

JORDAN ISLAMIC BANK

PUBLIC SHAREHOLDING COMPANY

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

31 MARCH 2022

**JORDAN ISLAMIC BANK**  
**PUBLIC SHAREHOLDING COMPANY**  
**AMMAN - JORDAN**

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**REVIEW REPORT ON THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
TO THE BOARD OF DIRECTORS OF JORDAN ISLAMIC BANK – PUBLIC SHAREHOLDING COMPANY  
AMMAN - JORDAN**

### **Introduction**

We have reviewed the accompanying interim condensed consolidated financial statements of **JORDAN ISLAMIC BANK** (the "Bank") and its subsidiaries (the "Group") as at 31 March 2022, comprising of interim condensed consolidated statement of financial position as at 31 March 2022 and the related interim condensed consolidated income statement, comprehensive income, changes in owners' equity, cash flows and sources and uses of funds of Al Qard Al Hasan Fund for the Three months period then ended. The Board of Directors is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance to accounting policies mentioned in note 2 of the interim condensed consolidated financial statements. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

### **Scope of review**

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

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material aspects, in accordance with the accounting policies described in Note (2) to the interim condensed consolidated financial statements.

Ernst & Young / Jordan

**ERNST & YOUNG**

Amman – Jordan **Amman - Jordan**  
26 April 2022

**JORDAN ISLAMIC BANK - PUBLIC SHAREHOLDING COMPANY**

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

**AS OF 31 MARCH 2022 (UNAUDITED)**

**STATEMENT (A)**

	Notes	31 March 2022 JD (Unaudited)	31 December 2021 JD (Audited)
<b><u>Assets</u></b>			
Cash and balances with central bank	4	914,704,463	893,840,158
Balances at banks and financial institutions	5	54,599,965	52,703,935
Wakala Bil Istithmar accounts	6	35,358,933	35,300,761
Deferred sales receivables and other receivables –net	7	2,787,331,425	2,811,104,715
Ijarah Muntahia Bittamleek assets – net	8	812,283,103	802,548,602
Financing – net	9	36,871,764	36,826,085
Financial assets at fair value through owner's equity – self financed	10	18,468,682	18,250,074
Financial assets at fair value through joint investment accounts holders' equity	11	30,445,004	31,015,003
Financial assets at amortized cost	12	238,140,347	268,452,049
Investments in associates		9,058,907	9,051,815
Investments in real estate	13	115,679,972	119,023,646
Al Qard Al Hasan – net		57,049,152	64,115,042
Property and equipment – net		87,167,859	91,709,560
Intangible assets		4,376,551	4,299,297
Right of use assets		12,253,213	12,283,463
Other assets	14	61,990,588	52,057,938
<b>Total Assets</b>		<b>5,275,779,928</b>	<b>5,302,582,143</b>
<b><u>Liabilities, Joint Investment Accounts Holders' Equity, Non-controlling interests and Owner's Equity</u></b>			
<b><u>Liabilities</u></b>			
Banks and financial institutions' accounts		53,917,846	56,333,430
Customers' current and on demand accounts	15	1,325,934,287	1,379,885,215
Cash margins		59,947,794	58,689,427
Accounts payable		1,948,591	1,312,576
Other provisions		14,523,238	16,560,343
Income tax provision	16 A	29,327,605	32,652,979
Deferred tax liabilities		2,206,571	3,141,708
Lease obligations		11,897,058	12,276,600
Other liabilities	17	52,888,569	40,496,123
<b>Total Liabilities</b>		<b>1,552,591,559</b>	<b>1,601,348,401</b>

The accompanying notes from (1) to (38) form an integral part of these interim condensed consolidated financial statements

**JORDAN ISLAMIC BANK - PUBLIC SHAREHOLDING COMPANY**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS OF 31 MARCH 2022 (UNAUDITED)**

**STATEMENT (A)**

	Notes	31 March 2022 JD (Unaudited)	31 December 2021 JD (Audited)
<b>Joint Investment Accounts Holders' Equity</b>			
Unrestricted investment accounts	18 A	3,159,103,114	3,150,272,953
Investment accounts holders' reserve in subsidiaries and associates	18 B	13,797,434	14,256,895
Fair value reserve – net	19 A	394,446	2,056,113
<b>Total Joint Investment Accounts Holders' Equity</b>		<b>3,173,294,994</b>	<b>3,166,585,961</b>
Non-controlling interests	18 B	38,681	38,798
<b>Total joint investment accounts holders' equity and non-controlling interest</b>		<b>3,173,333,675</b>	<b>3,166,624,759</b>
Provision for future expected risks	20 A	25,000,000	25,000,000
<b>Equity</b>			
<b>Owner's equity</b>			
Paid-in capital		200,000,000	200,000,000
Statutory reserve		110,912,379	110,912,379
Voluntary reserve		55,081,786	55,081,786
Fair value reserve	19 D	3,205,749	3,069,831
Retained earnings		140,544,987	140,544,987
Profit for the period after tax		15,109,793	-
<b>Total Owner's Equity – Bank's shareholders</b>		<b>524,854,694</b>	<b>509,608,983</b>
<b>Total Liabilities, Joint Investment Accounts Holders' Equity, Non-Controlling Interests and Owner's Equity</b>		<b>5,275,779,928</b>	<b>5,302,582,143</b>
<b>Accounts Managed for Others:</b>			
Restricted investments		70,775,306	66,273,250
Al Wakala Bi Al Istithmar (Investments portfolio)		528,580,801	505,495,559
Al Wakala Bi Al Istithmar		77,907,621	78,199,218

  
General Manager

  
Chairman

**JORDAN ISLAMIC BANK - PUBLIC SHAREHOLDING COMPANY**  
**INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT**  
**FOR THE THREE MONTHS ENDED 31 MARCH 2022 (UNAUDITED)**

**STATEMENT (B)**

	Notes	For the Three Months Ended 31 March	
		2022	2021
		JD (Unaudited)	JD (Unaudited)
Deferred sales revenues	21	37,021,998	35,828,661
Financing revenues	22	134,423	124,857
Gain from financial assets at fair value through joint investment accounts holders' equity	23	395,719	1,253,301
Gain from financial assets at amortized cost	24	3,806,220	3,776,006
Revenues from subsidiaries and associates	25	1,000,000	1,671,604
Revenues from investments in real estate	26	2,424,783	284,127
Revenues from leased and Ijarah Muntahia Bittamleek assets		11,931,401	10,833,508
Revenues from other investments		322,155	347,624
<b>Revenues of joint investment accounts</b>		<b>57,036,699</b>	<b>54,119,688</b>
Net income of subsidiaries		132,958	(83,042)
Share of profit from investments in associates		686,007	650,654
<b>Total revenues of joint investment accounts</b>		<b>57,855,664</b>	<b>54,687,300</b>
Share of deposits guarantee fees investment accounts holders'		(1,232,569)	(1,190,364)
Share of unrestricted investment accounts holders'	27	(16,884,601)	(15,044,227)
Share of investment accounts holders' from income of subsidiaries		(132,841)	82,634
Share of non-controlling interests' from income of subsidiaries		(117)	408
Share of profit from investments in associates		(686,007)	(650,654)
<b>Bank's share of the joint investment accounts revenues as Mudarib and Rab Mal</b>	28	<b>38,919,529</b>	<b>37,885,097</b>
Bank's self-financed revenues	29	8,325	5,804
Bank's share of restricted investments revenues as Mudarib		144,261	53,198
Bank's share of restricted investments revenues as Wakeel		35,603	48,534
Banking services revenues		6,723,543	5,489,695
Foreign currency gain		544,851	565,650
Other income		1,027,658	322,905
Share of deposits guarantee fees – self		(1,168,851)	(1,062,492)
<b>Gross Income</b>		<b>46,234,919</b>	<b>43,308,391</b>
Employees expenses		(13,444,114)	(13,129,906)
Depreciation and amortization		(2,047,871)	(2,131,640)
Other expenses		(6,721,941)	(6,074,721)
<b>Total Expenses</b>		<b>(22,213,926)</b>	<b>(21,336,267)</b>
<b>Profit before income tax</b>		<b>24,020,993</b>	<b>21,972,124</b>
Income tax	16 B	(8,911,200)	(8,062,418)
<b>Profit after income tax for the period</b>		<b>15,109,793</b>	<b>13,909,706</b>
<b>Basic earnings per share for the period</b>	30	<b>0/076</b>	<b>0/070</b>

General Manager

Chairman

The accompanying notes from (1) to (38) form an integral part of these interim condensed consolidated financial statements

JORDAN ISLAMIC BANK - PUBLIC SHAREHOLDING COMPANY

INTERIM CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

FOR THE THREE MONTHS ENDED 31 MARCH 2022 (UNAUDITED)

STATEMENT (C)

	For the Three Months Ended 31 March	
	2022	2021
	JD (Unaudited)	JD (Unaudited)
Profit after income tax for the period	15,109,793	13,909,706
<b>Other comprehensive income, net after Tax:</b>		
Change in fair value of financial assets – net	135,918	(151,575)
<b>Total comprehensive income for the period</b>	<b>15,245,711</b>	<b>13,758,131</b>

The accompanying notes from (1) to (38) form an integral part of these interim condensed consolidated financial statements

**JORDAN ISLAMIC BANK - PUBLIC SHAREHOLDING COMPANY**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNER'S EQUITY**  
**FOR THE THREE MONTHS ENDED 31 MARCH 2022 (UNAUDITED)**

**STATEMENT (D)**

	Paid-in Capital	Statutory Reserve	Voluntary Reserve	Fair Value Reserve *	Retained Earnings**	Profit for the Period	Total
	JD	JD	JD	JD	JD	JD	JD
<b>For the three months ended 31 March 2022 (Unaudited) -</b>							
<b>Balance at 1 January 2022</b>	200,000,000	110,912,379	55,081,786	3,069,831	140,544,987	-	509,608,983
Profit after tax	-	-	-	-	-	15,109,793	15,109,793
Change in fair value reserve	-	-	-	135,918	-	-	135,918
<b>Total comprehensive income for the period</b>	-	-	-	<b>135,918</b>	-	<b>15,109,793</b>	<b>15,245,711</b>
<b>Balance at 31 March 2022</b>	<b>200,000,000</b>	<b>110,912,379</b>	<b>55,081,786</b>	<b>3,205,749</b>	<b>140,544,987</b>	<b>15,109,793</b>	<b>524,854,694</b>

\* The fair value reserve balance of JD 3,205,749 as at 31 March 2022 is restricted from use.

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

The accompanying notes from (1) to (38) form an integral part of these condensed consolidated interim financial statements



**JORDAN ISLAMIC BANK - PUBLIC SHAREHOLDING COMPANY**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNER'S EQUITY**  
**FOR THE THREE MONTHS ENDED 31 MARCH 2022 (UNAUDITED)**

**STATEMENT (D)**

	Paid-in Capital	Statutory Reserve	Voluntary Reserve	Fair Value Reserve *	Retained Earnings**	Profit for the Period	Total
	JD	JD	JD	JD	JD	JD	JD
<b>For the three months ended 31 March 2021 (Unaudited) -</b>							
<b>Balance at 1 January 2021</b>	200,000,000	101,261,327	45,472,758	2,888,319	124,731,875	-	474,354,279
Profit after tax	-	-	-	-	-	13,909,706	13,909,706
Change in fair value reserve	-	-	-	(151,575)	-	-	(151,575)
<b>Total comprehensive income for the period</b>	-	-	-	(151,575)	-	<b>13,909,706</b>	<b>13,758,131</b>
<b>Balance at 31 March 2021</b>	<b>200,000,000</b>	<b>101,261,327</b>	<b>45,472,758</b>	<b>2,736,744</b>	<b>124,731,875</b>	<b>13,909,706</b>	<b>488,112,410</b>

\* The fair value reserve balance of JD 2,736,744 as at 31 March 2021 is restricted from use.

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

The accompanying notes from (1) to (38) form an integral part of these interim condensed consolidated financial statements

**JORDAN ISLAMIC BANK - PUBLIC SHAREHOLDING COMPANY**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE THREE MONTHS ENDED 31 MARCH 2022 (UNAUDITED)**

**STATEMENT (E)**

	Notes	For The Three Months Ended on 31 March	
		2022 JD (Unaudited)	2021 JD (Unaudited)
<b><u>Cash flows from operating activities</u></b>			
<b>Profit before Tax</b>		24,020,993	21,972,124
<b>Adjustments for non-monetary items:</b>			
Depreciations and amortizations		2,047,871	2,131,640
Costs of lease obligations		160,920	161,487
Gain on sale of property and equipment		(533,278)	-
Acquisition cost of investment in subsidiaries		-	(1,072,017)
Exchange rates effect on cash and cash equivalents		(356,142)	(399,271)
<b>Profit before change in assets and liabilities</b>		<b>25,340,364</b>	<b>22,793,963</b>
<b>Change in Assets and Liabilities:</b>			
Increase in investment accounts at banks and financial institutions maturing after 3 months		-	(1,418,000)
Decrease in Wakala investment accounts		-	17,725,000
Decrease (increase) in deferred sales receivables and other receivables		22,395,754	(66,630,281)
Increase in financing		(54,821)	(628,267)
Increase in Ijara muntahia bitamleek assets		(9,734,501)	(17,861,358)
Decrease in Al Qard Al Hasan		6,364,455	2,686,603
Increase in other assets		(8,759,681)	(7,984,917)
(Decrease) increase in current and on demand accounts		(53,950,928)	48,037,094
Increase in accounts payable		636,015	652,706
Increase in cash margins		1,258,367	1,066,108
Increase in other liabilities		12,393,062	8,039,713
<b>Net change in Assets and Liabilities</b>		<b>(29,452,278)</b>	<b>(16,315,599)</b>
<b>Net cash flows (used in) from operating activities before Tax</b>		<b>(4,111,914)</b>	<b>6,478,364</b>
Taxes paid	16 A	(12,236,574)	(1,998,506)
Payment of lease obligations		(1,039,923)	(487,870)
<b>Net cash flows (used in) from operating activities</b>		<b>(17,388,411)</b>	<b>3,991,988</b>
<b><u>Cash flows from investment activities</u></b>			
Proceeds from sale of financial assets at fair value through owner's equity-self		-	4,166
Proceeds from sale of financial assets at fair value through joint investment accounts holders' equity		-	3,200,626
Purchase of financial assets at fair value through joint investment account holders equity		-	(156,686)
Purchase of financial assets at amortized cost – net		(13,869,846)	(8,236,799)
Proceeds from sale of financial assets at amortized cost- net		44,192,488	9,249,395
Proceeds from sale of investment in real estates		1,237,087	103,218
Purchase of investment in real estates		(3,148)	(400)
Purchase of repossessed assets		(2,994,904)	(1,819,326)
Proceeds from sale of repossessed assets		1,743,886	54,120
Proceeds from sale of property and equipment		4,556,751	415
Purchase of property and equipment		(791,520)	(238,937)
Purchase of intangible assets		(428,941)	(800,155)
<b>Net cash flows from investment activities</b>		<b>33,641,853</b>	<b>1,359,637</b>
<b><u>Cash flow from financing activities</u></b>			
Increase in unrestricted investment accounts holders' equity		8,506,391	56,880,424
<b>Net cash flow from financing activities</b>		<b>8,506,391</b>	<b>56,880,424</b>
<b>Net increase in cash and cash equivalents</b>		<b>24,759,833</b>	<b>62,232,049</b>
Exchange rates effect on cash and cash equivalents		356,142	399,271
Cash and cash equivalents at the beginning of the period		890,471,603	812,686,923
<b>Cash and cash equivalents at end of period</b>	31	<b>915,587,578</b>	<b>875,318,243</b>

The accompanying notes from (1) to (38) form an integral part of these condensed consolidated interim financial statements

JORDAN ISLAMIC BANK - PUBLIC SHAREHOLDING COMPANY

INTERIM CONDENSED CONSOLIDATED STATEMENT OF SOURCES AND USES OF FUNDS OF AL QARD

AL HASAN FUND AS OF 31 MARCH 2022 (UNAUDITED)

STATEMENT (F)

	31 March 2022 JD (Unaudited)	31 December 2021 JD (Audited)
Beginning balance for the period / year	68,865,578	81,208,965
<b>Sources of the Fund:</b>		
Central bank account / Al Qard Al Hasan Fund	48,673,043	53,439,029
Sources the Bank is authorized to use	24,613,193	48,910,517
Sources outside the Bank	2,151,520	2,129,520
<b>Total sources of the fund's assets for the period / year</b>	<b>75,437,756</b>	<b>104,479,066</b>
<b>Uses of the Fund:</b>		
Education	135,350	462,770
Medical treatment	83,630	403,230
Marriage	41,650	584,010
Overdraft accounts	5,849,703	11,517,567
Social advances for the Bank's employees	461,845	2,721,323
Central Bank's programme for facing Corona pandemic & med-term crisis agreement	-	7,581,201
<b>Total uses for the period / year</b>	<b>6,572,178</b>	<b>23,270,101</b>
<b>Settled during the period / year</b>	<b>(12,936,633)</b>	<b>(35,613,488)</b>
<b>Ending balance for the period / year</b>	<b>62,501,123</b>	<b>68,865,578</b>
Less: Provision for expected credit loss – self	(5,451,971)	(4,750,536)
<b>Ending balance for the period / year– net</b>	<b>57,049,152</b>	<b>64,115,042</b>

**JORDAN ISLAMIC BANK - PUBLIC SHAREHOLDING COMPANY**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF 31 MARCH 2022 (UNAUDITED)**

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**(1) General Information**

Jordan Islamic Bank (the "Bank") was established as a 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 on an interest-free basis in compliance with the rules and principles of the Islamic Sharia through its Head Office, 84 branches and 26 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 in Amman Stock Exchange - Jordan.

The interim condensed consolidated financial statements were authorized for issue by the Bank's Board of Directors in their No.2 meeting held on 26 April 2022.

**(2) Significant Accounting Policies**

**2-1 Basis of Preparation of the Interim Condensed Consolidated Financial Statements:**

The accompanying interim condensed 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 according to local laws and Central Bank of Jordan Instructions 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 interim condensed consolidated financial statements are prepared on the historical cost basis except for the financial assets at the fair value through owners' equity and the financial assets at the fair value through the joint investment account holder's equity, financial assets at amortized cost and held for use investment in real estate.

The interim condensed consolidated financial statements have been presented in Jordanian Dinars (JD) which is the functional currency of the Bank.

**JORDAN ISLAMIC BANK - PUBLIC SHAREHOLDING COMPANY**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF 31 MARCH 2022 (UNAUDITED)**

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The interim condensed consolidated financial statements do not contain all information and disclosures for annual consolidated financial statements prepared in accordance with Sharia' rules and principles determined by the Bank's Sharia Supervisory Board and in accordance with Financial Accounting Standards issued by Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) and it shall be read in conjunction with the Bank's annual report as of 31 December 2021. In addition, the results for the three months period ended 31 March 2022 do not necessarily indicate the expected results for the year ended 31 December 2022 and no appropriation was made for the three months profits ended 31 March 2022 since it is made at year-end.

**2-2 Basis of consolidation of the interim condensed consolidated financial statements:**

The interim condensed consolidated financial statements include 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 operating policies of subsidiaries in order to obtain benefit from their activities. The transactions, balances, revenues and expenses between the Bank and its subsidiaries 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 interim condensed 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 in the interim condensed consolidated statements of income 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 owners' equity.

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

**JORDAN ISLAMIC BANK - PUBLIC SHAREHOLDING COMPANY**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF 31 MARCH 2022 (UNAUDITED)**

The Bank owns the following subsidiaries as of 31 March 2022:

Company Name	Paid in capital JD	Bank's ownership	Nature of Business	Funding source	Country of Incorporation	Acquisition Date
Omariah Schools Company Ltd.	16,000,000	99.8%	Education	Jointly	Amman	1987
Al Samaha Financing and Investment Company Ltd.	12,000,000	100%	Financing	Jointly	Amman	1998
Future Applied Computer Technology Company Ltd	5,000,000	100%	Services	Self	Amman	1998
Sanabel Al-Khair for Financial Investments Company Ltd.	5,000,000	100%	Brokerage	Self	Amman	2005

### **2-3 Changes in Accounting Policies:**

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Bank's annual consolidated financial statements for the year ended 31 December 2021, except that the Bank has adopted the following new standards:

#### **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.

The application of this standard on the interim consolidated financial statements did not have any impact.

#### **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.

The application of this standard on the interim consolidated financial statements did not have any impact.

**(3) Use of Estimates**

The preparation of interim condensed consolidated financial statements requires Bank's 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, expenses, and the resultant provisions and the fair value changes reported in owner's equity and unrestricted investments accounts holder's 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 the interim condensed consolidated financial statements are reasonable and detailed as follows:

- Expected credit losses for 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 flows 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 expected credit losses.
- Income tax provision: the fiscal period 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.
- Management periodically reevaluates the financial assets carried at cost in order to assess any expected credit losses. The expected credit losses are allocated in accordance to the financing party.
- A provision is set for the lawsuits raised against the Bank. 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.

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**(4) Cash and Balances with Central Bank**

This item consists of the following:

	31 March 2022	31 December 2021
	JD	JD
	(Unaudited)	(Audited)
<b>Cash in vaults</b>	190,628,730	182,360,983
<b>Balances at the Central Bank of Jordan:</b>		
Current accounts	547,808,826	538,000,438
Statutory cash reserve	176,266,907	173,478,737
<b>Total balances at the Central Bank of Jordan</b>	<b>724,075,733</b>	<b>711,479,175</b>
<b>Total</b>	<b>914,704,463</b>	<b>893,840,158</b>

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 71,299,677 and JD 49,014,174 were deducted as at 31 March 2022 and as at 31 December 2021 respectively, which represent cash balances for accounts managed on behalf of others.

There are no balances maturing within more than three months period as of 31 March 2022 and 31 December 2021.

There are no restricted balances except for the statutory cash reserve as of 31 March 2022 and 31 December 2021.



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**(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 March 2022	31 December 2021	31 March 2022	31 December 2021	31 March 2022	31 December 2021
	JD (Unaudited)	JD (Audited)	JD (Unaudited)	JD (Audited)	JD (Unaudited)	JD (Audited)
Current and on demand accounts	6,240,740	2,057,640	39,910,164	42,257,178	46,150,904	44,314,818
Less: provision for expected credit loss	(3,357)	(1,138)	(186,788)	(248,728)	(190,145)	(249,866)
<b>Net Current and on demand accounts</b>	<b>6,237,383</b>	<b>2,056,502</b>	<b>39,723,376</b>	<b>42,008,450</b>	<b>45,960,759</b>	<b>44,064,952</b>
Unrestricted accounts maturing within 3 months or less	-	-	8,650,057	8,650,057	8,650,057	8,650,057
Less: provision for expected credit loss	-	-	(10,851)	(11,074)	(10,851)	(11,074)
<b>Net unrestricted accounts maturing within 3 months or less</b>	<b>-</b>	<b>-</b>	<b>8,639,206</b>	<b>8,638,983</b>	<b>8,639,206</b>	<b>8,638,983</b>
<b>Total</b>	<b>6,237,383</b>	<b>2,056,502</b>	<b>48,362,582</b>	<b>50,647,433</b>	<b>54,599,965</b>	<b>52,703,935</b>

- In compliance with Islamic Shari'a rules and the Bank's Articles of Association and bylaws, the Bank does not earn any interest on current and on demand accounts at local and foreign banks and financial institutions.
- There are no restricted balances at the local and foreign banks and financial institutions as of 31 March 2022 and 31 December 2021.

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**(6) Wakala Bil Istithmar Accounts**

This item consists of the following:

	Foreign banks and financial institutions	
	31 March 2022	31 December 2021
	JD (Unaudited)	JD (Audited)
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 losses	(91,067)	(149,239)
<b>Total</b>	<b>35,358,933</b>	<b>35,300,761</b>

There are no restricted balances at the foreign banks and financial institutions as of 31 March 2022 and 31 December 2021.

**A. Movement on balances and accounts at banks and financial institutions and Wakala Bi Al Istithmar (notes 5 and 6):**

**As of 31 March 2022 (Unaudited):**

	Stage 1 Individual JD	Stage 2 Individual JD	Total JD
<b>Beginning balance</b>	87,585,121	829,754	88,414,875
New balances and accounts during the period	7,444,500	42,400	7,486,900
Balances and accounts settled	(5,650,814)	-	(5,650,814)
<b>Ending balance</b>	<b>89,378,807</b>	<b>872,154</b>	<b>90,250,961</b>

**As of 31 December 2021 (Audited):**

	Stage 1 Individual JD	Stage 2 Individual JD	Total JD
<b>Beginning balance</b>	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 settled	(23,822,833)	-	(23,822,833)
<b>Ending balance</b>	<b>87,585,121</b>	<b>829,754</b>	<b>88,414,875</b>

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**B. Cumulative movement on the Expected credit losses**

**As of 31 March 2022 (Unaudited):**

	Stage 1 Individual JD	Stage 2 Individual JD	Stage 3 JD	Total JD
<b>Beginning balance</b>	349,304	60,875	-	410,179
Expected credit loss on new balances and accounts during the period	8,548	1,382	-	9,930
Expected credit loss recovered from balances and accounts paid	(8,704)	-	-	(8,704)
Adjustments due to changes	(119,342)	-	-	(119,342)
<b>Ending balance</b>	<b>229,806</b>	<b>62,257</b>	<b>-</b>	<b>292,063</b>

**as of 31 December 2021 (Audited):**

	Stage 1 Individual JD	Stage 2 Individual JD	Stage 3 JD	Total JD
<b>Beginning balance</b>	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)
Adjustments due to changes	(12,031)	-	-	(12,031)
<b>Ending balance</b>	<b>349,304</b>	<b>60,875</b>	<b>-</b>	<b>410,179</b>

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**(7) Deferred Sales Receivables and Other Receivables – Net**

This item consists of the following:

	Joint		Self		Total	
	31 March 2022	31 December 2021	31 March 2022	31 December 2021	31 March 2022	31 December 2021
	JD (Unaudited)	JD (Audited)	JD (Unaudited)	JD (Audited)	JD (Unaudited)	JD (Audited)
<b>Individuals (Retail):</b>						
Murabaha to the purchase orderer	789,271,782	779,363,469	-	-	789,271,782	779,363,469
Deferred sales	12,319,447	12,516,576	-	-	12,319,447	12,516,576
Ijarah Mawsoofa Bil Thimma	8,646,025	8,188,586	-	-	8,646,025	8,188,586
Ijarah Muntahia Bittamleek receivables	7,164,929	6,725,008	-	-	7,164,929	6,725,008
Istisna'a	231,198	240,519	-	-	231,198	240,519
Customers' receivables	7,552,296	6,409,723	4,875,196	4,820,467	12,427,492	11,230,190
<b>Real estate financing</b>	<b>544,846,996</b>	<b>534,061,224</b>	<b>-</b>	<b>-</b>	<b>544,846,996</b>	<b>534,061,224</b>
<b>Corporate:</b>						
International Murabaha	21,416,686	25,170,318	-	-	21,416,686	25,170,318
Murabaha to the purchase orderer	473,863,527	463,400,681	-	-	473,863,527	463,400,681
Ijarah Muntahia Bittamleek receivables	293,889	264,358	-	-	293,889	264,358
Istisna'a	24,175,858	25,190,872	-	-	24,175,858	25,190,872
<b>Small and Medium Enterprises (SME's):</b>						
Murabaha to the purchase orderer	177,012,617	169,998,180	-	-	177,012,617	169,998,180
Deferred sales	15,091	16,815	-	-	15,091	16,815
Ijarah Mawsoofa bil Thimma	138,171	249,375	-	-	138,171	249,375
Ijarah Muntahia Bittamleek receivables	419,446	352,291	-	-	419,446	352,291
Istisna'a	734,441	745,923	-	-	734,441	745,923
Customers' receivables	-	-	2,148,749	2,035,449	2,148,749	2,035,449
<b>Government and public sector</b>	<b>1,162,400,940</b>	<b>1,225,822,220</b>	<b>-</b>	<b>33,337</b>	<b>1,162,400,940</b>	<b>1,225,855,557</b>
<b>Total</b>	<b>3,230,503,339</b>	<b>3,258,716,138</b>	<b>7,023,945</b>	<b>6,889,253</b>	<b>3,237,527,284</b>	<b>3,265,605,391</b>
Less: deferred revenues	(302,572,675)	(308,728,178)	-	-	(302,572,675)	(308,728,178)
Less: suspended revenues	(9,814,841)	(10,261,762)	-	-	(9,814,841)	(10,261,762)
Less: deferred mutual insurance	(21,881,712)	(20,961,641)	-	-	(21,881,712)	(20,961,641)
Less: expected credit loss	(115,311,631)	(113,934,095)	(615,000)	(615,000)	(115,926,631)	(114,549,095)
<b>Net deferred sales and other receivables</b>	<b>2,780,922,480</b>	<b>2,804,830,462</b>	<b>6,408,945</b>	<b>6,274,253</b>	<b>2,787,331,425</b>	<b>2,811,104,715</b>

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Movements on deferred sales receivables, other receivables and financing - joint financed expected credit loss were as follows:

	Retail	Real estate financing		Large corporates		Small and Medium Enterprises		Total
	JD	JD	JD	JD	JD	JD	JD	JD
<b>As at 31 March 2022 (Unaudited)</b>								
Balance at beginning of the period	36,317,834	24,535,693		37,566,585	15,820,512			114,240,624
Transferred to during the period	7,615,928	(921,554)		(3,686,757)	(1,613,881)			1,393,736
Used during the period (write-offs)	-	-		-	-			-
<b>Balance at the end of the period</b>	<b>43,933,762</b>	<b>23,614,139</b>		<b>33,879,828</b>	<b>14,206,631</b>			<b>115,634,360</b>

	Retail	Real estate financing		Large corporates		Small and Medium Enterprises		Total
	JD	JD	JD	JD	JD	JD	JD	JD
<b>As at 31 March 2022 (Unaudited)</b>								
Expected credit loss of non-performing receivables on individual customer basis	21,817,877	17,391,168		22,006,211	13,158,630			74,373,886
Expected credit loss of watch list receivables based on individual customer basis	8,051,886	5,526,661		10,640,811	316,252			24,535,610
Expected credit loss of acceptable risk receivables on individual customer basis	415,307	569,532		1,232,806	386,864			2,604,509
Expected credit loss of acceptable risk receivables on portfolio basis	13,648,692	126,778		-	344,885			14,120,355
<b>Total</b>	<b>43,933,762</b>	<b>23,614,139</b>		<b>33,879,828</b>	<b>14,206,631</b>			<b>115,634,360</b>

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As at 31 December 2021 (Audited)	Small and Medium Enterprises				Total
	Retail	Real estate financing	Large corporates	Medium Enterprises	
	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)
<b>Balance at the end of the year</b>	<b>36,317,834</b>	<b>24,535,693</b>	<b>37,566,585</b>	<b>15,820,512</b>	<b>114,240,624</b>

As at 31 December 2021 (Audited)	Small and Medium Enterprises				Total
	Retail	Real estate financing	Large corporates	Medium Enterprises	
	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 acceptable risk receivables on portfolio basis	12,541,854	140,947	-	350,701	13,033,502
<b>Balance at the end of the year</b>	<b>36,317,834</b>	<b>24,535,693</b>	<b>37,566,585</b>	<b>15,820,512</b>	<b>114,240,624</b>

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Movements on deferred sales receivables, other receivables and financing - self financed expected credit loss were as follows:

	Retail		Real estate financing		Large corporates		Small and Medium Enterprises		Government and public sector		Total
	JD		JD		JD		JD		JD		JD
<b>As at 31 March 2022 (Unaudited)</b>											
Balance at beginning of the period	623,986		-		-		-		-		623,986
Transfer to during the period	(7,058)		-		-		-		-		(7,058)
Used during the period (write-offs)	-		-		-		-		-		-
<b>Balance at the end of the period</b>	<b>616,928</b>		-		-		-		-		<b>616,928</b>

	Retail		Real estate financing		Large corporates		Small and Medium Enterprises		Government and public sector		Total
	JD		JD		JD		JD		JD		JD
<b>As at 31 March 2022 (Unaudited)</b>											
Expected credit loss of non-performing receivables on individual customer basis	503,176		-		-		-		-		503,176
Expected credit loss of watch list receivables based on individual customer basis	103,194		-		-		-		-		103,194
Expected credit loss of watch list receivables on portfolio basis	10,558		-		-		-		-		10,558
<b>Total</b>	<b>616,928</b>		-		-		-		-		<b>616,928</b>

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**As at 31 December 2021 (Audited)**

	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)	-	-	-	-	-	-
<b>Balance at the end of the year</b>	<b>623,986</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>623,986</b>

**As at 31 December 2021 (Audited)**

	Retail	Real estate financing	Large corporates	Small and Medium Enterprises	Government and 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	-	-	-	-	174,245
Expected credit loss of watch list receivables on portfolio basis	191,566	-	-	-	-	191,566
<b>Balance at the end of the year</b>	<b>623,986</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>623,986</b>



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Movements on the suspended revenues were as follows:

	Joint				
	For the period ended				
	31 March 2022 (Unaudited)				
	Retail	Real estate financing	Large corporates	Small and Medium Enterprises	Total
	JD	JD	JD	JD	JD
Balance at the beginning of the period	5,298,051	1,309,327	2,710,773	943,611	10,261,762
Add: suspended revenues during the period	405,518	100,217	207,485	72,225	785,445
Less: revenue in suspense reversed to revenue	(807,353)	(109,923)	(151,259)	(163,831)	(1,232,366)
<b>Balance at the end of the period</b>	<b>4,896,216</b>	<b>1,299,621</b>	<b>2,766,999</b>	<b>852,005</b>	<b>9,814,841</b>

  

	Joint				
	For the year ended				
	31 December 2021 (Audited)				
	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 revenue	(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)
<b>Balance at the end of the year</b>	<b>5,298,051</b>	<b>1,309,327</b>	<b>2,710,773</b>	<b>943,611</b>	<b>10,261,762</b>

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**(8) Ijarah Muntahia Bittamleek Assets - Net**

This item consists of the following:

	Joint	
	31 March 2022	31 December 2021
	JD (Unaudited)	JD (Audited)
Cost	1,001,940,860	991,920,575
Accumulated Depreciation	(189,620,515)	(189,334,731)
Impairment Provision	(37,242)	(37,242)
Ijarah Muntahia Bittamleek assets - net	812,283,103	802,548,602

The accrued Ijarah installments amounted to JD 7,878,264 as at 31 March 2022 (31 December 2021: JD 7,341,657) were included in deferred sales receivables and other receivables (Note 7).

**(9) Financing – Net**

This item consists of the following:

	Joint		Self		Total	
	31 March 2022	31 December 2021	31 March 2022	31 December 2021	31 March 2022	31 December 2021
	JD (Unaudited)	JD (Audited)	JD (Unaudited)	JD (Audited)	JD (Unaudited)	JD (Audited)
<b>Individuals (Retail):</b>						
Diminishing Musharaka	36,963,408	36,891,228	233,013	250,372	37,196,421	37,141,600
<b>Total</b>	36,963,408	36,891,228	233,013	250,372	37,196,421	37,141,600
Less: Expected credit loss	(322,729)	(306,529)	(1,928)	(8,986)	(324,657)	(315,515)
<b>Net Financing</b>	36,640,679	36,584,699	231,085	241,386	36,871,764	36,826,085

Non-performing deferred sales receivables, Ijarah Muntahia Bittamleek receivables, other receivables, financing and Al Qard Al Hasan amounted to JD 103,441,515 as at 31 March 2022, representing 3.10 % of deferred sales receivable, Ijarah Muntahia Bittamleek receivables, other receivables, financing and Al Qard Al Hasan balance compared to JD 94,225,452 as at 31 December 2021, representing 2.79 % of the utilized balance at the end of the previous year.

Non-performing deferred sales receivables, Ijarah Muntahia Bittamleek receivables, other receivables, financing and Al Qard Al Hasan after deducting suspended revenues amounted to JD 95,578,545 as at 31 March 2022, representing 2.87 % of deferred sales, Ijarah Muntahia Bittamleek receivables, other receivables, financing and Al Qard Al Hasan balance after deductions suspended revenues, compared to JD 86,386,757 as at 31 December 2021, representing 2.57 % of the utilized balance at the end of the previous year.

Deferred sales, other receivables, and financing granted to and guaranteed by the Government of Jordan amounted to JD 1,165,396,024 as at 31 March 2022, representing 34.92 % of deferred sales, other receivables and financing balance, compared to JD 1,228,850,641 as at 31 December 2021, representing 36.45 % of the utilized balance at the end of the previous year.

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

**As of 31 March 2022 (Unaudited):**

	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the period	1,517,201,239	928,239,973	410,039,568	47,562,501	128,617,707	3,031,660,988
New facilities during the period	128,924,787	102,188,945	70,067,995	1,486,931	228,041	302,896,699
Settled facilities	(183,895,336)	(103,869,207)	(36,637,457)	(1,348,561)	(5,851,526)	(331,602,087)
Transferred to stage 1	61,720,974	16,460,202	(37,149,709)	(11,966,927)	(29,064,540)	-
Transferred to stage 2	(67,704,303)	(20,841,757)	67,704,303	20,841,757	-	-
Transferred to stage 3	(267,716)	(704,333)	(13,685,738)	(6,256,606)	20,914,393	-
Written of facilities	-	-	-	-	-	-
<b>Balance at the end of the period</b>	<b>1,455,979,645</b>	<b>921,473,823</b>	<b>460,338,962</b>	<b>50,319,095</b>	<b>114,844,075</b>	<b>3,002,955,600</b>

**As of 31 December 2021 (Audited):**

	Stage 1		Stage 2		Stage 3	Total
	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 of facilities	-	-	-	-	(5,569,640)	(5,569,640)
<b>Balance at the end of the year</b>	<b>1,517,201,239</b>	<b>928,239,973</b>	<b>410,039,568</b>	<b>47,562,501</b>	<b>128,617,707</b>	<b>3,031,660,988</b>

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

**As of 31 March 2022 (Unaudited):**

	Large corporates	SMEs	Individuals	Real estate financing	Total
	JD	JD	JD	JD	JD
Balance at the beginning of the period	37,577,278	16,660,354	40,832,834	24,544,680	119,615,146
Expected credit loss on the new facilities during the period	1,369,372	333,646	620,009	272,525	2,595,552
Expected credit loss recovered from settled facilities	(28,463)	(219,819)	(485,264)	(72,595)	(806,141)
Transferred to stage 1	(220,131)	73,793	579,527	242,972	676,161
Transferred to stage 2	10,157,443	2,142,299	711,495	55,112	13,066,349
Transferred to stage 3	(9,937,312)	(2,216,092)	(1,291,022)	(298,084)	(13,742,510)
Impact on ending balance provision due to change in staging classification	(8,730,835)	(690,109)	1,097,792	645,727	(7,677,425)
Adjustments	3,727,819	(1,048,284)	7,070,862	(1,774,270)	7,976,127
<b>Balance at the end of the period</b>	<b>33,915,171</b>	<b>15,035,788</b>	<b>49,136,233</b>	<b>23,616,067</b>	<b>121,703,259</b>
<b>Reallocated:</b>					
Individual level provision	33,915,171	12,486,047	13,361,010	10,630,992	70,393,220
Collective level provision	-	2,549,741	35,775,223	12,985,075	51,310,039

**As of 31 December 2021 (Audited):**

	Large corporates	SMEs	Individuals	Real estate financing	Total
	JD	JD	JD	JD	JD
<b>As of 31 December 2021</b>					
<b>Balance at the beginning of the year</b>	<b>29,972,150</b>	<b>15,318,417</b>	<b>37,916,138</b>	<b>31,845,654</b>	<b>115,052,359</b>
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)
<b>Balance at the end of the year</b>	<b>37,577,278</b>	<b>16,660,354</b>	<b>40,832,834</b>	<b>24,544,680</b>	<b>119,615,146</b>
<b>Reallocated:</b>					
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

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**(10) Financial Assets at Fair Value Through Owner's Equity – Self Financed**

This item consists of the following:

	31 March 2022 JD (Unaudited)	31 December 2021 JD (Audited)
<b>Quoted financial assets</b>		
Companies shares	5,101,852	4,890,407
<b>Total financial assets – quoted</b>	<b>5,101,852</b>	<b>4,890,407</b>
<b>Unquoted financial assets</b>		
Companies shares	2,428,065	2,420,902
Al Wakala Bi Al Istithmar (investment portfolio)	10,938,765	10,938,765
<b>Total financial assets - unquoted</b>	<b>13,366,830</b>	<b>13,359,667</b>
<b>Total financial assets at fair value through owner's equity – self financed</b>	<b>18,468,682</b>	<b>18,250,074</b>

**(11) Financial Assets at Fair Value Through Investment Account Holder's Equity**

This item consists of the following:

	31 March 2022 JD (Unaudited)	31 December 2021 JD (Audited)
<b>Quoted financial assets:</b>		
Companies shares	18,917,698	19,357,721
<b>Total quoted financial assets</b>	<b>18,917,698</b>	<b>19,357,721</b>
<b>Unquoted financial assets:</b>		
Companies shares	9,133,537	9,263,513
Islamic banks portfolio	821,691	821,691
Al Wakala Bi Al Istithmar (investment portfolio )	1,572,078	1,572,078
<b>Total unquoted financial assets</b>	<b>11,527,306</b>	<b>11,657,282</b>
<b>Total financial assets at fair value through the investment accounts holders' equity - joint</b>	<b>30,445,004</b>	<b>31,015,003</b>

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**(12) Financial Assets at Amortized Cost**

This item consists of the following:

	31 March 2022	31 December 2021
	JD (Unaudited)	JD (Audited)
<b>Quoted financial assets</b>		
Islamic Sukuk	12,762,000	12,762,000
Expected credit losses	(104,539)	(108,105)
<b>Net quoted financial assets</b>	<b>12,657,461</b>	<b>12,653,895</b>
<b>Unquoted financial assets</b>		
Islamic Sukuk	219,307,366	249,294,595
Islamic banks portfolio	8,048,677	8,384,091
<b>Total unquoted financial assets</b>	<b>227,356,043</b>	<b>257,678,686</b>
Expected credit losses	(1,873,157)	(1,880,532)
<b>Net unquoted financial assets</b>	<b>225,482,886</b>	<b>255,798,154</b>
<b>Total Financial Assets at amortized cost</b>	<b>238,140,347</b>	<b>268,452,049</b>

Islamic Sukuk rate of return ranges between 3.55% - 5.47% payable on a semi-annual basis, with a maturity of less than 5 years.

Islamic Sukuk in US Dollars rate of return Long run ranges between 6.87% - 9.37% payable on a semi annual basis, with a maturity of 4 years.

Short term Islamic Sukuk in US Dollars rate of return Short run ranges between 1.10% - 1.70%, with a maturity of 3 to 6 months.

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**A. Cumulative movement on investments:**

**As of 31 March 2022 (Unaudited):**

	Stage 1	Stage 2	Stage 3	Total
	Individual	Individual		
	JD	JD	JD	JD
Balance at the beginning of the period	268,622,313	-	1,818,373	270,440,686
New investments during the period	13,918,443	-	-	13,918,443
Matured investments	(44,241,086)	-	-	(44,241,086)
<b>Balance at the end of the period</b>	<b>238,299,670</b>	<b>-</b>	<b>1,818,373</b>	<b>240,118,043</b>

**As of 31 December 2021 (Audited):**

	Stage 1	Stage 2	Stage 3	Total
	Individual	Individual		
	JD	JD	JD	JD
<b>Balance at the beginning of the year</b>	<b>189,393,324</b>	<b>7,090,000</b>	<b>1,818,373</b>	<b>198,301,697</b>
New investments during the year	116,425,956	-	-	116,425,956
Matured investments	(44,286,967)	-	-	(44,286,967)
Transfer to stage 1	7,090,000	(7,090,000)	-	-
<b>Balance at the end of the year</b>	<b>268,622,313</b>	<b>-</b>	<b>1,818,373</b>	<b>270,440,686</b>

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B. Cumulative movement on the expected credit loss:

As of 31 March 2022 (Unaudited):

	Stage 1 Individual JD	Stage 2 Individual JD	Stage 3 JD	Total JD
<b>Balance at the beginning of the period</b>	170,264	-	1,818,373	1,988,637
Expected credit loss on new investments during the period	27,845	-	-	27,845
Expected credit loss recovered from matured investments	(18,458)	-	-	(18,458)
Adjustments	(20,328)	-	-	(20,328)
<b>Balance at the end of the period</b>	<b>159,323</b>	<b>-</b>	<b>1,818,373</b>	<b>1,977,696</b>

As of 31 December 2021 (Audited):

	Stage 1 Individual JD	Stage 2 Individual JD	Stage 3 JD	Total JD
<b>Balance at the beginning of the year</b>	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)
Transfer 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)
<b>Balance at the end of the year</b>	<b>170,264</b>	<b>-</b>	<b>1,818,373</b>	<b>1,988,637</b>



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**(13) Investments in Real Estate**

This item consists of the following:

	Joint	
	31 March 2022	31 December 2021
	JD (Unaudited)	JD (Audited)
Investments in real estate *	115,679,972	119,023,646
<b>Total</b>	<b>115,679,972</b>	<b>119,023,646</b>

\* Investments in real estate are presented at fair value, with a book value (cost) of JD 111,505,050 as at 31 March 2022 compared to JD 112,738,989 as at 31 December 2021.

- Movements on investments in real estate were as follow:

	31 March 2022		
	Lands	Buildings	Total
	JD	JD	JD
Balance at the beginning of the period	70,771,125	48,252,521	119,023,646
Additions	-	-	-
Disposals	(3,285,221)	(58,453)	(3,343,674)
Revaluation difference	-	-	-
<b>Net Investments in real estate at the end of the period</b>	<b>67,485,904</b>	<b>48,194,068</b>	<b>115,679,972</b>

	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)
<b>Net Investments in real estate at the end of the year</b>	<b>70,771,125</b>	<b>48,252,521</b>	<b>119,023,646</b>

- 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 March 2022 and 31 December 2021. The fair value was determined based on recent market transactions as well as independent appraisers' information and professional judgments.

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**(14) Other Assets**

This item consists of the following:

	31 March 2022	31 December 2021
	JD (Unaudited)	JD (Audited)
Accrued revenues	329,882	351,224
Prepaid expenses	7,869,073	250,696
Temporary debit accounts	9,022,058	7,992,949
Stationery and publications	543,603	493,727
Stamps	81,098	83,498
Credit card accounts	6,048,712	5,892,086
Settlement guarantee fund deposits	25,000	25,000
Refundable deposits	343,466	370,315
Reposessed assets - net *	37,448,804	36,275,835
Others	278,892	322,608
<b>Total</b>	<b>61,990,588</b>	<b>52,057,938</b>

\* Movment on the reposessed assets to meet outstanding debts was as follow:

	31 March 2022	31 December 2021
	JD (Unaudited)	JD (Audited)
<b>Beginning balance for the period / year</b>	37,378,971	39,765,682
Additions	2,994,904	18,279,381
Disposals *	(1,743,886)	(20,666,092)
<b>Ending balance for the period / year</b>	<b>38,629,989</b>	<b>37,378,971</b>
Provision for acquired assets **	(88,816)	(12,363)
provision for impairment in acquired assets	(1,092,369)	(1,090,773)
<b>Total</b>	<b>37,448,804</b>	<b>36,275,835</b>

\* A total of JD 19,704,646 were transferred during the year 2021 from reposessed assets to investments in real estate after performing a feasibility study in line with the bank's real estate investment policies.

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

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**(15) Customers' Current and on Demand Accounts**

This item consists of the following:

	31 March 2022 (Unaudited)				
	Retail	Large corporates	Small and Medium Enterprises	Government and public sector	Total
	JD	JD	JD	JD	JD
Current accounts	784,663,778	22,227,373	228,602,796	31,767,908	1,067,261,855
On demand accounts	257,839,622	36,058	796,021	731	258,672,432
<b>Total</b>	<b>1,042,503,400</b>	<b>22,263,431</b>	<b>229,398,817</b>	<b>31,768,639</b>	<b>1,325,934,287</b>

  

	31 December 2021 (Audited)				
	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
<b>Total</b>	<b>1,072,731,072</b>	<b>30,386,110</b>	<b>240,688,629</b>	<b>36,079,404</b>	<b>1,379,885,215</b>

Government and public sector deposits inside the Kingdom amounted to JD 31,768,639 representing 2.40% of the total customers' current and on demand accounts as at 31 March 2022 compared to JD 36,079,404 representing 2.61% as at 31 December 2021.

Dormant accounts amounted to JD 18,596,539 as of 31 March 2022 compared to JD 23,809,994 as of 31 December 2021.

The restricted accounts amounted to JD 9,167,749 representing 0.69% of the total customers' current and on demand accounts as of 31 March 2022 compared to JD 18,600,099 representing 1.35% as of 31 December 2021 of the total customers' current and on demand accounts.

**(16) Income Tax Provision**

**A- Bank's Income Tax Provision:**

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

	31 March 2022	31 December 2021
	JD	JD
	(Unaudited)	(Audited)
<b>Beginning balance for the period / year</b>	32,652,979	26,142,445
Income tax paid	(12,236,574)	(22,509,023)
Income tax expense	8,911,200	37,397,819
Income tax paid for the year 2021	-	(8,378,262)
<b>Ending balance for the period / year</b>	<b>29,327,605</b>	<b>32,652,979</b>

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**B- The income tax expense shown in the interim condensed consolidated Income Statement represents the following:**

	For the Three Months ended 31 March	
	2022	2021
	JD	JD
	(Unaudited)	(Unaudited)
Income tax for the period	8,911,200	8,062,418
<b>Total</b>	<b>8,911,200</b>	<b>8,062,418</b>

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 obtained final income tax clearance up to the year 2020.

**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 declarations for the years 2019, 2020 and 2021, but the Income and Sales Tax Department has not reviewed the records up to the date of this financial statement.

**Sanabel Al-Khair for financial investment Company Ltd:**

The Company reached a final income tax settlement up to 2020 and the Company submitted the income tax declarations for the year 2021, but the Income and Sales Tax Department has not reviewed the records up to the date of this financial statement.

**Omaryeh School Company Ltd:**

The Company reached a final income tax settlement up to 2018 and the Company submitted the income tax declarations for the years 2019, 2020 and 2021, but the Income and Sales Tax Department 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.

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**(17) Other Liabilities**

A- This item consists of the following:

	31 March 2022 JD (Unaudited)	31 December 2021 JD (Audited)
Accepted cheques	5,514,104	3,613,023
Revenues received in advance	1,346,855	882,351
Al Qard Al Hasan Fund	2,151,520	2,129,520
Temporary deposits	904,197	902,882
Other credit balances	3,442,142	3,475,044
Cheques against notes payables	6,310,744	5,681,826
Term deposit profits	13,975,431	-
Banker's cheques	8,322,232	10,210,199
Others	10,921,344	13,601,278
<b>Total</b>	<b>52,888,569</b>	<b>40,496,123</b>

**(18) Unrestricted Investment Accounts**

A- This item consists of the following:

	31 March 2022 (Unaudited)					Total JD
	Retail JD	Large corporates JD	Small and Medium Enterprises JD	Government and public sector JD	Banks JD	
Saving accounts	631,643,450	361,855	10,193,020	39	24,551,183	666,749,547
Notice accounts	8,386,229	-	3,916,378	641,666	9,773,273	22,717,546
Term accounts	2,087,656,024	36,454,774	152,398,786	160,241,836	16,000,000	2,452,751,420
<b>Total</b>	<b>2,727,685,703</b>	<b>36,816,629</b>	<b>166,508,184</b>	<b>160,883,541</b>	<b>50,324,456</b>	<b>3,142,218,513</b>
Depositors' share from Investment returns	14,716,960	198,640	903,922	868,031	197,048	16,884,601
<b>Total unrestricted investment accounts</b>	<b>2,742,402,663</b>	<b>37,015,269</b>	<b>167,412,106</b>	<b>161,751,572</b>	<b>50,521,504</b>	<b>3,159,103,114</b>

  

	31 December 2021 (Audited)					Total JD
	Retail JD	Large corporates JD	Small and Medium Enterprises JD	Government and public sector JD	Banks 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
<b>Total</b>	<b>2,726,648,501</b>	<b>30,003,788</b>	<b>148,233,722</b>	<b>130,398,334</b>	<b>50,513,638</b>	<b>3,085,797,983</b>
Depositors' share from Investment returns	57,043,597	627,702	3,122,403	2,728,034	953,234	64,474,970
<b>Total unrestricted investment accounts</b>	<b>2,783,692,098</b>	<b>30,631,490</b>	<b>151,356,125</b>	<b>133,126,368</b>	<b>51,466,872</b>	<b>3,150,272,953</b>

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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.

Unrestricted investment accounts (Government of Jordan and Public Sector) inside the Kingdom amounted to JD 161,751,572 representing 5.12% of the total unrestricted investment accounts as at 31 March 2022 compared to JD 133,126,368 representing 4.23% as at 31 December 2021.

Dormant accounts amounted to JD 8,870,111 as at 31 March 2022 compared to JD 9,629,988 as at 31 December 2021.

The withdrawal restricted investment accounts amounted to JD 6,541,924 representing 0.21% of the total unrestricted investment accounts as at 31 March 2022 compared to JD 5,494,442 representing 0.17% as at 31 December 2021.

**B- Investment accounts holders' reserve and non- controlling interest – in subsidiaries and associates**

	Joint	
	31 March 2022	31 December 2021
	JD (Unaudited)	JD (Audited)
Investment accounts holders' reserve – Subsidiaries	10,434,942	10,901,495
Investment accounts holders' reserve – Associates	3,362,492	3,355,400
<b>Total</b>	<b>13,797,434</b>	<b>14,256,895</b>
<b>Non-Controlling Interests</b>	<b>38,681</b>	<b>38,798</b>

**(19) Fair Value Reserve**

This item consists of the following:

**A- Joint**

	Joint	
	31 March 2022	31 December 2021
	JD (Unaudited)	JD (Audited)
Financial assets at fair value through joint investment accounts holders' equity reserve	(2,194,006)	(1,840,374)
Investments in real estate reserve	2,588,452	3,896,487
<b>Total</b>	<b>394,446</b>	<b>2,056,113</b>

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**B- Self**

	Self	
	31 March 2022 JD (Unaudited)	31 December 2021 JD (Audited)
Financial assets reserve at fair value through owner's equity – self	3,205,749	3,069,831
<b>Total</b>	<b>3,205,749</b>	<b>3,069,831</b>

**C- Movements on the fair value reserve for the unrestricted investment accounts holders' equity were as follows:**

	31 March 2022 (Unaudited)		
	Financial assets at fair value JD	Investments in real estate JD	Total JD
<b>Balance at the beginning of the period *</b>	(2,968,345)	6,284,657	3,316,312
Unrealized (losses) profits	(570,374)	166,787	(403,587)
Deferred tax assets (liabilities)	1,344,713	(1,586,470)	(241,757)
Profits transferred to the consolidated income statement	-	(2,276,522)	(2,276,522)
<b>Balance at the end of the period</b>	<b>(2,194,006)</b>	<b>2,588,452</b>	<b>394,446</b>

  

	31 December 2021 (Audited)		
	Financial assets at fair value JD	Investments in real estate JD	Total JD
<b>Balance at the beginning of the year</b>	(4,066,732)	12,529,346	8,462,614
Unrealized (losses) profits	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)
<b>Balance at the end of the year</b>	<b>(1,840,374)</b>	<b>3,896,487</b>	<b>2,056,113</b>

\* The fair value reserve beginning balance includes the prior year deferred tax liabilities of JD 1,260,199.

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

	Financial assets at fair value	
	31 March 2022	31 December 2021
	JD (Unaudited)	JD (Audited)
<b>Beginning Balance for the period / year *</b>	4,951,340	4,658,579
Unrealized profits	219,223	308,256
Deferred tax liabilities	(1,964,814)	(1,881,509)
Profits transferred to retained earning	-	(15,495)
<b>Ending Balance for the period / year</b>	<b>3,205,749</b>	<b>3,069,831</b>

\* The fair value reserve beginning balance includes the prior year deferred tax liabilities of JD 1,881,509.

(20) Provision for future expected risks

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

	31 March 2022	31 December 2021
	JD (Unaudited)	JD (Audited)
Beginning balance for the period / year	25,000,000	25,980,009
Transfers to provision for expected credit loss	-	(980,009)
<b>Ending balance for the period / year</b>	<b>25,000,000</b>	<b>25,000,000</b>



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**B. Mutual Insurance Fund**

Movements on the Mutual Insurance Fund were as follows:

	31 March 2022	31 December 2021
	JD (Unaudited)	JD (Audited)
<b>Beginning balance for the period / year</b>	50,448,766	48,820,782
Add: profits for the years 2021 and 2020	1,155,864	1,265,186
Add: insurance premiums collected during the period / year	2,745,913	7,669,033
Add: amounts recovered from prior years losses	68,526	100,837
Less: insurance premiums paid during the period / year	(6,145,730)	(5,473,255)
Less: Taxes paid in advance for 2021	(433,652)	(443,768)
Less: fund's committee members remunerations	(16,000)	(16,000)
Less: consulting fees	(1,740)	(36,153)
Less: Insurance paid for the dissolution of contracts before 2018	-	(958)
Less: losses written off during the period / year	-	(436,938)
Less: Expected credit losses provision during the year	-	(1,000,000)
<b>Ending balance for the period / year</b>	<b>47,821,947</b>	<b>50,448,766</b>

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 asset 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 and based on the bank's decision about it.

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.

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Mutual insurance fund covers financing granted by the Bank (financing granted from joint investment accounts and Al Wakala Bi Al Istithmar accounts (Investments Portfolio)).

The balance of the mutual insurance fund is included within the unrestricted investment accounts.

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

	31 March 2022	31 December 2021
	JD (Unaudited)	JD (Audited)
Provision for expected credit loss - Bank	113,438,440	112,060,904
Expected credit loss provision for Al Samaha Funding and Investment Company Ltd.	830,190	830,190
Expected credit loss provision for Al Omariah Schools Company Ltd.	1,043,001	1,043,001
<b>Total</b>	<b>115,311,631</b>	<b>113,934,095</b>

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

	31 March 2022	31 December 2021
	JD (Unaudited)	JD (Audited)
Beginning balance for the period / year	119,661,999	115,927,918
Provision for the period / year (from consolidated income statement)	-	6,000,000
Transferred from mutual insurance fund (Note 20(B))	-	1,000,000
Transferred from provision of expected future risk (Note 20(A))	-	980,009
Provision from subsidiaries	-	657,403
Write-offs	-	(4,903,331)
<b>Ending balance for the period / year</b>	<b>119,661,999</b>	<b>119,661,999</b>

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**(21) Deferred Sales Revenues**

This item consists of the following:

	Joint	
	For the Three Months	
	Ended on 31 March	
	2022	2021
	JD	JD
	(Unaudited)	(Unaudited)
<b>Individuals (Retail):</b>		
Murabaha to the purchase orderer	11,379,560	11,192,238
Deferred sales	235,208	222,245
Ijarah Mawsoofa Bil Thimma	140,792	121,497
Istisna'a	4,037	4,829
<b>Real Estate Financing</b>	7,477,516	6,715,749
<b>Corporate:</b>		
International Murabaha	55,196	82,224
Murabaha to the purchase orderer	4,657,548	4,445,184
Istisna'a	348,769	392,876
<b>Small and Medium Enterprises:</b>		
Murabaha to the purchase orderer	2,061,091	1,749,543
Deferred sales	162	480
Ijarah Mawsoofa Bil Thimma	488	14,226
Istisna'a	9,142	-
<b>Government and public sector</b>	10,652,489	10,887,570
<b>Total</b>	<b>37,021,998</b>	<b>35,828,661</b>

**(22) Financing Revenues**

This item consists of the following:

	Joint		Self		Total	
	For the Three Months		For the Three Months		For the Three Months	
	Ended on 31 March		Ended on 31 March		Ended on 31 March	
	2022	2021	2022	2021	2022	2021
	JD	JD	JD	JD	JD	JD
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>Individuals (Retail):</b>						
Diminishing Musharaka	134,423	124,857	2,602	924	137,025	125,781
<b>Total</b>	<b>134,423</b>	<b>124,857</b>	<b>2,602</b>	<b>924</b>	<b>137,025</b>	<b>125,781</b>

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**(23) Gain from Financial Assets at Fair Value Through Joint Investment Accounts Holders' Equity**

This item consists of the following:

	Joint	
	For the Three Months Ended on 31 March	
	2022	2021
	JD	JD
	(Unaudited)	(Unaudited)
Dividends income	395,719	151,568
Gain from sale of financial assets at fair value	-	1,101,733
<b>Total</b>	<b>395,719</b>	<b>1,253,301</b>

**(24) Gain from Financial Assets at Amortized Cost**

This item consists of the following:

	Joint	
	For the Three Months Ended on 31 March	
	2022	2021
	JD	JD
	(Unaudited)	(Unaudited)
Islamic Sukuk	3,710,367	3,728,131
Islamic banks portfolio revenues	95,853	47,875
<b>Total</b>	<b>3,806,220</b>	<b>3,776,006</b>

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**(25) Revenues from subsidiaries and associates**

Joint	Ownership percentage	Distribution percentage	Distributed dividends	
			31 March 2022	31 March 2021
	%	%	JD	JD
<b>Subsidiaries</b>				
Al Samaha Financing and Investment Company Ltd.	100	5.0	600,000	600,000
<b>Associates</b>				
Islamic Insurance Co.	33.3	8.0	400,000	-
Sale of subsidiary company *	-	-	-	1,071,604
<b>Total</b>			<b>1,000,000</b>	<b>1,671,604</b>

- \* On 6 January 2021, the Group transferred the investement in its subsidiary (Future Applied Computer Technology Company Ltd.) 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 at the date of the transfer. The transfer resulted in a joint investment profit of JD 1,071,604, and no currency differences 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.

**(26) Revenue from Investments in Real Estate**

This item consists of the following:

	Joint	
	For the Three Months Ended on 31 March	
	2022	2021
	JD	JD
	(Unaudited)	(Unaudited)
Total rent income from investments in real estate	400,060	327,389
Less: operating expenses		
Generating rent income	(251,799)	(84,187)
<b>Net rent income from investing in real estate</b>	<b>148,261</b>	<b>243,202</b>
Total Income from sale transactions	2,367,357	41,720
Less: Cost of sale	(90,835)	(795)
<b>Net Income from sale of investing in real estate</b>	<b>2,276,522</b>	<b>40,925</b>
<b>Revenues from investments in real estate</b>	<b>2,424,783</b>	<b>284,127</b>

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**(27) Share of Unrestricted Investment Accounts Holders**

This item consists of the following:

	For the Three Months Ended on 31 March	
	2022	2021
	JD	JD
	(Unaudited)	(Unaudited)
<b>Banks and Financial Institutions</b>	197,048	180,117
<b>Customers:</b>		
Saving Accounts	1,715,314	1,605,417
Notice Accounts	61,118	63,243
Term Accounts	14,911,121	13,195,450
<b>Total</b>	<b>16,884,601</b>	<b>15,044,227</b>

**(28) Bank's Share of the Joint Investment Accounts Revenues as Mudarib and Rab-Mal**

This item consists of the following:

	For the Three Months Ended on 31 March	
	2022	2021
	JD	JD
	(Unaudited)	(Unaudited)
Bank's share as Mudarib	26,455,480	25,523,238
Bank's share as Rab Mal	12,464,049	12,361,859
<b>Total</b>	<b>38,919,529</b>	<b>37,885,097</b>

**(29) Bank's Self financed Revenue**

This item consists of the following:

	For the Three Months Ended on 31 March	
	2022	2021
	JD	JD
	(Unaudited)	(Unaudited)
Financing revenues – Note (22)	2,602	924
Dividends distribution of financial assets at the fair value through equity	5,723	4,880
<b>Total</b>	<b>8,325</b>	<b>5,804</b>

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**(30) Basic Earnings Per Share (EPS)**

This item consists of the following:

	For the Three Months Ended on 31 March	
	2022	2021
	(Unaudited)	(Unaudited)
Profit for the period after income tax (JD)	15,109,793	13,909,706
Weighted average number of shares (share)	200,000,000	200,000,000
<b>Basic earnings per share (JD/Fils)</b>	<b>0/076</b>	<b>0/070</b>

**(31) Cash and Cash Equivalents**

This item consists of the following:

	For the Three Months Ended on 31 March	
	2022	2021
	JD	JD
	(Unaudited)	(Unaudited)
Cash and balances with Central Banks maturing within 3 months	914,704,463	862,599,040
Add: Balances at banks and financial institutions maturing within 3 months	54,800,961	77,708,174
Less: Balances at banks and financial institutions maturing within 3 months	(53,917,846)	(64,988,971)
<b>Total</b>	<b>915,587,578</b>	<b>875,318,243</b>

**(32) Related Parties Transactions**

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

Company Name	Ownership	Paid-in Capital	
		31 March 2022	31 December 2021
		JD	JD
		(Unaudited)	(Audited)
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 shareholders, 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.

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

	Related parties				Total	
	Parent Company	Associates	Subsidiaries	Board members and Senior Executive management	31 March 2022	31 December 2021
	JD	JD	JD	JD	JD (Unaudited)	JD (Audited)
<b>Interim condensed consolidated statement of financial position items:</b>						
Deferred sales receivables	-	437,989	1,615,009	9,809,304	11,862,302	10,088,028
Financing of employees housing/ Musharaka	-	-	-	902,115	902,115	1,010,134
Deposits	110,644	12,308,336	2,170,852	1,803,698	16,393,530	16,124,532
<b>Off consolidated statement of financial position items:</b>						
Guarantees and Letters of credit	-	175,215	532,250	2,675,090	3,382,555	3,090,532

For the Three Months Ended on 31 March	
2022	2021
JD	JD
(Unaudited)	(Unaudited)

**Consolidated income statement items:**

Paid expenses	-	1,319,351	371,292	1,046,621	2,737,264	3,641,623
Received revenues	6	9,601	26,746	164,654	200,497	140,880
Paid Profits	-	105,375	17,144	5,995	128,514	179,967

- Murabaha rate on granted financing ranged between 3% - 4.75% annually as at 31 March 2022 (2021: 3.5% - 4.75%).
- Musharaka profit rate of financing granted to the employees ranged between 2% - 4.8% annually as at 31 March 2022 (2021: 2% - 4.8%).
- Guarantees commission rate ranged between 1% - 4% annually as at 31 March 2022 (2021: 1% - 4%). Letters of credit commission rate ranged between (1/4% - 3/8%) quarterly as 31 March 2022 (2021: 1/4% - 3/8% quarterly).
- Individual and corporate deposits revenue is equals to the percentage of revenue for related parties deposits.



C. Compensation of the Bank's Executive Management Benefits (Salaries, Remuneration and other Benefits) were as follows:

	For the Three Months Ended on 31 March	
	2022	2021
	JD	JD
	(Unaudited)	(Unaudited)
Salaries, remuneration and transportation	908,695	831,705

### **(33) Segment Information**

#### **A. Information about 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**

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.

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**B. Below is the Bank's business sectors distributed according to its activities:**

						Total	
						For the Three Months	
						Ended on 31 March	
	Retail	Corporate	Investment in Assets	Treasury	Others	2022	2021
	JD	JD	JD	JD	JD	JD	JD
						(Unaudited)	(Unaudited)
Total revenues (Joint and self financed)	34,419,981	20,942,525	3,837,437	6,285,394	35,603	65,520,940	60,605,474
Net income of subsidiaries and share of profit from investments in associates	-	-	818,965	-	-	818,965	567,612
Deposits guarantee fees (Joint and self financed)	(1,263,060)	(765,591)	(140,817)	(230,646)	(1,306)	(2,401,420)	(2,252,856)
Share of the unrestricted investment accounts and non-controlling interests from the net income of associates	(8,889,871)	(6,373,038)	(818,965)	(1,621,692)	-	(17,703,566)	(15,611,839)
<b>Segment Results</b>	<b>24,267,050</b>	<b>13,803,896</b>	<b>3,696,620</b>	<b>4,433,056</b>	<b>34,297</b>	<b>46,234,919</b>	<b>43,308,391</b>
Allocated expenses	(12,012,361)	(6,631,775)	(1,353,262)	(2,216,528)	-	(22,213,926)	(21,336,267)
<b>Profit before tax</b>	<b>12,254,689</b>	<b>7,172,121</b>	<b>2,343,358</b>	<b>2,216,528</b>	<b>34,297</b>	<b>24,020,993</b>	<b>21,972,124</b>
Income tax	(4,187,107)	(3,246,457)	(514,240)	(953,107)	(10,289)	(8,911,200)	(8,062,418)
<b>Profit after tax</b>	<b>8,067,582</b>	<b>3,925,664</b>	<b>1,829,118</b>	<b>1,263,421</b>	<b>24,008</b>	<b>15,109,793</b>	<b>13,909,706</b>
						31 March	31 December
						2022	2021
						JD	JD
						(Unaudited)	(Audited)
Segment assets	1,626,953,200	1,254,299,141	1,215,017,108	1,004,663,361	-	5,100,932,810	5,133,180,070
Investment in associates	-	-	9,058,907	-	-	9,058,907	9,051,815
Unallocated assets	-	-	-	-	165,788,211	165,788,211	160,350,258
<b>Total Assets</b>	<b>1,626,953,200</b>	<b>1,254,299,141</b>	<b>1,224,076,015</b>	<b>1,004,663,361</b>	<b>165,788,211</b>	<b>5,275,779,928</b>	<b>5,302,582,143</b>
Segment liabilities	3,784,906,063	700,131,338	-	53,917,846	-	4,538,955,247	4,586,491,598
Unallocated liabilities	-	-	-	-	211,969,987	211,969,987	206,481,562
<b>Total liabilities, equity of joint investment account holders , non-controlling interests, and provision for future risks</b>	<b>3,784,906,063</b>	<b>700,131,338</b>	<b>-</b>	<b>53,917,846</b>	<b>211,969,987</b>	<b>4,750,925,234</b>	<b>4,792,973,160</b>
						For the Three Months	
						Ended on 31 March	
						2022	2021
						JD	JD
						(Unaudited)	(Unaudited)
Capital expenditures	-	-	-	-	1,220,461	1,220,461	1,039,092
Depreciation and amortization	-	-	-	-	2,047,871	2,047,871	2,131,640

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**(34) Capital Management**

The Bank's capital consists of the paid-in capital, statutory reserve, voluntary reserve, other reserves 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 March 2022 in accordance with standard number (15) issued by Islamic Financial Services Board, based on Central Bank of Jordan instruction number (72/2018) dated 4 February 2018.

	31 March 2022 Thousands JD (Unaudited)	31 December 2021 Thousands JD (Audited)
<b>Common Equity Tier I</b>	<b>459,388</b>	<b>451,705</b>
Paid-in capital	200,000	200,000
Statutory reserve	110,912	110,912
Voluntary reserve	55,082	55,082
Retained earnings	90,545	90,545
Accumulated change in full fair value	2,210	2,184
Profits for the period after tax less expected dividends distribution	7,610	-
Intangible assets	(4,377)	(4,299)
10% of less of investments in Banks, financial institutions and Takaful companies capital.	(494)	(494)
10% or more of investments in Banks, financial institutions and Takaful companies capital, beyond unified regulatory scope.	(2,100)	(2,225)
<b>Additional Tier I</b>	<b>-</b>	<b>-</b>
<b>Additional Tier II</b>	<b>10,851</b>	<b>10,947</b>
General banking risks reserve (self) and bank share of general banking risk reserve- joint (not to exceed 1.25%) of risky assets	10,851	10,947
<b>Total regulatory capital</b>	<b>470,239</b>	<b>462,652</b>
<b>Risk Weighted Assets (RWA)</b>	<b>2,040,769</b>	<b>2,010,329</b>
<b>Common Equity Tier I Ratio</b>	<b>22.51%</b>	<b>22.74%</b>
<b>Additional Tier I Ratio</b>	<b>-</b>	<b>-</b>
<b>Tier I Ratio</b>	<b>22.51%</b>	<b>22.74%</b>
<b>Tier II Ratio</b>	<b>0.53%</b>	<b>0.54%</b>
<b>Capital Adequacy Ratio</b>	<b>23.04%</b>	<b>23.01%</b>

\*Financial leverage percentage has reached 18.05% as of 31 March 2022 (2021: 18.98%)

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**(35) Commitments and Contingent Liabilities (Off the Interim Condensed Consolidated Statement of Financial Position)**

**Contingent Credit Commitments**

	31 March 2022	31 December 2021
	JD (Unaudited)	JD (Audited)
<b>Letters of credit</b>	34,483,607	36,532,955
<b>Acceptances</b>	12,690,387	11,289,931
<b>Guarantees:</b>	125,951,522	123,492,546
Payment	39,530,106	38,093,917
Performance	59,025,441	55,249,189
Others	27,395,975	30,149,440
<b>Unutilized Limits/ Direct</b>	<b>99,778,940</b>	<b>166,468,420</b>
<b>Unutilized Limits/ Indirect</b>	<b>60,345,928</b>	<b>69,375,603</b>
<b>Total</b>	<b>333,250,384</b>	<b>407,159,455</b>

**Expected credit losses on indirect facilities**

**A. Cumulative movement on indirect facilities:**

**As of 31 March 2022 (Unaudited):**

	Stage 1		Stage 2		Stage 3	Total
	Collective	Individual	Collective	Individual		
	JD	JD	JD	JD	JD	JD
<b>Balance at the beginning of the period</b>	44,124,921	196,827,280	1,386,528	157,190,012	7,630,714	407,159,455
<b>New exposures during the period</b>	12,735,214	81,429,441	627,203	33,282,482	2,724,913	130,799,253
<b>Matured exposures</b>	(12,655,036)	(87,985,872)	(818,199)	(99,168,768)	(4,080,449)	(204,708,324)
<b>Transferred to stage 1</b>	546,097	7,235,870	(367,447)	(7,235,570)	(178,950)	-
<b>Transferred to stage 2</b>	(1,000,368)	(13,906,412)	1,042,478	14,974,005	(1,109,703)	-
<b>Transferred to stage 3</b>	(46,278)	(1,174)	(347,415)	(446,494)	841,361	-
<b>Balance at the end of the period</b>	<b>43,704,550</b>	<b>183,599,133</b>	<b>1,523,148</b>	<b>98,595,667</b>	<b>5,827,886</b>	<b>333,250,384</b>

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**As of 31 December 2021 (Audited):**

	Stage 1		Stage 2		Stage 3	Total
	Collective	Individual	Collective	Individual		
	JD	JD	JD	JD	JD	JD
<b>Balance at the beginning of the year</b>	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	-
<b>Balance at the end of the year</b>	<b>44,124,921</b>	<b>196,827,280</b>	<b>1,386,528</b>	<b>157,190,012</b>	<b>7,630,714</b>	<b>407,159,455</b>

**B. Cumulative movement on the expected credit loss for indirect facilities**

**As of 31 March 2022 (Unaudited):**

	Stage 1		Stage 2		Stage 3	Total
	Collective	Individual	Collective	Individual		
	JD	JD	JD	JD	JD	JD
<b>Balance at the beginning of the period</b>	143,576	936,258	116,112	2,160,502	5,178,895	8,535,343
Expected credit loss on new exposures during the period	39,214	484,255	98,823	400,696	2,340,598	3,363,586
Expected credit loss from matured exposures	(19,191)	(136,803)	(20,373)	(1,458,648)	(1,064,866)	(2,699,881)
Transferred to stage 1	169,431	35,801	(40,105)	(35,503)	(129,624)	-
Transferred to stage 2	(7,250)	(65,175)	11,180	465,675	(404,430)	-
Transferred to stage 3	(2,200)	(10)	(21,680)	(1,230)	25,120	-
Impact on ending balance provision due to change in staging classification	(168,220)	(6,529)	41,737	(415,001)	297,121	(250,892)
Adjustments	(25,190)	(266,143)	(5,518)	(321,471)	(1,831,596)	(2,449,918)
<b>Balance at the end of the period</b>	<b>130,170</b>	<b>981,654</b>	<b>180,176</b>	<b>795,020</b>	<b>4,411,218</b>	<b>6,498,238</b>

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**As of 31 December 2021 (Audited):**

	Stage 1		Stage 2		Stage 3	Total
	Collective	Individual	Collective	Individual		
	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	-
Impact on ending balance provision due to change in staging classification	20,870	(32,194)	4,654	150,052	(180,330)	(36,948)
Adjustments	(294,325)	(37,164)	(2,949)	(43,357)	(438,256)	(816,051)
<b>Balance at the end of the year</b>	<b>143,576</b>	<b>936,258</b>	<b>116,112</b>	<b>2,160,502</b>	<b>5,178,895</b>	<b>8,535,343</b>

**(36) Lawsuits Filed Against the Bank**

The lawsuits filed against the Bank (self) amounted to JD 41,950 as of 31 March 2022 with a provision of JD 20,459 (provision booked amounted to JD 75,000) compared to JD 48,950 as of 31 December 2021 with a provision of JD 11,459. The lawsuits filed against the Bank (joint) as of 31 March 2022 amounted to JD1,718,083 with a provision of JD 62,245 compared to JD 1,601,582 as of 31 December 2021 with a provision of JD 62,245. 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.

**(37) Statutory Reserves**

The Bank did not appropriate any amounts to the reserves as required by the Companies Law, since these condensed financial statements are interim financial statements.

**(38) Comparative Figures**

Some of the figures of the year ended 31 December 2021 were reclassified to correspond with the figures of the interim condensed consolidated financial statements for the period ended 31 March 2022 with no effect on equity or income for the year ended 31 December 2021.