

**JORDAN ISLAMIC BANK**

**PUBLIC SHAREHOLDING COMPANY**

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(REVIEWED AND UNAUDITED)**

**30 JUNE 2022**

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

**Table of Contents**

**Review Report of the Independent auditor**

	<b><u>Statement</u></b>
<b>Interim Condensed Consolidated Statement of Financial Position</b>	<b>A</b>
<b>Interim Condensed Consolidated Income Statement</b>	<b>B</b>
<b>Interim Condensed Consolidated Statement of Comprehensive Income</b>	<b>C</b>
<b>Interim Condensed Consolidated Statement of Changes in Owner's Equity</b>	<b>D</b>
<b>Interim Condensed Consolidated Statement of Cash Flows</b>	<b>E</b>
<b>Interim Condensed Consolidated Statement of Sources and Uses of Funds of Al Qard Al Hasan Fund</b>	<b>F</b>
	<b><u>Page</u></b>
<b>Notes to the Interim Condensed Consolidated Financial Statements</b>	<b>1-70</b>



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

**Introduction**

We have reviewed the accompanying interim condensed consolidated statement of financial position of Jordan Islamic Bank (the "Bank") and its subsidiaries (together the "Group") as at 30 June 2022 and the related interim condensed consolidated statement of income and interim condensed consolidated statement comprehensive income for the three and six month ended 30 June 2022, and the interim condensed consolidated statements of changes in owner's equity and cash flows and sources and uses of funds of Al-Qard Al-Hasan Fund for the six months then ended and other explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with the Financial Accounting Standards issued by Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) as adopted by Central Bank of Jordan. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.


**Scope of Review**

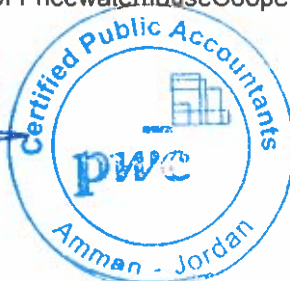
We conducted our review in accordance with the International Standard on Review Engagements (2410) "Review of Interim Financial Information performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for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

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not properly prepared, in all material respects, in accordance with the Financial Accounting Standards issued by Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) as adopted by Central Bank of Jordan

For and on behalf of PricewaterhouseCoopers "Jordan"

  
Omar Kalanji  
License No. (1015)



Amman, Jordan  
25 July 2022

**JORDAN ISLAMIC BANK - PUBLIC SHAREHOLDING COMPANY**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS OF 30 JUNE 2022 (REVIEWED AND UNAUDITED)**

**STATEMENT (A)**

	Notes	30 June 2022 JD (Reviewed And Unaudited)	31 December 2021 JD (Audited)
<b><u>Assets</u></b>			
Cash and balances with central bank	4	807,048,161	893,840,158
Balances at banks and financial institutions	5	57,089,882	52,703,935
Wakala Bil Istithmar Accounts	6	35,087,304	35,300,761
Deferred sales receivables and other receivables –net	7	2,908,110,428	2,811,104,715
Ijarah Muntahia Bittamleek assets – net	8	836,563,639	802,548,602
Financing – net	9	37,320,348	36,826,085
Financial assets at fair value through owner's equity – self-financed	10	17,906,321	18,250,074
Financial assets at fair value through joint investment accounts holders' equity	11	34,272,579	31,015,003
Financial assets at amortized cost	12	256,719,626	268,452,049
Investments in associates		9,143,828	9,051,815
Investments in real estate	13	115,661,729	119,023,646
Al Qard Al Hasan – net		50,718,253	64,115,042
Property and equipment – net		86,270,383	91,709,560
Intangible assets		4,210,718	4,299,297
Right of use assets		11,644,205	12,283,463
Other assets	14	61,885,700	52,057,938
<b>Total Assets</b>		<b>5,329,653,104</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		48,465,255	56,333,430
Customers' current and on demand accounts	15	1,378,968,424	1,379,885,215
Cash margins		61,466,748	58,689,427
Other provisions		14,908,432	16,560,343
Income tax provision	16 A	22,962,605	32,652,979
Deferred tax liabilities		2,304,782	3,141,708
Lease obligations		11,522,333	12,276,600
Other liabilities	17	46,049,249	41,808,699
<b>Total Liabilities</b>		<b>1,586,647,828</b>	<b>1,601,348,401</b>

The accompanying notes from (1) to (39) 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 30 JUNE 2022 (REVIEWED AND UNAUDITED)**

**STATEMENT (A)**

	Notes	30 June 2022 JD (Reviewed And Unaudited)	31 December 2021 JD (Audited)
<b>Joint Investment Accounts Holders' Equity</b>			
Unrestricted investment accounts	18 A	3,210,683,555	3,150,272,953
Investment accounts holders' reserve in subsidiaries and associates	18 B	13,952,138	14,256,895
Fair value reserve	19 A	901,712	2,056,113
<b>Total joint investment accounts holders' equity</b>		<b>3,225,537,405</b>	<b>3,166,585,961</b>
Non-controlling interests	18 B	38,389	38,798
<b>Total joint investment accounts holders' equity and non-controlling interest</b>		<b>3,225,575,794</b>	<b>3,166,624,759</b>
 Provision against future 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	2,858,721	3,069,831
Retained earnings		90,544,987	140,544,987
Profit for the period after tax		33,031,609	-
<b>Total Owner's Equity – Bank's shareholders</b>		<b>492,429,482</b>	<b>509,608,983</b>
 <b>Total liabilities, joint investment accounts holders' equity, non-controlling interests and owner's equity</b>		 <b>5,329,653,104</b>	 <b>5,302,582,143</b>
<b>Accounts Managed for Others:</b>			
Restricted investments		75,618,110	66,273,250
Al Wakala Bi Al Istithmar (Investments portfolio)		526,044,726	505,495,559
Al Wakala Bi Al Istithmar		77,450,931	78,199,218

  
General Manager

  
Chairman

**JORDAN ISLAMIC BANK - PUBLIC SHAREHOLDING COMPANY**  
**INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT**  
**FOR THE THREE AND SIX MONTHS ENDED 30 JUNE 2022 (REVIEWED AND UNAUDITED) STATEMENT (B)**

	Notes	For the three months Ended 30 June		For the Six Months Ended 30 June	
		2022	2021	2022	2021
		JD (Reviewed And Unaudited)	JD (Reviewed And Unaudited)	JD (Reviewed And Unaudited)	JD (Reviewed And Unaudited)
Deferred sales revenues	21	36,962,355	36,136,326	73,984,353	71,964,987
Financing revenues	22	135,746	125,656	270,169	250,513
Gain from financial assets at fair value through joint investment accounts holders' equity	23	151,108	638,513	546,827	1,891,814
Gain from financial assets at amortized cost	24	1,171,177	1,091,023	4,977,397	4,867,029
Dividends from subsidiaries and associates	25	48,200	448,200	1,048,200	2,119,804
Revenues from Investments in real estate	26	352,595	556,159	2,777,378	840,286
Revenues from Ijarah Muntahia Bittamleek assets		12,512,092	11,715,322	24,443,493	22,548,830
Revenues from other investments		333,104	406,486	655,259	754,110
<b>Revenues of Joint Investment Accounts</b>		<b>51,666,377</b>	<b>51,117,685</b>	<b>108,703,076</b>	<b>105,237,373</b>
Net income of subsidiaries		77,777	3,596	210,735	(79,446)
Share of (loss) profit from investments in associates		(187,023)	(228,871)	498,984	421,783
<b>Total Revenues of Joint Investment Accounts</b>		<b>51,557,131</b>	<b>50,892,410</b>	<b>109,412,795</b>	<b>105,579,710</b>
Deposits guarantee fees investment accounts holders'		(1,309,477)	(1,186,722)	(2,542,046)	(2,377,086)
Share of unrestricted investment accounts holders'	27	(15,943,380)	(15,972,415)	(32,827,981)	(31,016,642)
Share of investment accounts holders' from income of subsidiaries		(78,305)	(4,001)	(211,146)	78,633
Share of non-controlling interests' from income of subsidiaries		528	405	411	813
Share of loss (profit) from investments in associates		187,023	228,871	(498,984)	(421,783)
<b>Bank's share of the joint investment accounts revenues as Mudarib and Rab Mal</b>	28	<b>34,413,520</b>	<b>33,958,548</b>	<b>73,333,049</b>	<b>71,843,645</b>
Bank's self-financed revenues	29	6,910	217,838	15,235	223,642
Bank's share of restricted investments revenues as Mudarib		122,936	139,644	267,197	192,842
Bank's share of restricted investments revenues as Wakeel		4,268,694	3,798,988	4,304,297	3,847,522
Banking services revenues		6,700,513	5,511,720	13,424,056	11,001,415
Foreign currency gain		653,683	534,463	1,198,534	1,100,113
Other income		821,522	594,152	1,849,180	917,057
Share of deposits guarantee fees – self		(1,170,000)	(1,059,000)	(2,338,851)	(2,121,492)
<b>Gross Income</b>		<b>45,817,778</b>	<b>43,696,353</b>	<b>92,052,697</b>	<b>87,004,744</b>
Employees expenses		(9,755,585)	(9,153,913)	(23,199,699)	(22,283,819)
Depreciation and amortization		(2,086,552)	(2,008,581)	(4,134,423)	(4,140,221)
Other expenses		(5,436,023)	(4,842,429)	(12,157,964)	(10,917,150)
<b>Total Expenses</b>		<b>(17,278,160)</b>	<b>(16,004,923)</b>	<b>(39,492,086)</b>	<b>(37,341,190)</b>
<b>Profit Before Income Tax</b>		<b>28,539,618</b>	<b>27,691,430</b>	<b>52,560,611</b>	<b>49,663,554</b>
Income tax	16 B	(10,617,802)	(10,491,284)	(19,529,002)	(18,553,702)
<b>Profit After Income Tax for the Period</b>		<b>17,921,816</b>	<b>17,200,146</b>	<b>33,031,609</b>	<b>31,109,852</b>
		JD / FILS	JD / FILS	JD / FILS	JD / FILS
<b>Basic Earnings per Share for the Period</b>	30	<b>0/090</b>	<b>0/086</b>	<b>0/165</b>	<b>0/156</b>

General Manager

Chairman

The accompanying notes from (1) to (39) 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 AND SIX MONTHS ENDED 30 JUNE 2022 (REVIEWED AND UNAUDITED)**

**STATEMENT (C)**

	For the Three Months Ended 30 June		For the Six Months Ended 30 June	
	2022	2021	2022	2021
	JD	JD	JD	JD
	(Reviewed And Unaudited)	(Reviewed And Unaudited)	(Reviewed And Unaudited)	(Reviewed And Unaudited)
Profit after income tax	17,921,816	17,200,146	33,031,609	31,109,852
<b>Other Comprehensive Income, net after Tax:</b>				
Change in fair value reserve of financial assets – net	(347,028)	546,906	(211,110)	395,331
<b>Total of Other Comprehensive Income for the Period</b>	<b>17,574,788</b>	<b>17,747,052</b>	<b>32,820,499</b>	<b>31,505,183</b>
				-

The accompanying notes from (1) to (39) 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 SIX MONTHS ENDED 30 JUNE 2022 (REVIEWED AND UNAUDITED)**

**STATEMENT (D)**

	Paid-in Capital	Statutory Reserve	Voluntary Reserve	Fair Value Reserve *	Retained Earnings**	Profit for the Period	Total
For the six months ended 30 June 2022	JD	JD	JD	JD	JD	JD	JD
Balance at 1 January 2022	200,000,000	110,912,379	55,081,786	3,069,831	140,544,987	-	509,608,983
Profit for the period after tax	-	-	-	-	-	33,031,609	33,031,609
Change in fair value reserve	-	-	-	(211,110)	-	-	(211,110)
Total of Other Comprehensive Income for the period after tax	-	-	-	(211,110)	-	33,031,609	32,820,499
Dividends***	-	-	-	-	(50,000,000)	-	(50,000,000)
Balance at 30 June 2022	200,000,000	110,912,379	55,081,786	2,858,721	90,544,987	33,031,609	492,429,482

\* The fair value reserve balance of JD 2,858,721 as at 30 June 2022 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 26 April 2022 the distribution of cash dividends to shareholders at a rate of 25% from the paid in capital of JD 200 million/ share, amounted to JD 50 million through distribution from the retained earnings.

The accompanying notes from (1) to (39) 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 SIX MONTHS ENDED 30 JUNE 2022 (REVIEWED AND 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 six months ended 30 June 2021</b>							
<b>Balance at 1 January 2021</b>	<b>200,000,000</b>	<b>101,261,327</b>	<b>45,472,758</b>	<b>2,888,319</b>	<b>124,731,875</b>	<b>-</b>	<b>474,354,279</b>
Profit for the period after tax	-	-	-	-	-	31,109,852	31,109,852
Profits From sale of Financial assets at fair value through owner's equity	-	-	-	(15,495)	15,495	-	-
Change in fair value reserve	-	-	-	395,331	-	-	395,331
<b>Total Comprehensive Income for the period after tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>379,836</b>	<b>15,495</b>	<b>31,109,852</b>	<b>31,505,183</b>
Dividands***	-	-	-	-	(24,000,000)	-	(24,000,000)
<b>Balance at 30 June 2021</b>	<b>200,000,000</b>	<b>101,261,327</b>	<b>45,472,758</b>	<b>3,268,155</b>	<b>100,747,370</b>	<b>31,109,852</b>	<b>481,859,462</b>

\* The fair value reserve balance of JD 3,268,155 as at 30 June 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 if JD 200 million / share amounted to JD 24 million through distribution from the retained earnings .

The accompanying notes from (1) to (39) form an integral part of these interim condensed consolidated financial statements

**JORDAN ISLAMIC BANK - PUBLIC SHAREHOLDING COMPANY**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**AS OF 30 JUNE 2022 (REVIEWED AND UNAUDITED)**

**STATEMENT (E)**

	Notes	For The Six Months Ended on 30 June	
		2022	2021
		JD (Reviewed And Unaudited)	JD (Reviewed And Unaudited)
<b>Cash flows from operating activities</b>			
Profit before tax		52,560,611	49,663,554
<b>Adjustments for non-monetary items:</b>			
Depreciations and amortizations		4,134,423	4,140,221
Costs of lease obligations		321,207	338,677
Provision for expected credit losses – joint		-	998,992
Gain on sale of property and equipment		(533,279)	(4,808)
Acquisition cost of investment in subsidiaries		-	(1,071,604)
Exchange rates effect on cash and cash equivalents		(786,000)	(735,495)
<b>Profit before change in assets and liabilities</b>		<b>55,696,962</b>	<b>53,329,537</b>
<b>Change in Assets and Liabilities:</b>			
Increase in investment accounts at banks and financial institutions for more than 3 months		-	(2,836,000)
Increase in deferred sales receivables and other receivables		(97,746,098)	(126,524,886)
Increase in financing		(504,224)	(1,322,371)
Increase in Ijara muntahia bitamleek assets		(34,009,148)	(46,964,841)
Decrease in Al Qard Al Hasan		13,425,657	4,164,158
Increase in other assets		(5,204,724)	(4,759,679)
(Decrease) Increase in current and on demand accounts		(916,791)	114,525,706
Increase in cash margins		2,777,321	1,762,557
Increase in other liabilities		4,250,527	8,952,766
<b>Net change in assets and liabilities</b>		<b>(117,927,480)</b>	<b>(53,002,590)</b>
<b>Net cash flows (used in) operating activities before tax</b>		<b>(62,230,518)</b>	<b>326,947</b>
Taxes paid	16A	(29,219,376)	(27,494,551)
Payment of lease obligations		(1,279,024)	(1,222,908)
<b>Net Cash Flows from (used in) Operating Activities</b>		<b>(92,728,918)</b>	<b>(28,390,512)</b>
<b>Cash flows from Investment Activities</b>			
Proceeds from sale of financial assets at fair value through owner's equity-self		3,253	59,209
Proceeds from sale of financial assets at fair value through joint investment accounts holders' equity		100,000	3,948,626
Purchase of financial assets at fair value through equity-self		(3,114,367)	(1,672,623)
Purchase of financial assets at amortized cost – net		(77,163,156)	(22,384,926)
Maturity of financial assets at amortized cost- net		88,927,504	46,618,695
Proceeds from sale of investment in real estates		1,255,817	1,442,497
Purchase of investment in real estates		(6,961)	(883,841)
Acquired repossessed real estate		(6,883,385)	(8,182,587)
Proceeds from sale of repossessed real estate		1,873,444	595,778
Proceeds from sale of property and equipment		4,556,752	4,822
Purchase of property and equipment		(1,214,702)	(1,539,107)
Purchase of intangible assets		(618,703)	(1,360,890)
<b>Net cash flows from Investment Activities</b>		<b>7,715,496</b>	<b>16,645,653</b>
<b>Cash Flow from Financing Activities</b>			
Increase in unrestricted investment accounts holders' equity		60,052,212	181,608,712
Dividends Distributed		(50,000,000)	(24,000,000)
<b>Net Cash Flow from Financing Activities</b>		<b>10,052,212</b>	<b>157,608,712</b>
<b>Net Decrease (Increase) in Cash and Cash Equivalents</b>		<b>(74,961,210)</b>	<b>145,863,853</b>
Exchange rates effect on cash and cash equivalents		786,000	735,495
<b>Cash and cash equivalents at the beginning of the period</b>		<b>890,471,603</b>	<b>812,686,923</b>
<b>Cash and Cash Equivalents at end of period</b>	31	<b>816,296,393</b>	<b>959,286,271</b>

The accompanying notes from (1) to (39) form an integral part of these interim condensed consolidated 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 30 JUNE 2022 (REVIEWED AND UNAUDITED)**

**STATEMENT (F)**

	30 June 2022	31 December 2021
	JD	JD
	(Reviewed And Unaudited)	(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	40,029,674	53,439,029
Sources the Bank is authorized to use	35,542,884	48,910,517
Sources outside the Bank	2,541,320	2,129,520
<b>Total sources of the fund's assets for the period / year</b>	<b>78,113,878</b>	<b>104,479,066</b>
<b>Uses of the Fund:</b>		
Education	216,753	462,770
Medical treatment	175,945	403,230
Marriage	152,500	584,010
Overdraft accounts	7,480,776	11,517,567
Social advances for the Bank's employees	1,122,326	2,721,323
Central Bank of Jordan Program For Facing Corona Pandemic & Med-term agreement	100,000	7,581,201
<b>Total uses for the period / year</b>	<b>9,248,300</b>	<b>23,270,101</b>
<b>Settled for the period / year</b>	<b>(22,673,957)</b>	<b>(35,613,488)</b>
<b>Ending balance for the period / year</b>	<b>55,439,921</b>	<b>68,865,578</b>
Less: Provision for expected credit loss – self	(4,721,668)	(4,750,536)
<b>Ending balance for the period / year– net</b>	<b>50,718,253</b>	<b>64,115,042</b>

The accompanying notes from (1) to (39) form an integral part of these condensed consolidated interim financial statements

**(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.4 meeting held on 25 July 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 (The group) funds have been prepared in accordance with the Financial Accounting Standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) and it was approved by central bank of Jordan, 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 replace it.

The difference between the Islamic accounting standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) and the instructions of the Central Bank of Jordan can be summarized as follows:

- The provision for expected credit losses for direct facilities is recorded in accordance with Financial Accounting Standard No. 30 issued by the Accounting and Auditing Organization for Islamic Financial Institutions and the instructions of the Central Bank of Jordan No. 47 of 2009, and the most severe results are taken for the second and third Stages.
- A provision is calculated against the violating repossessed real estates at the rate of 5% annually of the total book values of those real estate starting from the beginning of 2022, so that 50% of these real estates will be reached by the end of 2030.
- No provision for expected credit losses is calculated on the exposures of the Jordanian government or its guarantee.
- Profits are suspended on non-performing credit facilities.

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.

A separation between the shareholder equity and the equity of joint investment account holders shall be taken into account.

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

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 was approved by the central bank of Jordan 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 30 June 2022 do not necessarily indicate the expected results for the year ended 31 December 2022 and no appropriation was made for the six months profits ended 30 June 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 (the group) . 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.

The Bank owns the following subsidiaries as of 30 June 2022:

Company Name	Paid in capital JD	Bank's ownership	Nature of Business	Country of Incorporation	Acquisition Date
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 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.



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

This item consists of the following:

	30 June 2022	31 December 2021
	JD	JD
	(Reviewed And Unaudited)	(Audited)
<b>Cash in vaults</b>	185,561,920	182,360,983
<b>Balances at the Central Bank of Jordan:</b>		
Current accounts	445,902,390	538,000,438
Statutory cash reserve	175,583,851	173,478,737
<b>Total balances at the Central Bank of Jordan</b>	<b>621,486,241</b>	<b>711,479,175</b>
<b>Total</b>	<b>807,048,161</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 57,277,834 and JD 49,014,174 were deducted as at 30 June 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 30 June 2022 and 31 December 2021.

There are no restricted balances except for the statutory cash reserve as of 30 June 2022 and 31 December 2021.

**Movement on balances at Central bank note (4) :**

As of 30 June 2022 (Reviewed And Unaudited) :

	Stage 1	
	Individual	Total
	JD	JD
Balances at the beginning of the period	711,479,175	711,479,175
New balances and accounts during the period	322,560,003	322,560,003
Balance and accounts settled	(412,552,937)	(412,552,937)
<b>Ending Balance</b>	<b>621,486,241</b>	<b>621,486,241</b>

As of 31 December 2021 (Audited ) :

	Stage 1	
	Individual	Total
	JD	JD
Balances at the beginning of the year	649,361,044	649,361,044
New balances and accounts during the year	746,243,744	746,243,744
Balance and accounts settled	(684,125,613)	(684,125,613)
<b>Ending Balance</b>	<b>711,479,175</b>	<b>711,479,175</b>

**JORDAN ISLAMIC BANK - PUBLIC SHAREHOLDING COMPANY**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF 30 JUNE 2022 (REVIEWED AND UNAUDITED)**

**(5) Balances at Banks and Financial Institutions**

This item consists of the following:

	Local banks and financial institutions		Foreign banks and financial institutions		Total
	30 June 2022	31 December 2021	30 June 2022	31 December 2021	30 June 2022
	JD	JD	JD	JD	JD
	(Reviewed And Unaudited)	(Audited)	(Reviewed And Unaudited)	(Audited)	(Reviewed And Unaudited)
Current and on demand accounts	1,986,740	2,057,640	44,028,247	42,257,178	46,014,987
Less: provision for expected credit loss	(1,038)	(1,138)	(598,228)	(248,728)	(599,266)
<b>Net Current and on demand accounts</b>	<b>1,985,702</b>	<b>2,056,502</b>	<b>43,430,019</b>	<b>42,008,450</b>	<b>45,415,721</b>
Unrestricted accounts maturing within 3 months or less	-	-	11,698,500	8,650,057	11,698,500
Less: provision for expected credit loss	-	-	(24,339)	(11,074)	(24,339)
<b>Net unrestricted accounts maturing within 3 months or less</b>	<b>-</b>	<b>-</b>	<b>11,674,161</b>	<b>8,638,983</b>	<b>11,674,161</b>
<b>Total</b>	<b>1,985,702</b>	<b>2,056,502</b>	<b>55,104,180</b>	<b>50,647,433</b>	<b>57,089,882</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 30 June 2022 and 31 December 2021.

**(6) Wakala Bil Istithmar Accounts**

This item consists of the following:

	Foreign banks and financial institutions	
	30 June 2022	31 December 2021
	JD	JD
	(Reviewed And Unaudited)	(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	(362,696)	(149,239)
<b>Total</b>	<b>35,087,304</b>	<b>35,300,761</b>

There are no restricted balances at the foreign banks and financial institutions as of 30 June 2022 and 31 December 2021.

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

**As of 30 June 2022 (Reviewed And Unaudited):**

	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	JD	JD	JD	JD
<b>Beginning balance</b>	87,585,121	829,754	-	88,414,875
New balances and accounts during the period	29,423,500	-	76,054	29,499,554
Balances and accounts settled	(24,750,942)	-	-	(24,750,942)
Transferred (from) to stage 3	-	(829,754)	829,754	-
<b>Ending balance</b>	<b>92,257,679</b>	<b>-</b>	<b>905,808</b>	<b>93,163,487</b>

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

	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	JD	JD	JD	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 paid	(23,822,833)	-	-	(23,822,833)
<b>Ending balance</b>	<b>87,585,121</b>	<b>829,754</b>	<b>-</b>	<b>88,414,875</b>

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

As of 30 June 2022 (Reviewed And 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	387,035	-	38,027	425,062
Expected credit loss recovered from balances and accounts paid	(202,942)	-	-	(202,942)
Transferred (from) to stage 3	-	(60,875)	60,875	-
Impact on ending balance provision due to change in staging classification	-	-	354,002	354,002
<b>Ending balance</b>	<b>533,397</b>	<b>-</b>	<b>452,904</b>	<b>986,301</b>

As of 31 December 2021 (Audited):

	Stage 1 Individual JD	Stage 2 Individual JD	Stage 3 JD	Total 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)
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>

**JORDAN ISLAMIC BANK - PUBLIC SHAREHOLDING COMPANY**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF 30 JUNE 2022 (REVIEWED AND UNAUDITED)**

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

This item consists of the following:

	Joint		Self		Total	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021	30 June 2022	31 December 2021
	JD	JD	JD	JD	JD	JD
	(Reviewed And Unaudited)	(Audited)	(Reviewed And Unaudited)	(Audited)	(Reviewed And Unaudited)	(Audited)
<b>Individuals (Retail):</b>						
Murabaha to the purchase orderer	832,234,987	779,363,469	-	-	832,234,987	779,363,469
Deferred sales	13,561,996	12,516,576	-	-	13,561,996	12,516,576
Ijarah Mawsoofa Bil Thimma	9,056,810	8,188,586	-	-	9,056,810	8,188,586
Ijarah Muntahia Bittamleek						
receivables	6,710,814	6,725,008	-	-	6,710,814	6,725,008
Istisna'a	225,607	240,519	-	-	225,607	240,519
Customers' receivables	6,775,913	6,409,723	4,394,824	4,820,467	11,170,737	11,230,190
Real estate financing	562,015,823	534,061,224	-	-	562,015,823	534,061,224
<b>Corporate:</b>						
International Murabaha	22,046,287	25,170,318	-	-	22,046,287	25,170,318
Murabaha to the purchase orderer	520,741,124	463,400,681	-	-	520,741,124	463,400,681
Ijarah Mawsoofa Bil Thimma	76,464	-	-	-	76,464	-
Ijarah Muntahia Bittamleek						
receivables	273,484	264,358	-	-	273,484	264,358
Istisna'a	23,091,948	25,190,872	-	-	23,091,948	25,190,872
<b>Small and Medium Enterprises (SME's):</b>						
Murabaha to the purchase orderer	181,494,143	169,998,180	-	-	181,494,143	169,998,180
Deferred sales	12,634	16,815	-	-	12,634	16,815
Ijarah Mawsoofa bil Thimma	760,535	249,375	-	-	760,535	249,375
Ijarah Muntahia Bittamleek						
receivables	468,947	352,291	-	-	468,947	352,291
Istisna'a	815,465	745,923	-	-	815,465	745,923
Customers' receivables	-	-	2,470,151	2,035,449	2,470,151	2,035,449
Government and public sector	1,162,400,940	1,225,822,220	118,964	33,337	1,162,519,904	1,225,855,557
<b>Total</b>	<b>3,342,763,921</b>	<b>3,258,716,138</b>	<b>6,983,939</b>	<b>6,889,253</b>	<b>3,349,747,860</b>	<b>3,265,605,391</b>
Less: deferred revenues	(294,071,403)	(308,728,178)	-	-	(294,071,403)	(308,728,178)
Less: suspended revenues	(9,508,595)	(10,261,762)	-	-	(9,508,595)	(10,261,762)
Less: deferred mutual insurance	(22,767,954)	(20,961,641)	-	-	(22,767,954)	(20,961,641)
Less: expected credit loss	(114,674,480)	(113,934,095)	(615,000)	(615,000)	(115,289,480)	(114,549,095)
<b>Net deferred sales and other receivables</b>	<b>2,901,741,489</b>	<b>2,804,830,462</b>	<b>6,368,939</b>	<b>6,274,253</b>	<b>2,908,110,428</b>	<b>2,811,104,715</b>

**JORDAN ISLAMIC BANK - PUBLIC SHAREHOLDING COMPANY**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF 30 JUNE 2022 (REVIEWED AND UNAUDITED)**

Movements on deferred sales receivables, other receivables and financing and expected credit loss or joint were as follows (note 7 and 9):

**As at 30 June 2022 (Reviewed And Unaudited)**

Balance at beginning of the period

Transfer (from) to during the period

**Balance at the end of the period**

	Retail	Real estate financing	Large corporates	Small and Medium Enterprises	Total
	JD	JD	JD	JD	JD
Balance at beginning of the period	36,317,834	24,535,693	37,566,585	15,820,512	114,240,624
Transfer (from) to during the period	86,360	(2,593,429)	4,588,029	(1,322,721)	758,239
<b>Balance at the end of the period</b>	<b>36,404,194</b>	<b>21,942,264</b>	<b>42,154,614</b>	<b>14,497,791</b>	<b>114,998,863</b>

**As at 30 June 2022 (Reviewed And Unaudited)**

Expected credit loss of non-performing receivables on individual customer basis

Expected credit loss of watch list receivables based on individual customer basis

Expected credit loss of acceptable risk receivables on individual customer basis

Expected credit loss of acceptable risk receivables on portfolio basis

**Total**

	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	23,177,573	19,441,492	21,884,813	13,106,921	77,610,799
Expected credit loss of watch list receivables based on individual customer basis	1,852,478	1,806,843	18,789,100	638,607	23,087,028
Expected credit loss of acceptable risk receivables on individual customer basis	513,404	560,882	1,480,701	351,641	2,906,628
Expected credit loss of acceptable risk receivables on portfolio basis	10,860,739	133,047	-	400,622	11,394,408
<b>Total</b>	<b>36,404,194</b>	<b>21,942,264</b>	<b>42,154,614</b>	<b>14,497,791</b>	<b>114,998,863</b>

**JORDAN ISLAMIC BANK - PUBLIC SHAREHOLDING COMPANY**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF 30 JUNE 2022 (REVIEWED AND UNAUDITED)**

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

Balance at beginning of the year	34,838,196	31,842,049	29,669,215	14,531,350	110,880,810
Transfer (from) 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)**

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>



**JORDAN ISLAMIC BANK - PUBLIC SHAREHOLDING COMPANY**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF 30 JUNE 2022 (REVIEWED AND UNAUDITED)**

Movements on expected credit loss for deferred sales receivables, other receivables and financing – self (note 7 and 9) were as follows:

**As at 30 June 2022 (Reviewed And Unaudited)**

Balance at beginning of the period  
Transfer from during the period

**Balance at the end of the period**

Retail	Real estate financing	Large corporates	Small and Medium Enterprises	Government and public sector	Total
JD	JD	JD	JD	JD	JD
623,986	-	-	-	-	623,986
(7,893)	-	-	-	-	(7,893)
<b>616,093</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>616,093</b>

**As at 30 June 2022 (Reviewed And Unaudited)**

Expected credit loss of non-performing receivables on individual customer basis  
Expected credit loss of watch list receivables based on individual customer basis  
Expected credit loss of watch list receivables on portfolio basis

**Total**

Retail	Real estate financing	Large corporates	Small and Medium Enterprises	Government and public sector	Total
JD	JD	JD	JD	JD	JD
298,015	-	-	-	-	298,015
302,150	-	-	-	-	302,150
15,928	-	-	-	-	15,928
<b>616,093</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>616,093</b>

**JORDAN ISLAMIC BANK - PUBLIC SHAREHOLDING COMPANY**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF 30 JUNE 2022 (REVIEWED AND UNAUDITED)**

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

Balance at beginning of the year  
Transfer to during the year

**Balance at the end of the year**

Retail	Real estate financing	Large corporates	Small and Medium Enterprises	Government and public sector	Total
JD	JD	JD	JD	JD	JD
465,605	-	-	-	-	465,605
158,381	-	-	-	-	158,381
<b>623,986</b>	-	-	-	-	<b>623,986</b>

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

Expected credit loss of non-performing receivables on individual customer basis  
Expected credit loss of watch list receivables based on individual customer basis  
Expected credit loss of watch list receivables on portfolio basis

**Balance at the end of the year**

Retail	Real estate financing	Large corporates	Small and Medium Enterprises	Government and public sector	Total
JD	JD	JD	JD	JD	JD
258,175	-	-	-	-	258,175
174,245	-	-	-	-	174,245
191,566	-	-	-	-	191,566
<b>623,986</b>	-	-	-	-	<b>623,986</b>

**JORDAN ISLAMIC BANK - PUBLIC SHAREHOLDING COMPANY**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF 30 JUNE 2022 (REVIEWED AND UNAUDITED)**

Movements on the suspended revenues (note 7) were as follows:

Joint (Reviewed And Unaudited)					
For the period ended 30 June 2022					
	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	774,898	191,504	396,480	138,014	1,500,896
Less: revenue in suspense transferred to revenue	(1,511,630)	(220,753)	(263,075)	(258,605)	(2,254,063)
<b>Balance at the end of the period</b>	<b>4,561,319</b>	<b>1,280,078</b>	<b>2,844,178</b>	<b>823,020</b>	<b>9,508,595</b>

Joint (Audited)					
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 transferred 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>

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

	Joint	
	30 June 2022	31 December 2021
	JD	JD
	(Reviewed And Unaudited)	(Audited)
Cost	1,026,657,702	991,920,575
Accumulated Depreciation	(190,062,710)	(189,334,731)
Impairment provision	(31,353)	(37,242)
<b>Net Ijarah Muntahia Bittamleek assets</b>	<b>836,563,639</b>	<b>802,548,602</b>

The accrued Ijarah installments amounted to JD 7,453,245 as at 30 June 2022 (31 December 2021: JD 7,341,657) were included in deferred sales receivables and other receivables (Note 7).

**(9) Financing – Net**

	Joint		Self		Total	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021	30 June 2022	31 December 2021
	JD	JD	JD	JD	JD	JD
	(Reviewed And Unaudited)	(Audited)	(Reviewed And Unaudited)	(Audited)	(Reviewed And Unaudited)	(Audited)
<b>Individuals (Retail):</b>						
Diminishing Musharaka	37,419,530	36,891,228	226,294	250,372	37,645,824	37,141,600
<b>Total</b>	<b>37,419,530</b>	<b>36,891,228</b>	<b>226,294</b>	<b>250,372</b>	<b>37,645,824</b>	<b>37,141,600</b>
Less: Expected credit loss	(324,383)	(306,529)	(1,093)	(8,986)	(325,476)	(315,515)
<b>Net Financing</b>	<b>37,095,147</b>	<b>36,584,699</b>	<b>225,201</b>	<b>241,386</b>	<b>37,320,348</b>	<b>36,826,085</b>

Non-performing deferred sales receivables, Ijarah Muntahia Bittamleek receivables, other receivables, financing and Al Qard Al Hasan amounted to JD 104,445,250 as at 30 June 2022, representing 3.03% 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 96,750,797 as at 30 June 2022, representing 2.82% 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 1,165,514,988 as at 30 June 2022, representing 33.85% 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.

**JORDAN ISLAMIC BANK - PUBLIC SHAREHOLDING COMPANY**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF 30 JUNE 2022 (REVIEWED AND UNAUDITED)**

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

**As of 30 June 2022 (Reviewed And 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	290,635,116	173,511,751	96,929,745	2,311,948	370,345	563,758,905
Settled facilities	(229,914,153)	(117,440,845)	(112,688,552)	(7,833,903)	(11,056,787)	(478,934,240)
Transferred (from) to stage 1	45,794,855	17,134,008	(40,735,377)	(14,878,738)	(7,314,748)	-
Transferred (from) to stage 2	(82,066,775)	(19,184,758)	106,334,659	23,437,229	(28,520,395)	-
Transferred (from) to stage 3	(3,863,420)	(3,333,036)	(17,273,834)	(9,523,163)	33,993,453	-
<b>Balance at the end of the period</b>	<b>1,537,786,862</b>	<b>978,927,093</b>	<b>442,606,249</b>	<b>41,075,874</b>	<b>116,089,575</b>	<b>3,116,485,653</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 (from) to stage 1	102,739,841	22,898,318	(97,837,749)	(16,184,767)	(11,615,643)	-
Transferred (from) to stage 2	(107,109,792)	(32,526,196)	133,483,935	43,558,329	(37,406,276)	-
Transferred (from) 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>

**JORDAN ISLAMIC BANK - PUBLIC SHAREHOLDING COMPANY**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF 30 JUNE 2022 (REVIEWED AND UNAUDITED)**

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

**As of 30 June 2022 (Reviewed And 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	1,877,529	465,632	992,299	317,663	3,653,123
Expected credit loss recovered from settled facilities	(80,845)	(428,839)	(725,102)	(93,947)	(1,328,733)
Transferred (from) to stage 1	325,600	641,656	1,536,959	457,663	2,961,878
Transferred (from) to stage 2	10,763,336	1,709,398	(70,356)	(66,029)	12,336,349
Transferred (from) to stage 3	(11,088,936)	(2,351,055)	(1,466,603)	(391,633)	(15,298,227)
Impact on ending balance provision due to change in staging classification	(9,983,897)	407,995	2,372,349	1,007,262	(6,196,291)
Adjustments	12,829,436	(1,883,673)	(2,520,082)	(3,832,302)	4,593,379
<b>Balance at the end of the period</b>	<b>42,219,501</b>	<b>15,221,468</b>	<b>40,952,298</b>	<b>21,943,357</b>	<b>120,336,624</b>
<b>Reallocated:</b>					
Individual level provision	42,219,501	13,098,894	11,611,672	9,688,463	76,618,530
Collective level provision	-	2,122,574	29,340,626	12,254,894	43,718,094

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

	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 (from) to stage 1	671,872	858,186	1,823,044	415,012	3,768,114
Transferred (from) to stage 2	5,134,553	1,625,708	3,528,859	1,997,272	12,286,392
Transferred (from) 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 period</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

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

	30 June 2022	31 December 2021
	JD	JD
	(Reviewed And Unaudited)	(Audited)
<b>Quoted financial assets</b>		
Companies shares	4,499,232	4,890,407
<b>Total financial assets – quoted</b>	<b>4,499,232</b>	<b>4,890,407</b>
<b>Unquoted financial assets</b>		
Companies shares	2,419,080	2,420,902
Al Wakala Bi Al Istithmar (investment portfolio)	10,988,009	10,938,765
<b>Total financial assets - unquoted</b>	<b>13,407,089</b>	<b>13,359,667</b>
<b>Total financial assets at fair value through owner's equity – self financed</b>	<b>17,906,321</b>	<b>18,250,074</b>

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

	30 June 2022	31 December 2021
	JD	JD
	(Reviewed And Unaudited)	(Audited)
<b>Quoted financial assets:</b>		
Companies shares	19,547,908	19,357,721
<b>Total quoted financial assets</b>	<b>19,547,908</b>	<b>19,357,721</b>
<b>Unquoted financial assets:</b>		
Companies shares	12,441,307	9,263,513
Islamic banks portfolio	806,680	821,691
Al Wakala Bi Al Istithmar (investment portfolio )	1,476,684	1,572,078
<b>Total unquoted financial assets</b>	<b>14,724,671</b>	<b>11,657,282</b>
<b>Total financial assets at fair value through the joint investment accounts holders' equity</b>	<b>34,272,579</b>	<b>31,015,003</b>

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

	30 June 2022 JD (Reviewed And Unaudited)	31 December 2021 JD (Audited)
<b>Quoted financial assets</b>		
Islamic Sukuk	12,762,000	12,762,000
Expected credit losses	(101,369)	(108,105)
<b>Net quoted financial assets</b>	<b>12,660,631</b>	<b>12,653,895</b>
<b>Unquoted financial assets</b>		
Islamic Sukuk	238,435,777	249,294,595
Islamic banks portfolio	7,478,559	8,384,091
<b>Total unquoted financial assets</b>	<b>245,914,336</b>	<b>257,678,686</b>
Expected credit losses	(1,855,341)	(1,880,532)
<b>Net unquoted financial assets</b>	<b>244,058,995</b>	<b>255,798,154</b>
<b>Total Financial Assets at amortized cost</b>	<b>256,719,626</b>	<b>268,452,049</b>

- Islamic Sukuk in Jordanian Dinars 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 on long term ranges between (6.87% - 9.37%) payable on a semi-annual basis, with a maturity of less than 4 years.
- Rate of return on short term Islamic Sukuk in US Dollars ranges between (1.24% - 1.71%) with a maturity of 3-6 months .

**1. Cumulative movement on financial assets at amortized cost :**

**As of 30 June 2022 (Reviewed And Unaudited):**

	Stage 1 Individual JD	Stage 2 Individual JD	Stage 3 JD	Total JD
Balance at the beginning of the period	268,622,313	-	1,818,373	270,440,686
New investments during the period	39,175,976	-	-	39,175,976
Matured investments	(50,940,326)	-	-	(50,940,326)
<b>Balance at the end of the period</b>	<b>256,857,963</b>	<b>-</b>	<b>1,818,373</b>	<b>258,676,336</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>	<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)
Transferred (from) 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>



2. Cumulative movement on the expected credit loss:

As of 30 June 2022 (Reviewed And 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	23,841	-	-	23,841
Expected credit loss recovered from matured investments	(55,768)	-	-	(55,768)
Adjustments	-	-	-	-
<b>Balance at the end of the period</b>	<b>138,337</b>	<b>-</b>	<b>1,818,373</b>	<b>1,956,710</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)
Transferred (from) 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>

**(13) Investments in Real Estate**

	Joint	
	30 June 2022	31 December 2021
	JD	JD
	(Reviewed And Unaudited)	(Audited)
Investments in real estate *	115,661,729	119,023,646
<b>Total</b>	<b>115,661,729</b>	<b>119,023,646</b>

\* Investment in real estate are presented at fair value, with a book value (cost) of JD 111,490,132 as at 30 June 2022 compared to JD 112,738,989 as at 31 December 2021.

- Movements on investments in real estate were as follow:

	30 June 2022 (Reviewed And Unaudited)		
	Lands	Buildings	Total
	JD	JD	JD
Balance at the beginning of the period	70,771,125	48,252,521	119,023,646
Disposals	(3,285,221)	(76,696)	(3,361,917)
<b>Net Investments in real estate at the end of the period</b>	<b>67,485,904</b>	<b>48,175,825</b>	<b>115,661,729</b>

	31 December 2021 (Audited)		
	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 30 June 2022 and 31 December 2021. The fair value was determined based on recent market transactions as well as independent appraisers' information and professional judgments.

**(14) Other Assets**

	30 June 2022	31 December 2021
	JD	JD
	(Reviewed And Unaudited)	(Audited)
Accrued revenues	444,483	351,224
Prepaid expenses	5,212,242	250,696
Temporary debit accounts	7,810,181	7,992,949
Stationery and publications	648,836	493,727
Stamps	83,054	83,498
Credit card accounts	5,144,975	5,892,086
Settlement guarantee fund deposits	25,000	25,000
Refundable deposits	393,869	370,315
Reposessed assets - Net *	40,898,873	36,275,835
Others	1,224,187	322,608
<b>Total</b>	<b>61,885,700</b>	<b>52,057,938</b>

**\* Movement on the reposessed was as follow:**

	30 June 2022	31 December 2021
	JD	JD
	(Reviewed And Unaudited)	(Audited)
<b>Beginning balance for the period / year</b>	37,378,971	39,765,682
Additions	6,883,385	18,279,381
Disposals *	(1,873,444)	(20,666,092)
<b>Ending balance for the period / year</b>	<b>42,388,912</b>	<b>37,378,971</b>
Provision for acquired assets **	(389,391)	(12,363)
provision for impairment in acquired assets	(1,100,648)	(1,090,773)
<b>Total</b>	<b>40,898,873</b>	<b>36,275,835</b>

\* A total of JD 19,704,646 were transferred 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 calaculated in accordance to the letter of the central bank of Jordan No (10/3/13246) dated 2 Septemper 2021 .

**JORDAN ISLAMIC BANK - PUBLIC SHAREHOLDING COMPANY**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF 30 JUNE 2022 (REVIEWED AND UNAUDITED)**

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

	30 June 2022 (Reviewed And Unaudited)				
	Retail	Large corporates	Small and Medium Enterprises	Government and public sector	Total
	JD	JD	JD	JD	JD
Current accounts	813,047,067	19,865,448	248,665,314	25,994,285	1,107,572,114
On demand accounts	269,854,492	236,064	1,305,754	-	271,396,310
<b>Total</b>	<b>1,082,901,559</b>	<b>20,101,512</b>	<b>249,971,068</b>	<b>25,994,285</b>	<b>1,378,968,424</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 25,994,285 representing 1.89% of the total customers' current and on demand accounts as at 30 June 2022 compared to JD 36,079,404 representing 2.61% as at 31 December 2021.

Dormant accounts amounted to JD 17,536,745 as of 30 June 2022 compared to JD 23,809,994 as of 31 December 2021.

The restricted accounts amounted to JD 6,704,518 representing 0.49% of the total customers' current and on demand accounts as of 30 June 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:

	30 June 2022 JD (Reviewed And Unaudited)	31 December 2021 JD (Audited)
<b>Beginning balance for the period / year</b>	32,652,979	26,142,445
Income tax paid	(29,219,376)	(22,509,023)
Income tax expense	19,529,002	37,397,819
Income tax paid for the years 2021	-	(8,378,262)
<b>Ending balance for the period / year</b>	<b>22,962,605</b>	<b>32,652,979</b>

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

	30 June	
	2022	2021
	JD	JD
	(Reviewed And Unaudited)	(Reviewed And Unaudited)
Income tax expense for the period	19,529,002	18,553,702
<b>Total</b>	<b>19,529,002</b>	<b>18,553,702</b>

Income tax was calculated to reach 35% in addition to a national contribution of 3% for a total of 38% in accordance with the income tax law No. (34) of 2014 and its amended .

The bank reached a final settlement with the income tax department up to end of 2020. The bank submitted the income tax declaration for the year 2021, the income and sales tax department has not reviewed the records up to the date of this financial statement.

There are no pending legal cases related to the bank with the income tax court and according to the banks administration and its tax advisor the tax provision taken are sufficient as on 30 June 2022.

#### **Subsidiary Companies:**

##### **Al Samaha Financing and Investment Company Ltd:**

The Company reached a final settlement with the income tax department up to end of 2018, the Company submitted the income tax declaration for the years 2019,2020 and 2021, the income and sales tax department has not reviewed the records up to the date of the interim condensed consolidated financial statements .

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

The Company reached a final settlement with the income tax department up to end of 2020, and the Company submitted the income tax declaration for 2021. The income and sales tax department has not reviewed the records up to the date of the consolidated financial statement.

##### **Omaryeh school company Ltd:**

The Company reached final settlement with the income tax department up to end of 2018, the Company submitted the income tax declaration for the years 2019,2020 and 2021, the income tax department has not reviewed the records up to the date of the consolidated financial statements

##### **Future Applied Computer Technology Company Ltd:**

The Company reached final settlement with the income tax department up to end of 2020 , the Company submitted the income tax declaration for the year 2021, the income and sales tax department has not reviewed the records up to the date of the consolidated financial statements.

**JORDAN ISLAMIC BANK - PUBLIC SHAREHOLDING COMPANY**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF 30 JUNE 2022 (REVIEWED AND UNAUDITED)**

**(17) Other Liabilities**

This item consists of the following:

	30 June 2022 JD (Reviewed And Unaudited)	31 December 2021 JD (Audited)
Accepted cheques	6,113,921	3,613,023
Revenues received in advance	431,151	882,351
Al Qard Al Hasan Fund	2,541,320	2,129,520
Temporary deposits	1,029,422	902,882
Cheques against notes payables	6,193,070	5,681,826
Term deposit profits	7,102,435	-
Banker's cheques	6,648,223	10,210,199
Accounts payable	1,953,322	1,312,576
Miscellaneous credit balances	2,787,545	3,475,044
others	11,248,840	13,601,278
<b>Total</b>	<b>46,049,249</b>	<b>41,808,699</b>

**(18) Unrestricted Investment Accounts**

**A- This item consists of the following:**

	30 June 2022 (Reviewed And Unaudited)					
	Retail	Large corporates	Small and Medium Enterprises	Government and public sector	Banks	Total
	JD	JD	JD	JD	JD	JD
Saving accounts	640,667,906	1,038,953	4,814,267	36	24,596,313	671,117,475
Notice accounts	7,944,598	-	4,542,141	642,166	8,405,197	21,534,102
Term accounts	2,088,004,703	40,376,678	157,858,948	177,963,668	21,000,000	2,485,203,997
<b>Total</b>	<b>2,736,617,207</b>	<b>41,415,631</b>	<b>167,215,356</b>	<b>178,605,870</b>	<b>54,001,510</b>	<b>3,177,855,574</b>
Depositors' share from Investment returns	28,362,607	429,236	1,745,744	1,851,091	439,303	32,827,981
<b>Total unrestricted investment accounts</b>	<b>2,764,979,814</b>	<b>41,844,867</b>	<b>168,961,100</b>	<b>180,456,961</b>	<b>54,440,813</b>	<b>3,210,683,555</b>
	31 December 2021 (Audited)					
	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
<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>

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 180,456,961 representing 5.62 % of the total unrestricted investment accounts as at 30 June 2022 compared to JD 133,126,368 representing 4.23 % as at 31 December 2021.

Dormant accounts amounted to JD 8,653,926 as at 30 June 2022 compared to JD 9,629,988 as at 31 December 2021.

The withdrawal restricted investment accounts amounted to JD 5,223,282 representing 0.16 % of the total unrestricted investment accounts as at 30 June 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	
	30 June 2022	31 December 2021
	JD	JD
	(Reviewed And Unaudited)	(Audited)
Investment accounts holders' reserve – Subsidiaries	10,504,725	10,901,495
Investment accounts holders' reserve – Associates	3,447,413	3,355,400
<b>Total</b>	<b>13,952,138</b>	<b>14,256,895</b>
<b>Non-Controlling Interests-investment account holders</b>	<b>38,389</b>	<b>38,798</b>

**(19) Fair Value Reserve -net**

This item consists of the following:

**A- Joint**

	Joint	
	30 June 2022	31 December 2021
	JD	JD
	(Reviewed And Unaudited)	(Audited)
Financial assets at fair value through joint investment accounts holders' equity reserve	(1,684,678)	(1,840,374)
Investments in real estate reserve	2,586,390	3,896,487
<b>Total</b>	<b>901,712</b>	<b>2,056,113</b>

**B- Self**

	Self	
	30 June 2022	31 December 2021
	JD (Reviewed And Unaudited)	JD (Audited)
Financial assets reserve at fair value through owner's equity – self	2,858,721	3,069,831
<b>Total</b>	<b>2,858,721</b>	<b>3,069,831</b>

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

	30 June 2022 (Reviewed And Unaudited)		
	Financial assets at fair value	Investments in real estate	Total
	JD	JD	JD
Balance at the beginning of the period *	(2,968,345)	6,284,657	3,316,312
Unrealized profits	251,123	173,084	424,207
Deferred tax (liabilities) assets	1,032,544	(1,585,207)	(552,663)
Profits transferred to the consolidated income statement	-	(2,286,144)	(2,286,144)
<b>Balance at the end of the period</b>	<b>(1,684,678)</b>	<b>2,586,390</b>	<b>901,712</b>

	31 December 2021 (Audited)		
	Financial assets at fair value	Investments in real estate	Total
	JD	JD	JD
Balance at the beginning of the year	(4,066,732)	12,529,346	8,462,614
Unrealized (losses) profits	2,200,120	(3,378,227)	(1,178,107)
Deferred tax (liabilities) assets	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.



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

	Financial assets at fair value	
	30 June 2022	31 December 2021
	JD (Reviewed And Unaudited)	JD (Audited)
Beginning Balance for the period / year *	4,951,340	4,658,579
Unrealized (losses) profits	(340,500)	308,256
Deferred tax liabilities	(1,752,119)	(1,881,509)
Profits transferred to retained earnings	-	(15,495)
<b>Ending Balance for the period / year</b>	<b>2,858,721</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 aprovision for future risks were as follows :

	30 June 2022	31 December 2021
	JD (Reviewed And Unaudited)	JD (Audited)
Beginning balance for the period / year	25,000,000	25,980,009
Transfer to provision for expected credit loss-joint	-	(980,009)
<b>Ending Balance for the period / year</b>	<b>25,000,000</b>	<b>25,000,000</b>

**B. Mutual Insurance Fund**

Movements on the Mutual Insurance Fund were as follows:

	30 June 2022	31 December 2021
	JD (Reviewed And Unaudited)	JD (Audited)
<b>Beginning balance for the period / year</b>	<b>50,448,766</b>	<b>48,820,782</b>
Add: profits for the years 2020 and 2021	1,155,864	1,265,186
Add: insurance premiums collected during the period / year	4,944,776	7,669,033
Add: amounts recovered from prior years losses	101,018	100,837
Add: Other revenues	268,706	-
Less: insurance premiums paid during the period / year	(6,145,730)	(5,473,255)
Less: Taxes paid in advance for 2021	-	(443,768)
Less: income tax for 2021	(1,373,023)	-
Less: fund's committee members remunerations	(16,000)	(16,000)
Less: consulting fees during the period/year	(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)
Transferred to expected credit losses provision during period/year	-	(1,000,000)
<b>Ending balance for the period / year</b>	<b>49,382,637</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.
- 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 fund insurance is among the unrestricted investment accounts.

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

	30 June 2022	31 December 2021
	JD	JD
	(Reviewed And Unaudited)	(Audited)
Provision for expected credit loss-Bank	112,806,615	112,060,904
Expected credit loss provision for Al samaha funding and investment company Ltd .	824,864	830,190
Expected credit loss provision for Al omariah school company Ltd .	1,043,001	1,043,001
<b>Total</b>	<b>114,674,480</b>	<b>113,934,095</b>

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

	30 June 2022	31 December 2021
	JD	JD
	(Reviewed And Unaudited)	(Audited)
Balance at the beginning of the period/year	119,661,999	115,927,918
Provision during the period/year through the 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 (recovered) from subsidiaries	(5,326)	657,403
Written-off	-	(4,903,331)
Others	102	-
<b>Balance at the end of the period/ year</b>	<b>119,656,775</b>	<b>119,661,999</b>

**JORDAN ISLAMIC BANK - PUBLIC SHAREHOLDING COMPANY**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF 30 JUNE 2022 (REVIEWED AND UNAUDITED)**

**(21) Deferred Sales Revenues**

This item consists of the following:

	Joint		self		Total	
	For the six months ended 30 June		For the six months end 30 June		For the six months end 30 June	
	2022	2021	2022	2021	2022	2021
	JD	JD	JD	JD	JD	JD
	(Reviewed And Unaudited)	(Reviewed And Unaudited)	(Reviewed And Unaudited)	(Reviewed And Unaudited)	(Reviewed And Unaudited)	(Reviewed And Unaudited)
<b>Individuals (Retail):</b>						
Murabaha to the purchase orderer	23,749,632	21,451,555	-	-	23,749,632	21,451,555
Deferred sales	458,718	445,785	-	-	458,718	445,785
Ijarah Mawsoofa Bil Thimma	272,951	239,564	-	-	272,951	239,564
Istisna'a	8,030	8,869	-	-	8,030	8,869
<b>Real Estate Financing</b>	<b>14,458,342</b>	<b>13,562,100</b>	<b>-</b>	<b>2,000</b>	<b>14,458,342</b>	<b>13,564,100</b>
<b>Corporate:</b>						
International Murabaha	119,714	118,238	-	-	119,714	118,238
Murabaha to the purchase orderer	8,576,860	11,514,270	-	-	8,576,860	11,514,270
Deferred sales	-	67	-	-	-	67
Ijarah Mawsoofa Bil Thimma	899	-	-	-	899	-
Istisna'a	687,077	867,336	-	-	687,077	867,336
<b>Small and Medium Enterprises:</b>						
Murabaha to the purchase orderer	4,305,317	3,590,988	-	-	4,305,317	3,590,988
Deferred sales	282	738	-	-	282	738
Ijarah Mawsoofa Bil Thimma	4,923	31,563	-	-	4,923	31,563
Istisna'a	15,197	-	-	-	15,197	-
Government and public sector	21,326,411	20,133,914	-	-	21,326,411	20,133,914
<b>Total</b>	<b>73,984,353</b>	<b>71,964,987</b>	<b>-</b>	<b>2,000</b>	<b>73,984,353</b>	<b>71,966,987</b>

**(22) Financing Revenues**

This item consists of the following:

	Joint		Self		Total	
	For the Six Months Ended on 30 June		For the Six Months Ended on 30 June		For the Six Months Ended on 30 June	
	2022	2021	2022	2021	2022	2021
	JD	JD	JD	JD	JD	JD
	(Reviewed And Unaudited)	(Reviewed And Unaudited)	(Reviewed And Unaudited)	(Reviewed And Unaudited)	(Reviewed And Unaudited)	(Reviewed And Unaudited)
<b>Individuals (Retail):</b>						
Diminishing Musharaka	270,169	250,513	3,788	1,762	273,957	252,275
<b>Total</b>	<b>270,169</b>	<b>250,513</b>	<b>3,788</b>	<b>1,762</b>	<b>273,957</b>	<b>252,275</b>

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

This item consists of the following:

	Joint	
	For the Six Months Ended on 30 June	
	2022	2021
	JD (Reviewed And Unaudited)	JD (Reviewed And Unaudited)
Dividends income	546,827	790,081
Gain from sale of financial assets at fair value	-	1,101,733
<b>Total</b>	<b>546,827</b>	<b>1,891,814</b>

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

This item consists of the following:

	Joint	
	For the Six Months Ended on 30 June	
	2022	2021
	JD (Reviewed And Unaudited)	JD (Reviewed And Unaudited)
Islamic Sukuk	4,825,483	4,815,043
Islamic banks portfolio revenues	151,914	51,986
<b>Total</b>	<b>4,977,397</b>	<b>4,867,029</b>

**JORDAN ISLAMIC BANK - PUBLIC SHAREHOLDING COMPANY**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF 30 JUNE 2022 (REVIEWED AND UNAUDITED)**

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

This item consists of the following:

	Ownership percentage	Distribution percentage	Joint	
			30 June 2022	30 June 2021
	%	%	JD (Reviewed And Unaudited)	JD (Reviewed And Unaudited)
<b>Subsidiaries</b>				
Al Samaha Financing and Investment Company Ltd.	100.0	5.0	600,000	600,000
<b>Associates</b>				
Jordanian Center for International Trading Co.	28.4	5.0	48,200	48,200
Islamic Insurance Co.	33.3	8.0	400,000	400,000
Sale of subsidiary company *			-	1,071,604
<b>Total</b>			<b>1,048,200</b>	<b>2,119,804</b>

\* On 6 January 2021, the investment in subsidiary (Future Applied Computer Technology Company Ltd.) was transferred from the joint-investment sources to the self- Bank 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 Six Months Ended on 30 June	
	2022	2021
	JD (Reviewed And Unaudited)	JD (Reviewed And Unaudited)
Net rent income from investing in real estate	491,235	611,453
Net income from sale of investing in real estate	2,286,143	228,833
<b>Revenues from investments in real estate</b>	<b>2,777,378</b>	<b>840,286</b>

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

This item consists of the following:

	For the Six Months Ended on 30 June	
	2022	2021
	JD	JD
	(Reviewed And Unaudited)	(Reviewed And Unaudited)
<b>Banks and Financial Institutions</b>	439,303	416,195
<b>Customers:</b>		
Saving Accounts	3,302,655	3,295,653
Notice Accounts	116,899	128,375
Term Accounts	28,969,124	27,176,419
<b>Total</b>	<b>32,827,981</b>	<b>31,016,642</b>

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

This item consists of the following:

	For the Six Months Ended on 30 June	
	2022	2021
	JD	JD
	(Reviewed And Unaudited)	(Reviewed And Unaudited)
Bank's share as Mudarib	49,286,652	47,997,185
Bank's share as Rab Mal	24,046,397	23,846,460
<b>Total</b>	<b>73,333,049</b>	<b>71,843,645</b>

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

This item consists of the following:

	For the Six Months Ended on 30 June	
	2022	2021
	JD	JD
	(Reviewed And Unaudited)	(Reviewed And Unaudited)
Sales receivables revenues- Note (21)	-	2,000
Financing revenues – Note (22)	3,788	1,762
Gain from financial assets at the fair value through equity	11,447	219,880
<b>Total</b>	<b>15,235</b>	<b>223,642</b>

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

This item consists of the following:

	For the Six Months Ended on 30 June	
	2022	2021
	(Reviewed And Unaudited)	(Reviewed And Unaudited)
Profit for the period after income tax (JD)	33,031,609	31,109,852
Weighted average number of shares (share)	200,000,000	200,000,000
<b>Basic earnings per share (JD/Fils)</b>	<b>0/165</b>	<b>0/156</b>

**(31) Cash and Cash Equivalents**

This item consists of the following:

	For the Six Months Ended on 30 June	
	2022	2021
	JD	JD
	(Reviewed And Unaudited)	(Reviewed And Unaudited)
Cash and balances with The Central Bank maturing within 3 months*	807,048,161	975,367,092
Add: Balances at banks and financial institutions maturing within 3 months	57,713,487	48,178,815
Less: Balances at banks and financial institutions maturing within 3 months	(48,465,255)	(64,259,636)
<b>Total</b>	<b>816,296,393</b>	<b>959,286,271</b>

\*statutory reserve includes (note 4).



**(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	
		30 June 2022	31 December 2021
		JD (Reviewed And Unaudited)	JD (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 parent company, 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.

**JORDAN ISLAMIC BANK - PUBLIC SHAREHOLDING COMPANY**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF 30 JUNE 2022 (REVIEWED AND UNAUDITED)**

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

	Related parties				Total	
	Parent Company	Associates	Subsidiaries	Board members and Senior Executive management	30 June	31 December
					2022	2021
					JD	JD
					(Reviewed And Unaudited)	(Audited)
Interim condensed consolidated statement of financial position items:						
Deferred sales receivables	-	820,457	1,530,010	9,717,575	12,068,042	10,088,028
Financing of employees housing/ Musharaka	-	-	-	874,563	874,563	1,010,134
Deposits	114,184	9,993,267	2,265,497	3,029,300	15,402,248	16,124,532
Off consolidated statement of financial position items:						
Guarantees and Letters of credit	-	118,750	538,250	2,520,666	3,177,666	3,090,532
					For the period ended on 30 June	
					2022	2021
					JD	JD
					(Reviewed And Unaudited)	(Reviewed And Unaudited)
Interim condensed Consolidated income statement items:						
Paid expenses	-	3,067,475	731,366	1,710,801	5,509,642	5,041,277
Received revenues	12	39,403	53,071	284,308	376,794	390,556
Paid Profits	-	105,375	17,144	5,995	128,514	24,300

- Murabaha rate on granted financing ranged between (3%-4.75%) annually as at 30 June 2022 (2021: 3.0% - 4.75%).
- Musharaka profit rate of financing granted to the employees ranged between (1.75%-4.8%) annually as at 30 June 2022 (2021: 2% - 4.8%).
- Guarantees commission rate ranged between (1%-4%) annually as at 30 June 2022 (2021: 1% - 4%). Letters of credit commission rate ranged between (1/4% - 3/8%) quarterly as 30 June 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 Six Months Ended on 30 June	
	2022	2021
	JD	JD
	(Reviewed And Unaudited)	(Reviewed And Unaudited)
Salaries, remuneration and transportation	1,433,017	1,279,534
<b>Total</b>	<b>1,433,017</b>	<b>1,279,534</b>

**(33) 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 geopolitical tensions 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 instructions of central bank of Jordan , the requirements of Basel committee on Banking Supervision Standards and Islamic financial services board 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:**

The Bank determines the acceptable level of risk and approves them by the Board of Directors. The actual level is monitored and compared with the acceptable level of risk on a regular basis. It is considered one of the most important elements of governance in the risk management process, in line with the business model adopted by the 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 consuming 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 circumstances 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:**

**A - Direct credit facilities**

The credit exposure value has been calculated at default, equal to the balance of the credit facilities (drawn and undrawn) as at the date of the financial statements.

**B - Indirect Credit Facilities:**

The credit exposure value was calculated at default, equal to the full indirect credit facilities (drawn and undrawn) 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

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 were as follows:

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

## 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. Maintaining reasonable liquidity to cover outgoing cash flows.
2. Diversifying sources of financing.
3. Establishing the Assets and Liabilities committee .
4. Distribution of financing among various sectors and geographical areas to mitigate concentration risk.
5. Liquidity management is based on natural and emergency circumstances including using and analyzing assets and various financial ratios maturities.
6. Monitoring liquidity by following up on emergency financing plans metrics periodically.
7. Preparing internal liquidity pressure scenarios to address liquidity risks.

- The bank is obligated to measure liquidity risks in accordance with the instructions of the central bank of Jordan and as follow:

#### **Liquidity Coverage Ratio (LCR)**

The monthly average Liquidity Coverage Ratio (LCR) according to the instructions of the Central Bank of Jordan for the period from 1 January 2022 to 30 June 2022 is 220.3% (Minimum rate according to the Central Bank is 100%) .

#### **Components of the Liquidity Coverage Ratio (LCR) calculation as of 30 June 2022 (Reviewed And Unaudited):**

Component	Before applying adjustments and haircuts ratio	After applying adjustments and haircuts ratio
	JD	JD
Assets level one	816,833,938	816,833,938
Assets level two *	23,973,856	11,986,928
<b>Total High Quality Liquid Assets</b>	<b>840,807,794</b>	<b>828,820,866</b>
<b>Cash outflows</b>	<b>27,442,516,734</b>	<b>514,828,085</b>
<b>Cash inflows</b>	<b>266,528,384</b>	<b>117,974,826</b>

\* The maximum amount of level 2 liquid assets is JD 336,323,117 (40% of gross high quality liquid assets).

#### **Liquidity Coverage Ratio (LCR) calculation as of 30 June 2022 (Reviewed And Unaudited):**

Component	After applying adjustments and haircuts ratio
	JD
Total high quality liquid assts after adjustments	828,820,866
Net cash outflows	396,853,259
<b>Liquidity coverage ratio</b>	<b>208.8%</b>

#### **Legal Liquidity Ratio (LLR):**

The daily average of the legal liquidity ratio (LLR) in total currencies and in the Jordanian dinar, from 1 January 2022 to 30 June 2022 (134% and 123%), respectively. (The minimum for this percentage according to the instructions of the Central Bank of Jordan is 100% and 70%, respectively).

### **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) Complying 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 foreign 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.

#### **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 shareholder's equity (at a maximum limit of 5% of the shareholder'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.

### **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.

### **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. Non- Compliance risks**

Compliance risks represents sanctions on matters related to legal and/ or decided by the regulatory authorities or financial losses or reputational risks and/ or financial crimes risks and/ or fraud and bribery and corruption risks and/or legitimate non-compliance risks, which the Bank might face because of non-compliance with laws, regulations, standards, codes of conduct, proper banking practices and decisions and Fatwas issued by the Sharia supervisory board.

In order to protect the bank from these risks, the Compliance Control Department ensures that the bank and its internal policies comply with all laws, regulations, instructions, orders, codes of conduct, standards and proper banking practices issued by local and international supervisory authorities, by setting and developing a compliance control policy and guidelines, preparing and developing the general anti-money laundering policy and preparing procedures work procedures regarding internal and external laws, regulations and instructions, preparing a charter of professional conduct 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.

The safety and health committee sets the necessary, instructions and conditions to insure a good work environment , in addition to educating employees of the need to follow the conditions of safety and health on agoing basis .

## **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 register 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.

**JORDAN ISLAMIC BANK - PUBLIC SHAREHOLDING COMPANY**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF 30 JUNE 2022 (REVIEWED AND UNAUDITED)**

**(34) Risk Management**

**A. Distribution of exposure according to economic sector:**

**1. Financial instruments total exposure distribution :**

As at 30 June 2022 (Reviewed And Unaudited)	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	-		-		-		-		-		-		-		621,486,241		-		621,486,241	
Balances at banks and financial institutions	46,014,987		-		-		-		-		-		-		-		-		46,014,987	
Investment accounts at banks and financial institutions	47,148,500		-		-		-		-		-		-		-		-		47,148,500	
Credit facilities	22,046,287		217,781,701		367,126,298		522,755,143		43,688,009		-		790,928,234		1,053,586,622		98,573,359		3,116,485,655	
Financial assets	25,390,336		-		-		-		-		-		-		233,286,000		-		258,676,333	
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	25,390,336		-		-		-		-		-		-		233,286,000		-		258,676,333	
Encumbered financial assets (Debt instruments)	-		-		-		-		-		-		-		-		-		-	
Other assets	-		-		-		-		-		-		-		-		-		-	
<b>Total</b>	<b>140,600,110</b>		<b>217,781,701</b>		<b>367,126,298</b>		<b>522,755,143</b>		<b>43,688,009</b>		<b>-</b>		<b>790,928,234</b>		<b>1,908,358,863</b>		<b>98,573,359</b>		<b>4,089,811,711</b>	
Guarantees	4,654,650		8,511,829		17,060,455		-		944,176		-		24,775,468		-		72,553,387		128,499,96	
Letter of credits	2,862,588		14,811,634		8,397,713		-		85,256		-		3,389,137		-		14,696,445		44,242,77	
Acceptances	-		315,207		2,407,175		-		-		-		916,102		-		16,828,325		20,466,80	
Other commitments	-		35,005,555		50,026,233		-		1,961,949		-		41,053,387		-		51,543,731		179,590,85	
<b>Grand Total</b>	<b>148,117,348</b>		<b>276,425,926</b>		<b>445,017,874</b>		<b>522,755,143</b>		<b>46,679,390</b>		<b>-</b>		<b>861,062,328</b>		<b>1,908,358,863</b>		<b>254,195,247</b>		<b>4,462,612,111</b>	

**JORDAN ISLAMIC BANK - PUBLIC SHAREHOLDING COMPANY**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF 30 JUNE 2022 (REVIEWED AND UNAUDITED)**

As at 31 December 2021 (Audited)	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		3,031,660,986	
<b>Financial assets</b>	<b>40,965,686</b>		<b>-</b>		<b>-</b>		<b>-</b>		<b>-</b>		<b>-</b>		<b>-</b>		<b>229,475,000</b>		<b>-</b>		<b>270,440,686</b>	
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	-		-		-		-		-		-		-		-		-		-	
<b>Total</b>	<b>154,665,582</b>		<b>130,291,772</b>		<b>284,858,110</b>		<b>498,225,876</b>		<b>39,464,854</b>		<b>-</b>		<b>742,636,537</b>		<b>2,036,550,038</b>		<b>215,302,955</b>		<b>4,101,995,724</b>	
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	
Acceptances	-		-		11,289,931		-		-		-		-		-		-		11,289,931	
Other commitments	-		36,573,213		44,289,884		-		4,031,073		-		45,169,337		-		105,780,514		235,844,021	
<b>Grand total</b>	<b>162,059,439</b>		<b>188,337,738</b>		<b>363,874,400</b>		<b>498,225,876</b>		<b>44,357,585</b>		<b>-</b>		<b>815,344,193</b>		<b>2,036,550,038</b>		<b>400,405,910</b>		<b>4,509,155,174</b>	

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

**As at 30 June 2022 (Reviewed and unaudited )**

	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD	JD	JD
Financial	144,690,760	615,501	25,000	-	2,786,087	148,117,348
Industrial	164,341,084	1,366,189	106,893,417	287,423	3,537,813	276,425,926
Commercial	236,536,188	4,634,247	170,081,866	1,131,990	32,633,583	445,017,874
Real estate	73,086,711	341,063,825	78,533,502	12,744,514	17,326,591	522,755,143
Agriculture	24,369,627	50,430	18,783,628	52,436	3,423,269	46,679,390
Shares	-	-	-	-	-	-
Individuals	108,527,731	641,489,599	38,563,146	24,855,075	47,626,777	861,062,328
Government and public sector	1,908,358,863	-	-	-	-	1,908,358,863
Others	79,613,808	32,742,338	120,857,430	3,078,325	17,903,346	254,195,247
<b>Total</b>	<b>2,739,524,772</b>	<b>1,021,962,129</b>	<b>533,737,989</b>	<b>42,149,763</b>	<b>125,237,466</b>	<b>4,462,612,119</b>

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

	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
	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
<b>Total</b>	<b>2,781,715,126</b>	<b>972,364,894</b>	<b>568,059,334</b>	<b>48,949,030</b>	<b>138,066,795</b>	<b>4,509,155,179</b>

**JORDAN ISLAMIC BANK - PUBLIC SHAREHOLDING COMPANY**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF 30 JUNE 2022 (REVIEWED AND UNAUDITED)**

**B. Distribution of exposure according to geographical sectors:**

**1. Geographic sector total exposure distribution (Reviewed and unaudited ) :**

**As at 30 June 2022**

	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	621,486,241		-		-		-		-		-		-		621,486,24	
Balances at banks and financial institutions	1,988,670		15,020,617		7,044,431		512,082		-		21,449,187		-		46,014,98	
Investment accounts at banks and financial institutions	-		47,148,500		-		-		-		-		-		47,148,50	
Credit facilities	3,094,439,367		21,288,627		757,659		-		-		-		-		3,116,485,65	
Financial assets	233,286,000		21,799,462		-		1,772,501		1,818,373		-		-		258,676,33	
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	233,286,000		21,799,462		-		1,772,501		1,818,373		-		-		258,676,33	
Encumbered financial assets (Debt instruments)	-		-		-		-		-		-		-		-	
Other assets	-		-		-		-		-		-		-		-	
<b>Total for the current period</b>	<b>3,951,200,278</b>		<b>105,257,206</b>		<b>7,802,090</b>		<b>2,284,583</b>		<b>1,818,373</b>		<b>21,449,187</b>		<b>-</b>		<b>4,089,811,71</b>	
Guarantees	127,338,215		1,161,750		-		-		-		-		-		128,499,96	
Letter of credits	44,242,773		-		-		-		-		-		-		44,242,77	
Acceptances	20,466,809		-		-		-		-		-		-		20,466,80	
Other liabilities	179,590,855		-		-		-		-		-		-		179,590,85	
<b>Total</b>	<b>4,322,838,930</b>		<b>106,418,956</b>		<b>7,802,090</b>		<b>2,284,583</b>		<b>1,818,373</b>		<b>21,449,187</b>		<b>-</b>		<b>4,462,612,11</b>	

**JORDAN ISLAMIC BANK - PUBLIC SHAREHOLDING COMPANY**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF 30 JUNE 2022 (REVIEWED AND UNAUDITED)**

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

	Inside the Kingdom	Other Middle East Countries		Europe		Asia		Africa		America		Other countries		Total	
	JD	JD	JD	JD	JD	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	2,057,640	13,226,036	2,764,338	434,359	25,832,445									44,314,818	
Investment accounts at banks and financial institutions	-	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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Total for the year</b>	<b>3,949,502,485</b>	<b>114,961,154</b>	<b>7,749,492</b>	<b>2,131,775</b>	<b>1,818,373</b>	<b>25,832,445</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,101,995,724</b>					
Guarantees	122,268,477	1,175,854	-	48,215	-	-	-	-	-	123,492,546					
Letter of credits	36,532,955	-	-	-	-	-	-	-	-	36,532,955					
Acceptances	11,289,931	-	-	-	-	-	-	-	-	11,289,931					
Other liabilities	235,844,023	-	-	-	-	-	-	-	-	235,844,023					
<b>Total</b>	<b>4,355,437,871</b>	<b>116,137,008</b>	<b>7,749,492</b>	<b>2,179,990</b>	<b>1,818,373</b>	<b>25,832,445</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,509,155,179</b>					

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

**As at 30 June 2022 (Reviewed and unaudited )**

	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD	JD	JD
Inside the Kingdom	2,602,532,484	1,021,962,129	533,737,989	42,149,763	122,456,564	4,322,838,929
Other Middle						
East Countries	105,456,429	-	-	-	962,529	106,418,958
Europe	7,802,090	-	-	-	-	7,802,090
Asia	2,284,582	-	-	-	-	2,284,582
Africa	-	-	-	-	1,818,373	1,818,373
America	21,449,187	-	-	-	-	21,449,187
<b>Total</b>	<b>2,739,524,772</b>	<b>1,021,962,129</b>	<b>533,737,989</b>	<b>42,149,763</b>	<b>125,237,466</b>	<b>4,462,612,119</b>

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

	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
	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
<b>Total</b>	<b>2,781,715,126</b>	<b>972,364,894</b>	<b>568,059,334</b>	<b>48,949,030</b>	<b>138,066,795</b>	<b>4,509,155,179</b>

**JORDAN ISLAMIC BANK - PUBLIC SHAREHOLDING COMPANY**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF 30 JUNE 2022 (REVIEWED AND UNAUDITED)**

**C. Reclassified exposures:**

**1. Total reclassified exposures :**

As at 30 June 2022 (Reviewed And Unaudited)	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	-	-	905,808	829,754	829,754	92%
Accounts at banks and financial institutions	-	-	-	-	-	-
Credit facilities	483,682,123	129,771,928	116,089,575	33,993,453	163,765,381	27%
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	483,682,123	129,771,928	118,813,756	34,823,207	164,595,135	27%
Guarantees	34,636,979	5,840,057	6,254,114	763,111	6,603,168	16%
Letter of credits	9,961,855	430,012	-	-	430,012	4%
Acceptances	575,919	-	-	-	-	0%
Other liabilities	47,030,876	6,975,875	169,596	182,659	7,158,534	15%
Grand total	575,887,752	143,017,872	125,237,466	35,768,977	178,786,849	25%



**JORDAN ISLAMIC BANK - PUBLIC SHAREHOLDING COMPANY**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF 30 JUNE 2022 (REVIEWED AND UNAUDITED)**

	Stage 2		Stage 3		Total	
	Total	Reclassified	Total	Reclassified	Total	Percentage
	exposure JD	exposures JD	exposure JD	exposures JD	reclassified exposures JD	
<b>As at 31 December 2021 (Audited)</b>						
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	128,617,707	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	-	-	-	-	-	-
<b>Total</b>	<b>458,431,824</b>	<b>120,332,613</b>	<b>130,436,080</b>	<b>52,077,120</b>	<b>172,409,733</b>	<b>%29</b>
Guarantees	29,806,001	4,292,618	6,404,734	45,725	4,338,343	%12
Letter of credits	8,456,110	-	-	-	-	%0
Acceptances	-	-	-	-	-	-
Other liabilities	120,314,429	684,285	1,225,981	344,980	1,029,265	%1
<b>Grand total</b>	<b>617,008,364</b>	<b>125,309,516</b>	<b>138,066,795</b>	<b>52,467,825</b>	<b>177,777,341</b>	<b>%24</b>

**JORDAN ISLAMIC BANK - PUBLIC SHAREHOLDING COMPANY**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF 30 JUNE 2022 (REVIEWED AND UNAUDITED)**

**2. Expected credit loss for reclassified exposures:**

	Reclassified exposures			ECL for reclassified exposures					
	Total		Total reclassified exposures from stage 2	Total reclassified exposures from stage 3		Exposures within stage 2		Exposures within stage 3	
	reclassified exposures from stage 2	reclassified exposures from stage 3		reclassified exposures from stage 2	reclassified exposures from stage 3	Individual	Collective	Individual	Collective
	JD	JD	JD	JD	JD	JD	JD	JD	JD
<b>As at 30 June 2022 (Reviewed And Unaudited)</b>									
Balances with central bank	-	-	-	-	-	-	-	-	-
Balances at banks and financial institutions	-	829,754	829,754	829,754	-	-	354,002	-	354,002
Accounts at banks and financial institutions	-	-	-	-	-	-	-	-	-
Credit facilities	129,771,928	33,993,453	163,765,381	13,191,923	1,178,251	178,132	761,796	15,310,111	15,310,111
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	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>129,771,928</b>	<b>34,823,207</b>	<b>164,595,135</b>	<b>13,191,923</b>	<b>1,178,251</b>	<b>532,134</b>	<b>761,796</b>	<b>15,664,111</b>	<b>15,664,111</b>
Guarantees	5,840,057	763,111	6,603,168	321,995	3,848	4,397	10,819	341,051	341,051
Letter of credits	430,012	-	430,012	491	-	-	-	491	491
Acceptances	-	-	-	-	-	-	-	-	-
Other liabilities	6,975,875	182,659	7,158,534	134,140	4,477	606	1,620	140,841	140,841
<b>Grand total</b>	<b>143,017,872</b>	<b>35,768,977</b>	<b>178,786,849</b>	<b>13,648,549</b>	<b>1,186,576</b>	<b>537,137</b>	<b>774,235</b>	<b>16,146,444</b>	<b>16,146,444</b>

**JORDAN ISLAMIC BANK - PUBLIC SHAREHOLDING COMPANY**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF 30 JUNE 2022 (REVIEWED AND UNAUDITED)**

	Reclassified exposures				ECL for reclassified exposures			
	Total		Exposures		Exposures		Exposures	
	reclassified exposures from stage 2	reclassified exposures from stage 3	reclassified exposures	Total	Individual	Collective	Individual	Collective
	JD	JD	JD	JD	JD	JD	JD	JD
As at 31 December 2021 (Audited)								
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	29,922,666
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	29,922,666
Guarantees	4,292,618	45,725	4,338,343	20,006	22,057	11,247	13,079	66
Letter of credits	-	-	-	-	-	-	-	-
Acceptances	-	-	-	-	-	-	-	-
Other liabilities	684,285	344,980	1,029,265	448	18,130	178,425	194,059	391
Grand total	125,309,516	52,467,825	177,777,341	2,231,105	1,747,349	21,581,904	4,819,569	30,379,666

**(35) 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.

**JORDAN ISLAMIC BANK - PUBLIC SHAREHOLDING COMPANY**

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

[illegible]

### **(36) 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 30 June 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.

	30 June 2022	31 December 2021
	Thousands JD (Reviewed And Unaudited)	Thousands JD (Audited)
<b>Common Equity Tier I</b>	469,771	451,705
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
full fair value reserve	2,070	2,184
Profits for the period after tax less expected dividends distribution	18,032	-
Intangible assets	(4,211)	(4,299)
Investments in Banks, financial institutions and Takaful companies capital that are less than 10%.	(494)	(494)
Investments in Banks, financial institutions and Takaful companies capital, beyond unified regulatory scope that are less than 10%	(2,165)	(2,225)
<b>Additional Tier I</b>	-	-
<b>Additional Tier II</b>	10,143	10,947
Provision for expected credit loss stage 1 (self) and bank share of expected credit loss provision stage 1 (mixed not to exceed 1.25) of risky assets	10,143	10,947
<b>Total regulatory capital</b>	<b>479,914</b>	<b>462,652</b>
<b>Risk Weighted Assets (RWA)</b>	<b>2,095,114</b>	<b>2,010,329</b>
<b>Common Equity Tier I Ratio</b>	<b>%22.42</b>	<b>%22.47</b>
<b>Additional Tier I Ratio</b>	<b>-</b>	<b>-</b>
<b>Tier I Ratio</b>	<b>%22.42</b>	<b>%22.47</b>
<b>Tier II Ratio</b>	<b>%0.48</b>	<b>%0.54</b>
<b>Capital Adequacy Ratio</b>	<b>%22.91</b>	<b>%23.01</b>

- Financial leverage percentage has reached 18.81% as of 30 June 2022 (2021: 17.78%).

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

**Contingent Credit Commitments**

	30 June 2022	31 December 2021
	JD	JD
	(Reviewed And Unaudited)	(Audited)
<b>Letters of credit</b>	<b>44,242,773</b>	<b>36,532,955</b>
<b>Acceptances</b>	<b>20,466,809</b>	<b>11,289,931</b>
<b>Guarantees:</b>	<b>128,499,965</b>	<b>123,492,546</b>
Payment	39,997,033	38,093,917
Performance	60,621,220	55,249,189
Others	27,881,712	30,149,440
<b>Unutilized Limits/ Direct</b>	<b>114,591,460</b>	<b>166,468,420</b>
<b>Unutilized Limits/ Indirect</b>	<b>64,999,395</b>	<b>69,375,603</b>
<b>Total</b>	<b>372,800,402</b>	<b>407,159,455</b>

**Cumulative movement on indirect facilities:**

**A. As of 30 June 2022 (Reviewed And Unaudited):**

	Stage 1		Stage 2		Stage 3	Total
	Collective	Individual	Collective	Individual		
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the period	44,124,921	196,827,280	1,386,528	157,190,012	7,630,714	407,159,455
New exposures during the period	18,625,982	158,655,246	519,757	53,120,016	5,020,293	235,941,294
Matured exposures	(19,324,918)	(120,808,140)	(958,415)	(123,292,611)	(5,916,263)	(270,300,347)
Transferred (from) to stage 1	673,434	8,053,119	(563,314)	(7,983,703)	(179,536)	-
Transferred (from) to stage 2	(755,720)	(11,412,956)	793,797	12,452,146	(1,077,267)	-
Transferred (from) to stage 3	(308,663)	(178,522)	(104,465)	(354,120)	945,770	-
<b>Balance at the end of the period</b>	<b>43,035,036</b>	<b>231,136,027</b>	<b>1,073,888</b>	<b>91,131,740</b>	<b>6,423,711</b>	<b>372,800,402</b>

**JORDAN ISLAMIC BANK - PUBLIC SHAREHOLDING COMPANY**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF 30 JUNE 2022 (REVIEWED AND UNAUDITED)**

**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	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 (from) to stage 1	515,866	7,166,827	(282,910)	(7,166,827)	(232,956)	-
Transferred (from) to stage 2	(1,035,941)	(6,855,355)	1,090,341	6,865,355	(64,400)	-
Transferred (from) 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 30 June 2022 (Reviewed And Unaudited):**

	Stage 1		Stage 2		Stage 3	Total
	Collective	Individual	Collective	Individual		
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the period	143,576	936,258	116,112	2,160,502	5,178,895	8,535,343
Expected credit loss on new exposures during the period	54,578	917,796	56,957	428,414	4,018,760	5,476,505
Expected credit loss from matured exposures	(27,260)	(264,043)	(32,770)	(1,567,014)	(1,331,091)	(3,222,178)
Transferred (from) to stage 1	121,918	58,378	(57,232)	(37,605)	(85,459)	-
Transferred (from) to stage 2	(4,687)	(62,813)	8,324	456,626	(397,450)	-
Transferred (from) to stage 3	(2,674)	(748)	(9,765)	(4,254)	17,441	-
Impact on ending balance provision due to change in staging classification through the period	(120,172)	(19,907)	20,354	(414,475)	301,190	(233,010)
Changes resulting from Adjustments	(40,261)	(355,887)	(11,217)	(393,246)	(2,872,617)	(3,673,228)
<b>Balance at the end of the period</b>	<b>125,018</b>	<b>1,209,034</b>	<b>90,763</b>	<b>628,948</b>	<b>4,829,669</b>	<b>6,883,432</b>



**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF 30 JUNE 2022 (REVIEWED AND UNAUDITED)**

**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 (from) to stage 1	147,740	45,806	(7,934)	(45,806)	(139,806)	-
Transferred (from) to stage 2	(24,053)	(52,530)	63,697	55,257	(42,371)	-
Transferred (from) to stage 3	(661)	-	(540)	(1285)	2486	-
Impact on ending balance provision due to change in staging classification through the year	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)
<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>

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

The lawsuits filed against the Bank (self) amounted to JD 36,950 as of 30 June 2022 with a provision of JD 15,500 (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 30 June 2022 amounted to JD 1,795,169 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.

**(39) 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.