JORDAN ISLAMIC BANK - PUBLIC SHAREHOLDING COMPANY

CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2021

Jordan Islamic Bank – Public Shareholding Company

Amman – Jordan

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INDEPENDENT AUDITOR'S REPORT
To the Shareholders of Jordan Islamic Bank
Public Shareholding Company
Amman - Jordan

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Jordan Islamic Bank Public Shareholding Company (the "Bank") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2021, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows, and consolidated statement of sources and uses of funds of Al Qard Al Hasan fund for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with Islamic Shari'a rules and principles as determined by the Shari'a Supervisory Board of the Bank and in accordance with Financial Accounting Standards as issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI).

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Expected credit losses of deferred sales receivables and other receivables and financing notes (7) and (9).	
The process of estimating expected credit losses of customers' receivables and finances, balances and investment accounts at banks and financial institutions, and financial assets at amortized cost in accordance with the Islamic Financial Accounting Standard No. 30 is important, complex and requires significant judgment. Islamic Financial Accounting Standard No. 30 requires the use of the expected credit losses model. This requires the Bank's management to use several assumptions and estimates to determine the timing and value of expected credit losses as well as applying judgment to determine the inputs to the impairment measurement process including assessing collaterals and determining the date of default. Due to the importance of the judgements applied in Islamic Financial Accounting Standard No. (30) and credit exposures that form a major part of the Bank's assets, the expected credit losses are considered a significant audit risk. Gross deferred sales receivables and other receivables and financing as at 31 December 2021 amounted to JD 3,302,746,991 and the provisions balance amounted to JD 114,864,610.	Our audit procedures included an understanding of the nature of the portfolios of customers' receivables and financings in addition to testing the internal controls used in the granting, recording, credit monitoring, and assessing the effectiveness of main procedures followed in granting and recording As part of the control testing procedures, we assessed whether the key controls in the above processes were designed, implemented and operated effectively, as well as procedures for assessing the following: - The Bank's policy regarding the provision for expected credit losses in accordance with the Islamic Financial Accounting Standard No. 30. - Understanding the expected credit loss model used in calculating provisions and its compliance with the requirements of Islamic Financial Accounting Standard No. (30) and the relevant regulatory guidelines and directives. - Key assumptions and judgments related to the significant increase in credit risk, the definition of default, and the use of macroeconomic inputs to verify that the ECL amounts recorded reflect the underlying credit quality and macroeconomic trends. - The appropriateness of stages. - Appropriateness of determining exposure at default, including the consideration of repayments in the cash flows and the resultant arithmetical calculations. - Appropriateness of the PD, EAD, LGD and EIR used for different exposures at different stages. - Appropriateness and objectivity of the internal rating. - Soundness and mathematical integrity of the ECL Model.

	- For exposures moved between stages, we have checked the appropriateness of the Bank's determination of significant increase in credit risk and the resultant basis for classification of exposures into various stages. We also checked the timely identification of exposures with a significant deterioration in credit quality. - For exposures determined to be individually impaired, we re-preformed the ECL calculation and obtained an understanding of the latest developments in the counterparty's situation of the latest developments in estimate of future cash flows, current financial position any rescheduling or restructuring agreements. - We inspected legal agreements and supporting documentation to confirm the existence and legal right to collateral. We also assessed whether the consolidated financial statement disclosures appropriately reflect the requirements of the Accounting and Auditing Organization for Islamic Financial Institutions (AAIOFI).

Other information included in the Group's 2021 annual report.

Other information consists of the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information. The Group's 2021 annual report is expected to be made available to us after the date of the auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Islamic Shari'a rules and principles as determined by the Shari'a Supervisory Board of the Bank and in accordance with the Financial Accounting Standards as issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

As part of an audit in accordance with International Standards on Auditing (ISAs), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period, and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonable be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

The Group maintains proper books of accounts which are in agreement with the consolidated financial statements, and we recommend approving them.

For and on behalf of Ernst & Young – Jordan

Waddah Issam Barkawi
License No. 591

ERNST & YOUNG
Amman - Jordan

Amman – Jordan
8 February 2022

Jordan Islamic Bank - Public Shareholding Company
Consolidated Statement of Financial Position
As at 31 December 2021

Statement (A)

	Notes	31 December 2021 JD	31 December 2020 JD
Assets			
Cash and balances with central bank	4	893,840,158	828,778,523
Balances at banks and financial institutions	5	52,703,935	50,600,540
Wakala Bil Istithmar accounts	6	35,300,761	35,252,012
Deferred sales receivables and other receivables –net	7	2,811,104,715	2,590,162,404
Ijarah Muntahia Bittamleek assets – net	8	802,548,602	705,745,523
Financing – net	9	36,826,085	33,157,539
Financial assets at fair value through owner's equity – self-financed	10	18,250,074	12,975,052
Financial assets at fair value through joint investment accounts holders' equity	11	31,015,003	36,883,870
Financial assets at amortized cost	12	268,452,049	195,873,199
Investments in associates	13	9,051,815	8,316,058
Investments in real estate	14	119,023,646	107,608,263
Al Qard Al Hasan – net	15	64,115,042	77,503,021
Property and equipment – net	16	91,709,560	94,554,705
Intangible assets	18	4,299,297	3,153,822
Right of use assets	19 A	12,283,463	12,656,099
Other assets	20	52,057,938	51,278,229
Total assets		**5,302,582,143**	**4,844,498,859**
Liabilities, joint investment accounts holders' equity, non-controlling interests and owner's equity			
Liabilities			
Banks and financial institutions' accounts	21	56,333,430	66,792,542
Customers' current and on demand accounts	22	1,379,885,215	1,265,246,862
Cash margins	23	58,689,427	51,423,067
Accounts payable	24	1,312,576	1,441,976
Other provisions	25	16,560,343	15,336,476
Income tax provision	26 A	32,652,979	26,142,445
Deferred tax liabilities	27	3,141,708	4,986,053
Lease obligations	19 B	12,276,600	12,396,749
Other liabilities	28	40,496,123	36,774,199
Total liabilities		**1,601,348,401**	**1,480,540,369**
Joint investment accounts holders' equity			
Unrestricted investment accounts	29 A	3,150,272,953	2,842,574,747
Investment accounts holders' reserve in subsidiaries and associates	29 B	14,256,895	15,761,428
Fair value reserve – net	30 A	2,056,113	5,246,821
Total joint investment accounts holders' equity		**3,166,585,961**	**2,863,582,996**
Non-controlling interests	29 B	38,798	41,206
Total joint investment accounts holders' equity and non-controlling interest		**3,166,624,759**	**2,863,624,202**
Provision against future risks	31 A	25,000,000	25,980,009
Equity			
Owner's equity			
Paid-in capital	32	200,000,000	200,000,000
Statutory reserve	33	110,912,379	101,261,327
Voluntary reserve	33	55,081,786	45,472,758
Fair value reserve	30 B	3,069,831	2,888,319
Retained earnings	34	140,544,987	124,731,875
Total owner's equity – Bank's shareholders		**509,608,983**	**474,354,279**
Total liabilities, joint investment accounts holders' equity, non-controlling interests and owner's equity		**5,302,582,143**	**4,844,498,859**
Accounts managed for others:			
Restricted investments	56	**66,273,250**	**52,347,937**
Al Wakala Bi Al Istithmar (Investments portfolio)	57	**505,495,559**	**448,498,162**
Al Wakala Bi Al Istithmar	58	**78,199,218**	**81,188,487**

General Manager **Chairman**

The accompanying notes from (1) to (70) represent an integral part of these consolidated financial statements and should be read with them

Jordan Islamic Bank - Public Shareholding Company
Consolidated Income Statement
For the year ended 31 December 2021

Statement (B)

	Notes	31 December 2021	31 December 2020
		JD	JD
Deferred sales revenues	35	147,853,437	140,923,017
Financing revenues	36	508,087	486,435
Gain from financial assets at fair value through joint investment accounts holders' equity	37	1,910,281	565,576
Gain from financial assets at amortized cost	38	9,174,786	9,924,573
Dividends from subsidiaries and associates	39	2,119,804	1,754,479
Revenues from Investments In real estate	40	3,960,778	995,072
Revenues from Ijarah Muntahia Bittamleek assets	41	47,412,119	43,783,234
Revenues from other investments	42	1,464,005	1,787,310
Expected credit losses - joint	31 E	(6,000,000)	(8,000,000)
Revenues from joint investment accounts		208,403,297	192,219,696
Net income of subsidiaries	43	(589,271)	513,641
Share of profit from investments in associates		773,489	704,407
Total revenues from joint investment accounts		208,587,515	193,437,744
Deposits gurantee fees – Joint Investment accounts		(4,748,586)	(4,366,607)
Share of unrestricted investment account holders'	44	(64,474,970)	(56,279,960)
Share of investment accounts holders' from income of subsidiaries		586,864	(513,843)
Share of non-controlling interests from income of subsidiaries		2,407	202
Share of profit from investments in associates		(773,489)	(704,407)
Bank's share of the joint investment accounts revenues as Mudarib and Rab AL - Mal	45	139,179,741	131,573,129
Bank's self-financed revenues	46	241,305	31,511
Bank's share of restricted investments revenues as Mudarib	47	456,950	188,725
Bank's share of restricted investments revenues as Wakeel	47	7,528,092	5,678,024
Banking services revenues	48	23,326,630	21,172,814
Foreign currency gain	49	2,471,679	2,055,464
Other income	50	2,314,373	1,977,974
Gross income		175,518,770	162,677,641
Employees expenses	51	(41,920,751)	(41,506,574)
Depreciation and amortization	17	(8,363,158)	(8,324,180)
Other expenses	52	(27,026,345)	(28,516,686)
Provision for expected credit loss – self	15	(1,153,000)	(64,933)
Other provisions	53	(600,000)	(500,000)
Total expenses		(79,063,254)	(78,912,373)
Profit before income tax		96,455,516	83,765,268
Income tax	26 B	(37,397,819)	(31,643,599)
Profit after income tax		59,057,697	52,121,669
		JD/Fils	JD/Fils
Basic earnings per share for the year	54	0/295	0/261

General Manager **Chairman**

M. shihadeh

The accompanying notes from (1) to (70) represent an integral part of these consolidated financial statements and should be read with them

Jordan Islamic Bank - Public Shareholding Company
Consolidated Statement Comprehensive Income
For the year ended 31 December 2021 **Statement (C)**

	31 December 2021	31 December 2020
	JD	JD
Profit after income tax	59,057,697	52,121,669
Other comprehensive income items, net after tax:		
Change in fair value reserve of financial assets – net	197,007	628,602
Total other comprehensive income for the year	59,254,704	52,750,271

The accompanying notes from (1) to (70) represent an integral part of these consolidated financial statements and should be read with them

Jordan Islamic Bank - Public Shareholding Company
Consolidated Statement of Changes in Owner's Equity
For the year ended 31 December 2021

Statement (D)

	Paid-in capital	Statutory reserve	Voluntary reserve	Fair value reserve*	Retained earnings**	Total
For the year ended 31 December 2021	JD	JD	JD	JD	JD	JD
Balance at 1 January 2021	200,000,000	101,261,327	45,472,758	2,888,319	124,731,875	474,354,279
Profit after income tax	-	-	-	-	59,057,697	59,057,697
Change in fair value reserve	-	-	-	197,007	-	197,007
Profits realized from sale of financial assets at fair value through owner's equity	-	-	-	(15,495)	15,495	-
Total comprehensive income for the year after tax	-	-	-	181,512	59,073,192	59,254,704
Transferred to (from) reserves	-	9,651,052	9,609,028	-	(19,260,080)	-
Dividends***	-	-	-	-	(24,000,000)	(24,000,000)
Balance at 31 December 2021	200,000,000	110,912,379	55,081,786	3,069,831	140,544,987	509,608,983

* The fair value reserve balance of JD 3,069,831 as at 31 December 2021 is restricted from use.

** An amount of JD 1,000,000 from retained earnings, which was transferred from general banking risk reserve, is restricted from use without prior approval from the Central Bank of Jordan.

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

The accompanying notes from (1) to (70) represent an integral part of these consolidated financial statements and should be read with them

Jordan Islamic Bank - Public Shareholding Company
Consolidated Statement of Changes in Owner's Equity
For the year ended 31 December 2021

Statement (D)

	Paid-in capital	Statutory reserve	Voluntary reserve	Fair value reserve*	Retained earnings**	Total
For the year ended 31 December 2020	JD	JD	JD	JD	JD	JD
Balance at 1 January 2020	200,000,000	92,879,300	37,093,762	2,236,401	89,394,545	421,604,008
Profit after income tax	-	-	-	-	52,121,669	52,121,669
Change in fair value reserve	-	-	-	628,602	-	628,602
Losses realized from sale of financial assets at fair value through owner's equity	-	-	-	23,316	(23,316)	-
Total comprehensive income for the year after tax	-	-	-	651,918	52,098,353	52,750,271
Transferred to (from) reserves	-	8,382,027	8,378,996	-	(16,761,023)	-
Balance at 31 December 2020	200,000,000	101,261,327	45,472,758	2,888,319	124,731,875	474,354,279

* The fair value reserve balance of JD 2,888,319 as at 31 December 2020 is restricted from use.

** An amount of JD 1,000,000 from retained earnings, which was transferred from general banking risk reserve, is restricted from use without prior approval from the Central Bank of Jordan.

- According to circular no. 1/1/4693 by the Central Bank of Jordan on 9 April 2020, it was decided to postpone the distribution of dividends by Jordanian banks to shareholders for the year 2019.

The accompanying notes from (1) to (70) represent an integral part of these consolidated financial statements and should be read with them

Jordan Islamic Bank - Public Shareholding Company
Consolidated Statement of Cash Flows
For the year ended 31 December 2021

Statement (E)

	Notes	31 December 2021 JD	31 December 2020 JD
Cash flows from Operating Activities			
Profit before tax		96,455,516	83,765,268
Adjustments to non-cash items:			
Depreciation and amortization	17	8,363,158	8,324,180
Cost of lease obligation	19B	681,858	697,126
Employees' end of services provision	53	500,000	500,000
Employees' vacation provision	53	100,000	-
Provision for expected credit loss- joint		6,355,116	8,134,784
Provision for expected credit loss- self		1,153,000	64,933
Gain on sale of property and equipment		(5,231)	(12,235)
Profits from the sale of a subsidiary		(1,071,604)	-
Effect of exchange rate fluctuations on cash and cash equivalents		(1,713,919)	(1,267,033)
Profit before change in assets and liabilities		110,817,894	100,207,023
Change in assets and liabilities			
Increase in investment accounts at banks and financial institutions maturing after 3 months		-	(17,725,000)
Increase in deferred sales receivables and other receivables		(229,097,030)	(348,879,875)
Increase in financing		(2,963,852)	(1,526,077)
Increase in Ijarah Muntahia Bittamleek Assets		(96,803,079)	(76,144,770)
Decrease (Increase) in Al Qard Al Hasan		12,343,387	(61,094,749)
(Increase) Decrease in other assets		(3,157,677)	690,356
Increase in customers' current and on demand accounts		114,638,353	60,247,192
(Decrease) Increase in accounts payable		(129,400)	979,658
Increase in cash margins		7,266,360	4,912,841
Increase in other liabilities		3,738,181	8,111,540
Net change in assets and liabilities		(194,164,757)	(430,428,884)
Net cash flows used in operating activities before income tax and other payments		(83,346,863)	(330,221,861)
Income tax paid	26	(30,887,285)	(35,500,857)
Provision for income tax on investment risk fund		-	(1,450,853)
Payment of lease liabilities	19B	(2,130,952)	(2,034,383)
Net cash flows used in operating activities		(116,365,100)	(369,207,954)
Cash flows from Investing Activities			
Sale of financial assets at fair value through owner's equity - self		61,347	126,393
Purchase of financial assets at fair value through owner's equity - self		-	(7,727)
Sale of financial assets at fair value through joint investment accounts holders' equity		3,948,626	2,600,000
Purchase of financial assets at fair value through joint investment account holders' equity		(1,991,850)	(1,388,142)
Purchase of financial assets at amortized cost - net		(141,708,666)	(34,686,681)
Sale of financial assets at amortized cost - net		69,569,677	38,046,199
Sale of real estate investments		2,955,564	1,487,845
Purchase of real estate investments		(910,990)	(1,310,275)
Purchase of repossessed assets		(18,279,381)	(7,338,569)
Sale of repossessed assets		961,446	3,649,808
Sale of property and equipment		5,253	13,017
Purchase of property and equipment		(2,599,902)	(7,153,090)
Purchase of intangible assets		(2,462,842)	(1,643,457)
Net cash flows used in investing activities		(90,451,718)	(7,604,679)
Cash flows from Financing Activities			
Increase in unrestricted investment accounts holders' equity		306,887,579	216,749,458
Distributed dividends		(24,000,000)	-
Net cash flow from financing activities		282,887,579	216,749,458
Net increase (decrease) in cash and cash equivalents		76,070,761	(160,063,175)
Effect of exchange rate on cash and cash equivalents		1,713,919	1,267,033
Cash and cash equivalents at the beginning of the year	55	812,686,923	971,483,065
Cash and cash equivalents at the end of the year	55	890,471,603	812,686,923

The accompanying notes from (1) to (70) represent an integral part of these consolidated financial statements and should be read with them

Jordan Islamic Bank - Public Shareholding Company
Consolidated Statement of Sources and Uses of Al Qard Al Hasan Fund
For the year ended 31 December 2021 **Statement (F)**

	31 December 2021	31 December 2020
	JD	JD
Balance at the beginning of the year	81,208,965	20,114,216
Sources of the Fund:		
Central bank account / Al Qard Al Hasan Fund	53,439,029	64,908,095
Sources the Bank is authorized to use	48,910,517	32,911,572
Sources outside the Bank	2,129,520	1,934,535
Total sources of the Fund's assets for the year	104,479,066	99,754,202
Uses of the Fund:		
Education	462,770	1,465,015
Medical treatment	403,230	831,884
Marriage	584,010	570,170
Overdraft accounts	11,517,567	11,238,735
Social advances for the Bank's employees	2,721,323	2,478,683
Centeral Bank's programe for facing Corona pandemic & med-term crisis agreement	7,581,201	63,055,499
Total uses for the year	23,270,101	79,639,986
Settled for the year	(35,613,488)	(18,545,237)
Balance at the end of year	68,865,578	81,208,965
Less: Provision for expected credit loss – self	(4,750,536)	(3,705,944)
Balance at the end of year – net	64,115,042	77,503,021

(1) General Information

Jordan Islamic Bank ("the Bank') was established as a Jordanian public shareholding company on 28 November 1978 pursuant to the provisions of the companies law No. (12) of 1964. Head office is located in Amman.

The Bank offers banking, financial, and investment services in compliance with the rules and principles of the Islamic Shari'a through its head office, 84 branches and 25 banking offices in the Kingdom as well as its subsidiaries. The Bank's transactions are governed by the applicable Bank's Law.

Jordan Islamic Bank shares are listed on the Amman Stock Exchange – Jordan.

The consolidated financial statements were authorized for issue by the Bank's Board of Directors in their meeting No. (1) held on 8 February 2022 and it is subject to the approval of the General Assembly and the Central Bank of Jordan.

The Bank's Shari'a Supervisory Board reviewed the consolidated financial statements on its meeting No. (1/2022) held on 23 January 2022 and issued their annual report thereon.

According to the Bank's articles of association and in compliance with the principles and rules of the Islamic Shari'a and the general Banks' Laws, the Shari'a Supervisory Board is constitute of three members according to the shareholder's General Assembly decision. The opinion of Shari'a Supervisory Board shall be binding to the Bank, and it is responsible for monitoring the Bank's activities and operations in terms of compliance with Shari'a principles and is responsible for furnishing a Shari'a opinion on the format of contracts necessary to undertake the Bank's activities, and issue an annual report for the shareholder's General Assembly.

(2-1) Basis of preparation of the financial statements:

The accompanying consolidated financial statements of the Bank and its subsidiaries financed from the Bank's funds and the joint investment funds have been prepared in accordance with the Financial Accounting Standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), and in the absence of Financial Accounting Standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions relating to financial statements items, the International Financial Reporting Standards and related interpretations are applied in conformity with the Shari'a standards, pending the promulgation of Islamic Standards therefor.

The Bank complies with applicable local laws and the instructions and regulations of the Central Bank of Jordan.

The consolidated financial statements are prepared on the historical cost basis except for the financial assets at the fair value through owner's equity, the financial assets at the fair value through the joint investment account holders' equity, financial assets at amortized cost and investment in real estate.

The consolidated financial statements are presented in Jordanian Dinars (JD) which is the functional currency of the Bank.

A distinction should be made between owner's equity and joint investment accounts holders'.

(2-2) Basis of consolidation of the financial statements:

The consolidated financial statements comprise the financial statements of the Bank and its subsidiaries financed from the Bank's funds and the joint investment funds and subject to the Bank's control. Control exists when the Bank has power to govern the financial and operational policies of subsidiaries in order to obtain benefit from their activities. All intra-company transactions, balances, revenues and expenses are eliminated.

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

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

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

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

The Bank has the following subsidiaries as at 31 December 2021:

Company name	Paid-in capital	Bank's ownership percentage	Nature of business	Country of incorporation	Acquisition date
	JD				
Al Omariah Schools Company Ltd.	16,000,000	99.8%	Education	Amman	1987
Al Samaha Financing and Investment Company Ltd.	12,000,000	100%	Financing	Amman	1998
Future Applied Computer Technology Company Ltd.	5,000,000	100%	Services	Amman	1998
Sanabel Al-Khair for Financial Investments Company Ltd.	5,000,000	100%	Brokerage	Amman	2005

(2-3) Changes in accounting policies

The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the preparation of the Bank's consolidated financial statements for the year ended 31 December 2020, except for the adoption of the following standards:

FAS 31 Investment Agency (Al-Wakala Bi Al-Istithmar)

This standard defines the accounting principles and reporting requirements for investment agency (Al-Wakala Bi Al-Istithmar) transactions and financial instruments, in the hands of both the Muakkil and the Wakeel.

The standard requires the Muakkil to evaluate the nature of the investment as either:

A) Pass-through Investment

A pass-through investment is an investment in which the involvement of the Wakeel, as well as, the options for transferability of the instrument are limited and the Muakkil principally takes a direct exposure on the underlying assets. A Muakkil shall apply the pass-through investment approach for its investments in an investment agency instruments; unless it opts to apply the wakala venture approach.

Under this approach, the Muakkil shall initially recognize the assets underlying the wakala arrangement in its books of account applying the initial recognition principles as applicable in line with respective FAS.

B) Wakala Venture Approach

The Muakkil may opt to apply the wakala venture approach if, and only if, the Wakala contract meets any of the following conditions (transferable and negotiable, the nature of the investment requires that changes be made periodically to the invested assets, and the participation of the Wakeel is not limited as in the by-pass investment approach).

Under this approach, an investment shall be accounted for in the books of the Muakkil applying the "equity method of accounting"; where the investment shall be recognized initially at cost and subsequently shall be measured at the end of the financial period at carrying amount and shall be adjusted to include the Muakkil's share of profit or loss of the wakala venture.

From the Wakeel perspective, the standard requires that at inception of the transaction the Wakeel shall recognize Wakala Bi Al Istithmar under the off-balance sheet approach since the wakeel does not control and bare these assets' risks and losses / related business.

Financial Accounting Standard FAS 32 (Ijarah)
This standard supersedes FAS 8 "Ijarah and Ijarah Muntahia Bittamleek". The standard aims at setting out principles for the classification, recognition, measurement, presentation and disclosure of Ijarah type transactions including their different forms entered into by an institution, in both the capacities of lessor and lessee.

The Group has implemented the requirements of International Financial Reporting Standard 16 (IFRS 16) as per the Central Bank of Jordan's requirements effective from 1 January 2019. The implementation of Financial Accounting Standard 32 did not have any impact as there are no material differneces between the two standards.

(2-4) Significant Accounting Policies

Segment Information:

Business segment represents a group of assets and operations of the Bank that are engaged together in providing products or services that are subject to risks and rewards different from those related to other business sectors, and are measured in accordance with the reports used by the General Manager and operating decision maker of the Bank.

Geographical segments are associated to products and services in a specific economic environment subject to risks and rewards different from those sectors operating in other economic environments.

Basis of distributing joint investments profit between owner's equity, unrestricted investment accounts holders' , restricted investments accounts holders' and Al-Wakala Bi Al Istithmar accounts holders' (Investment portfolio):

The Bank share as Mudarib was 50% for Jordanian dinar and 60% for foreign currency from total joint investment profit. (2020: 50% for Jordanian dinar, 55% for foreign currency), the remaining balance was distributed between each according to its percentage of contribution, taking into consideration that the priority for funds investment relates to the unrestricted investment accounts holders'.

The bank waived a portion of its share as Mudarib to become 43.4% instead of 50% to improve the overall share of profits distributed to all of the joint investment accounts holders with an amount of JD 7,000,000 and some of the joint investment accounts holders with an amount of JD 6,062,412 based on tiers (segments) in accordance with the Central Bank instructions Number (10/1/9173) dated of 27 June 2019.

The joint investment accounts share in the investment profits, which are distributed to all investors each by its percentage of participation and conditions of the account agreement signed between the Bank and the investor.

Joint investment accounts participate in the profit as follows:

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

The Bank bears all administrative expenses except for the insurance expense of Ijarah Muntahia Bittamleek assets which are allocated to the joint investment accounts profit.

The Bank's fees as an agent (wakeel) were deducted at a rate of 2% of the Al Wakala Bi Al Istithmar account's Capital (Investment Portfolio) as at 31 December 2021. The Bank waived (as an agent – Wakeel) a portion of its share of the increase in net profit over 3% after deducting the income tax on the agreed distributed dividends under the prospectus of an amount of JD 1,276,220.

The Bank's fees as an agent (wakeel) were deducted at a rate of 2% of the Al Wakala Bi Al Istithmar account's Capital (Investment Portfolio) as at 30 June 2021. The Bank waived (as an agent – Wakeel) a portion of its share of the increase in net profit over 3% after deducting the income tax on the agreed distributed dividends under the prospectus of an amount of JD 1,175,041.

Profit was distributed to Al Wakala Bi Al Istithmar (Investment Portfolio) accounts holders' after deducting the Bank's fees as an agent (wakeel).

Restricted investment accounts are managed through Mudaraba contracts.

Bank's share as Mudarib was deducted at a rate ranging between 7% - 25% of restricted investment accounts in Jordanian Dinars profit and at a rate of 45% of restricted investment accounts' in foreign currencies profit. Additionally, general profit rate distributed to restricted investment accounts in Jordanian Dinars was 2% and foreign currencies restricted investments accounts was between 0.5% - 1% as at 31 December 2021 (2020: 0.7% and 1% respectively).

Bank's fee as Wakeel was deducted at a rate ranging between 0.7% - 1.25% on restricted investment accounts/Wakala contracts.

Profit was distributed after deducting the Bank's share as Mudarib/Wakeel on the restricted investment accounts/restricted.

Shari'a non-compliant revenues, gains, expenses and losses:

The Bank recognize these amounts in a separate account within the other liabilities and shall be distributed to charitable activities as determined by the Shari'a Supervisory Board.

Zakah:

The responsibility of Zakah payment rests on the shareholders, unrestricted and restricted investment accounts holders' and participants in Al Wakala Bi Al Istithmar (Investments Portfolio) upon the fulfilment of Zakah required conditions.

Deferred sales receivables:

1- Murabaha Contracts:

Murabaha: is selling a commodity for the same purchase price plus an agreed predetermined profit margin computed based on a percentage of the price or fixed amount, and it represent one of Boy'ou Amanah types that depends on disclosing the purchase price or cost.

Murabaha to the purchase orderer: is the transaction whereby the Bank sells a commodity to its customer (purchase orderer) with a markup on its purchase price (or cost) after identifying that increment (Murabaha profit). It's also called Banking Murabaha.

The Bank applies the commitment to the promise principle in Murabaha to the purchase orderers contracts in accordance with the standards issued by Accounting and Auditing Organization for Islamic Financial Institutions.

Deferred sales profit (by which the buyer will pay a lump sum price that matures at a future date or instalments paid at various subsequent dates) is recognized through the proportional allocation of this profit to the future financial periods until the maturity date of the contract, regardless whether the payment is settled or not.

Deferred sales receivables are recognized when the transaction takes place at its face value, and are measured at the end of the financial period on the basis of the net realizable expected cash value, which is the amounts owed by customers at the end of the financial period less expected credit loss.

2- Istisna'a contracts:

Istisna'a: is a sale contract between Al-Mustasni' (the buyer) and Al-Sani' (the seller) whereby Al-Sani' based on the order of Al-Mustasni' under takes to have manufactured or otherwise acquire a prescribed commodity (Al- Masnoo') upon delivery in return for an agreed upon price and method of settlement, whether at the time of contracting, by instalments or deferred to specific future time. It's a condition that Al- Sani' provide the material and/or labor of Al - Masnoo'.

Parallel Istisna'a: is conducting two separate contracts, one with the customer in which the Bank represents Al-Sani' and the other with Al-Sani' (contractor) in which the Bank represent Al-Mustasni'. Profit is achieved through the price difference in the two contracts, in most cases one contract is immediately effective (with Al-Sani') and the second is deferred (with the customer).

Istisna'a costs include direct and indirect costs of the Istisna'a activities that can be allocated on objective basis for certain contracts. General and administrative expenses, marketing expenses, and research and development costs shall not be included in Istisna'a costs.

Istisna'a costs incurred during the financial period, as well as pre-contract costs shall be recognized in Istisna'a in progress account in (Istisna'a) or in Istisna'a cost account (in Parallel Istisna'a).

In cases where Al-Mustasni' (the buyer) fails to settle the agreed upon price in full and agree to make repayment through instalments during the execution of the contract or after the completion of the contract, deferred profit shall be recognized and offset against Istisna'a receivables balance in the Bank's statement of financial position. This treatment shall be applied whether the percentage of completion method or completed contract method is used in recognising Istisna'a revenues. Deferred profit recognized shall be allocated over the future financial periods whereby each financial period shall carry its portion of profit irrespective of whether cash is received or not.

Istisna'a contracts are presented in the total amounts paid by the Bank since contract inception, while parallel Istisna'a contracts are presented in the net contractual value. impairment provision is calculated as expected credit loss with forward looking charactaristics in relation to obligors and financial environment.

Any additional costs paid by the Bank in Parallel Istisna'a as a result of breaching the contractual obligations are recognized as losses in the consolidated income statement and shall not be recognized in the calculation of the Istisna'a costs account.

In case the bank retains Al- Masnoo', the asset is measured at the lower of expected realizable cash value or cost. Any difference between these values shall be recognized in consolidated income statement for period in which it was occurred.

3- Assets available for deferred sale:

This item represent assets acquired by the Bank for the purpose of selling these assets on a deferred basis (instalments). This type of selling assets is also called instalment-bargain sale to distinguish it from Murabaha to the purchase orderer.

At contract inception, the assets available for deferred sale shall be recognized and measured at cost (purchase price and any direct expenses related to acquisition of the assets).

Assets available for deferred sales shall be revaluated at fair value at the end of the financial period, the change in the value, if any shall be measured as the difference between the book value and the fair value. Unrealized profits (losses) shall be recognized in the fair value reserve account.

Profits of the deferred sales shall be recognized on an accrual basis and proportionally allocated over the period of the contract. Profits related to future financial periods shall be recognized in deferred sales profit account.

Deferred sales receivables shall be recognized at contract inception and measured at their face value (contracted value).

Musharaka financing:

It is the provision of funds by the Bank and customer equally or differently in order to set up a new project or participate in an existing one, whereby each of them would own a share in the capital either on a fixed or diminishing basis and would been titled to its share of the gains. Losses are divided proportionate to the partner's share in capital, whereby it would be inappropriate to stipulate otherwise, Musharke is divided into fixed or diminishing Musharka Muntahia Bittamleek.

The Bank's share in Musharaka capital is recorded upon delivery to the managing partner or when it is deposited in Musharaka account, as it is measured at the cash paid value or at fair value if in-kind. If a difference results from the evaluation of the in-kind item between fair value and book value, it is recognized as a profit or a loss.

The capital in the diminishing Musharaka is measured at the end of the financial year at the historical value less the historical value of the share sold at the agreed upon fair value, and the difference between both values is recorded as a profit or loss in the consolidated statement of income.

The Bank's share of the gains or (losses) of Musharaka financing which arises or expires during the financial year is recorded after settlement. In the event that Musharaka continues for more than a financial year, the Bank's share of the profits is recorded upon their realization by accounting for them, in whole or any part thereof, between the Bank and the partner in the financial year in which the profits occur to the extent of the distributed profits. Moreover, losses for a financial year are recorded in that year to the extent of the losses by which the Bank's share in the Musharaka capital is reduced.

An additional provision of expected credit losses for deferred sale receivable and other receivables in case there is an indication of a significant increase in credit risk.

In the event that losses occur due to the partner's wrongdoing or default, the partner shall bear the losses and they will be recorded as a liability against them.

At the end of the financial year, the financing assets are recorded at cost or at cash value expected to be realized, whichever is lower, and the difference is recorded as an expected credit losses provision.

Deferred sales receivables and funding financed from unrestricted investment accounts are written off in the event that the measures taken to collect them are not feasible and is recorded on expected credit losses provision account, and the proceeds from the receivables / finances that were previously written off are added to the investment profit account. Deferred sales receivables and finances that are self funded are written off in the event that the measures taken to collect them are not feasible and is recorded on expected credit losses provision account - slef, and the proceeds from the receivables / finances that were previously written off are added to the revenues account. Any surplus in the gross provision - if any - is transferred to the consolidated income statement.

Financial assets at fair value through profit or loss:
Financial assets at fair value through profit or loss, are those purchased with the intent to resell in the near future to generate gains as a result of changes in market prices of such investments.

They are initially recognized at the fair value of consideration given (transaction costs are recorded in the consolidated income statement at the point of purchase) and subsequently re-measured at fair value. All realized and unrealized gains or losses are transferred to the consolidated income statement including any gains or losses resulting from the translation of such assets held in foreign currencies to the functional currency.

Profits realized and dividends received are recorded in the consolidated income statement.

Financial assets at fair value through owner's equity– self financed:
These assets represent investments in equity instruments funded by the Bank's self funds in order to hold them in the long term.

These assets are initially recognized at fair value plus acquisition expenses, and subsequently measured at fair value. The change in fair value is presented in the fair value reserve within owner's equity.

Gains and losses resulting from the sale of these assets is recognized within the retained earnings in accordance with FAS 33 and the Central Bank of Jordan regulations.

Any impairment loss in the value of these assets shall be recognized within the consolidated income statement.

Impairment losses previously recognized in the consolidated income statement can be retrieved if it is objectively evidenced that the increase in the fair value occurred in the period subsequent to the recording of impairment losses through the fair value reserve within the shareholders' equity.

Gains derived from these financial assets is recognized within the consolidated income statement at the date of distribution.

Gains and losses resulting from foreign currency translation differences for these assets are recognized within the fair value reserve.

Financial assets which fair value cannot be determined reliably are stated at cost, and tested for impairment at the end of each financial period and any impairment is recognized in the consolidated income statement, and cannot be retrieved in subsequent periods.

Financial assets at fair value through joint investment account holders' equity:
These assets represent investments in equity instruments and funded by joint investments accounts in order to hold them in the long term.

These assets are initially recognized at fair value plus acquisition expenses, and subsequently measured at fair value. The change in fair value is presented in the fair value reserve within joint investment account holders' equity.

Gains and losses resulting from the sale of these assets and impairment losses is recognized within the consolidated income statement including amounts previously recognized in joint investments accounts holders' equity in accordance with the Central Bank of Jordan regulations.

The impairment losses previously recognized in the consolidated income statement can be retrieved if it is objectively evidenced that the increase in the fair value occurred in the period subsequent to the recording of impairment losses through the fair value reserve within the joint investment accounts.

Gains derived from these financial assets is recognized within the consolidated income statement at the date of distribution.

Gains and losses resulting from foreign currency translation differences for these assets are recognized within the fair value reserve.

Financial assets which fair value cannot be determined reliably are stated at cost, and tested for impairment at the end of each financial period and any impairment is recognized in the consolidated income statement, and cannot be retrieved in subsequent periods.

Financial assets at amortized cost:
This item represent financial assets invested based on contractual cash flows and is not held for trading or recognized as financial assets at fair value through income statement. Cash flows constituting of variable or constant return on the outstanding principal amount and profit.

These instruments are initially measured at cost plus acquisition expenses.

These assets are measured using the effective profit method at the end of financial period. All gains and losses arising from amortization process are recognized in the consolidated income statement.

Financial assets at amortized cost book value are reduced by the expected credit loss and are recognized within the consolidated income statement (in case the investment is self-financed) and within investment risk fund revenues (in case the investment is jointly financed).

Investments in associates:
An associate is an entity in which the Bank has significant influence over its financial and operating policies and is not controlled by the Bank, where the Bank hold a rate between 20% to 50% of the voting rights.

The Bank's investment in associates is accounted for using the equity method of accounting.

In case of preparing the Bank's separate financial statements, the investment in associates is presented at fair value.

Ijarah and Ijarah Muntahia Bittamleek:
Ijarah is the transfer of ownership of the right to benefit of using an asset for a consideration and is divided into:

Operating Ijarah: is Ijarah contract that do not end up with the transfer of ownership of leased assets to the lessee.

Ijarah Muntahia Bittamleek: is Ijarah contract that end up with the transfer of ownership of the leased assets to the lessee and might take more than one form in accordance with the Financial Accounting Standard issued by the Accounting and Auditing Organization for Islamic Financial Institutions.

Assets acquired for Ijarah shall be recognized upon acquisition at historical cost including all expenditures necessary to bring the asset to its intended use. Leased assets are depreciated according to the depreciation policy used by the Bank.

When the recoverable amount from assets acquired for Ijarah is lower than its carrying amount, the assets are written down to its recoverable amount, and an impairment is recognized in the consolidated income statement.

Ijarah revenues shall be allocated proportionately to the financial periods of the Ijarah contract.

Maintenance expenses incurred in relation to the leased assets are recognized when incurred.

Investments in real estate:
It is the acquisition of real estate or land or part of it for the purpose of obtaining periodic income or keeping it for the purpose of anticipating an increase in its future value or for both.

Investments in real estate are recorded at cost and include expenditures whose origin can be directly determined, and subsequent measurements of these investments are done at fair value. Unrealized profits resulting from the change in the fair value of investment in real estate are directly recognized in owner's equity under the category of fair value reserve for investments, taking into account the separation between owner's equity and what is related to investment account holders, and unrealized losses resulting from the re-evaluation of the fair value of investments in real estate must be adjusted to the extent that the balance of that reserve permits, and in the event that unrealized losses exceed the reserve balance, what exceeds the reserve balance shall be recorded in the income statement Under the item unrealized losses from the valuation of investments in real estate, taking into account the ownership of the funds invested in the real estate.

In the event that there are unrealized losses that were proven in a previous financial period and evaluation profits (unrealized) occurred in a subsequent financial period, then these profits are recorded in the income statement to the extent that equals the unrealized losses that were recorded in the previous financial periods in the income statement and any surplus in this profit is added to the fair value reserve for investments in real estate.

Periodic income from investments in real estate is recognized in the income statement according to accrual, taking into account the ownership of the funds invested in real estate.

Maintenance costs for investments in real estate are recorded in the income statement upon incurring them, taking into account the ownership of the money invested in real estate.

Repossessed assets by the Bank against debts

They are the assets that are repossessed by the Bank against debts with no intentions to own them by the Bank. The Bank has no intention to hold the repossessed assets in order to earn income or for capital appreciation.

Repossessed items appears in the balance sheet items in order assets items.

Deposit insurance corporations law

On 1 April 2019, an amendment was issued for the Deposit Insurance Corporations law to include Islamic banks to the Jordan Depository insurance company's laws and regulations, the amendment specified that the contribution fees related to the bank's self-deposits (Credit accounts and it's equivalent and the Bank's share of the unrestricted investment accounts) shall be borne by the Bank- self and contribution fees related to the joint investment accounts are borne by the investors – joint accounts.

Islamic Financial Accounting Standard 30 (Impairment and Credit Losses and Onerous Commitments)

According to the instructions of the Central Bank of Jordan No. (6/2020) dated July 5, 2020 regarding the impairment and credit losses and onerous commitments (FAS 30), the requirements of FAS 30 measuring the expected credit loss (loss of credit impairment / provisions) should be presented, for credit exposures that fall within the scope of (FAS 30), in terms the mechanism of listing debt instruments / credit exposures as well as the methodology for calculating the expected credit loss.

Provision for future expected investment risks

The Bank suspended deducting 10% from the joint investment accounts net profit according to law amending banking law no 28 for the year 2000 starting from 1 May 2019 and the Fund's balance was transferred to other required provisions.

The investment risk fund surplus was held as a provision for future expected investment risks in accordance with the Central Bank of Jordan circulation no. (10/1/9173) dated 27 June 2019.

When an additional provision is needed the additional provision will be charged against the assets financed by the joint investment accounts on the joint investment profit and on the consolidated income statement if the assets were self financed by the Bank, it shall be by the financial assets from joint investment accounts, and on income statements if the asset was Bank-self shares.

Fair value of financial assets:

Closing prices (purchasing assets/ selling liabilities) on the date of consolidated financial statements in active markets represents the fair value of quoted financial instruments. In the absence of quoted prices or when there is no active market, fair value is normally based on comparison with the current market value of a highly similar financial instruments. When the fair value of an investment cannot be reliably measured, it is stated at cost after the writing down any impairment.

Fair value of non-financial assets measured at fair value:

Market prices represent the fair value for non-financial assets at the date of consolidated financial statements (when active markets of such assets are available). In cases where market prices are not available, they are assessed by taking average value of three assessments of experienced and certified parties.

Depreciation:

A- Depreciation of assets available for investment

Assets available for investment shall be depreciated in accordance with the Bank's adopted policy for the investment in these assets. These assets shall be depreciated over its useful life using straight-line basis.

B- Property and Equipment

Property and equipment are measured at cost less accumulated depreciation and any impairment. Depreciation is calculated (except for lands) using the straight-line method over their estimated useful lives when property and equipment are ready for use

Item	Depreciation rate
Buildings	2%
Equipment, furniture and fixtures	5%-20%
Vehicles	15%
Computers	35%

The useful lives of property and equipment are reviewed annually. If expected useful lives vary from the estimated ones; the change in estimate is adjusted prospectively.

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amounts, the assets are written down to their recoverable amount, and the impairment is recorded in the consolidated income statement.

Intangible assets:

Intangible assets are classified based on the assessment of their useful lives to definite and indefinite. Intangible assets with definite lives are amortized over the useful economic life, and amortization is recognized in the consolidated income statement, while intangible assets with indefinite useful lives are assessed for impairment at the date of consolidated financial statements and any impairment in their value is recorded in the consolidated income statement.

Intangible assets arising from the Bank's operations are not capitalized and are recorded in the consolidated income statement for the same year.

Any indications of impairment of intangible assets are reviewed at the date of consolidated financial statements; in addition, the useful lives of these assets are reviewed annually. If expected useful lives vary from the estimated ones; the change in estimate is adjusted prospectively.

Item	Amortization rate
Software	50%

Provisions:

Provisions are recognized when the Bank has a present obligation (legal or constructive) at the date of the consolidated financial statements arising from a past event and the costs to settle the obligation are both probable and able to be reliably measured.

End of service indemnity provision

End of service indemnity provision shall be calculated pursuant to the provisions of the labor law and the management estimation.

Employees' vacation provision

Employees' vacation provision shall be calculated pursuant to the Bank's bylaws, and shall be calculated in accordance with the accrual basis.

Income tax:
Tax expense comprises current taxes and deferred taxes.

Current tax is calculated based on taxable profits, which may differ from accounting profits published in the consolidated financial statements. Accounting profits may include non-taxable profits or non-deductible expenses which may be exempted in the subsequent financial years.

The Bank has booked provision for income tax in accordance with Income Tax Law No. (34) of 2014 and its amendments, and International Accounting Standard No. (12) which provides for the recognition of deferred taxes resulting from time differences in the fair value reserve. As a result, the Bank may have deferred tax liabilities.

Deferred tax is the amounts expected to be paid or received as a result of temporary timing differences at the consolidated financial statements date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on laws that have been enacted or substantially enacted at the reporting date.

The carrying values of deferred income tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Costs of issuing or purchasing the Bank's Stocks:
Any costs resulting from issuing or purchasing the Bank's stocks shall be charged to the retained earnings (on a net basis after the tax effect of these costs, if any). If the issuance or purchasing is not completed, these costs shall be recorded as expenses in the consolidated income statement.

Accounts managed for customers:
This item represent the accounts managed by the Bank on behalf of its customers and shall not be recognized as part of the Bank's assets. Charges and commissions of managing these accounts shall be recognized in the consolidated income statement.

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

Revenues and expenses recognition:
Revenues and expenses are recognized based on accrual basis except for revenue on non-performing deferred sales and non-performing facilities which transferred to the revenue in suspense account and not recognized within the consolidated income statement.

The commissions shall be recognized as revenues when service is rendered, and the dividends of companies' stocks shall be recognized upon realization (approved by the General Assembly of Shareholders).

Timing of financial assets recognition:
Sale or purchase of financial assets is recognized at the trade date (the date that the Bank commits to purchase or sell the asset).

Foreign Currencies:
Transactions in foreign currencies during the year shall be recorded at the prevailing exchange rate at the date of the transaction (Al Taqabud).

Monetary assets and liabilities in foreign currencies are translated to the functional currencies at the rates of exchange prevailing at the consolidated statement of financial position date as published by the Central Bank of Jordan.

Non-monetary assets and liabilities in foreign currencies carried at fair value are translated at the date in which the fair value was determined.

Any gains or losses are recognized within the consolidated income statement.

Translation gains or losses on non-monetary items carried at fair value (such as shares) are recognized within the fair value reserve.

Cash and cash equivalents:
Cash and cash equivalents consists of cash and balances with central banks and balances at banks and financial institutions with a maturity of three months, net of due to banks and financial institutions that matures within three months and restricted balances.

(2-5) The repercussions of Corona virus (Covid 19) on the Group:

On 21 May 2020, the Board Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) issued a statement "of the accounting effects and consequences of the Corona epidemic" to provide clarifications and explanations regarding the accounting treatment in accordance with the financial accounting standards issued by AAOIFI. The following are the most important of these explanations that had an impact on the Group's consolidated financial statements:

1- Postponement of payments without adding any returns
The Group continued postponing / structuring / rescheduling the financing installments of clients in impacted economic sectors from companies and individuals without adding any returns, and considered the contractual financing period as the extended period after taking into account the deferral of installments, as the deferred profits are amortized over the extended contractual period of the financing. Additionally, the statement noted that it is impermissible to calculate the current value of the finances or to apply the concept of opportunity cost.

2- Granting Qard Hasan loans
The Group continued granting Qard Hasan loans through the Central Bank of Jordan / Corona program to support small and medium-sized companies and collected administrative fees (in segments according to the amounts) based on the fatwa of the Sharia Supervisory Board, totaling around JD 1 million.

3- The impact on expected credit losses
The Bank has adjusted the macroeconomic scenarios during the year 2020 by changing the weighted rates assigned to the three scenarios by giving higher weight to the worst-case scenario. The Bank has reassessed the weights of the scenarios in 2021 as explained in note (62).

(3) Use of estimates

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of financial assets and liabilities and disclosure of contingent liabilities. These estimates and assumptions also affect the revenues and expenses and the resultant provisions as well as fair value changes reported in shareholders' equity and unrestricted account holders' equity. In particular, considerable judgment by management is required in the estimation of the amount and timing of future cash flows. Such estimates are necessarily based on assumptions about several factors involving varying degrees of judgment and uncertainty and actual results may differ as a result of changes in conditions and circumstances of those estimates in the future.

We believe that our estimates in consolidated financial statements are reasonable and detailed as follows:

Impairment provision of deferred sales receivables and financing: in determining impairment of financial assets, judgment is required in the estimation of the amount and timing of future cash folws as well as an assessment of whether the credit risk on the financial assets has increased significantly since initial recognition and incorporation of forward looking information in the measurement of ECL.

The methodology for applying FAS 30 Impairment and Credit Losses and onerous commitments: The inputs assumptions and techniques for ECL calculation is disclosed in note (62).

Income tax provision: the fiscal year is charged with its related income tax according to the laws and accounting standards. Also, the deferred tax assets and liabilities as well as the required tax provision are estimated and recorded.

Fair value measurement: The standard requires determination and disclosure of the level in the fair value hierarchy into which the fair value measurements are categorized in their entirety, segregating fair value measurements in accordance with the levels defined in IFRSs. The difference between level (2) and level (3) of the fair value measurements, i.e., assessing whether the inputs are observable and whether the unobservable inputs are significant. This may require judgement and careful analysis of the inputs used to measure fair value, including consideration of factors specific to the asset or liability.

Useful lives of tangible and intangible assets: Management estimates the useful lives of tangible and intangible assets upon initial recognition. Moreover, Management periodically re-assesses the useful lives of tangible and intangible assets to calculate annual depreciation and amortization based on the general status of such assets and the estimates of the productive activities expected in the future. The impairment loss (if any) is charged to the statement of income.

The factors that affect the estimation of the useful lives of property, equipment and intangible assets include management's estimates for the period expected to use these assets by the Bank, technological development and obsolescence. In the event that the useful lives of property, equipment and intangible assets differ from management's estimates, due to an event that resulted in a change in the useful life, the effect of that event will affect the income statement materially.

Determining the provision for impairment of financial assets requires the Bank's management to issue important judgments to estimate the amounts of future cash flows and their timing, in addition to estimating any material increase in the credit risk of financial assets after their initial recognition, in addition to taking into account future measurement information for expected credit losses.

Management periodically reviews the financial assets carried at cost in order to assess any ECL. ECL is allocated in accordance to the financing party.

A provision is set for the lawsuits raised against the Group. This provision is based to an adequate legal study prepared by the Bank's legal advisor. Moreover, the study highlights potential risks that the Bank may encounter in the future. Such legal assessments are reviewed periodically.

Important estimates related to determining the duration of the lease contract for contracts that include the option to renew the contract.

The Group determines the duration of the lease contract as the non-cancellable period, taking into account the periods covered by the option to extend the lease if this option is certain to be exercised, or any periods related to the option to terminate the lease, if it is certain that the Group does not exercise this option.

Under some lease contracts, the Group has the right to lease the assets for additional periods, The Bank makes some estimates when assessing whether it is certain to exercise the renewal option.

This means that the Group takes into account all relevant factors that constitute an economic incentive to exercise the option of renewal. Subsequently, the Group reassesses the term of the lease in the event of a significant event or change in the conditions under its control, which may affect its ability to exercise (or not exercise) the renewal option (for example, a change in the business strategy).

The Group has included the renewal period as part of the lease duration due to the importance of these assets in its operating operations. The contract term that is not subject to termination for some of these assets is considered to be relatively short and in the event that these contracts are canceled, the operational process will be negatively affected in the absence of alternatives to these assets .

(4) Cash and balances with central bank

This item consists of the following:

	31 December 2021	31 December 2020
	JD	JD
Cash in vaults	182,360,983	179,417,479
Balances at the Central Bank of Jordan:		
Current accounts	538,000,438	493,754,543
Statutory cash reserve *	173,478,737	155,606,501
Total balances at the Central Bank of Jordan	711,479,175	649,361,044
Total	893,840,158	828,778,523

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

Amounts of JD 49,014,174 and JD 53,027,314 were deducted as at 31 December 2021 and as at 31 December 2020 respectively, which represent cash balances for accounts managed on behalf of others.

There are no balances maturing within more than three months as at 31 December 2021 and 31 December 2020.

There were no restricted balances except for the statutory cash reserve as at 31 December 2021 and 31 December 2020.

The movement on balances in the Central Bank Note (4):

As of 31 December 2021

Item	Stage 1 Individual	Total
	JD	JD
Beginning balance	649,361,044	649,361,044
New balances and accounts during the year	746,243,744	746,243,744
Balances and accounts paid	(684,125,613)	(684,125,613)
Ending balance	711,479,175	711,479,175

As of 31 December 2020

Item	Stage 1 Individual	Total
	JD	JD
Beginning balance	742,210,345	742,210,345
New balances and accounts during the year	272,269,357	272,269,357
Balances and accounts paid	(365,118,658)	(365,118,658)
Ending balance	649,361,044	649,361,044

(5) Balances at banks and financial institutions

This item consists of the following:

	Local banks and financial institutions		Foreign banks and financial institutions		Total	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	JD	JD	JD	JD	JD	JD
Current and on demand accounts	2,057,640	1,550	42,257,178	23,579,885	44,314,818	23,581,435
Less:provision for expected credit loss	(1,138)	(6)	(248,728)	(76,013)	(249,866)	(76,019)
Net Current and on demand accounts	2,056,502	1,544	42,008,450	23,503,872	44,064,952	23,505,416
Unrestricted accounts maturing within 3 months or less	-	-	8,650,057	27,119,507	8,650,057	27,119,507
Less: provision for expected credit loss	-	-	(11,074)	(24,383)	(11,074)	(24,383)
Net unrestricted accounts maturing within 3 months or less	-	-	8,638,983	27,095,124	8,638,983	27,095,124
Total	2,056,502	1,544	50,647,433	50,598,996	52,703,935	50,600,540

In compliance with Islamic Shari'a rules and the Bank's Articles of Association bylaws, the Bank does not earn any interest on current and on demand accounts at local and foreign banks and financial institutions.

There were no restricted balances at the local and foreign banks and financial institutions as at 31 December 2021 and 31 December 2020.

(6) Wakala Bil Istithmar accounts

This item consists of the following:

	Foreign banks and financial institutions	
	31 December 2021	31 December 2020
	JD	JD
Within (3-6) months	17,725,000	17,725,000
Maturing within more than one year	17,725,000	17,725,000
Less: expected credit loss	(149,239)	(197,988)
Total	35,300,761	35,252,012

There were no restricted balances at the foreign banks and financial institutions as at 31 December 2021 and 31 December 2020.

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

As of 31 December 2021:	Stage 1 Individual	Stage 2 Individual	Total
	JD	JD	JD
Beginning balance	85,711,472	439,470	86,150,942
New balances and accounts during the year	25,696,482	390,284	26,086,766
Balances and accounts paid	(23,822,833)	-	(23,822,833)
Ending balance	87,585,121	829,754	88,414,875

As of 31 December 2020:	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	JD	JD	JD	JD
Beginning balance	87,809,087	-	-	87,809,087
New balances and accounts during the year	43,603,500	-	-	43,603,500
Balances and accounts paid	(45,261,645)	-	-	(45,261,645)
Transferred to stage 2	(439,470)	439,470	-	-
Ending balance	85,711,472	439,470	-	86,150,942

B. Movement on expected credit loss:

As of 31 December 2021:	Stage 1 Individual	Stage 2 Individual	Total
	JD	JD	JD
Beginning balance	294,494	3,896	298,390
Expected credit loss on new balances and accounts during the year	83,914	56,979	140,893
Expected credit loss recovered from balances and accounts paid	(17,073)	-	(17,073)
Adjustment due to changes	(12,031)	-	(12,031)
Ending balance	349,304	60,875	410,179

As of 31 December 2020:	Stage 1 Individual	Stage 2 Individual	Total
	JD	JD	JD
Beginning balance	135,890	-	135,890
Expected credit loss on new balances and accounts during the year	86,678	-	86,678
Expected credit loss recovered from balances and accounts paid	(128,620)	-	(128,620)
Transferred to stage 2	(3,896)	3,896	-
Adjustments due to changes	204,442	-	204,442
Ending balance	294,494	3,896	298,390

(7) Deferred sales receivables and other receivables – Net

This item consists of the following:

	Joint		Self		Total	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	JD	JD	JD	JD	JD	JD
Individuals (Retail):						
Murabaha to the purchase orderer	779,363,469	719,214,708	-	-	779,363,469	719,214,708
Deferred sales	12,516,576	11,649,897	-	-	12,516,576	11,649,897
Ijarah Mawsoofa Bil Thimma	8,188,586	6,828,157	-	-	8,188,586	6,828,157
Ijarah Muntahia Bittamleek receivables	6,725,008	6,676,919	-	-	6,725,008	6,676,919
Istisna'a	240,519	251,574	-	-	240,519	251,574
Customers' receivables	6,409,723	6,438,509	4,820,467	4,502,743	11,230,190	10,941,252
Real estate financing	534,061,224	487,839,216	-	50,000	534,061,224	487,889,216
Corporate:						
International Murabaha	25,170,318	21,864,113	-	-	25,170,318	21,864,113
Murabaha to the purchase orderer	463,400,681	512,071,042	-	-	463,400,681	512,071,042
Deferred sales	-	3,029	-	-	-	3,029
Ijarah Muntahia Bittamleek receivables	264,358	312,253	-	-	264,358	312,253
Istisna'a	25,190,872	27,978,417	-	-	25,190,872	27,978,417
Musharaka receivables	-	130,453	-	-	-	130,453
Small and Medium Enterprises (SME's):						
Murabaha to the purchase orderer	169,998,180	159,650,015	-	-	169,998,180	159,650,015
Deferred sales	16,815	27,190	-	-	16,815	27,190
Ijarah Mawsoofa bil Thimma	249,375	135,516	-	-	249,375	135,516
Ijarah Muntahia Bittamleek receivables	352,291	227,482	-	-	352,291	227,482
Istisna'a	745,923	-	-	-	745,923	-
Customers' receivables	-	73,423	2,035,449	2,276,146	2,035,449	2,349,569
Government and public sector	1,225,822,220	1,064,969,843	33,337	209,428	1,225,855,557	1,065,179,271
Total	3,258,716,138	3,026,341,756	6,889,253	7,038,317	3,265,605,391	3,033,380,073
Less: deferred revenues	(308,728,178)	(306,534,351)	-	(2,000)	(308,728,178)	(306,536,351)
Less: suspended revenues	(10,261,762)	(11,391,754)	-	-	(10,261,762)	(11,391,754)
Less: deferred mutual insurance	(20,961,641)	(14,963,358)	-	-	(20,961,641)	(14,963,358)
Less: expected credit loss	(113,934,095)	(109,864,166)	(615,000)	(462,040)	(114,549,095)	(110,326,206)
Net deferred sales and other receivables	2,804,830,462	2,583,588,127	6,274,253	6,574,277	2,811,104,715	2,590,162,404

Movements on expected credit losses for deferred sales receivables, other receivables and financing - self:

As at 31 December 2021	Retail	Real estate financing	Large corporates	Small and Medium Enterprises	Total
	JD	JD	JD	JD	JD
Balance at beginning of the year	34,838,196	31,842,049	29,669,215	14,531,350	110,880,810
Transfer to during the year	4,371,364	(7,207,479)	9,291,185	2,474,384	8,929,454
Used during the year (write-offs)	(2,891,726)	(98,877)	(1,393,815)	(1,185,222)	(5,569,640)
Balance at the end of the year	36,317,834	24,535,693	37,566,585	15,820,512	114,240,624

As at 31 December 2021	Retail	Real estate financing	Large corporates	Small and Medium Enterprises	Total
	JD	JD	JD	JD	JD
Expected credit loss of non-performing receivables on individual customer basis	18,922,849	16,007,266	24,154,171	13,670,391	72,754,677
Expected credit loss of watch list receivables based on individual customer basis	4,512,704	7,964,029	11,599,769	1,368,657	25,445,159
Expected credit loss of acceptable risk receivables on individual customer basis	340,427	423,451	1,812,645	430,763	3,007,286
Expected credit loss of watch list receivables on portfolio basis	12,541,854	140,947	-	350,701	13,033,502
Balance at the end of the year	36,317,834	24,535,693	37,566,585	15,820,512	114,240,624

As at 31 December 2020	Retail	Real estate financing	Large corporates	Small and Medium Enterprises	Total
	JD	JD	JD	JD	JD
Balance at beginning of the year	28,522,639	26,285,482	28,056,833	13,975,452	96,840,406
Transfer to during the year	6,315,557	7,119,878	3,938,512	1,411,030	18,784,977
Used during the year (write-offs)	-	(1,563,311)	(2,326,130)	(855,132)	(4,744,573)
Balance at the end of the year	34,838,196	31,842,049	29,669,215	14,531,350	110,880,810

Movment on expected credil loss for deferred sales receivables, other receivables and financing – self.

As at 31 December 2021	Retail	Real estate financing	Large corporates	Small and Medium Enterprises	Government and public sector	Total
	JD	JD	JD	JD		JD
Balance at beginning of the year	465,605	-	-	-	-	465,605
Transfer to during the year	158,381	-	-	-	-	158,381
Used during the year (write-offs)	-	-	-	-	-	-
Balance at the end of the year	623,986	-	-	-	-	623,986

As at 31 December 2021	Retail	Real estate financing	Large corporates	Small and Medium Enterprises	Government anc public sector	Total
	JD	JD	JD	JD		JD
Expected credit loss of non-performing receivables on individual customer basis	258,175	-	-	-	-	258,175
Expected credit loss of watch list receivables based on individual customer basis	174,245	-	-	-0-	-	174,245
Expected credit loss of watch list receivables on portfolio basis	191,566	-	-	-	-	191,566
Balance at the end of the year	623,986		-	-	-	623,986

	Retail	Real estate financing	Large corporates	Small and Medium Enterprises	Total
As at 31 December 2020	JD	JD	JD	JD	JD
Balance at beginning of the year	725,764	-	-	-	725,764
Transfer to during the year	65,774	-	-	-	65,774
Used during the year (write-offs)	(325,933)	-	-	-	(325,933)
Balance at the end of the year	465,605	-	-	-	465,605

	Retail	Real estate financing	Large corporates	Small and Medium Enterprises	Total
As at 31 December 2020	JD	JD	JD	JD	JD
Expected credit loss of non-performing receivables on individual customer basis	284,383	-	-	-	284,383
Expected credit loss of watch list receivables based on individual customer basis	95,534	-	-	-	95,534
Expected credit loss of watch list receivables on portfolio basis	85,688	-	-	-	85,688
Balance at the end of the year	465,605	-	-	-	465,605

Movements on the suspended revenues were as follows:

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

	Joint				
	For the year ended 31 December 2020				
	Retail	Real estate financing	Large corporates	Small and Medium Enterprises	Total
	JD	JD	JD	JD	JD
Balance at the beginning of the year	5,585,554	1,977,433	2,185,547	1,287,305	11,035,839
Add: suspended revenues during the year	3,342,435	1,183,310	1,307,847	770,333	6,603,925
Less: revenue in suspense reversed to income	(2,859,638)	(1,493,793)	(486,386)	(829,396)	(5,669,213)
Less: suspended revenues written off	(237,195)	-	-	(341,602)	(578,797)
Balance at the end of the year	5,831,156	1,666,950	3,007,008	886,640	11,391,754

(8) Ijarah Muntahia Bittamleek assets – Net

This item consists of the following:

	Joint	
	31 December 2021	31 December 2020
	JD	JD
Cost	991,920,575	893,340,158
Accumulated Depreciation	(189,334,731)	(187,594,635)
Impairment Provision	(37,242)	-
Net Book Value		
Ijarah Muntahia Bittamleek assets - net	802,548,602	705,745,523

The accrued Ijarah instalments amounted to JD 7,341,657 as at 31 December 2021 (2020: JD 7,216,654) were included in deferred sales receivables and other receivables (Note 7).

(9) Financing - Net

This item consists of the following:

	Joint		Self		Total	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	JD	JD	JD	JD	JD	JD
Individuals (Retail):						
Diminishing Musharaka	36,891,228	33,963,533	250,372	214,215	37,141,600	34,177,748
Total	36,891,228	33,963,533	250,372	214,215	37,141,600	34,177,748
Less: provision for expected credit loss	(306,529)	(1,016,644)	(8,986)	(3,565)	(315,515)	(1,020,209)
Net Financing	36,584,699	32,946,889	241,386	210,650	36,826,085	33,157,539

Non-performing deferred sales receivables, Ijarah Muntahia Bittamleek receivables, other receivables, financing and Al Qard Al Hasan amounted to JD 94,225,452 as at 31 December 2021, representing 2.79% of deferred sales receivable, Ijarah Muntahia Bittamleek receivables, other receivables, financing and Al Qard Al Hasan balance compared to JD 107,423,085 as at 31 December 2020, representing 3.41% of the utilized balance.

Non-performing deferred sales receivables, Ijarah Muntahia Bittamleek receivables, other receivables, financing and Al Qard Al Hasan after deducting suspended revenues amounted to JD 86,386,757 as at 31 December 2021, representing 2.57% of deferred sales, Ijarah Muntahia Bittamleek receivables, other receivables, financing and Al Qard Al Hasan balance, compared to JD 98,341,001 as at 31 December 2020, representing 3.13% of the utilized balance.

Deferred sales, other receivables, and financing granted to and guaranteed by the Government of Jordan amounted to JD 1,228,850,641 as at 31 December 2021, representing 36.45% of deferred sales, other receivables and financing balance, compared to JD 1,068,174,355 as at 31 December 2020, representing 33.92 % of the utilized balance.

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

	Stage 1		Stage 2		Stage 3	Total
As of 31 December 2021	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	1,354,587,429	870,506,572	396,893,617	41,733,267	152,154,438	2,815,875,323
New facilities during the year	564,289,936	403,639,869	177,511,651	6,193,693	1,866,784	1,153,501,933
Settled facilities	(393,787,868)	(329,169,801)	(160,923,037)	(20,714,983)	(27,550,939)	(932,146,628)
Transferred to stage 1	102,739,841	22,898,318	(97,837,749)	(16,184,767)	(11,615,643)	-
Transferred to stage 2	(107,109,792)	(32,526,196)	133,483,935	43,558,329	(37,406,276)	-
Transferred to stage 3	(3,518,307)	(7,108,789)	(39,088,849)	(7,023,038)	56,738,983	-
Written off facilities	-	-	-	-	(5,569,640)	(5,569,640)
Balance at the end of the year	1,517,201,239	928,239,973	410,039,568	47,562,501	128,617,707	3,031,660,988

	Stage 1		Stage 2		Stage 3	Total
As of 31 December 2020	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	1,161,083,136	785,854,552	272,160,723	23,773,484	159,002,564	2,401,874,459
New facilities during the year	590,122,267	328,839,589	144,798,762	8,354,998	2,902,964	1,075,018,580
Settled facilities	(318,892,551)	(215,100,450)	(96,570,644)	(5,888,272)	(19,821,226)	(656,273,143)
Transferred to stage 1	24,770,276	8,586,155	(13,884,867)	(5,420,263)	(14,051,301)	-
Transferred to stage 2	(93,100,412)	(23,061,167)	107,202,178	27,841,787	(18,882,386)	-
Transferred to stage 3	(9,395,287)	(14,612,107)	(16,812,535)	(6,928,467)	47,748,396	-
Written off facilities	-	-	-	-	(4,744,573)	(4,744,573)
Balance at the end of the year	1,354,587,429	870,506,572	396,893,617	41,733,267	152,154,438	2,815,875,323

Distribution of large corporate facilities according to the bank internal credit rating:

	As of 31 December 2021				As of 31 December 2020
	Stage 1	Stage 2	Stage 3	Total	Total
	Individual	Individual			
	JD	JD	JD	JD	JD
Internal Rating from 1 to -6	190,444,179	124,294,365	-	314,738,544	399,151,714
Internal Rating from 7+ to -7	-	117,786,435	-	117,786,435	94,867,612
Internal Rating from 8 to 10	-	-	46,176,381	46,176,381	38,208,039
External Credit Rating	25,170,317	-	-	25,170,317	21,864,113
Total	215,614,496	242,080,800	46,176,381	503,871,677	554,091,478

Cumulative movement on large corporate facilities:

As of 31 December 2021	Stage 1	Stage 2	Stage 3	Total
	Individual	Individual		
	JD	JD	JD	JD
Balance at the beginning of the year	271,054,232	244,829,207	38,208,039	554,091,478
New facilities during the year	189,619,056	123,885,746	236	313,505,038
Settled facilities	(243,668,484)	(112,854,930)	(5,807,610)	(362,331,024)
Transferred to stage 1	65,410,368	(64,539,715)	(870,653)	-
Transferred to stage 2	(66,800,676)	78,298,722	(11,498,046)	-
Transferred to stage 3	-	(27,538,230)	27,538,230	-
Written off facilities	-	-	(1,393,815)	(1,393,815)
Balance at the end of the year	215,614,496	242,080,800	46,176,381	503,871,677

As of 31 December 2020	Stage 1	Stage 2	Stage 3	Total
	Individual	Individual		
	JD	JD	JD	JD
Balance at the beginning of the year	218,932,372	175,785,628	42,162,678	436,880,678
New facilities during the year	228,817,698	96,073,415	-	324,891,113
Settled facilities	(146,279,952)	(60,302,709)	(1,097,652)	(207,680,313)
Transferred to stage 1	13,574,085	(6,841,138)	(6,732,947)	-
Transferred to stage 2	(41,965,807)	46,122,270	(4,156,463)	-
Transferred to stage 3	(2,024,164)	(6,008,259)	8,032,423	-
Balance at the end of the year	271,054,232	244,829,207	38,208,039	554,091,478

Distribution of SME's facilities according to the bank internal credit rating:

	As of 31 December 2021						As of 31 December 2020
	Stage 1		Stage 2		Stage 3	Total	Total
	Individual	Collective	Individual	Collective			
	JD	JD	JD	JD	JD	JD	JD
Internal Rating from 1 to -6	82,443,272	-	33,669,131	-	-	116,112,403	104,248,543
Internal Rating from 7+ to -7	-	-	20,942,246	-	-	20,942,246	15,860,196
Internal Rating from 8 to 10	-	-	-	-	20,828,002	20,828,002	21,188,549
Collective portfolio	-	24,333,267	-	3,191,592	5,923,526	33,448,385	44,993,075
Total	82,443,272	24,333,267	54,611,377	3,191,592	26,751,528	191,331,036	186,290,363

Cumulative movement on SME's facilities:

As of 31 December 2021

	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	66,957,094	31,953,030	53,151,645	3,918,871	30,309,723	186,290,363
New facilities during the year	70,537,319	5,331,402	33,098,073	199,612	118,487	109,284,893
Settled facilities	(54,529,417)	(11,371,679)	(29,734,112)	(3,307,946)	(4,115,844)	(103,058,998)
Transferred to stage 1	17,570,352	1,625,240	(15,809,423)	(983,081)	(2,403,088)	-
Transferred to stage 2	(15,918,422)	(2,617,917)	20,480,185	4,106,943	(6,050,789)	-
Transferred to stage 3	(2,173,654)	(586,809)	(6,574,991)	(742,807)	10,078,261	-
Written off facilities	-	-	-	-	(1,185,222)	(1,185,222)
Balance at the end of the year	82,443,272	24,333,267	54,611,377	3,191,592	26,751,528	191,331,036

As of 31 December 2020

	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	58,351,519	27,125,527	41,037,764	1,788,428	31,451,080	159,754,318
New facilities during the year	60,862,368	20,343,649	34,225,215	1,596,242	1,074,098	118,101,572
Settled facilities	(43,194,150)	(12,541,479)	(28,506,852)	(666,807)	(5,092,928)	(90,002,216)
Transferred to stage 1	3,766,286	333,948	(2,298,125)	(145,132)	(1,656,977)	-
Transferred to stage 2	(10,076,376)	(1,724,975)	13,799,169	1,942,744	(3,940,562)	-
Transferred to stage 3	(2,752,553)	(1,583,640)	(5,105,526)	(596,604)	10,038,323	-
Written off facilities	-	-	-	-	(1,563,311)	(1,563,311)
Balance at the end of the year	66,957,094	31,953,030	53,151,645	3,918,871	30,309,723	186,290,363

Distribution of individuals facilities according to the bank internal credit rating:

	As of 31 December 2021						As of 31 December 2020
	Stage 1		Stage 2		Stage 3	Total	Total
	Individual	Collective	Individual	Collective			
	JD	JD	JD	JD	JD	JD	JD
Internal Rating from 1 to -6	64,371,885	-	25,830,930	-	-	90,202,815	59,857,771
Internal Rating from 7+ to -7	-	-	7,398,703	-	-	7,398,703	5,702,692
Internal Rating from 8 to 10	-	-	-	-	11,785,424	11,785,424	19,061,653
Collective portfolio	-	575,434,571	-	28,703,468	29,111,556	633,249,595	608,737,288
Total	64,371,885	575,434,571	33,229,633	28,703,468	40,896,980	742,636,537	693,359,404

Cumulative movement on individuals facilities:

	As of 31 December 2021					
	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	39,599,566	542,418,573	25,960,897	26,582,620	58,797,748	693,359,404
New facilities during the year	58,262,568	268,795,301	13,660,467	4,200,912	1,545,311	346,464,559
Settled facilities	(31,422,422)	(226,153,612)	(11,912,628)	(13,306,281)	(11,500,757)	(294,295,700)
Transferred to stage 1	6,830,469	15,469,288	(4,898,107)	(10,929,440)	(6,472,210)	-
Transferred to stage 2	(7,695,981)	(20,437,370)	13,736,338	26,940,787	(12,543,774)	-
Transferred to stage 3	(1,202,315)	(4,657,609)	(3,317,334)	(4,785,130)	13,962,388	-
Written off facilities	-	-	-	-	(2,891,726)	(2,891,726)
Balance at the end of the year	64,371,885	575,434,571	33,229,633	28,703,468	40,896,980	742,636,537

	As of 31 December 2020					
	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	49,278,530	488,029,230	17,526,463	14,305,952	57,568,546	626,708,721
New facilities during the year	32,708,048	254,840,431	10,119,823	4,990,820	1,436,130	304,095,252
Settled facilities	(37,223,885)	(180,505,806)	(5,476,514)	(3,493,638)	(8,418,596)	(235,118,439)
Transferred to stage 1	3,378,475	5,198,993	(2,260,929)	(3,428,202)	(2,888,337)	-
Transferred to stage 2	(5,495,703)	(15,295,309)	9,357,966	18,521,754	(7,088,708)	-
Transferred to stage 3	(3,045,899)	(9,848,966)	(3,305,912)	(4,314,066)	20,514,843	-
Written off facilities	-	-	-	-	(2,326,130)	(2,326,130)
Balance at the end of the year	39,599,566	542,418,573	25,960,897	26,582,620	58,797,748	693,359,404

Distribution of real estate facilities according to the bank internal credit rating:

	As of 31 December 2021						As of 31 December 2020
	Stage 1		Stage 2		Stage 3	Total	Total
	Individual	Collective	Individual	Collective			
	JD	JD	JD	JD	JD	JD	JD
Internal Rating from 1 to -6	59,175,723	-	54,779,498	-	-	113,955,221	102,699,518
Internal Rating from 7+ to -7	-	-	25,338,260	-	-	25,338,260	24,072,540
Internal Rating from 8 to 10	-	-	-	-	6,437,605	6,437,605	12,702,529
Collective portfolio	-	328,472,135	-	15,667,441	8,355,213	352,494,789	319,503,144
Total	59,175,723	328,472,135	80,117,758	15,667,441	14,792,818	498,225,875	458,977,731

Cumulative movement on real estate facilities:

As of 31 December 2021

	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	53,820,190	296,134,969	72,951,868	11,231,776	24,838,928	458,977,731
New facilities during the year	18,946,635	129,513,166	6,867,365	1,793,169	202,750	157,323,085
Settled facilities	(9,682,703)	(91,644,510)	(6,421,367)	(4,100,756)	(6,126,728)	(117,976,064)
Transferred to stage 1	12,928,652	5,803,790	(12,590,504)	(4,272,246)	(1,869,692)	-
Transferred to stage 2	(16,694,713)	(9,470,909)	20,968,690	12,510,599	(7,313,667)	-
Transferred to stage 3	(142,338)	(1,864,371)	(1,658,294)	(1,495,101)	5,160,104	-
Written off facilities	-	-	-	-	(98,887)	(98,887)
Balance at the end of the year	59,175,723	328,472,135	80,117,758	15,667,441	14,792,818	498,225,875

As of 31 December 2020

	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	80,303,469	270,699,795	37,810,868	7,679,104	27,820,260	424,313,496
New facilities during the year	16,077,153	53,655,509	4,380,309	1,767,936	392,736	76,273,643
Settled facilities	(9,476,665)	(22,053,165)	(2,284,569)	(1,727,827)	(5,212,050)	(40,754,276)
Transferred to stage 1	4,051,430	3,053,214	(2,484,675)	(1,846,929)	(2,773,040)	-
Transferred to stage 2	(35,562,526)	(6,040,883)	37,922,773	7,377,289	(3,696,653)	-
Transferred to stage 3	(1,572,671)	(3,179,501)	(2,392,838)	(2,017,797)	9,162,807	-
Adjustment	-	-	-	-	-	-
Written off facilities	-	-	-	-	(855,132)	(855,132)
Balance at the end of the year	53,820,190	296,134,969	72,951,868	11,231,776	24,838,928	458,977,731

Distribution of government and public sector facilities according to the bank internal credit rating:

	As of 31 December 2021				As of 31 December 2020
	Stage 1	Stage 2	Stage 3	Total	Total
	Individual	Individual			
	JD	JD	JD	JD	JD
Internal Rating from 1 to -6	1,095,595,863	-	-	1,095,595,863	923,156,347
Total	1,095,595,863	-	-	1,095,595,863	923,156,347

Cumulative movement on government and public sector facilities:

	Stage 1	Stage 2	Stage 3	Total
	Individual	Individual		
As at 31 December 2021	JD	JD	JD	JD
Balance at the beginning of the year	923,156,347	-	-	923,156,347
New facilities during the year	226,924,358	-	-	226,924,358
Settled facilities	(54,484,842)	-	-	(54,484,842)
Balance at the end of the year	1,095,595,863	-	-	1,095,595,863

	Stage 1	Stage 2	Stage 3	Total
	Individual	Individual		
As at 31 December 2020	JD	JD	JD	JD
Balance at the beginning of the year	754,217,246	-	-	754,217,246
New facilities during the year	251,657,000	-	-	251,657,000
Settled facilities	(82,717,899)	-	-	(82,717,899)
Balance at the end of the year	923,156,347	-	-	923,156,347

B. Cumulative movement on the expected credit loss for direct facilities (sales receivables, other receivables, financing and Al-Qard Al-Hasan):

As of 31 December 2021	Large corporates	SMEs	Individuals	Real estate financing	Total
	JD	JD	JD	JD	JD
Balance at the beginning of the year	29,972,150	15,318,417	37,916,138	31,845,654	115,052,359
Expected credit loss on the new facilities during the year	1,767,622	674,254	2,275,918	610,777	5,328,571
Expected credit loss recovered from settled facilities	(1,318,337)	(68,094)	(1,572,159)	(385,378)	(3,343,968)
Transferred to stage 1	671,872	858,186	1,823,044	415,012	3,768,114
Transferred to stage 2	5,134,553	1,625,708	3,528,859	1,997,272	12,286,392
Transferred to stage 3	(5,806,425)	(2,483,894)	(5,351,903)	(2,412,284)	(16,054,506)
Impact on ending balance provision due to change in staging classification	10,883,215	906,636	(342,594)	(464,262)	10,982,995
Adjustments	(2,333,557)	1,014,363	5,447,257	(6,963,234)	(2,835,171)
Written off facilities	(1,393,815)	(1,185,222)	(2,891,726)	(98,877)	(5,569,640)
Balance at the end of the year	37,577,278	16,660,354	40,832,834	24,544,680	119,615,146
Reallocated:					
Individual level provision	37,577,278	13,501,758	9,425,776	11,262,431	71,767,243
Collective level provision	-	3,158,596	31,407,058	13,282,249	47,847,903

As of 31 December 2020	Large corporates	SMEs	Individuals	Real estate financing	Total
	JD	JD	JD	JD	JD
Balance at the beginning of the year	28,116,550	14,955,167	31,963,874	26,288,246	101,323,837
Expected credit loss on the new facilities during the year	11,240,939	5,276,654	10,112,332	5,488,918	32,118,843
Expected credit loss recovered from settled facilities	(7,517,801)	(2,795,786)	(6,176,842)	(1,356,543)	(17,846,972)
Transferred to stage 1	4,258,983	1,140,089	476,817	810,801	6,686,690
Transferred to stage 2	1,399,352	1,159,389	925,334	230,835	3,714,910
Transferred to stage 3	(5,658,334)	(2,299,478)	(1,402,152)	(1,041,636)	(10,401,600)
Impact on ending balance provision due to change in staging classification	(4,360,641)	(1,010,435)	581,176	276,624	(4,513,276)
Adjustments	2,493,102	456,128	3,761,729	2,003,541	8,714,500
Written off facilities	-	(1,563,311)	(2,326,130)	(855,132)	(4,744,573)
Balance at the end of the year	29,972,150	15,318,417	37,916,138	31,845,654	115,052,359
Reallocated:					
Individual level provision	29,972,150	11,398,671	10,424,075	7,581,551	59,376,447
Collective level provision	-	3,919,746	27,492,063	24,264,103	55,675,912

(10) Financial assets at fair value through owner's equity – self financed

This item consists of the following:

	31 December 2021	31 December 2020
	JD	JD
Quoted financial assets		
Companies shares	4,890,407	4,900,392
Total financial assets – quoted	4,890,407	4,900,392
Unquoted financial assets		
Companies shares	2,420,902	2,242,103
Al Wakala Bi Al Istithmar (investment portfolio)	10,938,765	5,832,557
Total financial assets - unquoted	13,359,667	8,074,660
Total financial assets at fair value through owner's equity – self financed	18,250,074	12,975,052

(11) Financial assets at fair value through investment accounts holders' equity - joint

This item consists of the following:

	31 December 2021	31 December 2020
	JD	JD
Quoted financial assets:		
Companies shares	19,357,721	18,776,497
Total quoted financial assets	19,357,721	18,776,497
Unquoted financial assets:		
Companies shares	9,263,513	7,934,540
Islamic banks portfolio	821,691	820,584
Al Wakala Bi Al Istithmar (investment portfolio)	1,572,078	9,352,249
Total unquoted financial assets	11,657,282	18,107,373
Total financial assets at fair value through the investment accounts holders' equity - joint	31,015,003	36,883,870

(12) Financial assets at amortized cost

This item consists of the following:

	31 December 2021	31 December 2020
	JD	JD
Quoted financial assets		
Islamic Sukuk	12,762,000	12,762,000
Provision for expected credit losses	(108,105)	(568,408)
Net quoted financial assets	12,653,895	12,193,592
Unquoted financial assets		
Islamic Sukuk	249,294,595	180,824,159
Islamic banks portfolio	8,384,091	4,715,538
Total unquoted financial assets	257,678,686	185,539,697
Provision for expected credit loss for financial assets	(1,880,532)	(1,860,090)
Net unquoted financial assets	255,798,154	183,679,607
Total Financial Assets at amortized cost	268,452,049	195,873,199

Islamic Sukuk rate of return ranges between 2.80% - 5.47% payable on a semi-annual basis, with a maturity of less than 5 years.

Islamic Sukuk in US Dollars rate of return ranges between 6.50% - 9.37% payable on a semi annual basis, with a maturity of 4 years.

Short term Islamic Sukuk in US Dollars rate of return ranges between 1% - 2.35%,with a maturity of 3 to 6 months.

1. Cumulative movement on financial assets at amortized cost:

As of 31 December 2021	Stage 1 Individual JD	Stage 2 Individual JD	Stage 3 JD	Total JD
Balance at the beginning of the year	189,393,324	7,090,000	1,818,373	198,301,697
New investments during the year	116,425,956	-	-	116,425,956
Matured investments	(44,286,967)	-	-	(44,286,967)
Transderred from stage 1	7,090,000	(7,090,000)	-	-
Balance at the end of the year	268,622,313	-	1,818,373	270,440,686

As of 31 December 2020	Stage 1 Individual JD	Stage 2 Individual JD	Stage 3 JD	Total JD
Balance at the beginning of the year	192,752,841	7,090,000	1,818,373	201,661,214
New investments during the year	14,839,124	-	-	14,839,124
Matured investments	(18,198,641)	-	-	(18,198,641)
Balance at the end of the year	189,393,324	7,090,000	1,818,373	198,301,697

2. Cumulative movement on the expected credit loss:

As of 31 December 2021	Stage 1 Individual JD	Stage 2 Individual JD	Stage 3 JD	Total JD
Balance at the beginning of the year	106,635	503,490	1,818,373	2,428,498
Expected credit loss on new investments during the year	62,159	-	-	62,159
Expected credit loss recovered from matured investments	(18,104)	-	-	(18,104)
Transferred to stage 1	503,490	(503,490)	-	-
Impact on ending balance provision due to change in staging classification	(413,389)	-	-	(413,389)
Adjustments	(70,527)	-	-	(70,527)
Balance at the end of the year	170,264	-	1,818,373	1,988,637

As of 31 December 2020	Stage 1 Individual JD	Stage 2 Individual JD	Stage 3 JD	Total JD
Balance at the beginning of the year	68,120	414,626	1,818,373	2,301,119
Expected credit loss on new investments during the year	41,718	-	-	41,718
Expected credit loss recovered from matured investments	(41,719)	-	-	(41,719)
Adjustments	38,516	88,864	-	127,380
Balance at the end of the year	106,635	503,490	1,818,373	2,428,498

(13) Investments in associates

This item consists of the following:

	Joint							
Company Name	Country of incorporation	Percentage of ownership	Nature of activity	Acquisition date	Cost		Value under equity method	
					31 December 2021	31 December 2020	31 December 2021	31 December 2020
Associates		%			JD	JD	JD	JD
Jordan Center for International Trading Co.	Jordan	28.4	Commercial	1983	1,070,507	1,070,507	1,513,996	1,490,262
Islamic Insurance Co.	Jordan	33.3	Insurance	1995	4,625,908	4,625,908	7,537,819	6,825,796
Total associates					5,696,415	5,696,415	9,051,815	8,316,058

Investments in associates are measured using equity method. Fair value of these investments as at 31 December 2021 amounted to JD 8,390,150 compared to JD 6,907,390 as at 31 December 2020.

(14) Investments in real estate

This item consists of the following:

	Joint	
	31 December 2021	31 December 2020
	JD	JD
Investments in real estate *	119,023,646	107,608,263
Total	119,023,646	107,608,263

* Investments in real estate are presented at fair value, with a cost of JD 112,738,989 as at 31 December 2021 compared to JD 95,078,917 as at 31 December 2020.

- Movements on investments in real estate were as follow:

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

	31 December 2020		
	Lands	Buildings	Total
	JD	JD	JD
Balance at the beginning of the year	80,764,574	30,425,595	111,190,169
Additions	494,930	786,405	1,281,335
Disposals	(1,393,309)	(353,943)	(1,747,252)
Revaluation difference	(1,476,072)	(1,639,917)	(3,115,989)
Net Investments in real estate at the end of the year	78,390,123	29,218,140	107,608,263

- The fair value of real estate investments is based on the average of the valuations made by independent appraisers who have the professional qualifications and experience to evaluate the location and type of properties subject to appraisal as on 31 December 2021 and 31 December 2020. The fair value was determined based on recent market transactions as well as independent appraisers' information and professional judgments.

(15) Al Qard Al Hasan - Net

This item consists of the following:

	31 December 2021	31 December 2020
	JD	JD
Al Qard Al Hasan	68,865,578	81,208,965
Less: provision for expected credit loss - self*	(4,750,536)	(3,705,944)
Al Qard Al Hasan - Net	64,115,042	77,503,021

* Movements on expected credit loss - self were as follows:

	Beginning balance	Appropriated during the year	Transferred during the year	Ending balance
	JD	JD	JD	JD
31 December 2021				
Expected credit loss-Self	3,705,944	1,153,000	(108,408)	4,750,536
Total	3,705,944	1,153,000	(108,408)	4,750,536

	Beginning balance	Appropriated during the year	Transferred during the year	Ending balance
	JD	JD	JD	JD
31 December 2020				
Expected credit loss-Self	3,757,667	64,933	(116,656)	3,705,944
Total	3,757,667	64,933	(116,656)	3,705,944

(16) Property and equipment - Net

This item consists of the following:

	31 December 2021					
	Land	Buildings	Equipment, Furniture and Fixtures	Vehicles	Computers	Total
	JD	JD	JD	JD	JD	JD
Cost						
Beginning balance	37,693,374	51,392,816	57,021,342	1,742,888	17,901,595	165,752,015
Additions	-	-	2,397,878	5,737	854,797	3,258,412
Disposals	-	(180,849)	(337,093)	(185,177)	(61,263)	(764,382)
Ending balance	37,693,374	51,211,967	59,082,127	1,563,448	18,695,129	168,246,045
Accumulated Depreciation	-	(9,241,175)	(49,103,453)	(1,133,208)	(15,511,694)	(74,989,530)
Depreciation of the year	-	(1,031,984)	(2,863,882)	(91,314)	(1,457,845)	(5,445,025)
Disposals	-	-	26,060	-	49,098	75,158
Ending balance	-	(10,273,159)	(51,941,275)	(1,224,522)	(16,920,441)	(80,359,397)
Net book value of property and equipment	37,693,374	40,938,808	7,140,852	338,926	1,774,688	87,886,648
Payments on purchase of property and equipment	-	-	232,279	-	508,049	740,328
Projects in progress	-	3,082,584	-	-	-	3,082,584
Net property and equipment at the end of the year	37,693,374	44,021,392	7,373,131	338,926	2,282,737	91,709,560

	31 December 2020					
	Land	Buildings	Equipment, Furniture and Fixtures	Vehicles	Computers	Total
	JD	JD	JD	JD	JD	JD
Cost						
Beginning balance	35,636,218	48,077,653	55,539,685	1,985,459	15,707,593	156,946,608
Additions	2,057,156	3,315,163	1,759,183	-	2,591,670	9,723,172
Disposals	-	-	(277,526)	(242,571)	(397,668)	(917,765)
Ending balance	37,693,374	51,392,816	57,021,342	1,742,888	17,901,595	165,752,015
Accumulated Depreciation	-	(8,234,878)	(46,250,310)	(1,047,975)	(14,259,685)	(69,792,848)
Depreciation of the year	-	(1,006,297)	(3,036,330)	(95,031)	(1,562,813)	(5,700,471)
Disposals	-	-	183,187	9,798	310,804	503,789
Ending balance	-	(9,241,175)	(49,103,453)	(1,133,208)	(15,511,694)	(74,989,530)
Net book value of property and equipment	37,693,374	42,151,641	7,917,889	609,680	2,389,901	90,762,485
Payments on purchase of property and equipment	-	-	1,532,645	-	234,010	1,766,655
Projects in progress	-	2,025,565	-	-	-	2,025,565
Net property and equipment at the end of the year	37,693,374	44,177,206	9,450,534	609,680	2,623,911	94,554,705

Fully depreciated property and equipment amounted to JD 74,681,315 as at 31 December 2021 compared to JD 69,592,959 as at 31 December 2020.

(17) Depreciation and amortization

This item consists of the following:

	31 December 2021	31 December 2020
	JD	JD
Property and equipment depreciation (note 16)	5,445,025	5,700,471
Intangible assets amortization (note 18)	1,317,367	1,026,024
Depreciation of right of use assets (note 19 A)	1,600,766	1,597,685
Total	8,363,158	8,324,180

(18) Intangible assets

This item consists of the following:

	31 December 2021	31 December 2020
	Computer systems and softwares	Computer systems and softwares
	JD	JD
Balance at the beginning of the year	1,087,362	1,022,543
Additions	1,763,231	1,090,843
Amortization	(1,317,367)	(1,026,024)
Total	1,533,226	1,087,362
Payments on softwares purchases	2,766,071	2,066,460
Ending balance at the end of the year	4,299,297	3,153,822

(19) Right of use assets / Lease Obligiations

This item consists of the following:

A- Right of use Assets

	31 December 2021	31 December 2020
	JD	JD
Balance at the beginning of the year	12,656,099	14,279,403
Additions	101,045	101,045
Depreciation for the year	(1,597,685)	(1,597,685)
Associates depreciation – joint	(126,664)	(126,664)
Ending balance at the end of the year	12,283,463	12,656,099

B- Lease Obligations

	31 December 2021	31 December 2020
	JD	JD
Balance at the beginning of the year	12,396,749	13,777,285
Additions	1,307,812	101,045
Lease Obligation finance cost	702,991	739,138
Payments during the year	(2,130,952)	(2,220,719)
Ending balance at the end of the year	12,276,600	12,396,749

(20) Other assets

This item consists of the following:

	31 December 2021	31 December 2020
	JD	JD
Accrued revenues	351,224	540,598
Prepaid expenses	250,696	458,787
Temporary debit accounts	7,992,949	5,826,785
Stationery and publications	493,727	606,162
Stamps	83,498	116,961
Credit card accounts	5,892,086	4,330,020
Settlement guarantee fund deposits	25,000	25,000
Refundable deposits	370,315	365,974
Repossessed assets by the Bank against debts*- net	36,275,835	38,653,803
Others	322,608	354,139
Total	52,057,938	51,278,229

* the following is a summary of the movement in the assets owned by the bank in settlement of Repossessed assets by the Bank against debts:

	31 December 2021	31 December 2020
	JD	JD
Beginning balance for the year	39,765,682	36,076,921
Additions	18,279,381	7,338,569
Disposals *	(20,666,092)	(3,649,808)
Ending balance for the year	37,378,971	39,765,682
Provision for acquired assets **	(12,363)	(12,363)
Impairment provision for repossessed assets	(1,090,773)	(1,099,516)
Total	36,275,835	38,653,803

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

** Provision for repossessed assets was calculated according to the letter of the Central Bank of Jordan No. (10/3/13246) dated 2 September 2021.

(21) Banks and financial institutions accounts

This item consists of the following:

	31 December 2021			31 December 2020		
	Inside the Kingdom	Outside the Kingdom	Total	Inside the Kingdom	Outside the Kingdom	Total
	JD	JD	JD	JD	JD	JD
Current and on demand accounts	53,439,029	2,894,401	56,333,430	64,908,095	1,884,447	66,792,542
Total	53,439,029	2,894,401	56,333,430	64,908,095	1,884,447	66,792,542

(22) Customers' current and on demand accounts

This item consists of the following:

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

	31 December 2020				
	Retail	Large corporates	Small and Medium Enterprises	Government and public sector	Total
	JD	JD	JD	JD	JD
Current accounts	753,196,870	15,378,785	214,609,785	39,883,930	1,023,069,370
On demand accounts	240,809,475	285,750	1,082,267	-	242,177,492
Total	994,006,345	15,664,535	215,692,052	39,883,930	1,265,246,862

Government and public sector deposits inside the Kingdom amounted to JD 36,079,404 representing 2.61% of the total customers' current and on demand accounts as at 31 December 2021 compared to JD 39,883,930 representing 3.15% as at 31 December 2020.

Dormant accounts amounted to JD 23,809,944 as of 31 December 2021 compared to JD 35,372,943 as of 31 December 2020.

The restricted accounts amounted to JD 18,600,099, representing 1.35% of the total customers' current and on demand accounts as of 31 December 2021 compared to JD 6,877,913 representing 0.54% as of 31 December 2020 of the total customers' current and on demand accounts.

(23) Cash margins

The item consists of the following:

	31 December 2021	31 December 2020
	JD	JD
Cash margins against sales receivables, finances and other receivables	26,597,568	19,504,045
Cash margins against indirect facilities	25,470,367	25,409,142
Other margins	6,621,492	6,509,880
Total	58,689,427	51,423,067

(24) Accounts payable

The item consists of the following:

	31 December 2021	31 December 2020
	JD	JD
Customers' accounts payable	1,312,576	1,441,976
Total	1,312,576	1,441,976

(25) Other provisions

This item consists of the following:

	31 December 2021				
	Beginning Balance	Appropriated during the year	Transferred during the year	Utilized during the year	Ending Balance
	JD	JD	JD	JD	JD
End of service indemnity provision	3,850,000	500,000	-	-	4,350,000
Legal case held against bank provision	75,000	-	-	-	75,000
Employees' vacation provision	3,500,000	100,000	-	-	3,600,000
Contingencies provision – Joint	1,284,360	-	847,687	-	2,132,047
contingencies provision-self	6,627,116	-	(223,820)	-	6,403,296
Total	15,336,476	600,000	623,867	-	16,560,343

	31 December 2020				
	Beginning Balance	Appropriated during the year	Transferred during the year	Utilized during the year	Ending Balance
	JD	JD	JD	JD	JD
End of service indemnity provision	3,350,000	500,000	-	-	3,850,000
Legal cases held against bank provision	75,000	-	-	-	75,000
Employees' vacation provision	3,500,000	-	-	-	3,500,000
Contingencies provision - Joint	760,429	-	523,931	-	1,284,360
Contingencies provision – Self	6,624,609	-	2,507	-	6,627,116
Total	14,310,038	500,000	526,438	-	15,336,476

(26) Income tax provision

A. Bank's income tax provision

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

	31 December 2021	31 December 2020
	JD	JD
Beginning balance for the year	26,142,445	29,999,703
Income tax paid	(22,509,023)	(23,833,923)
Income tax expense	37,397,819	31,643,599
Income tax paid in advance for the years 2021 and 2020	(8,378,262)	(11,666,934)
Ending balance for the year	32,652,979	26,142,445

B. Income tax expense shown in the consolidated income statement represents the following:

	31 December 2021	31 December 2020
	JD	JD
Income tax for the profit of the year	37,397,819	31,643,599
Total	37,397,819	31,643,599

Income tax was calculated in accordance with Income Tax Law No. (34) of 2014 and its amendments, to become 35% income tax in addition to 3% national contribution, a total of 38% for the Bank.

The Bank reached a final settlment up to 2018 and the Bank submitted the income tax declerations for the years 2020 and 2019, but the Income and Sales Tax Departement is reviewing the records for the years 2020 and 2019 up to the date these of financial statements.

Subsidiaries:

Al Samaha Financing and Investment Company Ltd:

The Company reached a final income tax settlement up to 2018 and the Company submitted the income tax declerations for the years 2020 and 2019, but the Income and Sales Tax Departement has not reviewed the records up to the date these of financial statements.

Sanabel Al-Khair for financial investment Company Ltd:

The Company reached a final settlement with the income tax department up to to the year 2020.

Omaryeh School Company Ltd:

The Company reached a final income tax settlement up to 2018 and the Company submitted the income tax declerations for the years 2020 and 2019, but the Income and Sales Tax Departement has not reviewed the records up to the date of this financial statement.

Future Applied Computer Technology Company Ltd:

The Company reached a final settlement with the income tax department up to the year 2020.

(27) Deferred tax liabilities

This item consists of the following:

	31 December 2021					31 December 2020
	Beginning Balance	Amounts released during the year	Additions during the year	Ending Balance	Deferred Tax	Deferred Tax
	JD	JD	JD	JD	JD	JD
A. Deferred tax liabilities –Joint*						
Financial assets at fair value through the joint investment accounts holders' equity	(4,066,732)	(1,101,733)	2,200,120	(2,968,345)	(1,127,971)	(1,545,358)
Investments in real estate reserve	12,529,346	(6,244,689)	-	6,284,657	2,388,170	4,761,151
Total	8,462,614	(7,346,422)	2,200,120	3,316,312	1,260,199	3,215,793
B. Deferred tax liabilities – self financed **						
Financial assets at fair value through owner's equity- self	4,658,579	-	292,761	4,951,340	1,881,509	1,770,260
Total self deferred tax liabilitis	4,658,579	-	292,761	4,951,340	1,881,509	1,770,260
Total	13,121,193	(7,346,422)	2,492,881	8,267,652	3,141,708	4,986,053

* Deferred tax liabilities - joint includes an amount of JD 1,260,199 as at 31 December 2021 compared to JD 3,215,793 as at 31 December 2020 resulting from the profits of evaluating financial and non-financial assets within the fair value reserve of the unrestricted investment accounts holders'.

** Deferred tax liabilities - self financed includes an amount of JD 1,881,509 as at 31 December 2021 compared to JD 1,770,260 as at 31 December 2020 resulting from the profits of evaluating financial assets within the fair value reserve of owner's equity.

Movements on deferred tax liabilities were as follows:

(27-A). Joint

	31 December 2021	31 December 2020
	JD	JD
Beginning Balance	3,215,793	4,060,883
Disposals	(1,955,594)	(845,090)
Ending Balance	1,260,199	3,215,793

(27-B). Self

	31 December 2021	31 December 2020
	JD	JD
Beginning Balance	1,770,260	1,370,697
Additions	111,249	399,563
Ending Balance	1,881,509	1,770,260

(27-C). Reconciliation between tax profit and accounting profit:

	31 December 2021	31 December 2020
	JD	JD
Accounting profit	96,455,516	83,765,268
Non-taxable profit	(3,024,264)	(13,757,793)
Nondeductible expenses	5,074,916	13,290,780
Taxable profit	98,506,168	83,298,255
Attributable to:		
Bank	98,160,922	83,200,874
Subsidiaries	345,246	97,381
Statutory income tax rate - Bank	38%	38%
Statutory income tax rate - Subsidiaries	28%	28%
Effective income tax rate	38.77%	37.98%

(28) Other liabilities

This item consists of the following:

	31 December 2021	31 December 2020
	JD	JD
Accepted cheques	3,613,023	4,970,623
Revenues received in advance	882,351	735,689
Al Qard Al Hasan Fund	2,129,520	1,934,535
Temporary deposits	902,882	810,374
Miscellaneous credit balances	3,475,044	4,124,153
Cheques against notes payables	5,681,826	4,026,783
Banker's cheques	10,210,199	7,539,533
Others	13,601,278	12,632,509
Total	40,496,123	36,774,199

(29.A) Unrestricted investment accounts

This item consists of the following:

	31 December 2021					
	Retail	Large corporates	Small and Medium Enterprises	Government and public sector	Banks	Total
	JD	JD	JD	JD	JD	JD
Saving accounts	642,525,495	233,677	9,929,165	42	24,406,966	677,095,345
Notice accounts	8,795,688	-	4,306,707	628,220	10,000,922	23,731,537
Term accounts	2,075,327,318	29,770,111	133,997,850	129,770,072	16,105,750	2,384,971,101
Total	2,726,648,501	30,003,788	148,233,722	130,398,334	50,513,638	3,085,797,983
Depositors' share from Investment returns	57,043,597	627,702	3,122,403	2,728,034	953,234	64,474,970
Total unrestricted investment accounts	2,783,692,098	30,631,490	151,356,125	133,126,368	51,466,872	3,150,272,953

	31 December 2020					
	Retail	Large corporates	Small and Medium Enterprises	Government and public sector	Banks	Total
	JD	JD	JD	JD	JD	JD
Saving accounts	595,191,177	158,765	8,342,365	150	21,434,705	625,127,162
Notice accounts	8,903,768	-	3,795,991	615,318	11,741,793	25,056,870
Term accounts	1,974,132,499	21,272,266	64,836,593	62,845,571	13,023,826	2,136,110,755
Total	2,578,227,444	21,431,031	76,974,949	63,461,039	46,200,324	2,786,294,787
Depositors' share from Investment returns	51,124,204	542,510	2,637,328	1,288,122	687,796	56,279,960
Total unrestricted investment accounts	2,629,351,648	21,973,541	79,612,277	64,749,161	46,888,120	2,842,574,747

Unrestricted investment accounts share of profits is calculated as follows:

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

Profit percentage for Jordanian Dinars deposits was (2.92% - 5.0%) as at 31 December 2021 compared to (2.90% - 5.0%) as at 31 December 2020, profit percentage of foreign currencies deposits was 1.29% as at 31 December 2021 compared to 1.74% as at 31 December 2020.

Unrestricted investment accounts (Government of Jordan and Public Sector) inside the Kingdom amounted to JD 133,126,368, representing 4.23% of the total unrestricted investment accounts as at 31 December 2021 compared to JD 64,749,161, representing 2.28% as of 31 December 2020.

Dormant accounts amounted to JD 9,629,988 as at 31 December 2021 compared to JD 6,900,949 as at 31 December 2020.

The withdrawal restricted investment accounts were amounted to JD 5,494,442 representing 0.17% of the total unrestricted investment accounts as at 31 December 2021 compared to JD 5,403,427 representing 0.19% as at 31 December 2020.

(29.B) Investment accounts holders' reserve and non- controlling interest – in subsidiaries and associates

This item consists of the following:

	Joint	
	31 December 2021	31 December 2020
	JD	JD
Investment accounts holders' reserve – Subsidiaries	10,901,495	13,141,785
Investment accounts holders' reserve – Associates	3,355,400	2,619,643
Total	14,256,895	15,761,428
Non-Controlling Interests – Investment account holders	38,798	41,206

(30) Fair value reserve

This item consists of the following:

(30-A) Joint

	Joint	
	31 December 2021	31 December 2020
	JD	JD
Financial assets at fair value through joint investment accounts holders' equity reserve	(1,840,374)	(2,521,374)
Investments in real estate reserve	3,896,487	7,768,195
Total	2,056,113	5,246,821

(30-B) Self

	Self	
	31 December 2021	31 December 2020
	JD	JD
Financial assets at fair value through owner's equity - self	3,069,831	2,888,319
Total	3,069,831	2,888,319

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

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

	31 December 2020		
	Financial assets at fair value	Investments in real estate	Total
	JD	JD	JD
Beginning Balance*	(5,247,151)	15,933,683	10,686,532
Unrealized profit (loss)	1,180,419	(3,150,384)	(1,969,965)
Deferred tax assets (liabilities)	1,545,358	(4,761,151)	(3,215,793)
Profits transferred to the consolidated income statement	-	(253,953)	(253,953)
Ending Balance	(2,521,374)	7,768,195	5,246,821

* The fair value reserve beginning balance includes the prior year deferred tax liabilities of JD 3,215,793.

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

	Financial assets at fair value	
	31 December 2021	31 December 2020
	JD	JD
Beginning Balance*	4,658,579	3,607,098
Unrealized profits	308,256	1,028,165
Deferred tax liabilities	(1,881,509)	(1,770,260)
(Gains) losses transferred to the consolidated income statement after tax	(15,495)	23,316
Ending Balance	3,069,831	2,888,319

* The fair value reserve beginning balance includes the prior year deferred tax liabilities of
JD 1,770,260.

(31) Provission for expected future risks:

A. Movements on the provision for expected future risks were as follows:

	31 December 2021	31 December 2020
	JD	JD
Beginning balance for the year	25,980,009	30,016,131
Transfer to expected credit losses provision – Joint	(980,009)	(4,036,122)
Ending Balance	25,000,000	25,980,009

B. Mutual Insurance Fund

Movements on the mutual insurance fund were as follows:

	31 December 2021	31 December 2020
	JD	JD
Beginning balance	48,820,782	53,065,605
Add: profits for the years 2020 and 2019	1,265,186	1,987,034
Add: insurance premiums collected during the year	7,669,033	4,710,496
Add: amounts recovered from prior years losses	100,837	63,985
Less: insurance premiums paid during the year	(5,473,255)	(4,746,297)
Less: advance tax payments for the year 2021	(443,768)	-
Less: fund's committee members remunerations	(16,000)	(16,000)
Less: consulting fees	(36,153)	(1,740)
Less: Insurance paid for the dissolution of contracts before 2018	(958)	(21,815)
Less: losses written off during the year	(436,938)	(220,486)
Less: Expected credit losses provision during the year	(1,000,000)	(6,000,000)
Ending balance	50,448,766	48,820,782

The mutual insurance fund was established based on Article (54) - paragraph (D/3) of the Banks Law No. (28) for the year 2000.

Prior approval of the Central Bank of Jordan must be obtained in case of any changes to the mutual insurance fund policies.

In case of discontinuing the mutual insurance fund for any reason, the Board of Directors shall determine the way of spending the fund's sources for charity.

The Central Bank of Jordan approved considering the Mutual Insurance Fund as mitigating risk exposure according to its letter No. (10/1/12160) dated 9 October 2014.

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

- Death of subscriber.
- The subscriber's physical disability, fully or partially.
- The subscriber's insolvency due to lack of income sources for at least one year, without having an assets or possessing the leased estate to settle his debt and has no opportunity to obtain income source in the upcoming year that enable the debtor to settle his debt or to continue in the finance lease.

As of the beginning of 2018, the group has applied the accrual basis instead of cash basis with regards to insurance premiums received from subscribers, additionally, it was approved to increase the ceiling of coverage to become JD 150 thousand instead of JD 100 thousand.

Mutual insurance fund covers financing granted by Bank (financing granted from joint investment account and Al Wakala Bi Al Istithmar accounts (investments portfolio).

The balance of the mutual insurance fund is included within the unrestricted investment accounts (note 29-A).

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

	31 December 2021	31 December 2020
	JD	JD
Provision for expected credit loss - Bank	112,060,904	108,648,378
Expected credit loss provision for Al Samaha Funding and Investment Company Ltd.	830,190	509,036
Expected credit loss provision for Al Omariah Schools Company Ltd.	1,043,001	706,752
Total	113,934,095	109,864,166

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

	31 December 2021	31 December 2020
	JD	JD
Balance at the beginning of the year	115,927,918	101,800,672
Provision during the year through the consolidated income statement	6,000,000	8,000,000
Transferred from mutual insurance fund (Note 31(B))	1,000,000	6,000,000
Transferred from provision of expected future risk (Note 31(A))	980,009	4,036,122
Provision from subsidiaries	657,403	134,769
Written-off facilities	(4,903,331)	(4,043,645)
Balance at the end of the year	119,661,999	115,927,918

(32) Paid-In Capital:

The authorized and paid-in capital amounted to JD 200 million as at 31 December 2021 (2020: JD 200 million) consisting of 200 million shares (2020: 200 million shares).

(33) Reserves

Statutory reserve:
The accumulated amounts in this account represent the transferred 10% of annual profits before taxes during the current and previous years, in accordance with Banks Law. This reserve is not available for distribution to shareholders.

Voluntary reserve:
The accumulated amounts in this account represent the transferred 20% of annual profits before taxes during the current and previous years and is used for purposes determined by the Board of Directors. General Assembly is entitled to fully or partially distribute the reserve as dividends.

Restricted reserves are as follows:

Description	JD	Nature of Restriction
Statutory reserve	110,912,379	Banks Law

(34) Retained earnings

The item consists of the following:

	31 December 2021	31 December 2020
	JD	JD
Balance at the beginning of the year	124,731,875	89,394,545
Profit after income tax	59,057,697	52,121,669
Realized profit (losses) from sale of financial assets at fair value through owner' equity - self	15,495	(23,316)
Transferred to statutory reserve	(9,651,052)	(8,382,027)
Transferred to voluntary reserve	(9,609,028)	(8,378,996)
Dividends distributed to shareholders	(24,000,000)	-
Balance at the end of the year	140,544,987	124,731,875

Proposed Dividends
The proposed cash dividends to be distributed to shareholders for the current year amounted to 25% of the paid-in-capital, i.e. JD 50 million, and this percentage is subject to the approval of the Central Bank of Jordan and the General Assembly of Shareholders (2020: 12%).

(35) Deferred sales revenues

This item consists of the following:

	Joint		Self-financed		Total	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	JD	JD	JD	JD	JD	JD
Individuals (Retail):						
Murabaha to the purchase orderer	47,226,649	44,626,203	-	-	47,226,649	44,626,203
Deferred sales	936,804	775,047	-	-	936,804	775,047
Ijarah Mawsoofa Bil Thimma	496,535	440,009	-	-	496,535	440,009
Istisna'a	17,117	18,915	-	-	17,117	18,915
Real Estate Financing	27,841,441	28,981,390	2,000	4,000	27,843,441	28,985,390
Corporate:						
International Murabaha	326,471	465,305	-	-	326,471	465,305
Istisna'a	1,637,650	3,179,600	-	-	1,637,650	3,179,600
Murabaha to the purchase orderer	19,655,249	18,822,548	-	-	19,655,249	18,822,548
Deferred sales	78	487	-	-	78	487
Small and Medium Enterprises:						
Murabaha to the purchase orderer	7,484,000	8,221,973	-	-	7,484,000	8,221,973
Ijarah Mawsoofa Bil Thimma	50,607	1,999	-	-	50,607	1,999
Istisna'a	38,240	-			38,240	-
Deferred sales	1,232	2,674	-	-	1,232	2,674
Government and public sector	42,141,364	35,386,867	-	-	42,141,364	35,386,867
Total	147,853,437	140,923,017	2,000	4,000	147,855,437	140,927,017

(36) Financing revenues

This item consists of the following:

	Joint		Self-financed		Total	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	JD	JD	JD	JD	JD	JD
Individuals (Retail):						
Diminishing Musharaka	508,087	486,435	3,943	3,524	512,030	489,959
Total	508,087	486,435	3,943	3,524	512,030	489,959

(37) Gain from financial assets at fair value through the joint investment accounts holders' equity

This item consists of the following:

	Joint	
	31 December 2021	31 December 2020
	JD	JD
Dividends income	808,548	565,576
Gain on sale of financial assets at fair value	1,101,733	-
Total	1,910,281	565,576

(38) Gain from financial assets at amortized cost

The item consists of the following:

	Joint	
	31 December 2021	31 December 2020
	JD	JD
Islamic Sukuk	9,056,080	9,657,628
Islamic banks portfolio revenues	118,706	266,945
Total	9,174,786	9,924,573

(39) Dividends from subsidiaries and associates

This item consists of the following:

			Distributed dividends	
Joint	Ownership percentage	Distribution percentage	31 December 2021	31 December 2020
	%	%	JD	JD
Dividends distributed to Subsidiaries				
Al Samaha Financing and Investment Company Ltd.	100	5.0	600,000	600,000
Al Omariah Schools Company Ltd	99.8	3.0	-	477,359
Future Applied Computer Technology Company Ltd.	100	6.0	-	300,000
Dividends distributed to Associates				
Jordanian Center for International Trading Co.	28.4	5.0	48,200	77,120
Islamic Insurance Co.	33.3	8.0	400,000	300,000
Sale of subsidiary company *	-	-	1,071,604	-
Total			2,119,804	1,754,479

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

(40) Revenues from investments in real estate

This item consists of the following:

	Joint	
	31 December 2021	31 December 2020
	JD	JD
Total rent income from investments in real estate	1,357,160	964,291
Less: operating expenses		
Generating rent income	(336,747)	(277,504)
Not generating rent income	-	(6,175)
Net rent income from investing in real estate	1,020,413	680,612
Income from sale transactions	2,998,567	314,460
Less: Cost of sale	(58,202)	-
Net income from sale of investing in real estate	2,940,365	314,460
Revenues from investments in real estate	3,960,778	995,072

(41) Revenues from Ijarah Muntahia Bittamleek assets

This item consists of the following:

	Joint	
	31 December 2021	31 December 2020
	JD	JD
Ijarah Muntahia Bittamleek	47,412,119	43,783,234
Total	47,412,119	43,783,234

(42) Revenues from other investments

The item consists of the following:

	31 December 2021	31 December 2020
	JD	JD
Revenue from investment deposits at Islamic financial institutions	1,464,005	1,787,310
Total	1,464,005	1,787,310

(43) Net income of subsidiaries

This item consists of the following:

	31 December 2021	31 December 2020
	JD	JD
Revenues		
School instalments and transportation	7,817,685	8,988,304
Al Wakala Bi Al Istithmar (Investment portfolio)	88,285	252,298
Finance revenues	1,749,725	1,273,754
Projects revenues	-	1,742,454
Other revenues	108,579	319,195
Total Revenues	9,764,274	12,576,005
Expenses		
Administrative expenses	(7,633,173)	(8,880,248)
Depreciation	(965,971)	(1,079,249)
Provision for expected credit loss	(355,116)	(136,570)
Other expenses	(1,399,285)	(1,966,297)
Total expenses	(10,353,545)	(12,062,364)
Net income	(589,271)	513,641

(44) Share of unrestricted investment accounts holders':

This item consists of the following:

	31 December 2021	31 December 2020
	JD	JD
Banks and financial institutions	953,234	687,796
Customers:		
Saving accounts	6,033,541	5,675,652
Notice accounts	274,452	259,656
Term accounts	57,213,743	49,656,856
Total	64,474,970	56,279,960

(45) Bank's share of the joint investment accounts revenues as Mudarib and Rab Mal

The item consists of the following:

	31 December 2021	31 December 2020
	JD	JD
Bank's share as Mudarib	91,808,642	88,351,146
Bank's share as fund owner (Rab Mal)	47,371,099	43,221,983
Total	139,179,741	131,573,129

(46) Bank's self- financed revenues

This item consists of the following:

	31 December 2021	31 December 2020
	JD	JD
Deferred sales revenues – (Note 35)	2,000	4,000
Financing revenues – (Note 36)	3,943	3,524
Dividend from financial assets at the fair value through owner's equity	235,362	23,987
Total	241,305	31,511

(47) Bank's share of restricted investment revenues as Mudarib and Wakeel:

This item consists of the following:

	Wakeel	Mudarib	Wakeel	Mudarib
	31 December 2021		31 December 2020	
	JD	JD	JD	JD
Restricted investment revenues	-	2,421,932	-	1,635,663
Less: Share of restricted investment accounts holders'	-	(1,964,982)	-	(1,446,938)
Net	-	456,950	-	188,725
Al Wakala Bi Al Istithmar revenues	1,759,214	-	3,120,889	3,117,149
Less: share of Al Wakala Bi Al Istithmar accounts holders'	(1,332,162)	-	(2,531,304)	-
Net	427,052	-	589,585	585,845
Al Wakala Bi Al Istithmar revenues (Investment portfolio)	26,395,690	-	24,549,395	-
Less: share of Al Wakala Bi Al Istithmar accounts holders' (Investment portfolio)	(19,294,650)	-	(19,457,216)	-
Net	7,101,040	-	5,092,179	-
Total	7,528,092	456,950	5,768,024	188,725

(48) Banking services revenues

This item consists of the following:

	31 December 2021	31 December 2020
	JD	JD
Letters of credit commissions	536,808	553,654
Guarantees commissions	2,491,323	2,496,069
Collection bills commission	527,200	431,170
Transfers commission	1,227,182	792,815
Salary transfer commission	4,940,734	4,754,044
Returned cheques commission	1,101,079	661,589
Account management commission	956,657	835,803
Cheques books commission	255,482	256,967
Foreign currencies cash deposits commission	142,142	54,157
Brokerage commission	304,853	200,101
Cheques collection commission	136,298	133,486
Credit cards commission	8,460,121	7,013,389
Other commissions	2,246,751	2,989,570
Total	23,326,630	21,172,814

(49) Foreign currency gain

This item consists of the following:

	31 December 2021	31 December 2020
	JD	JD
Resulting from trading	757,760	788,431
Resulting from valuation	1,713,919	1,267,033
Total	2,471,679	2,055,464

(50) Other incomes

The item consists of the following:

	31 December 2021	31 December 2020
	JD	JD
Rents	85,234	77,806
Bonded revenues	722,623	622,724
Postage and telephone	335,725	373,981
Safe box leasing	275,013	251,490
Others	895,778	651,973
Total	2,314,373	1,977,974

(51) Employees expenses

This item consists of the following:

	31 December 2021	31 December 2020
	JD	JD
Salaries, benefits and allowances	33,059,808	31,983,135
Bank's contribution in Social Security	4,073,356	3,960,726
Medical expenses	3,266,988	3,228,568
Training expenses	70,304	47,939
Per diem	136,601	109,952
Meals	80,058	84,172
End of service benefits	984,982	1,845,285
Takaful insurance	248,654	246,797
Total	41,920,751	41,506,574

(52) Other expenses

This item consists of the following:

	31 December 2021 JD	31 December 2020 JD
Postage and telephone	1,735,504	1,842,780
Printings and stationery	1,083,588	1,135,316
System maintenance and licenses	3,060,939	3,374,096
Credit Cards	4,209,499	3,065,885
Paid rent	97,973	41,619
Water, electricity and heating	1,403,177	1,698,988
Repair, maintenance and cleaning	2,252,706	2,008,025
Insurance premiums	885,877	1,088,475
Travel and transportation	1,284,946	1,262,042
Legal and consulting fees	427,119	377,831
Professional fees	126,570	126,170
Subscriptions and memberships	914,631	874,329
Donations	560,169	2,821,869
Licenses, governmental fees and taxes	879,564	835,087
Hospitality	124,217	101,859
Advertising and promotion	618,258	677,939
Saving accounts rewards	165,000	135,000
Board committees remunerations	113,000	114,000
Master card and visa accounts rewards	278,958	149,289
Board members remunerations	55,000	55,000
Overdraft accounts coverage	237,836	568,618
Deposit insurance subscription fees	4,239,492	3,994,097
Cheques collection	320,485	319,301
Lease obligation cost	681,858	697,126
Others	1,269,979	1,151,945
Total	27,026,345	28,516,686

(53) Other provisions

The item consists of the following:

	31 December 2021 JD	31 December 2020 JD
End of service indemnity provision	500,000	500,000
Employees' vacation provision	100,000	-
Total	600,000	500,000

(54) Basic earnings per share (EPS)

The item consists of the following:

	31 December 2021	31 December 2020
Profit for the year after income tax (JD)	59,057,697	52,121,669
Weighted average number of shares (share)	200,000,000	200,000,000
Basic earnings per share (Fils/JD)	0/295	0/261

(55) Cash and cash equivalents

This item consists of the following:

	31 December 2021	31 December 2020
	JD	JD
Cash and balances with Central Bank maturing within 3 months	893,840,158	828,778,523
Add: Balances at banks and financial institutions maturing within 3 months	52,964,875	50,700,942
Less: Balances at banks and financial institutions maturing within 3 months	(56,333,430)	(66,792,542)
Total	890,471,603	812,686,923

(56) Restricted investments

This item consists of the following:

	Real estate trading		International Murabaha		Deferred sales receivables		Ijarah Muntahia Bittamleek		Cash balances		Total	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020	31 December 2021	31 December 2020	31 December 2021	31 December 2020	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Beginning balance	311,641	311,641	19,992,791	20,665,122	15,422,596	11,591,251	18,665,979	14,511,391	599,069	1,526,238	54,992,076	48,605,643
Deposits	-	-	53,548,456	115,737,228	10,957,567	6,423,378	15,775,580	5,994,375	9,615,424	5,867,094	89,897,027	134,022,075
Withdrawals	(234,049)	-	(59,282,871)	(116,608,496)	(5,481,175)	(3,054,492)	(2,908,079)	(2,625,329)	(8,103,249)	(6,794,263)	(76,009,423)	(129,082,580)
Investment profits	205,785	-	231,575	224,988	594,370	526,874	1,390,202	883,801	-	-	2,421,932	1,631,923
Bank's fees as Mudarib	(14,406)	-	(188,374)	(26,051)	(99,716)	(64,415)	(154,454)	(98,259)	-	-	(456,950)	(188,725)
Ending balance	268,971	311,641	14,301,577	19,992,791	21,393,642	15,422,596	32,769,228	18,665,979	2,111,244	599,069	70,844,662	54,992,076
Less: suspended deferred profits	-	-	-	-	(2,586,524)	(1,680,943)	-	-	-	-	(2,586,524)	(1,680,943)
Less: Deferred Mutual Insurance fund	-	-	-	-	(1,984,888)	(963,196)	-	-	-	-	(1,984,888)	(963,196)
Ending balance, Net	268,971	311,641	14,301,577	19,992,791	16,822,230	12,778,457	32,769,228	18,665,979	2,111,244	599,069	66,273,250	52,347,937

(57) Al Wakala Bi Al Istithmar (Investments Portfolio)

This item consists of the following:

	Financial assets through comprehensive income statement		Real estate trading		Deferred sales receivables		Ijarah Muntahia Bittamleek *		Cash balances		Total	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020	31 December 2021	31 December 2020	31 December 2021	31 December 2020	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Beginning balance	25,129,436	28,079,927	34,733,373	34,216,640	294,277,995	298,760,425	96,077,452	69,601,981	46,713,840	35,196,463	496,932,096	465,855,436
Number of investment units at beginning of the year	-	-	-	-	-	-	-	-	-	-	993,166	891,818
Value of investment units at beginning of the year	-	-	-	-	-	-	-	-	-	-	496,583,000	445,909,000
Deposits	16,481,739	997,806	3,298,296	1,008,365	94,671,413	31,760,324	30,059,309	39,333,500	121,003,000	107,810,500	265,513,757	180,910,495
Withdrawals	(3,265,667)	(5,064,714)	(42,000)	(774,797)	(70,636,547)	(49,793,337)	(25,225,584)	(17,365,080)	(125,087,306)	(96,293,123)	(224,257,104)	(169,291,051)
Investment profits (losses)	1,496,062	1,416,259	460,729	368,165	17,533,582	17,131,920	6,905,317	5,633,051	-	-	26,395,690	24,549,395
Bank's Fees as Wakeel	(402,441)	(299,842)	(123,936)	(85,000)	(4,716,534)	(3,581,337)	(1,858,129)	(1,126,000)	-	-	(7,101,040)	(5,092,179)
Total	39,439,129	25,129,436	38,326,462	34,733,373	331,129,909	294,277,995	105,958,365	96,077,452	42,629,534	46,713,840	557,483,399	496,932,096
Less: deferred profits	-	-	-	-	(37,742,250)	(36,368,596)	-	-	-		(37,742,250)	(36,368,596)
Less: Deferred mutual insurance	-	-	-	-	(2,500,870)	(1,692,794)	-	-	-	-	(2,500,870)	(1,692,794)
Less: expected credit loss provision	-	-	-	-	(11,352,363)	(10,025,025)	-	-	-	-	(11,352,363)	(10,025,025)
Impairment provision for repossessed assets	-	-	(392,357)	(392,357)	-	-	-	-	-	-	(392,357)	(392,357)
Deferred tax (liabilities) assets	-	386,822	-	(341,984)	-	-	-	-	-	-	-	44,838
Ending Balance, Net	39,439,129	25,516,258	37,934,105	33,999,032	279,534,426	246,191,580	105,958,365	96,077,452	42,629,534	46,713,840	505,495,559	448,493,162
Number of investment units at end of year	-	-	-	-	-	-	-	-	-	-	993,166	891,818
Value of investment units at end of year	-	-	-	-	-	-	-	-	-	-	496,583,000	445,909,000
Investment risk reverse	-	-	-	-	2,567,252	2,620,319	-	-	-	-	2,567,252	2,620,319
Fair value reserve	1,826,418	(631,131)	2,081,632	557,974	-	-	-	-	-	-	3,908,050	(73,157)
Liabilities deferred tax	1,119,418	-	1,275,839	-	-	-	-	-	-	-	2,395,257	-
Other liability	-	-	42,000	42,000	-	-	-	-	-	-	42,000	42,000
Ending Balance	2,945,836	(631,131)	3,399,471	599,974	2,567,252	2,620,319	-	-	-	-	505,495,559	448,493,162

* On 4 November 2020, assets and receivables of Ijarah Muntahia Bittamleek were transferred between restricted investment accounts (from Al Wakala Bi Al Istithmar to Al Wakala Bi Al Istithmar (investment portfolios)) due to the availability of liquidity in this portfolio and the desire of the Al Wakala Bi Al Istithmar holders to liquidate part of their investment. These assets were transferred at book value, which is equivalent to the recoverable value, and no impairment provisions were recorded on them at the date of transfer. These assets are divisible and did not result in any foreign currency differences.

(58) Al Wakala Bi Al Istithmar

This item consists of the following:

	31 December 2021	31 December 2020
	JD	JD
Al Wakala Bi Al Istithmar accounts – Baraka Group *	64,972,393	65,136,892
Al Wakala Bi Al Istithmar accounts – Central Bank of Jordan	11,940,216	14,764,986
Al Wakala Bi Al Istithmar accounts – Islamic Insurance Company	1,286,609	1,286,609
Total	78,199,218	81,188,487

- Wakala investments accounts represent cash amounts deposited at the Bank that are managed and invested in accordance with Islamic Shari'a compliant investment modes agreed upon with the Muwakkil in exchange of a lump sum or percentage of the invested funds mentioned in Wakala contract. Any losses incurred shall be borne by the Muwakkil unless arising from the Bank's (Wakeel) negligence or misconduct.

- The Bank's fee is 0.7% - 1.25% annually.

* On 4 November 2020, assets and receivables of Ijarah Muntahia Bittamleek were transferred between restricted investment accounts (from Al Wakala Bi Al Istithmar to Al Wakala Bi Al Istithmar (investment portfolios)) due to the availability of liquidity in this portfolio and the desire of the Al Wakala Bi Al Istithmar holders to liquidate part of their investment. These assets were transferred at book value, which is equivalent to the recoverable value, and no impairment provisions were recorded on them at the date of transfer. These assets are divisible and did not result in any foreign currency differences.

(59) Related parties transactions

A. The consolidated financial statements include the financial statements of the Bank and the following subsidiaries:

Company Name	Ownership	Paid - in Capital 31 December 2021	Paid - in Capital 31 December 2020
		JD	JD
Al Omariah Schools Company Ltd.	99.8%	16,000,000	16,000,000
Al Samaha Financing and Investment Company Ltd.	100%	12,000,000	12,000,000
Future Applied Computer Technology Company Ltd.	100%	5,000,000	5,000,000
Sanabel Al-Khair for Financial Investments Company Ltd.	100%	5,000,000	5,000,000

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

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

	Related parties				Total	
	Parent Company	Associates	Subsidiaries	Board members and Senior Executive management	31 December 2021	31 December 2020
	JD	JD	JD	JD	JD	JD
Consolidated statement of financial position items:						
Deferred sales receivables	-	139,153	1,700,008	8,248,867	10,088,028	10,331,142
Financing of employees housing/ Musharaka	-	-	-	1,010,134	1,010,134	1,066,880
Deposits	46,898	8,287,823	3,513,803	4,276,008	16,124,532	12,352,226
Off consolidated statement of financial position items:						
Guarantees and Letters of credit	-	99,394	532,250	2,458,888	3,090,532	3,511,574

					31 December 2021	31 December 2020
Consolidated income statement items:						
Paid expenses	-	4,477,256	1,607,378	2,788,687	8,873,321	10,263,074
Received revenues	25	28,633	125,056	251,967	405,681	550,584
Paid Profits	-	166,100	8,344	18,257	192,701	168,177

Murabaha rate on granted financing ranged between 3.0% - 4.75% annually as at 31 December 2021 (2020: 3.5% - 4.75%).

Musharaka profit rate of financing granted to the employees ranged between 2% - 4.8% annually as at 31 December 2021 (2020: 2% - 4.8%).

Guarantees commission rate ranged between 1% - 4% annually as at 31 December 2021 (2020: 1% - 4%). Letters of credit commission rate ranged between 1.4% - 3.8% quarterly as at 31 December 2021 (2020: 1.4% - 3.8% quarterly).

Individuals and corporate deposits profit's percentages equals to the related parties profit percentages.

C. Summary of the Bank's senior executive management benefits (salaries, remuneration and other benefits) were as follows:

	31 December 2021	31 December 2020
	JD	JD
Salaries, remunerations and transportation	2,231,094	2,013,211
End of service benefits	-	26,940
Total	2,231,094	2,040,151

(60) Fair value of financial instruments

The Bank uses the following order of valuation methods and alternatives to determine and present the fair value of the financial instruments:

- Level 1 - Quoted market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the inputs are significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the inputs are significant to the fair value measurement is unobservable.

The table below illustrate the analysis of the financial instruments measured at fair value according to the aforementioned order:

31 December 2021	First Level	Second Level	Third Level	Total
	JD	JD	JD	JD
Financial assets at fair value through joint investment accounts holders' equity	19,357,721	11,657,282	-	31,015,003
Financial assets at fair value through owner's equity – self financed	4,890,407	13,359,667	-	18,250,074
31 December 2020				
Financial assets at fair value through joint investment accounts holders' equity	18,776,497	18,107,373	-	36,883,870
Financial assets at fair value through owner's equity – self financed	4,900,392	8,074,660	-	12,975,052

(61) Fair value of financial assets and liabilities not measured at fair value in the consolidated financial statements

As shown in note (11), there are no financial assets not listed in the financial markets that are shown at cost, in order for the Bank to be able to estimate their fair value.

(62) Risk Management

Banks are exposed to several risks as a result of the operations they provide to their customers and as a result, the need arose for banks to effectively and efficiently manage the risks that they may be exposed to by using the best available methods to manage risks in line with the nature and size of the risks they may be exposed to.

The Bank undertakes the risk management function through a comprehensive risk management framework approved by the Bank's Board of Directors and senior management in order to identify, measure, follow up and monitor the relevant risk categories and prepare reports on them, and maintain where needed sufficient capital to meet these risks. These measures take into account the appropriate steps to adhere to the provisions and principles of Islamic law, and this had a great impact in mitigating the effects of the Coronavirus pandemic and the resulting impact on some sectors and increasing the likelihood of default for impacted customers through the necessary precautions to deal with the pandemic and taking adequate allocations for expected credit losses and to maintain sufficient capital to deal with these risks that the Bank may be exposed to.

The risks that the Bank may be exposed to are managed according to the general provisions for managing the risks approved by the Board of Directors according to the following principles:

1. Manage risk through a central, non-executive, independent of business and business support departments, which is the risk management department.

2. Use the three defense lines model to manage risks in our bank, so that it is the first line of defense from the business and support departments, which is the body responsible for the risks to which our bank may be exposed (Risk Owners) and the application of approved controls, and the second line of defense from the Risk Management Department Which defines the controls necessary for risk management in cooperation with the Compliance Control Department and the Internal Control Department, the third line of defense from the Internal Audit Department and the Internal Sharia Audit Department that ensures the application of the controls and their effectiveness.

3. Identify risks that our bank might be exposed to and determining the material risks based on the materiality test that is carried out by the Risk Management Department.

4. Determining the acceptable level of risk for all material risks that our bank may be exposed to, and it is prohibited to exceed it under any circumstances except with the approval of the Board of Directors.

5. Using highly efficient measurement methods to measure all material risks and determine the capital required.

6. Monitor all risks that our bank may be exposed to on an ongoing basis, and prepare the risk profile in accordance with the type of risk and the degree of its materiality.

7. Use of enterprise risk management systems (ERMs) which assist in dealing with risk management.

8. Applying the requirements of the Basel Committee on Banking Supervision Standards and best professional practices in risk management.

9. Disseminating culture of risk management for all the different administrative levels in our bank.

The main objective of our bank's risk management is to provide a safe business environment that works to achieve our bank's strategic objectives, by achieving a set of goals as follows:

1. Capital:

Maintaining a safe level of capital through adhering to the minimum levels of capital adequacy in accordance with the instructions of the Central Bank of Jordan.

Maintaining high and high quality capital capable of absorbing losses at any time and in accordance with the requirements of Basel 3 and the relevant Central Bank of Jordan instructions.

Leverage ratio remains within safe levels by adhering to the minimum level in accordance with the instructions of the Central Bank of Jordan.

2. Quality of Assets:

The percentage of non-performing accounts remains within the limits set by the Board of Directors.

The absence of a concentration that exceeds the limits approved at the level of the customer / investment / economic sector / period.

3. Liquidity:

Having sufficient levels of liquidity to meet the needs of customers in normal and stress conditions.

Commitment to the minimum levels of the legal liquidity ratio for total currencies, the Jordanian dinar, the liquidity coverage ratio, and the net stable funding ratio.

4. Internal Control and Control Systems:

Meet the requirements mentioned in the Central Bank of Jordan instructions related to the internal control and control systems.

Reviewing the operations carried out in our bank and ensuring that the necessary controls are specified in a manner commensurate with the approved risk appetite and the nature and size of risks that our bank may be exposed to.

5. An effective risk management reporting system:

Having an effective system for risk data and preparing reports on risk management and submitting them to the senior executive management and the Board of Directors.

Commitment to what is mentioned in the instructions of the Central Bank of Jordan regarding dealing with domestic systemically important banks (D-SIB's) regarding data and preparing reports on risk management issued by the Basel Committee for Banking Supervision.

6. Bank security and safety:

Laying down the necessary precautionary measures in coordination with the Bank's occupational safety and health committee to maintain health and safety of the Bank employees and customers.

Setting a special approved guidance to use in the event of the spread of diseases and epidemics.

Availability of occupational safety and health manual and disaster and emergency response plans.

Readiness of a Bank's alternative site (the disaster recovery site) in addition to other alternative sites.

The Risk Management Department reports directly to the Risk Management Committee of the Board of Directors and indirectly to the CEO / General Manager of the Bank, and defines the responsibilities of the Risk Management Department according to the following:

1. Supervising the stages of the risk management process in our bank.

2. Identify the risks that our bank might be exposed to and evaluating them to determine the material risks.

3. Preparing and updating material risk policies that include approved risk appetite and risk management strategies.

4. Define risk management strategies according to the type of risk, its size and the acceptable level for each of them, taking into account the levels of capital, liquidity and human resources available in terms of the efficiency and adequacy of staff to manage the risks to which our bank may be exposed.

5. Use and develop high-efficiency measurement methods to measure all material risks and determine the required capital.

6. Analyzing the operations carried out in our bank and ensuring that the necessary controls are determined in proportion to the approved risk appetite and the type and size of risks.

7. Monitor the risks that our bank may be exposed to on an ongoing basis, and prepare the risk structure according to the type of risk and the degree of its materiality.

8. Supervising Enterprise Risk Management Solutions (ERM).

Acceptable risk limits:

Our bank determines the acceptable level of risk and is approved by the Board of Directors, and the actual level is monitored and compared with the acceptable level of risk periodically, and it is considered one of the most important elements of governance in the risk management process, in line with the business model adopted by our bank.

1- Credit Risk:

- **Managing credit risk system:**

The main activity of our bank is the granting of funds and providing banking services to various customers. As a result, our bank is exposed to credit risk, which is defined as the inability or willingness of the customer to fulfill his contractual obligations to the bank. Credit risks are the main risks to which our bank is exposed to, which requires the availability of resources to manage these risks effectively.

Credit risk management based on several principles, most notably:

1. The segregation of duties between business, credit, and entities granting facilities in the core banking system.
2. Clearly define the criteria for granting credit to all customers in the credit policy, according to the nature of the customer.
3. Preparing the due diligence study for all credit applications, regardless of the nature of the customer, the amount of financing, the size and type of credit risk mitigations.
4. Determine the profit rate on facilities based on the degree of risk to which our bank is exposed to.
5. Determine the matrix of authorities granted to all related parties to the credit approval process according to the nature of the customer.
6. Determine the role of all entities related to the credit approval process according to the nature of the customer, in a manner that enhances corporate governance for managing credit risk.
7. Implement the requirements of the Basel Committee on Banking Supervision Standards and Best Professional Practices in Credit Risk Management in line with the instructions of the Central Bank of Jordan in particular.

- **Credit study, Control and Follow-up:**

The credit application is prepared by the business departments, and the credit department makes due diligence in studying credit applications, and then the credit application is presented to the credit authority body, in order to achieve the principle of segregation of duties.

The evaluation of customers of large, small and medium entities and high net worth individuals through the internal credit rating system (Moody's), at the level of the Obligor Risk Rating (ORR), and at the level of Facility Risk Rating (FRR).

The customer level credit rating (ORR) represents the creditworthiness of the customer and reflects the probability of default (PD).

The credit rating at the level of Facility Risk Rating (FRR) represents the quality of the credit risk mitigations provided by the customer, which reflects the loss given default ratio (LGD).

Financing applications for retail customers who are granted consumer financings are evaluated according to the Retail Credit Scoring system.

Granting of funds (automated system, branch committee, management committees) is determined according to the authorization matrix approved by the Board of Directors and senior management on the basis of the amount, completion of grant conditions, and the degree of risk of the funding request.

Methodology of applying the Islamic Accounting Standard (30) - impairment and credit losses and onerous commitments (FAS 30)

1- Internal credit rating system:

The Bank has an internal rating system to improve the quality of the credit process, as the classification process relies on "operational" qualitative and "financial" quantitative criteria to assess the creditworthiness of customers.

The credit rating system aims to:

- Improving the quality of the credit decision by relying on the internal credit rating.
- Calculate the customer probability of default.
- Pricing credit facilities in a manner consistent with the size of the risks to which our bank is exposed.
- Measuring the credit risks to which our bank exposed to in a standard way at the customer level and at the level of the credit portfolio.
- Improving the quality of the credit portfolio by setting the limits on the credit portfolio according to the internal credit classification.
- Monitor the credit portfolio through the internal credit rating.

Internal credit rating system mechanism:

- The classification process is carried out by analyzing basic inputs such as financial statements and customers' descriptive data according to an approved classification and evaluation methodology to determine the creditworthiness of the customer.
- The credit department confirms the customer's credit rating with the customer's current circumestances and approves the credit rating.
- A second review of the compatibility of the credit rating with the credit risk of the customer is carried out by the risk management department for applications of high credit risk.
- Ensure that customers' information are updated when a new credit request is received, or at least annually.

2- Scope of application / expected credit loss:

The expected credit loss measurement model was applied to the Bank according to the requirements of the standard as follows:

1. Direct and indirect credit facilities.
2. Sukuk recorded at amortized cost.
3. Islamic finance products that bear the characteristics of debt (principal and return).
4. Credit exposures to banks and financial institutions.
5. Ijara receivables.

3- Governance of Application of Islamic Accounting Standard (30):

A. Board of Directors

The Bank's board of directors and committees roles represented in the following:

Approve the methodology of applying the standard and related policies.

Approve the business model through which the objectives and principles of acquisition and classification of financial instruments are determined.

Ensuring the existence and implementation of effective control systems through which the roles of the related parties are defined.

Ensure the availability of infrastructure to ensure the application of the standard that includes (human resources / internal credit rating systems / automated systems to calculate expected credit losses, etc.), so that it is able to reach the results that ensure adequate hedging against expected credit losses.

B. Executive Management

The role of the executive management is as follows:

Preparing the methodology for applying the standard according to the requirements of the regulatory authorities.

Preparing the business model in accordance with the bank's strategic plan.

Ensure compliance with the approved methodology for applying the standard.

Supervising the systems used to implement the standard.

Calculating the necessary provisions to meet the expected credit losses according to the instructions of the Central Bank of Jordan.

Monitor the size of the expected credit losses and ensure the adequacy of its provisions.

Preparing the required reports for the relevant authorities.

Communicate with the company providing the system with any updates that may occur to the calculation forms and tools or any other inquiries in particular.

4- Definition and mechanism for calculating and monitoring probability of default (PD), exposure at default (EAD), and loss given default (LGD):

A. Default Definition:

The concept of default has been defined for the purposes of applying the standard as follows:

1. The presence of past dues on the customer for a period of 90 days or more, or the presence of clear indicators of their near default or bankruptcy.
2. Delay in the payment of profits and / or principal of the sukuk by the issuer of the sukuk for a period of 90 days or more.
3. Default of the banks whom our bank maintains their balances.

B. The mechanism for calculating expected credit losses (ECL) on financial instruments:

The external classification of international rating agencies was adopted to calculate the probability of default for the financial instrument, and the loss on default was calculated based on the best professional practices in this field, so that the geographical distribution, the economic sector and the capital structure of the issuer of this instrument are taken.

C. Calculating Probability of Default:

Probability of default (PD): The percentage of the debtor's probability of default or delay in fulfilling the payment of installments or obligations on the specified dates within the next 12 months.

Individual basis:

1. Countries:
The probability of default for countries issued by the international rating company S&P has been approved according to the approved credit scores and to the exposure currency (local currency / foreign currency). The probability of default is updated annually, taking into account the existence of a minimum probability of default of 0.03% based on the guidelines of the Basel Committee on Banking Supervision.

2. Banks and financial institutions:
The probability of default for banks and financial institutions issued by the international rating company S&P has been approved according to the approved credit scores. The probability of default is updated annually, taking into account the existence of a minimum probability of default of 0.03% based on the guidelines of the Basel Committee on Banking Supervision.

3. Large, medium and small companies and high net worth individuals:
The probability of default through the economic cycle (TTC PD) is extracted from the internal credit rating system.

The probability of default through the economic cycle (TTC PD) is converted to probability of default to a specific point in time (PIT PD) through a statistical model known as the Vasicek Model, which takes into account the following:

- Forecasts of macroeconomic indicators.
- Current and historical macroeconomic indicators.
- Credit assets correlation in each credit score (in accordance with the guidelines of the Basel Committee on Banking Supervision in particular).

Collective Basis:

Collective basis portfolio:

For the purposes of calculating the credit loss for customers in the collective portfolio, the portfolio has been divided into four sub-portfolios according to their risk shared characteristics, as follows:

• The commercial portfolio of unrated customers.
• Real-Estate financing portfolio.
• Vehicles financing portfolio.
• Personal financing portfolio.

Calculating the probability of default (PIT PD) using the system by analyzing historical data.

D. Calculating Exposure at Default:

- Direct credit facilities
The credit exposure value has been calculated at default, equal to the balance of the credit facilities as at the date of the financial statements and in accordance with the contractual terms.

- Indirect Credit Facilities:
The credit exposure value was calculated at default, equal to the full indirect credit facilities without applying any credit conversion factor (CCF).

E. Calculating Loss Given Default:

Loss given default represents a part of the exposure that our Bank may lose when a customer defaults, after collecting recoveries when the customer defaults.

The Bank's customers are divided according to the segments as follows:

1. Individual basis:

1-1 The Jordanian government: using a percentage of loss given default of (0%) for the issued sukuk and the finances granted to the Jordanian government or guaranteed by it.

1-2 Countries: The percentage of loss given default was used based on the geographical area of the countries.

1-3 Banks and financial institutions:

- Using loss given defaults in accordance with the decisions of Basel and the policy adopted by the Bank.
- If the exposure to banks and financial institutions is located in a geographical area, the percentage of loss, assuming default, is different, then the higher percentage is taken.

1-4 Companies: Using the loss-to-default ratio based on the division of the product type in the credit portfolio.

2. Collective basis

Using the rate of loss given default for dealers at the collective basis level based on the division of the credit portfolio.

• The adoption of hair cut ratios for credit risk mitigants at the individual basis and the collective base levels.

F. The main economic indicators that were used in calculating the expected credit loss (ECL):

Macroeconomic factors are included in the calculation of expected credit loss, as the Risk Management Department determines the weights of macroeconomic scenarios in line with changes in economic conditions in Jordan and adjusts them whenever the need arises, provided that they are presented to the Risk Management Committee emanating from the Board of Directors, and Board of Directors for approval. The bank assumed three scenarios for calculating the expected credit losses and the weights of the scenarios were changed in line with the economic situation as follows:

Scenario	Weighting scenario 2021	Weighting scenario 2020
High economic growth scenario	31%	20%
Basic scenario	38%	30%
Low economic growth scenario	31%	50%

1. **Credit risk exposure (net of impairment provision and expected credit loss, deferred and suspended revenues, and before collaterals and other risk mitigation factors)**

	Joint		Self-financed	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	JD	JD	JD	JD
Items within the consolidated statement of financial position:				
Balances with central banks	-	-	711,479,175	649,361,044
Balances with banks and financial institutions	8,638,983	27,095,124	44,064,952	23,505,416
Al-Wakala bi Al Istithmar accounts	35,300,761	35,252,012	-	-
Deferred sales receivables and other receivables:				
Individuals	680,515,237	630,315,690	21,244,382	25,083,491
Real estate	436,899,196	393,970,663	-	47,960
Companies:				
Corporate	448,414,065	502,241,302	17,880,334	21,878,026
Small and Medium Enterprises (SMEs)	146,434,522	137,108,637	28,236,159	33,863,309
Government and public sector	1,092,567,442	919,951,835	3,028,421	3,204,512
Financing Musharaka:				
Individuals	-	-	44,085	44,085
Real estates	36,584,699	32,946,889	197,301	166,565
Off consolidated statement of financial position items:				
Guarantees	-	-	123,492,546	126,034,151
Letters of credit	13,966,128	17,058,227	22,566,827	9,182,673
Acceptances	-	-	11,289,931	2,669,858
Unutilized limits-direct	166,468,420	117,604,857	-	-
Unutilized limits-indirect	-	-	69,375,603	37,483,452
Total	**3,065,789,453**	**2,813,545,236**	**1,052,899,716**	**932,524,542**

Collaterals and other credit risk mitigation techniques against Credit Exposures:

The quantity and quality of the required collaterals depends on the credit risk assessment of the counterparty. It is also possible to adjust or reduce the risk exposure related to the debtor, concerned party or any other obligor using the credit risk mitigation techniques applicable in the Islamic banks. These include (asset mortgage, third party guarantee, earnest sales, good faith deposit, cash margins, and shares mortgage).

Credit risk mitigations against credit exposure in the aforementioned table were as follows:

- Cash margins
- Bank guarantees
- Real estate collaterals
- Vehicles and machinery mortgages
- Jordan Loan Guarantee Corporation

2- Credit exposures of deferred sales receivables and other receivables and financing are distributed according to the risk degree as illustrated in following table:

	Joint							Self – financed						
			Companies							Companies				
	Individuals	Real estate financing	Corporate	SMEs	Government and public sector	Banks and other financial institutions	Total	Individuals	Real estate financing	Corporate	SMEs	Government and public sector	Banks and other financial institutions	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
021-														
ow risk	4,607,265	-	25,170,318	135,255,136	1,225,822,220	-	1,260,007,225	-	-	-	-	3,028,421	711,479,175	714,507,596
cceptable risk	761,349,223	478,772,114	397,743,533	135,255,136	-	44,100,057	1,817,220,063	22,771,029	158,702	18,636,869	27,402,206	-	44,314,818	112,533,624
ue: *														
p to 30 days	268,304	163,714	702,631	568,546	-	-	1,703,195	929	-	213	315	-	-	1,457
om 31 to 60 Days	966,354	871,834	4,398,847	1,523,396	-	-	7,760,431	7,293	-	1,325	2,375	-	-	10,993
/atch list	22,324,117	68,258,633	65,698,838	14,105,937	-	-	170,387,525	1,806,876	-	-	818,258	-	-	2,625,134
on performing:														
ub standard	2,726,608	861,939	-	271,118	-	-	3,859,665	126,883	-	-	58,079	-	-	184,962
oubtful	2,275,661	1,437,598	-	1,005,007	-	-	4,718,266	211,741	21,480	236	23,083	-	-	256,540
oss	20,161,007	21,622,168	25,413,540	16,317,964	-	-	83,514,679	886,938	26,105	3,922	774,375	-	-	1,691,340
otal	813,443,881	570,952,452	514,026,229	171,362,584	1,225,822,220	44,100,057	3,339,707,423	25,803,467	206,287	18,641,027	29,076,001	3,028,421	755,793,993	831,799,196
ess: deferred evenues	78,154,490	63,820,165	25,334,806	8,163,939	133,254,778	-	308,728,178	-	-	-	-	-	-	-
ess:suspended evenues	5,298,051	7,803,372	2,710,773	943,611	-	-	10,261,762	-	-	-	-	-	-	-
eferrd mutual surance	13,158,269	7,803,372	-	-	-	-	20,961,641	-	-	-	-	-	-	-
ess:Expected edit loss ovission	36,317,834	24,535,693	37,566,585	15,820,512	-	160,313	114,400,937	4,515,000	8,987	10,693	839,842	-	249,866	5,624,388
et	680,515,237	473,483,895	448,414,065	146,434,522	1,092,567,442	43,939,744	2,885,354,905	21,288,467	197,300	18,630,334	28,236,159	3,028,421	755,544,127	826,174,808

The whole receivable balance is considered payable if one instalment falls due.

	Joint									
			Companies							
	Individuals	Real estate financing	Corporate	SMEs	Government and public sector	Banks and other financial institutions	Total	Individuals	Real estate financing	Corp(
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JI
)20-										
ɔw risk	3,314,350	-	21,864,113	1,124,454	1,064,969,843	-	1,091,272,760	-	-	-
cceptable risk	687,145,780	432,156,682	475,376,601	123,761,503	-	62,569,507	1,781,010,073	26,129,823	220,130	21,76
ue: *										
p to 30 days	21,724	125,713	29,947	8,835	-	-	186,219	50	-	-
'om 31 to 60 Days	976,112	905,882	2,900,708	1,109,683	-	-	5,892,385	4,507	-	-
/atch list	30,804,919	57,567,946	37,408,095	19,767,628	-	-	145,548,588	831,897	-	148,
on performing:										
ub standard	3,781,830	1,945,050	-	264,326	-	-	5,991,206	187,544	-	-
oubtful	2,628,633	1,094,432	-	308,296	-	-	4,031,361	110,522	-	-
ɔss	23,384,252	29,038,639	27,710,498	14,887,419	-	-	95,020,808	945,732	-	267,
otal	751,059,764	521,802,749	562,359,307	160,113,626	1,064,969,843	62,569,507	3,122,874,796	28,205,518	220,130	22,1
əss: deferred ›venues	70,331,184	56,156,378	27,441,782	7,586,999	145,018,008	-	306,534,351	-	2,000	-
əss:suspended ›venues	5,831,156	1,666,950	3,007,008	886,640	-	-	11,391,754	-	-	-
eferrd mutual surance	9,743,538	5,219,820	-	-	-	-	14,963,358	-	-	-
əss:Expected 'edit loss 'ovission	34,838,196	31,842,049	29,669,215	14,531,350	-	222,371	111,103,181	3,077,942	3,605	3(
et	630,315,690	426,917,552	502,241,302	137,108,637	919,951,835	62,347,136	2,678,882,152	25,127,576	214,525	21,8

* The whole receivable balance is considered payable if one instalment falls due

The below table illustrate the distribution of the fair value of the collaterals against deferred sales receivables, other receivables, and financing:

	Joint						Self – financed					
			Companies						Companies			
	Individuals	Real estate financing	Corporate	SMEs	Government and public sector	Total	Individuals	Real estate financing	Corporate	SMEs	Government and public sector	Total
31 December 2021-	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Collaterals against:												
Low risk	4,607,265	-	25,170,318	4,407,422	1,225,822,220	1,260,007,225	-	-	-	-	3,028,421	3,028,421
Acceptable risk	381,906,066	235,997,534	188,046,743	90,775,898	-	896,726,241	7,201,431	158,702	4,122,107	6,664,484	-	18,146,724
Watch list	22,005,564	31,898,963	45,425,021	12,024,957	-	111,354,505	1,787,567	-	501,996	1,007,194	-	3,296,757
Non performing:												
Substandard	2,122,685	310,321	-	270,161	-	2,703,167	32,831	-	-	4,033	-	36,864
Doubtful	1,672,327	380,245	-	1,078,476	-	3,131,048	116,063	21,480	-	18,493	-	156,036
Loss	18,491,828	9,012,512	6,185,603	12,600,433	-	46,290,376	260,260	26,105	31,252	195,575	-	513,192
Total	430,805,735	277,599,575	264,827,685	121,157,347	1,225,822,220	2,320,212,562	9,398,152	206,287	4,655,355	7,889,779	3,028,421	25,177,994
Of which :												
Cash margins	4,607,265	-	-	4,407,422	-	9,014,687	-	-	-	-	-	-
Acceptable bank guarantees	-	-	25,170,318	-	-	25,170,318	-	-	-	-	-	-
Real estate	118,704,615	268,900,179	219,211,224	96,124,483	-	702,940,501	3,986,657	206,287	3,473,710	5,191,247	-	12,857,901
Traded shares	-	-	-	55,992	-	55,992	3,462,268	-	-	1,743,310	-	5,205,578
Vehicles and machinery	307,493,855	8,699,396	20,446,143	20,569,450	-	357,208,844	1,949,227	-	1,181,645	955,221	-	4,086,093

	Joint						Self – financed					
			Companies						Companies			
	Individuals	Real estate financing	Corporate	SMEs	Government and public sector	Total	Individuals	Real estate financing	Corporate	SMEs	Government and public sector	Total
31 December 2020-	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Collaterals against:												
Low risk	3,314,350	-	21,864,113	1,124,454	1,064,969,843	1,091,272,760	-	-	-	-	3,204,512	3,204,512
Acceptable risk	344,224,054	232,981,170	197,068,369	81,739,481	-	856,013,074	8,005,532	170130	1,778,840	6,195,828	-	16,150,330
Watch list	31,210,909	17,792,634	34,645,650	15,807,752	-	99,456,945	636,783	-	170,955	842,816	-	1,650,554
Non performing:												
Substandard	3,252,612	905,344	-	327,282	-	4,485,238	144,237	-	-	7,254	-	151,491
Doubtful	2,026,442	620,365	-	270,275	-	2,917,082	14,485	-	-	1,786	-	16,271
Loss	20,145,130	13,292,883	10,593,482	11,067,217	-	55,098,712	94,101	-	156	66,349	-	160,606
Total	404,173,497	265,592,396	264,171,614	110,336,461	1,064,969,843	2,109,243,811	8,895,138	170,130	1,949,951	7,114,033	3,204,512	21,333,764
Of which :												
Cash margins	3,314,350	-	-	1,124,454	-	4,438,804	-	-	-	-	-	-
Acceptable bank guarantees	-	-	21,864,113	-	-	21,864,113	-	-	-	-	-	-
Real estate	111,445,110	257,744,033	217,185,101	89,694,683	-	676,068,927	3,070,762	170,130	1,341,857	4,154,690	-	8,737,439
Traded shares	-	-	2,588,514	362,029	-	2,950,543	3,952,322	-	-	1,814,573	-	5,766,895
Vehicles and machinery	289,414,037	7,848,363	22,533,886	19,155,295	-	338,951,581	1,872,051	-	608,094	1,144,770	-	3,624,915

Scheduled deferred sales receivables and other receivables and financing:

These represent receivables/finances which have been classified as non performing and were set aside in terms of the non performing receivables/finances in accordance with a legal scheduling agreement and re-classified as watch list or performing receivables/finances with total amount of JD 35,218,205 as at 31 December 2021 against JD 47,231,833 as at 31 December 2020.

Restructured deferred sales receivables and other receivables and financing:

Restructuring means rearranging receivables/finances in terms of amending the instalments or extending the term of receivables/finances, deferring some instalments or extending the grace period, etc. and reclassifying these receivables/finances as watch list with total of JD 25,538,409 as at 31 December 2021 against JD 8,781,892 at 31 December 2020.

Sukuk:

The following table illustrate Sukuk rating presented within the financial assets at fair value through the joint investment accounts holders' equity and financial assets at amortized cost according to external rating agencies:

31 December 2021

Rating	Credit rating agency	Financial assets at amortized cost
		JD
AAA	S&P	6,524,738
B+	S&P	254,927,412
B	S&P	6,999,899
Total		268,452,049

31 December 2020

Rating	Credit rating agency	Financial assets at amortized cost
		JD
A	S&P	2,879,062
B+	S&P	186,407,627
CCC-	S&P	6,586,510
Total		195,873,199

3- Concentration of credit exposure according to geographical area were as follows:

	Inside the Kingdom	Other Middle East Countries	Europe	Asia*	America	Other Countries	Total
	JD	JD	JD	JD	JD	JD	JD
Balances with central bank	711,479,175	-	-	-	-	-	711,479,175
Balances at banks and financial institutions	2,056,503	15,646,496	8,318,764	434,143	25,820,143	427,886	52,703,935
Al-Wakala Bi Al Istithmar accounts	-	35,300,761	-	-	-	-	35,300,761
Deferred sales and other receivables and financing:							
Individuals	701,803,704	-	-	-	-	-	701,803,704
Real estate financing	473,681,195	-	-	-	-	-	473,681,195
Companies:							
Large corporates	441,124,081	6,109,120	19,061,198	-	-	-	466,294,399
Small and Medium Enterprises (SMEs)	174,670,681	-	-	-	-	-	174,670,681
Government and public sector	1,095,595,863	-	-	-	-	-	1,095,595,863
Sukuk:							
Within financial assets at amortized cost	229,475,000	38,977,049	-	-	-	-	268,452,049
Total as at 31December 2021	3,829,886,202	96,033,426	27,379,962	434,143	25,820,143	427,886	3,979,981,762
Total as at 31 December 2020	3,497,203,640	110,000,455	11,100,903	260,538	13,168,730	175,493	3,631,909,759

* Except for Middle East Countries

4- Concentration of credit exposure according to economic sector were as follows:

	Financial	Industrial	Commercial	Real estate	Agriculture	Individuals	Government and public sector	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Balances with central bank	-	-	-	-	-	-	711,479,175	711,479,175
Balances at banks and financial institutions	52,703,935	-	-	-	-	-	-	52,703,935
Al-Wakala Bi Al Istithmar accounts	35,300,761	-	-	-	-	-	-	35,300,761
Deferred sales and other receivables and financing	-	171,395,178	379,108,498	473,681,195	41,889,662	750,375,446	1,095,595,863	2,912,045,842
Sukuk:								
Within financial assets at amortized cost	-	-	268,452,049	-	-	-	-	268,452,049
Total as at 31 December 2021	88,004,696	171,395,178	647,560,547	473,681,195	41,889,662	750,375,446	1,807,075,038	3,979,981,762
Total as at 31 December 2020	85,852,552	224,035,613	568,506,649	427,132,077	39,918,949	713,946,528	1,572,517,391	3,631,909,759

2. Liquidity Risks

Liquidity risk is defined as the Bank's inability to provide the required liquidity to cover its obligations at their respective due dates. Bank manage such risks throughout the following:

1. Analyze liquidity (maturity gaps).
2. Maintaining reasonable liquidity to cover outgoing cash flows.
3. Diversifing sources of financing.
4. Establishing the Assets and Liabilites committee .
5. Distribution of financing among various sectors and geographical areas to mitigate concentration risk.
6. Liquidity management is based on natural and emergency circumstances including using and analyzing assets and various financial ratios maturities.
7. Monitoring liquidity by periodically following up on the indicators of the emergency financing plan.
8. Preparing scenarios for internal stress-testing situations related to liquidity risks.

Our bank is obligated to measure liquidity risks in accordance with the instructions of Islamic Bank of Jordan and as follows:

Liquidity Coverage Ratio (LCR)

The monthly average of the liquidity coverage ratio (LCR) according to the instructions of the Central Bank of Jordan from 1 January 2021 to 31 December 2021 (208.9%) (the minimum for this ratio according to the instructions of the Central Bank of Jordan is 100%).

Items for calculating the LCR as of 31 December 2021

Statement	Before adjustments and deductions	After adjustments and deductions
	JD	JD
Assets level one	874,559,002	874,559,002
Assets level two *	24,172,445	12,086,223
Total high quality liquid assets	898,731,447	886,645,225
Cash outflows	2,773,053,174	523,290,133
Cash inflows	252,371,578	116,074,183

* The maximum level for assets level two is JD 359,492,579 (40% of the total high-quality liquid assets).

Calculating the LCR as of 31 December 2021.

Statement	After Adjustments and deductoins
	JD
Total high quality liquid assets after adjustments	886,645,225
Net cash outflows	407,215,950
Liquidation coverage	217,7%

Legal Liquidity Ratio (LLR):

The daily average of the legal liquidity ratio (LLR) in total currencies and in the Jordanian dinar, from 1 December 2021 to 31 December 2021 (133% and 120%), respectively. (The minimum for this percentage according to the instructions of the Central Bank of Jordan is 100% and 70%, respectively).

First: The below table summarize the maturity profile of the Bank's liabilities based on contractual undiscounted repayment obligations at the date of the consolidated financial statements:

	Less than 1 month	1 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	More than 3 years	Without maturity	Total
31 December 2021	JD	JD	JD	JD	JD	JD	JD	JD
Liabilities:								
Due to banks and financial institutions	2,894,401	-	-	-	53,439,029	-	-	56,333,4
Customers' current accounts	511,923,402	197,281,545	155,884,988	114,488,432	120,092,054	280,214,794	-	1,379,885,2
Cash margins	12,710,772	6,471,262	6,306,434	6,673,556	7,958,221	18,569,182	-	58,689,4
Other provisions	-	-	-	-	-	-	16,560,343	16,560,3
Income tax provision	-	-	32,652,979	-	-	-	-	32,652,9
Deferred tax liabilities	-	-	-	477,634	1,281,604	-	1,382,470	3,141,7
Investment risk fund	-	-	-	-	-	-	25,000,000	25,000,0
Other liabilities	8,953,276	9,550,239	1,252,422	22,932,063	14,822,185	7,835,748	5,052,374	70,398,3
Unrestricted investment accounts holders' equity	377,530,681	151,227,948	155,434,984	313,656,515	645,726,847	1,506,695,978	38,798	3,150,311,7
Total	914,012,532	364,530,994	351,531,807	458,228,200	843,319,940	1,813,315,702	48,033,985	4,792,973,1
Total assets (according to expected maturity date)	1,171,371,374	221,525,679	272,216,202	434,012,814	1,396,206,118	1,622,222,014	185,027,942	5,302,582,1

	Less than 1 month	1 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	More than 3 years	Without maturity	Total
31 December 2020	JD	JD	JD	JD	JD	JD	JD	JD
Liabilities:								
Due to banks and financial institutions	1,884,448	-	-	-	64,908,094	-	-	66,792,5
Customers' current accounts	469,559,394	181,388,725	143,431,319	105,473,913	109,618,053	255,775,458	-	1,265,246,8
Cash margins	12,429,217	5,936,123	5,563,673	5,581,306	6,573,825	15,338,923		51,423,0
Other provisions	-	-	-	-	-	-	15,336,476	15,336,4
Income tax provision	-	-	26,142,445	-	-	-	-	26,142,4
Deferred tax liabilities	-	-	-	952,230	1,597,022	-	2,436,801	4,986,0
Investment risk fund	-	-	-	-	-	-	25,980,009	25,980,0
Other liabilities	5,771,859	11,593,840	1,105,760	20,887,608	17,112,098	7,955,897	7,194,111	71,621,1
Unrestricted investment accounts holders' equity	345,363,946	137,763,123	141,659,602	282,760,299	580,508,333	1,354,519,444	41,206	2,842,615,9
Total	835,008,864	336,681,811	317,902,799	415,655,356	780,317,425	1,633,589,722	50,988,603	4,370,144,5
Total assets (according to expected maturity date)	1,066,779,241	189,867,030	293,315,419	460,293,414	1,187,969,450	1,464,769,259	181,505,046	4,844,498,8

Second: Off consolidated financial position items:

	31 December 2021			
	Up to one year	From one to five years	More than five years	Total
		JD		JD
Letters of credit and acceptances	47,822,886	-	-	47,822,886
Guarantees	117,280,767	6,210,304	1,475	123,492,546
Unutilized limits-direct	166,468,420	-	-	166,468,420
Unutilized limits-indirect	69,375,603	-	-	69,375,603
Capital liabilities	3,190,815	-	-	3,190,815
Total	404,138,491	6,210,304	1,475	410,350,270

	31 December 2020			
	Up to one year	From one to five years	More than five years	Total
		JD		JD
Letters of credit and acceptances	28,910,758	-	-	28,910,758
Guarantees	118,843,546	7,190,605	-	126,034,151
Unutilized limits-direct	117,604,857	-	-	117,604,857
Unutilized limits-indirect	37,483,452	-	-	37,483,452
Capital liabilities	3,634,124	-	-	3,634,124
Total	306,476,737	7,190,605	-	313,667,342

3. Market Risks:

Market risk is the risk of loss resulting from fluctuations in the market price, which relates to equity instruments in the trading book, exchange rates, market rate of return, commodity and inventory prices, the Bank seeks to mitigate these risks throughout the following:

1) Diversifying and distributing investments among various sectors and geographical areas.
2) Analyzing rate of returns trends and expected exchange rates and investments.
3) Establishing limits to investments on the level of the country, currency, market, instrument and counter party.
4) Adapting the currency positions in accordance with Central Bank of Jordan regulations.
5) Studying and analyzing the risks related to new investments and clearing them through detailed reports before accepting them.
6) Complianing with the policies, procedures and instructions of the relevant regulatory authorities.
7) Calculating value at risk (VaR) to measure the risks of changes in stock prices and foregin currencies.

A. Rate of return risks

Rate of return risk results from the decline in the rate of return on investments compared to the local market increase in the rate of return "interest" and the Bank's inability to increase the rate of return on granted facilities with fixed rate of return (Murabaha).

The Bank manages these risks through out the following:

1) Managing the rate of return gaps and cost of assets and liabilities according to various maturity dates.
2) Studying the investments return trends.

	31 December 2021			
	Change (increase) in rate of return (1%)	Sensitivity (profits and losses)	Owner's equity sensitivity	Investment accounts holders' equity sensitivity
	JD	JD	JD	JD
Jordanian Dinars	9,690,170	-	6,471,469	3,218,701

	31 December 2021			
	Change (decrease) in rate of return (1%)	Sensitivity (profits and losses)	Owner's equity sensitivity	Investment accounts holders' equity sensitivity
	JD	JD	JD	JD
Jordanian Dinars	(9,690,170)	-	(6,471,469)	(3,218,701)

	31 December 2020			
	Change (increase) in rate of return (1%)	Sensitivity (profits and losses)	Owner's equity sensitivity	Investment accounts holders' equity sensitivity
	JD	JD	JD	JD
Jordanian Dinars	8,233,504	-	5,635,780	2,597,724

	31 December 2020			
	Change (decrease) in rate of return (1%)	Sensitivity (profits and losses)	Owner's equity sensitivity	Investment accounts holders' equity sensitivity
	JD	JD	JD	JD
Jordanian Dinars	(8,233,504)	-	(5,635,780)	(2,597,724)

B. Foreign currency risks

Foreign currency risk is the risk arising from the change in the foreign currency prices that the Bank maintains. Foreign currencies are managed on the basis of spot trading and foreign currencies positions are monitored on a daily basis against the approved limit for each currency, since the Bank's policy in managing foreign currencies, is to clear customer's current positions and cover required positions according to customer's needs.

Bank's investment policy stipulate that the maximum limit of the foreign currencies positions shall not exceed 15% of the total owner's equity or 50% of the bank's total liabilities in foreign currencies, whichever is greater (at a maximum limit of 5% of the owner's equity for each currency except for US Dollars) in order to cover the customers' needs in terms of letters of credit, transfers and bills under collection and not for speculation or trading purposes.

	31 December 2021			
Currency	Net Position	Change in the exchange rate (5%)	Impact on profits and losses	Impact on owner's equity
USD	60,732,229	-	-	-
Euro	29,404	1,470	912	2,110
GBP	44,877	2,244	1,391	-
JPY	6,143	307	190	-
Other Currencies	671,693	33,585	20,822	-

	31 December 2020			
Currency	Net Position	Change in the exchange rate (5%)	Impact on profits and losses	Impact on owner's equity
USD	33,149,244	-	-	-
Euro	166,451	8,323	5,160	4,402
GBP	7,267	363	225	-
JPY	7,794	390	242	-
Other Currencies	671,690	33,585	20,822	-

Concentration of foreign currency risks:

2021	USD	Euro	GBP	JPY	Others	Total
Assets:						
Cash and balances with central bank	57,669,951	7,841,277	3,295,533	-	3,518,725	72,325,486
Cash at banks and financial institutions	40,586,550	9,199,207	408,628	64,931	2,704,299	52,963,615
Al-Wakala Bi Al Istithmar accounts	35,450,000	-	-	-	-	35,450,000
Deferred sales receivables and other receivables	182,691,934	6,548,838	525,894	-	1,443,433	191,210,099
Financial assets at fair value through the owner's equity – self financed	821,759	42,195	-	-	-	863,954
Financial assets at fair value through joint investment accounts holders' equity	1,658,311	-	-	-	-	1,658,311
Financial assets at amortized cost	40,852,995	-	-	-	-	40,852,995
Other assets	29,980	-	-	-	-	29,980
Total Assets	359,761,480	23,631,517	4,230,055	64,931	7,666,457	395,354,440
Liabilities:						
Due to banks and financial institutions	222,608	38,908	-	-	127,214	388,730
Cash margins	3,853,549	260,049	-	-	-	4,113,598
Current accounts	58,890,389	7,587,971	702,112	66	1,113,039	68,293,577
Unrestricted investment accounts	235,116,668	15,576,763	3,483,066	58,722	5,738,080	259,973,299
Other liabilities	946,037	138,422	-	-	16,431	1,100,890
Total liabilities	299,029,251	23,602,113	4,185,178	58,788	6,994,764	333,870,094
Net concentration in the consolidated financial position statement - 2021	60,732,229	29,404	44,877	6,143	671,693	61,484,346
Contingent Liabilities – off consolidated statement of financial position item – 2021	42,639,311	2,257,480	-	-	2,737,225	47,634,016
2020						
Total Assets	332,912,970	18,549,689	5,059,148	72,465	6,040,107	362,634,379
Total Liabilities	299,763,726	18,383,238	5,051,881	64,671	5,368,417	328,631,933
Net concentration in the consolidated financial position statement – 2020	33,149,244	166,451	7,267	7,794	671,690	34,002,446
Contingent Liabilities – off consolidated statement of financial position item – 2020	24,593,583	2,669,553	-	6,864	1,185,758	28,455,758

C. Equity price risks

Equity price risks result from a change in the fair value of investments in equity. The Bank seeks to manage these risks through diversifying investments in various geographical areas and economic sectors.

	Change in index (5%)	Impact on losses and profits	Impact on owner's equity	Impact on investment account holders' equity
	JD	JD	JD	JD
2021				
Amman Stock Exchange Index	406,915	-	-	406,915
2020				
Amman Stock Exchange Index	241,467	-	-	241,467

D. Commodity risks

Commodity risks arise from the fluctuations in the value of marketable assets. These risks are related to the current and future fluctuations and market values of specific assets. The Bank is exposed to fluctuations of fully paid commodity prices after the commencement of Salam contracts and to the fluctuations in the remaining value of the leased assets at the end of the lease term.

4. Compliance risks

Compliance risks represents sanctions on matters related to legal or regulatory or financial losses or reputational risks which the Bank might face as a result of non compliance with laws, regulations, standards and proper financial practices. The primary non compliance risks are legal and regulatory sanctions risks, reputational risks, financial losses risks, financial crimes risks, anti-money laundry and fraud and corruption risks.

The Bank seeks to limit these risks through is Compliance Control Department that is concerned with reviewing the requirements of regulatory bodies and ensuring their application on the Bank's internal procedures and policies throughout setting the compliance strategy and guidelines and establishing the policies related to anti-money laundry and establishing policies and procedures related to laws, regulations, internal and external instructions and holding the necessary training courses.

5. Operational Risks

Operational risks are the risks of loss arising from inadequacy or failure in internal operations, personnel or systems, or from external events. This includes legal risk and Islamic Shari'a non-compliance risk and excludes strategic and reputational risks. The Bank seeks to limit these risks throughout the following:

Reviewing the bank's operations and preparing documented policies and procedures that all necessary controls are included to reduce the probability and/or the impact of operational events.

Building a database of all errors, losses and operational events that occur with the Bank in order to evaluate and analyze them, identify weaknesses and work to raise the efficiency of the applied control procedures to reduce their recurrence in the future.

Automatically applying the Risk and Control Self-Assessment (RCSA) methodology using the operational risk management system (GRC) with the aim of improving the control environment and assisting senior management and internal audit in identifying high-risk areas and weaknesses in internal control systems.

Prepare and monitor the Key Risk Indicators (KRI's) automatically using the operational risk management system (GRC) for the Bank's main operations and develop corrective action plans in case they exceed the acceptable risk limits.

Preparing, updating and examining a Business Continuity Plan (BCP) and a Disaster Recovery Plan (IT DR) to reduce the exposures and interruptions faced by the bank, and a recovery plan to reduce the effects and losses resulting from crises and/or disasters - God forbid.

Legal department reviews all contracts and related documents used by the Bank.

The Shariah Supervisory Board of our Bank reviews and approves the contracts, agreements and operations forms related to all of our Bank's transactions, with the aim of ensuring that the mentioned contracts, agreements and operations are free of legal prohibitions.

The Information Technology department, in coordination and cooperation with the Information Cyber Security department, set the necessary policies and procedures to maintain the security and confidentiality of information in the Bank, and the authority to access programs and systems in the Bank.

6. Reputational Risks

Reputational risks is being viewed by the Bank as negative impression on the Bank's reputation which might lead to potential losses in the sources of funding and loss of customers to competitive banks.

The Bank seeks to limits these risks throughout a set of policies and procedures to enhance the customers' confidenceh and providing a good banking services and maintaining banking confidentiality and avoid undertaking illegal acts or financing unfavorable sectors and provides suitable information security controls.

7. Strategic risks

It is the risk arising from the current and future impact on income or capital resulting from negative business decisions, improper implementation of decisions, or failure to respond to economic changes.

8. Information Technology risk:

The increased use of information technology has led to improvement in the effectiveness and efficiency of the operations and services provided by our bank, but it has also brought with it new risks related to information technology.

Under the supervision of the Information Technology Governance Committee and the Board Risk Committee, Our bank manages these risks to avoid exposure to them or mitigate their impact, through continuous monitoring and evaluation of the risks associated with information technology and its impact on banking operations and services in terms of the added value of technical solutions compared to their cost, In terms of quality and quality of projects with a technical basis and evaluation of their results on the bank's business and improving the level of performance compared to security and technical events that may result from its operation.

There are a number of outputs for the information technology risk management process according to the instructions for governing information and accompanying technology issued by the Central Bank of Jordan and according to the instructions of COBIT 2019, the most important of which is the detailed risk reigester for each technical process or banking service, risk scenarios, risk indicators and risk assessment of outsourcing parties.

9. Stress testing:

Application methodology:
Our bank stress testing methodology includes identifying all types of risks our bank may face under stressful conditions, and assessing the Bank's ability to withstand these risks according to stress scenarios.

Role and Integrity of stress tests with risk management governance, risk culture and capital planning:
The role of the Board of Directors and senior management is to establish test objectives, identify the scenarios required for each type of risk, and assess the results and needed actions based on the results, especially the ones which have an integral role in the decision-making (capital planning).

Scenario selection mechanism, including key assumptions related to macroeconomic variables:
The Bank carries out sensitivity scenarios analysis determined based on the Central Bank of Jordan instructions in addition to other scenarios based on the assumption and proposal of the Bank to measure the degree of tolerance.

The mechanism of using the tests results in decision making at the appropriate administrative level, including the strategic decisions of the Board of Directors and the senior executive management:
The Risk Management Department prepares a summary of the results of the stress tests and raises them to the concerned parties, indicating the final impact of the tests within specific grades (low / medium / high) and whom is authorized party to make related decisions.

Governance application of stress tests:
The Bank identifies parties related to stress testing (Board of Directors / Risk Management Committee, Assets and Liabilities Committee, Risk Management Department, Business and other supervisory departments) and their respective responsibility for achieving complementarity and judgment in carrying out the required tests.

A. Expected credit losses distribution according to classification degree:

B. As at 31 December 2021

	Classification according to (47/2009)	Total Exposure JD	Expected credit losses (ECL) JD	Propability of default (PD)	External Crdit rating	Exposure at default (EAD) JD	Loss given default (LGD)
Performing Exposures							
Internal Rating from 1 to -6	Low risk	1,095,595,863	-	5.8%		1,095,595,863	0%
Internal Rating from 1 to -6	Acceptable risk	864,397,625	7,596,266	6.6%		864,397,625	17%
Internal Rating from 1 to -6	Watch list	30,628,866	294,173	7.4%		30,628,866	13%
Internal Rating from 7+ to -7	Acceptable risk	402,856,608	3,843,897	9.7%		402,856,608	17%
Internal Rating from 7+ to -7	Watch list	88,105,918	15,260,188	11.0%		88,105,918	20%
Internal Rating from 8 to 10	Acceptable risk	3,062,622	2,755,004	100.0%		3,062,622	46%
Internal Rating from 8 to 10	Watch list	33,491,555	17,660,360	100.0%		33,491,555	44%
External credit rating	Low risk	711,704,175	-	0.7%	-BB	711,704,175	0%
External credit rating	Acceptable risk	156,485,406	660,228	5.6%	-AA to -B	156,485,406	46%
Collective Portfolio	Acceptable risk	1,004,526,254	4,088,201	1.6%		1,004,526,254	40%
Collective Portfolio	Watch list	26,033,998	3,167,852	55.4%		26,033,998	36%
Total Performing Exposures						4,416,888,890	
Non-Performing Exposures							
Internal Rating from 8 to 10	Substandard	1,433,009	606,419	100%		1,433,009	48%
Internal Rating from 8 to 10	Doubtful	1,400,399	389,019	100%		1,400,399	42%
Internal Rating from 8 to 10	Loss	52,307,050	32,215,025	100%		52,307,050	39%
External credit rating	Loss	1,818,373	1,818,373	100%	D	1,818,373	100%
Collective Portfolio	Substandard	3,378,390	1,788,549	100%		3,378,390	76%
Collective Portfolio	Doubtful	3,882,010	2,149,150	100%		3,882,010	75%
Collective Portfolio	Loss	28,047,058	12,126,804	100%		28,047,058	69%
Total Non-Performing Exposures						92,266,289	
Total Exposures						4,509,155,179	

As at 31 December 2020

	Classification according to (47/2009)	Total Exposure JD	Expected credit losses (ECL) JD	Propability of default (PD)	External Crdit rating	Exposure at default (EAD) JD	Loss given default (LGD)
Performing Exposures							
Internal Rating from 1 to -6	Low risk	922,946,919	-	4.3%		922,946,919	0%
Internal Rating from 1 to -6	Acceptable risk	836,453,001	4,734,293	3.3%		836,453,001	25%
Internal Rating from 1 to -6	Watch list	53,514,159	381,427	3.8%		53,514,159	28%
Internal Rating from 7+ to -7	Acceptable risk	113,671,375	4,605,597	13.4%		113,671,375	23%
Internal Rating from 7+ to -7	Watch list	39,588,886	6,424,647	14.2%		39,588,886	31%
Internal Rating from 8 to 10	Acceptable risk	3,610,474	3,137,577	100.0%		3,610,474	46%
Internal Rating from 8 to 10	Watch list	32,911,978	10,843,863	100.0%		32,911,978	31%
External credit rating	Low risk	854,957,672	-	0.0%	BB-	854,957,672	18%
External credit rating	Acceptable risk	141,538,281	954,680	0.0%	AA- to - CCC-	141,538,281	45%
Collective Portfolio	Acceptable risk	919,552,549	11,805,165	0.8%		919,552,549	66%
Collective Portfolio	Watch list	38,729,155	5,740,125	22.2%		38,729,155	57%
Total Performing Exposures						3,957,474,449	
Non-Performing Exposures							
Internal Rating from 8 to 10	Substandard	1,005,686	188,770	100%		1,005,686	36%
Internal Rating from 8 to 10	Doubtful	997,504	251,720	100%		997,504	13%
Internal Rating from 8 to 10	Loss	58,261,335	33,443,782	100%		58,261,335	47%
External credit rating	Loss	1,818,373	1,818,373	100%	D	1,818,373	100%
Collective Portfolio	Substandard	6,777,576	3,407,264	100%		6,777,576	75%
Collective Portfolio	Doubtful	3,078,298	1,341,246	100%		3,078,298	60%
Collective Portfolio	Loss	30,309,003	12,017,766	100%		30,309,003	61%
Total Non-Performing Exposures						102,247,775	
Total Exposures						4,059,722,224	

C. Distribution of exposure according to economic sector:

1. Financial instruments total exposure distribution :

As at 31 December 2021	Financial	Industrial	Commercial	Real estate	Agriculture	Shares	Individuals	Government and public sector	Others	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Balances with central bank	-	-	-	-	-	-	-	711,479,175	-	711,479,175
Balances at banks and financial institutions	44,314,818	-	-	-	-	-	-	-	-	44,314,818
Investment accounts at banks and financial institutions	44,100,057	-	-	-	-	-	-	-	-	44,100,057
Credit facilities	25,285,021	130,291,772	284,858,110	498,225,876	39,464,854		742,636,537	1,095,595,863	215,302,955	3,031,660,988
Financial assets	40,965,686	-	-	-	-	-	-	229,475,000	-	270,440,686
Within financial assets at fair value through income statement	-	-	-	-	-	-	-	-	-	-
Within financial assets at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	-
Within financial assets at amortized cost	40,965,686	-	-	-	-	-	-	229,475,000	-	270,440,686
Encumbered financial assets (Debt instruments)	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-	-
Total	154,665,582	130,291,772	284,858,110	498,225,876	39,464,854	-	742,636,537	2,036,550,038	215,302,955	4,101,995,724
Guarantees	5,048,839	8,905,262	16,757,340	-	861,658	-	25,052,035	-	66,867,412	123,492,546
Letter of credits	2,345,018	12,567,491	6,679,135	-	-	-	2,486,284	-	12,455,029	36,532,957
Other commitments	-	36,573,213	55,579,815	-	4,031,073	-	45,169,337	-	105,780,514	247,133,952
Grand total	162,059,439	188,337,738	363,874,400	498,225,876	44,357,585	-	815,344,193	2,036,550,038	400,405,910	4,509,155,179

As at 31 December 2020	Financial	Industrial	Commercial	Real estate	Agriculture	Shares	Individuals	Government and public sector	Others	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Balances with central bank	-	-	-	-	-	-	-	649,361,044	-	649,361,044
Balances at banks and financial institutions	23,581,435	-	-	-	-	-	-	-	-	23,581,435
Investment accounts at banks and financial institutions	62,569,507	-	-	-	-	-	-	-	-	62,569,507
Credit facilities	21,864,113	143,682,673	345,565,528	458,977,731	43,066,461	-	693,359,404	923,156,347	186,203,066	2,815,875,323
Financial assets	29,419,497	-	-	-	-	-	-	168,882,200	-	198,301,697
Within financial assets at fair value through income statement	-	-	-	-	-	-	-	-	-	-
Within financial assets at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	-
Within financial assets at amortized cost	29,419,497	-	-	-	-	-	-	168,882,200	-	198,301,697
Encumbered financial assets (Debt instruments)	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-	-
Total	137,434,552	143,682,673	345,565,528	458,977,731	43,066,461	-	693,359,404	1,741,399,591	186,203,066	3,749,689,006
Guarantees	2,217,350	7,104,636	21,910,024	38,898,952	1,059,104	-	852,914	-	53,991,171	126,034,151
Letter of credits	-	12,865,782	12,647,240	778,855	1,872,366	-	18,851	-	727,664	28,910,758
Other commitments	10,100	37,672,611	70,295,046	7,576,397	4,376,525	-	1,165,573	-	33,992,057	155,088,309
Grand total	139,662,002	201,325,702	450,417,838	506,231,935	50,374,456	-	695,396,742	1,741,399,591	274,913,958	4,059,722,224

2. Distribution of exposures according to the stages of classification in accordance with FAS 30:

As at 31 December 2021

	Stage 1		Stage 2			
	Individual	Collective	Individual	Collective	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Financial	157,261,591	678,000	2,301,475	-	1,818,373	162,059,439
Industrial	86,996,089	1,861,028	96,282,061	290,988	2,907,572	188,337,738
Commercial	166,157,328	4,399,230	150,767,244	1,702,353	40,848,245	363,874,400
Real estate	59,175,724	328,472,135	80,117,758	15,667,441	14,792,818	498,225,876
Agriculture	6,229,284	53,038	30,413,045	-	7,662,218	44,357,585
Shares	-	-	-	-	-	-
Individuals	99,560,710	602,815,607	41,458,141	29,509,596	42,000,139	815,344,193
Government and public sector	2,036,550,038	-	-	-	-	2,036,550,038
Others	169,784,362	34,085,856	166,719,610	1,778,652	28,037,430	400,405,910
Total	2,781,715,126	972,364,894	568,059,334	48,949,030	138,066,795	4,509,155,179

As at 31 December 2020

	Stage 1		Stage 2			
	Individual	Collective	Individual	Collective	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Financial	131,216,319	739,230	7,706,453	-	-	139,662,002
Industrial	92,347,800	5,922,920	98,018,193	701,666	4,335,123	201,325,702
Commercial	191,263,827	23,768,613	178,978,162	3,497,240	52,909,996	450,417,838
Real estate	31,965,094	359,306,611	68,039,722	11,275,030	35,645,478	506,231,935
Agriculture	27,384,912	677,990	21,163,369	168,261	979,924	50,374,456
Shares	-	-	-	-	-	-
Individuals	110,623,799	469,446,506	29,164,468	27,331,970	58,829,999	695,396,742
Government and public sector	1,741,399,591	-	-	-	-	1,741,399,591
Others	116,161,578	55,124,350	93,371,216	1,758,923	8,497,891	274,913,958
Total	2,442,362,920	914,986,220	496,441,583	44,733,090	161,198,411	4,059,722,224

D. Distribution of exposure according to geographical sectors:

1. Geographic sector total exposure distribution :

As at 31 December 2021	Inside the Kingdom	Other Middle East Countries	Europe	Asia	Africa	America	Other countries	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Balances with central bank	711,479,175	-	-	-	-	-	-	711,479,175
Balances at banks and financial institutions	2,057,640	13,226,036	2,764,338	434,359	-	25,832,445	-	44,314,818
Investment accounts and Al Wakala Bi Al Istithmar accounts	-	44,100,057	-	-	-	-	-	44,100,057
Credit facilities	3,006,490,670	20,185,164	4,985,154	-	-	-	-	3,031,660,988
Financial assets	229,475,000	37,449,897	-	1,697,416	1,818,373	-	-	270,440,686
Within financial assets at fair value through income statement	-	-	-	-	-	-	-	-
Within financial assets at fair value through other comprehensive income	-	-	-	-	-	-	-	-
Within financial assets at amortized cost	229,475,000	37,449,897	-	1,697,416	1,818,373	-	-	270,440,686
Encumbered financial assets (Debt instruments)	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-
Total for the year	3,949,502,485	114,961,154	7,749,492	2,131,775	1,818,373	25,832,445	-	4,101,995,724
Guarantees	122,268,477	1,175,854	-	48,215	-	-	-	123,492,546
Letter of credits	36,532,955	-	-	-	-	-	-	36,532,955
Other liabilities	247,133,954	-	-	-	-	-	-	247,133,954
Grand total	4,355,437,871	116,137,008	7,749,492	2,179,990	1,818,373	25,832,445	-	4,509,155,179

As at 31 December 2020	Inside the Kingdom	Other Middle East Countries	Europe	Asia	Africa	America	Other countries	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Balances with central bank	649,361,044	-	-	-	-	-	-	649,361,044
Balances at banks and financial institutions	1,550	6,871,017	3,086,341	261,228	176,955	13,184,344	-	23,581,435
Investment accounts and Al Wakala Bi Al Istithmar accounts	-	62,569,507	-	-	-	-	-	62,569,507
Credit facilities	2,794,011,210	17,567,184	4,296,929	-	-	-	-	2,815,875,323
Financial assets	168,882,200	17,613,959	7,090,000	2,502,086	2,213,452	-	-	198,301,697
Within financial assets at fair value through income statement	-	-	-	-	-	-	-	-
Within financial assets at fair value through other comprehensive income	-	-	-	-	-	-	-	-
Within financial assets at amortized cost	168,882,200	17,613,959	7,090,000	2,502,086	2,213,452	-	-	198,301,697
Encumbered financial assets (Debt instruments)	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-
Total for the year	3,612,256,004	104,621,667	14,473,270	2,763,314	2,390,407	13,184,344	-	3,749,689,006
Guarantees	122,276,250	3,589,644	-	147,997	20,260	-	-	126,034,151
Letter of credits	28,910,758	-	-	-	-	-	-	28,910,758
Other liabilities	155,088,309	-	-	-	-	-	-	155,088,309
Grand total	3,918,531,321	108,211,311	14,473,270	2,911,311	2,410,667	13,184,344	-	4,059,722,224

2. **Distribution of exposures according to the stages of classification in accordance with FAS 30:**

As at 31 December 2021

	Stage 1		Stage 2			
	Individual	Collective	Individual	Collective	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Inside the Kingdom	2,630,645,946	972,364,894	567,229,579	48,949,030	136,248,422	4,355,437,871
Other Middle East Countries	115,307,253	-	829,755	-	-	116,137,008
Europe	7,749,492	-	-	-	-	7,749,492
Asia	2,179,990	-	-	-	-	2,179,990
Africa	-	-	-	-	1,818,373	1,818,373
America	25,832,445	-	-	-	-	25,832,445
Total	2,781,715,126	972,364,894	568,059,334	48,949,030	138,066,795	4,509,155,179

As at 31 December 2020

	Stage 1		Stage 2			
	Individual	Collective	Individual	Collective	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Inside the Kingdom	2,310,801,324	914,986,220	488,630,648	44,733,090	159,380,038	3,918,531,320
Other Middle East Countries	100,400,376	-	720,935	-	-	101,121,311
Europe	14,473,270	-	7,090,000	-	-	21,563,270
Asia	2,911,312	-	-	-	-	2,911,312
Africa	592,294	-	-	-	1,818,373	2,410,667
America	13,184,344	-	-	-	-	13,184,344
Total	2,442,362,920	914,986,220	496,441,583	44,733,090	161,198,411	4,059,722,224

D. Distribution of collaterals fair value against credits exposure

This disclosure is prepared in two stages, the first one for total credit exposure while the second one for exposures under stage 3 according to FAS 30.

As of 31 December 2021

	Total exposure	Gurantees Fair Value								
		Cash Margins	Traded shares	Accepted LC's	Real estate	Vehicles	Others	Total Gurantees	Exposure at default	ECL
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Balances with central bank	711,479,175	-	-	-	-	-	-	-	711,479,175	-
Balances at banks and financial institutions	44,314,818	-	-	-	-	-	-	-	44,314,818	249,866
Investment accounts at banks and financial institutions	44,100,057	-	-	-	-	-	-	-	44,100,057	160,313
Credit facilities:	3,031,660,988	9,014,687	5,261,571	25,170,318	715,798,402	361,294,937	-	1,116,539,915	1,915,121,073	95,485,348
Individual	742,636,537	4,607,265	3,462,268	-	122,691,272	309,443,082	-	440,203,887	302,432,650	20,774,274
Real estate loans	498,225,875	-	-	-	269,106,466	8,699,396	-	277,805,862	220,420,013	8,253,698
Corporate	695,202,713	4,407,422	1,799,302	25,170,318	324,000,664	43,152,459	-	398,530,166	296,672,547	66,457,376
Large Corporate	503,871,677	-	-	25,170,318	222,684,934	21,627,788	-	269,483,040	234,388,637	53,656,912
SME's	191,331,036	4,407,422	1,799,302	-	101,315,730	21,524,671	-	129,047,126	62,283,910	12,800,464
Government and public sector	1,095,595,863	-	-	-	-	-	-	-	1,095,595,863	-
Sukuk:	270,440,686	-	-	-	-	-	-	-	270,440,686	1,988,637
Within financial assets at fair value through income statement	-	-	-	-	-	-	-	-	-	-
Within financial assets at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	-
Within financial assets at amortized cost	270,440,686	-	-	-	-	-	-	-	270,440,686	1,988,637
Financial instrument	-	-	-	-	-	-	-	-	-	-
Encumbered financial assets (Debt instruments)	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-	-
Total	4,101,995,724	9,014,687	5,261,571	25,170,318	715,798,402	361,294,937	-	1,116,539,915	2,985,455,809	97,884,164
Gurantees	123,492,546	19,161,793	-	-	72,912,571	9,313,414	-	101,387,778	22,104,768	5,426,621
Letters of credit	36,532,955	1,340,766	-	-	6,869,234	218,680	-	8,428,680	28,104,275	100,631
Other Liabilities	247,133,954	7,251,351	-	-	96,317,643	6,882,117	-	110,451,111	136,682,843	3,008,092
Grand total	4,509,155,179	36,768,597	5,261,571	25,170,318	891,897,850	377,709,148	-	1,336,807,484	3,172,347,695	106,419,508

As of 31 December 2020

	Total exposure	Gurantees Fair Value								
		Cash Margins	Traded shares	Accepted LC's	Real estate	Vehicles	Others	Total Gurantees	Exposure at default	ECL
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Balances with central bank	649,361,044	-	-	-	-	-	-	-	649,361,044	-
Balances at banks and financial institutions	23,581,435	-	-	-	-	-	-	-	23,581,435	76,020
Investment accounts at banks and financial institutions	62,569,507	-	-	-	-	-	-	-	62,569,507	222,371
Credit facilities:	2,815,875,323	4,438,804	8,717,441	21,864,113	684,806,366	342,576,496	-	1,062,403,220	1,753,472,103	92,135,714
Individual	693,359,404	3,314,350	3,952,325	-	114,515,872	291,286,088	-	413,068,635	280,290,769	28,220,862
Real estate loans	458,977,731	-	-	-	257,914,163	7,848,363	-	265,762,526	193,215,205	12,492,182
Corporate	740,381,841	1,124,454	4,765,116	21,864,113	312,376,331	43,442,045	-	383,572,059	356,809,782	51,422,670
Large Corporate	554,091,478	-	2,588,514	21,864,113	218,526,958	23,141,980	-	266,121,565	287,969,913	38,358,519
SME's	186,290,363	1,124,454	2,176,602	-	93,849,373	20,300,065	-	117,450,494	68,839,869	13,064,151
Government and public sector	923,156,347	-	-	-	-	-	-	-	923,156,347	-
Sukuk:	198,301,697	-	-	-	-	-	-	-	198,301,697	2,428,499
Within financial assets at fair value through income statement	-	-	-	-	-	-	-	-	-	-
Within financial assets at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	-
Within financial assets at amortized cost	198,301,697	-	-	-	-	-	-	-	198,301,697	2,428,499
Financial instrument	-	-	-	-	-	-	-	-	-	-
Encumbered financial assets (Debt instruments)	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-	-
Total	3,749,689,006	4,438,804	8,717,441	21,864,113	684,806,366	342,576,496	-	1,062,403,220	2,687,285,786	94,862,604
Gurantees	126,034,151	19,991,995	834,754	-	65,176,387	9,646,150	-	95,649,286	30,384,865	5,848,686
Letters of credit	28,910,758	1,045,101	22,823	-	10,952,071	287,762	-	12,307,757	16,603,001	217,978
Other Liabilities	155,088,309	2,313,885	357,554	-	77,696,194	6,044,257	-	86,411,890	68,676,419	1,844,814
Grand total	4,059,722,224	27,789,785	9,932,572	21,864,113	838,631,018	358,554,665	-	1,256,772,153	2,802,950,071	102,774,082

E. Reclassified exposures:

1. Total reclassified exposures :

	Stage 2		Stage 3			
As at 31 December 2021	Total exposure	Reclassified exposures	Total exposure	Reclassified exposures	Total reclassified exposures	Percentage
	JD	JD	JD	JD	JD	
Balances with central bank	-	-	-	-	-	-
Balances at banks and financial institutions	829,754	-	-	-	-	-
Accounts at banks and financial institutions	-	-	-	-	-	-
Credit facilities	457,602,070	120,332,613	128,361,911	52,077,120	172,409,733	29%
Financial assets	-	-	1,818,373	-	-	-
Within financial assets at fair value through income statement	-	-	-	-	-	-
Within financial assets at fair value through other comprehensive income	-	-	-	-	-	-
Within financial assets at amortized cost	-	-	1,818,373	-	-	-
Encumbered financial assets (Debt instruments)	-	-	-	-	-	-
Other assets	-	-	-	-	-	-
Total	458,431,824	120,332,613	130,180,284	52,077,120	172,409,733	29%
Guarantees	29,806,001	4,292,618	6,404,734	45,725	4,338,343	12%
Letter of credits	8,456,110	-	-	-	-	0%
Other liabilities	120,314,429	684,285	1,225,981	344,980	1,029,265	1%
Grand total	617,008,364	125,309,516	137,810,999	52,467,825	177,777,341	24%

As at 31 December 2020	Stage 2		Stage 3		Total	
	Total exposure	Reclassified exposures	Total exposure	Reclassified exposures	reclassified exposures	Percentage
	JD	JD	JD	JD	JD	
Balances with central bank	-	-	-	-	-	-
Balances at banks and financial institutions	439,470	439,470	-	-	439,470	-
Accounts at banks and financial institutions	-	-	-	-	-	-
Credit facilities	438,626,884	51,525,169	152,154,438	15,308,850	66,834,019	11%
Financial assets	7,090,000	-	1,818,373	-	-	-
Within financial assets at fair value through income statement	-	-	-	-	-	-
Within financial assets at fair value through other comprehensive income	-	-	-	-	-	-
Within financial assets at amortized cost	7,090,000	-	1,818,373	-	-	-
Encumbered financial assets (Debt instruments)	-	-	-	-	-	-
Other assets	-	-	-	-	-	-
Total	446,156,354	51,964,639	153,972,811	15,308,850	67,273,489	11%
Guarantees	27,644,533	1,138,871	6,644,322	144,557	1,283,428	4%
Letter of credits	17,334,880	-	52,590	-	-	0%
Other liabilities	50,038,906	17,209,339	528,688	378,672	17,588,011	35%
Grand total	541,174,673	70,312,849	161,198,411	15,832,079	86,144,928	12%

2. Expected credit loss for reclassified exposures:

	Reclassified exposures			ECL for reclassified exposures				
				Exposures within stage 2		Exposures within stage 3		
As at 31 December 2021	Total reclassified exposures from stage 2	Total reclassified exposures from stage 3	Total reclassified exposures	Individual	Collective	Individual	Collective	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Balances with central bank	-	-	-	-	-	-	-	-
Balances at banks and financial institutions	-	-	-	-	-	-	-	-
Accounts at banks and financial institutions	-	-	-	-	-	-	-	-
Credit facilities	120,332,613	52,077,120	172,409,733	2,210,651	1,707,162	21,392,232	4,612,431	29,922,476
Financial assets	-	-	-	-	-	-	-	-
Within financial assets at fair value through income statement	-	-	-	-	-	-	-	-
Within financial assets at fair value through other comprehensive income	-	-	-	-	-	-	-	-
Within financial assets at amortized cost	-	-	-	-	-	-	-	-
Encumbered financial assets (debt instruments)	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-
Total	120,332,613	52,077,120	172,409,733	2,210,651	1,707,162	21,392,232	4,612,431	29,922,476
Guarantees	4,292,618	45,725	4,338,343	20,006	22,057	11,247	13,079	66,389
Letter of credits	-	-	-	-	-	-	-	-
Other liabilities	684,285	344,980	1,029,265	448	18,130	178,425	194,059	391,062
Grand total	125,309,516	52,467,825	177,777,341	2,231,105	1,747,349	21,581,904	4,819,569	30,379,927

	Reclassified exposures			ECL for reclassified exposures				
				Exposures within stage 2		Exposures within stage 3		
As at 31 December 2020	Total reclassified exposures from stage 2	Total reclassified exposures from stage 3	Total reclassified exposures	Individual	Collective	Individual	Collective	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Balances with central bank	-	-	-	-	-	-	-	-
Balances at banks and financial institutions	439,470	-	439,470	-	-	-	-	-
Accounts at banks and financial institutions	-	-	-	-	-	-	-	-
Credit facilities	51,525,169	15,308,850	66,834,019	419,496	108,462	3,401,424	3,669,080	7,598,462
Financial assets	-	-	-	-	-	-	-	-
Within financial assets at fair value through income statement	-	-	-	-	-	-	-	-
Within financial assets at fair value through other comprehensive income	-	-	-	-	-	-	-	-
Within financial assets at amortized cost	-	-	-	-	-	-	-	-
Encumbered financial assets (debt instruments)	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-
Total	51,964,639	15,308,850	67,273,489	419,496	108,462	3,401,424	3,669,080	7,598,462
Guarantees	1,138,871	144,557	1,283,428	4,564	242	25,683	51,561	82,050
Letter of credits	-	-	-	-	-	-	-	-
Other liabilities	17,209,339	378,672	17,588,011	129,919	8,917	155,776	30,688	325,300
Grand total	70,312,849	15,832,079	86,144,928	553,979	117,621	3,582,883	3,751,329	8,005,812

(63) Segment information

A. Information about the Bank's activities

The Bank is organized for administrative purposes based on the reports submitted to the General Manager and the chief decision maker into four main business sectors:

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

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

Investment in assets: This includes investing in real estate and leasing.

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

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

	Retails	Corporate	Investment in assets	Treasury	Others	Total 2021	Total 2020
	JD	JD	JD	JD	JD	JD	JD
Total revenues (joint and self financed)	128,826,333	82,273,841	15,779,846	17,445,729	416,577	244,742,326	223,533,252
Net income of subsidiaries and share of profit from investments in associates	-	-	184,218	-	-	184,218	1,218,048
Deposits guarantee – Joint investment account	(2,508,004)	(1,577,212)	(302,114)	(353,146)	(8,110)	(4,748,586)	-
Share of the unrestricted investment accounts and non-controlling interests from the net income of associates	(34,163,084)	(25,516,963)	(184,218)	(4,794,923)	-	(64,659,188)	(57,498,008)
Segment results	92,155,245	55,179,666	15,477,732	12,297,660	408,467	175,518,770	162,677,641
Allocated expenses	(40,494,097)	(26,516,182)	(5,557,134)	(6,495,841)	-	(79,063,254)	(78,912,377)
Profits before tax	51,661,148	28,663,484	9,920,598	5,801,819	408,467	96,455,516	83,765,268
Income tax	(19,508,613)	(12,861,744)	(2,111,711)	(2,793,211)	(122,540)	(37,397,819)	(31,643,599)
Profit after tax	32,152,535	15,801,740	7,808,887	3,008,608	285,927	59,057,697	52,121,669
Sector assets	1,647,048,720	1,264,997,122	1,239,289,374	981,844,854	-	5,133,180,070	4,674,539,946
Investment in associates	-	-	9,051,815	-	-	9,051,815	8,316,058
Unallocated assets	-	-	-	-	160,350,258	160,350,258	161,642,855
Total assets	1,647,048,720	1,264,997,122	1,248,341,189	981,844,854	160,350,258	5,302,582,143	4,844,498,859
Segment liabilities	3,856,423,170	673,734,998	-	56,333,430	-	4,586,491,598	4,174,614,151
Unallocated liabilities	-	-	-	-	206,481,562	206,481,562	195,530,429
Total liabilities, joint investment accounts holders' equity, non-controlling interests and provision against future risks	3,856,423,170	673,734,998	-	56,333,430	206,481,562	4,792,973,160	4,370,144,580
Capital expenditures	-	-	-	-	5,062,744	5,062,744	8,796,547
Depreciation and amortization	-	-	-	-	8,363,158	8,363,158	8,324,180

C. Geographical Distribution Information:

This sector represents the geographical distribution of the Bank's activities. The Bank undertakes its activities primarily inside the Hashemite Kingdom of Jordan.

The below table illustrate the distribution of the Bank's revenues, assets and capital expenditures according to the geographical area and the internal policy of the Bank based on the method of measurement and as viewed by the General Manager and the chief decision makers:

	Inside the Kingdom		Outside the Kingdom		Total	
	2021	2020	2021	2020	2021	2020
	JD	JD	JD	JD	JD	JD
Total revenues	241,525,624	219,456,667	3,216,702	3,867,531	244,742,326	223,324,208
Total assets	5,152,486,583	4,709,792,740	150,095,560	134,706,119	5,302,582,143	4,844,498,859
Capital expenditures	5,062,744	8,796,547	-	-	5,062,744	8,796,547

(64) Capital management

The Bank's capital consists of the paid-in capital, statutory reserve, voluntary reserve, other reserve, and retained earnings.

The Bank achieves its capital objectives throughout the following:

- Achieving a satisfactory return on capital without affecting the financial stability of the Bank and achieving acceptable return on owner's equity.

- Achieving the required level of capital according to Basel Committee requirements and the supervisory bodies instructions.

- Providing an adequate capital to expand the granting of financing and large investments in consistency with the Central Bank of Jordan regulations as well as facing any future risks.

Capital adequacy ratio was calculated as at 31 December 2021 in accordance with Central Bank of Jordan instruction number (72/ 2018) dated 4 February 2018 and in accordance with standard number (15) issued by Islamic Financial Services Board:

	31 December 2021	31 December 2020
	Thousands JD	Thousands JD
Common Equity Tier I	451,705	443,333
Paid-in capital	200,000	200,000
Statutory reserve	110,912	101,261
Voluntary reserve	55,082	45,473
Retained earnings	90,545	100,732
Accumulated change in full fair value	2,184	1,698
Intangible assets	-	(3,154)
10% of less of investments in Banks, financial institutions and Takaful companies capital,	(4,299)	(494)
10% or more of investments in Banks, finanical institutions and Takaful companies capital, beyond unified regulatory scope	(494)	(2,183)
Additional Tier I	(2,225)	-
Additional Tier II	10,947	7,799
Expected credit loss stage 1 (self) and the bank share from expected credit loss stage 1 (mixed) (not to exceed 1.25%) of risky assets	10,947	7,799
Total regulatory capital	462,652	451,132
Risk Weighted Assets (RWA)	2,101,329	1,900,264
Common Equity Tier I Ratio	22,47%	23.33%
Additional Tier I Ratio	-	-
Tier I Ratio	22,47%	23.33%
Tier II Ratio	0,54%	0.41%
Capital Adequacy Ratio	23,01%	23.74%

- Financial leverage percentage has reached 17.78% as of 31 December 2021 (2020: 18.98%).

(65) Accounts managed for customers

Accounts managed for customers amounted to JD 649,968,027 as at 31 December 2021 compared to JD 582,034,586 as at 31 December 2020. These accounts are not presented within the Bank's assets and liabilities in the consolidated financial statements.

(66) Maturity analysis of assets and liabilities

The table below summarizes the expected maturity of the Bank's assets and liabilities. The maturities of assets and liabilities have been determined according to when they are expected to be recovered or settled.

	31 December 2021		
	Within 1 year	More than 1 year	Total
	JD	JD	JD
Assets:			
Cash and balances with central bank	893,840,158	-	893,840,158
Balances at banks and financial institutions	52,703,935	-	52,703,935
Al-Wakala Bi Al Istithmar accounts	17,650,709	17,650,052	35,300,761
Deferred sales receivables and other receivables –Net	874,000,862	1,937,103,853	2,811,104,715
Ijarah Muntahia Bittamleek assets – Net	69,122,794	733,425,808	802,548,602
Financing – Net	3,165,847	33,660,238	36,826,085
Financial Assets at fair value through owner's equity – self financed	16,422,247	1,827,827	18,250,074
Financial assets at fair value through– joint investment accounts holders' equity	23,038,004	7,976,999	31,015,003
Financial assets at amortized cost	53,783,333	214,668,716	268,452,049
Investments in associates	6,788,861	2,262,954	9,051,815
Investment in real estate	23,804,729	95,218,917	119,023,646
Al Qard Al Hasan – Net	40,287,040	23,828,002	64,115,042
Property and equipment- Net	-	91,709,560	91,709,560
Intangible assets – Net	-	4,299,297	4,299,297
Other assets	24,517,554	39,823,847	64,341,401
Total assets	2,099,126,073	3,203,456,070	5,302,582,143
Liabilities and unrestricted investment accounts holders' equity:			
Due to banks and financial institutions	2,894,401	53,439,029	56,333,430
Customers' current and on demand accounts-trusteeship	979,578,367	400,306,848	1,379,885,215
Cash margins	32,162,024	26,527,403	58,689,427
Accounts payable	1,312,576	-	1,312,576
Other provisions	-	16,560,343	16,560,343
Income tax provision	32,652,979	-	32,652,979
Deferred tax liabilities - self	477,634	2,664,074	3,141,708
Other liabilities	40,596,127	12,176,596	52,772,723
Unrestricted investment accounts	997,850,128	2,152,422,825	3,150,272,953
Fair value reserve	779,297	1,276,816	2,056,113
Investment accounts holders' reserve in subsidiaries and associates	-	14,256,895	14,256,895
Non-controlling interests	-	38,798	38,798
Future risks provision	-	25,000,000	25,000,000
Total liabilities and unrestricted investment accounts and holders' equity	2,088,303,533	2,704,669,627	4,792,973,160
Net	10,822,540	498,786,443	509,608,983

	31 December 2020		
	Within 1 year	More than 1 year	Total
	JD	JD	JD
Assets:			
Cash and balances with central bank	828,778,523	-	828,778,523
Balances at banks and financial institutions	50,600,540	-	50,600,540
Unrestricted investment accounts at banks and financial institutions	17,655,395	17,596,617	35,252,012
Deferred sales receivables and other receivables –Net	884,767,864	1,705,394,540	2,590,162,404
Ijarah Muntahia Bittamleek assets – Net	58,313,105	647,432,418	705,745,523
Financing – Net	2,871,113	30,286,426	33,157,539
Financial Assets at fair value through owner's equity – self financed	11,189,428	1,785,624	12,975,052
Financial assets at fair value through– joint investment accounts holders' equity	29,385,527	7,498,343	36,883,870
Financial assets at amortized cost	44,300,607	151,572,592	195,873,199
Investments in associates	6,237,043	2,079,015	8,316,058
Investment in real estate	21,521,652	86,086,611	107,608,263
Al Qard Al Hasan – Net	32,798,835	44,704,186	77,503,021
Property and equipment- Net	-	94,554,705	94,554,705
Intangible assets – Net	-	3,153,822	3,153,822
Other assets	21,835,470	42,098,858	63,934,328
Total assets	**2,010,255,102**	**2,834,243,757**	**4,844,498,859**
Liabilities and unrestricted investment accounts holders' equity:			
Due to banks and financial institutions	1,884,448	64,908,094	66,792,542
Customers' current and on demand accounts-trusteeship	899,853,351	365,393,511	1,265,246,862
Cash margins	29,510,319	21,912,748	51,423,067
Accounts payable	1,441,976	-	1,441,976
Other provisions	-	15,336,476	15,336,476
Income tax provision	26,142,445	-	26,142,445
Deferred tax liabilities – self	-	4,033,823	4,986,053
Other liabilities	36,363,452	12,807,496	49,170,948
Unrestricted investment accounts	907,546,970	1,935,027,777	2,842,574,747
Fair value reserve	1,553,639	3,693,182	5,246,821
Investment accounts holders' reserve in subsidiaries and associates	-	15,761,428	15,761,428
Non-controlling interests	-	41,206	41,206
Future risks provision	-	25,980,009	25,980,009
Total liabilities and unrestricted investment accounts and holders' equity	**1,905,248,830**	**2,464,895,750**	**4,370,144,580**
Net	**105,006,272**	**369,348,007**	**474,354,279**

(67) Contractual Commitments and Contingent Liabilities (Off consolidated statement of financial position)

A. Contingent credit commitments

	31 December 2021	31 December 2020
	JD	JD
Letters of credit	36,532,955	26,240,900
Acceptances	11,289,931	2,669,858
Guarantees:	123,492,546	126,034,151
Payment	38,093,917	35,809,959
Performance	55,249,189	59,522,876
Others	30,149,440	30,701,316
Unutilized Limits/ Direct	166,468,420	117,604,857
Unutilized Limits/ Indirect	69,375,603	37,483,452
Total	407,159,455	310,033,218

B. Contractual commitments

	31 December 2021	31 December 2020
	JD	JD
Property, equipment and softwares contracts	3,190,815	3,634,124
Total	3,190,815	3,634,124

The above contractual commitments mature within one year.

C. Indirect facilities expected credit loss:

1. Cumulative movement on indirect facilities as of 31 December 2021:

	Stage 1		Stage 2			
As at 31 December 2021	Collective	Individual	Collective	Individual	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	67,544,132	147,337,810	2,890,154	85,035,522	7,225,600	310,033,218
New exposures during the year	34,022,137	180,280,648	1,164,420	150,728,109	6,985,371	373,180,685
Matured exposures	(56,883,033)	(131,102,650)	(3,458,427)	(78,098,439)	(6,511,899)	(276,054,448)
Transferred to stage 1	515,866	7,166,827	(282,910)	(7,166,827)	(232,956)	-
Transferred to stage 2	(1,035,941)	(6,855,355)	1,090,341	6,865,355	(64,400)	-
Transferred to stage 3	(38,240)	-	(17,050)	(173,708)	228,998	-
Balance at the end of the year	44,124,921	196,827,280	1,386,528	157,190,012	7,630,714	407,159,455

as of 31 December 2020:

As at 31 December 2020	Stage 1		Stage 2			
	Collective	Individual	Collective	Individual	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	78,235,787	163,674,566	2,427,067	69,035,450	7,551,367	320,924,237
New exposures during the year	54,371,195	77,920,336	2,260,721	38,779,085	6,486,401	179,817,738
Matured exposures	(65,147,190)	(81,502,516)	(1,640,321)	(35,649,571)	(6,769,159)	(190,708,757)
Transferred to stage 1	561,931	5,326,598	(509,930)	(4,962,671)	(415,928)	-
Transferred to stage 2	(349,482)	(17,848,418)	363,783	17,984,427	(150,310)	-
Transferred to stage 3	(128,109)	(232,756)	(11,166)	(151,198)	523,229	-
Balance at the end of the year	67,544,132	147,337,810	2,890,154	85,035,522	7,225,600	310,033,218

D. Cumulative movement on the expected credit loss for indirect facilities as of 31 December 2020:

	Stage 1		Stage 2			
	Collective	Individual	Collective	Individual	Stage 3	Total
As at 31 December 2021	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	1,293,690	817,572	55,707	621,965	5,122,545	7,911,479
Expected credit loss on new exposures during the year	93,344	861,557	93,279	2,098,822	4,885,783	8,032,785
Expected credit loss from matured exposures	(1,093,029)	(666,789)	(89,802)	(675,146)	(4,031,156)	(6,555,922)
Transferred to stage 1	147,740	45,806	(7,934)	(45,806)	(139,806)	-
Transferred to stage 2	(24,053)	(52,530)	63,697	55,257	(42,371)	-
Transferred to stage 3	(661)	-	(540)	(1,285)	2,486	-
The effect on the provision - as at the end of the period due to changing the classification between the three stages During the period	20,870	(32,194)	4,654	150,052	(180,330)	(36,948)
Changes resulting from Adjustments	(294,325)	(37,164)	(2,949)	(43,357)	(438,256)	(816,051)
Balance at the end of the year	143,576	936,258	116,112	2,160,502	5,178,895	8,535,343

	Stage 1		Stage 2			
	Collective	Individual	Collective	Individual	Stage 3	Total
As at 31 December 2020	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	982,764	732,384	33,800	779,940	4,919,807	7,448,695
Expected credit loss on new exposures during the year	931,936	552,806	38,433	273,434	4,730,115	6,526,724
Expected credit loss from matured exposures	(624,214)	(494,414)	(16,991)	(489,396)	(4,438,925)	(6,063,940)
Transferred to stage 1	5,071	119,759	(1,164)	(48,925)	(74,741)	-
Transferred to stage 2	(1,125)	(91,627)	1,635	108,379	(17,262)	-
Transferred to stage 3	(742)	(1,336)	(6)	(1,467)	3,551	-
Balance at the end of the year	1,293,690	817,572	55,707	621,965	5,122,545	7,911,479

E. Distribution of unutilized limits balance according to the bank internal credit rating

	31 December 2021						31 December 2020
	Stage 1		Stage 2				
	Individual	Collective	Individual	Collective	Stage 3	Total	Total
	JD	JD	JD	JD	JD	JD	JD
Internal Credit rating from 1 to -6	97,819,695	-	43,363,690	-	-	141,183,385	117,743,643
Internal Credit rating from 7+ to -7	-	-	76,341,345	-	-	76,341,345	4,632,834
Internal Credit rating from 8 to 10	-	-	-	-	1,214,601	1,214,601	364,839
Collective portfolio	-	16,751,488	-	341,824	11,380	17,104,692	32,346,993
Total	97,819,695	16,751,488	119,705,035	341,824	1,225,981	235,844,023	155,088,309

F. Distribution of documentary credits according to the internal credit rating categories of the bank

	31 December 2021						31 December 2020
	Stage 1		Stage 2				
	Individual	Collective	Individual	Collective	Stage 3	Total	Total
	JD	JD	JD	JD	JD	JD	JD
Internal Credit rating from 1 to -6	24,998,785	-	5,424,232	-	-	30,423,017	24,387,161
Internal Credit rating from 7+ to -7	-	-	3,009,064	-	-	3,009,064	3,063,701
Internal Credit rating from 8 to 10	-	-	-	-	-	-	52,590
Collective portfolio	-	733,042	-	22,814	-	755,856	-
External credit rating	2,345,018	-	-	-	-	2,345,018	1,407,306
Total	27,343,803	733,042	8,433,296	22,814	-	36,532,955	28,910,758

G. Distribution of Gurantees according to the bank internal credit rating

	31 December 2021						31 December 2020
	Stage 1		Stage 2				
	Individual	Collective	Individual	Collective	Stage 3	Total	Total
	JD	JD	JD	JD	JD	JD	JD
Internal Credit rating from 1 to -6	11,022,361	-	267,570	-	-	11,289,931	24,387,161
Internal Credit rating from 7+ to -7	-	-	-	-	-	-	3,063,701
Internal Credit rating from 8 to 10	-	-	-	-	-	-	52,590
Collective portfolio	-	-	-	-	-	-	1,407,306
Total	11,022,361	-	267,570	-	-	11,289,931	28,910,758

H. Distribution of Gurantees according to the bank internal credit rating

	31 December 2021						31 December 2020
	Stage 1		Stage 2				
	Individual	Collective	Individual	Collective	Stage 3	Total	Total
	JD	JD	JD	JD	JD	JD	JD
Internal Credit rating from 1 to -6	59,065,258	-	18,055,918	-	-	77,121,176	73,402,405
Internal Credit rating from 7+ to -7	-	-	10,671,473	-	-	10,671,473	5,060,686
Internal Credit rating from 8 to 10	-	-	-	-	5,252,622	5,252,622	5,208,781
Collective portfolio	-	26,640,391	-	1,021,890	1,152,111	28,814,392	4,082,902
External credit rating	1,576,163	-	56,720	-	-	1,632,883	38,279,377
Total	60,641,421	26,640,391	28,784,111	1,021,890	6,404,733	123,492,546	126,034,151

I. Detailed Indirect facilities

	31 December 2021					
	Stage 1		Stage 2			
	Collective	Individual	Collective	Individual	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Unutalized limits	16,751,488	97,819,695	341,824	119,705,035	1,225,981	235,844,023
Banking Guarantees	26,640,391	60,641,421	1,021,890	28,784,111	6,404,733	123,492,546
Letters of credit	733,042	27,343,803	22,814	8,433,296	-	36,532,955
Acceptances	-	11,022,361	-	267,570	-	11,289,931
Total	44,124,921	196,827,280	1,386,528	157,190,012	7,630,714	407,159,455

	31 December 2020					
	Stage 1		Stage 2			
	Collective	Individual	Collective	Individual	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Unutalized limits	30,347,969	81,265,390	1,835,175	41,111,087	528,688	155,088,309
Banking Guarantees	35,804,101	55,941,194	1,039,735	26,604,799	6,644,322	126,034,151
Letters of credit	1,392,062	8,407,794	15,244	16,373,210	52,590	26,240,900
Acceptances	-	1,723,432	-	946,426	-	2,669,858
Total	67,544,132	147,337,810	2,890,154	85,035,522	7,225,600	310,033,218

J. Detailed expected credit loss for indirect facilities

	31 December 2021					
	Stage 1		Stage 2			
	Collective	Individual	Collective	Individual	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Unutalized limits	82,873	542,741	44,323	1,822,196	497,562	2,989,695
Banking Gurantees	57,646	318,072	71,787	297,782	4,681,333	5,426,620
Letters of credit	3,057	57,207	3	40,363	-	100,630
Acceptances	-	18,238	-	160	-	18,398
Total	143,576	936,258	116,113	2,160,501	5,178,895	8,535,343

	31 December 2020					
	Stage 1		Stage 2			
	Collective	Individual	Collective	Individual	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Unutalized limits	707,024	540,091	39,948	296,077	261,675	1,844,815
Banking Gurantees	561,796	258,819	15,485	168,269	4,844,316	5,848,685
Letters of credit	24,870	18,315	274	156,098	16,554	216,111
Acceptances	-	347	-	1,521	-	1,868
Total	1,293,690	817,572	55,707	621,965	5,122,545	7,911,479

(68) Lawsuits filed against the Bank

The lawsuits filed against the Bank (self) amounted to JD 48,950 as of 31 December 2021 with a required provision of JD 11,459 (provision booked amounted to JD 75,000 instead of JD 11,459) compared to JD 10,296,910 as of 31 December 2020 with a provision of JD 31,489. The lawsuits filed against the Bank (joint) as of 31 December 2021 amounted to JD 288,952 with a provision of JD 45,767. The Bank's management and its legal advisor believe that any obligations that may arise from the lawsuits against joint investments will be recognized within the investment risk fund, while the lawsuits against the Bank (self) will be covered by the established provision.

(69) New accounting standards issued but not yet effective

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

FAS 1 (Revised 2021) General Presentation and Disclosures in the Financial Statements

The revised FAS 1 "General Presentation and Disclosures in the Financial Statements" describes and improves the overall presentation and disclosure requirements prescribed in line with the global best practices and supersedes the earlier FAS 1. It is applicable to all Islamic financial institutions and other institutions following AAOIFI FASs. The revision of FAS 1 is in line with the modifications made to the "AAOIFI Conceptual Framework for Financial Reporting" (revised 2020) (the conceptual framework). The revised FAS 1 will assist preparers to produce financial statements that are clear, transparent and understandable, and in turn will aid the users to take better economic decisions.

This standard shall be effective beginning on or after 1 January 2023 with early adoption permitted.

FAS 37 Financial Reporting by Waqf Institutions
This standard provides comprehensive accounting and financial reporting requirements for Waqf and similar institutions including general presentation and disclosures, specific presentation requirements (e.g. in case of Ghallah) and the key accounting treatments in respect of certain aspects specific to Waqf institutions. The principles set forth in this standard are consistent with Shari'ah principles and rules. This enables better comprehension of information included in the general-purpose financial statements and enhances the confidence of the stakeholders of the Waqf institutions.

This standard shall be effective beginning on or after 1 January 2022 with early adoption permitted.

FAS 38 "Wa'ad, Khiyar and Tahawwut"
This standard prescribes the accounting and reporting principles and requirements for Wa'ad (promise), Khiyar (option), and Tahawwut (hedging) arrangements for Islamic financial institutions. Many products e.g. Murabaha and Ijarah offered by institutions combine the application of Wa'ad or Khiyar in one form or another. Ancillary Wa'ad or Khiyar, in line with this standard, is such Wa'ad or Khiyar associated with a Shari'ah compliant arrangement by relation to its structure which does not give rise to any asset or liability unless it has turned into an onerous contract or commitment. Product Wa'ad or Khiyar, on the other hand, is a stand-alone Shari'ah compliant arrangement which is used either as a normal product or, at times, for the purpose of Tahawwut. It may take the form of a single transaction or a series or combination thereof and may convert into a future transaction or series of transactions, in line with Shari'ah principles and rules. Such transactions give rise to an asset or a liability for the parties, subject to the conditions specified in this standard.

This standard shall be effective beginning on or after 1 January 2022 with early adoption permitted.

FAS 39 Financial Reporting For Zakah
This standard improves upon and supersedes FAS 9 "Zakah" issued previously. This standard aims at setting out the accounting treatment of Zakah in the books of Islamic financial institutions, including the presentation and disclosure in its financial statements.

The standard describes the financial reporting principles applicable, depending upon Islamic financial institutions' obligation to pay Zakah. In addition, where an Islamic financial institution is not required by law or by its constitution documents to pay Zakah, it is still required to identify and disclose the amount of Zakah due in respect of the various stakeholders.

This standard shall be effective beginning on or after 1 January 2023 with early adoption permitted.

FAS 40 Financial Reporting for Islamic Finance Windows

This standard improves upon and supersedes FAS 18 "Islamic Financial Services Offered by Conventional Financial Instituitions" and defines the financial reporting requirements applicable to conventional financial instituitions offering Islamic financial services.

This standard requires conventional financial institutions offering Islamic financial services through an Islamic finance window to prepare and present the financial statements of the Islamic finance window in line with the requirements of this standard, read with other AAOIFI FASs. This standard provides principles of financial reporting including the presentation and disclosure requirements applicable on Islamic finance windows.

This standard shall be effective on the financial statements of the Islamic finance window of conventional financial institutions for the periods beginning on or after 1 January 2024 with early adoption permitted, subject to simultaneous adoption of FAS 1 "General Presentation and Disclosures in the Financial Statements."

(70) Comparative figures

Some of the 2020 figures were reclassified to correspond with period ended 31 December 2021 presentation with no effect on equity or income for the year 2020.