,522,009	-	-	6,465,977	5,522,009
Deferred sales	357	1,018	-	-	357	1,018
Ijarah Mawsoofa Bil Thimma	17,338	44,056	-	-	17,338	44,056
Istisna'a	26,954	28,730	-	-	26,954	28,730
Government and public sector	31,720,252	30,876,368	-	-	31,720,252	30,876,368
Total	112,094,365	108,727,014	-	2000	112,094,365	108,729,014

(25) Financing Revenues

This item consists of the following:

	Joint		Self		Total	
	For the Nine Months Ended on 30 September		For the Nine Months Ended on 30 September		For the Nine Months Ended on 30 September	
	2022	2021	2022	2021	2022	2021
	JD	JD	JD	JD	JD	JD
	(Reviewed And Unaudited)	(Reviewed And Unaudited)	(Reviewed And Unaudited)	(Reviewed And Unaudited)	(Reviewed And Unaudited)	(Reviewed And Unaudited)
Individuals (Retail):						
Diminishing Musharaka	400,161	378,632	5,130	2,907	405,291	381,539
Total	400,161	378,632	5,130	2,907	405,291	381,539

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

This item consists of the following:

	Joint	
	For the Nine Months Ended on 30 September	
	2022	2021
	JD (Reviewed And Unaudited)	JD (Reviewed And Unaudited)
Dividends income	555,690	808,548
Gain from sale of financial assets at fair value	-	1,101,733
Total	555,690	1,910,281

(27) Gain from Financial Assets at Amortized Cost

This item consists of the following:

	Joint	
	For the Nine Months Ended on 30 September	
	2022	2021
	JD (Reviewed And Unaudited)	JD (Reviewed And Unaudited)
Islamic Sukuk	7,897,716	8,472,890
Islamic banks portfolio revenues	175,143	55,177
Total	8,072,859	8,528,067

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(28) Dividends from subsidiaries and associates

This item consists of the following:

	Ownership percentage	Distribution percentage	Joint	
			30 September 2022	30 September 2021
	%	%	JD (Reviewed and Unaudited)	JD (Reviewed and Unaudited)
Subsidiaries				
Al Samaha Financing and Investment Company Ltd	100.0	5.0	600,000	600,000
Associates				
Jordanian Center for International Trading Co.	28.4	5.0	48,200	48,200
Islamic Insurance Co.	33.3	8.0	400,000	400,000
Sale of subsidiary company *			-	1,071,604
Total			1,048,200	2,119,804

* On 6 January 2021, the investment in subsidiary (Future Applied Computer Technology Company Ltd.) was transferred from the joint-investment sources to the self- Bank sources due to the connection of this company's business to the Bank's. The transfer was carried out at the book value at the date of the transfer. The transfer resulted in a joint investment profit of JD 1,071,604, and no currency difference resulted from this transfer. An approval was obtained from the Sharia Supervisory Board of the Bank and the Central Bank of Jordan for this transfer.

(29) Revenue from Investments in Real Estate

This item consists of the following:

	Joint	
	For the Nine Months Ended on 30 September	
	2022	2021
	JD	JD
	(Reviewed And Unaudited)	(Reviewed And Unaudited)
Net rent from investing in real estate	773,814	1,028,944
Net income from sale of investing in real estate	1,973,971	2,850,667
Revenues from investment in real estate	2,747,785	3,879,611

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(30) Share of Unrestricted Investment Accounts Holders

This item consists of the following:

	For the Nine Months Ended on 30 September	
	2022	2021
	JD	JD
	(Reviewed And Unaudited)	(Reviewed And Unaudited)
Banks and Financial Institutions	509,206	618,949
Customers:		
Saving Accounts	4,772,233	4,951,496
Notice Accounts	173,841	189,361
Term Accounts	43,002,275	41,532,189
Total	48,457,555	47,291,995

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

This item consists of the following:

	For the Nine Months Ended on 30 September	
	2022	2021
	JD	JD
	(Reviewed And Unaudited)	(Reviewed And Unaudited)
Bank's share as Mudarib	74,604,924	73,733,240
Bank's share as Rab Mal	37,003,593	36,783,542
Total	111,608,517	110,516,782

(32) Bank's Self-financed Revenue

This item consists of the following:

	For the Nine Months Ended on 30 September	
	2022	2021
	JD	JD
	(Reviewed And Unaudited)	(Reviewed And Unaudited)
Sales receivables revenues- Note (24)	-	2,000
Financing revenues – Note (25)	5,130	2,907
Gain from financial assets through consolidated income statement	7,388	-
Gain from financial assets at the fair value through equity	17,170	229,639
Total	29,688	234,546

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(33) Basic Earnings Per Share (EPS)

This item consists of the following:

	For the Nine Months Ended on 30 September	
	2022	2021
	(Reviewed And Unaudited)	(Reviewed And Unaudited)
Profit for the period after income tax (JD)	50,038,560	47,650,890
Weighted average number of shares (share)	200,000,000	200,000,000
Basic earnings per share (JD/Fits)	0/250	0/238

(34) Cash and Cash Equivalents

This item consists of the following:

	For the Nine Months Ended on 30 September	
	2022	2021
	JD	JD
	(Reviewed And Unaudited)	(Reviewed And Unaudited)
Cash and balances with The Central Bank maturing within 3 months*	741,677,638	906,940,702
Add: Balances at banks and financial institutions maturing within 3 months	61,001,651	85,917,801
Less: Balances at banks and financial institutions maturing within 3 months	(41,355,337)	(61,041,273)
Total	761,323,952	931,817,230

*statutory reserve includes (note 4)

(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	
		30 September 2022	31 December 2021
		JD	JD
		(Reviewed And Unaudited)	(Audited)
Al Omariah Schools Company Ltd.	99.8%	16,000,000	16,000,000
Al Samaha Financing and Investment Company Ltd.	100%	12,000,000	12,000,000
Future Applied Computer Technology Company Ltd.	100%	5,000,000	5,000,000
Sanabel Al-Khair for Financial Investments Company Ltd.	100%	5,000,000	5,000,000

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

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

	Related parties				Total	
	Parent Company	Associates	Subsidiaries	Board members and Senior Executive management	30	31 December
					September	2021
					2022	2021
	JD	JD	JD	JD	JD	JD
					(Reviewed And Unaudited)	(Audited)
Interim condensed consolidated statement of financial position items:						
Deferred sales receivables	-	1,307,801	1,445,011	9,929,933	12,682,745	10,088,028
Financing of employees housing/ Musharaka	-	-	-	847,010	847,010	1,010,134
Deposits	119,801	8,037,598	3,643,960	2,762,013	14,563,372	16,124,532
Off consolidated statement of financial position items:						
Guarantees and Letters of credit	-	100,000	536,500	2,467,708	3,104,208	3,090,532
					For the period ended on 30 September	
					2022	2021
					JD	JD
					(Reviewed And Unaudited)	(Reviewed And Unaudited)
Interim condensed Consolidated income statement items:						
Paid expenses	-	4,781,721	1,082,463	2,361,537	8,225,721	7,768,205
Received revenues	18	58,748	79,105	360,718	498,589	456,512
Paid Profits	-	105,375	17,144	5,995	128,514	42,280

- Murabaha rate on granted financing ranged between (3%-4.75%) annually as at 30 September 2022 (2021: 3.0% - 4.75%).
- Musharaka profit rate of financing granted to the employees ranged between (2.0%-4.8%) annually as at 30 September 2022 (2021: 2% - 4.8%).
- Guarantees commission rate ranged between (1%-4%) annually as at 30 September 2022 (2021: 1% - 4%). Letters of credit commission rate ranged between (1/4% - 3/8%) quarterly as 30 September 2022 (2021: 1/4% - 3/8% quarterly).
- Individual and corporate deposits revenue is equals to the percentage of revenue for related parties deposits.

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

	For the Nine Months Ended on 30 September	
	2022	2021
	JD	JD
	(Reviewed And Unaudited)	(Reviewed And Unaudited)
Salaries, remuneration and transportation	1,896,994	1,744,974
End of service benefits	47,101	-
Total	1,944,095	1,744,974

(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:

Retail accounts:

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

Corporate accounts:

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

Investment in assets:

This includes investing in real estate and leasing.

Treasury:

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

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

	Total									
	For the nine months ending on 30 September (Reviewed and Unaudited)									
	2022		2021		Others	2022		2021		Others
	Retails	Institutions	Investment in assets	Treasury		Investment in assets	Treasury	Investment in assets	Treasury	
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Total revenues (joint and self financed)	105,722,404	62,056,416	8,631,239	15,728,529	613,471	192,752,059	185,723,898	192,752,059	185,723,898	
Net income of subsidiaries and share of profit from investments in associates	-	-	1,519,096	-	-	1,519,096	703,214	1,519,096	703,214	
Deposits guarantee fees (joint and self financed)	(4,044,239)	(2,366,288)	(324,734)	(601,669)	(23,467)	(7,360,397)	(6,747,078)	(7,360,397)	(6,747,078)	
Share of the unrestricted investment accounts and non-controlling interests from the net income of associates	(26,779,952)	(17,716,482)	(1,519,096)	(3,961,121)	-	(49,976,651)	(47,995,209)	(49,976,651)	(47,995,209)	
Segment results	74,898,213	41,973,646	8,306,505	11,165,739	590,004	136,934,107	131,684,825	136,934,107	131,684,825	
Allocated expenses	(29,912,816)	(19,754,521)	(3,013,201)	(5,582,870)	-	(58,263,408)	(54,949,991)	(58,263,408)	(54,949,991)	
Profits before tax	44,985,397	22,219,125	5,293,304	5,582,869	590,004	78,670,699	76,734,834	78,670,699	76,734,834	
Income tax	(15,180,399)	(9,729,089)	(1,145,016)	(2,400,634)	(177,001)	(28,632,139)	(29,083,944)	(28,632,139)	(29,083,944)	
Profit after tax	29,804,998	12,490,036	4,148,288	3,182,235	413,003	50,038,560	47,650,890	50,038,560	47,650,890	
Sector assets	1,687,413,932	1,314,031,166	1,364,884,887	819,514,625	-	5,185,844,610	5,133,180,070	5,185,844,610	5,133,180,070	
Investment in associates	-	-	9,269,668	-	-	9,269,668	9,051,815	9,269,668	9,051,815	
Unallocated assets	-	-	-	-	163,781,113	163,781,113	180,350,258	163,781,113	180,350,258	
Total assets	1,687,413,932	1,314,031,166	1,374,154,555	819,514,625	163,781,113	5,358,895,391	5,302,582,143	5,358,895,391	5,302,582,143	
Segment liabilities	3,828,076,909	790,662,521	-	41,355,337	-	4,860,094,767	4,586,491,598	4,860,094,767	4,586,491,598	
Unallocated liabilities	-	-	-	-	189,654,283	189,654,283	206,481,582	189,654,283	206,481,582	
Total Liabilities	3,828,076,909	790,662,521	-	41,355,337	189,654,283	4,849,749,050	4,792,973,160	4,849,749,050	4,792,973,160	
Capital expenditures	-	-	-	-	4,964,051	4,964,051	3,687,908	4,964,051	3,687,908	
Depreciation and amortization	-	-	-	-	6,130,211	6,130,211	6,058,993	6,130,211	6,058,993	

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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.

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 30 September 2022 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.

	30 September 2022	31 December 2021
	Thousands JD (Reviewed And Unaudited)	Thousands JD (Audited)
Common Equity Tier I	475,733	451,705
Paid-in capital	200,000	200,000
Statutory reserve	110,912	110,912
Voluntary reserve	55,082	55,082
Retained earnings	90,553	90,545
full fair value reserve	1,199	2,184
Profits for the period after tax less expected dividends distribution	27,539	-
Intangible assets	(6,153)	(4,299)
Deferred tax assets	(675)	-
Investments in Banks, financial institutions and Takaful companies capital that are less than 10%.	(494)	(494)
Investments in Banks, financial institutions and Takaful companies capital, beyond unified regulatory scope that are less than 10%	(2,230)	(2,225)
Additional Tier I	-	-
Additional Tier II	10,470	10,947
Provision for expected credit loss stage 1 (self) and bank share of expected credit loss provision stage 1 (mixed not to exceed 1.25) of risky assets	10,470	10,947
Total regulatory capital	486,203	462,652
Risk Weighted Assets (RWA)	2,126,981	2,010,329
Common Equity Tier I Ratio	%22.37	%22.47
Additional Tier I Ratio	-	-
Tier I Ratio	%22.37	%22.47
Tier II Ratio	%0.49	%0.54
Capital Adequacy Ratio	%22.86	%23.01

- Financial leverage percentage has reached 19.45% as of 30 September 2022 (31 December 2021: 17.78%).

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

Contingent Credit Commitments

	30 September 2022 JD (Reviewed And Unaudited)	31 December 2021 JD (Audited)
Letters of credit	48,274,121	36,532,955
Acceptances	17,926,336	11,289,931
Guarantees:	127,753,747	123,492,546
Payment	41,220,000	38,093,917
Performance	57,663,976	55,249,189
Others	28,869,771	30,149,440
Unutilized Limits/ Direct	116,170,877	166,468,420
Unutilized Limits/ Indirect	72,420,964	69,375,603
Total	382,546,045	407,159,455

Cumulative movement on indirect facilities:

A. As of 30 September 2022 (Reviewed and Unaudited):

	Stage 1		Stage 2		Stage 3	Total
	Collective	Individual	Collective	Individual		
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the period	44,124,921	196,827,280	1,386,528	157,190,012	7,630,714	407,159,455
New exposures during the period	23,092,033	199,816,931	1,174,399	69,441,659	5,340,254	298,865,276
Matured exposures	(25,007,140)	(146,950,340)	(1,260,609)	(144,119,450)	(6,141,147)	(323,478,686)
Transferred (from) to stage 1	588,110	13,079,078	(574,010)	(12,779,628)	(313,550)	-
Transferred (from) to stage 2	(806,405)	(24,145,417)	842,032	25,477,655	(1,367,865)	-
Transferred (from) to stage 3	(208,655)	(46,742)	(36,815)	(352,096)	644,308	-
Balance at the end of the period	41,782,864	238,580,790	1,531,525	94,858,152	5,792,714	382,546,045

JORDAN ISLAMIC BANK - PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 SEPTEMBER 2022 (REVIEWED AND UNAUDITED)

As of 31 December 2021 (Audited):

	Stage 1		Stage 2		Stage 3	Total
	Collective	Individual	Collective	Individual		
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	67,544,132	147,337,810	2,890,154	85,035,522	7,225,600	310,033,218
New exposures during the year	34,022,137	180,280,648	1,164,420	150,728,109	6,985,371	373,180,685
Matured exposures	(56,883,033)	(131,102,650)	(3,458,427)	(78,098,439)	(6,511,899)	(276,054,448)
Transferred (from) to stage 1	515,866	7,166,827	(282,910)	(7,166,827)	(232,956)	-
Transferred (from) to stage 2	(1,035,941)	(6,855,355)	1,090,341	6,865,355	(64,400)	-
Transferred (from) to stage 3	(38,240)	-	(17,050)	(173,708)	228,998	-
Balance at the end of the year	44,124,921	196,827,280	1,386,528	157,190,012	7,630,714	407,159,455

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

As of 30 September 2022 (Reviewed And Unaudited):

	Stage 1		Stage 2		Stage 3	Total
	Collective	Individual	Collective	Individual		
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the period	143,576	936,258	116,112	2,160,502	5,178,895	8,535,343
Expected credit loss on new exposures during the period	45,546	907,830	100,263	529,563	4,074,826	5,658,028
Expected credit loss from matured exposures	(45,327)	(300,040)	(45,727)	(1,612,656)	(4,029,263)	(6,033,013)
Transferred (from) to stage 1	65,137	193,213	(58,419)	(70,075)	(129,856)	-
Transferred (from) to stage 2	(4,113)	(142,915)	5,967	577,029	(435,968)	-
Transferred (from) to stage 3	(357)	(197)	(1,720)	(2,027)	4,301	-
Impact on ending balance provision due to change in staging classification through the period	(63,942)	(176,156)	20,730	(487,230)	118,244	(588,354)
Changes resulting from Adjustments	(39,195)	(352,218)	(5,048)	(459,816)	(546,267)	(1,402,544)
Balance at the end of the period	101,325	1,065,775	132,158	635,290	4,234,912	6,169,460

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AS OF 30 SEPTEMBER 2022 (REVIEWED AND UNAUDITED)

As of 31 December 2021 (Audited):

	Stage 1		Stage 2		Stage 3	Total
	Collective	Individual	Collective	Individual		
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	1,293,690	817,572	55,707	621,965	5,122,545	7,911,479
Expected credit loss on new exposures during the year	93,344	861,557	93,279	2,098,822	4,885,783	8,032,785
Expected credit loss from matured exposures	(1,093,029)	(666,789)	(89,802)	(675,146)	(4,031,156)	(6,555,922)
Transferred (from) to stage 1	147,740	45,806	(7,934)	(45,806)	(139,806)	-
Transferred (from) to stage 2	(24,053)	(52,530)	63,697	55,257	(42,371)	-
Transferred (from) to stage 3	(661)	-	(540)	(1,285)	2,486	-
Impact on ending balance provision due to change in staging classification through the year	20,870	(32,194)	4,654	150,052	(180,330)	(36,948)
Changes resulting from Adjustments	(294,325)	(37,164)	(2,949)	(43,357)	(438,256)	(816,051)
Balance at the end of the year	<u>143,576</u>	<u>936,258</u>	<u>116,112</u>	<u>2,160,502</u>	<u>5,178,895</u>	<u>8,535,343</u>

(39) Lawsuits Filed Against the Bank

The lawsuits filed against the Bank (self) amounted to JD 48,850 as of 30 September 2022 with a provision of JD 9,000 (provision booked amounted to JD 75,000) compared to JD 48,950 as of 31 December 2021 with a provision of JD 11,459. The lawsuits filed against the Bank (joint) as of 30 September 2022 amounted to JD 1,814,159 with a provision of JD 62,245 compared to JD 1,601,582 as of 31 December 2021 with a provision of JD 62,245. The Bank's management and its legal advisor believe that any obligations that may arise from the lawsuits against joint investments will be recognized within the investment risk fund, while the lawsuits against the Bank (self) will be covered by the established provision.

(40) Statutory Reserves

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