



# Safwa Islamic Bank

## Investor Report

### 2022

# Contents



## 01 | Safwa Bank, Financials

At a glance, Highlights, Funding, Uses of Fund, NPM Analyses, Profitability, Assets Quality, Liquidity, Efficiency

Pages:  
2 to 14

## 02 | Stronger Safwa

Milestones, Why to invest in Safwa, Our Values, Outlook, Success Journey, Our Products and Services, Safwa Share

Pages:  
15 to 27



## 03 | Jordanian Banking Sector

CBJ Role, Basic info and indicators

Pages:  
28 to 31



## 04 | Jordan

At a glance, Jordanian Economic, Why to invest in Jordan,

Pages:  
32 to 35





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# Safwa Islamic Bank

## Financials





Record full year revenue

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Above market growth in deposits and facilities

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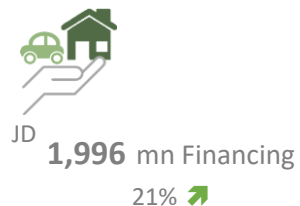
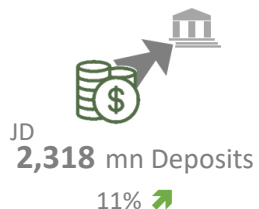
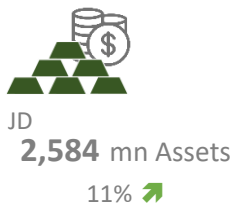
Dynamic transformation strategy reflected by up to date E- to –E customer on boarding

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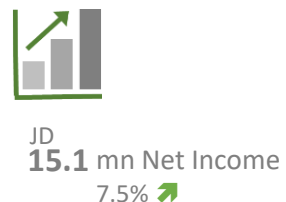
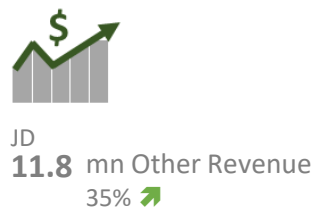
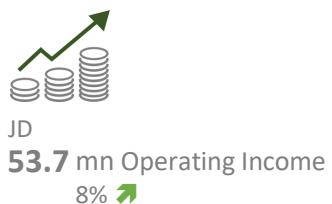


Future growth set with a solid capital base, sufficient reserves and risk appetite

## Organic Growth



## Organic Growth



## Robust Credit & Capital Profile

**NPL | 2.4%**  
One of the Best in the Banking Sector

**CAR | 16.9%**  
Comfortable capital adequacy ratio

**Coverage Ratio | 125%**  
Sufficient provisions to face credit risk

## Market Share%



## Key Ratios

|     |      |        |
|-----|------|--------|
| ROE | 9.1% | 0.2% ↗ |
| CTI | 44%  | 0.2% ↘ |



## Our Strategy



Efficient Bank



Digitally Enabled



Serve All Customers



Trusted Bank



Full Suite Products

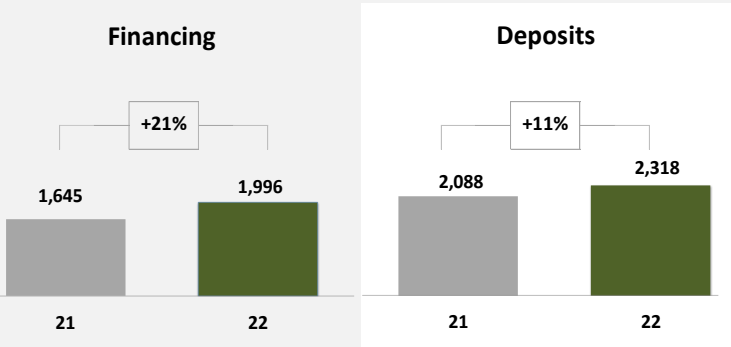
# Safwa .. Key Ratios

5

| Key Ratios                        | Stand Alone |       |           | YTD        |            |           |
|-----------------------------------|-------------|-------|-----------|------------|------------|-----------|
|                                   | Q4.22       | Q3.22 | QoQ (bps) | YTD, Q4.22 | YTD, Q4.21 | YoY (bps) |
| <b>Profitability</b>              |             |       |           |            |            |           |
| Net Interest Margin               | 2.4%        | 2.7%  | (28)      | 2.6%       | 2.9%       | (32)      |
| Return on Average Equity          | 8.4%        | 9.4%  | (99)      | 9.1%       | 8.9%       | 17        |
| Return on Average Assets          | 0.6%        | 0.6%  | (7)       | 0.6%       | 0.6%       | (2)       |
| Return on Average Capital         | 14.2%       | 15.6% | (133)     | 15.1%      | 14.1%      | 105       |
| <b>Assets Quality and Capital</b> |             |       |           |            |            |           |
| Non-Performing Loan Ratio         | 2.4%        | 2.3%  | 2         | 2.4%       | 2.2%       | 20        |
| Provision Coverage                | 125%        | 124%  | 111       | 125%       | 131%       | (588)     |
| CAR                               | 16.9%       | 17.1% | (22)      | 16.9%      | 18.1%      | (126)     |
| CET1                              | 16.5%       | 16.7% | (20)      | 16.5%      | 17.9%      | (136)     |
| <b>Efficiency</b>                 |             |       |           |            |            |           |
| Cost to Income                    | 46%         | 43%   | 301       | 44%        | 44%        | (11)      |
| <b>Liquidity</b>                  |             |       |           |            |            |           |
| LCR                               | 236%        | 333%  | (9,700)   | 236%       | 324%       | (8,830)   |
| Financing to Deposits             | 78%         | 76%   | 225       | 75%        | 73%        | 180       |

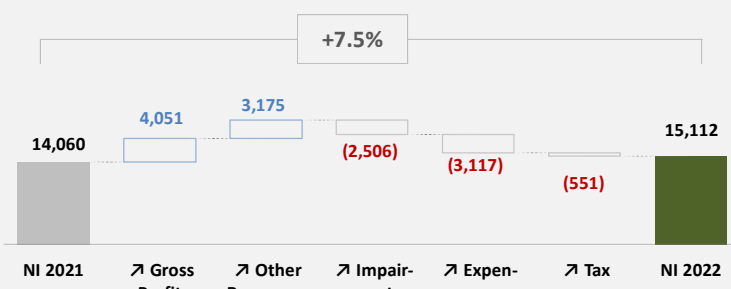


## Financial Position



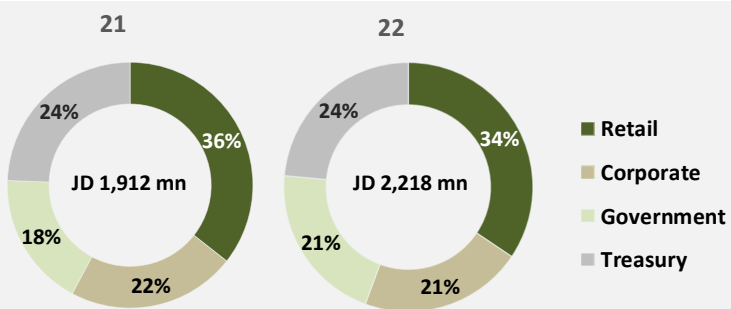
- Safwa continued with its growth momentum and increased financing by 21%; JD 350 mn.
- On the other side, deposits increased by JD 230 mn (11%).

## Profit & Loss

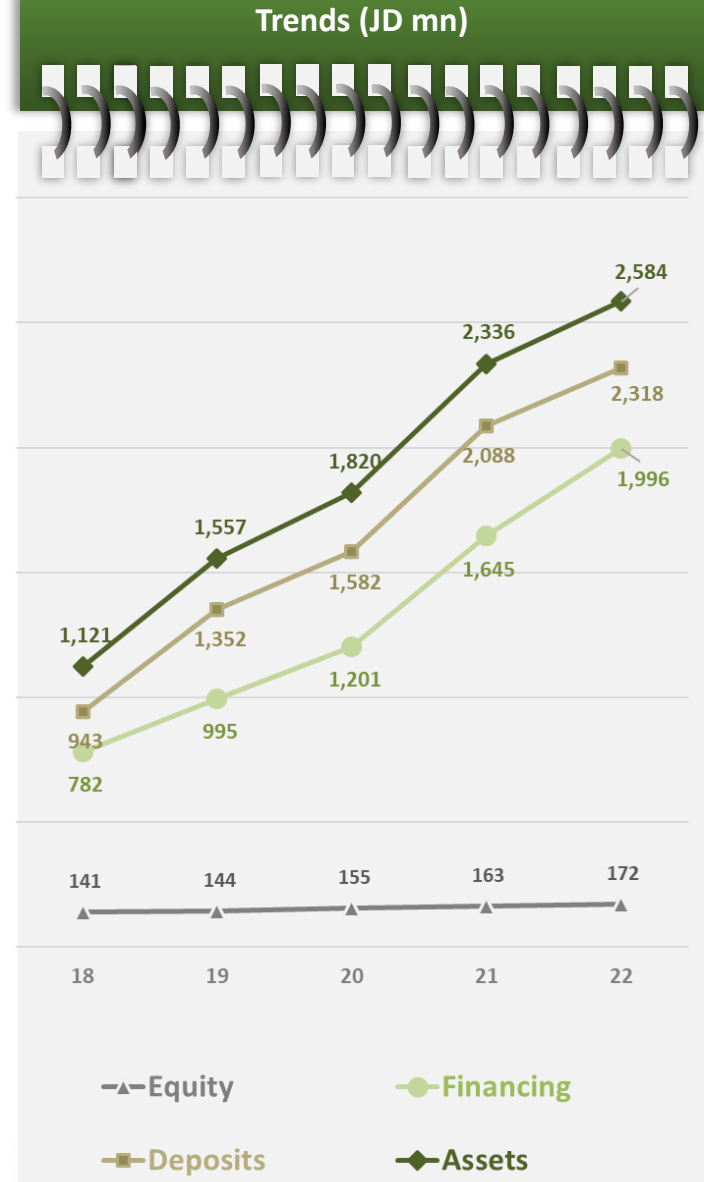


- NI Increased by 7.5% as end of 2022 compared to 2021 (from JD 14.1 mn to JD 15.1 mn)
- The positive change is mainly a result of BS increase and other revenues from non-funded business.

## Credit Quality

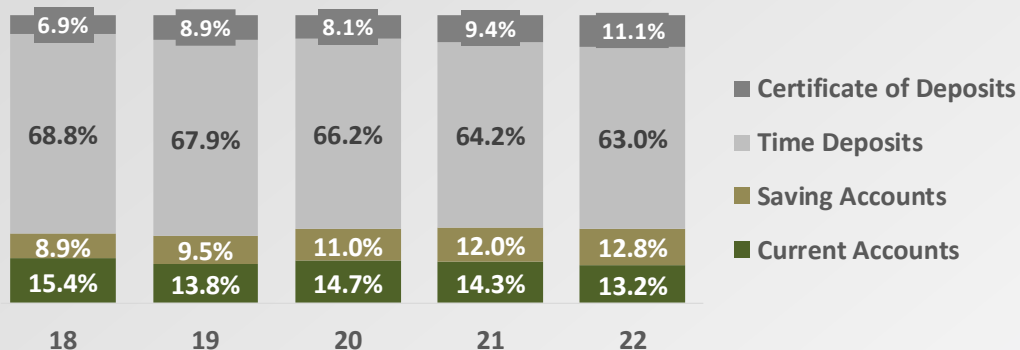


- Well diversified financing & investment portfolio
- NPL% at 2.4%
- Coverage ratio of 125% without considering tangible collaterals
- Capital adequacy ratio at 16.9%



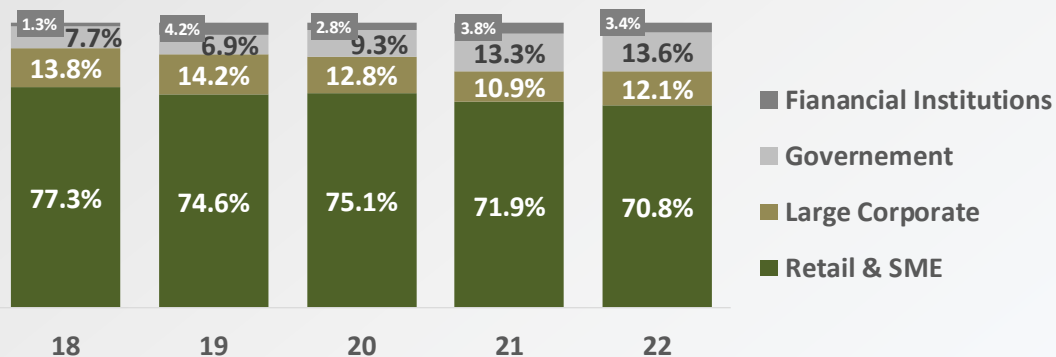
## Deposits Structure

### By Product



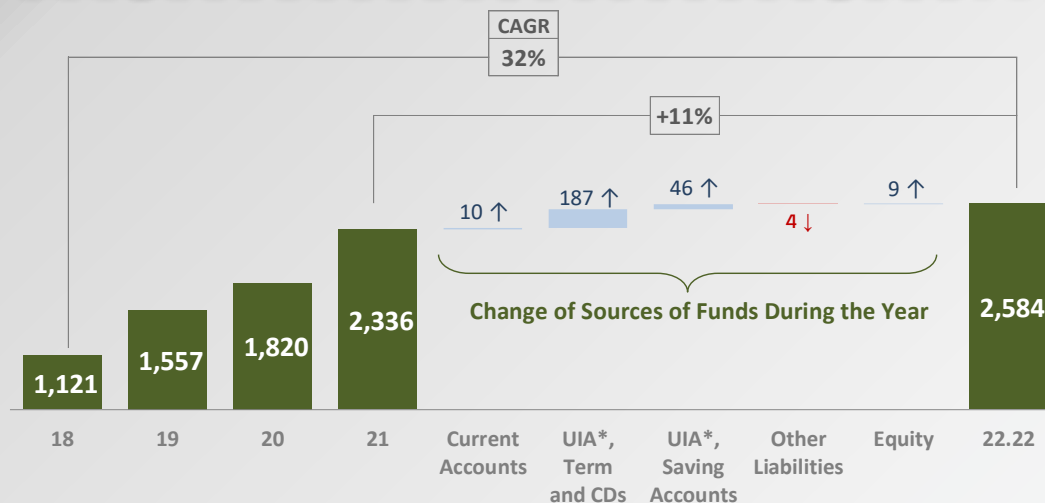
- Increasing trend of CASA contribution over the years

### By Sector



- Increased trend of governments' sector contribution and decreased retail sectors' contribution in the deposits structure.

## Volume Trends and Movement During 2022 (JD mn)



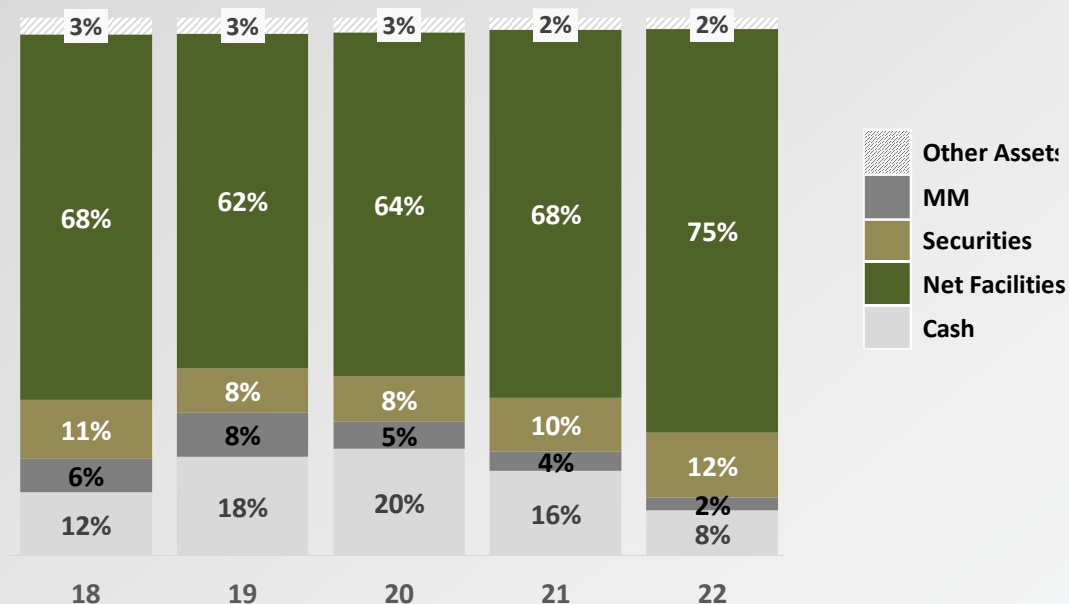
### Management Commentary

- Ambitious growth with a CAGR of 32% since 2018
- During 2022, the bank attracted new deposits resulting in funding increase by 11%
- The funding growth of JOD 248 mn was mainly driven by an increase of term deposits and CDs by JD 187 mn, CASA by JD 56 mn.

\* UIA: Unrestricted Investment Accounts



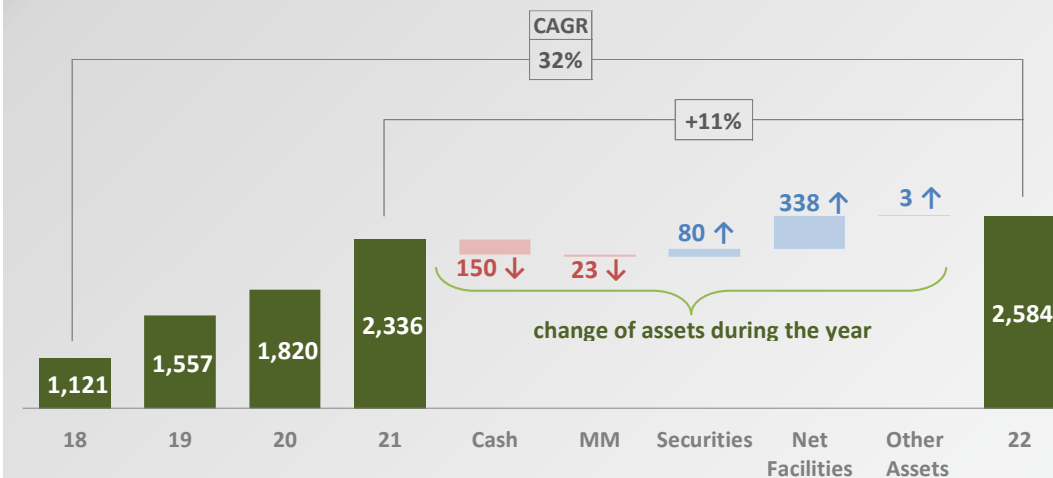
## Deposits Structure



### Management Commentary

- The assets structure showed a notable enhancement of net facilities' contribution during 2022.
- Since 2018, asset structure changed mainly as a result of increased contribution of facilities versus a decreased contributions of current assets (Cash and MM instruments).

## Volume Trends and Movement During 2022 (JD mn)



### Management Commentary

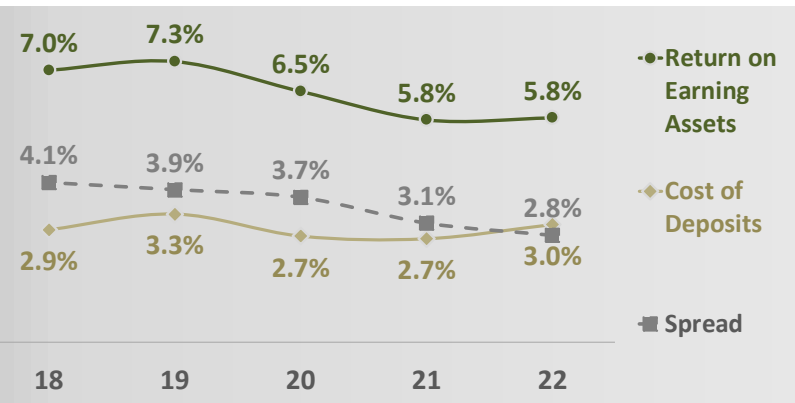
- Ambitious growth with a CAGR of 32% since 2018
- Movement during 2022 witnessed an increase of 11% driven mainly by net facilities; JD 338 mn, and securities by JD 80 mn.
- Notable increase of earning assets and a decrease of non-earning assets (mainly cash) in 2022

## Net Profit Margin Analysis, Causes of Change



| Causes of Changes | Volume  | Price   | Earning Assets Mix   | Deposits Mix   |
|-------------------|---|---|--|--|
|                   | Increase average balancesheet (by JD 385 mn in the funding side, JD 374 mn in earning assets side) contributed to enhance NPM by JD 11.2 mn | Compared to the same period last year, the spread decreased from 3.1% to 2.8% causing a negative effect of JOD 7.6 mn | The increased share of Retail facilities and Investments in the earning assets structure by 2% enhanced NPM by JD 1.0 mn | Increased contribution of term deposits and CDs by 1% decreased NPM by JD 0.5 mn |

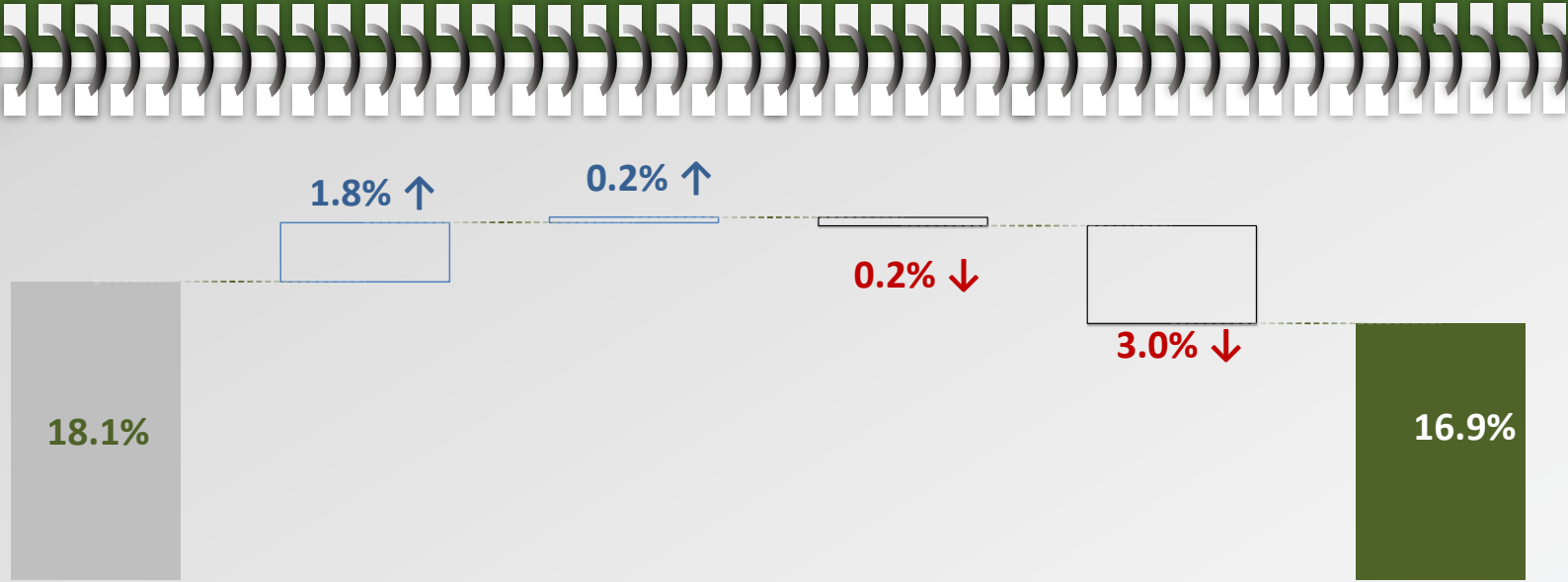
## Return on Earning Assets, Cost of Deposits, and Spread



### Management Commentary

- Jordanian Dinar return is highly correlated with USD.
- The return on earning assets maintained at 5.8%
- Cost of fund increased as a normal result of consecutive increases of return on JOD and USD during 2022
- As a result, the spread had decreased 0.3% as of end 2022 compared to 2021
- Management has taken measures such as repricing of assets and financing more non-GREs/high yielding assets in due course.

## Movement of Capital Adequacy Ratio during the year



CAR, Q4.21

**Change in Returned Earning**

Retained earning and reserves increased by JD 15.2 mn had a positive effect on CAR by 1.8%

**Change in Tier 2 (Supporting) Capital**

Change in tier 2 capital had a minor effect on CAR%

**Change in Other Factors (Inrangible Assets, Def. Tax Assets, ..)**

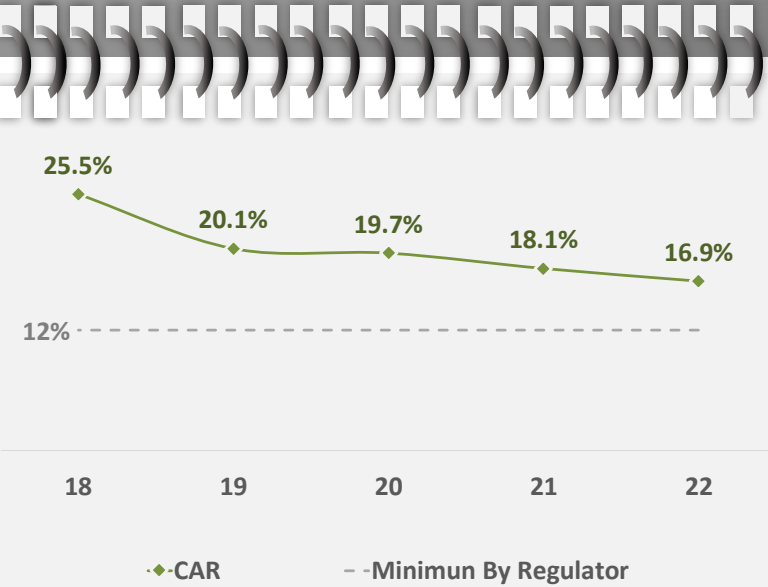
Other factors had a slight effects on CAR

**Change in RWA**

The increased volume of RWA by JD 119 mn from JD 847 mn to JD 966 mn affected the CAR by a decrease of 3.0%

CAR, Q4.22

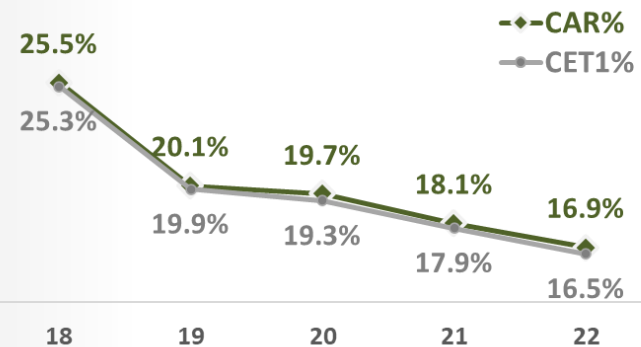
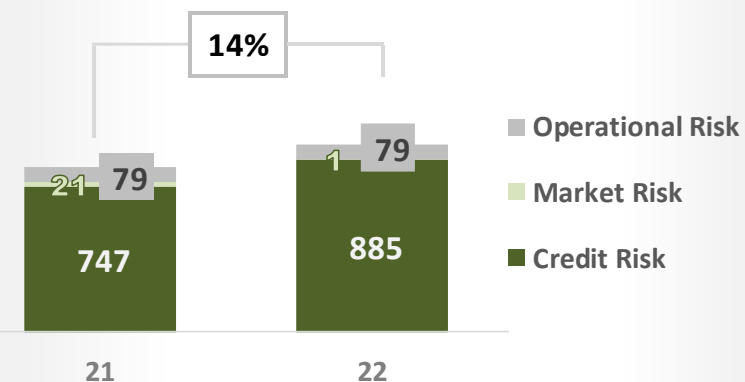
## CAR Trend



### Management Commentary

- CAR showed decreased trends as a normal result of the continuous growth of assets volume in the last years
- The bank is in healthy position with a comfort zone of 4.9% (CBJ minimum CAR is 12%)

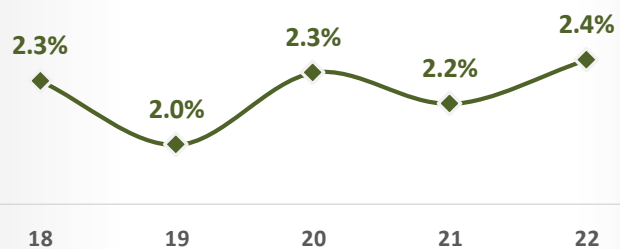
Risk Weighted Assets (JD mn)



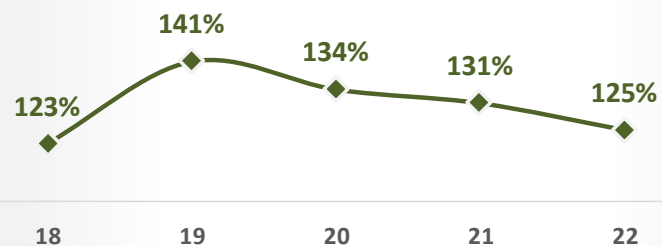
### Management Commentary:

- ▶ Risk weighted assets increased during 2022 by 14% mainly due to credit risk.
- ▶ Safwa maintained healthy NPL percentage below the market average, NPL ratio reached 2.4%
- ▶ For long years, the bank preserved an adequate provisions for doubtful accounts which covers more than the NPL balances, the coverage ratio reached 125% as of end of 2022 without considering collaterals

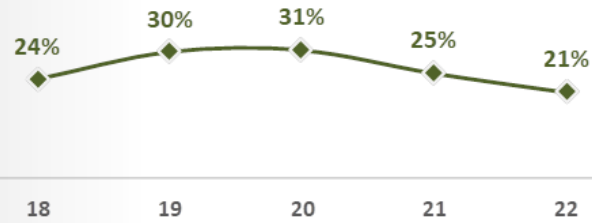
NPL%



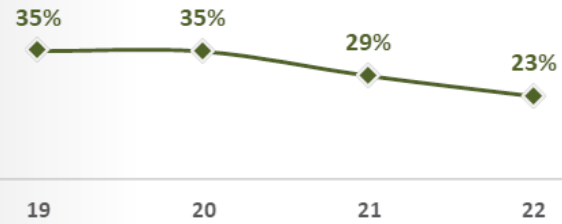
Coverage Ratio



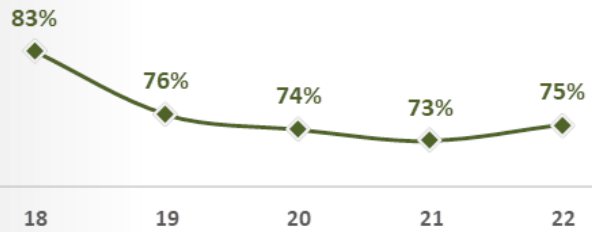
### Liquid Assets / Assets



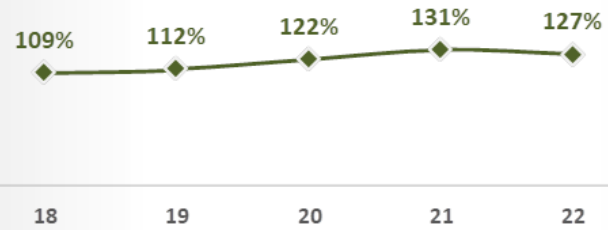
### Liquid Assets / Deposits



### Advances To Deposits (AD%)



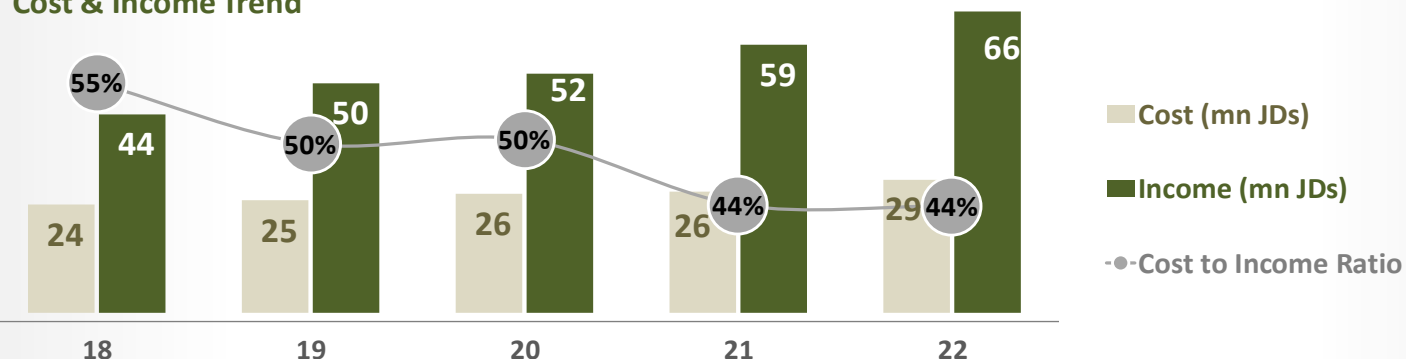
### Regulatory Liquidity



### Management Commentary:

- ▶ The liquid assets (cash, balances with banks, and money market instruments (int'l Murabaha and int'l Wakala) contributed to reasonable percentage of total assets and these liquid assets covers 23% of deposits.
- ▶ Advances to deposits ratio showed enhanced trend during recent years
- ▶ LCR reached comfortable level of 236%; (minimum regulatory level of 100%)

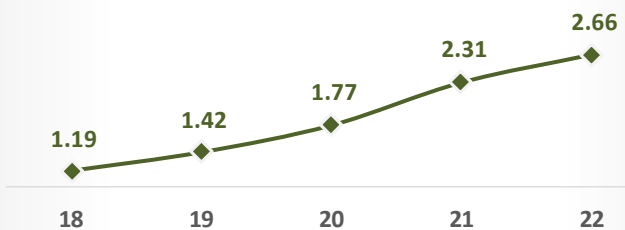
Cost & Income Trend



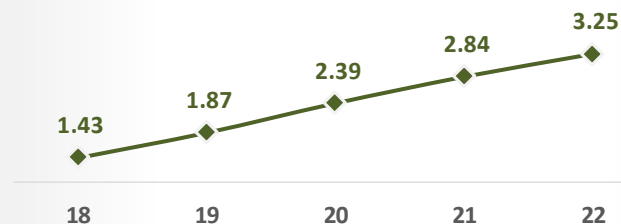
**Management Commentary:**

- ▶ Trend of cost to income ratio (CTI) showed continuous enhancement reflecting the effective and efficient way to manage its resources, specially fixed costs
- ▶ Other efficiency indicators showed notable continuous improvement as Safwa bank continued to expand and grow with careful use of its resources, these indicators related to employees are one of the best in the market.

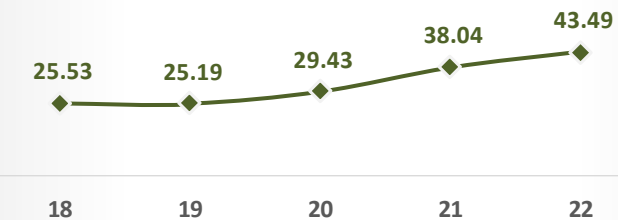
Financing / Employee (JD mn)



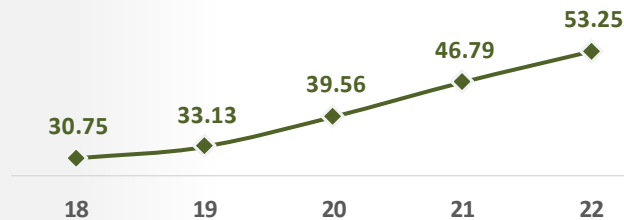
Deposits / Employee (JD mn)



Financing / Branch (JD mn)



Deposits / Branch (JD mn)





# Safwa .. Supplementary Financials

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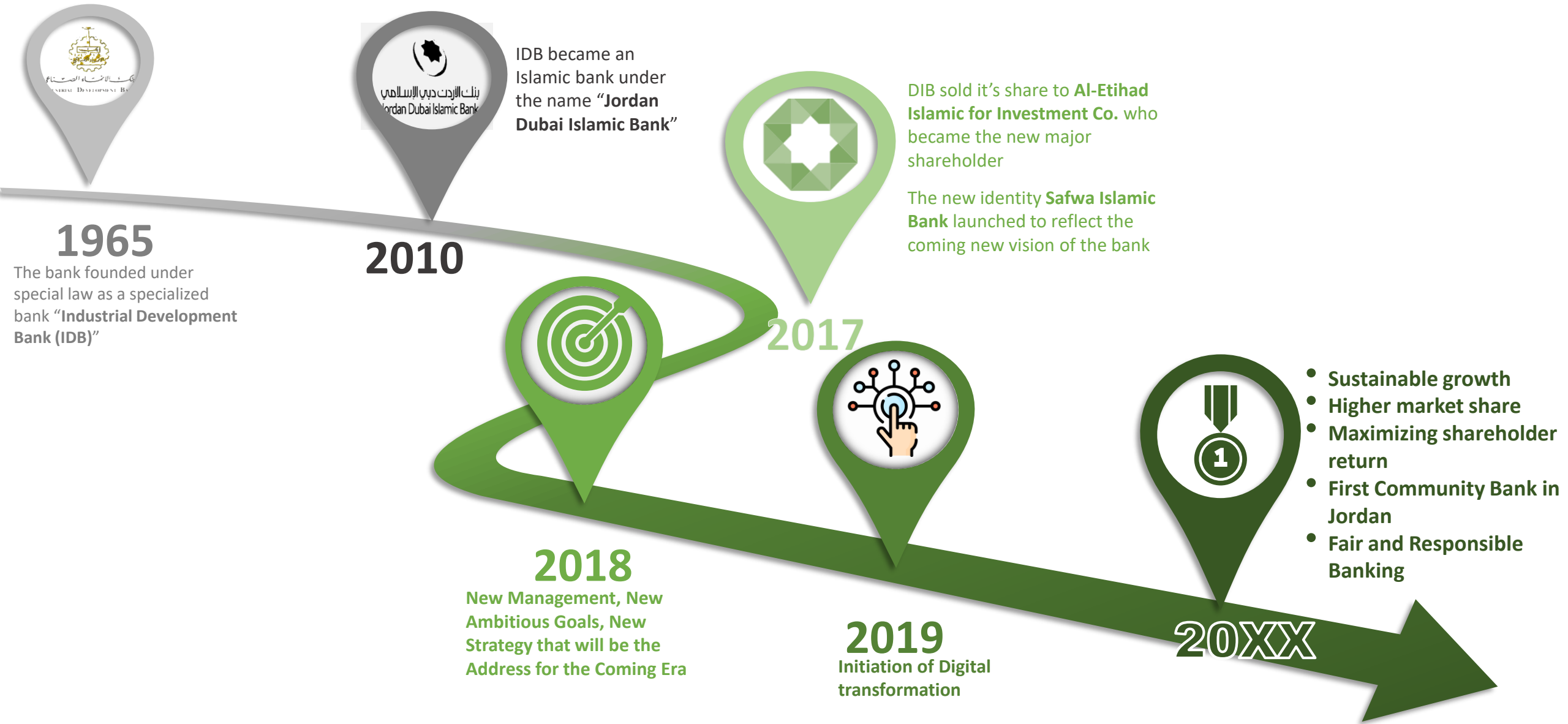
| Summary Income Statement (Mn JDs)        | Q4.22 | Q3.22 | QoQ   | QoQ% | YTD, Q4.22 | YoY   | YoY%  |
|--|-------|-------|-------|------|------------|-------|-------|
| Direct Revenues, Net of Cost of Deposits | 13.5  | 14.2  | (0.7) | 5%   | 53.7       | 4.2   | 8.4%  |
| Other Revenues                           | 3.2   | 2.8   | 0.4   | 16%  | 11.8       | 3.1   | 35.1% |
| Net Revenues                             | 16.7  | 17.0  | (0.3) | 2%   | 65.5       | 7.2   | 12.4% |
| Impairment Charges                       | (3.1) | (3.3) | 0.2   | 5%   | (12.0)     | (2.5) | 26.3% |
| G & A Expenses                           | (7.8) | (7.4) | (0.4) | 5%   | (29.1)     | (3.1) | 12.0% |
| Net Income Before Tax                    | 5.8   | 6.3   | (0.5) | 8%   | 24.4       | 1.6   | 7.0%  |
| Taxes                                    | (2.2) | (2.4) | 0.1   | 6%   | (9.3)      | (0.6) | 6.3%  |
| Net Income                               | 3.6   | 3.9   | (0.3) | 9%   | 15.1       | 1.1   | 7.5%  |
|  |       |       |       |      |            |       |       |
| Summary Balance Sheet (Mn JDs)           | Q4.22 | Q3.22 | QoQ   | QoQ% | EOY, Q4.21 | YoY   | YoY%  |
| Financing                                | 1,996 | 1,905 | 92    | 5%   | 1,645      | 351   | 21.3% |
| Investments                              | 374   | 366   | 8     | 2%   | 317        | 57    | 17.8% |
| Deposits & Cash Collaterals              | 2,318 | 2,283 | 35    | 2%   | 2,088      | 231   | 11.0% |
| Total Assets                             | 2,584 | 2,549 | 35    | 1%   | 2,336      | 248   | 10.6% |
| Total Equity                             | 172   | 168   | 4     | 2%   | 163        | 9     | 5.6%  |



02



Stronger Safwa





## Where We Were

- ✓ DIB sold it's share to Al-EtiHAD Islamic for Investment Co. who became the new major shareholder
- ✓ The new identity Safwa Islamic Bank launched to reflect the coming new vision of the bank

## Where We Are

### People

- ✓ High level training
- ✓ Clear hiring criteria and when needed
- ✓ Professional culture

### Product

- ✓ Expanded products
- ✓ New & dedicated segments

### Services

- ✓ Upgraded mobile application
- ✓ Upgraded website 24/7 customer service
- ✓ Social media

### Business


- ✓ Clear roadmap/Strategy
- ✓ Balance sheet 2.7X larger and more diversified
- ✓ Fastest organically growing bank
- ✓ Rated bank

## Where We Are Going

- ✓ Embrace emerging technology
- ✓ Sustainable organic revenue growth
- ✓ Strong, quality deposit base
- ✓ Operating a range of new models in parallel with the current core of the business
- ✓ Maximize customer and staff experience
- ✓ Migrate to product driven hierarchy
- ✓ No. 1 community bank

**Sustain** the ambitious growth, improving shareholders returns and values for clients

**First Community Bank in Jordan**



**Simpler Bank**  
More digitally enabled bank, services and products are done faster



**Clients Growth**  
Close relation to our clients, Attracting new clients, meet their expectations

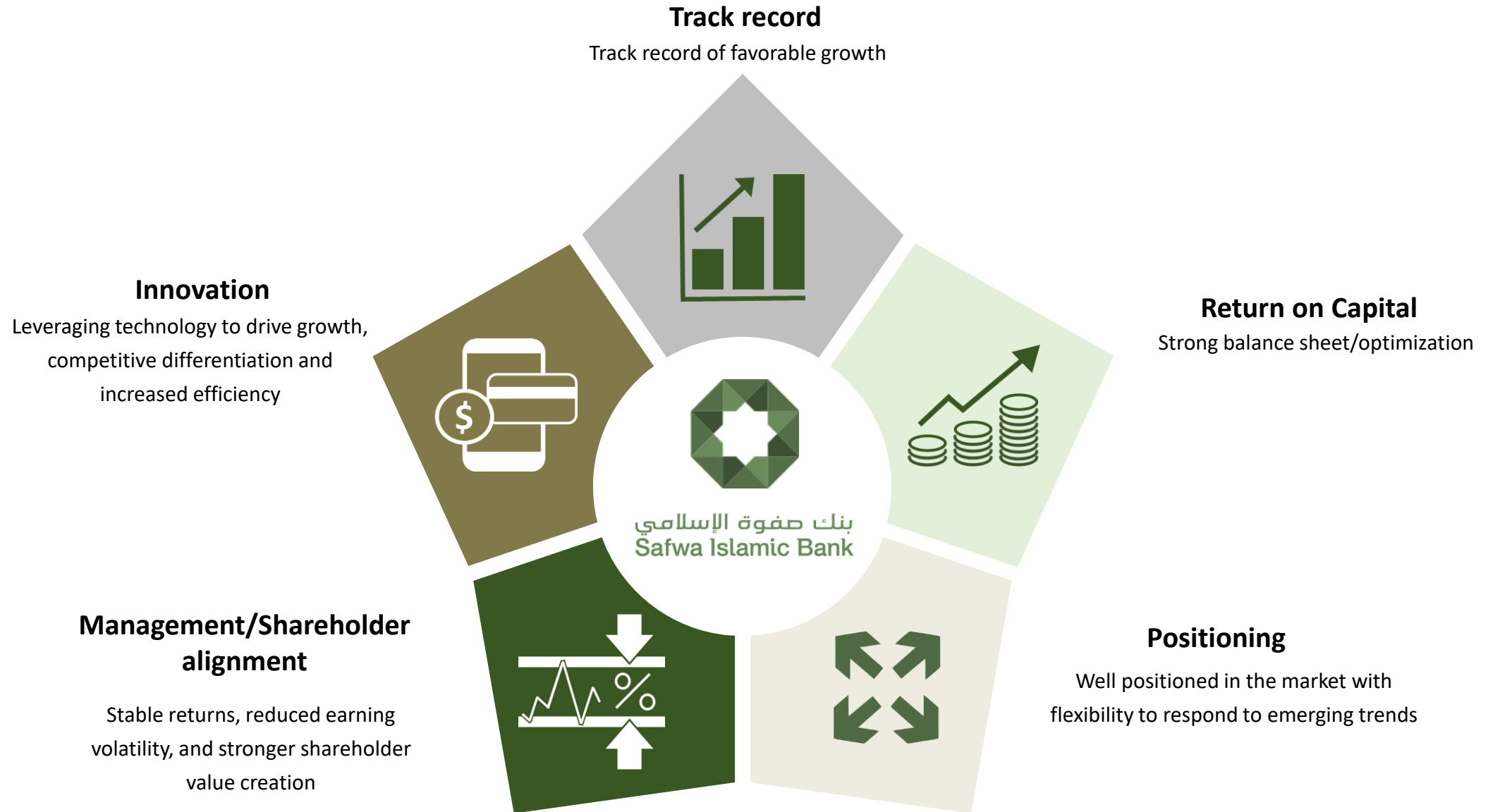


**Keep Clean Financing Portfolio**  
Sustain the healthy financing portfolio by sound policies and continuous monitoring

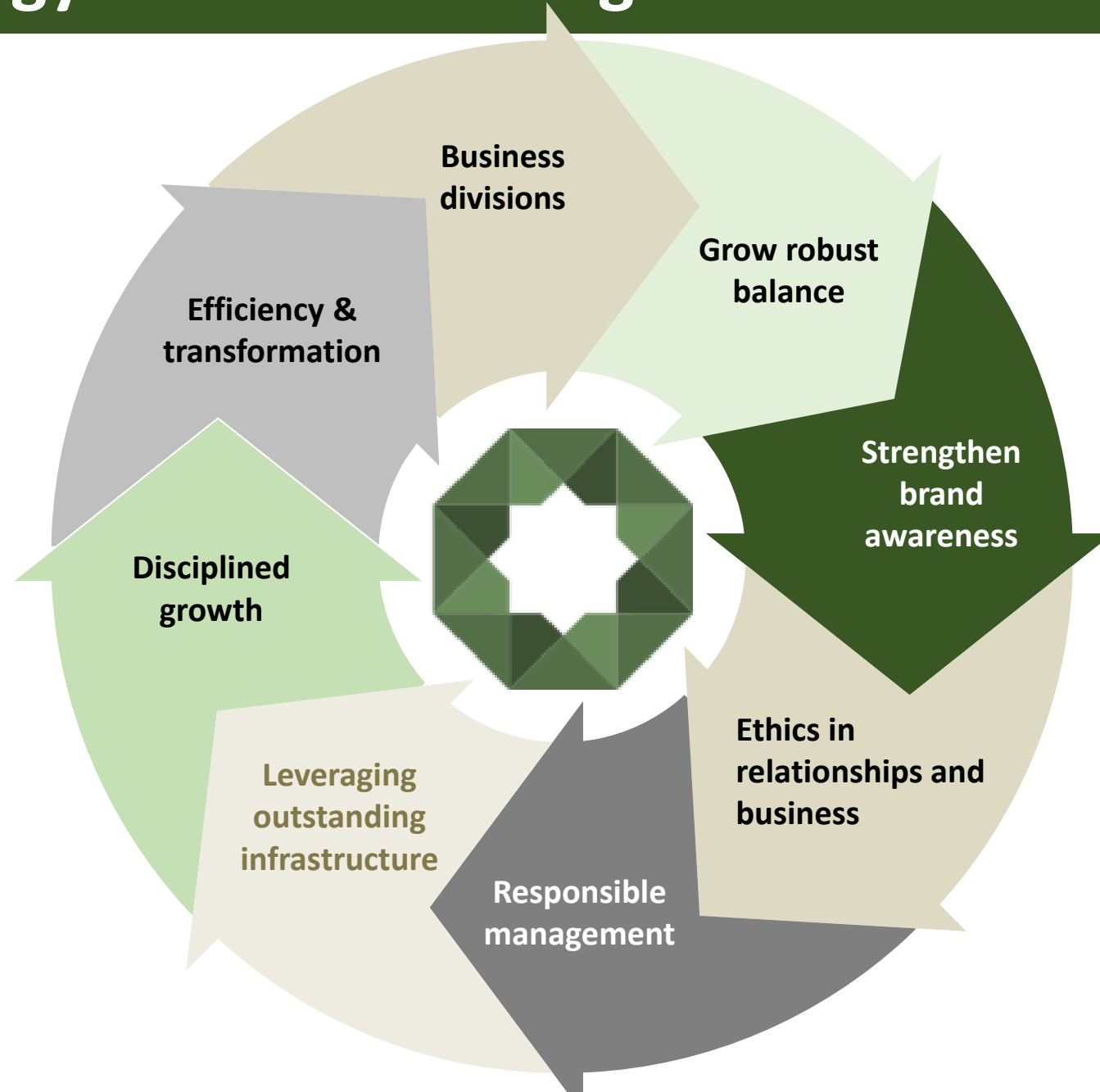


**Efficiency**  
Adherence to reduce cost to income ratio through optimal use of our resources









## Teamwork

- Harmony across and within units
- Put the bank and clients' interests ahead of your own
- Communicate respectfully
- Create professional culture within the bank

**”Working effectively with one team spirit will produce the best outcomes “**



## Exceptional Services

- Anticipate clients needs and find solutions
- Respond rapidly and follow through
- Treat others as you want them to treat you
- Sell solutions, not products

**”if we serve our clients well, our success will follow“**



## Creativity

- Find solutions, not excuses
- Be a change agent.. Think outside the box
- Ask: Is there a better or more efficient way to do this?
- Pursue new opportunities



**”Creativity and new initiatives differentiate the bank from other competitors “**

## Devotion to Work

- Be productive and strive with passion to reach excellence
- Seek continuous improvement
- Be a long life learner
- Recognize outstanding performance by rewards and promotion opportunities

**”with best people, we will be the best bank“**



*Our Values*

## Client Centric



- Full Package of Electronic Services
- Speed Up Process
- New Services for Corporate Clients (COSO, CDM, ..)
- Call Center 24/7
- Extensive Visits to Clients
- New Products

## Reorganized Internal House



- Update Policies & Procedures
- Reengineering Process
- Branches Profitability Report
- Better Methodologies to Measure Risks
- Promote and Encourage Cross Selling between Business Sectors

## Optimal use of Resources

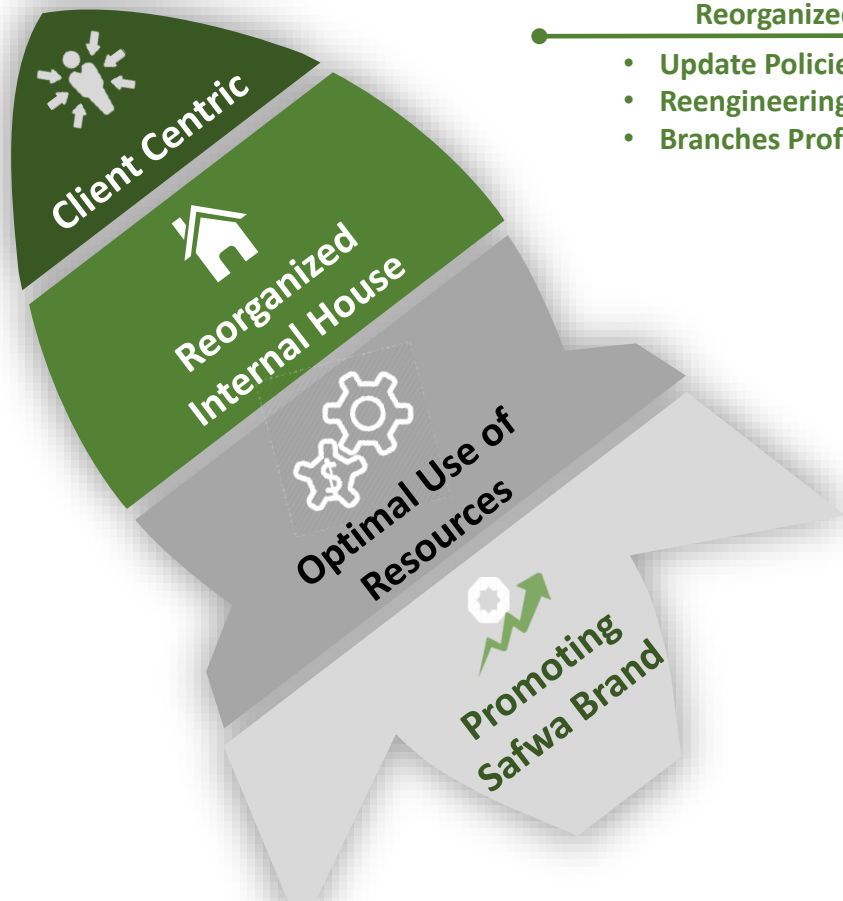


- Automate Processes
- Depending on Internal Resources Instead of External
- Enhance IT Infrastructure
- Increase Human Capital Efficiency
- Cost Control and Green Environment
- Review the Organizational Structure

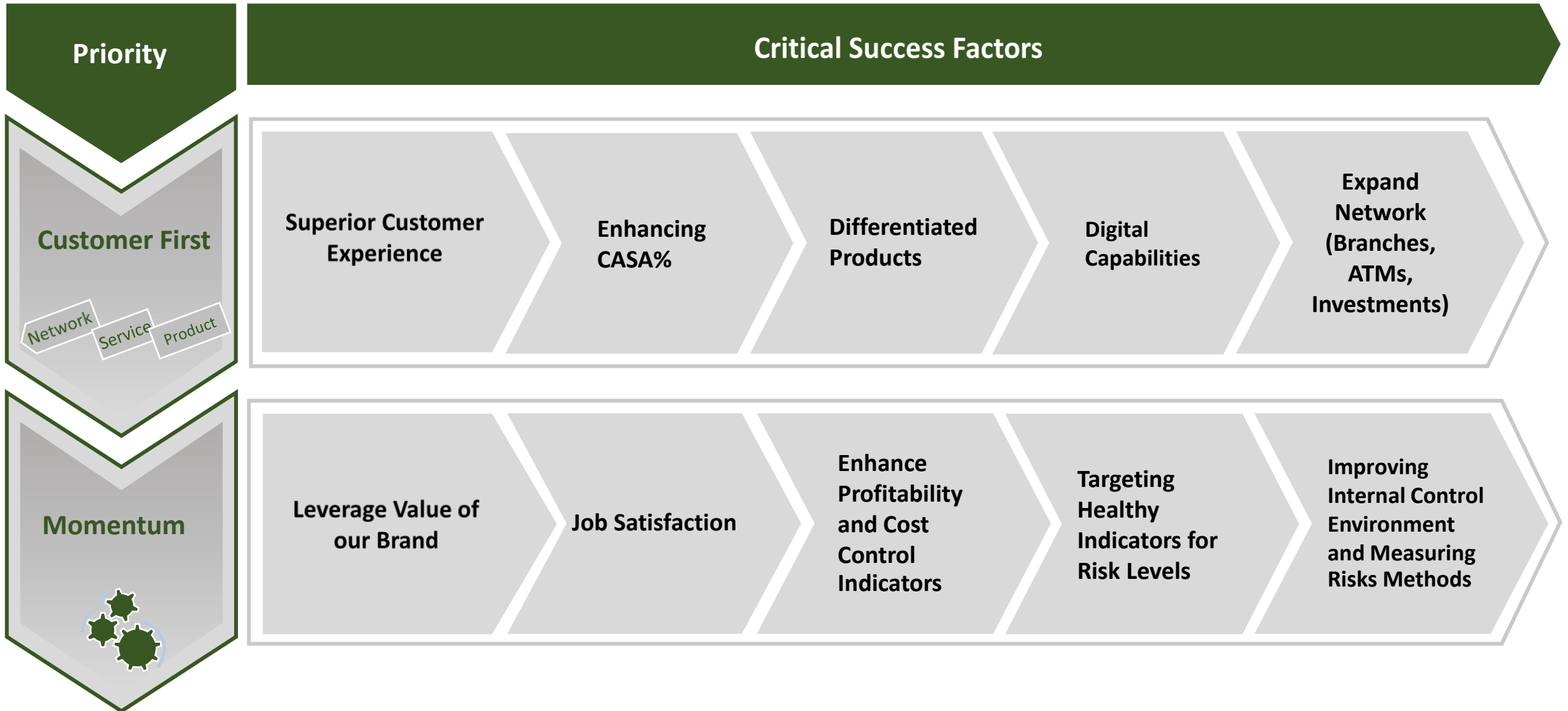
## Promoting Safwa Brand

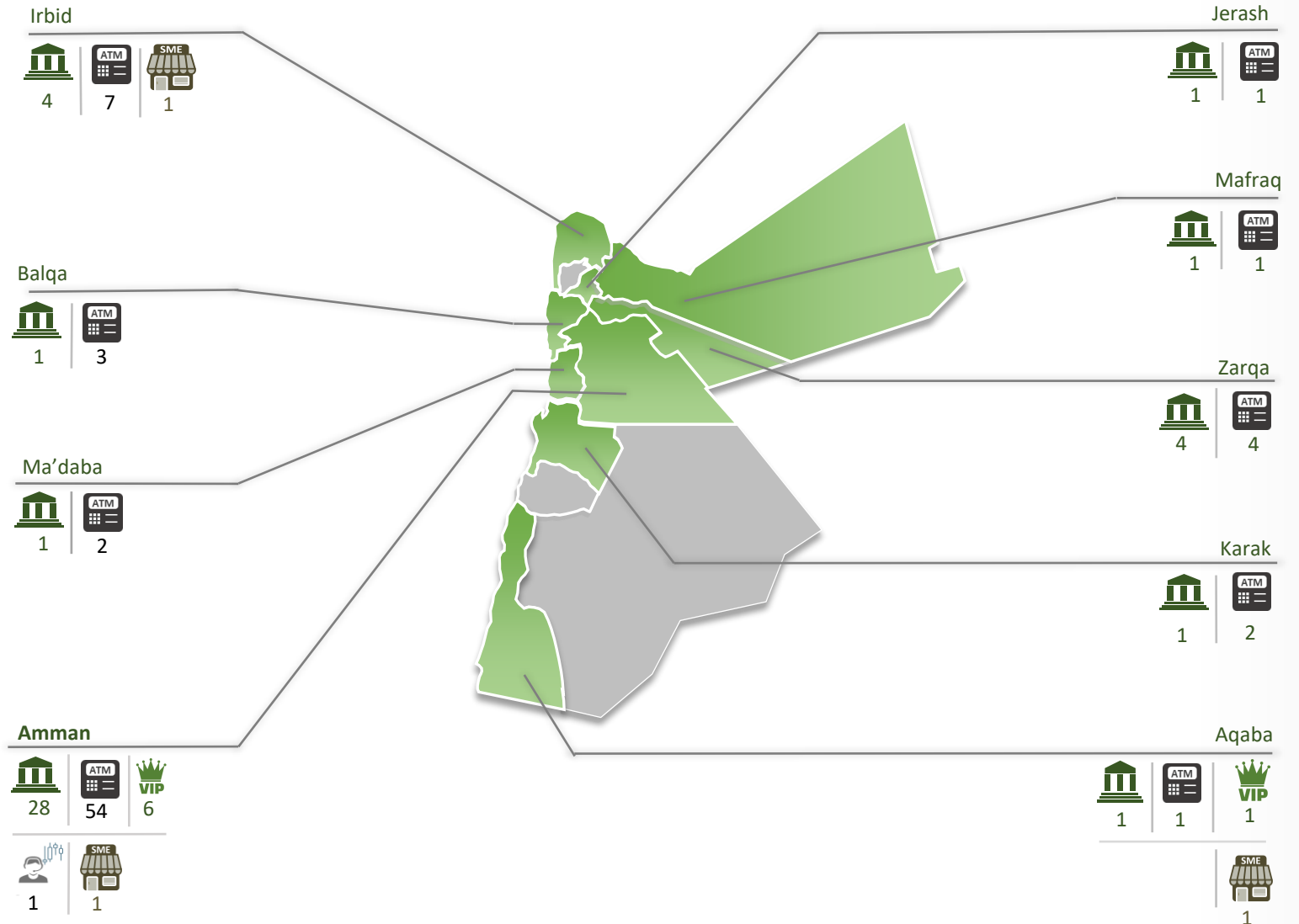


- Promotional Campaigns and Videos
- Special Offers for Most Sacrificing and Needy Jordanian Sectors
- Use of Social Media Sites
- Smart and Creative Promotions

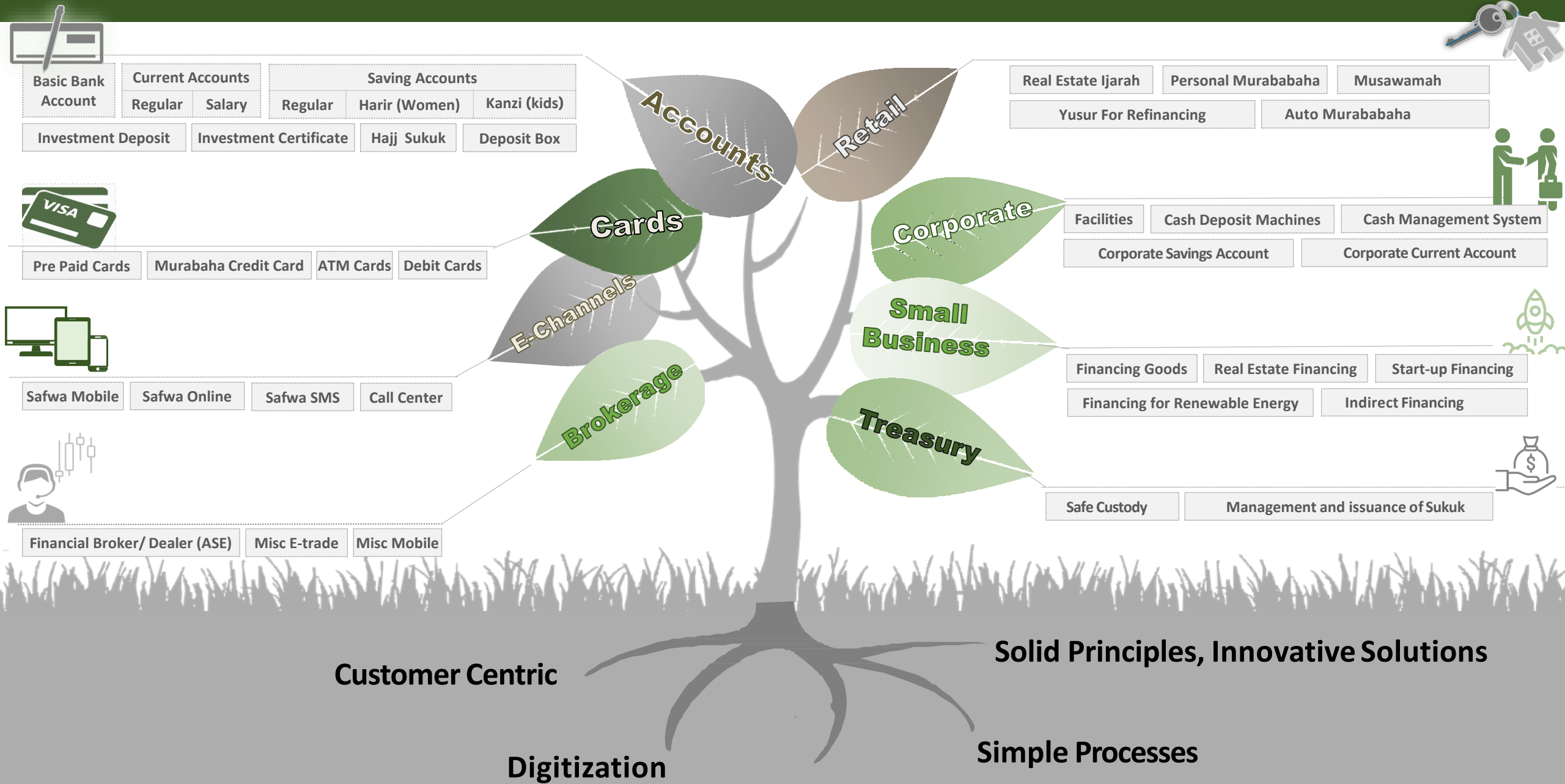


Priorities were ranked according to importance and necessity





# Safwa Bank .. Our Products and Services





## E Channels



Safwa Mobile



Safwa Online



Safwa Call



Cards



ATM

## E Services



Contactless Card



Transfers



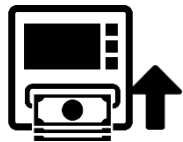
E-Pay Bills



Update Personal Data



Prepaid Cards



Cash Deposit



Cards Management



Accounts Management



New User Registration



Points & Loyalty



QR Payment



Biometric Authentication



“CliQ” Instant transfers

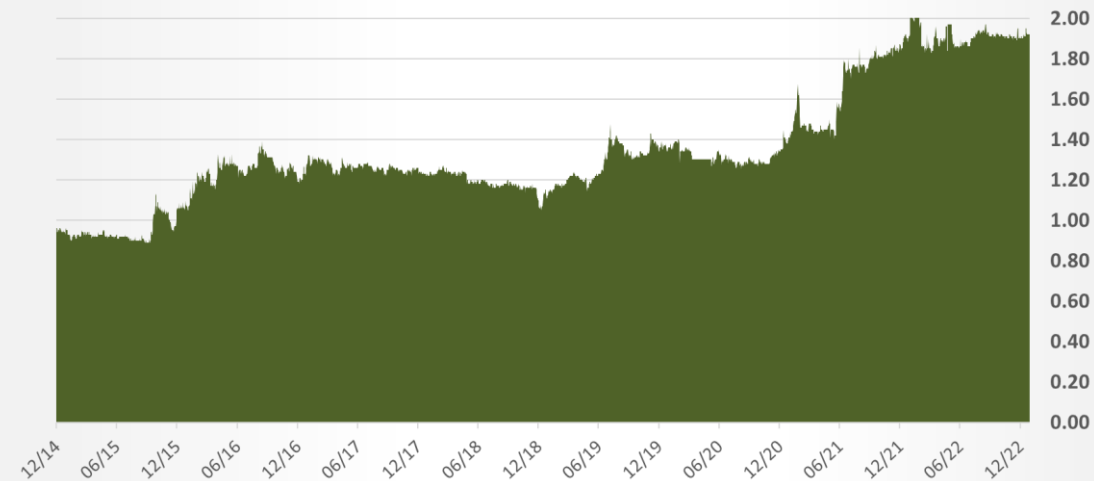
“ Anytime, Anywhere ”



## Basic Information and Ratios

- ▶ **Symbol:** SIBK
- ▶ **Exchange Market:** Amman Stock Exchange (www.ase.com.jo)
- ▶ **Free Float:** 17.4 %
- ▶ **Closing Price:** JOD 1.92
- ▶ **Market Value :** JOD 192 mn

## Share Price Since 2014

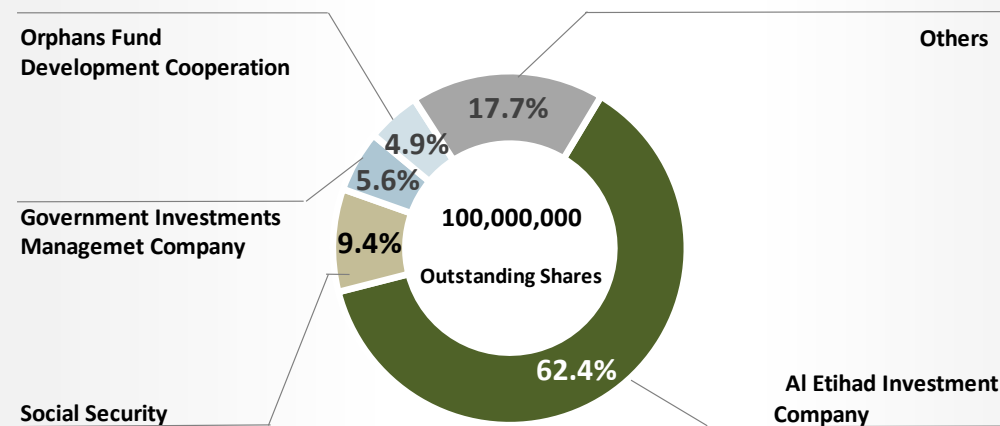


## Share Key Ratios

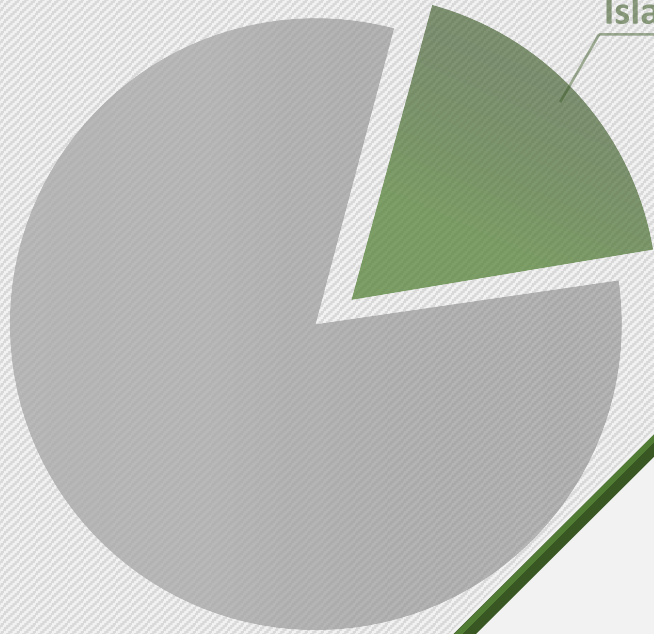
- ▶ **Average Price (52 weeks):** JOD 1.91
- ▶ **Return (last 52 weeks)** 3.7%
- ▶ **PE Ratio** 12.7 X
- ▶ **PB Ratio** 1.12 X
- ▶ **Volatility** JOD 0.07
- ▶ **Payout Ratio** 0%

\* 2022 dividends: 0%

## Shareholders Composition



Islamic Banks share



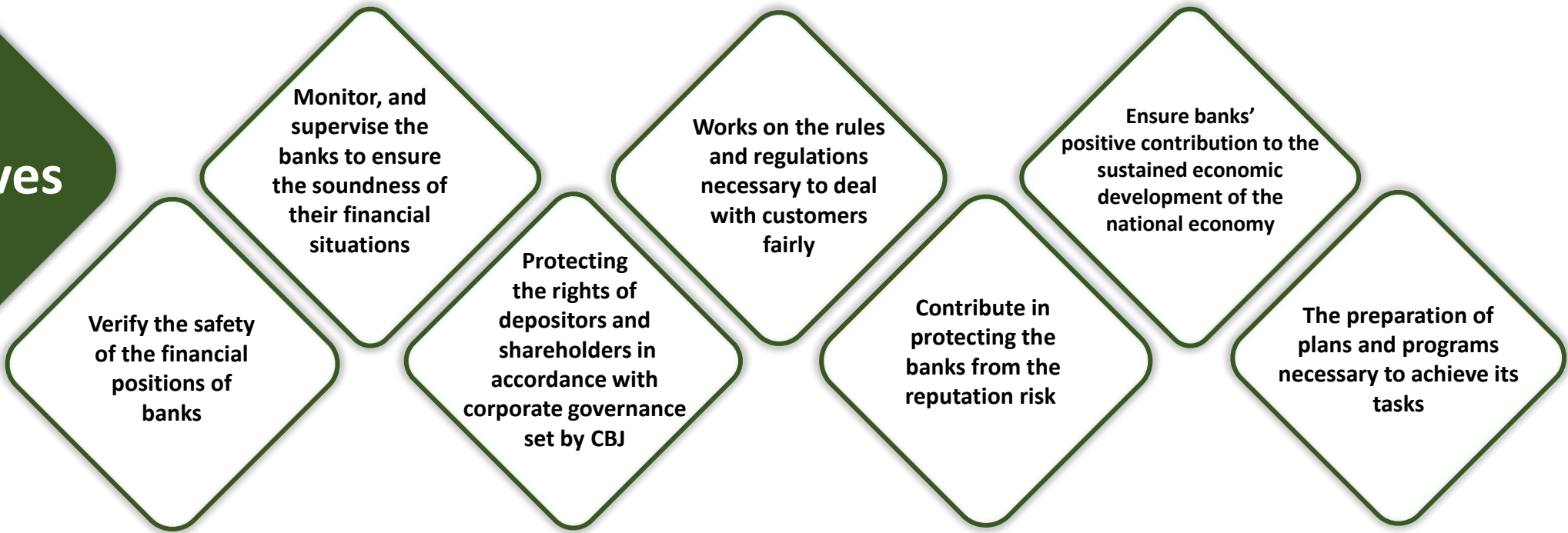
QIB

# Banking Sector

## CBJ, Islamic Banks



## Objectives



## Tasks

- Regulate credit and credit risks resulting from concentrations for bank's customers
- Study banks licensing and branching requests inside and outside the Kingdom
- Control the information and its accompanying technology in the banks
- Prepare statistical and analytical studies and reports relating to the business of banks
- Monitor the performance of banks , organize and evaluate their business
- Analyze and follow- up banking and financial stability of banks
- Study the related laws, regulations, and instructions
- Modernize and develop methods of control and inspection

## Working Banks In Jordan

### Local Islamic Banks

- Safwa Islamic Bank
- Jordan Islamic Bank
- Islamic International Arab Bank

### Foreign Islamic Banks

- Al-Rajhi Bank

### Local Commercial Banks

- Arab Bank
- Housing Bank
- Cairo Amman Bank
- Ahli Bank
- Al Etihad Bank
- Commercial Bank
- Capital Bank
- Bank of Jordan
- Jordan Kuwait Bank
- Jordanian Arabic Investment Bank
- Invest Bank
- ABC Bank

### Foreign Commercial Banks

- BLOM Bank
- Egyptian Arab Land
- Citibank
- Standard Chartered
- Rafidain Bank

## Financial Soundness Indicators (CBJ 06.2022)

### Capital Adequacy

**17.1%**

### Regulatory Liquidity

**137%**

### NPL Ratio

**4.6%**

### ROA

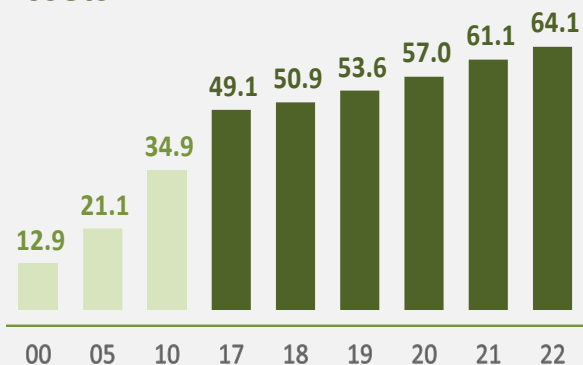
**1.0%**

### ROE

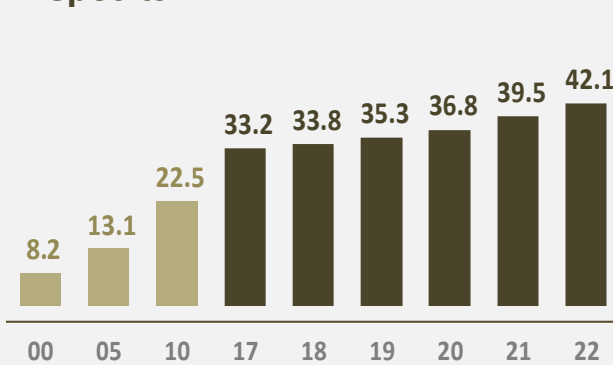
**8.2%**

## Sector Figures (bn JDs)

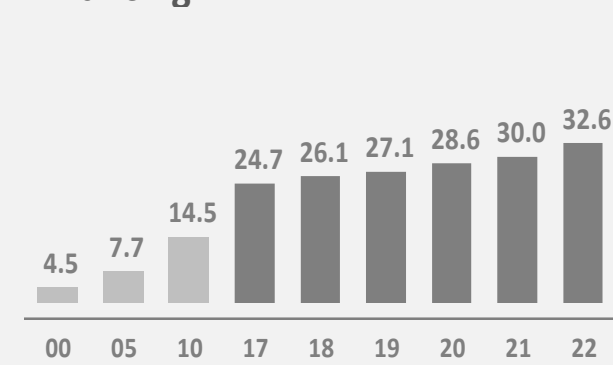
### Assets

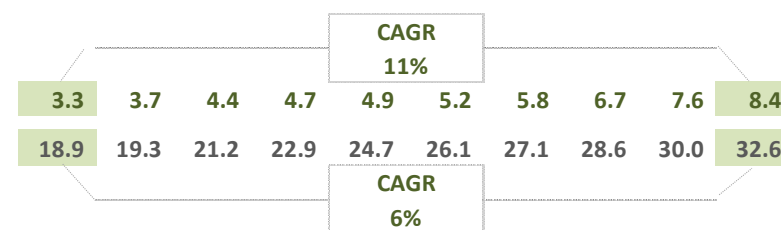
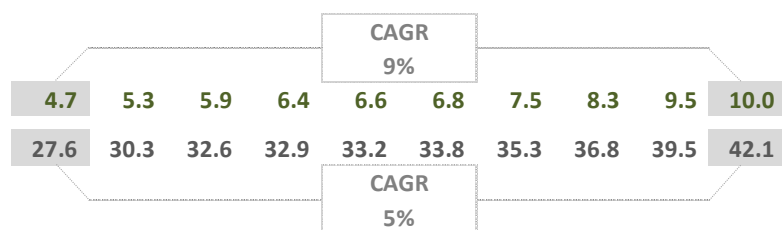
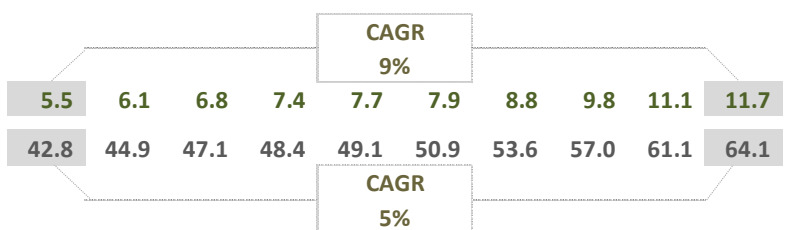
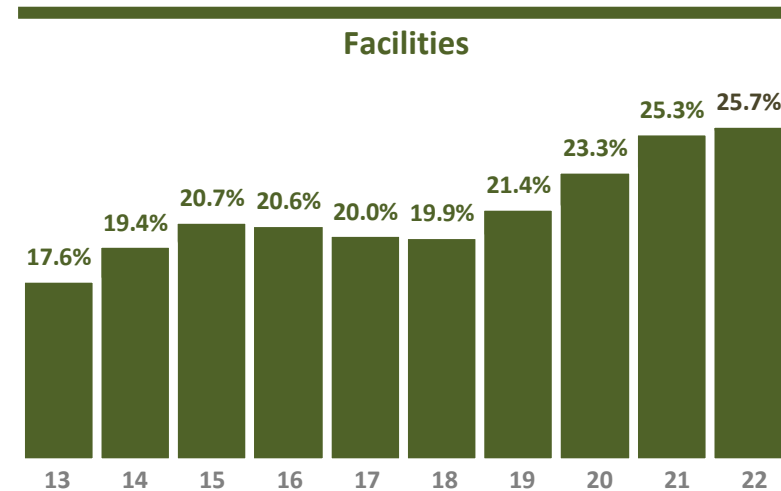
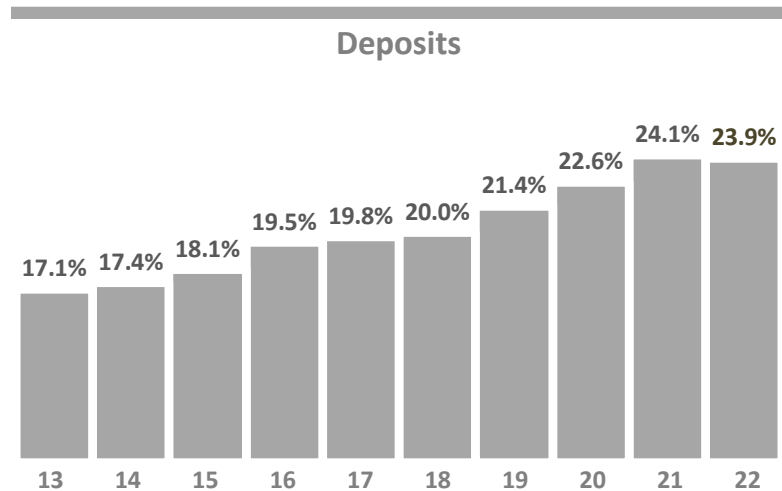
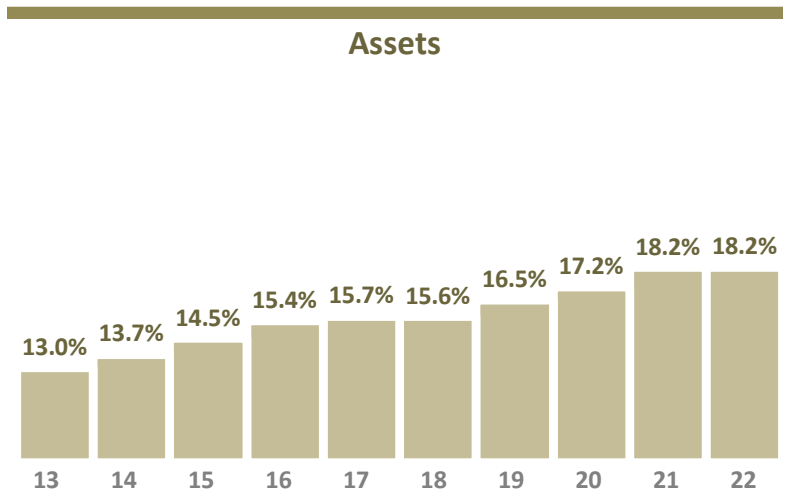


### Deposits



### Financing





## Highlights

- Islamic banks' market share trend shows upward trend reflecting the increasing needs of Jordanian society for Sharia compliant products and services
- The CAGR growth ratios for Islamic banks since 2013 witnessed better ratios than banking sector specially on the assets side, the assets' CAGR during this period was 11% for Islamic banks and 6% for the banking sector

- The increasing trend was abrupt frequently, such as facilities in years 2016 to 2018 were Islamic Banks showed a decrease in facilities or slight increase
- During 2022, the market share for Jordanian Islamic Banks in the banking sector showed
  - Increase in facilities (45% of this increase is a result of Safwa's performance during 2022).
  - Stability in assets.
  - Slight decrease in deposits.





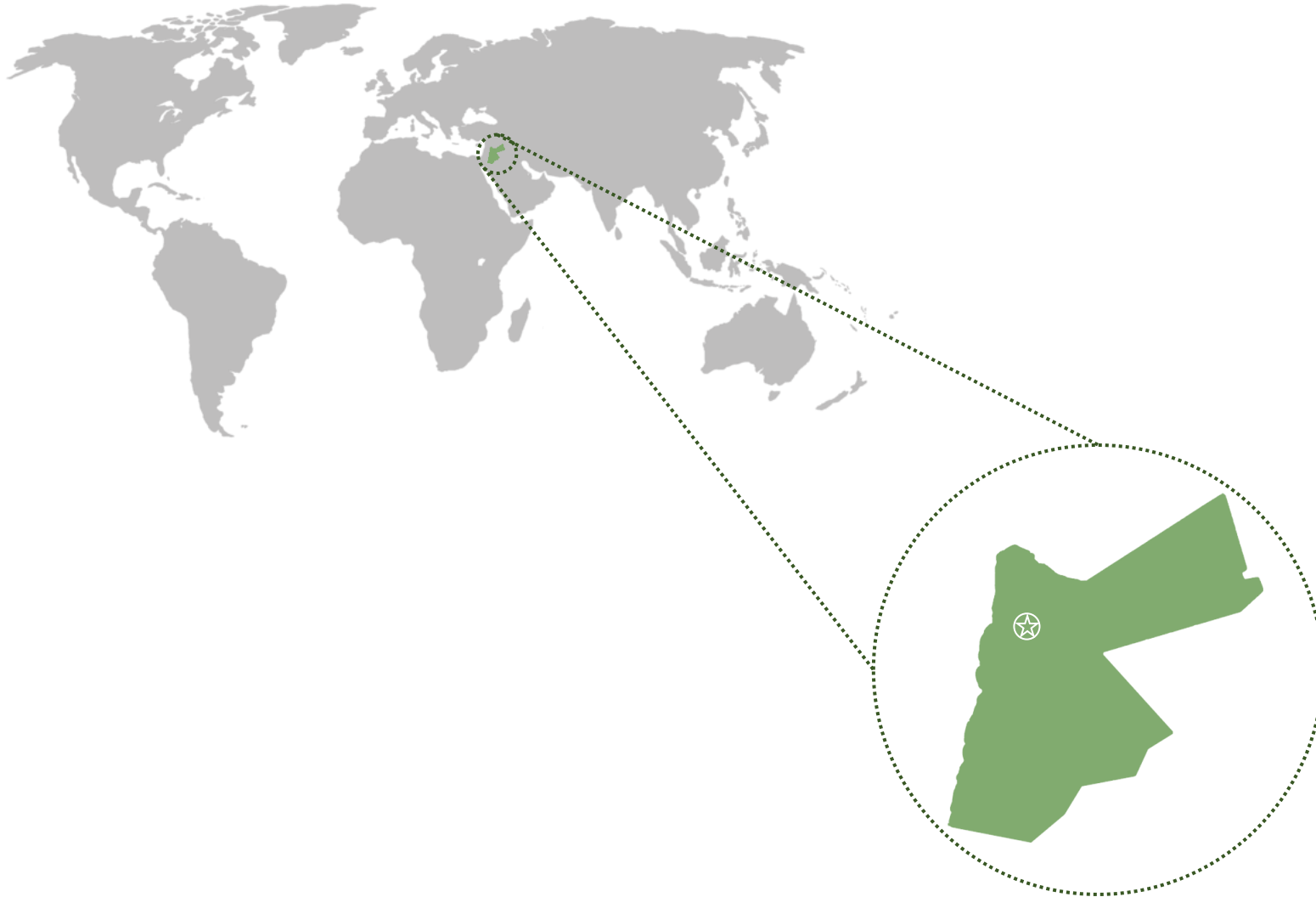
04

# Jordan

Facts and Economy







**Area :** 89.3 thousand km<sup>2</sup>



**Population :** 11.1 million



**Capital :** Amman



**Religion :** Islam (95%)

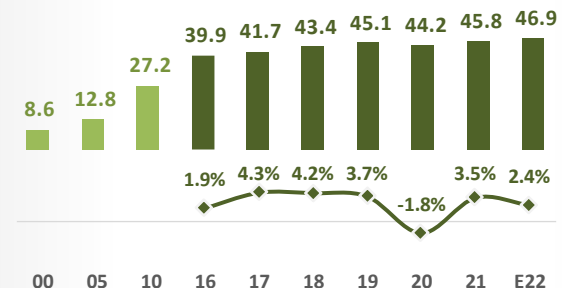


**GDP :** USD 46.9 billion

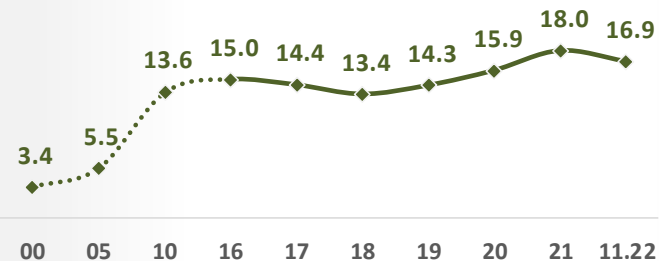


**GDP Per Capita :** USD 4,467

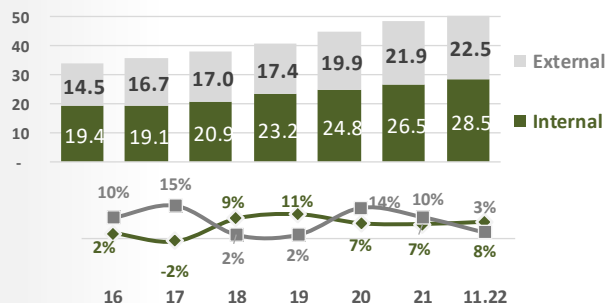
## GDP (Bn USD)



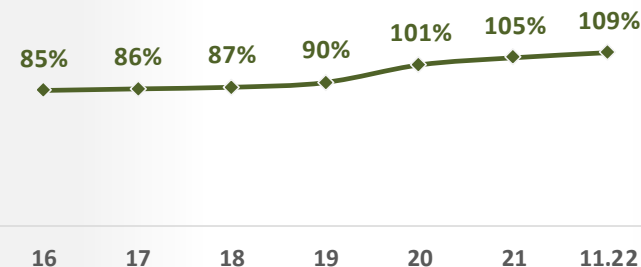
## Foreign Reserves (Bn USD)



## Public Debt (USD bn)



## Public Debt / GDP



## Unemployment Rate (%)



## Inflation (%)



## Highlights

- ◆ Foreign reserves decreased slightly as of 11.2022 reaching JD 16.9 bn (JD 18.0 bn at the beginning of the year); these reserves cover the imports needs for 7.3 months. Jordanian Dinar is pegged against USD since 1994 (USD 1 = JOD 0.709)
- ◆ Slight decrease of unemployment rate from 24.1% to 23.1% as end of 11.22
- ◆ The high unemployment rate was affected negatively by the low GDP growth in the recent years
- ◆ GDP showed slight growth over the last years, with the exception of year 2020 which was impacted by the Covid 19 pandemic, it is expected to reach 2.4% in 2022
- ◆ Current public debt to GDP increased to 109%
- ◆ The inflation rate reached 4.2% with an increase of 2.9% during 2022 driven by increase of fuel prices
- ◆ The government budget speech for 2023 mentioned that Jordan faces several economic challenges; high unemployment rate (specially youth), decreased purchasing power, distortion of tax burden. A balance between these economic challenges and public financial stability was planned when preparing state's financial plan.

## Why to Invest in Jordan



**Security and stability**



**Investment incentives, tax exemptions, and ability to repatriate capital/profits**



**Growing tourism sector**



**Regionally advanced indicators for competitiveness and corruption indexes**



**Competitive Human Resources**



**Strong Financial Sector**

## Facilities (Financing)

Facilities appears in the Safwa Islamic Bank's financial statements (financial position) as the sum of:

- Deferred sales receivables and other receivables-net (excluding international Murabaha)
- Ijarah muntahia bittamleek assets-net.
- Qard Hasan

## Money Market Instruments

Safwa Islamic Bank invests the extra funds in money market instruments, these instruments mainly consists of

- international Murabaha (appeared within "Deferred sales receivables and other receivables-net")
- international wakala

## Cost of Deposits

The cost of deposits expense in Safwa's statement of income includes the following items:-

- Share of unrestricted investment accounts holders'
- Deposit Insurance corporation fees, jointly financed
- Deposit Insurance corporation fees, self financed
- Changes in PER (Profit equalizer reserve)

## Impairment Charges

The concept of this provision includes the sum of :-

- Expected credit loss on jointly items
- Expected credit losses provision for facilities - self financed

## Direct Income

The concept of direct revenues in Safwa's statement of income includes the following items:-

- Differed sales revenues
- Ijara muntahia bittamleek assets revenue
- Gains from International wakala investments
- Gains from all financial assets
- Share of Joint Funds from Profits of associate company
- Bank's self financed revenue
- Depreciation of Ijara muntahia bittamleek assets- self financed

|                |                                      |
|----------------|--------------------------------------|
| <b>ATM</b>     | Automated Teller Machine             |
| <b>ASE</b>     | Amman Stock Exchange                 |
| <b>CAGR</b>    | Compound Annual Growth Rate          |
| <b>CAR</b>     | Capital Adequacy Ratio               |
| <b>CASA</b>    | Current Accounts and Saving Accounts |
| <b>CBJ</b>     | Central Bank of Jordan               |
| <b>CDM</b>     | Cash Deposit Management              |
| <b>COSO</b>    | Corporate Service Office             |
| <b>COD</b>     | Cost of Deposits                     |
| <b>CTI</b>     | Cost to Income Ratio                 |
| <b>G&amp;A</b> | General and Administrative Expenses  |

|             |                          |
|-------------|--------------------------|
| <b>GDP</b>  | Gross Domestic Products  |
| <b>MM</b>   | Money Market Instruments |
| <b>JD</b>   | Jordanian Dinar          |
| <b>NI</b>   | Net Income               |
| <b>NPL</b>  | Non Performing Financing |
| <b>NPM</b>  | Net Profit Margin        |
| <b>PB %</b> | Price to Book Ratio      |
| <b>PE %</b> | Price to Earnings Ratio  |
| <b>ROAA</b> | Return on Average Assets |
| <b>ROAE</b> | Return on Average Equity |
| <b>RWA</b>  | Risk Weighted Assets     |

|                                      |              |  |
|--------------------------------------|--------------|--|
| <b>Advances to Deposits</b>          | <b>AD%</b>   | The average of facilities divided by average sum of deposits and cash collaterals.   |
| <b>Capital Adequacy Ratio</b>        | <b>CAR%</b>  | A measurement of a bank's available capital expressed as a percentage of a bank's risk weighted assets (RWA) exposures   |
| <b>Current and Saving Accounts %</b> | <b>CASA%</b> | Sum of current and saving accounts divided by total deposits and cash collaterals  |
| <b>Compound Annual Growth Rate</b>   | <b>CAGR</b>  | The mean annual growth rate of an financial figure over a specified period of time longer than one year  |
| <b>Cost of Deposits</b>              | <b>COD</b>   | Annualizes profit expenses divided by deposits average (CASA and term deposits, and margins)   |
| <b>Cost to Income Ratio</b>          |              | G&A divided by (Gross Income + Non-funded Income)  |
| <b>Coverage Ratio</b>                |              | Sum of allowance of expected credit loss provisions and suspended profits divided by non performing financing  |
| <b>Liquid Assets</b>                 |              | High liquid assets that can be converted to cash within reasonable cost and short time   |
| <b>Net Profit Margin (NPM)</b>       | <b>NPM</b>   | The Direct Income of earning assets minus the cost of deposits   |
| <b>Non-Performing Financing</b>      |              | Financing that is in default or close to being in default, due to the fact that they have not made the scheduled payments for a specified period, most financing become non-performing after being default for 90 days |
| <b>Payout Ratio</b>                  |              | Proportion of earnings a company pays shareholders in the form of cash dividends   |
| <b>Per Capita Income</b>             |              | GDP divided by population  |
| <b>Price to Book Ratio</b>           | <b>PB</b>    | Market value of outstanding shares to total equity   |
| <b>Price to Earnings Ratio</b>       | <b>PE</b>    | Closing price to the annualized earning per share  |
| <b>Return on Average Assets</b>      | <b>ROAA</b>  | Annualized net income after tax divided by average assets  |
| <b>Return on Average Equity</b>      | <b>ROAE</b>  | Annualized net income after tax divided by average equity  |
| <b>Risk Weighted Assets</b>          | <b>RWA</b>   | The banks' assets or off balance sheet exposures weighted according to risk used in deterring capital adequacy   |
| <b>Spread</b>                        |              | Difference between return on earning assets and cost of deposits   |

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