

SAFWA ISLAMIC BANK
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN-THE HASHEMITE KINGDOM OF JORDAN

CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
FOR THE THREE MONTHS ENDED 31 MARCH 2022
TOGETHER WITH THE INDEPENDENT
AUDITOR'S REVIEW REPORT

SAFWA ISLAMIC BANK
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN-THE HASHEMITE KINGDOM OF JORDAN
31 MARCH 2022

TABLE OF CONTENTS

Independent auditor's Review Report

Statement

Condensed Consolidated Interim Statement of Financial Position A

Condensed Consolidated Interim Statement of Profit or Loss and Comprehensive Income B

Condensed Consolidated Interim Statement of Changes in Shareholders' Equity C

Condensed Consolidated Interim Statement of Cash Flows D

Statement of Sources and Uses of the Qard Alhassn E

Notes to the Condensed Consolidated Interim Financial Information Page
1-25

In the Name of Allah, the Beneficent, the Merciful

Review Report

AM/ 014589

To the chairman and the Board of Directors of
Safwa Islamic Bank
(A Public Shareholding Limited Company)
Amman – The Hashemite Kingdom of Jordan

Introduction

We have reviewed the condensed consolidated interim statement of financial position of Safwa Islamic Bank (a Public Shareholding limited Company) as of March 31, 2022 and the related condensed consolidated interim statements of profit or loss and comprehensive income, changes in shareholders' equity and cash flows for the three month ended in that date, and a summary of significant accounting policies and other explanatory information. Management is responsible for the preparation and fair presentation of these condensed consolidated interim financial Information's in accordance with the Financial Accounting Standards issued by Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) as adopted by the Central Bank of Jordan. Our responsibility is to express a conclusion on these condensed consolidated interim financial Information's based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Company. A review of condensed consolidated 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 condensed consolidated interim financial Information's are not prepared, in all material respects, in accordance with the Financial accounting standards issued by accounting and auditing organisation for Islamic financial institutions (AAOIFI) as adopted by the Central Bank of Jordan.

Other Matters

The accompanying condensed consolidated interim financial Information's are a translation of the statutory condensed consolidated interim financial Information's in the Arabic language to which reference is to be made.

Amman – The Hashemite Kingdom of Jordan
April 27, 2022


Deloitte & Touche (M.E.) - Jordan
Deloitte & Touche (M.E.)
ديلويت أند توش (الشرق الأوسط)
010105

"Statement A"

Safwa Islamic Bank
(Public Shareholding Limited Company)
Amman-The Hashemite Kingdom of Jordan
Condensed Consolidated Interim Statement of Financial Position

	Note	31 March 2022 (Reviewed) JD	31 December 2021 (Audited) JD
<u>Assets</u>			
Cash and balances with the Central Bank	4	405,983,227	358,653,364
Balances at banks and financial institutions		10,382,365	8,293,931
International wakala investments-net	5	99,896,735	86,124,648
Financial assets at fair value through profit or loss		1,968,092	1,565,294
Deferred sales receivables and other receivables-net	6	1,090,008,209	1,063,215,294
Financial assets at fair value through unrestricted investment accounts' holders equity-net	7	156,230,838	164,363,677
Financial assets at amortized cost -net		37,313,000	64,752,000
Investment in associate		343,708	343,708
Ijara Muntahia Bittamleek assets-net	8	556,716,935	533,805,256
Qard Hasan-net		3,555,135	1,619,321
Property and equipment-net		22,114,406	22,333,251
Intangible assets - net		2,033,771	1,919,527
Right of use assets		9,446,653	9,367,268
Deferred tax assets	10/C	7,048,663	6,734,092
Other assets	9	16,652,156	13,044,688
Total Assets		2,419,693,893	2,336,135,319
<u>Liabilities</u>			
Banks and financial Institutions accounts		21,852,377	16,530,718
Customers' current accounts		273,830,897	290,066,768
Cash margin		73,265,918	56,124,802
Income tax provision	10/A	8,525,342	8,332,402
Other provisions		440,000	440,000
Lease liabilities		9,205,027	9,342,554
Other liabilities	11	60,451,633	51,211,325
Total Liabilities		447,571,194	432,048,569
<u>Unrestricted Investment Accounts Holders' Equity</u>			
Unrestricted investment accounts	12	1,806,396,035	1,741,326,610
Fair value reserve		(507,533)	82,413
Total Unrestricted Investment Accounts Holders' Equity		1,805,888,502	1,741,409,023
<u>Shareholders' Equity</u>			
Paid up capital		100,000,000	100,000,000
Statutory reserve		29,766,889	29,766,889
Retained earnings		32,910,838	32,910,838
Profit for the period - satatment (B)		3,556,470	-
Total Shareholders' Equity		166,234,197	162,677,727
Total Liabilities, Unrestricted Investment Accounts Holders' and Shareholders' Equity		2,419,693,893	2,336,135,319
Wakala Investments accounts		3,679,490	4,288,847

The accompanying notes are an integral part of this condensed consolidated interim financial information and read with it and with the attached review report.

"Statement B"

Safwa Islamic Bank
(Public Shareholding Limited Company)
Amman-The Hashemite Kingdom of Jordan

Condensed Consolidated Interim Statement of Profit or Loss and Comprehensive Income

		For The Three Month Period	
		Ended 31 March	
	Note	2022 (Reviewed)	2021 (Reviewed)
		JD	JD
Deferred sales revenue	13	15,874,198	13,074,517
Ijara Muntahia Bittamleek assets revenue		9,063,761	7,571,472
Gains from International wakala investments		74,798	90,803
Gains from financial assets at fair value through unrestricted investment accounts' holders equity	14	553,149	476,521
Gains from financial assets at fair value through profit or loss	15	2,596	53,654
Gains from financial assets at amortized cost		743,676	1,017,465
(losses) gains from foreign currencies evaluation		(15,001)	(32,253)
Other jointly revenue-net		224,268	110,167
Total revenue from unrestricted investment		26,521,445	22,362,346
Deposit insurance fees - jointly financed accounts		(597,595)	(482,250)
Share of unrestricted investment accounts holders'	12	(12,646,145)	(9,939,814)
Expected credit losses on jointly items	5&6&7& 11	(2,834,588)	(3,002,000)
Bank's share of revenue from unrestricted investments as a mudarib and rab mal		10,443,117	8,938,282
Bank's self financed revenue	16	173,750	167,073
Banks share from the restricted investments revenue as agent (wakeel)		21,379	45,252
Gain from foreign currencies		365,610	387,122
Banking services revenue-net		2,165,134	1,579,458
Other revenue		10,158	151,184
Deposit insurance fees - Self financed		(405,791)	(296,080)
Gross Income		12,773,357	10,972,291
Employees' expenses		(3,639,703)	(3,408,681)
Depreciation and amortization		(772,483)	(805,118)
Depreciation of Ijara muntahia bittamleek assets- self financed		(105,952)	(95,845)
(Expenses) recovered from expected credit losses on self financed items	Statement E & 6 & 11	(212,459)	54,459
Amortization of right of use assets		(403,414)	(361,983)
Finance costs / discounted lease liability		(83,683)	(76,864)
Rent expenses		(31,712)	(34,125)
Other expenses		(1,763,019)	(1,227,047)
Total expenses		(7,012,425)	(5,955,204)
Profit for the period before tax		5,760,932	5,017,087
Income tax expense	10/B	(2,204,462)	(1,913,896)
Profit for the period / Total Comprehensive income for the period		3,556,470	3,103,191
		Fils/JD	Fils/JD
Basic and diluted earnings per share for the period	17	0/036	0/031

The accompanying notes are an integral part of this condensed consolidated interim financial information and read with it and with the attached review report.

Statement "C"

Safwa Islamic Bank
(Public Shareholding Limited Company)
Amman-The Hashemite Kingdom of Jordan

Condensed Consolidated Interim Statement of Changes in Shareholders' Equity

	Paid up capital		Statutory reserve		Retained Earnings*		Profit for the period		Total
	JD		JD		JD		JD		JD
<u>For the three month period ended 31 March 2022</u>									
Balance as at the beginning of the year	100,000,000		29,766,889		32,910,838		-		162,677,727
Total comprehensive Income for the period - statement (B)	-		-		-		3,556,470		3,556,470
Balance as of 31 March 2022	100,000,000		29,766,889		32,910,838		3,556,470		166,234,197
<u>For the three month period ended 31 March 2021</u>									
Balance as at the beginning of the year	100,000,000		27,485,171		27,132,236		-		154,617,407
Total comprehensive Income for the Period - statement (B)	-		-		-		3,103,191		3,103,191
Balance as of 31 March 2021	100,000,000		27,485,171		27,132,236		3,103,191		157,720,598

- Retained earnings includes JD 749,683 of 31 March 2022 (JD 669,296 as at 31 December 2021) which represents deferred tax assets -self financed and it is restricted from use based on the Central Bank of Jordan instructions.

* Based on CBJ instructions no.(13/2018) that was issued on 6 June 2018 the general banking risks reserve was transferred to retained earnings, amounted to JD 108,397 and is restricted from use without prior approval of the Central Bank of Jordan.

The accompanying notes constitute an integral part of these condensed consolidated interim financial information and should be read with them and the accompanying review report.

Statement "D"

Safwa Islamic Bank
(Public Shareholding Limited Company)
Amman- The Hashemite Kingdom of Jordan
Condensed Consolidated Interim Statement of Cash Flows

	Note	For The Three Month Period Ended 31 March	
		2022 (Reviewed)	2021 (Reviewed)
		JD	JD
Cash Flows from Operating Activities			
Profit for the period before tax -statement "B"		5,760,932	5,017,087
Adjustments for non monetary items:			
Depreciation and amortization		772,483	805,118
Depreciation of Ijara Muntahia Bittamleek assets(self & jointly financed)		10,161,835	10,968,547
Depreciation of right of use assets		403,414	361,983
Finance costs (discounted lease liabilities)		83,683	76,864
Unrealized losses for financial assets at fair value through statement of profit or loss	15	14,100	2,722
Expected credit losses provision -joint		2,834,588	3,002,000
Expected credit losses provision -self		212,459	(54,459)
(Decrease) in other provisions -net		-	(184,597)
Provision for seized assets /Joint Funds	9	7,068	85,947
Losses from sale of seized assets against debts		22,856	-
Cash flows from operating activities before changes in working capital		20,273,418	20,081,212
Changes in operating working capital :			
(Increase) in deferred sales receivables and other receivables		(29,518,009)	(213,094,469)
(Increase) in Ijara Muntahia Bittamleek assets		(33,073,514)	(32,223,007)
(Increase) decrease in the Qard Hasan		(1,958,560)	519,233
(Increase) in other assets		(3,775,392)	(6,622,758)
(Decrease) increase in customers' current accounts		(16,235,871)	28,989,159
Increase in cash margin accounts		17,141,116	819,406
Increase in other liabilities		9,010,428	16,598,008
Net cash (used in) operating activities before income tax paid		(38,136,384)	(184,933,216)
Income tax paid	10/A	(2,326,093)	(2,371,544)
Net cash (used in) operating activities		(40,462,477)	(187,304,760)
Cash Flows from Investing Activities			
Net maturity (purchase) of financial assets at fair value through unrestricted investment accounts		7,551,374	(13,412,850)
Net (purchase) sale of financial assets at fair value through statement of profit or loss		(416,898)	379,515
Maturity of financial assets at amortized cost		27,439,000	-
(Purchase) of intangible assets		(302,508)	(109,556)
(Purchase) of property and equipment		(365,374)	(118,593)
Proceeds from sale of sized assets against debt		138,000	-
Net (increase) in International Wakala Investments		(13,849,895)	(8,933,689)
Net cash flows (used in) investing activities		20,193,699	(22,195,173)
Cash Flows from Financing Activities			
Increase in unrestricted investment account holders equity		65,069,425	89,430,741
Payments of finance lease		(704,009)	(660,755)
Net cash flows from financing activities		64,365,416	88,769,986
Net increase (decrease) in cash and cash equivalents		44,096,638	(120,729,947)
Cash and cash equivalents at beginning of the year		350,416,577	336,278,754
Cash and cash equivalents at end of the period	18	394,513,215	215,548,807

The accompanying notes are an integral part of this condensed consolidated interim financial information and read with it and with the attached review report.

Statement "E"

Safwa Islamic Bank
(Public Shareholding Limited Company)
Amman-The Hashemite Kingdom of Jordan
Statement Of Sources And Uses Of Al-Qard Al-Hasan Fund

	31 March 2022 (Reviewed) JD	31 December 2021 (Audited) JD
Balance as at the beginning of the period / year	1,279,581	981,882
Sources of the fund :		
Shareholders' equity	(2,227,677)	(6,152,124)
Total Sources of the fund's assets during the period / year	(2,227,677)	(6,152,124)
Uses of the fund :		
Professional unions / salary payments	-	-
Corporate	3,636,960	6,444,856
Employees	3,985	4,967
Total uses during the period / year	3,640,945	6,449,823
Total balance	2,692,849	1,279,581
Add: exposed accounts	1,085,293	540,001
Less : Expected credit losses provision	(223,007)	(200,261)
Balance at the end of the period / year - Net	3,555,135	1,619,321

SAFWA ISLAMIC BANK
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN-THE HASHEMITE KINGDOM OF JORDAN
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

(1) INCORPORATION AND ACTIVITIES

Safwa Islamic Bank is a public shareholding company licensed by the Central Bank of Jordan to practice and provide Islamic business and banking services in accordance with the Banking Law and the Companies Law.

The Bank provides all financial banking and structured investment services on a non-Interest basis in accordance with Islamic shari'a through the Bank's head office and its forty branches within the Kingdom and its subsidiary, in accordance with the effective Banking Law.

The authorized and paid-up capital of the bank is JOD 100 million, per 100 million shares, with a nominal value of one dinar per share .

Etihad Islamic Investment Company owns 62.37% of the Bank's capital.

The condensed consolidated financial information for the three months ended 31 March 2022 has been approved by the Bank's Board of Directors at its meeting No. (3/2022) on 24 April 2022.

(2) BASIS OF PREPARATION

A-Basis of preparation of the Condensed Consolidated Interim Financial Information

The consolidated financial information of the Bank has been prepared according to the financial accounting standards issued by The Accounting and Auditing Organization for Islamic Financial Institutions as adopted by the Central Bank of Jordan.

The standards issued by the International Accounting Standards Board and The interpretations issued by the International Financial Reporting Interpretations Committee are applied in the absence of standards issued by The Accounting and Auditing Organization for Islamic Financial Institutions and will be replaced later by standards issued by the accounting and auditing organization for Islamic financial Institution once the new standards are issued.

The main differences between the Islamic accounting standards issued by the accounting and Auditing Organization for Islamic Financial Institution and the International Financial Reporting standards as they should be applied and what has been approved by central Bank of Jordan consist of the following:

First: Provisions for expected credit losses are made in accordance with FAS (30) issued by the organization for Islamic Financial Institutions and according to the instructions of the Central Bank of Jordan, whichever is stricter, the major differences are as follows:

- Sukuk issued or guaranteed by the Jordanian government are excluded so that credit exposures on the Jordanian government and guaranteed by it are addressed without credit losses.
- When calculating credit losses against credit exposures, the results are obtained according to FAS (30) issued by the Organization for Islamic Financial Institutions are compared with the instructions of the Central Bank of Jordan No. (47/2009) dated December 10, 2009 for each stage separately. The most stringent result is selected.
- Revenue and commissions are suspended on non-performing credit financing granted to clients in accordance with the Central Bank of Jordan instructions.

Second: Assets seized by the bank against debts are disclosed in the condensed consolidated interim statement of financial position under "Other Assets", and recorded using the acquisition value or fair value, whichever is less, and they are reevaluated individually at the date of the consolidated financial statements. In the Condensed Consolidated Interim Statement of Profit or Loss and Comprehensive Income however, the increase in value is not recorded as revenue. Subsequent increase in fair value is recorded in the Condensed Consolidated Interim Statement of Profit or Loss and Comprehensive Income to the extent that it does not exceed the value of the decrease that has been previously recorded. Also, a progressive provision is recorded for the assets seized against debts, according to the Central Bank of Jordan letter No. 10/3/13246 dated on 2 September 2021 as (5%) of the total book values of these properties starting from the year 2022 to achieve the required percentage of (50%) for these properties by the end of year 2030.

The condensed consolidated interim financial information is presented in Jordanian Dinar (JD), which is the functional currency of the Bank.

The separation between what belongs to the Shareholders' equity and what belongs to the unrestricted investment accounts holders is taken into consideration.

Unrestricted investment accounts mean joint investment accounts wherever they are mentioned.

The interim condensed consolidated financial information does not include all the information and explanations required for the annual consolidated financial statements prepared in accordance with the Accounting Standards for Islamic Financial institutions issued by the Accounting and Auditing Organization for Islamic financial institutions as approved by the central bank of Jordan , and it must be read with the annual Financial statements of the bank as of 31 December 2021 ,Moreover, the results of the three – months operations ending 31 March 2022 do not represent the inclusion of the expected results for year ending December 31, 2022. The appropriation has not been made to the profits for the three-month period ended 31 March 2022 which will be performed at the end of the fiscal year.

B- Significant Accounting Judgments , Key Sources of Uncertainty Estimation and Risks Management:

The Preparation of the condensed consolidated interim financial information and application of the accounting policies are required from the banks management to make judgments, estimates, and assumptions that affect the amounts of financial assets and financial liabilities disclose contingent liabilities. Moreover, these estimates and judgments affect revenues, expenses, provisions in general , and expected credit losses as well as the changes in fair value that appear in the condensed consolidated interim statement of profit or loss and within the shareholders' equity. Furthermore, the Bank's management is required to make judgments to estimate the amount and timing of future cash flows. These estimates are necessarily based on multiple believes hypothesis and factors with varying degrees of estimation and uncertainty. Meanwhile, the actual results may differ from estimates due to the changes arising from the conditions and circumstances of those estimates in the future.

The bank mangment bellives that estimates used in the preparation of this condensed consolidated interim financial information are reasonable and consistent with those used in the preparation of the Bank's annual consolidated financial statements for the year ended 31 December 2021.

C-BASIS OF CONSOLIDATION OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

The Condensed interim financial information comprises of the condensed consolidated interim financial information of the Bank and its subsidiary which are financed by the self funds of the Bank that has the control to govern the operational and financial policies of the Subsidiaries to obtain benefits from their activities. All inter-company balances, transactions, revenues, expenses and off -balance sheet items between the Bank and its subsidiary are eliminated.

The condensed consolidated interim financial information of the subsidiary is prepared for the same reporting period as the Bank, using same accounting policies applied the Bank.

The subsidiary of the Bank at 31 March 2022 is as follows:

Subsidiary name	Paid in Capital	Source of Funding	Ownership %	Company Main Activity	Operation location	Acquisition Date
	(JD)					
Misc for brokerage company	2,000,000	Self	100%	Brokerage	Amman	2011

The subsidiary operations results are consolidated in the condensed consolidated interim information of profit or loss and comprehensive income from the acquisition date which is the date the bank actually obtains control on the subsidiary. The subsidiary ceased operations result are consolidated in the condensed consolidated interim information of profit or loss and comprehensive income, and continue to be consolidated until the date that such control ceases.

Non-controlling interests represent the portion of owners' equity that is not owned by the Bank in its subsidiary.

3-ACCOUNTING POLICIES

The accounting policies used in preparing the condensed consolidated interim financial information for the period ended on 31 March 2022 are consistent with those followed in preparing the consolidated financial information for the year ended 31 December 2021, except for the effect of the new Accounting Standards for Islamic institutions that became effective at the beginning of the year 2022, which are mentioned in Note (25).

(4) CASH AND BALANCES AT THE CENTRAL BANK

The details of this item are as follows:

	31 March 2022(Reviewed)	31 December 2021(Audited)
	JD	JD
Cash on hand	26,585,691	22,099,424
Balances at the Central Bank of Jordan:		
Current accounts	298,359,182	259,858,283
Statutory cash reserve	81,038,354	76,695,657
Total	405,983,227	358,653,364

- Except for the statutory cash reserve, there are no other restricted cash balances at the Central Bank Of Jordan as of 31 March 2022 and 31 December 2021 .
- No provision for expected credit losses has been calculated on the balances with the Central Bank of Jordan , as they are exposures to the Jordanian government.

The movement on balances at banks and banking institutions is as follows:

	Stage 1 (individual) For the period ended 31 March 2022 JD	Stage 1 (individual) For the year ended 31 December 2021 JD
Balance at the beginning of the period /year	336,553,940	330,865,686
New balances during the period / year	-	430
Repaid balances	-	-
Changes resulting from modifications	42,843,596	5,687,824
Balance at the end of the period / year	379,397,536	336,553,940

(5) INTERNATIONAL WAKALA INVESTMENTS - NET

The details of this item are as follows:

	Jointly financed	
	31 March 2022(Reviewed)	31 December 2021(Audited)
	JD	JD
Matures:		
Within a month	93,602,554	66,701,844
From a month to three months	5,070,728	17,209,456
From three to six months	1,859,849	2,771,936
Total International Wakala Investments	100,533,131	86,683,236
Less: Expected credit losses for international wakala investments	(636,396)	(558,588)
Net International Wakala Investments	99,896,735	86,124,648

(6) DEFERRED SALES RECEIVABLES AND OTHER RECEIVABLES- NET

The details of this item are as follows:

	Jointly financed		Self financed		Total	
	31 March 2022(Reviewed)	31 December 2021(Audited)	31 March 2022(Reviewed)	31 December 2021(Audited)	31 March 2022(Reviewed)	31 December 2021(Audited)
	JD	JD	JD	JD	JD	JD
Individuals (retail)						
Murabaha to the purchase orderer	375,217,846	357,150,865	1,419,367	1,387,424	376,637,213	358,538,289
Ijara Muntahia Bittamleek - receivables	1,744,116	1,440,495	1,024	246	1,745,140	1,440,741
Other receivables	5,795,955	5,243,641	30,612	30,612	5,826,567	5,274,253
Real estate financing	22,471,175	23,922,928	-	-	22,471,175	23,922,928
Ijara Muntahia Bittamleek - receivables	856,715	431,709	-	-	856,715	431,709
Corporate						
International Murabaha	11,277,069	-	-	-	11,277,069	-
Murabaha to the purchase orderer	435,206,871	430,360,904	-	-	435,206,871	430,360,904
Ijara Muntahia Bittamleek - receivables	2,085,275	2,161,551	-	-	2,085,275	2,161,551
Other receivables	-	-	685,187	779,145	685,187	779,145
Small and medium enterprises						
Murabaha to the purchase orderer	48,541,530	44,951,938	-	-	48,541,530	44,951,938
Ijara Muntahia Bittamleek - receivables	69,463	20,110	-	-	69,463	20,110
Other receivables	-	-	1,552,921	1,922,767	1,552,921	1,922,767
Government and the public sector	375,761,282	384,465,171	-	-	375,761,282	384,465,171
Total	1,279,027,297	1,250,149,312	3,689,111	4,120,194	1,282,716,408	1,254,269,506
Less: Deferred revenue	142,882,613	144,157,955	183,582	174,257	143,066,195	144,332,212
Suspended revenue	2,344,494	2,149,584	7,112	7,112	2,351,606	2,156,696
Expected credit losses	47,216,871	44,532,900	73,527	32,404	47,290,398	44,565,304
Net deferred sales receivable and other	1,086,583,319	1,059,308,873	3,424,890	3,906,421	1,090,008,209	1,063,215,294

- The non- performing deferred sales receivables , other receivables , facilities and Ijara Muntahia bittamleek receivables amounted to JD 32,167,028 as at 31 March 2022 , representing 2.50% of deferred sales receivables, other receivables, facilities and Ijara Muntahia Bittamleek receivables (JD 30,246,226 as at 31 December 2021, representing 2.41% of deferred sales receivables, other receivables, facilities and Ijara Muntahia Bittamleek receivables).
- The non- performing deferred sales receivables , other receivables , facilities and Ijara Muntahia bittamleek receivables after deducting suspended revenue amounted to JD 29,815,422 as at 31 March 2022, representing 2.32% of deferred sales receivables, other receivables, facilities and Ijara Muntahia Bittamleek receivables (JD 28,089,530 as at 31 December 2021, representing 2.24% of deferred sales receivables, other receivables, facilities and Ijara Muntahia Bittamleek receivables).
- The provision for impairment of the jointly financed facilities portfolio, which is calculated based on the Central Bank of Jordan's Instructions No.(47/2009) and based on (watch list) amounted to JD 1,458,255 Moreover, the provision calculated based on the "individual customer"(non-performing) amounted to JD 26,872,317 as at 31 March 2022 (JD 642,260 and JD 24,646,935 respectively as at 31 December 2021).
- The deferred sales receivables and other receivables and facilities granted to and guaranteed by the Government of the Hashemite Kingdom of Jordan amounted to JD 228,122,013 as at 31 March 2022, representing 17.78% of the balance of deferred sales receivables , other receivables and facilities (JD 235,350,835 as at 31 December 2021, representing 18.76% of the balance of deferred sales receivables , other receivables and facilities).

- The movement on credit financing (after deducting suspended and deferred revenue) :

A- Self financed (Deferred sales receivables , other receivable and Qard hasan)

Item	For the three month period ended 31 March 2022					
	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD	JD	JD
Total balance at the beginning of the period	1,814,416	2,146,470	242,810	1,015,554	539,157	5,758,407
New facilities during the period	1,829,282	304,740	406,715	1,808	38	2,542,583
Settled facilities	(130,949)	(58,226)	(544)	(139)	(316)	(190,174)
Transfer to Stage 1	52,792	36,820	(52,792)	(36,820)	-	-
Transfer to Stage 2	(192,619)	(27,833)	192,619	27,833	-	-
Transfer to Stage 3	-	(64,627)	-	(35,598)	100,225	-
The total impact on the size of exposures as a result of changing the classification between stages	(16,740)	(9,321)	(23,192)	(5,845)	(1,311)	(56,409)
Changes resulting from modifications	(331,463)	(242,817)	(7,078)	(196,542)	52	(777,848)
Total balance at the end of the period	3,024,719	2,085,206	758,538	770,251	637,845	7,276,559

- The movement on provision for expected credit losses on credit facilities - self financed :

Item	For the three month period ended 31 March 2022					
	Corporate's	Small and medium enterprises	Individual (Retail)	Real estate loans	Government and the public sector	Total
	JD	JD	JD	JD	JD	JD
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the period	24,306	55,397	152,962	-	-	232,665
Impairment loss on new financing during the period	67,316	1,514	797	-	-	69,627
Recoverable from the loss on settled facilities	(1,540)	(71)	(415)	-	-	(2,026)
Transfer to Stage 1	13	-	(1)	-	-	12
Transfer to Stage 2	(13)	-	(6)	-	-	(19)
Transfer to Stage 3	-	-	7	-	-	7
Effect on the provision - as at the end of the year - as a result of the change in classification between the three stages during the period	(5)	476	696	-	-	1,167
change in classification between the three stages during the period	(4,463)	-	(436)	-	-	(4,899)
Total balance at the end of the period	85,614	57,316	153,604	-	-	296,534

Redistribution:

Provisions on an individual basis	85,614	55,801	147,591	-	-	289,006
Provisions at a collective basis	-	1,515	6,013	-	-	7,528

- The movement on credit financing (after deducting suspended and deferred revenue) :

B- Jointly financed

Item	For the three month period ended 31 March 2022					
	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD	JD	JD
Total balance at the beginning of the period	666,727,092	302,213,964	69,779,932	37,610,805	27,509,980	1,103,841,773
New facilities during the period	29,516,895	41,899,786	11,491,493	1,615,876	-	84,524,050
Settled facilities	(12,789,047)	(6,616,345)	(4,150,022)	(1,277,760)	(74,474)	(24,907,648)
Transfer to Stage 1	1,997,811	5,299,788	(1,997,811)	(5,139,730)	(160,058)	-
Transfer to Stage 2	(20,967,400)	(10,920,607)	20,967,399	11,218,374	(297,766)	-
Transfer to Stage 3	(6,621)	(459,325)	(385,600)	(1,239,712)	2,091,258	-
The total impact on the size of exposures as a result of changing the classification between stages	(32,833)	(697,906)	(48,615)	(167,592)	(29,846)	(976,792)
Changes resulting from modifications	(10,336,422)	(15,720,274)	(2,716,261)	(65,317)	157,081	(28,681,193)
Total balance at the end of the period	654,109,475	314,999,081	92,940,515	42,554,944	29,196,175	1,133,800,190

- The movement on provision for expected credit losses on credit facilities - jointly financed :

Item	For the three month period ended 31 March 2022					
	Corporate's	Small and medium enterprises	Individual (Retail)	Real estate loans	Government and the public sector	Total
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the period	29,450,057	1,574,594	9,478,100	4,030,149	-	44,532,900
Loss on new financing during the period	2,455,268	17,948	166,512	93	-	2,639,821
Recoverable from impairment loss on settled facilities	(1,175,734)	(2,700)	(92,224)	-	-	(1,270,658)
Transfer to Stage 1	(417,361)	28,643	184,906	1,071	-	(202,741)
Transfer to Stage 2	276,086	(18,214)	(62,980)	(468,426)	-	(273,534)
Transfer to Stage 3	141,275	(10,429)	(121,926)	467,355	-	476,275
Effect on the provision - as of the end of the period - as a result of the change in classification between the three stages during the period	24,024	(14,773)	1,365,297	(4,266)	-	1,370,282
Changes resulting from modifications	(1,160,900)	231,742	838,242	35,442	-	(55,474)
Total balance at the end of the period	29,592,715	1,806,811	11,755,927	4,061,418	-	47,216,871
Redistribution:						
Provisions on an individual basis	29,592,715	1,139,716	8,287,719	4,061,172	-	43,081,322
Provisions at a collective basis	-	667,095	3,468,208	246	-	4,135,549

Suspended revenue :

The movement on suspended revenue is as follows:

	Self financed							
	For the three month period ended 31 March 2022 (Reviewed)				For the year ended 31 December 2021 (Audited)			
	Individual (Retail)	Corporate	Small and medium enterprises	Total	Individual (Retail)	Corporate	Small and medium enterprises	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Balance at the beginning of the period / year	-	7,112	-	7,112	-	7,112	-	7,112
Add: suspended revenue during the period / year	-	-	-	-	-	-	-	-
Less: suspended revenue transferred to revenue	-	-	-	-	-	-	-	-
Balance at the end of the period / year	-	7,112	-	7,112	-	7,112	-	7,112

	Jointly financed							
	For the three month period ended 31 March 2022 (Reviewed)				For the year ended 31 December 2021 (Audited)			
	Individual (Retail)	Corporate	Small and medium enterprises	Total	Individual (Retail)	Corporate	Small and medium enterprises	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Balance at the beginning of the period / year	984,711	1,081,696	83,177	2,149,584	815,512	932,660	34,853	1,783,025
Add: suspended revenue during the period / year	154,321	54,512	12,667	221,500	461,987	222,544	51,489	736,020
Less: suspended revenue transferred to revenue	26,215	-	375	26,590	292,788	73,508	3,165	369,461
Balance at the end of the period / year	1,112,817	1,136,208	95,469	2,344,494	984,711	1,081,696	83,177	2,149,584

(7) FINANCIAL ASSETS AT FAIR VALUE THROUGH UNRESTRICTED INVESTMENT ACCOUNTS HOLDERS' EQUITY - NET

The details of this item are as follows:

	Jointly financed	
	31 March 2022 (Reviewed)	31 December 2021 (Audited)
	JD	JD
Quoted Financial Assets :		
Corporate Shares	586,416	478,651
Islamic Sukuk	63,207,934	71,457,019
Total Quoted Financial Assets	63,794,350	71,935,670
Unquoted Financial Assets:		
Corporate Shares	2,564,807	2,564,807
Islamic Sukuk	90,096,000	90,096,000
Total Unquoted Financial Assets	92,660,807	92,660,807
Total Financial Assets At Fair Value through Unrestricted Investment Accounts		
Holders' Equity	156,455,157	164,596,477
Less: provision for Expected Credit Loss for financial assets	(224,319)	(232,800)
Net Financial Assets at Fair Value through Unrestricted Investment Accounts	156,230,838	164,363,677
Holders' Equity		

(8) IJARA MUNTAHIA BITTAMLEEK ASSETS - NET

The details of this item are as follows:

	Jointly financed			Self financed			Total		
	Cost	Accumulated Depreciation	Net Value	Cost	Accumulated Depreciation	Net Value	Cost	Accumulated Depreciation	Net Value
	JD	JD	JD	JD	JD	JD	JD	JD	JD
31 March 2022 (Reviewed)									
Ijara Muntahia Bittamleek assets-real estate	596,150,984	(95,779,832)	500,371,151	7,231,341	(1,477,975)	5,753,366	603,382,325	(97,257,807)	506,124,517
Ijara Muntahia Bittamleek assets-machines	64,139,908	(13,626,386)	50,513,523	-	-	-	64,139,908	(13,626,386)	50,513,523
Ijara Muntahia Bittamleek assets-vehicles	117,976	(39,081)	78,895	-	-	-	117,976	(39,081)	78,895
Total	660,408,868	(109,445,299)	550,963,569	7,231,341	(1,477,975)	5,753,366	667,640,209	(110,923,274)	556,716,935

	Jointly financed			Self financed			Total		
	Cost	Accumulated Depreciation	Net Value	Cost	Accumulated Depreciation	Net Value	Cost	Accumulated Depreciation	Net Value
	JD	JD	JD	JD	JD	JD	JD	JD	JD
31 December 2021 (Audited)									
Ijara Muntahia Bittamleek assets-real estate	580,679,266	(91,816,833)	488,862,433	6,879,147	(1,421,957)	5,457,190	587,558,413	(93,238,790)	494,319,623
Ijara Muntahia Bittamleek assets-machines	51,976,724	(12,579,226)	39,397,498	-	-	-	51,976,724	(12,579,226)	39,397,498
Ijara Muntahia Bittamleek assets-vehicles	117,976	(29,841)	88,135	-	-	-	117,976	(29,841)	88,135
Total	632,773,966	(104,425,900)	528,348,066	6,879,147	(1,421,957)	5,457,190	639,653,113	(105,847,857)	533,805,256

- The accrued Ijara installments amounted to JD 4,756,593 as at 31 March 2022 (JD 4,054,111 as at 31 December 2021). The accrued Ijara installments were presented under deferred sales receivables and other receivables-Net (Note 6).

- The non-performing Ijara Muntahia Bittamleek amounted to JD 6,309,788 as at 31 March 2022 , representing 1.31% of the balance of Ijara Muntahia Bittamleek assets (JD 5,320,249 as at 31 December 2021 , representing 1.00% of the balance of Ijara Muntahia Bittamleek assets).

(9) OTHER ASSETS

The details of this item are as follows:

	31 March 2022 (Reviewed)	31 December 2021 (Audited)
	JD	JD
Checks under collection	357,379	145,876
Assets seized by the Bank against debts-Net*	7,794,251	7,941,658
Prepaid expenses	2,978,577	1,120,008
Deposit Insurance Corporation fees/Prepaid	1,792,784	-
Accrued revenue	1,265,641	1,580,066
Stationery and printing inventory	271,575	228,399
Remittances clearing	63,226	33,694
Withholding income tax	34,200	31,180
Petty cash and advances	61,097	134,170
Other accounts receivable	664,899	648,306
Others	1,368,527	1,181,331
Total	16,652,156	13,044,688

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

	For the three month period ended 31 March 2022 (Reviewed)			For the year ended 31 December 2021 (Audited)
	Seized real estates - self financed	Seized real estates- jointly financed	Total	Total
	JD	JD	JD	JD
Balance at the beginning of the period / year	409,833	8,620,321	9,030,154	6,945,645
Additions	-	1,767	1,767	2,468,822
Sales and disposals	-	(142,106)	(142,106)	(384,313)
Total	409,833	8,479,982	8,889,815	9,030,154
Provision of seized assets(CBJ Instructions) /impairment of real estate	(343,441)	(752,123)	(1,095,564)	(1,088,496)
Balance at the end of the period / year	66,392	7,727,859	7,794,251	7,941,658

- The Central Bank of Jordan's regulations require disposal of seized assets during a maximum period of 2 years from the date of repossession, and in some exceptional cases the Central Bank of Jordan can extend the period for additional 2 years.
- The recorded provision for seized assets against debts that violate Article (48) of the Banks Law No.(28) for the year 2000 and its amendments. Moreover, the provision for seized real estates /self-financed amounted to JD 237,254 as of 31 March 2022 (JD 225,754 as of 31 December 2021).

The following is the movement on the provision for seized real estate (Central Bank of Jordan instructions / real estate impairment was as follows):

	For the three month period ended 31 March 2022 (Reviewed)			For the year ended 31 December 2021 (Audited)
	Seized real estates - self financed	Seized real estates- jointly financed	Total	Total
	JD	JD	JD	JD
Provision balance at the beginning of the period / year	(343,441)	(745,055)	(1,088,496)	(445,132)
Additions to the provision for in real estate	-	-	-	(662,240)
Additions to the provision for violating real estate (instructions of the Central Bank of Jordan)	-	(11,500)	(11,500)	(12,197)
Disposal from the provision for impairment of real estate	-	4,432	4,432	30,240
Exclusions from the violating real estate allowance (instructions of the Central Bank of Jordan)	-	-	-	833
Balance at the end of the period / year	(343,441)	(752,123)	(1,095,564)	(1,088,496)

(10) INCOME TAX

A- Income tax provision

The movement on the income tax provision is as follows :

	For the three month period ended 31 March	For the year ended 31 December
	2022 (Reviewed)	2021 (Audited)
	JD	JD
Beginning balance for the period/year	8,332,402	8,298,808
Accrued income tax	2,519,033	10,177,077
Less : Income tax paid	(2,326,093)	(10,143,483)
Ending balance for the period/year	<u>8,525,342</u>	<u>8,332,402</u>

B- The income tax expense presented in the condensed consolidated interim statement of profit or loss and comprehensive income consists of the following:

	For the three month period ended 31 March	
	2022 (Reviewed)	2021 (Reviewed)
	JD	JD
Accrued income tax	(2,519,033)	(1,669,140)
Add: Release deferred tax assets- self financed	-	(141,874)
Add: Release deferred tax assets- jointly financed	-	(191,174)
Less: Deferred tax assets- self financed	80,387	55,633
Less: Deferred tax assets- jointly financed	234,184	32,659
Total	<u>(2,204,462)</u>	<u>(1,913,896)</u>

- A rate of 35% was used to calculate the income tax provision in accordance with the amending Income and Sales Tax Law No. (38) for the year 2018 in addition to a 3% as national contributions.

Tax status:

The Bank :

- Final clearance was obtained from the Income and Sales Tax Department until the end of 2018.
- The annual tax statement for the years 2019 and 2020 were submitted within the legal period and are not yet been reviewed by the Income and Sales Tax Department to the date of preparing the condensed consolidated interim financial information.

The Subsidiary :

Misk Financial Brokerage Company:

- A tax clearance was obtained for the year 2014. The tax returns for the years 2015,2016,2017,2018, and 2020 were accepted within the sampling system issued by the Income and Sales Tax Department.
- The tax return for the year 2019 has been submitted and still pending review by the Income and Sales Tax Department.
- During the year 2021, the company objected to the imposed taxes by the Income and Sales Tax Department for the years 2011,2012 and 2013, and it is currently under consideration by the court. In light of the bank's lawyer's letter regarding this case, the income tax provision as of March 31, 2022 is considered sufficient.

In the opinion of the Bank's management, and the bank's tax consultant the provisions booked in the consolidated financial statements are sufficient for all tax liabilities.

C- Deferred tax assets

The details of this item are as follows:

	For the three month period ended 31 March					For the year ended
	2022 (Reviewed)					31 December
	Beginning Balance for the year	Released Amounts	Additional Amounts	Ending Balance for the period	Deferred tax	Deferred tax
	JD	JD	JD	JD	JD	JD
Deferred tax assets - self financed						
Provision of lawsuits against the bank	340,000	-	-	340,000	129,200	129,200
Provision for impairment of assets seized by the bank against debts - (CB) regulations)	343,441	-	-	343,441	130,508	130,508
Provision for credit losses for the first and second stages - self financed	283,830	-	211,545	495,375	188,242	107,855
Differences in the application of Standard 32 - Lease	636,762	-	-	636,762	241,970	241,970
Provision for contingent liabilities	100,000	-	-	100,000	38,000	38,000
Unpaid Employee bonuses	57,272	-	-	57,272	21,763	21,763
Total Deferred tax assets - self financed	1,761,305	-	211,545	1,972,850	749,683	669,296
Deferred tax assets - jointly financed						
Provision for impairment of assets sized by the bank against debts - jointly financed	643,364	-	-	643,364	244,478	244,478
Provision for credit losses for the first and second stages - jointly financed	15,316,625	-	616,274	15,932,899	6,054,502	5,820,318
Total Deferred tax assets - jointly financed	15,959,989	-	616,274	16,576,263	6,298,980	6,064,796
Total	17,721,294	-	827,819	18,549,113	7,048,663	6,734,092

-The movement on self-financed deferred tax assets is as follows:

	For the three month period ended 31 March	For the year ended 31 December
	2022 (Reviewed)	2021 (Audited)
	JD	JD
Balance at the beginning of the period/year	669,296	807,460
Additions during the period/year	80,387	158,616
Amortized during the period/year	-	(296,780)
Balance at the End of the period/year	749,683	669,296

The movement on jointly-financed deferred tax assets is as follows:

	For the three month period ended 31 March	For the year ended 31 December
	2022 (Reviewed)	2021 (Audited)
	JD	JD
Balance at the beginning of the period/year	6,064,796	4,506,415
Additions during the period/year	234,184	1,558,381
Balance at the end of the period/year	6,298,980	6,064,796

(11) OTHER LIABILITIES

The details of this item are as follows:

	31 March 2022 (Reviewed)	31 December 2021 (Audited)
	JD	JD
Accrued expenses and not paid	1,038,722	410,517
Certified cheques	10,936,044	5,925,643
Expected credit losses on off - balance sheet items-self financed(Note 22)**	490,127	341,537
Expected credit losses on off balance sheet items - Jointly financed(Note 22)***	923,215	841,925
Shareholders and customers withholdings	12,088,707	10,702,612
Customers' share of profits from unrestricted investment	18,297,390	17,867,612
Temporary withholdings*	12,848,583	12,591,008
Visa claims	2,298,326	2,099,032
Others	1,530,519	431,439
Total	60,451,633	51,211,325

* It includes intermediate accounts for an amount of JD 10,954,638 as of 31 March 2022 (JD 10,993,035 as of 31 December 2021), which is the value of LCS and LGS, which will be paid when due.

• Expected credit losses

** Expected credit loss of indirect facilities

A- Self financed

- Movement on indirect facilities for the three month period ended 31 March 2022 :

Item	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD	JD	JD
Total balance at the beginning of the period	90,741,077	-	9,059,946	-	125,309	99,926,332
New exposures during the period	28,955,346	-	5,448,451	-	-	34,403,797
Accrued exposures	(14,175,131)	-	(6,670,246)	-	-	(20,845,377)
Transfer to Stage 1	175,204	-	(175,204)	-	-	-
Transfer to Stage 2	(617,433)	-	627,433	-	(10,000)	-
Transfer to Stage 3	(10,000)	-	-	-	10,000	-
The total impact on the size of exposures as a result of changing the classification between stages	(18,367)	-	(11,229)	-	-	(29,596)
Changes resulting from modifications	29,300,760	-	40,858	-	-	29,341,618
Bad facilities	-	-	-	-	-	-
Adjustments due to change in exchange rates	-	-	-	-	-	-
Total balance at the end of the period	134,351,456	-	8,320,009	-	125,309	142,796,774

- Movement on the provision for expected credit losses (indirect facilities /self financed) for the three month period ended 31 March 2022:

Item	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the period	276,031	-	65,506	-	-	341,537
Impairment loss on new exposures during the	87,784	-	17,504	-	-	105,288
Impairment loss of matured / derecognized	(16,638)	-	(34,891)	-	-	(51,529)
Transfer to Stage 1	1,016	-	(1,016)	-	-	-
Transfer to Stage 2	(3,961)	-	3,961	-	-	-
Transfer to Stage 3	(163)	-	-	-	163	-
Effect on the provision - as at the end of the period - as a result of the change in classification between the three stages during the period	(403)	-	12,507	-	(163)	11,941
Changes resulting from modifications	82,427	-	463	-	-	82,890
Bad facilities	-	-	-	-	-	-
Adjustments due to change in exchange rates	-	-	-	-	-	-
Total balance at the end of the period	426,093	-	64,034	-	-	490,127

*** Expected credit loss of indirect facilities

B- jointly financed

. Movement on indirect facilities for the three month period ended 31 March 2022 :

Item	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD		
Total balance at the beginning of the period	115,142,593	-	4,163,458	-	-	119,306,051
New exposures during the period	24,279,060	-	605,522	-	-	24,884,582
Accrued exposures	(27,474,031)	-	(189,175)	-	-	(27,663,206)
Transfer to Stage 1	157,128	-	(157,128)	-	-	-
Transfer to Stage 2	(1,287,849)	-	1,287,849	-	-	-
Transfer to Stage 3	-	-	-	-	-	-
The total impact on the size of exposures as a result of changing the classification between stages	(85,838)	-	86,682	-	-	844
Changes resulting from modifications	15,524,494	-	(377,028)	-	-	15,147,466
Bad facilities	-	-	-	-	-	-
Adjustments due to change in exchange rates	-	-	-	-	-	-
Total balance at the end of the period	126,255,557	-	5,420,180	-	-	131,675,737

. Movement on the provision for expected credit losses (indirect facilities /self financed) for the three month period ended 31 March 2022:

Item	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD		
Balance at the beginning of the period	774,674	-	67,251	-	-	841,925
Impairment loss on new exposures during the period	97,028	-	11,289	-	-	108,317
Impairment loss of matured / derecognized exposures	(152,043)	-	(3,795)	-	-	(155,838)
Transfer to Stage 1	1,164	-	(1,164)	-	-	-
Transfer to Stage 2	(11,022)	-	11,022	-	-	-
Transfer to Stage 3	-	-	-	-	-	-
Effect on the provision - as at the end of the period - as a result of the change in classification between the three stages during the period	(841)	-	39,549	-	-	38,708
Changes resulting from modifications	74,146	-	15,957	-	-	90,103
Bad facilities	-	-	-	-	-	-
Adjustments due to change in exchange rates	-	-	-	-	-	-
Total balance at the end of the period	783,106	-	140,109	-	-	923,215

(12) UNRESTRICTED INVESTMENT ACCOUNTS

The details of this item are as follows:

	31 March 2022 (Reviewed)					
	Retail	Corporate	Small and medium enterprises	Governmental and Public sector	Banks and Financial Institutions	Total
	JD	JD	JD	JD	JD	JD
Saving accounts	156,982,535	25,085,927	32,626,128	4,252,086	29,531,897	248,478,573
Term accounts/ Investing deposits	904,633,358	155,405,829	125,905,043	169,440,561	985,433	1,356,370,224
Certificates of investing deposit	114,603,495	5,348,127	10,944,666	18,817,483	39,187,322	188,901,093
Total	1,176,219,388	185,839,883	169,475,837	192,510,130	69,704,652	1,793,749,890
Depositors' share from investments' revenue	8,293,943	1,281,431	1,128,688	1,470,429	471,654	12,646,145
Total unrestricted investment accounts	1,184,513,331	187,121,314	170,604,525	193,980,559	70,176,306	1,806,396,035

	31 December 2021 (Audited)					
	Retail	Corporate	Small and medium enterprises	Governmental and Public sector	Banks and Financial Institutions	Total
	JD	JD	JD	JD	JD	JD
Saving accounts	153,230,289	37,799,497	21,999,806	2,219,758	28,071,380	243,320,730
Term accounts/ Investing deposits	845,988,575	142,699,456	105,834,239	163,084,662	7,894,984	1,265,501,916
Certificates of investing deposit	114,130,375	5,080,952	10,693,672	18,388,208	38,552,077	186,845,284
Total	1,113,349,239	185,579,905	138,527,717	183,692,628	74,518,441	1,695,667,930
Depositors' share from investments' revenue	30,363,437	4,735,740	3,699,343	5,537,513	1,322,647	45,658,680
Total unrestricted investment accounts	1,143,712,676	190,315,645	142,227,060	189,230,141	75,841,088	1,741,326,610

- Unrestricted investment accounts share of profit is calculated as follows:
- 20% to 34% of the minimum balance of saving accounts in Jordanian Dinar.
- 14% to 33% of the minimum balance of saving accounts in foreign currencies.
- 53% to 95% of the average term accounts in Jordanian Dinar.
- 18% to 51% of the average term accounts in foreign currencies.
- 90% of the average balances of investing certificates of deposit in Jordanian Dinar.
- 80% to 85% of average balances of certificates of investing deposit in foreign currencies.
- The percentage of the profit on the Jordanian Dinar for the period ended 31 March 2022 is 3.14% (for the same period last year was 3.27%).
- The percentage of the profit on USD for the period ended 31 March 2022 is 0.94% (for the same period last year was 1.13%).
- The unrestricted investment accounts for the government and public sector amounted to JD 193,980,559 as at 31 March 2022 which represents 10.74% of the total unrestricted investment accounts (As at 31 December 2021 amounted to JD 189,230,141 which represents 10.87% of the total unrestricted investment accounts).
- The restricted accounts amounted to JD 303,016 as at 31 March 2022 which represents 0.01% of the total unrestricted investment (As at 31 December 2021 amounted to JD 437,006 which represent 0.03% of the total unrestricted investment).
- The dormant accounts as at 31 March 2022 amounted to JD 19,818,726 (As at 31 December 2021 amounted to JD 17,797,250).

(13) DEFERRED SALES REVENUE

The details of this item are as follows:

	For the three month period ended 31 March			
	2022 (Reviewed)		2021 (Reviewed)	
	Jointly financed	Self financed	Jointly financed	Self financed
	JD	JD	JD	JD
Individuals(Retail)				
Murabaha to the purchase orderer	6,067,164	22,650	4,924,730	24,396
Real estate facilities	513,706	-	443,569	-
Corporate				
International Murabaha	5,968	-	3,232	-
Murabaha to the purchase orderer	5,366,107	-	5,008,503	-
Small and medium enterprises				
Murabaha to the purchase orderer	664,144	-	457,418	-
Government and the public sector	3,257,109	-	2,237,065	-
Total	15,874,198	22,650	13,074,517	24,396

(14) GAINS FROM FINANCIAL ASSETS AT FAIR VALUE THROUGH UNRESTRICTED INVESTMENT ACCOUNTS' HOLDERS EQUITY

The details of this item are as follows:

	Jointly financed	
	For the three month period ended 31 March	
	2022 (Reviewed)	2021 (Reviewed)
	JD	JD
Shares dividends	5,185	1,728
Gain on sale of financial assets	3,359	7,967
Islamic Sukuk profits	544,605	466,826
Total	553,149	476,521

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

The details of this item are as follows:

	Jointly financed							
	For the three month period ended 31 March							
	2022 (Reviewed)				2021 (Reviewed)			
	Realized gains	Unrealized (losses)	Dividends	Total	Realized gains	Unrealized (losses)	Dividends	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Corporate Shares	317	11,896	344	12,557	8,558	(13,009)	-	(4,451)
Sukuk	16,537	(25,996)	-	(9,459)	49,133	10,287	-	59,420
Total	16,854	(14,100)	344	3,098	57,691	(2,722)	-	54,969
Less:								
Contract commission	502	-	-	502	1,315	-	-	1,315
Total	16,352	(14,100)	344	2,596	56,376	(2,722)	-	53,654

(16) BANK'S SELF FINANCED REVENUE

The details of this item are as follows:

Note	Self financed	
	For the three month period ended 31 March	
	2022 (Reviewed)	2021 (Reviewed)
	JD	JD
Ijara Muntahia Bittamleek revenue	158,680	142,677
Deferred sales revenue	22,650	24,396
losses on financial assets through statement of profit or loss - self financed	(7,580)	-
Total	173,750	167,073

(17) EARNINGS PER SHARE FOR THE PERIOD

The details of this item are as follows:

	For the three month period ended 31 March	
	2022 (Reviewed)	2021 (Reviewed)
	JD	JD
Profit for the period	3,556,470	3,103,191
	Share	Share
Weighted average number of shares (Share)	100,000,000	100,000,000
	JD/Fils	JD/Fils
Basic and diluted earnings per share for the period	0/036	0/031

(18) CASH AND CASH EQUIVALENTS

The details of this item are as follows:

	For the three month period ended 31 March	
	2022 (Reviewed)	2021 (Reviewed)
	JD	JD
Cash balances with CBJ maturing within three months	405,983,227	244,491,959
Add: cash at banks and banking institutions maturing within three months	10,382,365	10,352,654
Less: banks and financial banking accounts maturing within three months	(21,852,377)	(39,295,806)
Total	394,513,215	215,548,807

(19) RELATED PARTY TRANSACTIONS

The Bank entered into transactions with shareholders, board members, and senior management within its normal operations using normal rates of Murabaha and trade commissions. All deferred sales receivables and facilities granted to related parties are performing, and no provisions were taken for these balances. The related parties' transactions are as follows:

	Total					
	Main shareholders	Senior management	Board of Directors	Al-Etihad Islamic company for investment*	Sharia directors members	31 March 2022 (Reviewed) 2021 (Audited)
	JD	JD	JD	JD	JD	JD
<u>Condensed consolidated interim statements of financial position items:</u>						
Balances at banks and banking institutions	-	-	-	174,103	-	174,103 270,824
Unrestricted investments accounts and current accounts	108,337	816,890	20,500,607	21,845,781	99,685	43,371,300 43,616,811
Deferred sales receivables and facilities	-	235,492	391	-	-	235,883 256,560
Ijara Muntahia Bittamleek assets	-	1,450,167	485,756	-	-	1,935,923 1,908,945

Condensed consolidated interim statement of profit or loss and comprehensive income items:

	For the three month period ended 31 March					
	2022 (Reviewed)	2021 (Reviewed)	2022 (Reviewed)	2021 (Reviewed)	2022 (Reviewed)	2021 (Reviewed)
Dividends	23	4,438	29,987	5	29	82,829
Salaries and bonuses	-	422,037	13,753	-	13,106	556,542
Transportation	-	-	115,300	-	4,400	124,700

*Al Etihad Islamic For Investment Company which owns 62.37 % of Safwa Islamic Bank.

- The lowest and highest received Murabaha rate were 3.92% and 6.39% respectively.
- The lowest and highest rate of Ijara Muntahia Bittamleek received by the Bank were 3.81% and 7.50% respectively.
- The lowest and highest distributed profit rate were 0.75% and 4.12% respectively.
- Executive management salaries and benefits for the three month period ended 31 March 2022 amounted to JD 422,037 (JD 531,692 as at 31 March 2021).
- All facilities granted to related parties are performing and no provisions were recorded for it.

(20) SEGMENT INFORMATION

A. Information on the Bank's Activities

The Bank is structured for administrative purposes whereby sectors are measured according to the reports used by the executive director and main decision maker at the Bank through three major business sectors:

Individuals Accounts:

This sector follows up on the unrestricted investment accounts, deferred sales receivables, facilities, and other services related to individuals.

Corporate Accounts:

This sector includes unrestricted investment accounts, deferred sales receivables, facilities, and other banking services related to corporate customers.

Treasury:

This sector includes the services of brokerage, treasury and management of the Bank's funds.

Information on the Bank's segments according to activities is shown as follows:

	Individuals	Corporate	Treasury	Other	For the three month period ended 31 March	
					2022 (Reviewed)	2021 (Reviewed)
	JD	JD	JD	JD	Total	Total
Net revenue (joint and self financed)	6,252,466	4,866,126	2,775,554	1,713,799	15,607,945	13,974,291
Expected credit losses (joint and self financed)	(2,278,469)	(680,174)	(88,404)	-	(3,047,047)	(2,947,541)
Results of segment's operations	3,973,997	4,185,952	2,687,150	1,713,799	12,560,898	11,026,750
Distributed expenses	(348,080)	(96,616)	(54,752)	-	(499,448)	(1,074,855)
Undistributed expenses	-	-	-	(6,300,518)	(6,300,518)	(4,934,808)
Profit for the period before tax	3,625,917	4,089,336	2,632,398	(4,586,719)	5,760,932	5,017,087
Income tax expense	-	-	-	(2,204,462)	(2,204,462)	(1,913,896)
Profit for the period	3,625,917	4,089,336	2,632,398	(6,791,181)	3,556,470	3,103,191

	Individuals	Corporate	Treasury	Other	31 March 2022	31 December 2021
					(Reviewed)	(Audited)
	JD	JD	JD	JD	JD	JD
Segments' assets	700,024,220	784,531,108	459,889,075	-	1,944,444,404	1,911,882,196
Undistributed assets	-	-	-	475,249,489	475,249,489	424,253,123
Total assets	700,024,220	784,531,108	459,889,075	475,249,489	2,419,693,893	2,336,135,319
Segments' liabilities and total equity of unrestricted investment accounts holders	1,650,345,105	437,027,958	92,031,646	-	2,179,404,709	2,103,470,211
Undistributed liabilities	-	-	-	74,054,987	74,054,987	69,987,381
Total liabilities and Total equity of unrestricted investment accounts holders	1,650,345,105	437,027,958	92,031,646	74,054,987	2,253,459,696	2,173,457,592

	For the three months period ended 31 March	
	2022 (Reviewed)	2021 (Reviewed)
	JD	JD
Capital expenditure	667,882	228,149
Depreciation and amortization	772,483	805,118

Geographical Distribution Information

The following disclosure represents the geographical distribution. The Bank performs its operations mainly inside the Kingdom.

Distribution of the Bank's revenue, assets and capital expenditure according to geographical area is as follows:

	31 March 2022 (Reviewed)			31 December 2021 (Audited)		
	Inside Jordan	Outside Jordan	Total	Inside Jordan	Outside Jordan	Total
	JD	JD	JD	JD	JD	JD
Total assets	2,233,719,999	185,973,894	2,419,693,893	2,169,640,925	166,494,394	2,336,135,319

	For the three month period ended 31 March 2022 (Reviewed)			For the three month period ended 31 March 2021 (Reviewed)		
	Inside Jordan	Outside Jordan	Total	Inside Jordan	Outside Jordan	Total
	JD	JD	JD	JD	JD	JD
Total revenue	15,169,399	438,546	15,607,945	13,365,852	608,439	13,974,291
Capital expenditure	667,882	-	667,882	228,149	-	228,149

(21) CAPITAL MANAGEMENT

The Bank's management takes into consideration the Central Bank of Jordan's requirements which require the Bank to have sufficient self-financed resources to cover a certain percentage of its risk-weighted assets based on the nature of the finance granted and direct investment made. Accordingly, the capital considered as per the Central Bank of Jordan's requirements is the regulatory capital (both basic and additional capital).

Capital management aims to invest the Bank's fund in various risk-weighted investments (low and high risk) to ensure that the Bank obtains a better rate of return and to maintain a capital adequacy of 12% as required by the Central Bank of Jordan.

The capital adequacy ratio is calculated as on 31 March 2022 according to the instructions of the regulatory capital No. (72/2018) issued by the Central Bank of Jordan in accordance with the revised standard No. (15) issued by the Islamic Financial Services Council (IFSB) in support of the provisions of Article (99) / B) from the Banking Law. The following is the capital adequacy ratio in thousands of dinars:

	31 March 2022 (Reviewed)	31 December 2021 (Audited)
	JD"000	JD"000
Basic capital items	154,311	151,339
Authorised capital (Paid)	100,000	100,000
Retained earnings	32,911	32,911
Statutory reserve	29,767	29,767
Proposed dividends	(6,000)	(6,000)
The bank's share of the fair value reserve in full if the fund's are mixed	(220)	35
Profit for the period after tax and after proposed dividends	3,556	-
Intangible assets	(2,034)	(1,920)
Deferred tax assets	(750)	(669)
The Bank's share of the deferred tax assets (jointly financed)	(2,727)	(2,614)
The bank's share in the capital of banks and financial Institutions that is less than 10%	(192)	(171)
Additional capital	-	-
Supporting capital	1,880	2,133
Self financed general banking risks reserve and the bank's share from the General banking risks reserve (joint) not to exceed 1.25% of the financial assets weighted by credit risks	1,880	2,152
Investment in financial banks and takaful companies that is less than 10%	-	(19)
Investments in non-consolidated subsidiaries' capital accounts with bank accounts	-	-
Total regulatory capital	156,191	153,472
Total risk weighted assets	905,048	846,971
Capital adequacy ratio (%)	17.26%	18.12%
Basic capital ratio (%)	17.05%	17.87%
First slide ratio Tier 1 (%)	17.05%	17.87%
Second slide ratio Tier 2 (%)	0.21%	0.25%
Leverage ratio	13.21%	14.04%

(22) CONTINGENT COMMITMENTS (OFF BALANCE SHEET)**A- Contingent credit and commitments/self financed***

	31 March 2022 (Reviewed)	31 December 2021 (Audited)
	JD	JD
Letters of credit	62,685,777	51,060,277
Acceptances	37,568,459	9,862,493
Letters of guarantees:		
Payment	8,509,104	9,091,293
Performance	15,359,034	12,988,791
Others	18,674,400	16,923,478
Total	142,796,774	99,926,332
B. Contingent credit and commitments/jointly financed		
Direct unutilized credit limits	131,675,737	119,306,051
Total	131,675,737	119,306,051

*Indirect unutilized credit limits / self financed amounted to JD 24,101,140 as at 31 March 2022 .

The expected credit losses recorded against contingent credit commitments/self financed amounted under the implementation instructions of FAS (30) issued by Organization for Islamic Financial Institutions amounted to JD 490,127 as at 31 March 2022 (JD 341,537 as at 31 December 2021) and recorded in the other liabilities (note 11).

The expected credit losses recorded against contingent credit commitments/jointly financed amounted under the implementation instructions of FAS (30) issued by Organization for Islamic Financial Institutions amounted to JD 923,215 as at 31 March 2022 (JD 841,925 as at 31 December 2021) and recorded in other liabilities (note 11).

(23) LAWSUITS AGAINST THE BANK

The Bank is a defendant in a number of lawsuits, which amounted to JD 724,575 as at 31 March 2022 (JD 720,885 as at 31 December 2021) and that is within the bank's normal activity. In the opinion of the Bank's Management and the legal advisor, the related booked provision is adequate for any liabilities arise therefrom.

(24) FAIR VALUE HIERARCHY

The standard requires the identification and disclosure of a level in the fair value hierarchy in which fair value measurements are categorized in full, and the fair value measurements are classified according to the levels specified in IFRS. The difference between level (2) and level (3) for fair value measurements means assessing whether information or inputs are observable and the importance of information that is not observable. This requires careful judgment and analysis of the inputs used to measure fair value including consideration of all factors affecting the asset or liability.

A. Fair value of financial assets and financial liabilities that are measured at fair value on a recurring basis:

Some of the financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table provides information about how the fair value of these financial assets and financial liabilities is determined (valuation techniques and key inputs).

Financial Assets/Financial Liabilities	Fair value as at		Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable	Relationship of unobservable inputs to fair value
	31 March 2022 (Reviewed)	31 December 2021 (Audited)				
	JD	JD				
Financial assets at fair value through statement profit or loss	1,968,092	1,565,294	level 1	Quoted rates in financial markets	Not applicable	Not applicable
Financial assets at fair value through unrestricted investment accounts' holders equity (before deducting provision)						
Quoted shares	586,416	478,651	level 1	Quoted rates in financial markets	Not applicable	Not applicable
Quoted sukuk	63,207,934	71,224,219	level 1	Quoted rates in financial markets	Not applicable	Not applicable
Unquoted shares	2,564,807	2,564,807	level 3	The latest financial prices available	Not applicable	Not applicable
Unquoted sukuk	90,096,000	90,096,000	level 2	A similar financial instrument	Not applicable	Not applicable
Total Financial assets at fair value through unrestricted investments accounts	156,455,157	164,363,677				
Total	158,423,249	165,928,971				

There were no transfer between level 1 and 2 during the period ended 31 March 2022 and the year 2021.

B. Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis:

Except for what is detailed in the following table, we believe that the carrying amounts of financial assets and financial liabilities recognized in the Bank's financial statements approximate their fair values.

	31 March 2022 (Reviewed)		31 December 2021 (Audited)		Fair value hierarchy
	Book value	Fair value	Book value	Fair value	
	JD	JD	JD	JD	
Financial assets not calculated at fair value					
Cash and bank balances	416,365,592	416,365,592	366,947,295	366,947,295	Level 2
Qard Hasan - Net	3,555,135	3,555,135	1,619,321	1,619,321	Level 2
Deferred sales receivables and other receivables - Net	1,090,008,209	1,233,074,404	1,063,215,294	1,207,547,506	Level 2
Financial assets at amortized cost	37,313,000	37,491,939	64,752,000	65,774,037	Level 2
Ijara muntahia Bittamleek assets - Net	556,716,935	556,716,935	533,805,256	533,805,256	Level 2
Total financial assets not calculated at fair value	2,103,958,871	2,247,204,005	2,030,339,166	2,175,693,415	
Financial liabilities not calculated at fair value					
Customers' current accounts and unrestricted investment accounts	2,080,226,932	2,098,331,517	2,031,393,378	2,049,090,448	Level 2
Cash margin accounts	73,265,918	73,458,723	56,124,802	56,295,344	Level 2
Total financial liabilities not calculated at fair value	2,153,492,850	2,171,790,240	2,087,518,180	2,105,385,792	

(25) Analysis of the impact of the standards recently issued by the Accounting and Auditing Organization (AAOIFI)

Islamic Accounting standard that issued and effect as of the first of January 2022 :

Financial Accounting Standard No. 37 "Financial Reporting for Endowment Establishments

This standard sets out the comprehensive accounting and financial reporting requirements for endowment institutions and similar institutions, including requirements for public presentation and disclosure and special presentation requirements such as yield requirements and basic accounting treatments related to some aspects of endowment institutions.

The principles contained in this standard are consistent with the principles and provisions of Sharia, and this helps to reach a better understanding of the information contained in the general-purpose financial statements and enhances the confidence of stakeholders in endowment institutions.

This standard will be applied as of 1 January 2022, with early application permitted. The newly established endowment foundation must apply this standard since its establishment

Financial Accounting Standard No. 38 "(Promise), (Option), (Hedging)

This standard describes the accounting and reporting principles and requirements for (promise), (option), and (hedging) arrangements for Islamic financial institutions. Many products such as Murabaha and Ijara offered by institutions incorporate the implementation of a promise or option in one way or another. An additional promise or option that aligns with this Standard is a promise or option associated with a Shariah-compliant arrangement concerning its structure that does not generate any asset or liability unless it turns into an impairment contract or liability. On the other hand, a Waad product is a stand-alone arrangement that is compatible with other Sharia. A series, series or series of financial transactions, in line with the principles and rules of Sharia. The role of such papers.

The effective date for this is 1 January 2022.

(26) - Impact of the Coronavirus ("Covid-19")

"There have been no material changes as a result of Covid-19 in the Bank's financial position and financial performance as at 31 March 2022, and there are no material changes in its main accounting judgments and estimates from those applied in the annual financial statements as at 31 December 2021.

(27) Subsequent Events

On April 24, 2022, the General Assembly of Shareholders approved the Board of Directors' recommendation to distribute 6% of the authorized and paid-up capital as cash dividends for 2021 representing 6 million dinars.