DEPOSIT INSURANCE CORPORATION

LEGAL ENTITY WITH FINANCIAL AND ADMINISTRATIVE INDEPENDENCE

FINANCIAL STATEMENTS

31 DECEMBER 2023

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Ernst & Young Jordan
P.O.Box 1140
Amman 11118
Jordan
Tel : 00 962 6580 0777/00 962 6552 6111
Fax: 00 962 6553 8300
www.ey.com/me

INDEPENDENT AUDITOR'S REPORT
To the Board of Directors
Deposit Insurance Corporation
Legal Entity with Financial and Administrative Independence
Amman - Jordan

Opinion

We have audited the financial statements of Deposit Insurance Corporation, Legal Entity with Financial and Administrative Independence, (the Corporation), which comprise the statement of financial position as at 31 December 2023, the statement of revenues and expenses, statement of changes in equity and statement of cash flows for the year ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Corporation in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants* (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Jordan, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exist. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exist, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However future events or conditions may cause the Corporation to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

For and on behalf of Ernst & Young – Jordan.

Osama Shakhatreh
License No. 1079

ERNST & YOUNG
Amman - Jordan

Amman – Jordan
25 April 2024

DEPOSIT INSURANCE CORPORATION
LEGAL ENTITY WITH FINANCIAL AND ADMINISTRATIVE INDEPENDENCE
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	Notes	31 December 2023	31 December 2022
		JD	JD
ASSETS			
Current Assets			
Current account at Central Bank of Jordan		25,491,674	7,352,093
Accrued interests of financial assets at amortized cost and not received		16,975,407	15,431,664
Other debit balances		75,494	25,469
Financing and housing loans granted to employees – short term	6	139,067	60,771
Financial assets at amortized cost – short term	7	164,800,000	201,801,172
Total current assets		207,481,642	224,671,169
Non - Current Assets			
Financing and housing loans granted to employees – long term	6	734,654	872,731
Financial assets at amortized cost – long term	7	970,497,763	873,099,829
Property and equipment	8	3,584,745	3,681,805
Total Non – current assets		974,817,162	877,654,365
Total Assets		1,182,298,804	1,102,325,534
LIABILITIES AND EQUITY			
Liabilities			
Other credit balances		221,793	34,501
Total Liabilities		221,793	34,501
Equity			
Paid in capital	9	3,150,000	3,150,000
Reserves	10	1,178,927,011	1,099,141,033
Total Equity		1,182,077,011	1,102,291,033
Total Liabilities and Equity		1,182,298,804	1,102,325,534

The attached notes from 1 to 17 form part of these financial statements

DEPOSIT INSURANCE CORPORATION
LEGAL ENTITY WITH FINANCIAL AND ADMINISTRATIVE INDEPENDENCE
STATEMENT OF REVENUES AND EXPENSES
FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023	2022
		JD	JD
Revenues			
Membership fees	11	23,629,442	38,402,357
Interest of financial assets at amortized cost		57,836,131	51,114,625
Housing, finance revenues and Interest revenues from housing loans		21,257	21,520
(Losses) gain from sale of property and equipment		(764)	83
Other revenues		6,006	6,308
Total revenues		81,492,072	89,544,893
Administrative expenses	12	(1,706,094)	(1,574,557)
Excess in revenues over expenses		79,785,978	87,970,336

The attached notes from 1 to 17 form part of these financial statements

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023

	Paid in capital	Reserves	Total
	JD	JD	JD
2023 -			
Balance at 1 January 2023	3,150,000	1,099,141,033	1,102,291,033
Excess in revenues over expenses	-	79,785,978	79,785,978
Balance as at 31 December 2023	3,150,000	1,178,927,011	1,182,077,011
2022 -			
Balance at 1 January 2022	3,150,000	1,011,170,697	1,014,320,697
Excess in revenues over expenses	-	87,970,336	87,970,336
Balance as at 31 December 2022	3,150,000	1,099,141,033	1,102,291,033

DEPOSIT INSURANCE CORPORATION
LEGAL ENTITY WITH FINANCIAL AND ADMINISTRATIVE INDEPENDENCE
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023	2022
Operating Activities		JD	JD
Excess in revenues over expenses		79,785,978	87,970,336
Adjustments-			
Depreciation	8	143,972	138,858
(Losses) gain from sale of property and equipment		764	(83)
Interest revenues		(57,836,131)	(51,114,625)
Working capital changes-			
Other debit balances		(50,025)	4,476
Other credit balances		187,292	(28,186)
Net cash flows from operating activities		22,231,850	36,970,776
Investing Activities			
Purchase of financial assets at amortized cost		(287,565,900)	(399,532,080)
Maturity of Financial assets at amortized cost		224,169,138	218,189,287
Proceed from sale financial assets at amortized cost		3,000,000	95,000,000
Proceed from sale of property and equipment		364	84
Financing and housing loans granted to employees		59,781	48,462
Interest received		56,292,388	47,342,214
Purchase of property and equipment	8	(48,040)	(166,311)
Net cash flows used in investing activities		(4,092,269)	(39,118,344)
Net increase (decrease) in cash and cash equivalents		18,139,581	(2,147,568)
Cash and cash equivalents, beginning of the year		7,352,093	9,499,661
Cash and cash equivalents, end of the year		25,491,674	7,352,093

- Board of Directors decision No. (7/2022) dated 15 June 2022 approves the sale of government securities amounted to JD 150,000,000. Where financial assets were sold at amortized cost in 2023 at a value of 3,000,000 JD (2022: 95,000,000 JD).

(1) GENERAL

The Corporation was established on 17 September 2000 as a legal entity with financial and administrative independence by virtue of law number 33 for year 2000 and its amendments. The corporation aims to protect bank depositors by insuring their deposits under the provisions of this law, in order to encourage savings, promote confidence in the banking system and contribute to maintain banking and financial stability in the Kingdom. This is done by ensuring that depositors have access to their deposits in any bank to be liquidated within the limits set by the law, which aims in its entirety to compensate the depositors up to fifty thousand Jordanian Dinars. Moreover, to urge senior depositors to impose their own and additional supervision on banks alongside the ongoing monitoring carried out by the Central Bank of Jordan.

The following deposits are not subject to the provisions of law:

- Government deposits.
- Interbank deposits.
- Cash collaterals within the limits of the value of the extended facilities guaranteed by the said collaterals.

The Corporation only insures bank deposits in Jordanian Dinars with an amount not exceeding fifty thousand Jordanian Dinars per depositor per member bank. Member banks are represented in all Jordanian banks and the branches of foreign banks operation in the Kingdom, with exception to the branches of Jordanian banks operating outside the Kingdom.

The Corporation shall as well insure bank deposits in any foreign currency that the Central Bank shall decide to make subject to the provisions of this law.

The Corporation sources of fund consist of the following:

- Annual membership fees paid by the banks to corporation.
- Return on investments of the Corporation's funds.
- Any loans obtained by the corporation in accordance with the provisions of this law.
- Any financial grants shall be given to the corporation with the approval of the Central Bank's Board of directors. In the event that these grants are provided by non - Jordanian parties, the approval of the Council of Ministers must be obtained.
- Any refunds received by the corporation from liquidation proceedings or as a result of any of the procedures stipulated in Article No. (38 bis) of this law.

(2) BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with International Financial Reporting Standards.

The financial statements have been prepared on a historical cost basis.

The financial statements are presented in Jordanian Dinar, which represents the functional currency of the corporation.

(3) CHANGES IN ACCOUNTING POLICIES

The accounting policies used in the preparation of the financial statements are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2022 except for the adoption of new amendments on the standards effective as of 1 January 2023 shown below:

IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) which was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach),
- A simplified approach (the premium allocation approach) mainly for short-duration contracts.

IFRS 17 has been applied retrospectively on 1 January 2023. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. This standard is not applicable to the Corporation.

Definition of Accounting Estimates - Amendments to IAS 8

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective from 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

The amendments had no impact on Corporation financial statements.

(3) CHANGES IN ACCOUNTING POLICIES (CONTINUED)

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2
In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments are effective from 1 January 2023. and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

The amendments had no impact on Corporation financial statements.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12
In May 2021, the Board issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations.

The amendments are effective from 1 January 2023. and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

The amendments had no impact on Corporation financial statements.

International Tax Reform—Pillar Two Model Rules – Amendments to IAS 12
The amendments to IAS 12 have been introduced in response to the OECD's BEPS Pillar Two rules and include:

• A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and

• Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

(3) CHANGES IN ACCOUNTING POLICIES (CONTINUED)

The mandatory temporary exception – the use of which is required to be disclosed – applies immediately. The remaining disclosure requirements apply for annual reporting periods beginning on or after 1 January 2023, but not for any interim periods ending on or before 31 December 2023.

The amendments had no impact on the Corporation financial statements as the Corporation is not in scope of the Pillar Two model rules as its revenue is less that EUR 750 million/ year.

(4) MATERIAL ACCOUNTING POLICIES

Cash and cash equivalents
For the purpose of the statement of cash flows, cash and cash equivalents consist of cash in hand and bank balances.

Offsetting
Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position only when there is a legally enforceable right to set off the recognized amounts and intends to either settle on a net basis, or to realize the asset and settle the liability simultaneously.

Property and equipment
Property and equipment are stated at cost less accumulated depreciation and any impairment in value. Land is not depreciated, property and equipment are depreciated when its ready to use on a straight-line basis over the estimated useful lives of the assets using the following depreciation rates.

Buildings	3%
Furniture and fixture	10-15%
Tools, office equipment and software	10-25%
Vehicles	15%

When the recoverable amount of any property and equipment is less than its net book value, its value is reduced to its recoverable value and the impairment value is recorded in the statement of revenue and expenses.

The useful life and depreciation method are reviewed periodically to ensure that the method and period of depreciation are commensurate with the expected economic benefits from property and equipment

Fair value
For investments and derivatives quoted in an active market, fair value is determined by reference to quoted market prices.

For financial instruments where there is no active market, fair value is normally based on one of the following methods:

(4) MATERIAL ACCOUNTING POLICIES (CONTINUED)

- Comparison with the current market value of a highly similar financial instrument.

- The expected cash flows discounted at current rates applicable for items with similar terms and risk characteristics.
- Options pricing models.

Valuation methods aim to obtain a fair value that reflects market expectations and considers market factors and any expected risks or benefits when estimating the value of financial instruments, and in the event that there are financial instruments whose fair value cannot be measured reliably, they are shown at cost after deducting any decrease in their value.

FINANCIAL ASSETS AT AMORTIZED COST

Financial assets are measured at amortized cost only if these assets are held within a business model whose objective is to hold the assets to collect their contractual cash flows.

Assets at amortized cost is recorded at cost upon purchase plus acquisition expenses, the premium/ discount (if any) is amortized by using the effective interest rate method records on the interest or for its account. Any provisions resulted from impairment in its value is deducted and any impairment in its value is recorded in the statement of revenues and expenses.

The amount of the impairment consists of the difference between the book value and present value of the expects future cash flows discounted at the original effective interest rate.

Financial reclassification from / to this item may be carried out in the case of an International Financial Reporting Provider (and in my case a Financial Reporting Provider) before the due date of registration as a result of the sale in the revenue and expenses statement in a separate item and disclosed in accordance with International Financial Reporting Standards in particular).

FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

- Equity investments that are not held for sale in the near future.

- These financial assets are initially measured at their fair value plus transaction costs. Subsequently, they are measured at fair value. Gains or losses arising on subsequent measurement of these equity investments including the change in fair value arising from non-monetary assets in foreign currencies are recognized in other comprehensive income in the statement of changes in equity. The gain or loss on disposal of these asset are reclassified from fair value reserve to retained earnings and not through the statement of revenues and expenses.
- These financial assets are not subject to impairment testing.

- Dividend income is recognized in the statement of revenues and expenses.

(4) MATERIAL ACCOUNTING POLICIES (CONTINUED)

Accounts payable

Liabilities are recognized for amounts to be paid in the future for services received, whether billed by the supplier or not.

Revenue recognition

The annual subscription fees from banks are recognized in the ratio of 1 per thousand of the total deposits which subject to the provision of law.

Other income is recognized according to the accrual basis.

Expenses are recognized according to the accrual basis.

Interest income is calculated on the accrual basis, based on the time periods due, the principal amounts and the interest earned rate.

Impairment of non-financial assets

The Corporation assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Corporation makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

End of service indemnity

The employees' end of service compensation expense is calculated as follows:

- One month's salary for each year of service for an employee whose service period in the corporation does not exceed five years.

- A salary of one and a half months for each year of service for an employee whose service period in the corporation exceeds five years and does not exceed ten years.

-A salary of two months for each year of service for an employee whose service period in the corporation exceeds ten years.

The Corporation shall pay the amount calculated during the year to the End of Service Compensation Fund.

(4) MATERIAL ACCOUNTING POLICIES (CONTINUED)

Housing loans

The loan / housing finance is granted to build or buy housing inside the Kingdom at an interest rate 5% annually, and the loan and its interest must be paid within a period not exceeding thirty years from the date of granting it, provided that the employee's age does not exceed seventy years at the end of this period.

(5) USE OF ESTIMATES

The preparation of the Corporation's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts recognised in the financial statements and disclosure of contingent liabilities. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in future periods.

(6) FINANCING AND HOUSING LOANS GRANTED TO EMPLOYEES

Movement on financing and housing loans provided to employees during the year is as follows:

	31 December 2023	31 December 2022
	JD	JD
Financing and loans balance at the beginning of the year	933,502	981,964
The amount of financing and loans granted during the year	-	39,106
Finance revenues *	16,352	16,642
Interest added on loan balances during the year *	4,905	4,878
The amount of financing and loan proceeds during the year	(81,038)	(109,088)
Financing and loans balances at the end of year	873,721	933,502
Housing financing and loans granted – short term	139,067	60,771
Housing financing and loan granted – long term	734,654	872,731
Financing and loans balances at the end of year	873,721	933,502

This item represents the value of the remaining balance of housing financing and loans granted to eighteen employees of the Corporation as in 31 December 2023 and 31 December 2022, loans were granted to employees with a first-class insurance mortgage guarantee for the Deposit Insurance Corporation in accordance with the provisions of Article 116-Paragraph (b) of administrative instructions for personnel affairs and amendments.

(6) FINANCING AND HOUSING LOANS GRANTED TO EMPLOYEES (CONTINUED)

* The loan / housing finance is granted to build or buy housing inside the Kingdom at an interest rate 5% annually, and the loan and its interest must be paid within a period not exceeding thirty years from the date of granting it, provided that the employee's age does not exceed seventy years at the end of this period.

(7) FINANCIAL ASSETS AT AMORTIZED COST

	31 December 2023		
	Short Term	Long term	Total
	JD	JD	JD
Treasury bonds	154,800,000	913,497,763	1,068,297,763
National Electricity Corporation Bonds	-	57,000,000	57,000,000
Water Authority Bonds	10,000,000	-	10,000,000
	164,800,000	970,497,763	1,135,297,763

	31 December 2022		
	Short Term	Long term	Total
	JD	JD	JD
Treasury bonds	132,483,892	863,099,829	995,583,721
Treasury bills	69,317,280	-	69,317,280
Water Authority Bonds	-	10,000,000	10,000,000
	201,801,172	873,099,829	1,074,901,001

- The average interest rates on bonds ranging between 3,025%-7,999% for the year ended 31 December 2023 (between 2,918%-7,999% for the year ended 31 December 2022).

- The details of total financial assets at amortized cost by credit rating categories are as follows:

	31 December 2023			
	Level 1	Level 2	Level 3	Total
	JD	JD	JD	JD
Financial assets at amortized cost	1,135,297,763	-	-	1,135,297,763

	31 December 2022			
	Level 1	Level 2	Level 3	Total
	JD	JD	JD	JD
Financial assets at amortized cost	1,074,901,001	-	-	1,074,901,001

- Board of Directors decision No. (7/2022) dated 15 June 2022 approves the sale of government securities amounted to JD 150,000,000. Where financial assets were sold at amortized cost in 2023 at a value of 3,000,000 JD (2022: JD 95,000,000).

(8) PROPERTY AND EQUIPMENT

	Land	Buildings	Furniture and fixture	Tools, office equipment's and software	Vehicles	Projects in progress*	Total
2023-	JD	JD	JD	JD	JD	JD	JD
Cost-							
As at 1 January 2023	1,157,050	4,233,761	219,199	134,441	57,657	8,400	5,810,508
Additions	-	-	869	14,589	26,632	5,950	48,040
Disposals **	-	-	(8,573)	(21,232)	(17,656)	-	(47,461)
As at 31 December 2023	1,157,050	4,233,761	211,495	127,798	66,633	14,350	5,811,087
Accumulated Depreciation -							
As at 1 January 2023	-	1,789,769	183,901	97,378	57,655	-	2,128,703
Deprecation charge for the year	-	127,012	4,026	11,935	999	-	143,972
Disposals **	-	-	(8,569)	(20,109)	(17,655)	-	(46,333)
As at 31 December 2023	-	1,916,781	179,358	89,204	40,999	-	2,226,342
Net book value -							
As at 31 December 2023	1,157,050	2,316,980	32,137	38,594	25,634	14,350	3,584,745
2022-							
As at 1 January 2022	1,157,050	3,796,769	182,397	114,538	57,657	336,010	5,644,421
Additions	-	100,982	36,802	20,127	-	8,400	166,311
Transferred from project in progress	-	336,010	-	-	-	(336,010)	-
Disposals	-	-	-	(224)	-	-	(224)
As at 31 December 2022	1,157,050	4,233,761	219,199	134,441	57,657	8,400	5,810,508
Accumulated Depreciation -							
As at 1 January 2022	-	1,663,849	180,576	87,988	57,655	-	1,990,068
Deprecation charge for the year	-	125,920	3,325	9,613	-	-	138,858
Disposals	-	-	-	(223)	-	-	(223)
As at 31 December 2022	-	1,789,769	183,901	97,378	57,655	-	2,128,703
Net book value -							
As at 31 December 2022	1,157,050	2,443,992	35,298	37,063	2	8,400	3,681,805

* Projects in progress represent a project for the development and maintenance of enterprise systems and supporting software at an estimated total cost of JD 130,000, which was started in 2022 and the project is expected to be completed during 2024.

** According to the Corporation's letter No. (3/2/2023/513) dated 26 November 2023, a car that was under the ownership of the corporation has been transferred to the State Treasury.

(9) PAID-IN CAPITAL

This account represents non-refunds of JD 100,000 from each bank member of the Corporation. In addition to a payment from the Jordanian government of JD 1,000,000. It was subsequently decided on the basis of the amended Law of the Deposit Insurance Corporation No. 8 of 2019 to establish a deposit Insurance fund for Islamic banks, and it was decided that the Corporation would pay JD 150,000 and deduct it out of the government's contribution to the Corporation's capital to JD 850,000, Therefore, The total capital became JD 3,150,000.

(10) RESERVES

According to the requirements of the articles 18 and 19 of the Deposit Insurance Corporation law No. 33 for the year 2000 and its amendments, the corporation must:

- Act to from reserves for itself amounting to 3% of the total deposits subject to the provisions of this law, The Council of ministry may, based on the recommendation of the corporation's Board of Directors, decide to increase the set-limit for the corporation's reserves, If the corporation's reserves do not reach the set-limit within the period of ten years from the enforcement of this law, or if the corporation's reserves fall short of the set limit after having reached it, or if bank is to be liquidated before the corporation's reserve reach the set limit, the corporation's Board of Directors may increase the bank's annual membership fee for banks stipulated by the law.

- If the corporation reserves exceed the legal limit of 3% of the total deposits subject to the provisions of this law, corporation's Board of Directors may reduce the annual membership fee or exempt banks from paying the fee for one year or more as the circumstances require.

(11) MEMBERSHIP FEES

During the year, the corporation collected annual subscription fees from the banks at a rate of 1 per thousand of the total deposits subject to the provisions of the law, with the exception to the following deposits:

- Government deposits
- Interbank deposits
- Cash collaterals within the limits of the value of the extended facilities guaranteed by the said collaterals,
- According to the Corporation's Board of Directors decision number (8/2022) on 7 August 2022, the annual subscription fees paid by the banks to the corporation under the provision of paragraph (A) of article no. (12) of the Deposit Insurance Corporation Law from two and a half per thousand to one per thousand of the total deposits subject to the provisions of the law. The subscription fees were collected at a rabe of one and seventy five per thousand in 2022.

(12) ADMINISTRATIVE EXPENSES

	2023	2022
	JD	JD
Salaries and wages	792,671	722,897
End of service indemnity	225,611	203,942
Depreciation (note 8)	143,972	138,858
Social security contribution	81,777	75,964
Water and electricity	76,092	68,672
Health insurance	69,910	59,560
Corporation contribution in the saving fund	58,298	56,395
Subscriptions	32,490	32,236
Security	26,877	25,427
Maintenance	22,383	35,561
Professional fees	21,400	20,800
Social activity committee	19,754	14,319
Insurance	19,000	27,686
Members and secretary Board of Director's remunerations	18,600	18,401
Fuel	17,086	14,241
Cleaning	15,820	14,586
Advertisements	14,190	8,448
Training	13,576	7,109
Transportation and travel	12,960	5,105
Hospitality	6,281	5,641
Stationary	5,909	6,515
Government fees and licenses	4,838	4,608
Telephone, fax and internet	2,774	2,812
Other	3,825	4,774
	1,706,094	1,574,557

(13) CONTINGENT LIABILITIES

Letter of credits and bank guarantees

The Corporation does not have potential obligations of credits and guarantees as of 31 December 2023 and 31 December 2022.

Lawsuits against the corporation:

There are no cases brought against the Corporation as of 31 December 2023 and 31 December 2022.

(14) INCOME TAX

In accordance with the Deposit Insurance Corporation Act No. (33) of 2000 and its amendments, the corporation has been exempted from income tax, in accordance with Article (27) of the Act.

(15) RISK MANAGEMENT

Interest rate risk
The Corporation is exposed to interest rate risk on its assets interest bearing e.g bank deposits.

The sensitivity of the statement of comprehensive income is the effect of the assumed changes in interest rates on the Corporation's profit for one year, based on the floating rate financial assets held at 31 December 2023 and 2022.

The corporation is not at risk of interest as all investments in the amortized cost and carry fixed interest rates.

Credit risk

This is the risk that other parties will fail to discharge their obligations to the corporation, the corporation is not exposed to credit risk as there are no customers' balances outstanding, the corporation holds its bank accounts with reputable banks.

Liquidity risk

The corporation limits its liquidity risk by ensuring bank facilities are available.

The table below summarizes the maturities of the corporation financial liabilities at 31 December 2023 and 2022, (undiscounted) based on contractual maturity and current interest rates.

	Less than 3 months	3 to 12 months	Total
	JD	JD	JD
31 December 2023			
Other current liabilities	221,793	-	221,793
Total	221,793	-	221,793
31 December 2022			
Other current liabilities	34,501	-	34,501
Total	34,501	-	34,501

(16) CAPITAL MANAGEMENT

The main objective of managing the corporation capital is to ensure that appropriate capital ratios are maintained in a way that supports the organization's activity and maximizes property rights.

The Corporation manages the capital structure and makes the necessary adjustments to it in light of changes in working conditions. The Corporation has not made any adjustments to the objectives, policies and procedures relating to capital structure during the current year and the previous year.

The items included in the capital structure are paid-up capital, reserves totaling JD 1,182,077,011 as of 31 December 2023 compared to 1,102,291,033 as of 31 December 2022.

The Corporation paid JD 150,000 to the Deposit Insurance Fund for Islamic banks and was deducted from the government's contribution to the Corporation's capital to JD 850,000.

(17) STANDARDS ISSUED BUT NOT YET EFFECTIVE

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Corporation's financial statements are disclosed below. The Corporation intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

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 recognise any amount of the gain or loss that relates to the right of use it retains.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must applied etrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16. Earlier application is permitted, and that fact must be disclosed.

The amendments are not expected to have a material impact on the Corporation's 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

(17) STANDARDS ISSUED BUT NOT YET EFFECTIVE (CONTINUED)

In addition, a requirement has been introduced to require disclosure 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 are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively. The Corporation is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

The amendments are not expected to have a material impact on the Corporation's financial statements.

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 amendments will be effective for annual reporting periods beginning on or after 1 January 2024. Early adoption is permitted but will need to be disclosed.

The amendments are not expected to have a material impact on the Corporation's financial statements.