

**BANK AL ETIHAD**

**PUBLIC SHAREHOLDING LIMITED COMPANY**

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (REVIEWED NOT AUDITED)**

**30 JUNE 2024**



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

**Introduction**

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

**Scope of review**

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

**Conclusion**

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

**Other matter**

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

Amman – Jordan  
29 July 2024

**ERNST & YOUNG**  
Amman - Jordan

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

	Notes	30 June 2024 (Unaudited) JD	31 December 2023 (Audited) JD
<b><u>ASSETS</u></b>			
Cash and balances at central banks	5	735,089,973	736,205,982
Balances at banks and financial institutions, net	6	475,791,334	371,943,707
Deposits at banks and financial institutions, net	7	20,167,903	14,082,419
Financial assets at fair value through statement of income	8	28,082,616	26,229,319
Direct credit facilities and financing, net	9	4,333,968,596	4,244,911,424
Financial assets at fair value through statement of other comprehensive income	10	68,421,617	66,658,121
Financial assets at amortized cost, net	11	1,807,787,708	1,633,814,826
Investment in associate		332,759	349,622
Property and equipment, net		77,872,331	76,211,079
Deferred tax assets	14/B	34,655,594	37,416,374
Right of use assets, net	25/A	30,664,390	30,438,070
Intangible assets, net		29,166,085	28,532,909
Other assets, net	12	173,093,627	153,225,585
<b>Total Assets</b>		<b>7,815,094,533</b>	<b>7,420,019,437</b>
<b><u>LIABILITIES AND SHAREHOLDERS' EQUITY</u></b>			
<b><u>LIABILITIES</u></b>			
Banks and financial institutions deposits		312,336,069	311,250,220
Customers' deposits	13	5,948,070,488	5,651,353,018
Cash margins		404,679,510	329,660,434
Borrowed funds	16/A	204,931,042	190,406,392
Subordinated Loans	16/B	60,295,000	60,295,000
Sundry provisions		571,637	525,787
Lease liabilities	25/B	31,135,388	31,098,416
Income tax provision	14/A	15,070,890	30,872,484
Deferred tax liabilities	14/B	19,654	20,282
Other liabilities	15	172,855,368	150,936,220
<b>Total Liabilities</b>		<b>7,149,965,046</b>	<b>6,756,418,253</b>
<b><u>SHAREHOLDERS' EQUITY</u></b>			
<b><u>Bank Shareholders' Equity</u></b>			
Authorized and paid in capital	26	200,000,000	200,000,000
Share Premium	26	68,213,173	68,213,173
Statutory reserve	27	85,321,596	85,321,596
Voluntary Reserve	27	57,172,423	57,172,423
Fair value reserve, net	18	1,554,279	2,693,754
Retained earnings	17	43,364,138	65,411,367
Profit for the period		19,680,408	-
<b>Total Bank Shareholders' Equity</b>		<b>475,306,017</b>	<b>478,812,313</b>
Non-controlling Interests		118,923,470	113,888,871
Perpetual Bonds		70,900,000	70,900,000
<b>Total Shareholders' Equity</b>		<b>665,129,487</b>	<b>663,601,184</b>
<b>Total Liabilities and Shareholders' Equity</b>		<b>7,815,094,533</b>	<b>7,420,019,437</b>

The accompanying notes from 1 to 34 form part of these interim condensed consolidated financial statements and should be read with them

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

	Notes	For the three months ended 30 June		For the six months ended 30 June	
		2024	2023	2024	2023
		JD	JD	JD	JD
Interest income	19	120,471,365	105,237,543	235,512,251	205,917,142
Interest expense	20	62,434,626	53,147,250	123,106,159	101,125,734
<b>Net interest income</b>		<b>58,036,739</b>	<b>52,090,293</b>	<b>112,406,092</b>	<b>104,791,408</b>
Net commission income		11,691,816	7,346,600	20,157,504	15,885,132
<b>Net interest and commission income</b>		<b>69,728,555</b>	<b>59,436,893</b>	<b>132,563,596</b>	<b>120,676,540</b>
Gain from foreign currencies		4,372,995	3,223,906	8,552,500	5,964,936
Gain from financial assets at fair value through income statement	21	288,930	(241,135)	1,205,068	478,354
Gain from financial assets through amortized cost		6,194	673	6,194	673
Dividends from financial assets at fair value through other comprehensive income	10	549,734	562,896	629,542	1,041,404
Other income		704,487	505,869	1,088,302	873,372
<b>Gross income</b>		<b>75,650,895</b>	<b>63,489,102</b>	<b>144,045,202</b>	<b>129,035,279</b>
<b>Expenses</b>					
Employees' expenses		16,536,384	15,721,114	33,342,380	31,337,664
Depreciation and amortization		3,874,694	3,797,676	7,662,446	7,381,455
Other expenses		13,814,316	11,042,350	26,905,306	22,051,202
Provision for expected credit losses, net	23	18,899,948	8,820,093	32,882,113	19,078,820
Amortization of right of use assets	25	1,138,650	1,165,846	2,316,320	2,262,261
Rent expense		245,156	163,861	438,546	331,143
Lease finance cost	25	308,158	308,593	583,146	600,144
Provision (surplus) for impairment of seized assets		80,032	(360,395)	276,439	(497,627)
Sundry provisions		32,015	74,223	45,850	124,677
<b>Total expenses</b>		<b>54,929,353</b>	<b>40,733,361</b>	<b>104,452,546</b>	<b>82,669,739</b>
Profit from operations		<b>20,721,542</b>	<b>22,755,741</b>	<b>39,592,656</b>	<b>46,365,540</b>
Bank's share from the (loss) profit of an associate company		(16,863)	3,668	(16,863)	3,668
<b>Profit for the period before tax</b>		<b>20,704,679</b>	<b>22,759,409</b>	<b>39,575,793</b>	<b>46,369,208</b>
Income tax	14	(7,589,711)	(8,056,450)	(14,902,896)	(16,782,382)
<b>Profit for the period</b>		<b>13,114,968</b>	<b>14,702,959</b>	<b>24,672,897</b>	<b>29,586,826</b>
Attributable to:					
Bank Shareholders		10,501,130	12,039,898	19,680,408	24,596,969
Non-controlling Interests		2,613,838	2,663,061	4,992,489	4,989,857
		<b>13,114,968</b>	<b>14,702,959</b>	<b>24,672,897</b>	<b>29,586,826</b>
		JD / Share	JD / Share	JD / Share	JD / Share
Basic and diluted earnings per share for the period	22	0.053	0.060	0.098	0.123

The accompanying notes from 1 to 34 form part of these interim condensed consolidated financial statements and should be read with them

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

	For the three months ended 30 June		For the six months ended 30 June	
	2024	2023	2024	2023
	JD	JD	JD	JD
Profit for the period	13,114,968	14,702,959	24,672,897	29,586,826
<b>Other comprehensive income items:</b>				
<b>Added items after tax not to be reclassified to income statement in subsequent periods</b>				
Change in fair value reserve after tax -Net	482,772	(145,576)	(1,100,673)	350,570
<b>Total comprehensive income for the period</b>	<b>13,597,740</b>	<b>14,557,383</b>	<b>23,572,224</b>	<b>29,937,396</b>
<b>Attributable to:</b>				
Bank Shareholders	10,969,465	11,919,739	18,537,625	24,965,250
Non-controlling Interests	2,628,275	2,637,644	5,034,599	4,972,146
	<b>13,597,740</b>	<b>14,557,383</b>	<b>23,572,224</b>	<b>29,937,396</b>

The accompanying notes from 1 to 34 form part of these interim condensed consolidated financial statements and should be read with them

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

	Note	Authorized and paid in capital	Share Premium	Reserves			Retained earnings	Profit for the period	Total Bank Shareholders' Equity	Perpetual Bonds	Non-controlling Interests	Total Shareholders' Equity
				Statutory	Voluntary	Fair value reserve, net						
For the six months ended 30 June 2024		JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Balance at the beginning of the period		200,000,000	68,213,173	85,321,596	57,172,423	2,693,754	65,411,367	-	478,812,313	70,900,000	113,888,871	663,601,184
Total comprehensive income for the period		-	-	-	-	(1,142,783)	-	19,680,408	18,537,625	-	5,034,599	23,572,224
Capital increase fees		-	-	-	-	-	(150,113)	-	(150,113)	-	-	(150,113)
Distributed dividends	26	-	-	-	-	-	(20,000,000)	-	(20,000,000)	-	-	(20,000,000)
Realized (loss) from sale of financial assets at fair value through other comprehensive income		-	-	-	-	3,308	(3,308)	-	-	-	-	-
Issuance of perpetual bonds and their related expenses after excluding the tax effect		-	-	-	-	-	(4,835)	-	(4,835)	-	-	(4,835)
Interest on perpetual bonds after excluding the tax effect		-	-	-	-	-	(1,888,973)	-	(1,888,973)	-	-	(1,888,973)
<b>Balance at the end of the period</b>		<b>200,000,000</b>	<b>68,213,173</b>	<b>85,321,596</b>	<b>57,172,423</b>	<b>1,554,279</b>	<b>43,364,138</b>	<b>19,680,408</b>	<b>475,306,017</b>	<b>70,900,000</b>	<b>118,923,470</b>	<b>665,129,487</b>
<b>For the six months ended 30 June 2023</b>												
Balance at the beginning of the period		160,000,000	80,213,173	76,227,974	51,192,173	6,482,816	78,930,524	-	453,046,660	-	106,989,990	560,036,650
Total comprehensive income for the period		-	-	-	-	368,281	-	24,596,969	24,965,250	-	4,972,146	29,937,396
Capital increase		40,000,000	(12,000,000)	-	-	-	(28,000,000)	-	-	-	-	-
Capital increase fees		-	-	-	-	-	(250,150)	-	(250,150)	-	-	(250,150)
Distributed dividends	26	-	-	-	-	-	(16,000,000)	-	(16,000,000)	-	-	(16,000,000)
Ownership share in an subsidiary		-	-	-	-	-	(418,708)	-	(418,708)	-	(3,013,591)	(3,432,299)
Realized gain from sale of financial assets at fair value through other comprehensive income		-	-	-	-	(334,545)	334,545	-	-	-	-	-
<b>Balance at the end of the period</b>		<b>200,000,000</b>	<b>68,213,173</b>	<b>76,227,974</b>	<b>51,192,173</b>	<b>6,516,552</b>	<b>34,596,211</b>	<b>24,596,969</b>	<b>461,343,052</b>	<b>-</b>	<b>108,948,545</b>	<b>570,291,597</b>

- There are restricted balances from retained earnings and profit for the period which amounted to JD 34,642,725 as at 30 June 2024 (JD 37,180,506 as at 31 December 2023) which represents net deferred tax assets after deducting deferred tax liabilities, and in accordance with the instructions of the Central Bank of Jordan, it is prohibited to dispose of them except with its prior approval.
- The retained earnings balance includes an amount of JD 2,278,761 representing profits from revaluation differences of financial assets measured at fair value through income statement as of 30 June 2024.
- It is prohibited to dispose the amount of JD 108,397 as of 30 June 2024 which represents the balance of the self-generated general banking risk reserve which belongs to Safwa Islamic Bank.

**The accompanying notes from 1 to 34 form part of these interim condensed consolidated financial statements and should be read with them**

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

	Notes	30 June 2024 JD	30 June 2023 JD
<b>Operating activities</b>			
Profit for the period before tax		39,575,793	46,369,208
<b>Non-cash Adjustments:</b>			
Depreciation and amortization		7,662,446	7,381,455
Provision for expected credit losses	23	32,882,113	19,078,820
Amortization of right of use assets	25	2,316,320	2,262,261
Lease finance cost	25	583,146	600,144
Gain from financial assets through amortized cost		(6,194)	(673)
Provision (surplus) for impairment of seized assets		276,439	(497,627)
Unrealized (gains) losses from valuation of financial assets	21	(397,460)	266,650
(Gains) losses from sale of property and equipment		(77,704)	2,244
Gain from the valuation of convertible loans		(4,567)	-
Sundry provisions		45,850	124,677
Bank's share from the loss (gain) of an associate company		16,863	(3,668)
Effect of exchange rate fluctuations on cash and cash equivalents		(3,050,833)	(1,398,611)
(Gain) losses from the sale of seized assets against due debts		(223,031)	125,799
<b>Profit for the period before changes in assets and liabilities</b>		<b>79,599,181</b>	<b>74,310,679</b>
<b>Changes in Assets and Liabilities -</b>			
Restricted balances		(879,455)	(1,920,717)
Direct credit facilities		(122,403,949)	(161,601,355)
Financial assets at fair value through statement of income		(1,455,837)	315,854
Deposits at banks and financial institutions		(6,090,422)	4,431,126
Banks and financial institutions deposits exceeding three months		28,321,319	1,495,474
Other assets		(19,957,582)	9,273,137
Customers deposits		296,717,470	244,519,211
Cash margins		75,019,076	39,944,021
Other liabilities		22,523,205	22,196,923
<b>Net cash flows from operating activities before income tax and paid provisions</b>		<b>351,393,006</b>	<b>232,964,353</b>
Income tax paid	14/A	(28,126,011)	(28,532,303)
Sundry provisions paid		-	(276,281)
<b>Net cash flows from operating activities</b>		<b>323,266,995</b>	<b>204,155,769</b>
<b>Investing activities</b>			
Net purchase of financial assets at fair value through other comprehensive income		(2,641,798)	(2,799,876)
Net purchase of financial assets at amortized cost		(302,520,851)	(314,318,609)
Matured / sold financial assets at amortized cost		128,704,209	176,220,111
Purchase of intangible assets		(4,189,266)	(3,904,351)
Purchase of property and equipment		(5,871,056)	(6,590,457)
Proceeds from sale of property and equipment		181,152	6,885
<b>Net cash flows used in investing activities</b>		<b>(186,337,610)</b>	<b>(151,386,297)</b>
<b>Financing activities</b>			
Capital increase fees		(150,113)	(250,150)
Increase in borrowed funds		14,524,650	29,692,921
Dividends distributed to shareholders		(19,923,128)	(15,934,363)
Payments of principal lease liability		(2,934,794)	(2,922,753)
Repayment of part of the interest on the lease liability		(154,020)	(152,782)
Increase in the subordinated Loans		-	14,180,000
Issuance of perpetual bonds and their related expenses after excluding the tax effect		(4,835)	-
Interest on perpetual bonds after excluding the tax effect		(1,888,973)	-
Ownership interests in subsidiaries		-	(3,432,299)
<b>Net cash flows (used in) from financing activities</b>		<b>(10,531,213)</b>	<b>21,180,574</b>
Net Increase in cash and cash equivalents		<b>126,398,172</b>	<b>73,950,046</b>
Effect of exchange rate fluctuations on cash and cash equivalents		3,050,833	1,398,611
Cash and cash equivalents at the beginning of the period		830,940,957	663,792,609
<b>Cash and cash equivalents at the end of the period</b>	24	<b>960,389,962</b>	<b>739,141,266</b>

The accompanying notes from 1 to 34 form part of these interim condensed consolidated financial statements and should be read with them

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

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**(1) GENERAL**

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

The Bank is engaged in all commercial banking and financing activities through its headquarter and branches within the kingdom, totaling (57) branches, and its subsidiaries in Jordan and Iraq branch. Similarly, the number of Safwa Bank branches within the kingdom reached (43) branches and its subsidiary company.

The Bank's shares are listed and traded in the Amman Stock Exchange.

The interim condensed consolidated financial information has been approved by the Bank's board of directors based on the recommendation of the audit committee on 28 July 2024.

**(2) SIGNIFICANT ACCOUNTING POLICIES**

**BASIS OF PREPARATION OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

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

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

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

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

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

**BASIS OF CONSOLIDATION OF THE INTERIM CONDENSED FINANCIAL STATEMENTS**

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

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

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

**A. Investment in subsidiaries**

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

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

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

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

**B. Investment in foreign branches**

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

**(3) CHANGES IN ACCOUNTING POLICIES**

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Bank's annual financial statements for the year ended 31 December 2023, except for the followings adoption of new standards effective as at 1 January 2024:

**Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7**

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

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

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

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

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

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

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

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right

- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

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

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

#### **(4) SIGNIFICANT JUDGMENTS AND ESTIMATES USED**

##### **USE OF JUDGMENTS AND ESTIMATES:**

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

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

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

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

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

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

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

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

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

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

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

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

- **Definition of default:**

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

- **Exposure at default:**

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

## **B. INCOME TAX**

Income tax expenses represent accrued taxes and deferred taxes.

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

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

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

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

## **C. FAIR VALUE**

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

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

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

**(5) CASH AND BALANCES AT CENTRAL BANKS**

The details of this item are as follows:

	30 June 2024 (Unaudited) JD	31 December 2023 (Audited) JD
Cash in treasury	121,772,784	134,884,779
<b>Balances at Central Banks:</b>		
Current accounts and demand deposits	179,492,750	171,981,428
Term and notice deposits	160,800,000	172,500,000
Statutory cash reserve	273,024,439	256,839,775
	<u>735,089,973</u>	<u>736,205,982</u>

The movement on balances at central banks is as follows:

	30 June 2024 (Unaudited) JD	31 December 2023 (Audited) JD
Balance at the beginning of the period / year	601,321,203	631,678,117
New deposits during the period / year	215,775,376	272,843,086
Settled balances during the period / year	(203,779,390)	(303,200,000)
Balance at the end of the period / year	<u>613,317,189</u>	<u>601,321,203</u>

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

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**(6) BALANCES AT BANKS AND FINANCIAL INSTITUTIONS, NET**

The details of this item are as follows:

	Local banks and financial institutions		Foreign banks and financial institutions		Total	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023	30 June 2024	31 December 2023
	(Unaudited) JD	(Audited) JD	(Unaudited) JD	(Audited) JD	(Unaudited) JD	(Audited) JD
Current accounts and demand deposits	63,140	289,028	206,484,612	176,748,357	206,547,752	177,037,385
Deposits maturing within 3 months or less	10,303,820	30,000,000	259,369,312	164,974,500	269,673,132	194,974,500
	<u>10,366,960</u>	<u>30,289,028</u>	<u>465,853,924</u>	<u>341,722,857</u>	<u>476,220,884</u>	<u>372,011,885</u>
Provision for expected credit loss*	-	-	(429,550)	(68,178)	(429,550)	(68,178)
Net balances at banks and financial institutions	<u>10,366,960</u>	<u>30,289,028</u>	<u>465,424,374</u>	<u>341,654,679</u>	<u>475,791,334</u>	<u>371,943,707</u>

- Non-interest bearing balances at banks and financial institutions amounted to JD 52,042,212 as at 30 June 2024 (JD 57,400,238 as at 31 December 2023).
- Restricted balances at banks and financial institutions amounted to JD 16,406,145 as at 30 June 2024 (JD 15,526,690 as at 31 December 2023).

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The movement on balances at banks and financial institutions before provision for expected credit loss is as follows:

	30 June 2024 (Unaudited)		31 December 2023 (Audited)	
	Stage 1 – Individual	Total	Stage 1 – Individual	Total
	JD	JD	JD	JD
Balance at the beginning of the period / year	372,011,885	372,011,885	207,623,258	207,623,258
New deposits during the period / year	394,219,267	394,219,267	357,007,710	357,007,710
Settled balances during the period / year	(282,537,368)	(282,537,368)	(192,619,083)	(192,619,083)
Changes resulted from adjustments	(7,472,900)	(7,472,900)	-	-
Balance at the end of the period / year	476,220,884	476,220,884	372,011,885	372,011,885

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

	30 June 2024 (Unaudited)		31 December 2023 (Audited)	
	Stage 1 – Individual	Total	Stage 1 – Individual	Total
	JD	JD	JD	JD
Balance at the beginning of the period / year	68,178	68,178	280,650	280,650
Provision on new deposits during the period / year	429,550	429,550	68,178	68,178
Recovered from the provision on the settled balances	(68,178)	(68,178)	(280,650)	(280,650)
Balance at the end of the period / year	429,550	429,550	68,178	68,178

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**(7) DEPOSITS AT BANKS AND FINANCIAL INSTITUTIONS, NET**

The details of this item are as follows:

	Local banks and financial institutions		Foreign banks and financial institutions		Total	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023	30 June 2024	31 December 2023
	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	JD	JD	JD	JD	JD	JD
Deposits maturing within a period from 3 months to 6 months	-	-	10,635,000	8,089,578	10,635,000	8,089,578
More than 6 months to 9 months	6,000,000	-	3,545,000	-	9,545,000	-
More than a year	-	6,000,000	-	-	-	6,000,000
	<u>6,000,000</u>	<u>6,000,000</u>	<u>14,180,000</u>	<u>8,089,578</u>	<u>20,180,000</u>	<u>14,089,578</u>
Provision for expected credit loss*	-	-	(12,097)	(7,159)	(12,097)	(7,159)
	<u>6,000,000</u>	<u>6,000,000</u>	<u>14,167,903</u>	<u>8,082,419</u>	<u>20,167,903</u>	<u>14,082,419</u>

- There are no restricted deposits as at 30 June 2024 and 31 December 2023.

The movement on deposits at banks and financial institutions is as follows:

	30 June 2024 (Unaudited)		31 December 2023 (Audited)	
	Stage 1 – Individual	Total	Stage 1 – Individual	Total
	JD	JD	JD	JD
Balance at the beginning of the period / year	14,089,578	14,089,578	14,020,575	14,020,575
New deposits during the period / year	14,180,000	14,180,000	14,089,578	14,089,578
Settled balances during the period / year	<u>(8,089,578)</u>	<u>(8,089,578)</u>	<u>(14,020,575)</u>	<u>(14,020,575)</u>
Balance at the end of the period / year	<u>20,180,000</u>	<u>20,180,000</u>	<u>14,089,578</u>	<u>14,089,578</u>

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

	30 June 2024 (Unaudited)		31 December 2023 (Audited)	
	Stage 1 - Individual JD	Total JD	Stage 1 - Individual JD	Total JD
Balance at the beginning of the period / year	7,159	7,159	6,751	6,751
Provision on new deposits during the period / year	12,097	12,097	7,159	7,159
Recovered from the provision on the settled balances	(7,159)	(7,159)	(6,751)	(6,751)
Balance at the end of the period / year	<u>12,097</u>	<u>12,097</u>	<u>7,159</u>	<u>7,159</u>

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

The details of this item are as follows:

	30 June 2024 (Unaudited) JD	31 December 2023 (Audited) JD
Government bonds listed in financial markets	3,201,798	2,795,239
Corporate bonds listed in financial markets	1,589,881	1,022,642
Corporate shares listed in financial markets	10,895,669	9,965,008
Investment funds	12,395,268	12,446,430
	<u>28,082,616</u>	<u>26,229,319</u>

**(9) DIRECT CREDIT FACILITIES AND FINANCING, NET**

The details of this item are as follows:

	30 June 2024 (Unaudited) JD	31 December 2023 (Audited) JD
<b>Individuals (Retail)</b>		
Overdraft accounts	2,922,256	1,971,029
Loans and bills *	1,107,790,997	1,078,707,595
Credit cards	50,505,056	46,515,963
Real estate loans	1,162,875,413	1,116,094,786
<b>Large Corporates</b>		
Overdraft accounts	69,832,449	71,128,650
Loans and bills *	1,282,814,132	1,256,219,953
<b>Small and Medium Enterprises</b>		
Overdraft accounts	33,659,544	29,898,877
Loans and bills *	272,361,239	256,477,274
<b>Government and Public Sector</b>	<u>598,283,427</u>	<u>599,833,607</u>
	<u>4,581,044,513</u>	<u>4,456,847,734</u>
<u>Less:</u>		
Interest and return in suspense	20,612,379	17,846,427
Provision for expected credit losses	<u>226,463,538</u>	<u>194,089,883</u>
	<u>4,333,968,596</u>	<u>4,244,911,424</u>

\* This item represents the net loans and bills notes after deducting interests and commissions received in advance amounted to JD 10,944,236 as of 30 June 2024 (JD 12,077,413 as of 31 December 2023).

- Direct credit facilities and financing included in stage 3 amounted to JD 235,611,614 which representing 5.14% of total direct credit facilities and financing as at 30 June 2024 (JD 199,435,150 which is represent 4.47% of total direct credit facilities and financing as at 31 December 2023).

- Direct credit facilities and financing included in stage 3 amounted to JD 214,999,235 which representing 4.71% of total direct credit facilities and financing balance after deducting the interest, revenue and commission in suspense as at 30 June 2024 (JD 181,588,723 which representing 4.09% of total direct credit facilities and financing balance after deducting the interest, revenue and commissions in suspense as at 31 December 2023).
  
- Direct credit facilities and financing granted to the Jordanian Government and guaranteed by it amounted to JD 552,363,736 which representing 12.06% of total credit facilities and financing as at 30 June 2024 (JD 581,623,355 which representing 13.05% of total direct credit facilities and financing as at 31 December 2023).
  
- Financing in accordance with Islamic Share'a which belongs to Safwa Islamic Bank amounted to JD 2,142,276,141 which representing 46.76% of total direct credit facilities as at 30 June 2024 (JD 2,069,832,005 which representing 46.44% of total direct credit facilities and financing as at 31 December 2023).

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

	Stage 1		Stage 2		Stage 3	Total
	Individual JD	Collective JD	Individual JD	Collective JD		
For the six months ended 30 June 2024 (Unaudited)						
Balance at the beginning of the year	2,789,176,214	841,603,092	507,423,305	119,209,973	199,435,150	4,456,847,734
New facilities during the period	367,308,722	139,254,032	41,537,649	23,060,733	4,853,637	576,014,773
Settled facilities	(191,573,960)	(34,352,561)	(49,718,863)	(12,131,064)	(4,453,121)	(292,229,569)
Transferred to stage 1	73,023,545	8,279,449	(72,619,793)	(8,179,036)	(504,165)	-
Transferred to stage 2	(117,196,458)	(41,984,047)	121,426,198	43,165,077	(5,410,770)	-
Transferred to stage 3	(4,716,203)	(962,370)	(30,596,979)	(7,401,326)	43,676,878	-
Total impact on the volume of exposures as a result of changing the reclassification between the three stages during the period	(4,201,909)	(912,709)	998,910	(1,991,851)	493,910	(5,613,649)
Changes resulted from adjustments	(77,435,299)	(54,929,710)	(14,214,206)	(4,915,656)	(698,895)	(152,193,766)
Written off credit facilities or transferred as off financial position items*	-	-	-	-	(1,781,010)	(1,781,010)
Balance at the end of the period / year	<u>2,834,384,652</u>	<u>855,995,176</u>	<u>504,236,221</u>	<u>150,816,850</u>	<u>235,611,614</u>	<u>4,581,044,513</u>

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

\* An amount of JD 1,238,217 was transferred to off financial position items during the six months ended 30 June 2024 (JD 22,019,975 during the year ended 31 December 2023) and an amount of JD 542,793 of direct credit facilities and financing were written off during the six months ended 30 June 2024 in accordance with the Board of Directors decisions in this regard (JD 519,168 as of 31 December 2023).

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Provision for expected credit losses:

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

	Individuals JD	Real Estate Loans JD	Large Corporates JD	Small and Medium Enterprises JD	Total JD
For the six months ended 30 June 2024 (Unaudited)					
Balance at the beginning of the year	50,355,818	17,889,300	105,993,907	19,850,858	194,089,883
Impairment losses on new credit facilities during the period	4,510,880	3,149,685	7,811,452	1,467,747	16,939,764
Recovered from the provision of expected credit losses	(891,993)	(1,050,897)	(4,619,705)	(1,356,011)	(7,918,606)
Transferred to stage 1	1,047,806	(102,911)	2,223,548	9,359	3,177,802
Transferred to stage 2	329,918	(432,171)	(6,170,599)	174,527	(6,098,325)
Transferred to stage 3	(1,377,724)	535,082	3,947,051	(183,886)	2,920,523
Effect on the provision as a result of changing the classifications between the three stages during the period	6,301,354	2,054,764	1,176,357	858,321	10,390,796
Changes resulted from adjustments	4,328,757	511,625	7,316,393	1,778,048	13,934,823
Written-off facilities	(361,162)	-	(180,962)	(430,998)	(973,122)
Balance at the end of the period	<u>64,243,654</u>	<u>22,554,477</u>	<u>117,497,442</u>	<u>22,167,965</u>	<u>226,463,538</u>
Redistribution:					
Provisions on individual basis	51,984,535	22,506,838	117,497,442	21,802,006	213,790,821
Provisions on collective basis	<u>12,259,119</u>	<u>47,639</u>	<u>-</u>	<u>365,959</u>	<u>12,672,717</u>
	<u>64,243,654</u>	<u>22,554,477</u>	<u>117,497,442</u>	<u>22,167,965</u>	<u>226,463,538</u>

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

- The value of the provisions that were no longer needed as a result of debt settlement and transferred to other debts amounted to JD 7,918,606 as at 30 June 2024 (JD 13,094,535 as at 31 December 2023).

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Interest in suspense

\* The movement of the interest in suspense is as follows:

	Individuals	Real Estate Loans	Corporations		Total
	JD	JD	Large Corporates	Small and Medium Enterprises	JD
<u>For the six months ended 30 June 2024 (Unaudited)</u>					
Balance at the beginning of the year	7,467,015	2,809,958	4,710,422	2,859,032	17,846,427
<u>Add:</u> Interest and returns in suspense during the period	2,016,721	218,373	1,317,199	481,090	4,033,383
<u>Less:</u> Interest and returns transferred to revenue	(334,270)	-	(418)	(124,856)	(459,544)
Interests in suspense written-off	(289,545)	-	(190,661)	(327,681)	(807,887)
Balance at the end of the period	<u>8,859,921</u>	<u>3,028,331</u>	<u>5,836,542</u>	<u>2,887,585</u>	<u>20,612,379</u>
<u>For the year ended 31 December 2023 (Audited)</u>					
Balance at the beginning of the year	5,570,164	2,709,063	5,436,609	2,630,900	16,346,736
<u>Add:</u> Interest and returns in suspense during the year	3,029,724	239,542	1,254,684	1,015,538	5,539,488
<u>Less:</u> Interest and returns transferred to revenue	(626,638)	(138,647)	(649,511)	(230,393)	(1,645,189)
Interests in suspense written-off	(506,235)	-	(1,331,360)	(557,013)	(2,394,608)
Balance at the end of the year	<u>7,467,015</u>	<u>2,809,958</u>	<u>4,710,422</u>	<u>2,859,032</u>	<u>17,846,427</u>

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

The details of this item are as follows:

	30 June 2024 (Unaudited) JD	31 December 2023 (Audited) JD
Quoted financial assets corporate shares	30,063,342	31,866,382
Unquoted financial assets corporate shares	16,956,380	15,159,479
Investment funds	21,401,895	19,632,260
	<u>68,421,617</u>	<u>66,658,121</u>

Transferred losses as a result of selling financial assets at fair value through other comprehensive income amounted to JD 3,308 as at 30 June 2024 (JD 355,614 gains transferred as at 30 June 2023 of which JD 21,069 belongs to non-controlling interests).

The cash dividends on financial assets above amounted to JD 629,542 as at 30 June 2024 (JD 1,041,404 as at 30 June 2023).

**(11) FINANCIAL ASSETS AT AMORTIZED COST, NET**

The details of this item are as follows:

	30 June 2024 (Unaudited) JD	31 December 2023 (Audited) JD
<b>Quoted financial assets:</b>		
Foreign treasury bonds	90,633,207	91,696,901
Corporate bonds and debentures	228,606,033	189,613,293
<b>Unquoted financial assets:</b>		
Governmental treasury bills	109,720,457	108,877,524
Governmental guaranteed bonds	1,361,158,458	1,221,607,600
Corporate bonds and debentures	18,152,000	22,652,000
	<u>1,808,270,155</u>	<u>1,634,447,318</u>
Less: Provision for expected credit losses (stage 1)	482,447	632,492
	<u>1,807,787,708</u>	<u>1,633,814,826</u>
<b>Treasury and bonds analysis:</b>		
With fixed rate	1,808,270,155	1,634,055,985
With floating rate	-	391,333
	<u>1,808,270,155</u>	<u>1,634,447,318</u>

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Analysis of bonds and bills according to the IFRS No (9):

	30 June 2024 (Unaudited) JD	31 December 2023 (Audited) JD
Stage 1	1,808,270,155	1,634,447,318
	<u>1,808,270,155</u>	<u>1,634,447,318</u>

The movement of the financial assets at amortized cost is as follows:

	30 June 2024 (Unaudited)		31 December 2023 (Audited)
	Stage 1 - Individual JD	Total JD	Total JD
Balance at the beginning of the period / year	1,634,447,318	1,634,447,318	1,326,436,743
New investments during the period / year	302,520,851	302,520,851	706,960,536
Matured investments	(118,672,396)	(118,672,396)	(385,726,260)
Changes resulted from adjustments	(10,025,618)	(10,025,618)	(13,223,701)
Balance at the end of the period / year	<u>1,808,270,155</u>	<u>1,808,270,155</u>	<u>1,634,447,318</u>

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

	30 June 2024 (Unaudited)		31 December 2023 (Audited)
	Stage 1 - Individual JD	Total JD	Total JD
Balance at the beginning of the period / year	632,492	632,492	670,099
Provision on new investments during the period / year	58,224	58,224	159,280
Recovered from provision on matured investments	(163,483)	(163,483)	(136,581)
Changes resulted from adjustments	(44,786)	(44,786)	(60,306)
Balance at the end of the period / year	<u>482,447</u>	<u>482,447</u>	<u>632,492</u>

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**(12) OTHER ASSETS, NET**

The details of this item are as follows:

	30 June 2024 (Unaudited) JD	31 December 2023 (Audited) JD
Assets seized by the Bank against due debts *	87,763,071	78,038,809
Accrued interest and revenue	30,794,412	27,100,676
Prepaid expenses	13,415,937	7,562,688
Discounted commercial papers	12,263,854	17,341,650
Paid margins on letter of guarantees	6,562,812	6,389,990
Clearing cheques	1,362,536	307,331
Convertible loans	1,009,340	1,004,774
Transfers and cheques under collection	845,982	233,915
Others	19,075,683	15,245,752
	<u>173,093,627</u>	<u>153,225,585</u>

\* The regulations of Central Bank of Jordan require to dispose the assets seized by the Bank by a maximum period of two years from the date of its acquisition. In exceptional cases, the Central Bank may extend this period to a maximum of two consecutive years.

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

	30 June 2024 (Unaudited) JD	31 December 2023 (Audited) JD
Balance at the beginning of the period / year	83,528,320	59,048,934
Additions	12,160,536	28,807,610
Disposals	(2,159,835)	(4,328,224)
	<u>93,529,021</u>	<u>83,528,320</u>
Impairment provision	(5,765,950)	(5,489,511)
Balance at the end of the period / year	<u>87,763,071</u>	<u>78,038,809</u>

The movement of the seized assets provision is as follows:

Balance at the beginning of the period / year	5,489,511	6,070,677
Provision (surplus) during the period / year	276,439	(581,166)
Balance at the end of the period / year	<u>5,765,950</u>	<u>5,489,511</u>

- The impairment provision against seized assets amounted to JD 1,620,100 as at 30 June 2024 (JD 1,349,193 as at 31 December 2023), and the provision for the assets seized by the Bank for a period of more than 4 years amounted to JD 4,145,850 as at 30 June 2024 (JD 4,140,318 as at 31 December 2023).

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**(13) CUSTOMERS' DEPOSITS**

	Corporations				Total JD
	Individuals	Large Corporates	Small and Medium Enterprises	Government and public sector	
	JD	JD	JD	JD	
<u>As at 30 June 2024 (Unaudited)</u>					
Current and demand accounts	500,109,577	260,864,991	418,991,881	7,782,907	1,187,749,356
Saving deposits	929,712,528	48,348,918	109,971,600	7,546,059	1,095,579,105
Term and notice deposits	1,806,875,572	554,105,826	178,100,145	434,667,817	2,973,749,360
Certificates of deposits	581,400,808	30,603,390	37,689,469	41,299,000	690,992,667
	<u>3,818,098,485</u>	<u>893,923,125</u>	<u>744,753,095</u>	<u>491,295,783</u>	<u>5,948,070,488</u>
<u>As at 31 December 2023 (Audited)</u>					
Current and demand accounts	506,333,549	193,872,804	408,774,305	9,943,945	1,118,924,603
Saving deposits	862,848,432	28,513,684	88,598,277	8,157,365	988,117,758
Term and notice deposits	1,728,339,919	581,973,635	185,300,102	411,903,611	2,907,517,267
Certificates of deposits	531,540,903	25,843,940	35,731,547	43,677,000	636,793,390
	<u>3,629,062,803</u>	<u>830,204,063</u>	<u>718,404,231</u>	<u>473,681,921</u>	<u>5,651,353,018</u>

- The Jordanian government and public sector deposits amounted to JD 491,295,783 representing 8.26% of total deposits as at 30 June 2024 (JD 473,681,921 representing 8.38% as at 31 December 2023).

- Non-interest bearing deposits amounted to JD 1,135,492,256 representing 19.09% of the total deposits as at 30 June 2024 (JD 1,109,911,255 representing 19.64% as at 31 December 2023).

- Restricted deposits (withdrawal restricted) amounted to JD 22,659,180 representing 0.38% of the total deposits as of 30 June 2024 (JD 9,838,084 representing 0.17% of the total deposits as at 31 December 2023).

- Dormant deposits amounted to JD 45,712,871 representing 0.77% of the total deposits as at 30 June 2024 (JD 39,908,496 representing 0.71% of the total deposits as at 31 December 2023).

- Customer deposits include JD 2,226,561,322 which represents the shared customer investment related to Safwa Islamic Bank as at 30 June 2024 (JD 2,114,530,041 as at 31 December 2023).

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**(14) INCOME TAX PROVISION**

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

	For the six months ended 30 June 2024 (Unaudited) JD	For the year ended 31 December 2023 (Audited) JD
Balance at the beginning of the period / year	30,872,484	28,930,915
Income tax paid	(28,126,011)	(35,092,191)
Accrued income tax	11,824,714	37,020,220
Income tax from profits from financial assets	-	13,540
Provision for prior years income tax	499,703	-
Balance at the end of the period / year	<u>15,070,890</u>	<u>30,872,484</u>

Set out below is the Income tax expense shown in the interim condensed consolidated statement of income:

	For the six months ended 30 June 2024 (Unaudited) JD	2023 (Unaudited) JD
Income tax accrued for the current period profits	11,824,714	13,511,166
Prior years income tax	540,400	-
Impact of deferred tax assets during the period	2,545,195	3,271,216
Deferred tax liabilities for the period	(7,413)	-
	<u>14,902,896</u>	<u>16,782,382</u>

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

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

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A- Deferred tax assets and liabilities

	30 June 2024 (Unaudited)				31 December 2023 (Audited)	
	Beginning balance	Released	Added	Ending balance	Deferred Tax	Deferred tax
	JD	JD	JD	JD	JD	JD
<b><u>Deferred tax assets:</u></b>						
Financial assets at fair value through statement of other comprehensive income	2,497,918	2,497,918	-	-	-	215,586
Seized assets provision	5,387,822	-	276,439	5,664,261	2,152,418	2,047,372
Bonus provision	6,016,260	6,016,260	3,315,382	3,315,382	1,259,845	2,286,179
Provision for cases filed against the Bank	295,801	-	29,387	325,188	123,571	112,404
Credit facilities and financing provision	9,330,740	9,330,740	-	-	-	3,545,681
General provision	250,261	-	20,922	271,183	75,931	70,073
Provision for contingent liabilities	100,000	-	-	100,000	38,000	38,000
Differences in applying IFRS 16	889,002	-	-	889,002	337,821	337,821
Provision for expected credit losses (stage 1 and 2)	75,487,105	-	5,019,589	80,506,694	30,592,544	28,685,100
End of service provision	123,605	-	16,463	140,068	53,226	46,970
Bonus provision for leasing	105,005	31,966	-	73,039	20,451	29,401
Legal expenses	6,381	-	-	6,381	1,787	1,787
	<u>100,489,900</u>	<u>17,876,884</u>	<u>8,678,182</u>	<u>91,291,198</u>	<u>34,655,594</u>	<u>37,416,374</u>
<b><u>Deferred tax liabilities:</u></b>						
Financial assets at fair value through statement of income	2,174,784	831,235	935,212	2,278,761	12,869	20,282
Financial assets at fair value through statement of other comprehensive income	-	-	2,667,967	2,667,967	6,785	-
	<u>2,174,784</u>	<u>831,235</u>	<u>3,603,179</u>	<u>4,946,728</u>	<u>19,654</u>	<u>20,282</u>

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

	30 June 2024 (Unaudited)		31 December 2023 (Audited)	
	Assets	Liabilities	Assets	Liabilities
	JD	JD	JD	JD
Balance at the beginning of the period / year	37,416,374	20,282	32,820,280	844,854
Additions	3,295,616	167,293	7,289,685	778,567
Disposals	(6,056,396)	(167,921)	(2,693,591)	(1,603,139)
Balance at the end of the period / year	<u>34,655,594</u>	<u>19,654</u>	<u>37,416,374</u>	<u>20,282</u>

**(15) OTHER LIABILITIES**

	30 June 2024 (Unaudited) JD	31 December 2023 (Audited) JD
Accrued interest expense	68,900,100	61,266,169
Deferred cheques	24,071,024	18,008,141
Temporary deposits	19,495,543	11,047,146
Card settlement accounts	16,914,952	11,398,830
Accrued and unpaid expenses	14,712,654	16,357,721
Liabilities payment broker	6,710,245	6,839,593
Electronic payments system reconciliations	5,446,686	3,196,747
Provision for expected credit losses for the off-balance sheet items*	4,221,688	4,902,617
Revenue received in advance	2,923,080	2,758,168
Accounts payable	557,110	698,706
Dividends payable	544,565	467,693
Incoming transfers	533,948	453,698
Other liabilities	7,823,773	13,540,991
	<u>172,855,368</u>	<u>150,936,220</u>

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The movement of the indirect facilities on a collective basis is as follows:

	For the six months ended 30 June 2024 (Unaudited)				For the year ended 31 December 2023 (Audited)
	Stage 1 - Individual	Stage 2 - Individual	Stage 3	Total	
	JD	JD	JD	JD	JD
Balance at the beginning of the period / year	1,395,440,964	53,928,063	2,876,548	1,452,245,575	1,411,929,588
New exposure during the period / year	885,874,218	34,457,592	33,375	920,365,185	920,210,563
Accrued exposure	(576,978,658)	(12,492,991)	(266,107)	(589,737,756)	(843,281,923)
Transferred to stage 1	2,884,594	(2,771,594)	(113,000)	-	-
Transferred to stage 2	(1,828,852)	1,884,352	(55,500)	-	-
Transferred to stage 3	(82,466)	(502,000)	584,466	-	-
Effect on the exposure results change classification between the three stages	(559,895)	(4,943)	(12,133)	(576,971)	(1,072,736)
Changes resulted from adjustments	(36,217,992)	(3,808,451)	(2,700)	(40,029,143)	(35,539,917)
Balance at the end of the period / year	<u>1,668,531,913</u>	<u>70,690,028</u>	<u>3,044,949</u>	<u>1,742,266,890</u>	<u>1,452,245,575</u>

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

	For the six months ended 30 June 2024 (Unaudited)				For the year ended 31 December 2023 (Audited)
	Stage 1 - Individual	Stage 2 - Individual	Stage 3	Total	
	JD	JD	JD	JD	JD
Balance at the beginning of the period / year	4,492,510	301,536	108,571	4,902,617	5,021,887
Impairment loss on new exposures during the period / year	1,507,642	314,329	-	1,821,971	2,428,887
Recovered from the impairment loss of the accrued exposures	(1,578,238)	(100,185)	-	(1,678,423)	(2,421,609)
Transferred to stage 1	28,970	(28,970)	-	-	-
Transferred to stage 2	(7,888)	7,888	-	-	-
Transferred to stage 3	(44)	(425)	469	-	-
Total effect on volume of exposures as a result of changing the classification between stages	(12,906)	1,962	8,531	(2,413)	21,862
Changes resulted from adjustments	(711,838)	(110,226)	-	(822,064)	(148,410)
Balance at the end of the period / year	<u>3,718,208</u>	<u>385,909</u>	<u>117,571</u>	<u>4,221,688</u>	<u>4,902,617</u>

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**(16/A) BORROWED FUNDS**

	Amount JD	Number of Installments		Installments Frequency	Collaterals	Borrowing
		Total	Remaining			Interest Rate
<u>30 June 2024 (Unaudited)</u>						
Central Bank of Jordan borrowing *	73,159,208	14,695	9,548	Monthly	Bank Promissories	0.50 -1.75
Central Bank of Jordan borrowing *	314,500	37	37	Quarterly	Bank Promissory	1.00
Central Bank of Jordan borrowing *	2,990,445	37	33	Semi-annual	Bank Promissory	0.50 -1.00
Central Bank of Jordan borrowing *	3,044,041	18	16	Annually	Bank Promissory	0.50 -1.00
Central Bank of Jordan borrowing *	38,783,026	21,465	10,529	Monthly	Bank Promissory	0.00
International Bank for Reconstruction and Development **	2,100,000	20	7	Semi-annual starting from 15 September 2018	Bank Promissory	7.39
Arab Fund for Economic and Social Development ***	60,000	15	1	Semi-annual	Bank Promissory	2.50
Arab Fund for Economic and Social Development ***	7,399,816	31	30	Semi-annual	Bank Promissory	3.00
European Bank for Reconstruction and Development	2,694,200	7	7	Semi-annual starting from 1 September 2024	-	8.65
European Bank for Reconstruction and Development	141,800	7	7	Semi-annual starting from 1 September 2024	-	5.82
European Investment Bank	34,470,000	7	7	Semi-annual starting from 21 December 2024	-	4.45
Jordan Mortgage Refinance Company (Relating to a subsidiary)	2,000,000	1	1	one instalment	-	7.75
Jordan Mortgage Refinance Company (Relating to a subsidiary)	5,000,000	1	1	one instalment	-	7.60
Local Banks (Relating to a subsidiary)	13,914,423	720	719	Quarterly	-	7.25
Local Banks (Relating to a subsidiary)	3,495,000	252	252	Quarterly	-	7.25
Local Banks (Relating to a subsidiary)	4,833,333	102	98	Monthly	-	6.00
Local Banks (Relating to a subsidiary)	5,000,000	30	30	Monthly	-	6.50
Local Banks (Relating to a subsidiary)	5,531,250	156	134	Monthly	-	6.75
	204,931,042					

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

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

\* Funds have been reborrowed from the Central Bank of Jordan to SMEs' and large corporates' sectors at an interest rate ranging between 2% to 4.5%.

\*\* Funds have been reborrowed from the International Bank for Reconstruction and Development to SMEs' and large corporates' sectors at an interest rate ranging between 8% to 10%.

\*\*\* Funds have been reborrowed from the Arab Fund for Economic and Social Development to SMEs' and large corporates' sectors at an interest rate ranging from 4.5% to 10.25%.

**(16/B) SUBORDINATED LOANS**

	Amount	Number of Installments		Installments Frequency	Borrowing Interest Rate
	JD	Total	Remaining		%
<u>30 June 2024 (Unaudited)</u>					
European Bank for Restructuring and Development	24,815,000	1	1	One instalment dated 6 December 2032	12.85
European Bank for Restructuring and Development	21,300,000	1	1	One instalment dated 8 April 2027	11.75
Sanad Fund for financing micro, SME's	14,180,000	1	1	One instalment dated 30 March 2030	10.81
	<u>60,295,000</u>				
	Amount	Number of Installments		Installments Frequency	Borrowing Interest Rate
	JD	Total	Remaining		%
<u>31 December 2023 (Audited)</u>					
European Bank for Restructuring and Development	24,815,000	1	1	One instalment dated 6 December 2032	12.85
European Bank for Restructuring and Development	21,300,000	1	1	One instalment dated 8 April 2027	11.75
Sanad Fund for financing micro, SME's	14,180,000	1	1	One instalment dated 30 March 2030	10.91
	<u>60,295,000</u>				

**BANK AL ETIHAD****(PUBLIC SHAREHOLDING LIMITED COMPANY)****NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS****30 JUNE 2024****(17) RETAINED EARNINGS**

	30 June 2024 (Unaudited) JD	31 December 2023 (Audited) JD
Balance at the beginning of the period / year	65,411,367	78,930,524
Profit for the year	-	47,137,256
Realized (loss) gain from sale of financial assets at fair value through other comprehensive income	(3,308)	400,715
Transferred to reserves	-	(15,073,872)
Capital increase	-	(28,000,000)
Distributed dividends	(20,000,000)	(16,000,000)
Ownership share in an subsidiary	-	(435,765)
Capital increase fees	(150,113)	(250,150)
Issuance of perpetual bonds and their related expenses after excluding the tax effect	(4,835)	(363,234)
Interest on perpetual bonds after excluding the tax effect	(1,888,973)	(934,107)
Balance at the end of the period / year	<u>43,364,138</u>	<u>65,411,367</u>

**(18) FAIR VALUE RESERVE, NET**

	30 June 2024 (Unaudited) JD	31 December 2023 (Audited) JD
Balance at the beginning of the period / year	2,693,754	6,482,816
Unrealized losses, net	(920,412)	(4,448,787)
Deferred tax assets	(215,586)	215,586
Deferred tax liabilities	(6,785)	844,854
Loss (gain) from sale of financial assets at fair value through other comprehensive income	3,308	(400,715)
Balance at the end of the period / year	<u>1,554,279</u>	<u>2,693,754</u>

The balance of the fair value reserve after deducting deferred tax liabilities balance amounted to 6,785 JD as of 30 June 2024 (after deducting deferred tax liabilities 215,586 as of 31 December 2023).

**BANK AL ETIHAD****(PUBLIC SHAREHOLDING LIMITED COMPANY)****NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS****30 JUNE 2024****(19) INTEREST INCOME**

	For the six months ended 30 June	
	2024	2023
	(Unaudited) JD	(Unaudited) JD
Direct credit facilities:		
Individuals (Retail):		
Overdraft accounts	83,793	67,683
Loans and bills	50,556,857	44,825,415
Credit cards	2,363,312	1,532,728
Real estate loans	49,165,412	43,566,618
Corporates:		
Large Corporates:		
Overdraft accounts	2,949,604	3,072,996
Loans and bills	42,215,864	44,852,388
Small and Medium Enterprises:		
Overdraft accounts	1,331,826	1,336,915
Loans and bills	8,744,474	7,710,444
Government and Public Sector	15,015,173	13,809,499
Balances at central banks	6,653,390	7,995,739
Balances at banks and financial institutions	9,166,849	3,820,735
Financial assets at fair value through statement of income	120,490	96,996
Financial assets at amortized cost	46,465,063	32,227,215
Others	680,144	1,001,771
	<u>235,512,251</u>	<u>205,917,142</u>

**(20) INTEREST EXPENSE**

	For the six months ended 30 June	
	2024	2023
	(Unaudited) JD	(Unaudited) JD
Banks and financial institutions deposits	4,383,181	5,120,259
Customers' deposits:		
Current and demand accounts	4,373,145	3,441,316
Saving deposits	3,453,007	3,146,774
Term and notice deposits	79,386,656	67,486,218
Certificates of deposits	18,786,288	11,635,156
Cash margins	2,564,149	2,263,834
Borrowed funds	2,811,974	1,715,635
Subordinated Loans	3,649,051	3,004,379
Deposits guarantee fees	3,698,708	3,312,163
	<u>123,106,159</u>	<u>101,125,734</u>

**BANK AL ETIHAD****(PUBLIC SHAREHOLDING LIMITED COMPANY)****NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS****30 JUNE 2024****(21) GAINS FROM FINANCIAL ASSETS AT FAIR VALUE THROUGH STATEMENT OF INCOME**

	Realized gains (losses) JD	Unrealized gains (losses) JD	Dividends Income JD	Total JD
<u>For the six months ended 30 June 2024</u> <u>(Unaudited)</u>				
Treasury bills and bonds	24,026	(42,215)	-	(18,189)
Corporate shares	478,581	186,691	317,394	982,666
Financial derivatives	(15,370)	(22,575)	-	(37,945)
Investment funds	(2,627)	275,559	5,604	278,536
	<u>484,610</u>	<u>397,460</u>	<u>322,998</u>	<u>1,205,068</u>
<u>For the six months ended 30 June 2023</u> <u>(Unaudited)</u>				
Treasury bills and bonds	119,507	(1,827)	-	117,680
Corporate shares	504,594	(200,236)	139,392	443,750
Financial derivatives	(7)	-	-	(7)
Investment funds	(18,482)	(64,587)	-	(83,069)
	<u>605,612</u>	<u>(266,650)</u>	<u>139,392</u>	<u>478,354</u>

**(22) BASIC AND DILUTED EARNINGS PER SHARE FOR THE PERIOD**

	For the three months ended 30 June (Unaudited)		For the six months ended 30 June (Unaudited)	
	2024	2023	2024	2023
	JD	JD	JD	JD
Profit for the period	10,501,130	12,039,898	19,680,408	24,596,969
Weighted average number of shares	200,000,000	200,000,000	200,000,000	200,000,000
	JD / Share	JD / Share	JD / Share	JD / Share
Basic and diluted earnings per share for the period	<u>0.053</u>	<u>0.060</u>	<u>0.098</u>	<u>0.123</u>

**(23) PROVISION FOR EXPECTED CREDIT LOSSES, NET**

	For the six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
	JD	JD
Balances at banks and financial institutions	361,372	93,426
Deposits at banks and financial institutions	4,938	1,484
Financial assets at amortized cost	(150,045)	(52,039)
Direct credit facilities and financing	33,346,777	18,983,853
Contingent liabilities and commitments	(680,929)	52,096
	<u>32,882,113</u>	<u>19,078,820</u>

**BANK AL ETIHAD****(PUBLIC SHAREHOLDING LIMITED COMPANY)****NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS****30 JUNE 2024****(24) CASH AND CASH EQUIVALENTS**

	For the six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
	JD	JD
Balances at central banks due within three months	735,089,973	713,934,081
<u>Add:</u> Balances at banks and financial institutions due within 3 months	476,220,884	288,891,485
<u>Less:</u> Banks and financial institutions deposits due within 3 months	234,514,750	251,972,137
<u>Less:</u> Restricted balances	16,406,145	11,712,163
	<u>960,389,962</u>	<u>739,141,266</u>

**(25) RIGHT OF USE ASSETS / LEASE LIABILITIES****A- Right of use assets, net**

The bank rents many assets, including land and buildings, The average lease term is 11 years.

The following is the movement in right-of-use assets during the year:

	For the period ended 30 June 2024	31 December 2023
	(Unaudited)	(Audited)
	JD	JD
Balance at the beginning of the period / year	30,438,070	29,461,656
<u>Add:</u> Additions during the period / year	2,729,868	6,097,366
<u>Less:</u> Disposals during the period / year	(187,228)	(545,382)
<u>Less:</u> Amortization for the period / year	(2,316,320)	(4,575,570)
Balance at the end of the period / year	<u>30,664,390</u>	<u>30,438,070</u>

	For the six months ended 30 June	
	2024	2023
	(Unaudited)	(Audited)
	JD	JD
<b>Amounts recorded in the statement of profit or loss</b>		
Amortization of right of use assets for the period	(2,316,320)	(2,262,261)
Lease liabilities finance cost for the period	(583,146)	(600,144)

**B- Lease liabilities**

	For the period ended 30 June 2024	31 December 2023
	(Unaudited)	(Audited)
	JD	JD
Balance at the beginning of the period / year	31,098,416	29,680,581
<u>Add:</u> Additions during the period / year	2,729,868	6,097,366
Interest during the period / year	583,146	1,240,261
<u>Less:</u> Disposals during the period / year	(187,228)	(549,948)
<u>Paid during the period / year</u>	<u>(3,088,814)</u>	<u>(5,369,844)</u>
Balance at the end of the period / year	<u>31,135,388</u>	<u>31,098,416</u>

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

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**(26) SHAREHOLDERS' EQUITY****Authorized and paid in capital -**

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

**Share Premium -**

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

**Distributed dividends -**

Distributed dividends during the year 2024 for shareholders amounted to JD 20,000,000 for the year 2023 (JD 16,000,000 for the year 2022).

**(27) RESERVES****Statutory reserve -**

The amounts accumulated in this item represent what has been transferred from the profits before income tax at a rate of 10% over the years and is not distributable to shareholders. Moreover, no amounts from the profits have been transferred as of 30 June 2024, in accordance with the Companies Law.

**Voluntary reserve -**

The amounts accumulated in this item represent what has been transferred from the profits before income tax, up to a maximum of 20% of the paid-up capital during previous years. The voluntary reserve is used for the purposes decided by the Board of Directors, and the general authority has the right to distribute it in full or any part of it as dividends to shareholders.

**(28) CONTINGENT LIABILITIES AND COMMITMENTS**

	<u>30 June 2024</u>	<u>31 December 2023</u>
	(Unaudited)	(Audited)
	JD	JD
Letters of credit	518,599,929	377,766,475
Acceptances	239,167,524	134,886,065
Letters of guarantees:		
- Payments	62,504,841	66,849,149
- Performance	99,639,384	94,941,945
- Other	74,090,593	68,306,116
Futures currency contracts	92,676,421	62,503,548
Unutilized limits of credit facilities and financing	748,264,619	709,495,825
	<u>1,834,943,311</u>	<u>1,514,749,123</u>

**(29) LAWSUITS AGAINST THE BANK**

The total lawsuits raised against the Bank were amounted to JD 2,504,610 as at 30 June 2024 in addition to other customs lawsuits (JD 2,354,730 as of 31 December 2023 in addition to other customs lawsuits), provisions booked against them amounted to JD 331,569 as at 30 June 2024 (JD 302,182 as at 31 December 2023) and the Bank management and its legal counsel believe that the provisions booked against these lawsuits are sufficient.

**BANK AL ETIHAD****(PUBLIC SHAREHOLDING LIMITED COMPANY)****NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS****30 JUNE 2024****(30) TRANSACTIONS AND BALANCES WITH RELATED PARTIES**

The Bank entered into transactions with major shareholders, members of the Board of Directors, and executive management within the normal banking practice and according to the normal interest rates and trading commissions. All of the credit facilities granted to related parties are considered to be performing facilities and no provisions were taken against it.

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

	Board of Directors Members	Top Executive Management and major shareholders	Subsidiaries	Others (executive management members of the Bank and their relatives)	Total	
					30 June 2024	31 December 2023
					(Unaudited)	(Audited)
	JD	JD	JD	JD	JD	JD
<u>On- Interim Condensed Consolidated Statement of Financial Position Items:</u>						
Direct credit facilities and financing	545,917	3,196,091	1,399,128	64,819,309	69,960,445	67,673,022
Deposits	174,224,405	4,401,019	16,986,336	27,090,820	222,702,580	211,323,536
Deposits at banks and financial institutions	-	-	1,194,029	-	1,194,029	1,636,036
Intangible assets	-	-	1,815,135	-	1,815,135	2,211,755
<u>Off- Interim Condensed Consolidated Statement of Financial Position Items:</u>						
Letters of credit	-	-	-	2,364,986	2,364,986	627,513
Acceptances	-	-	-	7,697,592	7,697,592	4,043,519
Letters of guarantee	10,000	-	1,192,670	9,162,801	10,365,471	9,273,470
					For the six months ended 30 June	
					2024	2023
					(Unaudited)	(Unaudited)
					JD	JD
<u>Condensed Consolidated Interim Statement of Profit or Loss items:</u>						
Interests, returns, and commissions income	22,226	62,977	56,544	2,730,064	2,871,811	2,957,316
Interests, returns, and commissions expense	4,372,724	83,988	314,208	570,693	5,341,613	4,613,919

b. The Salaries, bonuses of bank's Executive management and the fees, transportation and allowances of the board of directors amounted to JD 5,716,700 for the six months ended 30 June 2024 (JD 4,401,999 for six months ended 30 June 2023).

**(31) SEGMENTAL INFORMATION**

**1- Bank Activities Information:**

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

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

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

						Total	
						For the six months ended 30 June (Unaudited)	
	Individuals	Corporates	Small and Medium Enterprises	Treasury	Other	2024	2023
	JD	JD	JD	JD	JD	JD	JD
Gross Income	93,819,152	83,049,897	14,614,459	76,466,452	408,254	268,358,214	231,399,593
Expected credit losses	(18,560,920)	(10,466,923)	(3,558,470)	(295,800)	-	(32,882,113)	(19,078,820)
Segment Results	14,332,773	26,066,060	3,899,632	66,453,775	410,850	111,163,090	109,956,459
Less: Expenses not allocated to segments						(71,570,434)	(63,590,919)
Operating income						39,592,656	46,365,540
Bank's share of profits from associate companies						(16,863)	3,668
Profit before tax						39,575,793	46,369,208
Income tax						(14,902,896)	(16,782,382)
Profit for the period						24,672,897	29,586,826
Other Information							
Capital expenditures						10,060,322	10,494,808
Depreciation and Amortization						7,662,446	7,381,455
						Total	
						30 June 2024	31 December 2023
						JD	JD
Segment Assets	1,863,024,200	1,958,839,468	361,697,634	3,286,180,905	-	7,469,742,207	7,093,625,604
Undistributed assets on segments	-	-	-	-	345,352,326	345,352,326	326,393,833
Total Assets	1,863,024,200	1,958,839,468	361,697,634	3,286,180,905	345,352,326	7,815,094,533	7,420,019,437
Segment Liabilities	3,908,099,221	1,592,074,849	774,549,656	651,451,939	-	6,926,175,665	6,532,867,417
Undistributed liabilities on segments	-	-	-	-	223,789,381	223,789,381	223,550,836
Total Liabilities	3,908,099,221	1,592,074,849	774,549,656	651,451,939	223,789,381	7,149,965,046	6,756,418,253

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**(32) CAPITAL ADEQUACY**

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

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

	30 June 2024 (Unaudited) JD	31 December 2023 (Audited) JD
Common Equity Shareholders' Rights		
Authorized and paid in capital	200,000,000	200,000,000
Retained earnings after deduction of the expected distributions	43,364,138	45,411,367
The cumulative change in fair value	1,554,279	2,693,754
Share premium	68,213,173	68,213,173
Statuary reserve	85,321,596	85,321,596
Voluntary reserve	57,172,423	57,172,423
Recognizable non-controlling interests	58,481,720	57,478,118
Interim profit after tax and deduction of the expected distributions	9,680,408	-
Total Equity capital for common stocks	523,787,737	516,290,431
<b>Regulatory Adjustments (Deductions from Capital)</b>		
Goodwill and intangible assets	(29,166,085)	(28,532,909)
Deferred tax assets resulting from investments within Tier 1 (10%)	(34,655,594)	(37,416,374)
Net Equity of common stockholders	459,966,058	450,341,148
<b>Additional capital</b>		
Recognizable non-controlling interests	10,320,303	10,143,197
Perpetual bonds	70,900,000	70,900,000
Total capital (Tier 1 capital)	541,186,361	531,384,345
<b>Tier 2 Capital</b>		
Capital provision for debts tools listed in Tier 1	13,765,144	15,280,504
Recognizable non-controlling interests	13,760,405	13,524,263
Financial tools issued by the Bank that bear supporting capital	47,515,000	51,775,000
<b>Total Supporting Capital</b>	75,040,549	80,579,767
Total Regulatory Capital	616,226,910	611,964,112
Total Risk Weighted Assets	4,247,290,221	4,083,424,049
Capital Adequacy Ratio	14.51%	14.99%
Primary Capital Adequacy Ratio	12.74%	13.01%
Supporting Capital Adequacy Ratio	1.77%	1.97%

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	30 June 2024 (Unaudited) JD	31 December 2023 (Audited) JD
Financial leverage rate		
Tier 1 Capital	541,186,361	531,384,345
Total assets in and out of the statement of financial positions after removing deductible items from Tier 1	8,724,874,243	8,129,292,079
Financial leverage rate	6.20%	6.54%

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

<b><u>Liquidity Coverage Ratio (LCR):</u></b>	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Total high quality liquid assets	2,160,860,759	2,020,674,210
Total high-quality liquid assets after deduction and minus cap adjustments	2,123,620,650	1,986,819,408
Net cash outflow	702,430,239	858,979,314
Liquidity Coverage Ratio (LCR)	302.32%	231.30%
The liquidity coverage ratio is according to the average end of each month	273.15%	207.38%

**(33) RISK MANAGEMENT**

The bank is continuously developing the risk and credit management structure to ensure its effective management in all its operations to ensure the efficiency of the risk and credit management process and the proper application of supervisory controls in all of the bank's operations.

The bank's policies related to risk management for the six months period ended 30 June 2024 are identical to the policies followed in the year ending on 31 December 2023, which were disclosed to be read with the bank's annual report as of 31 December 2023.

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Distribution of exposures according to economic sectors

A- Total exposure distribution based on financial instruments:

	Financial	Manufacturing	Trading	Real estate	Agriculture	Shares	Individual	Government and public sector	Others	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Balances at central banks	613,317,189	-	-	-	-	-	-	-	-	613,317,189
Balances at banks and financial institutions	475,791,334	-	-	-	-	-	-	-	-	475,791,334
Deposits at banks and financial institutions	20,167,903	-	-	-	-	-	-	-	-	20,167,903
Direct credit facilities and financing	41,076,436	402,767,787	646,125,971	1,137,292,605	95,063,336	280,603,206	784,972,233	598,283,427	347,783,595	4,333,968,596
Treasury bills and bonds are as follows:										
Within financial assets at fair value through statement of income	1,589,881	-	-	-	-	-	-	3,201,798	-	4,791,679
Within financial assets at fair value through statement of other comprehensive income	-	-	-	-	-	-	-	-	-	-
Within financial assets at fair value at amortized cost	212,505,746	24,643,358	5,899,929	-	-	-	-	1,559,007,148	5,731,527	1,807,787,708
Other assets	7,934,517	1,024,692	14,045,093	633,835	302,872	4,850	1,710,059	16,776,916	35,402,971	77,835,805
	<u>1,372,383,006</u>	<u>428,435,837</u>	<u>666,070,993</u>	<u>1,137,926,440</u>	<u>95,366,208</u>	<u>280,608,056</u>	<u>786,682,292</u>	<u>2,177,269,289</u>	<u>388,918,093</u>	<u>7,333,660,214</u>
Letters of credit	26,657,120	31,405,497	60,679,729	4,031,067	2,267,044	5,355,856	44,722,927	-	60,697,507	235,816,747
Letters of guarantees	15,097,972	32,516,740	244,950,969	246,723	1,188,697	1,367,307	81,426,186	-	8,343,360	385,137,954
Acceptances	4,107,485	90,901,325	115,212,466	-	12,711,373	-	-	-	16,143,551	239,076,200
Other liabilities	4,301,566	194,638,623	299,256,143	6,116,123	28,457,333	3,834,215	98,783,285	175,000	109,133,177	744,695,465
Grand total as of 30 June 2024 (Unaudited)	<u>1,422,547,149</u>	<u>777,898,022</u>	<u>1,386,170,300</u>	<u>1,148,320,353</u>	<u>139,990,655</u>	<u>291,165,434</u>	<u>1,011,614,690</u>	<u>2,177,444,289</u>	<u>583,235,688</u>	<u>8,938,386,580</u>
Grand total as of 31 December 2023 (Audited)	<u>1,261,383,559</u>	<u>702,392,607</u>	<u>969,400,167</u>	<u>1,104,949,889</u>	<u>134,762,334</u>	<u>277,183,457</u>	<u>1,126,188,435</u>	<u>2,040,713,155</u>	<u>724,059,679</u>	<u>8,341,033,282</u>

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Distribution of exposures according to economic sectors

B- Distribution of exposures according to classification stages according to IFRS No. (9) after provisions:

	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD	JD	JD
Financial	1,413,101,312	-	9,380,351	-	65,486	1,422,547,149
Manufacturing	717,636,202	6,998,587	46,308,255	2,448,022	4,506,956	777,898,022
Trading	1,258,348,549	16,310,256	92,534,383	6,140,357	12,836,755	1,386,170,300
Real estate	456,309,792	445,896,458	131,939,956	95,498,004	18,676,143	1,148,320,353
Agriculture	64,443,896	2,910,553	70,788,912	1,435,398	411,896	139,990,655
Shares	31,446,570	225,263,659	11,227,893	16,174,035	7,053,277	291,165,434
Individual	808,277,682	130,403,612	47,390,624	18,479,466	7,063,306	1,011,614,690
Government and public sector	2,177,397,577	-	46,712	-	-	2,177,444,289
Others	430,003,063	15,265,889	111,242,400	6,149,845	20,574,491	583,235,688
Grand total as of 30 June 2024 (Unaudited)	<u>7,356,964,643</u>	<u>843,049,014</u>	<u>520,859,486</u>	<u>146,325,127</u>	<u>71,188,310</u>	<u>8,938,386,580</u>
Grand total as of 31 December 2023 (Audited)	<u>6,815,183,795</u>	<u>835,500,057</u>	<u>510,622,072</u>	<u>115,747,706</u>	<u>63,979,652</u>	<u>8,341,033,282</u>

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Distribution of exposures according to geographic sectors

A- Overall distribution of exposures by geographic areas after provisions:

	Inside Jordan JD	Other Middle Eastern countries JD	Europe JD	Asia* JD	USA JD	Other countries JD	Total JD
Balances at central banks	577,867,189	35,450,000	-	-	-	-	613,317,189
Balances at banks and financial institutions	10,366,962	241,804,731	67,971,025	36,450,600	117,944,178	1,253,838	475,791,334
Deposits at banks and financial institutions	6,000,000	14,167,903	-	-	-	-	20,167,903
Direct credit facilities and financing	4,333,968,596	-	-	-	-	-	4,333,968,596
Treasury bills and bonds are as follows:							
Within financial assets at fair value through statement of income	-	-	-	-	4,791,679	-	4,791,679
Within financial assets at fair value at amortized cost	1,489,840,638	122,955,324	69,066,912	26,405,633	99,519,201	-	1,807,787,708
Other assets	77,835,805	-	-	-	-	-	77,835,805
	<u>6,495,879,190</u>	<u>414,377,958</u>	<u>137,037,937</u>	<u>62,856,233</u>	<u>222,255,058</u>	<u>1,253,838</u>	<u>7,333,660,214</u>
Letters of credit	235,664,149	152,598	-	-	-	-	235,816,747
Letters of guarantees	287,042,078	98,095,876	-	-	-	-	385,137,954
Acceptances	235,000,453	4,075,747	-	-	-	-	239,076,200
Other liabilities	744,695,465	-	-	-	-	-	744,695,465
Grand total as of 30 June 2024 (Unaudited)	<u>7,998,281,335</u>	<u>516,702,179</u>	<u>137,037,937</u>	<u>62,856,233</u>	<u>222,255,058</u>	<u>1,253,838</u>	<u>8,938,386,580</u>
Grand total as of 31 December 2023 (Audited)	<u>7,636,784,369</u>	<u>291,998,867</u>	<u>195,947,521</u>	<u>61,377,412</u>	<u>153,140,082</u>	<u>1,785,031</u>	<u>8,341,033,282</u>

\* Except for Middle Eastern countries

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B- Distribution of exposures according to classification stages according to IFRS No. (9) after provisions:

	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD	JD	JD
Inside Jordan	6,416,859,398	843,049,014	520,859,486	146,325,127	71,188,310	7,998,281,335
Other Middle Eastern countries	516,702,179	-	-	-	-	516,702,179
Europe	137,037,937	-	-	-	-	137,037,937
Asia	62,856,233	-	-	-	-	62,856,233
USA	222,255,058	-	-	-	-	222,255,058
Other countries	1,253,838	-	-	-	-	1,253,838
Grand total as of 30 June 2024 (Unaudited)	<u>7,356,964,643</u>	<u>843,049,014</u>	<u>520,859,486</u>	<u>146,325,127</u>	<u>71,188,310</u>	<u>8,938,386,580</u>
Grand total as of 31 December 2023 (Audited)	<u>6,815,183,795</u>	<u>835,500,057</u>	<u>510,622,072</u>	<u>115,747,706</u>	<u>63,979,652</u>	<u>8,341,033,282</u>

Credit exposures whose classification has been adjusted:

A- Total credit exposures reclassified:

	Stage 2		Stage 3		Total exposures reclassified	Exposures reclassified percentage
	Exposure amount	Exposures reclassified	Exposure amount	Exposures reclassified		
	JD	JD	JD	JD	JD	
Direct credit facilities and financing	<u>626,633,278</u>	<u>190,164,981</u>	<u>200,588,680</u>	<u>80,389,746</u>	<u>270,554,727</u>	5.91%
	<u>626,633,278</u>	<u>190,164,981</u>	<u>200,588,680</u>	<u>80,389,746</u>	<u>270,554,727</u>	5.91%
Letters of credit	14,857,716	1,386,070	2,278,363	80,724	1,466,794	0.62%
Letters of guarantees	15,911,262	-	-	-	-	0.00%
Acceptances	1,773,179	-	-	-	-	0.00%
Other liabilities	32,812,095	939,309	(362,806)	-	939,309	0.13%
	<u>691,987,530</u>	<u>192,490,360</u>	<u>202,504,237</u>	<u>80,470,470</u>	<u>272,960,830</u>	4.91%

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B- Expected credit loss for reclassified credit exposures:

	Exposures reclassified			Expected credit loss for reclassified exposures				
	Total exposures	Total exposures	Total exposures reclassified	Stage 2 –	Stage 2 –	Stage 3 –	Stage 3 –	Total
	reclassified –	reclassified –		Individual	Collective	Individual	Collective	
	Stage 2	Stage 3		JD	JD	JD	JD	
	JD	JD	JD	JD	JD	JD	JD	JD
Direct credit facilities and financing	190,164,981	80,389,746	270,554,727	(3,967,589)	(309,014)	4,928,253	(85,537)	566,113
	190,164,981	80,389,746	270,554,727	(3,967,589)	(309,014)	4,928,253	(85,537)	566,113
Letters of credit	1,386,070	80,724	1,466,794	110	425	44	-	579
Other liabilities	939,309	-	939,309	(854)	-	-	-	(854)
	192,490,360	80,470,470	272,960,830	(3,968,333)	(308,589)	4,928,297	(85,537)	565,838

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**(34) FAIR VALUE HIERARCHY**

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

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

Financial Assets	Fair Value		The Level of fair value	Valuation method and inputs used	Important Intangible Inputs	Relation between the Fair Value and the important intangible inputs
	30 June 2024	31 December 2023				
	(Unaudited) JD	(Audited) JD				
<b>Financial Assets At Fair Value</b>						
Financial Assets at Fair Value Through Statement of Income:						
Government bonds listed on financial markets	3,201,798	2,795,239	Level 1	Quoted prices in financial markets	Not Applicable	Not Applicable
Corporate bonds listed on financial markets	1,589,881	1,022,642	Level 1	Quoted prices in financial markets	Not Applicable	Not Applicable
Corporate shares	10,895,669	9,965,008	Level 1	Quoted prices in financial markets	Not Applicable	Not Applicable
Investment Funds	12,395,268	12,446,430	Level 2	The fund manager valuation of fair value	Not Applicable	Not Applicable
	<u>28,082,616</u>	<u>26,229,319</u>				
<b>Financial Assets At Fair Value Through Other Comprehensive Income:</b>						
Quoted Shares in active markets	30,063,342	31,866,382	Level 1	Quoted prices in financial markets	Not Applicable	Not Applicable
Investment funds	21,401,895	19,632,260	Level 2	The fund manager valuation of fair value	Not Applicable	Not Applicable
Unquoted Shares in active markets	16,956,380	15,159,479	Level 3	Through using equity method and based on the latest available information	Not Applicable	Not Applicable
	<u>68,421,617</u>	<u>66,658,121</u>				
<b>Total financial assets at fair value</b>	<u>96,504,233</u>	<u>92,887,440</u>				

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

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

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

	30 June 2024 (Unaudited)		31 December 2023 (Audited)		The level of fair value
	Book Value	Fair Value	Book Value	Fair Value	
	JD	JD	JD	JD	
<b>Financial Assets with no specified Fair Value</b>					
Term deposits, call accounts and certificate of deposits at Central Bank	160,800,000	160,857,747	172,500,000	172,646,479	Level 2
Current accounts, and deposits at Banks and Financial Institutions	495,959,237	496,399,399	386,026,126	386,391,285	Level 2
Direct credit facilities at amortized costs	4,333,968,596	4,340,212,893	4,244,911,424	4,250,588,835	Level 2
Other financial assets at amortized costs	1,807,787,708	1,831,599,185	1,633,814,826	1,654,472,456	Level 2
	<u>6,798,515,541</u>	<u>6,829,069,224</u>	<u>6,437,252,376</u>	<u>6,464,099,055</u>	
<b>Financial Liabilities with no specified Fair Value</b>					
Banks and Financial Institutions Deposits	312,336,069	313,812,492	311,250,220	312,020,823	Level 2
Customers' Deposits	5,948,070,488	6,011,298,370	5,651,353,018	5,708,140,738	Level 2
Cash Margins	404,679,510	405,809,724	329,660,434	330,258,548	Level 2
Borrowed Funds	204,931,042	205,352,636	190,406,392	190,875,472	Level 2
Syndicated Loans	60,295,000	61,449,102	60,295,000	61,429,028	Level 2
	<u>6,930,312,109</u>	<u>6,997,722,324</u>	<u>6,542,965,064</u>	<u>6,602,724,609</u>	

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