

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

CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION  
FOR THE SIX MONTHS ENDED 30 JUNE 2021  
TOGETHER WITH THE INDEPENDENT  
AUDITOR'S REVIEW REPORT

SAFWA ISLAMIC BANK  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN-THE HASHEMITE KINGDOM OF JORDAN  
30 JUNE 2021

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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 June 30, 2021 and the related condensed consolidated interim statements of profit or loss and comprehensive income for the three months and six months period ended in June 30, 2021, changes in shareholders' equity and cash flows for the six 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  
July 29, 2021

  
Deloitte & Touche (M.E.) - Jordan

"Statement A"

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

**Condensed Consolidated Interim Statement of Financial Position**

	Note	30 June 2021 (Reviewed) JD	31 December 2020 (Audited) JD
<b><u>Assets</u></b>			
Cash and balances with the Central Bank	4	287,477,459	351,694,499
Balances at banks and the financial institutions	5	8,391,344	9,669,834
International wakala investments-net	6	108,122,906	78,717,349
Financial assets at fair value through statement of income	7	7,517,358	1,513,175
Deferred sales receivables and other receivables-net	8	1,004,483,735	753,903,198
Financial assets at fair value through unrestricted investment accounts' holders equity-net	9	65,042,329	58,488,983
Financial assets at amortized cost -net		64,752,000	92,191,000
Investment in associate		343,709	349,507
Ijara Muntahia Bittamleek assets-net	10	471,659,975	422,067,496
Qard Hasan-Net	Statement "E"	1,855,094	1,721,260
Property and equipment-net		22,163,661	22,889,345
Intangible assets - net		1,824,886	2,024,886
Right of use assets		8,430,269	8,969,372
Deferred tax assets	13/C	5,897,702	5,313,875
Other assets	11	14,721,695	10,725,424
<b>Total Assets</b>		<b>2,072,684,122</b>	<b>1,820,239,203</b>
<b><u>Liabilities</u></b>			
Banks and financial Institutions accounts		30,085,064	25,085,579
Customers' current accounts	12	282,235,360	228,380,089
Cash margins		34,812,464	26,856,968
Income tax provision	13/A	4,899,487	8,298,808
Other provisions		770,000	954,597
Lease liabilities		8,226,351	8,898,628
Other liabilities	14	55,750,229	40,422,039
<b>Total Liabilities</b>		<b>416,778,955</b>	<b>338,896,708</b>
<b><u>Unrestricted Investment Accounts Holders' Equity</u></b>			
Unrestricted investment accounts	15	1,499,946,433	1,326,573,194
Fair value reserve	16	398,929	151,894
<b>Total Unrestricted Investment Accounts Holders' Equity</b>		<b>1,500,345,362</b>	<b>1,326,725,088</b>
<b><u>Shareholders' Equity</u></b>			
Paid up capital	17	100,000,000	100,000,000
Statutory reserve	17	27,485,171	27,485,171
Retained earnings	18	21,132,236	27,132,236
Profit for the period		6,942,398	-
<b>Total Shareholders' Equity</b>		<b>155,559,805</b>	<b>154,617,407</b>
<b>Total Liabilities, Unrestricted Investment Accounts Holders' and Shareholders' Equity</b>		<b>2,072,684,122</b>	<b>1,820,239,203</b>
<b>Wakala Investments accounts</b>	Statement "B"	<b>4,281,243</b>	<b>7,096,305</b>

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 "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**

	Note	For The Three Month Period Ended 30 June		For The Six Month Period Ended 30 June	
		2021 (Reviewed)	2020 (Reviewed)	2021 (Reviewed)	2020 (Reviewed)
		JD	JD	JD	JD
Deferred sales revenue	19	14,504,647	10,886,427	27,579,164	22,698,268
Ijara Muntahia Bittamleek assets revenue		8,609,358	8,455,227	16,180,830	16,486,150
Gain from International wakala investments		70,228	219,483	161,031	549,919
Gain from financial assets at fair value through unrestricted investment accounts' holders equity	20	652,029	490,429	1,128,550	891,807
Gain from financial assets at fair value through statement of profit or loss	21	(52,525)	-	1,129	38,803
Gain from financial assets at amortized cost		926,155	1,023,178	1,943,620	2,051,948
Share of joint funds from profits of associate company		451	5,485	451	5,485
(losses)Gains from Foreign currencies evaluation		10,902	22,653	(21,351)	11,030
Other revenue - jointly financed - Net		62,532	(205,798)	172,699	390,572
<b>Total revenue from unrestricted investment</b>		<b>24,783,777</b>	<b>20,897,084</b>	<b>47,146,123</b>	<b>43,123,982</b>
Deposit guarantee fees joint investment accounts		(482,250)	(395,142)	(964,500)	(790,285)
Share of unrestricted investment accounts holders'	22	(10,887,177)	(8,970,736)	(20,826,991)	(20,162,013)
Allowance for credit losses expected for the joint items	6&8&9&14	(2,456,905)	(1,527,948)	(5,458,905)	(3,027,948)
<b>Bank's share of revenue from unrestricted investments as a mudarib and rab mal</b>	23	<b>10,957,445</b>	<b>10,003,258</b>	<b>19,895,727</b>	<b>19,143,736</b>
Bank's self financed revenue	24	172,684	140,737	339,757	348,622
Banks share from the restricted investments revenue as agent (wakeel)		38,295	3,783	83,547	51,066
Gain from foreign currencies		340,562	169,036	727,684	406,228
Banking services revenue		1,601,560	779,051	3,181,018	2,012,564
Other revenue		(20,219)	2,945	130,965	11,997
Deposit guarantee fees - Self financed		(296,073)	(245,721)	(592,153)	(491,441)
<b>Gross Income</b>		<b>12,794,254</b>	<b>10,853,089</b>	<b>23,766,545</b>	<b>21,482,772</b>
Employees' expenses		(3,486,424)	(2,941,514)	(6,895,105)	(6,164,096)
Depreciation and amortization		(807,923)	(788,226)	(1,613,041)	(1,583,979)
Depreciation of Ijara muntahia bittamleek assets- self financed		(95,397)	(69,934)	(191,242)	(211,120)
Recovered from (provision) expected credit losses on off - balance sheet items-self financed	Statement "E" & 8 &14	(77,539)	(149,414)	(23,080)	(207,142)
Amortisation of right of use assets		(356,182)	(377,493)	(718,165)	(754,986)
Finance costs / discount rate on lease liability		(74,249)	(78,685)	(151,113)	(162,875)
Rent expenses		(54,403)	(49,093)	(88,528)	(106,356)
Other expenses		(1,648,106)	(2,172,988)	(2,875,153)	(4,141,941)
<b>Total expenses</b>		<b>(6,600,223)</b>	<b>(6,627,347)</b>	<b>(12,555,427)</b>	<b>(13,332,495)</b>
<b>Profit for the period before tax</b>		<b>6,194,031</b>	<b>4,225,742</b>	<b>11,211,118</b>	<b>8,150,277</b>
Income tax expense	13/B	(2,354,824)	(1,643,464)	(4,268,720)	(3,098,595)
<b>Profit for the period</b>		<b>3,839,207</b>	<b>2,582,278</b>	<b>6,942,398</b>	<b>5,051,682</b>
		JD/FILS		JD/FILS	
Basic and diluted earnings per share for the period	25	0/038	0/026	0/069	0/051

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 "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 Shareholders' Equity
	JD	JD	JD	JD	JD
<b><u>For The Six Months Period Ended 30 June 2021</u></b>					
Balance at the beginning of the year (Audited)	100,000,000	27,485,171	27,132,236	-	154,617,407
Distributed Dividends**	-	-	(6,000,000)	-	(6,000,000)
Total comprehensive Income for the period	-	-	-	6,942,398	6,942,398
<b>Balance at the end of the period (Reviewed)</b>	<b>100,000,000</b>	<b>27,485,171</b>	<b>21,132,236</b>	<b>6,942,398</b>	<b>155,559,805</b>
<b><u>For The Six Months Period Ended 30 June 2020</u></b>					
Balance at the beginning of the year (Audited)	100,000,000	25,902,069	18,548,199	-	144,450,268
Total comprehensive Income for the period	-	-	-	5,051,682	5,051,682
<b>Balance at the end of the period (Reviewed)</b>	<b>100,000,000</b>	<b>25,902,069</b>	<b>18,548,199</b>	<b>5,051,682</b>	<b>149,501,950</b>

- Retained earnings balance as at 30 June 2021 includes amounted to JD 759,875 (JD 807,460 as at 31 December 2020 ) which represents deferred tax assets -self financed and it is restricted from use in accordance with 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 which was transferred to retained earnings,amounted to JD 108,397 is restricted from use without prior approval of the Central Bank of Jordan.

\*\* In its meeting held on April 29, 2021, the General Assembly approved the recommendation of the Board of Directors to distribute cash dividends of (6) million dinars to shareholders for the year 2020 at a rate of 6% of the capital.

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**  
**(A Public Shareholding Limited Company)**  
**Amman-The Hashemite Kingdom of Jordan**  
**Condensed Consolidated Interim Statement of Cash Flows**

	Note	For the six month period ended 30 June	
		2021 (Reviewed)	2020 (Reviewed)
		JOD	JOD
<b>Cash Flows from Operating Activities</b>			
Profit for the period before tax - statement (B)		11,211,118	8,150,277
<b>Adjustments for non monetary items:</b>			
Depreciation and amortization		1,613,041	1,583,979
Depreciation of Ijara Muntahia Bittamleek assets( self & jointly financed)		21,840,280	18,312,302
Depreciation of right of use assets	28/A	718,165	754,986
Finance costs / discount lease liabilities	28/A	151,113	162,875
Unrealized (gains) of financial assets at fair value through statement of profit or loss	21	(36,051)	-
Expected credit losses provision for jointly items	6&8&9&14	5,458,905	3,027,948
Recoverd from expected credit losses provision for facilities - self financed	8&14& Statement E	23,080	207,142
(Decrease)Increase in other provisions		(184,597)	400,000
Share of joint funds from losses (profits) of associate company		(451)	(5,485)
Losses of sale of property and equipment		-	339
Provision for seized assets /Joint Funds	11	171,944	-
(Gain) from sale of seized assets against debts		47,042	(16,276)
<b>Cash Flows from Operating Activities before Changes in working capital</b>		<b>41,013,589</b>	<b>32,578,087</b>
<b>Changes in operating working capital</b>			
(Increase) in deferred sales receivables and other receivables		(255,821,839)	(37,471,207)
(Increase) in Ijara Muntahia Bittamleek assets		(71,432,759)	(31,538,918)
(Increase) in the Qard Hasan		(97,973)	(500,000)
(Increase) in other assets		(4,473,258)	(4,410,750)
Increase in customers' current accounts		53,855,271	10,684,947
Increase (decrease) in cash margin accounts		7,955,496	(14,976,816)
Increase (decrease) in other liabilities		14,886,656	(2,319,524)
<b>Net cash (used in) operating activities before income tax paid</b>		<b>(214,114,817)</b>	<b>(47,954,181)</b>
Income tax paid	13	(8,251,868)	(7,175,126)
<b>Net cash (used in) operating activities</b>		<b>(222,366,685)</b>	<b>(55,129,307)</b>
<b>Cash Flows from Investing Activities</b>			
Net (purchase) of financial assets at fair value through unrestricted investment accounts		(6,184,244)	(12,614,590)
Net (purchase) sale of financial assets at fair value through statement of profit or loss		(5,968,132)	3,536,138
Maturity of financial assets at amortized cost		27,439,000	-
Cash dividends from an associate company		6,250	10,000
(Purchase) of intangible assets		(164,206)	(270,351)
(Purchase) of property and equipment		(523,151)	(853,527)
Proceeds from sale of seized assets against debts		258,000	164,500
Net (increase) in International Wakala Investments		(29,686,782)	(14,348,221)
<b>Net cash ( used in) investing activities</b>		<b>(14,823,265)</b>	<b>(24,376,051)</b>
<b>Cash Flows from Financing Activities</b>			
Increase in unrestricted investment holders quity		173,373,239	125,409,275
Payments of finance Lease	28/B	(1,002,452)	(1,063,086)
(Dividends) to shareholders	18	(5,675,852)	-
<b>Net cash flows from financing activities</b>		<b>166,694,935</b>	<b>124,346,189</b>
<b>Net (decrease) increase in cash and cash equivalents</b>		<b>(70,495,015)</b>	<b>44,840,831</b>
Cash and cash equivalents at beginning of the period		336,278,754	283,807,703
<b>Cash and cash equivalents at end of the period</b>	26	<b>265,783,739</b>	<b>328,648,534</b>

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 "E"

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

	30 June 2021 (Reviewed) JD	31 December 2020 (Audited) JD
<b>Balance as at the beginning of the year</b>	<b>981,882</b>	<b>509,660</b>
 Sources of the fund :		
Shareholders' equity	(1,993,053)	(27,778)
Total Sources of the fund's assets during the year	<u><b>(1,993,053)</b></u>	<u><b>(27,778)</b></u>
 Uses of the fund :		
Professional unions / salary payments	-	500,000
Corporate	2,362,761	-
Total use during the year	<u><b>2,362,761</b></u>	<u><b>500,000</b></u>
 Total balance	<b>1,351,590</b>	<b>981,882</b>
Add: exposed accounts	<b>716,955</b>	<b>988,690</b>
Less : Expected credit losses	(213,451)	(249,312)
<b>Balance at the end of the year - Net</b>	<u><b>1,855,094</b></u>	<u><b>1,721,260</b></u>



Statement "F"

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

**Condensed Consolidated Interim Statement of changes in Restricted Wakala Accounts**

	Local Murabaha	Total
	JD	JD
<b><u>For the Period ended 30 June 2021</u></b>		
Beginning balance of the period	7,096,305	7,096,305
<u>Add:</u> Deposits	4,747,482	4,747,482
<u>Less:</u> Withdrawals	(7,562,544)	(7,562,544)
<u>Add:</u> Investments' gains	1,038,695	1,038,695
<u>Less:</u> Banks share as agent (wakeel)	(38,295)	(38,295)
<u>Less:</u> Muwakel's share	(1,000,400)	(1,000,400)
<b>Investments at the end of period</b>	<b>4,281,243</b>	<b>4,281,243</b>
Deferred revenue	156,830	156,830
Suspended revenue	-	-
<b>Balance as at 30 June 2021</b>	<b>156,830</b>	<b>156,830</b>
	Local Murabaha	Total
	JD	JD
<b><u>For the Year ended 31 December 2020</u></b>		
Beginning balance of the year	7,815,807	7,815,807
<u>Add:</u> Deposits	4,979,853	4,979,853
<u>Less:</u> Withdrawals	(5,699,355)	(5,699,355)
<u>Add:</u> Investments' gains	904,889	904,889
<u>Less:</u> Banks share as agent (wakeel)	(129,099)	(129,099)
<u>Less:</u> Muwakel's share	(775,790)	(775,790)
<b>Investments at the end of year</b>	<b>7,096,305</b>	<b>7,096,305</b>
Deferred revenue	225,964	225,964
Suspended revenue	-	-
<b>Balance as at 31 December 2020</b>	<b>225,964</b>	<b>225,964</b>

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

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**(1) INCORPORATION AND ACTIVITIES**

Safwa Islamic Bank (the "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 thirty eight branches within the Kingdom and its subsidiary, in accordance with the effective Banking Law.

The authorized and paid-up capital of the bank is 100 million dinars, 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 six months ended 30 June 2021 has been approved by the Bank's Board of Directors at its meeting No. (5/2021) on 29 July 2021.

The Sharia Bureau met in its session No. (3/2021) on July 29, 2021, and issued for the period ending on 30 June 2021.

**(2) BASIS OF PREPARATION**

**A-BASIS OF PREPARATION OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**

The consolidated financial information of the Bank have 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 when 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 statements comprehensive income however, the increase in value is not recorded as revenue. Subsequent increase in fair value is recorded in the consolidated statement of income 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 Circular of the Central Bank of Jordan No. 10/1/16239 dated on 21 November 2019 as (5%) of the total book values of these properties starting from the year 2021 so that achieve the required percentage of (50%) for these properties with the end of year 2029.

The condensed consolidated interim financial information are 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 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 2020 ,Moreover, the results of the six – months operations ending 30 June 2021 do not represent inclusion of the expected results for year ending December 31, 2021. The appropriation has not been made to the profits for the six-month period ended 30 June 2021 that you make 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 requires from the bank management to make judgments, estimates, and assumptions that affect the amounts of financial assets and financial liabilities and to disclose potential liabilities. Moreover, these estimates and judgments affect revenues, expenses , provisions in general , and expected credit losses as well as in 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 important judgments to to estimate the amounts and timing of future cash flows. These estimates are necessarily based on multiple hypotheses 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 belives 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 2020.s

## **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 The Bank has the control to govern the operational and financial policies of the entities to obtain benefits from their activities.All intra-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 used by the Bank.

The subsidiary of the Bank at 30 June 2021 is as follows:

<b>Subsidiary name</b>	<b>Paid in Capital</b>	<b>Source of Funding</b>	<b>Ownership %</b>	<b>Company Main Activity</b>	<b>Operation location</b>	<b>Acquisition Date</b>
	(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 not owned by the Bank in the subsidiary.

### **3-ACCOUNTING POLICIES**

The accounting policies used in preparing the condensed consolidated interim financial information for the period ended on 30 June 2021 are consistent with those followed in preparing the consolidated financial information for the year ended 31 December 2020, knowing that there are new accounting and auditing standards for Islamic financial institutions have been effective at the beginning 2021 mentioned in Note (37).

#### **(4) CASH AND BALANCES AT THE CENTRAL BANK**

The details of this item are as follows:

	30 June 2021(Reviewed)	31 December 2020(Audited)
	JD	JD
Cash on hand	22,851,488	20,828,813
<b>Balances at the Central Bank of Jordan:</b>		
Current accounts	196,904,967	268,960,098
Statutory cash reserve	67,721,004	61,905,588
<b>Total</b>	<b>287,477,459</b>	<b>351,694,499</b>

- Except for the statutory cash reserve, there are no other restricted cash accounts as at 30 June 2021 and 31 December 2020 .
- All balances at the Central Bank are classified as stage (1) . There are no transfers between the (first, second and third) stages or written-off balances during the the six months ended 30 June 2021 . There is no need to record a provision for the expected credit losses for balances at the Central Bank of Jordan.

The movement on balances at the Central Bank of Jordan is as follows:

	Stage 1 (individual)	Stage 1 (individual)
	For the period ended 30 June	For the year ended 31 December
	2021	2020
	JD	JD
Balance at the beginning of the period / year	330,865,686	260,871,603
New balances during the period / year	1,117,375	88,280,504
Repaid balances	(67,357,090)	(18,268,421)
<b>Balance at the end of the period / year</b>	<b>264,625,971</b>	<b>330,883,686</b>

#### **(5) BALANCES AT BANKS AND FINANCIAL INSTITUTIONS**

The details of this item are as follows:

	Local banks and financial institutions		Foreign banks and financial institutions		Total	
	30 June 2021(Reviewed)	31 December 2020(Audited)	30 June 2021(Reviewed)	31 December 2020(Audited)	30 June 2021(Reviewed)	31 December 2020(Audited)
	JD	JD	JD	JD	JD	JD
Current and on -Demand accounts	1,528,626	417,588	6,862,718	9,252,246	8,391,344	9,669,834
<b>Total</b>	<b>1,528,626</b>	<b>417,588</b>	<b>6,862,718</b>	<b>9,252,246</b>	<b>8,391,344</b>	<b>9,669,834</b>

- There are no balances at banks and financial institutions on which the bank receives returns as at 30 June 2021 and 31 December 2020.
- There are no balances with banks and financial institutions for which the bank charges returns as on 30 June 2021 and as on 31 December 2020.
- All balances at banks and banking institutions are classified as stage(1) . There are also no transfers between the( first, second and third) stages or written -off balances during the six months ended in 30 June 2021. Moreover , there is no need to record a provision for expected credit losses for balances at banks and banking institutions.

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

	Stage 1 (individual)	Stage 1 (individual)
	For the period ended 30 June	For the year ended 31 December
	2021	2020
	JD	JD
Balance at the beginning of the period /year	9,669,834	6,513,543
New balances during the year	2,467,119	4,536,410
Repaid balances	(3,878)	(1,380,119)
Changes resulting from modifications	(3,741,731)	-
Balance at the end of the period/ year	<b>8,391,344</b>	<b>9,669,834</b>

**(6) INTERNATIONAL WAKALA INVESTMENTS - NET**

	Jointly financed	
	30 June	31 December
	2021(Reviewed)	2020(Audited)
	JD	JD
<b>Matures:</b>		
Within a month	92,933,239	52,466,000
From a month to three months	12,762,000	24,940,971
From three to six months	2,847,582	1,449,068
<b>Total International Wakala Investments</b>	<b>108,542,821</b>	<b>78,856,039</b>
Less: Expected credit losses for international wakala investment	(419,915)	(138,690)
<b>Net International Wakala Investments</b>	<b>108,122,906</b>	<b>78,717,349</b>

The movement on the gross International Wakala Investments was as follows:

	For the period ended 30 June 2021			
Item	Stage 1 (Individual)	Stage 2 (Individual)	Stage 3	Total
	JD	JD	JD	JD
Balance at the beginning of the period	<b>78,856,039</b>	-	-	<b>78,856,039</b>
New balances and deposits during the period	108,542,821	-	-	108,542,821
Repaid balances and deposits	(78,856,039)	-	-	(78,856,039)
<b>Total balance at the end of the period</b>	<b>108,542,821</b>	-	-	<b>108,542,821</b>

- There are no transfers between the stages (First , second and third) or written off balances .

The movement on the Expected Credit Losses provisions for the international Wakala investments was as follows:

	For the period ended 30 June 2021			
Item	Stage 1 (Individual)	Stage 2 (Individual)	Stage 3	Total
	JD	JD	JD	JD
<b>Balance at the beginning of the period</b>	<b>138,690</b>	-	-	<b>138,690</b>
Impairment loss of new balances during the period	419,915	-	-	419,915
Recovered from impairment loss on repaid balance and deposits	(138,690)	-	-	(138,690)
<b>Total balance at the end of the period</b>	<b>419,915</b>	-	-	<b>419,915</b>

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

The details of this item are as follows:

	Jointly financed		Self financed		Total	
	30 June	31 December	30 June	31 December	30 June	31 December
	2021(Reviewed)	2020(Audited)	2021(Reviewed)	2020(Audited)	2021(Reviewed)	2020(Audited)
	JD	JD	JD	JD	JD	JD
Shares corporate	-	49,851	52,147	-	52,147	49,851
Quated Islamic sukuk	7,465,211	1,463,324	-	-	7,465,211	1,463,324
<b>Total</b>	<b>7,465,211</b>	<b>1,513,175</b>	<b>52,147</b>	<b>-</b>	<b>7,517,358</b>	<b>1,513,175</b>

**(8) DEFERRED SALES RECEIVABLES AND OTHER RECEIVABLES - NET**

The details of this item are as follows:

	<b>Jointly financed</b>		<b>Self financed</b>		<b>Total</b>	
	30 June	31 December	30 June	31 December	30 June	31 December
	2021(Reviewed)	2020(Audited)	2021(Reviewed)	2020(Audited)	2021(Reviewed)	2020(Audited)
	JD	JD	JD	JD	JD	JD
<b>Individuals (retail)</b>						
Murabaha to the purchase orderer	322,167,720	275,010,114	1,497,202	1,548,111	323,664,922	276,558,225
Ijara Muntahia Bittamleek - receivables	1,422,429	1,544,385	-	-	1,422,429	1,544,385
Other receivables	4,364,392	3,705,043	32,562	61,312	4,396,954	3,766,355
<b>Real estate financing</b>	22,317,483	23,261,507	-	-	22,317,483	23,261,507
Ijara Muntahia Bittamleek - receivables	557,227	1,471,114	-	-	557,227	1,471,114
<b>Corporate</b>						
International Murabaha	-	13,471,978	-	-	-	13,471,978
Murabaha to the purchase orderer	418,243,415	359,318,707	-	-	418,243,415	359,318,707
Ijara Muntahia Bittamleek - receivables	2,937,786	1,521,159	-	-	2,937,786	1,521,159
Other receivables	-	-	968,329	1,067,888	968,329	1,067,888
<b>Small and medium enterprises</b>						
Murabaha to the purchase orderer	43,326,032	39,318,766	-	-	43,326,032	39,318,766
Ijara Muntahia Bittamleek - receivables	3,658	-	-	-	3,658	-
Other receivables	-	-	2,539,244	2,889,524	2,539,244	2,889,524
<b>Government and the public sector</b>	366,526,704	150,587,406	-	-	366,526,704	150,587,406
<b>Total</b>	<b>1,181,866,846</b>	<b>869,210,179</b>	<b>5,037,337</b>	<b>5,566,835</b>	<b>1,186,904,183</b>	<b>874,777,014</b>
<b>Less:</b>						
Deferred revenue	139,600,602	83,622,777	199,907	210,477	139,800,509	83,833,254
Suspended revenue	2,121,100	1,783,025	7,112	7,112	2,128,212	1,790,137
Expected credit losses	40,446,817	35,185,881	44,910	64,544	40,491,727	35,250,425
<b>Net deferred sales receivable and other receivables</b>	<b>999,698,327</b>	<b>748,618,496</b>	<b>4,785,408</b>	<b>5,284,702</b>	<b>1,004,483,735</b>	<b>753,903,198</b>

- The non-performing deferred sales receivables, other receivables, facilities and Ijara Muntahia bittamleek receivables amounted to JD 27,379,754 as at 30 June 2021, representing 2.30 % of deferred sales receivables, other receivables, facilities and Ijara Muntahia Bittamleek receivables (JD 22,200,442 as at 31 December 2020, representing 2.53% 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 the suspended revenue amounted to JD 25,251,542 as at 30 June 2021, representing 2.13% of deferred sales receivable, other receivables, facilities and Ijara Muntahia Bittamleek (JD 20,410,305 as at 31 December 2020, representing 2.33% of deferred sales receivable, other receivables, facilities and Ijara Muntahia bittamleek).
- The impairment provision for the jointly financed facilities, which is calculated based on the Central Bank of Jordan's Instructions No.(47/2009) in the (under supervision) portfolio amounted to JD 610,534. Moreover, the provision calculated based on the "individual customer"(non-performing) amounted to JD 22,574,225 as at 30 June 2021 (JD 291,459 and JD 18,604,987 respectively as at 31 December 2020).
- 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 223,720,701 as at 30 June 2021 representing 18.85% of the balance of deferred sales receivables, other receivables and facilities (JD 213,356,360 as at 31 December 2020, representing 24.36% of the balance of deferred sales receivables, other receivables and facilities).



The movement on credit financing (after deducting suspended and deferred revenue) was as follows :

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

For the period ended 30 June 2021 (Reviewed)						
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	1,961,545	2,767,017	522,747	1,477,752	590,757	7,319,818
New facilities during the period	586,518	376,618	150,281	43,820	2,958	1,160,195
Settled facilities	-	(98,213)	(452,359)	(336)	(44,309)	(595,217)
Transfer to Stage 1	-	19,442	-	(19,442)	-	-
Transfer to Stage 2	-	(109,200)	-	109,356	(156)	-
Transfer to Stage 3	-	(119)	(5)	(3)	127	-
The total impact on the size of exposures as a result of changing the classification between stages	-	(1,641)	-	(3,118)	-	(4,759)
Changes resulting from modifications	(382,995)	(329,355)	(33,233)	(234,647)	(944)	(981,174)
<b>Total balance at the end of the period</b>	<b>2,165,068</b>	<b>2,624,549</b>	<b>187,431</b>	<b>1,373,382</b>	<b>548,433</b>	<b>6,898,863</b>

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

For the period ended 30 June 2021 (Reviewed)						
Item	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	50,606	58,974	204,276	-	-	313,856
Impairment loss on new financing during the period	9,384	1,867	3,524	-	-	14,775
Recoverable from the loss on settled facilities	(16,707)	(3,275)	(40,234)	-	-	(60,216)
Transfer to Stage 1	-	-	2	-	-	2
Transfer to Stage 2	-	-	153	-	-	153
Transfer to Stage 3	-	-	(155)	-	-	(155)
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	5	56	(80)	-	-	(19)
Changes resulting from modifications	(8,770)	(399)	(866)	-	-	(10,035)
<b>Total balance at the end of the period</b>	<b>34,518</b>	<b>57,223</b>	<b>166,620</b>	<b>-</b>	<b>-</b>	<b>258,361</b>

Redistribution:

Provisions on an individual basis	34,518	55,565	159,236	-	-	249,319
Provisions at a collective basis	-	1,658	7,384	-	-	9,042

- B- Jointly financed

The movement on credit financing (after deducting suspended and deferred revenue) was as follows :

Item	For the period ended 30 June 2021 (Reviewed)					
	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	446,860,560	253,621,074	47,536,533	15,320,387	20,465,823	783,804,377
New facilities during the period	274,676,273	72,482,979	7,639,323	2,103,296	29,884	356,931,755
Settled facilities	(48,056,196)	(11,329,172)	(2,228,770)	(330,220)	(64,842)	(62,009,200)
Transfer to Stage 1	158,839	815,866	(158,839)	(804,975)	(10,891)	-
Transfer to Stage 2	(20,403,075)	(11,323,549)	20,403,075	11,637,712	(314,163)	-
Transfer to Stage 3	-	(798,683)	(3,440,876)	(311,352)	4,550,911	-
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	-	(99,843)	(1,439,586)	(182,749)	56,670	(1,665,508)
Changes resulting from modifications	(11,511,328)	(18,708,520)	(6,689,300)	(256,228)	249,096	(36,916,280)
<b>Total balance at the end of the period</b>	<b>641,725,073</b>	<b>284,660,152</b>	<b>61,621,560</b>	<b>27,175,871</b>	<b>24,962,488</b>	<b>1,040,145,144</b>

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

Item	For the period ended 30 June 2021 (Reviewed)					
	Corporate's	Small and medium enterprises	Individual	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	24,294,704	615,089	5,457,157	4,818,931	-	35,185,881
Loss on new financing during the period	1,874,888	24,070	423,064	31,710	-	2,353,732
Recoverable from impairment loss on settled facilities	(642,228)	(6,016)	(88,057)	(38,874)	-	(775,175)
Transfer to Stage 1	(225,876)	(16,630)	(28,824)	-	-	(271,330)
Transfer to Stage 2	(2,593,762)	23,602	213,519	-	-	(2,356,641)
Transfer to Stage 3	2,819,638	(6,972)	(184,695)	-	-	2,627,971
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	986,702	48,021	1,072,515	-	-	2,107,238
Changes resulting from modifications	638,142	247,099	478,860	211,040	-	1,575,141
<b>Total balance at the end of the period</b>	<b>27,152,208</b>	<b>928,263</b>	<b>7,343,539</b>	<b>5,022,807</b>	<b>-</b>	<b>40,446,817</b>

**Redistribution:**

Provisions on an individual basis	27,152,208	735,130	5,202,008	5,022,672	-	38,112,018
Provisions at a collective basis	-	193,133	2,141,531	135	-	2,334,799

**Suspended revenue :**

The movement on suspended revenue is as follows:

	Self-financed							
	For the period ended 30 June 2021 (Reviewed)				For the year ended 31 December 2020 (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
<b>Balance at the end of the period / year</b>	<b>-</b>	<b>7,112</b>	<b>-</b>	<b>7,112</b>	<b>-</b>	<b>7,112</b>	<b>-</b>	<b>7,112</b>

	Jointly financed							
	For the period ended 30 June 2021 (Reviewed)				For the year ended 31 December 2020 (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	815,512	932,660	34,853	1,783,025	455,873	896,626	16,535	1,369,034
Add: suspended revenue during the period / year	193,170	167,177	25,352	385,699	467,496	94,820	33,016	595,332
Less: suspended revenue transferred to revenue	35,946	9,731	1,947	47,624	107,857	58,786	14,698	181,341
<b>Balance at the end of the period / year</b>	<b>972,736</b>	<b>1,090,106</b>	<b>58,258</b>	<b>2,121,100</b>	<b>815,512</b>	<b>932,660</b>	<b>34,853</b>	<b>1,783,025</b>

The following are credit exposures in accordance to financial accounting standard (30) Issued by the Accounting and Auditing Organization for Islamic Financial Institutions as at 30 June 2021.

**A- Self-financed**

	Stage 1				Stage 2				Stage 3				Total			
	Total	ECL	Suspended revenue	Deferred revenue	Total	ECL	Suspended revenue	Deferred revenue	Total	ECL	Suspended revenue	Deferred revenue	Total	ECL	Suspended revenue	Deferred revenue
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
<b>Corporates</b>	1,655,409	14,463	-	-	187,432	19	-	-	340,743	20,036	7,112	-	2,183,584	34,518	7,112	-
<b>Small and medium enterprises</b>	1,316,511	1,658	-	-	1,372,681	-	-	-	55,563	55,565	-	-	2,744,755	57,223	-	-
<b>Retail (Individual)</b>	1,507,944	7,355	-	199,907	700	28	-	-	159,239	159,237	-	-	1,667,883	166,620	-	199,907
<b>Real estate financing</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Government and public sector</b>	509,660	-	-	-	-	-	-	-	-	-	-	-	509,660	-	-	-
<b>Total</b>	<b>4,989,524</b>	<b>23,476</b>	<b>-</b>	<b>199,907</b>	<b>1,560,813</b>	<b>47</b>	<b>-</b>	<b>-</b>	<b>555,545</b>	<b>234,838</b>	<b>7,112</b>	<b>-</b>	<b>7,105,882</b>	<b>258,361</b>	<b>7,112</b>	<b>199,907</b>

- The financing amount in according to financial accounting standard (30) Issued by the Accounting and Auditing Organization for Islamic Financial Institutions instructions does not include the amount of JD (5,313,146), representing Ijara Muntahia Bittamleek.

**B - Jointly financed**

	Stage 1				Stage 2				Stage 3				Total			
	Total	ECL	Suspended revenue	Deferred revenue	Total	ECL	Suspended revenue	Deferred revenue	Total	ECL	Suspended revenue	Deferred revenue	Total	ECL	Suspended revenue	Deferred revenue
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
<b>Corporates</b>	348,408,203	3,215,127	-	18,736,067	54,291,500	7,754,925	-	2,721,312	18,481,498	16,182,156	981,032	523,338	421,181,201	27,152,208	981,032	21,980,717
<b>Small and medium enterprises</b>	25,894,835	54,284	-	1,256,472	15,264,130	138,849	-	766,499	2,170,725	735,130	58,258	123,446	43,329,690	928,263	58,258	2,146,417
<b>Retail (Individual)</b>	307,046,553	1,146,875	-	51,745,781	14,243,139	994,656	-	1,854,794	6,664,849	5,202,008	940,952	334,343	327,954,541	7,343,539	940,952	53,934,918
<b>Real estate financing</b>	10,305,381	5,583	-	1,332,196	11,848,515	4,562,293	45,299	1,461,949	720,814	454,931	95,559	18,470	22,874,710	5,022,807	140,858	2,812,615
<b>Government and public sector</b>	366,526,704	-	-	58,725,935	-	-	-	-	-	-	-	-	366,526,704	-	-	58,725,935
<b>Total</b>	<b>1,058,181,676</b>	<b>4,421,869</b>	<b>-</b>	<b>131,796,451</b>	<b>95,647,284</b>	<b>13,450,723</b>	<b>45,299</b>	<b>6,804,554</b>	<b>28,037,886</b>	<b>22,574,225</b>	<b>2,075,801</b>	<b>999,597</b>	<b>1,181,866,846</b>	<b>40,446,817</b>	<b>2,121,100</b>	<b>139,600,602</b>

- The financing amount in accordance with Financial accounting standard (30) Issued by the Accounting and Auditing Organization for Islamic Financial Institutions instructions does not include the amount of JD (466,346,829) representing Ijara Muntahia Bittamleek.

The following are credit exposures in accordance to financial accounting standard (30) Issued by the Accounting and Auditing Organization for Islamic Financial Institutions as at 31 December 2020

**A- Self-financed**

	Stage 1				Stage 2				Stage 3				Total			
	Total	ECL	Suspended revenue	Deferred revenue	Total	ECL	Suspended revenue	Deferred revenue	Total	ECL	Suspended revenue	Deferred revenue	Total	ECL	Suspended revenue	Deferred revenue
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
<b>Corporates</b>	1,451,885	19,904	-	-	522,747	15,321	-	-	342,104	15,381	7,112	-	2,316,736	50,606	7,112	-
<b>Small and medium enterprises</b>	1,412,544	3	-	-	1,477,158	4	-	-	58,967	58,967	-	-	2,948,669	58,974	-	-
<b>Retail (Individual)</b>	1,564,950	7,472	-	210,477	594	21	-	-	196,798	196,783	-	-	1,762,342	204,276	-	210,477
<b>Real estate financing</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Government and public sector</b>	509,660	-	-	-	-	-	-	-	-	-	-	-	509,660	-	-	-
<b>Total</b>	<b>4,939,039</b>	<b>27,379</b>	<b>-</b>	<b>210,477</b>	<b>2,000,499</b>	<b>15,346</b>	<b>-</b>	<b>-</b>	<b>597,869</b>	<b>271,131</b>	<b>7,112</b>	<b>-</b>	<b>7,537,407</b>	<b>313,856</b>	<b>7,112</b>	<b>210,477</b>

- The financing amount in according to financial accounting standard (30) Issued by the Accounting and Auditing Organization for Islamic Financial Institutions instructions does not include the amount of JD (5,044,221), representing Ijara Muntahia Bittamleek.

**B - Jointly financed**

	Stage 1				Stage 2				Stage 3				Total			
	Total	ECL	Suspended revenue	Deferred revenue	Total	ECL	Suspended revenue	Deferred revenue	Total	ECL	Suspended revenue	Deferred revenue	Total	ECL	Suspended revenue	Deferred revenue
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
<b>Corporates</b>	320,685,542	3,191,535	-	16,546,343	39,375,438	7,955,456	-	2,302,104	14,250,864	13,147,713	868,885	12,651	374,311,844	24,294,704	868,885	18,861,098
<b>Small and medium enterprises</b>	25,189,246	58,413	-	1,367,859	12,199,513	114,094	-	718,278	1,930,007	442,582	34,853	132,406	39,318,766	615,089	34,853	2,218,543
<b>Retail (Individual)</b>	270,310,764	825,929	-	45,380,936	4,073,718	40,004	-	472,237	5,875,060	4,591,224	791,763	346,018	280,259,542	5,457,157	791,763	46,199,191
<b>Real estate financing</b>	11,435,201	5,221	-	1,452,008	12,588,980	4,390,242	-	1,888,110	708,440	423,468	87,524	24,448	24,732,621	4,818,931	87,524	3,364,566
<b>Government and public sector</b>	150,587,406	-	-	12,979,379	-	-	-	-	-	-	-	-	150,587,406	-	-	12,979,379
<b>Total</b>	<b>778,208,159</b>	<b>4,081,098</b>	<b>-</b>	<b>77,726,525</b>	<b>68,237,649</b>	<b>12,499,796</b>	<b>-</b>	<b>5,380,729</b>	<b>22,764,371</b>	<b>18,604,987</b>	<b>1,783,025</b>	<b>515,523</b>	<b>869,210,179</b>	<b>35,185,881</b>	<b>1,783,025</b>	<b>83,622,777</b>

.The financing amount in accordance with Financial accounting standard (30) Issued by the Accounting and Auditing Organization for Islamic Financial Institutions instructions does not include the amount of JD (417,023,275) representing Ijara Muntahia Bittamleek

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

The details of this item are as follows:

	Jointly financed	
	30 June 2021(Reviewed)	31 December 2020(Audited)
	JD	JD
<b>Quoted Financial Assets :</b>		
Corporate Shares	353,494	273,603
Islamic Sukuk	61,377,607	54,337,021
<b>Total quoted Financial Assets</b>	<b>61,731,101</b>	<b>54,610,624</b>
<b>Unquoted Financial Assets</b>		
Corporate Shares	2,522,476	2,179,574
Islamic Sukuk	1,032,100	2,064,200
<b>Total unquoted financial assets</b>	<b>3,554,576</b>	<b>4,243,774</b>
<b>Total Financial Assets At Fair Value through Unrestricted Investment Accounts Holders' Equity-Net</b>	<b>65,285,677</b>	<b>58,854,398</b>
<u>Less: Expected Credit Losses provision of financial assets</u>	<u>(243,348)</u>	<u>(365,415)</u>
<b>Net Financial Assets At Fair Value through Unrestricted Investment Accounts Holders' Equity</b>	<b>65,042,329</b>	<b>58,488,983</b>

Unquoted financial assets were presented at cost or in accordance with latest financial statements.

- The movement of the total financial assets at fair value through unrestricted investment accounts holders' equity for the period ended 30 June 2021 :

Item	Stage1 (Individual)	Stage2 (Individual)	Stage3	Total
	JD	JD	JD	JD
Balance at the beginning of the period	57,425,054	1,429,344	-	58,854,398
New investments during the period	5,520,029	-	-	5,520,029
Matured and sold investments	(4,518,513)	(1,429,344)	-	(5,947,857)
Change in Fair value	-	-	-	-
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Effect on the provision as a result of the change in classification	-	-	-	-
Changes resulting from modifications	6,859,107	-	-	6,859,107
<b>Total balance at the end of period</b>	<b>65,285,677</b>	<b>-</b>	<b>-</b>	<b>65,285,677</b>

- Movement on the Expected Credit Losses provision for the financial assets at fair value through unrestricted investment accounts holders' equity for the period ended 30 June 2021:

Item	Stage1 (Individual)	Stage2 (Individual)	Stage3	Total
	JD	JD	JD	JD
Balance at the beginning of the period	323,501	41,914	-	365,415
Impairment loss on new investments during the period	2,286	-	-	2,286
Recovered from loss of Matured and sold investments	(31,564)	(41,914)	-	(73,478)
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
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	-	-	-	-
Changes resulting from modifications	(50,875)	-	-	(50,875)
<b>Total balance at the end of period</b>	<b>243,348</b>	<b>-</b>	<b>-</b>	<b>243,348</b>

**(10) IJARA MUNTAHIA BITTAMLEEK ASSETS - NET**

	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
30 June 2021 (Reviewed)									
Ijara Muntahia Bittamleek assets-Real Estate	508,042,374	(85,211,549)	422,830,825	6,666,400	(1,353,254)	5,313,146	514,708,774	(86,564,803)	428,143,971
Ijara Muntahia Bittamleek assets-Machines	58,984,706	(15,574,536)	43,410,170	-	-	-	58,984,706	(15,574,536)	43,410,170
Ijara Muntahia Bittamleek assets-vehicles	117,882	(12,048)	105,834	-	-	-	117,882	(12,048)	105,834
<b>Total</b>	<b>567,144,962</b>	<b>(100,798,133)</b>	<b>466,346,829</b>	<b>6,666,400</b>	<b>(1,353,254)</b>	<b>5,313,146</b>	<b>573,811,362</b>	<b>(102,151,387)</b>	<b>471,659,975</b>

	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 2020 (Audited)									
Ijara Muntahia Bittamleek assets-Real Estate	448,845,023	(81,882,130)	366,962,893	6,281,714	(1,237,493)	5,044,221	455,126,737	(83,119,623)	372,007,114
Ijara Muntahia Bittamleek assets-Machines	66,702,026	(16,641,644)	50,060,382	-	-	-	66,702,026	(16,641,644)	50,060,382
<b>Total</b>	<b>515,547,049</b>	<b>(98,523,774)</b>	<b>417,023,275</b>	<b>6,281,714</b>	<b>(1,237,493)</b>	<b>5,044,221</b>	<b>521,828,763</b>	<b>(99,761,267)</b>	<b>422,067,496</b>

The accrued Ijara installments amounted to JD 4,921,100 as at 30 June 2021 ( JD 4,536,658 as at 31 December 2020 ). Moreover, the accrued Ijara installments were presented under deferred sales receivables and other receivables-Net (Note 8).

The non-performing Ijara Muntahia Bittamleek amounted to JD 6,637,846 as at 30 June 2021, representing 1.41% of the balance of Ijara Muntahia Bittamleek assets ( JD 5,512,567 as at 31 December 2020, representing 1.31% of the balance of Ijara Muntahia Bittamleek assets).

## (11) OTHER ASSETS

The details of this item are as follows:

	30 June 2021 (Reviewed) JD	31 December 2020 (Audited) JD
Seized assets by the Bank against debts-Net*	6,051,613	6,500,513
Prepaid expenses	1,348,243	1,210,840
Deposit Insurance Corporation fee / Prepaid	1,556,646	-
Accrued revenue	1,579,685	1,666,749
Stationery and printing inventory	255,124	219,043
Remittances clearing	1,934,246	-
Withholding income tax	-	24,769
Petty cash	66,800	27,387
Other account receivables	696,464	617,341
Others	1,232,874	458,782
<b>Total</b>	<b>14,721,695</b>	<b>10,725,424</b>

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

	For the Period ended 30 June 2021 (Reviewed)			For the year ended 31 December 2020 (Audited)
	Seized real estates -self financed JD	Seized real estates- jointly JD	Total JD	Total JD
Net balance at the beginning of the period / year	629,841	6,315,804	6,945,645	6,442,297
Additions	-	28,086	28,086	682,182
Disposals	(140,737)	(164,305)	(305,042)	(178,834)
<b>Total</b>	<b>489,104</b>	<b>6,179,585</b>	<b>6,668,689</b>	<b>6,945,645</b>
Provision of seized assets( CBJ Instructions) /impairment of real estate *	(343,441)	(273,635)	(617,076)	(445,132)
<b>Net balance at the end of the period / year</b>	<b>145,663</b>	<b>5,905,950</b>	<b>6,051,613</b>	<b>6,500,513</b>

- 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 230,527 as at 30 June 2021 ( JD 214.390 as 31 December 2020).

\*The following is the movement on the provision for expropriated real estate (Central Bank of Jordan instructions / real estate depreciation):

	Seized real estates -self financed JD	Seized real estates- jointly JD	Total JD
Provision balance at the beginning of the period	(343,441)	(101,691)	(445,132)
Additions to the provision for depreciation in real estate	-	(187,344)	(187,344)
Additions to the provision for violating real estate (instructions of the Central Bank of Jordan)	(6,591)	(9,546)	(16,137)
Disposal from the provision for impairment of real estate	6,591	24,946	31,537
<b>Balance at the end of the period</b>	<b>(343,441)</b>	<b>(273,635)</b>	<b>(617,076)</b>

## (12) CUSTOMERS' CURRENT ACCOUNTS

The details of this item are as follows:

	30 June 2021 (Reviewed)				
	Retail	Corporate	Small and medium companies	Governmental and Public sector	Total
	JD	JD	JD	JD	JD
Current accounts	186,077,797	26,376,524	61,241,677	8,539,362	282,235,360
<b>Total</b>	<b>186,077,797</b>	<b>26,376,524</b>	<b>61,241,677</b>	<b>8,539,362</b>	<b>282,235,360</b>

	31 December 2020 (Audited)				
	Retail	Corporate	Small and medium companies	Governmental and Public sector	Total
	JD	JD	JD	JD	JD
Current accounts	153,874,091	33,216,390	38,213,597	3,076,011	228,380,089
<b>Total</b>	<b>153,874,091</b>	<b>33,216,390</b>	<b>38,213,597</b>	<b>3,076,011</b>	<b>228,380,089</b>

- Government and public sector deposits inside the Kingdom as at 30 June 2021 amounted to JD 8,539,362 representing 3.03% % of the total customers' current accounts (As at 31 December 2020 amounted to JD 3,076,011 representing 1.35% of the total customers' current accounts).

- The restricted accounts as at 30 June 2021 amounted to JD 1,705,102 representing 0.60% of the total customers' current accounts (As at 31 December 2020 amounted to JD 580,372 - representing 0.25% of the total customers' current accounts ).

- The dormant accounts as at 30 June 2021 amounted to JD 9,939,765 (As at 31 December 2020 amounted to JD 15,886,076 ).



### **(13) INCOME TAX**

#### **A- Income tax provision**

The movement on the income tax provision is as follows :

	For the period ended 30 June 2021 (Reviewed)	For the year ended 31 December 2020 (Audited)
	JD	JD
Beginning balance for the period/year	8,298,808	6,936,284
Accrued income tax	4,852,547	9,719,111
Less: Previous years adjustments	-	(105,240)
Less : Income tax paid	(8,251,868)	(8,251,347)
<b>Ending balance for the period/year</b>	<b>4,899,487</b>	<b>8,298,808</b>

#### **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 period ended 30 June	
	2021 (Reviewed)	2020 (Reviewed)
	JD	JD
Income tax due	(4,852,547)	(3,690,135)
Add : Relesed deferred tax assets	(125,780)	-
Add : Previous years income tax	-	153,021
Less : Deferred tax assets / self financed	78,195	438,519
Less : Settlement of prior year tax provision	631,412	-
<b>Total</b>	<b>(4,268,720)</b>	<b>(3,098,595)</b>

\* A rate of 35% was used to calculate the income tax provision in accordance with the law amending the Income and Sales Tax Law No. (38) for the year 2018 in addition to a rate of 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 not yet been review by the Income and Sales Tax Department to the date of preparing the condensed consolidated Interim Financial information.

##### **The Subsidiary :**

Misk Financial Brokerage Company:

- Final clearance was obtained from the Income and Sales Tax Department for the year 2018. The annual tax statement for the years 2019 and 2020 were submitted within the statutory period and not yet been review by the Income and Sales Tax Department .

- During the year 2021, a lawsuit was filed by the company against the Income and Sales Tax Department, which is now in the beginning stage, to demand the cancellation of the imposition of tax on the company for the years 2011, 2012 and 2013, In the opinion of the lawyer, there is no need to collect any allowances for this lawsuit.

In the opinion of the bank's management the provisions taken in the interim condensed consolidated Financial information are sufficient for the purposes of tax liabilities.

### C- Deferred tax assets

The details of this item are as follows:

	For the period ended 30 June				For the year ended 31 December	
	2021 (Reviewed)				2020 (Audited)	
	Beginning Balance for the period	Released Amounts	Additional Amounts	Ending Balance for the period	Deferred tax	Deferred tax
	JD	JD	JD	JD	JD	JD
<b>Deferred tax assets</b>						
<b><u>Deferred tax assets - self financed</u></b>						
Provision of lawsuits against the bank	193,597	-	146,403	340,000	129,200	73,567
Provision for impairment of assets seized by the bank against debts	343,441	-	-	343,441	130,508	130,508
Provision for credit losses for the first and second stages - self	207,558	-	59,373	266,931	101,434	78,872
Difference in the application of Standard 32 - Lease	499,298	-	-	499,298	189,733	189,733
Provision for contingent liabilities	761,000	331,000	-	430,000	163,400	289,180
Unpaid Employee bounses	120,000	-	-	120,000	45,600	45,600
<b>Total Deferred tax assets - self financed</b>	<b>2,124,894</b>	<b>331,000</b>	<b>205,776</b>	<b>1,999,670</b>	<b>759,875</b>	<b>807,460</b>
<b><u>Deferred tax assets - jointly financed</u></b>						
Provision for impairment of expropriated real estate - joint	-	-	171,944	171,944	65,339	-
Provision for credit losses for the first and second stages - jointly financed	11,858,986	-	1,489,667	13,348,653	5,072,488	4,506,415
<b>Total Deferred tax assets - jointly financed</b>	<b>11,858,986</b>	<b>-</b>	<b>1,661,611</b>	<b>13,520,597</b>	<b>5,137,827</b>	<b>4,506,415</b>
<b>Total</b>	<b>13,983,880</b>	<b>331,000</b>	<b>1,867,387</b>	<b>15,520,267</b>	<b>5,897,702</b>	<b>5,313,875</b>

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

	For the period ended 30 June	For the year ended December 31
	2021 (Reviewed)	2020 (Audited)
	JD	JD
Balance at the beginning of the period/year	807,460	436,376
Additions during the period/year	78,195	377,615
Amortized during the period/year	(125,780)	(6,531)
<b>Balance at the End of the period/year</b>	<b>759,875</b>	<b>807,460</b>

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

	For the period ended 30 June 2021 (Reviewed)	For the year ended 31 December 2020 (Audited)
	JD	JD
Balance at the beginning of the period/year	4,506,415	1,224,814
Additions during the period/year	<b>631,412</b>	3,281,601
<b>Balance at the End of the period/year</b>	<b>5,137,827</b>	<b>4,506,415</b>

#### **(14) OTHER LIABILITIES**

The details of this item are as follows:

	For the period ended 30 June 2021 (Reviewed)	For the year ended 31 December 2020 (Audited)
	JD	JD
Accrued expenses and not paid	1,154,570	849,779
Certified cheques	6,413,531	5,930,248
Expected credit losses on Off - balance sheet items-self financed(Note 32)*	317,153	238,578
Expected credit losses on off balance sheet items - Jointly financed(Note 32)**	1,015,452	976,641
Shareholders and customers deposits	8,786,351	6,046,447
Customers' share of profits from unrestricted investment	14,690,986	13,686,993
Temporary deposits***	20,948,540	10,427,849
Visa Claims	1,719,628	1,493,618
Others	704,018	771,886
<b>Total</b>	<b>55,750,229</b>	<b>40,422,039</b>

\*\*\* It includes intermediate accounts for an amount of 18,751,992 JD as on 30 June 2021 (8,914,081 JD as on 31 December 2020), which is the value of credits and deferred policies, and the value will be paid when due.

• **Expected credit losses**

**Expected credit loss of indirect facilities**

**A- Self financed**

- Movement on indirect facilities for the period ended 30 June 2021:

Item	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD	JD	JD
<b>Total balance at the beginning of the period</b>	54,315,483	-	2,805,926	-	301,372	57,422,781
New exposures during the period	39,686,776	-	411,503	-	-	40,098,279
Accrued exposures	(13,175,678)	-	(107,703)	-	-	(13,283,381)
Transfer to Stage 1	180,486	-	(180,486)	-	-	-
Transfer to Stage 2	(15,000)	-	15,000	-	-	-
Transfer to Stage 3	-	-	-	-	-	-
Effect on the provision as a result of the change in classification between the stages	(52,986)	-	-	-	-	(52,986)
Changes resulting from modifications	5,318,272	-	31,967	-	13,437	5,363,676
Bad facilities	-	-	-	-	-	-
Adjustments due to change in exchange rates	-	-	-	-	-	-
<b>Total balance at the end of the period</b>	<b>86,257,353</b>	<b>-</b>	<b>2,976,207</b>	<b>-</b>	<b>314,809</b>	<b>89,548,369</b>

- Movement on the provision for expected credit losses ( indirect facilities /self financed) for the period ended 30 June 2021:

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	215,397	-	23,181	-	-	238,578
Impairment loss on new exposures during the period	116,300	-	3,630	-	-	119,930
Impairment loss of matured / derecognized exposures	(40,759)	-	(1,370)	-	-	(42,129)
Transfer to Stage 1	716	-	(716)	-	-	-
Transfer to Stage 2	-	-	-	-	-	-
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	(364)	-	-	-	-	(364)
Changes resulting from modifications	(907)	-	2,045	-	-	1,138
Bad facilities	-	-	-	-	-	-
Adjustments due to change in exchange rates	-	-	-	-	-	-
<b>Total balance at the end of the period</b>	<b>290,383</b>	<b>-</b>	<b>26,770</b>	<b>-</b>	<b>-</b>	<b>317,153</b>

**\*\* Expected credit loss of indirect facilities**

**B- jointly financed**

**- Movement on indirect facilities for the period ended 30 June 2021 :**

Item	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD	JD	JD
<b>Total balance at the beginning of the period</b>	128,357,497	-	3,646,393	-	-	132,003,890
New exposures during the period	43,143,502	-	1,039,758	-	-	44,183,260
Accrued exposures	(50,653,535)	-	(38,123)	-	-	(50,691,658)
Transfer to Stage 1	1,160,794	-	(1,160,794)	-	-	-
Transfer to Stage 2	(1,622,297)	-	1,622,297	-	-	-
Transfer to Stage 3	-	-	-	-	-	-
Effect on the provision as a result of the change in classification between the stages	889,736	-	(1,224,190)	-	-	(334,454)
Changes resulting from modifications	2,550,154	-	3,288,082	-	-	5,838,236
Bad facilities	-	-	-	-	-	-
Adjustments due to change in exchange rates	-	-	-	-	-	-
<b>Total balance at the end of the period</b>	<b>123,825,851</b>	<b>-</b>	<b>7,173,423</b>	<b>-</b>	<b>-</b>	<b>130,999,274</b>

**- Movement on the provision for expected credit losses ( indirect facilities /self financed) for the period ended 30 June 2021:**

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	887,772	-	88,869	-	-	976,641
Impairment loss on new exposures during the period	240,908	-	18,203	-	-	259,111
Impairment loss of matured / derecognized exposures	(314,489)	-	(655)	-	-	(315,144)
Transfer to Stage 1	8,187	-	(8,187)	-	-	-
Transfer to Stage 2	(11,783)	-	11,783	-	-	-
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	4,924	-	(2,812)	-	-	2,112
Changes resulting from modifications	(41,973)	-	134,705	-	-	92,732
Bad facilities	-	-	-	-	-	-
Adjustments due to change in exchange rates	-	-	-	-	-	-
<b>Total balance at the end of the period</b>	<b>773,546</b>	<b>-</b>	<b>241,906</b>	<b>-</b>	<b>-</b>	<b>1,015,452</b>

**(15) UNRESTRICTED INVESTMENT ACCOUNTS**

The details of this item are as follows:

30 June 2021 (Reviewed)						
	Retail	Corporate	Small and medium enterprises	Governmental and Public sector	Banks and Financial Institutions	Total
	JD	JD	JD	JD	JD	JD
Saving accounts	143,318,897	19,740,613	15,041,292	5,454,519	24,284,776	207,840,097
Term accounts/ Investing deposits	759,228,187	131,227,165	81,241,217	128,258,946	13,455,898	1,113,411,413
Certificates of investing deposit	99,050,351	5,614,036	11,067,415	15,832,192	26,303,938	157,867,932
<b>Total</b>	<b>1,001,597,435</b>	<b>156,581,814</b>	<b>107,349,924</b>	<b>149,545,657</b>	<b>64,044,612</b>	<b>1,479,119,442</b>
Depositors' share from investments' revenue	14,295,010	2,258,381	1,532,432	2,333,379	407,789	20,826,991
<b>Total unrestricted investment accounts</b>	<b>1,015,892,445</b>	<b>158,840,195</b>	<b>108,882,356</b>	<b>151,879,036</b>	<b>64,452,401</b>	<b>1,499,946,433</b>

31 December 2020 (Audited)						
	Retail	Corporate	Small and medium enterprises	Governmental and Public sector	Banks and Financial Institutions	Total
	JD	JD	JD	JD	JD	JD
Saving accounts	118,692,103	20,407,809	8,658,438	2,821,333	18,869,614	169,449,297
Term accounts/ Investing deposits	691,891,552	135,479,620	79,746,869	84,536,907	5,398,762	997,053,710
Certificates of investing deposit	76,307,081	5,460,786	9,487,892	15,400,009	15,169,243	121,825,011
<b>Total</b>	<b>886,890,736</b>	<b>161,348,215</b>	<b>97,893,199</b>	<b>102,758,249</b>	<b>39,437,619</b>	<b>1,288,328,018</b>
Depositors' share from investments' revenue	26,050,379	4,649,397	3,013,330	3,374,200	1,157,870	38,245,176
<b>Total unrestricted investment accounts</b>	<b>912,941,115</b>	<b>165,997,612</b>	<b>100,906,529</b>	<b>106,132,449</b>	<b>40,595,489</b>	<b>1,326,573,194</b>

- 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.
- 56% to 96% 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 30 June 2021 is 3.25% (for the same period last year was 3.66%).
- The percentage of the profit on USD for the period ended 30 June 2021 is 1.13% (for the same period last year was 1.75%).
- The unrestricted investment accounts for the Government and Public sector amounted to JD 151,879,036 as at 30 June 2021 which represents 10.13% of the total unrestricted investment accounts (As at 31 December 2020 amounted to JD 106,132,449 which represents 8.00% of the total unrestricted investment accounts ).
- The restricted accounts amounted to JD 1,106,976 as at 30 June 2021 which represents 0.07% of the total unrestricted investment ( As at 31 December 2020 amounted to JD 129,093 which represent 0.01% f the total unrestricted investment ).
- The dormant accounts as at 30 June 2021 amounted to JD 24,968,230 (As at 31 December 2020 amounted to JD 14,909,477).

#### **(16) FAIR VALUE RESERVE**

The details of this item are as follows:

	For the period ended 30 June	For the year ended 31 December
Financial assets at fair value through unrestricted investment accounts reserves - jointly financed	2021 (Reviewed)	2020 (Audited)
	JD	JD
Beginning balance of the period / year	151,894	48,157
Unrealized gains on debt instruments / sukuk	344,498	67,702
Unrealized gains (losses) on shares	(97,463)	36,035
Ending balance of the period / year	<b>398,929</b>	<b>151,894</b>

#### **(17) PAID IN CAPITAL & STATUTORY RESERVE**

##### **PAID IN CAPITAL**

The authorized and paid-in capital amounted to JD 100,000,000, consisting of 100,000,000 shares, at a par value of JD 1 per share as at 30 June 2021 and 31 December 2020.

##### **STATUTORY RESERVES**

The bank has not deducted the legal reserves in accordance with the companies Law, where these condensed consolidated financial information are interim and the deduction takes place by the end of the year.

#### **(18) RETAINED EARNINGS**

	For the period ended 30 June	For the year ended 31 December
	2021 (Reviewed)	2020 (Audited)
	JD	JD
Beginning balance of the period/year	27,132,236	18,548,199
Transferred statutory reserve	-	(1,583,102)
*Dividends	(6,000,000)	-
Profit for the year	-	10,167,139
Ending balance of the period/year	<b>21,132,236</b>	<b>27,132,236</b>

The retained earnings balance as at 30 June 2021 includes an amount to JD 759,875 (31 December 2020 amounted to JD 807,460) which represent deferred tax assets-self financed and it is restricted from use in accordance with the Central Bank of Jordan regulations.

It is prohibited to dispose of the surplus from the balance of the general banking risk reserve, which is transferred to the retained earnings, amounting to 108,397 dinars, except with the prior approval of the Central Bank of Jordan, where the accumulated balance of the general banking risk reserve has been transferred to the retained earnings based on the instructions of the Central Bank of Jordan No. (13/2018) issued. On June 6, 2018.

\* The General Assembly, in its meeting held on 29 April 2021, approved the recommendation of the Board of Directors to distribute cash dividends of (6) million dinars to shareholders for the year 2020 at a rate of 6% of the capital.

**(19) DEFERRED SALES REVENUE**

The details of this item are as follows:

	For the period ended 30 June			
	2021 (Reviewed)		2020 (Reviewed)	
	Jointly financed	Self financed	Jointly financed	Self financed
	JD	JD	JD	JD
<b>Individuals(Retail)</b>				
Murabaha to the purchase orderer	10,152,262	48,598	8,870,407	50,590
<b>Real estate facilities</b>	945,298	-	776,769	-
<b>Corporate</b>				
International Murabaha	4,479	-	255,361	-
Murabaha to the purchase orderer	10,306,573	-	10,476,506	-
<b>Small and medium enterprises</b>				
Murabaha to the purchase orderer	940,078	-	818,349	-
<b>Government and the public sector</b>	5,230,474		1,500,877	-
<b>Total</b>	<b>27,579,164</b>	<b>48,598</b>	<b>22,698,269</b>	<b>50,590</b>

**(20) 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 period ended 30 June	
	2021 (Reviewed)	2020 (Reviewed)
	JD	JD
Shares dividends	19,941	840
gains on sale of financial assets	181,647	3,581
Islamic Sukuk profits	926,962	887,386
<b>Total</b>	<b>1,128,550</b>	<b>891,807</b>



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

The details of this item are as follows:

	Jointly financed							
	For the six months ended 30 June 2021 (Reviewed)				For the six months ended 30 June 2020 (Reviewed)			
	Realized gains	Unrealized (gains)	Dividends	Total	Realized gains	Unrealized (Losses)	Dividends	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Corporate Shares	19,888	-	407	20,295	-	-	-	-
Sukuk	(53,048)	36,051	-	(16,997)	38,803	-	-	38,803
<b>Total</b>	<b>(33,160)</b>	<b>36,051</b>	<b>407</b>	<b>3,298</b>	<b>38,803</b>	<b>-</b>	<b>-</b>	<b>38,803</b>
<b>Less:</b>								
Contract commission	2,169	-	-	2,169	-	-	-	-
<b>Total</b>	<b>(35,329)</b>	<b>36,051</b>	<b>407</b>	<b>1,129</b>	<b>38,803</b>	<b>-</b>	<b>-</b>	<b>38,803</b>

**(22) SHARE OF UNRESTRICTED INVESTMENT ACCOUNTS HOLDERS'**

The details of this item are as follows:

	Jointly financed	
	For the six months ended 30 June	
	2021 (Reviewed)	2020 (Reviewed)
	JD	JD
<b>Customers</b>		
Saving accounts	648,578	618,549
Term accounts	17,549,793	16,021,786
Certificates of deposit	2,220,831	2,765,825
<b>Total Customers Revenue</b>	<b>20,419,202</b>	<b>19,406,160</b>
<b>Banks</b>		
Banks and financial Institutions accounts	407,789	755,853
<b>Total Banks revenue</b>	<b>407,789</b>	<b>755,853</b>
<b>Total</b>	<b>20,826,991</b>	<b>20,162,013</b>

**(23) BANK'S SHARE OF REVENUE FROM UNRESTRICTED INVESTMENT ACCOUNTS AS MUDARIB AND RAB MAL**

The details of this item are as follows:

	Jointly financed	
	For the six months ended 30 June	
	2021 (Reviewed)	2020 (Reviewed)
	JD	JD
Bank's share as Mudarib*	15,944,907	18,373,810
Bank's share as Rab Mal	3,950,820	769,926
<b>Total</b>	<b>19,895,727</b>	<b>19,143,736</b>

\*The Bank's share of the joint investment accounts' revenues as a speculator amounted to JD 17,436,842 for the period ending on 30 June 2021 and an amount of JD 1,491,935 was donated with the approval of the Shariah Supervisory Board for the benefit of joint investment account holders (JD 19,021,163 for the period ending on 30 June 2020). The donation amount is JD 647,353.

#### (24) BANK'S SELF FINANCED REVENUE

		Self financed	
		For the six months ended 30 June	
Note		2021 (Reviewed)	2020 (Reviewed)
		JD	JD
	Ijara Muntahia Bittamleek revenue	289,009	298,032
	Deferred sales revenue	48,598	50,590
	Cash dividends - financial assets at fair value through shareholders' equity-self financed	2,150	-
<b>Total</b>		<b>339,757</b>	<b>348,622</b>

#### (25) EARNINGS PER SHARE

		For the six months ended 30 June	
		2021 (Reviewed)	2020 (Reviewed)
		JD	JD
	Profit for the year	6,942,398	5,051,682
		share	share
	Weighted average number of shares	100,000,000	100,000,000
		JD/Fils	JD/Fils
	Basic and diluted earnings per share for the year	<b>0/069</b>	<b>0/051</b>

#### (26) CASH AND CASH EQUIVALENTS

		For the six months ended 30 June	
		2021 (Reviewed)	2020 (Reviewed)
		JD	JD
	Cash balances with CBJ maturing within three months	287,477,459	333,203,946
	<u>Add:</u> cash at banks and banking institutions maturing within three months	8,391,344	5,246,889
	<u>Less:</u> banks and financial banking accounts maturing within three months	(30,085,064)	(9,802,301)
<b>Total</b>		<b>265,783,739</b>	<b>328,648,534</b>

## (27) 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 :

	Main shareholders	Senior management	Board of Directors members	Al-Etihad Islamic company for investment*	sharia directors members	Total	
						30 June	31 December
						2021 (Reviewed)	2020 (Audited)
	JD	JD	JD	JD	JD	JD	JD
<b><u>Condensed consolidated intreim statements of financial position items</u></b>							
Balances at banks and banking institutions	-	-	-	1,068,414	-	1,068,414	204,472
Unrestricted investments accounts and current accounts	21,506	453,395	14,546,307	20,749,454	16,947	35,787,609	35,660,888
Deferred sales receivables and facilities	-	263,463	211	-	-	263,674	358,067
Ijara Muntahia Bittamleek assets	-	1,470,384	493,112	-	-	1,963,496	2,108,143

## **Condensed consolidated intreim statement of Income and Comprehensive Income items**

						For the six months ended 30 June	
						2021 (Reviewed)	2020 (Reviewed)
Dividends	42	2,585	145,935	189,232	62	337,856	642,069
Salaries and bonuses	-	805,910	27,502	-	24,198	857,610	878,567
Transportation	-	-	238,800	-	9,900	248,700	222,000

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

-The lowest and highest received Murabaha rate were 3.84% 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 0.80% and 4.35% respectively.

-Executive management salaries and benefits for the year ended 30 June 2021 amounted to JD 805,910 ( JD 824,883 as at 30 June 2020).

-All facilities granted to related parties are performing and no provisions were recorded for it .

## **(28) Right of use assets / lease liabilities long-term**

The details of this item are as follows:

### **A- Right of use assets**

The Bank rents real estate and stores for periods ranging from one to 15 years, the average lease term is 7 years, the following is the movement on the right of use assets during the year:

	For the period ended 30 June 2021 (Reviewed)	For the year ended 31 December 2020 (Audited)
	JD	JD
Balance at the beginning of the period/year	8,969,372	9,702,044
Add : Additions during the period/year	179,062	1,092,173
Less : Disposals during the period/year	-	(310,881)
Less : depreciation for the period/year	(718,165)	(1,513,964)
<b>Balance at the end of period/year</b>	<b>8,430,269</b>	<b>8,969,372</b>

The amounts recorded in the condensed consolidated interim statement of income and comprehensive income :

	For the period ended 30 June 2021 (Reviewed)	For the period ended 30 June 2020 (Reviewed)
	JD	JD
Depreciation of the right of use assets for the period	(718,165)	(754,986)
Finance costs (discounting of rental obligations) during the period	(151,113)	(162,875)

### **B- lease liabilities**

	For the period ended 30 June 2021 (Reviewed)	For the year ended 31 December 2020 (Audited)
	JD	JD
Balance at the beginning of the period/year	8,898,628	9,368,215
Add : Additions during the period/year	179,062	1,092,173
Less : Disposals during the period/year	-	(310,881)
Finance costs (discounting of rental obligations) during the period/year	151,113	322,467
Less : paid during the period/year	(1,002,452)	(1,573,346)
<b>Balance at the end of period/year</b>	<b>8,226,351</b>	<b>8,898,628</b>

## (29) 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 :

#### Retail Accounts:

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

#### Corporate Accounts:

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

#### Treasury:

This sector handles 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:

	Retail	Corporate	Treasury	Other	For the six months ended 30 June	
					2021(Reviewed)	2020(Reviewed)
					Total	Total
	JD	JD	JD	JD	JD	JD
Total revenue (joint and self financed)	12,177,581	10,525,062	6,144,713	378,094	29,225,450	24,510,720
Investment risks fund share of joint Investment accounts revenues	-	-	-	-	-	-
Expected credit losses (joint and self financed)	(1,848,726)	(3,489,258)	(144,001)	-	(5,481,985)	(3,235,090)
<b>Results of segment's operations</b>	<b>10,328,855</b>	<b>7,035,804</b>	<b>6,000,712</b>	<b>378,094</b>	<b>23,743,465</b>	<b>21,275,630</b>
distributed expenses	(1,297,628)	(546,650)	(305,348)	-	(2,149,626)	(2,011,604)
Undistributed expenses	-	-	-	(10,382,721)	(10,382,721)	(11,113,749)
<b>Profit for the year before tax</b>	<b>9,031,227</b>	<b>6,489,154</b>	<b>5,695,364</b>	<b>(10,004,627)</b>	<b>11,211,118</b>	<b>8,150,277</b>
Income tax expense	-	-	-	(4,268,720)	(4,268,720)	(3,098,595)
<b>Profit for the year</b>	<b>9,031,227</b>	<b>6,489,154</b>	<b>5,695,364</b>	<b>(14,273,347)</b>	<b>6,942,398</b>	<b>5,051,682</b>

	Retail	Corporate	Treasury	Other	30 June 2021	31 December 2020
					(Reviewed)	(Audited)
					JD	JD
Segments' assets	628,872,176	695,346,528	399,362,690	-	1,723,581,394	1,408,632,562
Undistributed assets	-	-	-	349,102,728	349,102,728	411,606,641
<b>Total assets</b>	<b>628,872,176</b>	<b>695,346,528</b>	<b>399,362,690</b>	<b>349,102,728</b>	<b>2,072,684,122</b>	<b>1,820,239,203</b>
Segments' liabilities and total equity of unrestricted investment accounts holders	1,388,044,862	369,290,572	94,545,989	-	1,851,881,423	1,609,935,226
Undistributed liabilities	-	-	-	65,242,894	65,242,894	55,686,570
<b>Total liabilities and Total equity of unrestricted</b>	<b>1,388,044,862</b>	<b>369,290,572</b>	<b>94,545,989</b>	<b>65,242,894</b>	<b>1,917,124,317</b>	<b>1,665,621,796</b>

	For the six months ended 30 June	
	2021 (Reviewed)	2020 (Reviewed)
	JD	JD
Capital expenditure	687,357	1,123,878
Depreciation and amortization	1,613,041	1,583,979

#### 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:

	30 June 2021 (Reviewed)			31 December 2020 (Audited)		
	Inside Jordan	Outside Jordan	Total	Inside Jordan	Outside Jordan	Total
	JD	JD	JD	JD	JD	JD
<b>Total assets</b>	<b>1,888,435,765</b>	<b>184,248,357</b>	<b>2,072,684,122</b>	<b>1,662,808,744</b>	<b>157,430,459</b>	<b>1,820,239,203</b>

	For the six months ended at 30 June 2021 (Reviewed)			For the six months ended at 30 June 2020 (Reviewed)		
	Inside Jordan	Outside Jordan	Total	Inside Jordan	Outside Jordan	Total
	JD	JD	JD	JD	JD	JD
<b>Total revenue</b>	<b>27,946,401</b>	<b>1,279,049</b>	<b>29,225,450</b>	<b>22,830,177</b>	<b>1,680,543</b>	<b>24,510,720</b>
<b>Capital expenditure</b>	<b>687,357</b>	<b>-</b>	<b>687,357</b>	<b>1,123,878</b>	<b>-</b>	<b>1,123,878</b>

### (30) 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 30 June 2021 according to the instructions of the regulatory capital No. (2018/72) 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:

	June 30 2021 (Reviewed)	31 December 2020 (Audited)
	JD"000	JD"000
<b>Basic capital items</b>	<b>149,540</b>	<b>142,516</b>
Authorised and Paid in capital	100,000	100,000
Retained earnings	21,132	27,132
Statutory reserve	27,485	27,485
proposed dividends	-	(6,000)
The bank's share of the fair value reserve in full if the fund's are mixed	195	65
Profit for the period after tax and after proposed dividends	6,942	-
Intangible assets	(1,825)	(2,025)
Deferred tax assets (self financed)	(760)	(807)
The Bank's share of the deferred tax assets (jointly financed)	(2,507)	(1,925)
The bank's share in the capital of banks and financial Institutions	(1,122)	(1,409)
<b>Additional capital</b>	<b>-</b>	<b>-</b>
<b>Supporting capital</b>	<b>3,156</b>	<b>2,541</b>
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 weighted of financial assets weighted by credit risks)	3,172	2,563
Investment in financial banks and takaful companies that is less than 10%	(16)	(22)
Investments in non-consolidated subsidiaries' capital accounts with bank accounts	-	-
<b>Total regulatory capital</b>	<b>152,696</b>	<b>145,057</b>
<b>Total risk weighted assets</b>	<b>825,258</b>	<b>738,104</b>
Capital adequacy ratio (%)	%18.50	%19.65
Basic capital ratio (%)	%18.12	%19.31
First slide ratio Tier 1 (%)	%18.12	%19.31
Second slide ratio Tier 2 (%)	%0.38	%0.34
Leverage ratio	%15.85	%16.11

### (31) Liquidity Coverage Ratio

- The liquidity coverage ratio in total amounted to 264.5% as on 30 June 2021 with an average rate of 273.0% during the period (376.9% as on 31 December 2020 and an average rate of 466.9% during the year).
- The liquidity coverage ratio in Jordanian Dinars reached 154.2% as on 30 June 2021 with an average rate of 150.1% during the period (232.7% as on 31 December 2020 and an average rate of 223.1% during the year).

### **(32) CONTINGENT COMMITMENTS (OFF BALANCE SHEET)**

#### **A- Contingent credit and commitments/self financed\***

	30 June 2021 (Reviewed)	31 December 2020 (Audited)
	JD	JD
Letters of credit	43,976,272	11,188,541
Acceptances	6,967,950	7,866,839
Letters of guarantees:		
Payment	9,074,884	8,178,256
Performance	12,104,681	12,311,636
Others	17,424,582	17,877,509
<b>Total</b>	<b>89,548,369</b>	<b>57,422,781</b>

#### **B. Contingent credit and commitments/jointly financed**

Direct unutilized credit limits	130,999,274	132,003,890
<b>Total</b>	<b>130,999,274</b>	<b>132,003,890</b>

\*Indirect unutilized credit limits / self financed amounted to JD 11,518,739 as of 30 June 2021 .

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 to JD 317,153 as of 30 June 2021 (JD 238,578 as at 31 December 2020) and recorded in the other liabilities (note 14).

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 to JD 1,015,452 as of 30 June 2021 (JD 976,641 as at 31 December 2020) and recorded in other liabilities (note 14).

### **(33) LAWSUITS AGAINST THE BANK**

The Bank is a defendant in a number of lawsuits, which amounted to JD 826,785 as at 30 June 2021 (JD 624,553 31 as at December 2020) and that is within the bank's normal activity. In the opinion of the Bank's Management and its legal advisor, the related provision is adequate should any liabilities arise therefrom.

### **(34) COMPARATIVE FIGURES**

Some amounts of the consolidated financial statements for the year 2020 have been reclassified to match the classification of the numbers for the period ended on June 30, 2021. The reclassification did not have any impact on the profit and shareholders' equity for the year 2020 as follows:

#### **List of Consolidated Statement of Financial Position**

	After reclassification 31 December 2020 (Audited)	Before reclassification 31 December 2020 (Audited)	Difference
	JD	JD	JD
DEFERRED SALES RECEIVABLES AND OTHER RECEIVABLES - NET	753,903,198	754,662,396	(759,198)
Expected credit losses (deferred sales receivables)	35,250,425	35,479,917	(229,492)
Qard hasan - Net	1,721,260	962,062	759,198
Expected credit losses - Qard hasan	249,312	19,820	229,492

### (35) 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
	30 June 2021 (Reviewed)	31 December 2020 (Audited)				
	JD	JD				
<b>Financial assets at fair value through shareholders' equity -self financed</b>	<b>7,517,358</b>	<b>1,513,175</b>	Level 1	Quoted rates in financial markets	Not applicable	Not applicable
<b>Financial assets at fair value through unrestricted investment accounts' holders equity</b>						
Quoted shares	353,494	273,603	Level 1	Quoted rates in financial markets	Not applicable	Not applicable
Quoted sukuk	61,377,607	54,337,021	Level 1	Quoted rates in financial markets	Not applicable	Not applicable
Unquoted shares	2,522,476	2,179,574	Level 3	Quoted rates in financial markets	Not applicable	Not applicable
Unquoted sukuk	1,032,100	2,064,200	Level 2	The latest financial prices available	Not applicable	Not applicable
<b>Total Financial assets at fair value through unrestricted investments accounts</b>	<b>65,285,677</b>	<b>58,854,398</b>				
<b>Total</b>	<b>72,803,035</b>	<b>60,367,573</b>				

There were no transfer between level 1 and 2 during the period ended 30 June 2021 and the year 2020.

#### 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.

	30 June 2021 (Reviewed)		31 December 2020 (Audited)		Fair value hierarchy
	Book value	Fair value	Book value	Fair value	
	JD	JD	JD	JD	
<b>Financial assets not calculated at fair value</b>					
Cash and bank balances	295,868,803	295,868,803	361,364,333	361,364,333	Level 2
Qard hasan - Net	1,855,094	1,855,094	1,721,260	1,721,260	Level 2
Deferred sales receivables and other receivables	1,004,483,735	1,144,284,244	753,903,198	837,736,452	Level 2
Financial assets at amortized cost	64,752,000	65,757,262	92,191,000	93,315,652	Level 2
Ijara muntahia Bittamleek assets - Net	471,659,975	471,659,975	422,067,496	422,067,496	Level 2
<b>Total financial assets not calculated at fair value</b>	<b>1,838,619,607</b>	<b>1,979,425,378</b>	<b>1,631,247,287</b>	<b>1,716,205,193</b>	
<b>Financial liabilities not calculated at fair value</b>					
Customers' current accounts and unrestricted investment accounts	1,782,181,793	1,796,738,077	1,554,953,283	1,568,526,081	Level 2
Cash margin accounts	34,812,464	34,947,166	26,856,968	26,971,163	Level 2
<b>Total financial liabilities not calculated at fair value</b>	<b>1,816,994,257</b>	<b>1,831,685,243</b>	<b>1,581,810,251</b>	<b>1,595,497,244</b>	



### (36) CREDIT RISK

#### 1- Concentration of credit exposures according to geographical distribution

First- The total distribution of exposures by geographical region-self financed (after impairment provision) :

	30 June 2021							31 December 2020	
Item	Within the Kingdom	Other Middle Eastern countries	Europe	Asia	Africa	America	Other countries	Total	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD
Cash and balances with central banks	264,625,971	-	-	-	-	-	-	264,625,971	330,865,686
Balances at banks and financial institutions	1,528,626	1,566,247	2,922,073	396,028	-	1,958,591	19,779	8,391,344	9,669,834
Deposits with banks and financial institutions	-	-	-	-	-	-	-	-	-
Direct credit facilities -net	6,640,502	-	-	-	-	-	-	6,640,502	7,005,962
Sukuk:									
Within financial assets at fair value through statement of income	-	-	-	-	-	-	-	-	-
Within financial assets at fair value through unrestricted investment accounts holders' equity -net	-	-	-	-	-	-	-	-	-
Within financial assets at amortized cost -net	-	-	-	-	-	-	-	-	-
Other assets	903,442	-	-	-	-	-	-	903,442	824,185
<b>Total / current period</b>	<b>273,698,541</b>	<b>1,566,247</b>	<b>2,922,073</b>	<b>396,028</b>	<b>-</b>	<b>1,958,591</b>	<b>19,779</b>	<b>280,561,259</b>	<b>348,365,667</b>
Letter of guarantees	38,419,169	-	-	-	-	-	-	38,419,169	38,169,872
Letters of credit	24,590,963	19,264,765	-	-	-	-	-	43,855,728	19,014,331
Acceptances	6,956,319	-	-	-	-	-	-	6,956,319	-
<b>Sub Total</b>	<b>343,664,992</b>	<b>20,831,012</b>	<b>2,922,073</b>	<b>396,028</b>	<b>-</b>	<b>1,958,591</b>	<b>19,779</b>	<b>369,792,475</b>	<b>405,549,870</b>

\*Except for Middle Eastern countries

Second: Distributions according to classification according to classification according to the Islamic Accounting Classification No. (30) - Self :

	31 June 2021					
Item	Stage 1 Individual	Stage 1 Collective	Stage 2 Individual	Stage 2 Collective	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Within the Kingdom	335,910,849	2,615,536	3,136,849	1,373,353	628,405	343,664,992
Other Middle Eastern countries	20,831,012	-	-	-	-	20,831,012
Europe	2,922,073	-	-	-	-	2,922,073
Asia	396,028	-	-	-	-	396,028
Africa	-	-	-	-	-	-
America	1,958,591	-	-	-	-	1,958,591
Other countries	19,779	-	-	-	-	19,779
<b>Total</b>	<b>362,038,332</b>	<b>2,615,536</b>	<b>3,136,849</b>	<b>1,373,353</b>	<b>628,405</b>	<b>369,792,475</b>

### 3. Total distribution of exposures by geographical region-jointly financed (after impairment provision) :

Item	30 June 2021								31 December 2020
	Within the Kingdom	Other Middle Eastern countries	Europe	Asia	Africa	America	Other countries	Total	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD
Cash and balances with central banks	-	-	-	-	-	-	-	-	-
Balances at banks and financial institutions	-	-	-	-	-	-	-	-	-
Deposits with banks and financial institutions	-	-	-	-	-	-	-	-	-
International wakala investments -net	-	93,529,125	14,593,781	-	-	-	-	108,122,906	78,717,349
Direct credit facilities -net	999,698,327	-	-	-	-	-	-	999,698,327	748,618,496
Sukuk:									
Within financial assets at fair value through statement of income	-	5,762,505	1,702,706	-	-	-	-	7,465,211	1,463,324
Within financial assets at fair value through unrestricted investment accounts holders' equity - net	1,032,100	61,134,259	-	-	-	-	-	62,166,359	56,035,806
Within financial assets at amortized cost -net	64,752,000	-	-	-	-	-	-	64,752,000	92,191,000
Other assets	1,556,969	-	-	-	-	-	-	1,556,969	1,647,394
<b>Total / current period/ year</b>	<b>1,067,039,396</b>	<b>160,425,889</b>	<b>16,296,487</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,243,761,772</b>	<b>978,673,369</b>
Unutilized credit limits	129,983,822	-	-	-	-	-	-	129,983,822	131,027,249
<b>Sub Total</b>	<b>1,197,023,218</b>	<b>160,425,889</b>	<b>16,296,487</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,373,745,594</b>	<b>1,109,700,618</b>

\* except for middle eastern contries

### 4.Distribution of exposures according to the classification stages according to the Islamic Accounting Standard No. 30 - joint :

Item	30 June 2021					
	Stage 1 Individual	Stage 1 Collective	Stage 2 Individual	Stage 2 Collective	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Within the Kingdom	828,897,860	283,458,873	56,235,873	26,042,351	2,388,261	1,197,023,218
Other Middle Eastern countries	160,425,889	-	-	-	-	160,425,889
Europe	16,296,487	-	-	-	-	16,296,487
Asia	-	-	-	-	-	-
Africa	-	-	-	-	-	-
America	-	-	-	-	-	-
Other countries	-	-	-	-	-	-
<b>Total</b>	<b>1,005,620,236</b>	<b>283,458,873</b>	<b>56,235,873</b>	<b>26,042,351</b>	<b>2,388,261</b>	<b>1,373,745,594</b>

## 2- Distribution of exposures by economic sectors:

### 1. Total distribution of exposures by financial instrument - self financed (after impairment provision) :

	30 June 2021									31 December 2020	
Item	Financial	Industry	Trade	Real estates	Agriculture	Shares	Retail	Government and public sector	Other	Total	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Cash and balances with central banks	264,625,971	-	-	-	-	-	-	-	-	264,625,971	330,865,686
Balances at banks and financial institutions	8,391,344	-	-	-	-	-	-	-	-	8,391,344	9,669,834
Deposits with banks and financial institutions	-	-	-	-	-	-	-	-	-	-	-
Direct credit facilities -net	-	279,806	2,689,047	-	-	845,289	480,983	509,660	1,835,717	6,640,502	7,005,962
sukuk :											
Included in financial assets at fair value through income statement	-	-	-	-	-	-	-	-	-	-	-
Within financial assets at fair value through unrestricted investment accounts holders' equity -net	-	-	-	-	-	-	-	-	-	-	-
Within financial assets at amortized cost - net	-	-	-	-	-	-	-	-	-	-	-
Derivative Financial Instruments	-	-	-	-	-	-	-	-	-	-	-
Pledged financial assets (debt instruments)	-	-	-	-	-	-	-	-	-	-	-
Other assets	903,442	-	-	-	-	-	-	-	-	903,442	824,185
<b>Total / current period / year</b>	<b>273,920,757</b>	<b>279,806</b>	<b>2,689,047</b>	<b>-</b>	<b>-</b>	<b>845,289</b>	<b>480,983</b>	<b>509,660</b>	<b>1,835,717</b>	<b>280,561,259</b>	<b>348,365,667</b>
Financial letter of guarantees	1,037,576	1,377,942	7,599,152	4,974,792	-	896,221	314,284	-	22,219,202	38,419,169	38,169,872
Letters of credit	19,856,716	5,297,701	16,848,369	-	-	612,013	1,037,688	-	203,241	43,855,728	19,014,331
Acceptances	74,898	1,677,233	5,204,188	-	-	-	-	-	-	6,956,319	-
<b>Sub Total</b>	<b>294,889,947</b>	<b>8,632,682</b>	<b>32,340,756</b>	<b>4,974,792</b>	<b>-</b>	<b>2,353,523</b>	<b>1,832,955</b>	<b>509,660</b>	<b>24,258,160</b>	<b>369,792,475</b>	<b>405,549,870</b>

### 2.Distribution of divisions according to classification according to the classification of the Islamic Accounting Standard No. (30):

	30 June 2021					
Item	Stage 1 Individual	Stage 1 Collective	Stage 2 Individual	Stage 2 Collective	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Financial	294,152,192	-	737,755	-	-	294,889,947
Industry	8,442,847	107,539	11,804	70,492	-	8,632,682
Trade	29,840,740	585,837	708,140	892,444	313,595	32,340,756
Real estates	4,967,898	-	6,894	-	-	4,974,792
Agriculture	-	-	-	-	-	-
Share's	1,233,999	845,289	9,426	-	264,809	2,353,523
Retail	1,350,988	480,983	984	-	-	1,832,955
Government and public sector	509,660	-	-	-	-	509,660
Other	21,540,008	595,888	1,661,846	410,417	50,001	24,258,160
<b>Total</b>	<b>362,038,332</b>	<b>2,615,536</b>	<b>3,136,849</b>	<b>1,373,353</b>	<b>628,405</b>	<b>369,792,475</b>

### 3. Total distribution of exposures by economic sector-jointly financed (after impairment provision) :

Item	30 June 2021										31 December 2020
	Financial	Industry	trade	real estates	Agriculture	Shares	Retail	Government and public sector	Other	Total	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Cash and balances with central banks	-	-	-	-	-	-	-	-	-	-	-
Balances at banks and financial institutions	-	-	-	-	-	-	-	-	-	-	-
Deposits with banks and financial institutions	-	-	-	-	-	-	-	-	-	-	-
International wakala investments -net	108,122,906	-	-	-	-	-	-	-	-	108,122,906	78,717,349
Direct credit facilities -net	5,871,516	133,459,457	177,943,654	14,898,430	-	151,261,126	132,807,902	307,800,770	75,655,472	999,698,327	748,618,496
Sukuk:											
Within financial assets at fair value through statement of income	7,465,211	-	-	-	-	-	-	-	-	7,465,211	1,463,324
Within financial assets at fair value through unrestricted investment accounts holders' equity net-	61,134,259	-	-	-	-	-	-	1,032,100	-	62,166,359	56,035,806
Within financial assets at amortized cost -net	-	-	-	-	-	-	-	64,752,000	-	64,752,000	92,191,000
Other assets	1,556,969	-	-	-	-	-	-	-	-	1,556,969	1,647,394
<b>Total / current period</b>	<b>184,150,861</b>	<b>133,459,457</b>	<b>177,943,654</b>	<b>14,898,430</b>	<b>-</b>	<b>151,261,126</b>	<b>132,807,902</b>	<b>373,584,870</b>	<b>75,655,472</b>	<b>1,243,761,772</b>	<b>978,673,369</b>
Unutilized credit limits	731,408	58,479,333	37,560,000	-	-	1,773,816	16,502,818	-	14,936,447	129,983,822	131,027,249
<b>Total</b>	<b>184,882,269</b>	<b>191,938,790</b>	<b>215,503,654</b>	<b>14,898,430</b>	<b>-</b>	<b>153,034,942</b>	<b>149,310,720</b>	<b>373,584,870</b>	<b>90,591,919</b>	<b>1,373,745,594</b>	<b>1,109,700,618</b>

### 4.Distribution of exposures according to the classification stages according to the Islamic Accounting Standard No. (30) - joint

Item	30 June 2021					
	Stage 1 Individual	Stage 1 Collective	Stage 2 Individual	Stage 2 Collective	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Financial	184,860,848	-	-	21,421	-	184,882,269
Industry	186,966,824	4,202,082	123,790	920,017	(273,923)	191,938,790
Trade	162,759,919	14,685,851	29,704,803	6,997,509	1,355,572	215,503,654
Real estates	4,292,004	4,675,599	5,489,093	289,880	151,854	14,898,430
Agriculture	-	-	-	-	-	-
Shares	11,965,984	129,212,539	7,599,660	2,992,207	1,264,552	153,034,942
Retail	16,491,895	124,422,471	16,418	8,638,678	(258,742)	149,310,720
Government and public sector	373,584,870	-	-	-	-	373,584,870
Other	64,697,892	6,260,331	13,302,109	6,182,639	148,948	90,591,919
<b>Total</b>	<b>1,005,620,236</b>	<b>283,458,873</b>	<b>56,235,873</b>	<b>26,042,351</b>	<b>2,388,261</b>	<b>1,373,745,594</b>

### 3- Credit exposures that have been reclassified

#### 1. Total credit exposures classified:

##### A. Self financed

Item	30 June 2021					
	Stage 2		Stage 3		Total exposures that have been reclassified	Percentage of rated exposures
	Total exposure value	The exposures that have been reclassified	Total exposure value	The exposures that have been reclassified		
	JD	JD	JD	JD	JD	
Direct credit facilities-net	1,560,813	89,906	548,433	(29)	89,877	4.26%
Letter of guarantees	2,855,727	(165,486)	314,809	-	(165,486)	(5.22%)
Letters of credit and acceptances	120,480	-	-	-	-	0.00%
Other liabilities	-	-	-	-	-	-
<b>Sub Total</b>	<b>4,537,020</b>	<b>(75,580)</b>	<b>863,242</b>	<b>(29)</b>	<b>(75,609)</b>	<b>(1.40%)</b>

##### B. Jointly financed

Item	30 June 2021					
	Stage 2		Stage 3		Total exposures that have been reclassified	Percentage of rated exposures
	Total exposure value	The exposures that have been reclassified	Total exposure value	The exposures that have been reclassified		
	JD	JD	JD	JD	JD	
Direct credit facilities-net	88,797,431	89,906	24,962,488	4,225,857	4,315,763	3.79%
Unutilized credit limits	7,173,423	461,503	-	-	461,503	6.43%
<b>Sub Total</b>	<b>95,970,854</b>	<b>551,409</b>	<b>24,962,488</b>	<b>4,225,857</b>	<b>4,777,266</b>	<b>3.95%</b>

**2.Credit losses expected for exposures that have been reclassified:**

30 June 2021								
Item	The exposures that have been reclassified			Expected credit loss on exposures that have been reclassified				Total
	Total exposures that have been reclassified rated from Stage 2	Total exposures that have been reclassified rated from Stage 3	Total exposures that have been reclassified	Stage 2 - Individual	Stage 2 - Collective	Stage 3 - Individual	Stage 3 - Collective	
<b>A.Self financed</b>	JD	JD	JD	JD	JD	JD	JD	JD
Direct credit facilities	89,906	(29)	89,877	-	153	-	(155)	(2)
Letter of guarantees	(165,486)	-	165,486	(716)	-	-	-	(716)
Letters of credit	-	-	-	-	-	-	-	-
Acceptances	-	-	-	-	-	-	-	-
<b>Sub Total</b>	<b>(75,580)</b>	<b>(29)</b>	<b>(75,609)</b>	<b>(716)</b>	<b>153</b>	<b>-</b>	<b>(155)</b>	<b>(718)</b>

30 June 2021								
Item	The exposures that have been reclassified			Expected credit loss on exposures that have been reclassified				Total
	Total exposures that have been reclassified rated from Stage 2	Total exposures that have been reclassified rated from Stage 3	Total exposures that have been reclassified	Stage 2 Individual	Stage 2 Collective	Stage 3 Individual	Stage 3 Collective	
	JD	JD	JD	JD	JD	JD	JD	JD
<b>B. Jointly financed</b>								
Direct credit facilities	27,324,745	4,225,857	31,550,602	(2,593,762)	237,120	2,819,638	(191,666)	271,330
Other Liabilities	461,503	-	461,503	3,596	-	-	-	3,596
<b>Sub Total</b>	<b>27,786,248</b>	<b>4,225,857</b>	<b>32,012,105</b>	<b>(2,590,166)</b>	<b>237,120</b>	<b>2,819,638</b>	<b>(191,666)</b>	<b>274,926</b>

### **(37) Analysis of the impact of the standards recently issued by the Accounting and Auditing Organization**

#### **Islamic Accounting standard that issued and effect as of the first of January 2021 :**

- IAS No. (35) "Risk Reserve." This standard describes the accounting treatment and financial reporting related to risk reserves that are put in place to mitigate the various risks faced by stakeholders, especially investors, noting that the mandatory application date of Standard No. (35) is the first of January 2021 with early application permitted. This standard has no impact on the interim condensed financial statements.

IAS No. (32) "Ijara and Ijara ending in ownership." This standard aims to improve the principles of recognition, classification, measurement and disclosure of Ijara and Ijara transactions ending with ownership, knowing that the mandatory application date for Standard No. 32 is on or after January 1, 2021, with early application permitted.

The Bank's management has carried out a preliminary Review of the impact of applying this standard compared to Standard (32) currently applied, and no material effects have been found. The full implementation of the standard will be completed and the impact will be reflect the effect on the Bank's financial statements as of 31 December 2021.

### **( 38) Impact of Covid 19**

The new Corona epidemic ("Covid-19") has spread across different geographical regions worldwide, causing disruption to commercial and economic activities. The Coronavirus ("Covid-19") has created a state of uncertainty in the global economic environment.

The Bank is closely monitoring the situation and has activated its Business Continuity Plan and other risk management practices to manage the potential disruptions that the outbreak of the Coronavirus ("Covid-19") may cause to the Bank's business, operations and financial performance.

The Bank conducted an assessment of the impact of the Corona Virus Pandemic ("Covid-19") which led to the following changes in the expected credit loss methodology and assessment estimates and judgments for the year ended December 31, 2020, noting that there were no changes to policies, estimates and judgments during the period ended June 30, 2021:

#### **A. Expected credit losses**

The uncertainties caused by COVID – 19, have required the Bank to update the inputs and assumptions used for the determination of ECLs during the year 2020. ECLs were estimated based on a range of forecast economic conditions as at that date and considering that the situation is fast evolving, the Bank has considered the impact of higher volatility in the forward-looking macro-economic factors, when determining the severity and likelihood of economic scenarios for ECL determination.

This volatility has been reflected through adjustment in the methods of scenario construction and the underlying weightages assigned to these scenarios. The forward-looking factor (Credit Index or CI) used is determined from the observed historical credit index. The credit index is used to forecast expected probability of defaults for the credit portfolio of the Bank.

In addition to the assumptions outlined above, the Bank has given specific consideration to the relevant impact of COVID – 19 on the qualitative and quantitative factors when determining the significant increase in credit risk and assessing the indicators of impairment for the exposures in potentially affected sectors and reflecting the Bank's management estimates (Management Overlay) in evaluating the impact on certain sectors or specific customers based on studying each sector or customers separately.

#### **B. Valuation estimates and judgements**

The Bank has also considered potential impacts of the current economic volatility in determination of the reported amounts of the Bank's financial and non-financial assets and these are considered to represent management's best assessment based on available or observable information.

#### **C. Deferred installments and customer credit ratings**

Based on the Central Bank of Jordan Circulars number 10/3/1515 issued on March 15, 2020 And previous circulars during the year 2020 to the banks operating in Jordan, the bank postponed the installments due or that would be due on some customers without considering this as a restructuring and without affecting the customer credit rating, the postponed installments amounted to around JD 42 million during the six months period ended at 30 June 2021 (91 million during the year ended 31 December 2020).