



ANNUAL REPORT

2021



His Majesty
King Abdullah II Bin Al Hussein

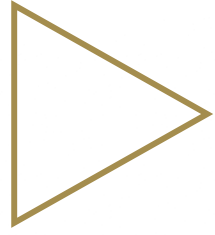
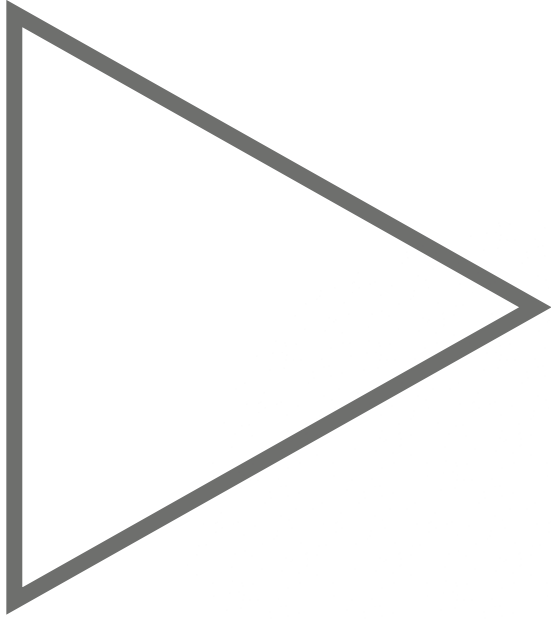


His Royal Highness
Crown Prince Hussein Bin Abdullah II

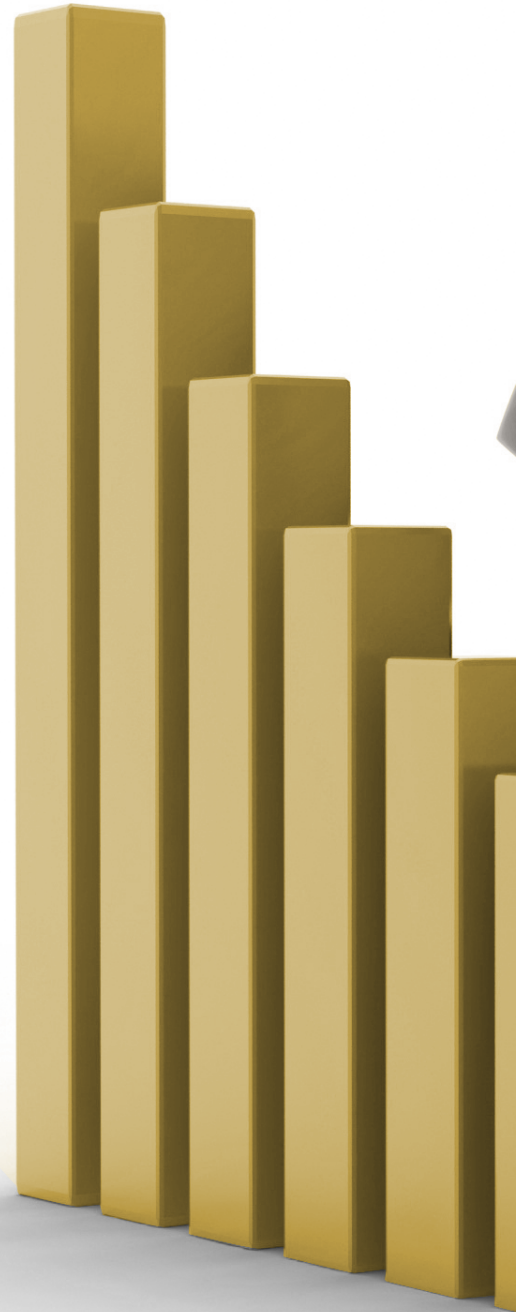


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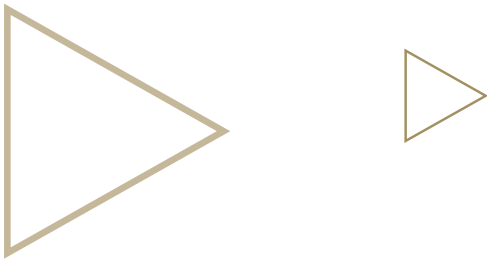
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FAIR AND RESPONSIBLE BANKING SERVICES







Safwa Islamic Bank is a public joint stock company licensed by the Central Bank of Jordan to practice and provide Islamic business and banking services in accordance with the Banking Law and the Companies Law.

The Bank provide all financial banking and structured investment services on a non-Interest basis in accordance with Islamic shari'a through the Bank's head office and its forty branches and its subsidiary within the Kingdom, in accordance with the effective Banking Law.

The authorized and paid-up capital of the bank is 100 million dinars, per 100 million shares, with a nominal value of one dinar per share.

Our Vision

Leading Islamic banking to serve all spectrums of the society.

Our Mission

To provide distinctive and innovative services emanating from the divine principles of Islam to build lasting and solid partnerships and to maximize benefits to all stakeholders.

Our Values

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"

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"

Devotion to Work

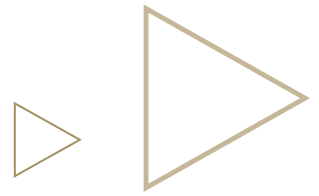
- Be productive and strive with passion to reach excellence
- Seek continuous improvement
- Be a long life learner
- Recognize outstanding performance by rewards and promotion opportunities

"with best people, we will be the best bank"

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"

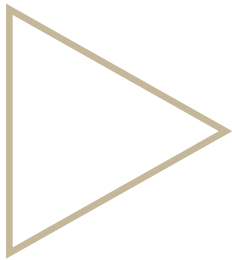


Members of the Board of Directors

Dr. Moh'd Naser Abu Hammour	Chairman of the Board/Representative of Al-Etihad Islamic for Investment Co.
Abd Al-Rahim Al-Hazaymeh	Deputy Chairman of the Board/Representative of Orphans Fund Development Foundation
Basem Salfiti	Representative of Al-Etihad Islamic for Investment Co.
Deema Akef	Representative of Al-Etihad Islamic for Investment Co.
Khaled Algonsef	Representative of Al-Etihad Islamic for Investment Co.
Dr. Ibrahim Saif	independent
Dr. Ahmed Menesi	Representative of Al-Etihad Islamic for Investment Co.
Dr. Noufan Alaql	Representative of Social Security Corporation
Samir Abu Lughod	Independent
Dr. Khaled Zentuti	Independent
Salem Burqan	Independent

Shari'a Supervisory Board

His Eminence Prof. Dr. Ali Al Qaradaghi	Chairman of the Shari'a Supervisory Board
His Eminence Dr. Ahmad Melhem	Deputy Chairman of the Shari'a Supervisory Board
His Eminence Dr. Ali Musa	Member of the Shari'a Supervisory Board
His Eminence Dr. Safwan Edibat	Member of the Shari'a Supervisory Board



Executive Management Members

Name	Job Title
Samer “Al Saheb Al Tamimi”	General Manager / Chief Executive Officer
Rami Khayyat	Deputy CEO, Chief of Corporate Banking
Hani Al-Zrari	Deputy CEO, Chief of Central Operations
Ziad Kokash	Deputy CEO, Chief Credit Officer
Nesfat Taha	Head of Retail Banking
Wael Al-Bitar	Chief of Treasury and Investment
Rami Al-Kilani	Head of Information Technology
Ahmad Tarteer	Head of Compliance
Masoud “Sakf Al-Hait”	Chief of Legal Affairs and Board Secretariat
Muneer Faroneyah	Head of Shari’a Supervision
Mohammad Hawari	Head of Human Capital Management
Khalid Al-Issa	Head of Internal Audit
Ahmad Jafar	Head of Risk

External Auditor

Deloitte & Touche (M.E) - JORDAN



Chairman's Letter

**In the name of Allah, the most Gracious, the most Merciful
Praise be to God, Lord of the Worlds, and prayers and
peace be upon the Seal of the Prophets and Messengers,
Muhammad, his family and companions
Honorable brothers and sister, the shareholders May the
peace, mercy, and blessing of Allah be upon you.**

The Bank was able to maintain its position as a leading Islamic bank in the Jordanian banking market during the year 2021. This was an exceptional year in which the Bank was able to achieve an unprecedented growth in the volume of its business; whereby its assets increased by an amount of JOD 516 million, constituting a 28% growth, reaching JOD 2.3 billion, and with profits before tax reaching JOD 22.8 million, which constituted a growth of 44% in comparison to the previous year. This was driven by an increase in the volume of the Bank's financing and investments by 36%; whereby the Bank's deposits grew by JOD 476 million during the year, constituting a growth rate of 31%, and which constitutes 17% of the overall growth in deposits for the entire banking sector during the year. The Bank assigned a great deal of importance to effectively and efficiently managing its resources, whereby the ratio of costs to income decreased to 44% in comparison to 50% during 2020.

The results are the outcome of the achievements and initiatives targeting value addition to the customer experience, where the Bank re-engineered its main operations, and developed various digital solutions. The Bank directed its focus on the feedback obtained from its customers, and it used this feedback as input to make development and progress, and providing simplified and attractive products designed for the convenience of our customers, in a manner which exceeds their expectations and aspirations. This was clearly reflected in the Bank's success by winning the trust of a greater number of customers who view Safwa Islamic Bank as a role model in offering Islamic Banking services characterized by quality, accuracy and speed, and in line with the highest standards.

Islamic banks continued to increase their share in the banking sector, whereby the share of assets owned by Islamic banks grew from 17.2% to 18.2%. The share of deposits at Islamic banks also grew from 22.6% to 24.1%; reflecting a growing desire in the Jordanian community to obtain banking services that are compatible with the provisions of Islamic Sharia.

As a continuation of our plans to expand and spread, and to serve the largest possible segment of society, during the year 2021 and with all thanks to Allah Almighty, we were able to open up two new branches, bringing the number of branches within our network to a total of 40. We have also strengthened the coverage of our ATM network, reaching a total of 80 ATMs. This expansion reflected positively on the quality of our services and the overall number of customers at the Bank. The Bank has also expanded the network of correspondent banks by establishing strategic relationships with world – leading financial institutions and banks.

In light of the Bank's results, the Board of Director's recommended, during its meeting held on 03/02/2022, the distribution of cash dividends to the shareholders for the results of the year 2021;

"Exceptional performance by Safwa Islamic Bank during 2021, with the Bank's assets growing by 28%".

"Islamic Banks shares in the banking sector increased at all levels".



amounting to JOD 6 million i.e. 6% of capital, and in line with the Bank's strategic direction to maintain an adequate and comfortable capital adequacy ratio for its expansion and growth. The Bank's Capital Adequacy Ratio stood at 18.1% at the end of 2021, after deducting the amount of the proposed cash dividends. This ratio is still higher than the requirements set forth by Basel, and the requirements of the Central Bank of Jordan.

The Bank stood beside his customers, whereby it has adopted the principles of "Fair and Responsible Banking Relationship", as a community bank that is involved in supporting the economy and society. The Bank has largely succeeded in building deeply rooted relationships across all spectrums of Jordanian society, and has continued to support sectors that were effected by the Coronavirus pandemic. In order to encompass its role as a community bank, and driven by its keenness to stand by the people of our dearly beloved society, the Bank launched several campaigns with competitive prices for various sectors.

The Bank has been keen to bolster its financial position, by having additional provisions aimed at countering the potential impact of the Coronavirus pandemic. This will lead to strengthening the Bank's ability to face fluctuations that may occur in the future. Accordingly, the Bank intends to continue with this approach in the future by further building up its provisions.

Despite the economic decline experienced in recent years in Jordan, the region and throughout the world, along with the challenges faced by the macroeconomic environment imposed by the Coronavirus pandemic; the Bank was able to record some of its best growth rates in the banking sector, and it is likely that 2022 and the ensuing years will witness less volatility, noting that economic indicators have shown a relative degree of improvement, and this will reflect on the achievement of better results – Allah willing – in the future.

At Safwa Islamic Bank, we will continue to work through the spirit of one team, and we will continue to achieve more successes and to implement the objectives of our strategic plan during 2022, against a backdrop of continuous monitoring and remaining abreast of all external banking trends and orientations that could have an impact on our operations, in order to ensure the continued excellence of the Bank. Accordingly, we will continue to study and improve our procedures in order to maximize effectiveness when it comes to offering our services and products, and through which we seek to excel in the Jordanian banking market.

Through this report, I would like to extend my gratitude to the management and employees of Safwa Islamic Bank; who have worked in a team spirit, showing dedication and commitment, and who have worked diligently towards making remarkable achievements and taking steady and gradual steps towards our desired success. I would also like to extend my gratitude to the Board of Directors for its outstanding guidance, supervision and support. Moreover, I would like to extend my deep gratitude and respect to the Shari'a Supervisory Board for the support and guidance that they provided during 2021.

I would also like to take this opportunity to thank our customers for trusting us, and we promise them that we will continue to move forward by providing products and services that live up to their aspirations. I further extend my deep gratitude and appreciation to our distinguished shareholders, for their support for the Bank.

I extend my thanks and appreciation for the massive and distinguished role played by the Central Bank of Jordan; through its oversight and instructions, and to the other regulatory authorities, which have played an important role in following-up on the safety of the Bank, giving investors confidence and stimulating our national economy.

I pray to Allah Almighty to help us in our work for the interest of this institution and to serve our dear and beloved country under the wise leadership of the country's leader, King Abdullah II bin Al Hussein, may Allah protect and preserve him.

May the peace, mercy and blessing of Allah be upon you,

Dr. Mohammed Abu Hammour

Chairman of the Board of Directors

"The Board of Directors recommends the distribution of cash dividends to shareholders at a rate of 6% of the capital, for the amount of JOD 6 million".

"A strong financial position that enhances the Bank's ability to counter economic fluctuations".



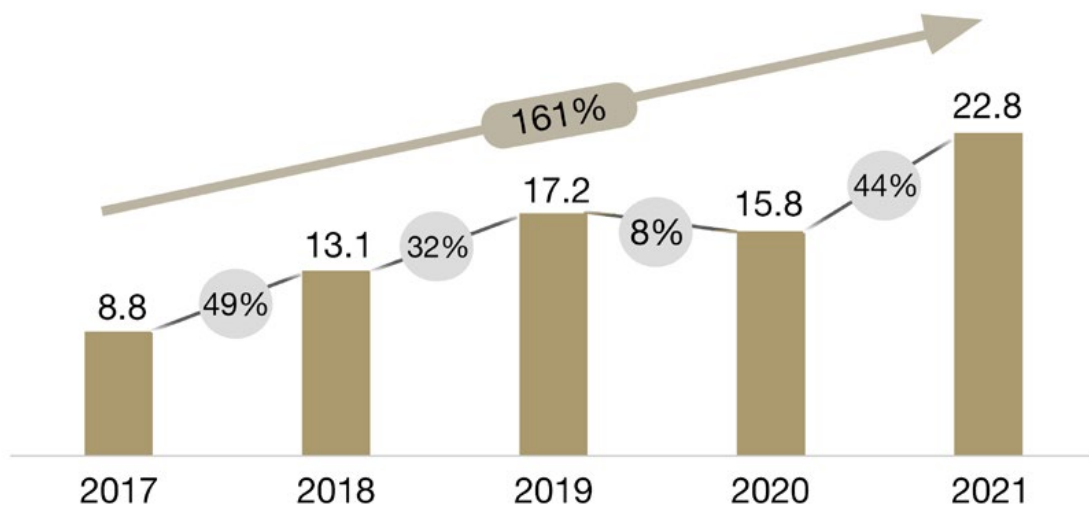
CEO's Letter

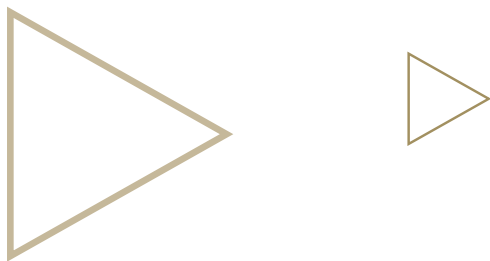
Dear Honorable brothers and sisters, the shareholders
May the peace, mercy and blessings of Allah be upon you,

First and foremost, allow me to extend my gratitude for your continued trust in us. It has been, and continues to be our biggest motivator to continue with our approach to building a solid and robust bank. Today, Safwa Islamic Bank is able to accomplish numerous feats that exceed expectations. The year 2021 was an exceptional year that was characterized by perseverance and numerous challenges. Your trust is the cornerstone for Safwa Islamic Bank, and today, we have become the first and best alternative for our massive Jordanian family.

We are proud of what we have been able to achieve together during 2021. I am not only referring to our financial performance, but to the level of services and support that we have provided our customers. At Safwa Islamic Bank, we believe that excellence in performance comes from building a strategy that is center around paying attention to the needs of our customers and providing them with the best and highest international standards. The most important characteristic of our daily business is quality, speed and accuracy in providing services. This is the main priority upon which we build our business.

We ended the year 2021 with results that make us proud. We were able to achieve the highest level of profit since the Bank's establishment, amounting to JOD 22.8 million (before tax), constituting a growth rate of 161% from the beginning of 2018. This is a reflection of a real growth and development in all sectors of the Bank. This distinguished and excellent performance was reflected in the share price, whereby the price per share reached JOD 1.91 at the end of 2021, compared to JOD 1.12 at the end of 2018, constituting a growth of 71%.





It is my pleasure to share some of our financial results, and that could help in the positive changes occurring to the performance:

	2020	2021	Change	Percentage (%)
Main items of the financial statements (in millions of JOD)				
Assets	1,820	2,336	516	28%
Deposits	1,555	2,031	476	31%
Net Financing and Ijara	1,178	1,599	421	36%
Net Profit before Taxation	15.8	22.8	7.0	44%
Financial Indicators				
Earnings per Share	0.102	0.141	0.039	38%
Return on Capital	10.2%	14.1%	3.9%	-
Capital Adequacy Ratio	19.8%	18.1%	1.7%	-

In this letter, I will address three main pillars in our work that have contributed to this positive and distinguished performance of the Bank.

An Unparalleled Customer Experience

A Fair and Responsible Bank

A Sustainable Future

An Unparalleled Customer Experience

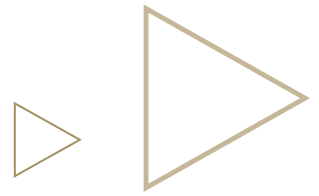
We believe that the bank of the future is a mix of branches and electronic channels that serve to provide the best range of services and products at the highest standards. At Safwa Islamic Bank, we strive to enrich the experiences of our customers through all channels, whether through our branches or electronic channels. We believe that all of our channels should be at the highest levels of efficiency and effectiveness.

During the year 2021, we opened up a number of branches in various regions and governorates, whilst some already existing branches were relocated to more vibrant and active areas, bringing the total number of branches to 40. Some of the branches were equipped with centers to serve small and medium sized enterprise customers, which made it easier for corporate customers to communicate with the Bank, in addition to the presence of specialized relationship managers tasked with managing the accounts of these corporate customers. Moreover, our ATMs have been upgraded to be in accordance with the highest standards, thus enabling them to offer cash deposit and withdrawal services, as well as depositing cheques 24/7, and therefore allowing customers to perform any type of financial transaction at any time.

During the previous period, we worked to offer banking services to customers around the clock and seven days a week, by providing several digital solutions that enable customers to manage their accounts at any time and place. The digital services were diversified to include account opening services, savings and savings solutions, various payment solutions and remittances services, in addition to updating customer data, and controlling credit cards. Furthermore, the authentication feature for executing financial transactions was also activated in order to achieve the highest standards of security, accuracy and speed.

A Fair and Responsible Bank

During the previous years, we have set our sights on ensuring credibility, transparency and perfection in everything we do, with all segments of society. This has bolstered our reputation in the market through all points of contact with customers either at our branches, at our HQ or even our channels and always with the highest levels of professionalism.



During 2021, we focused on targeting new segments that had been most affected by the global Coronavirus pandemic. We offered financing to the health sector at competitive rates, including doctors, nurses and pharmacists. We also ensured to target the educational sector, including teaching staff – whether at schools, universities or academies – in addition we have also launched special financing for members of the military service and military retirees, who were offered preferential rates with a minimal requirements to obtain the financing. These achievements were only made possible through our responsible and fully competent team; whereby Safwa Islamic Bank works hard on investing in its employees and attracting the best Jordanian talents.

With regards to our social responsibility towards our beloved country, we launched a summer training campaign to help university students integrate into the labor market, to obtain the needed practical experience, by training them at our branches. On the other hand, we also provided assistance in developing various learning tools at schools affiliated with the Ministry of Education, by providing various digital educational pads, in addition to making donations to various charities and organizations.

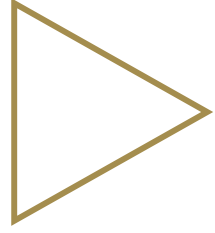
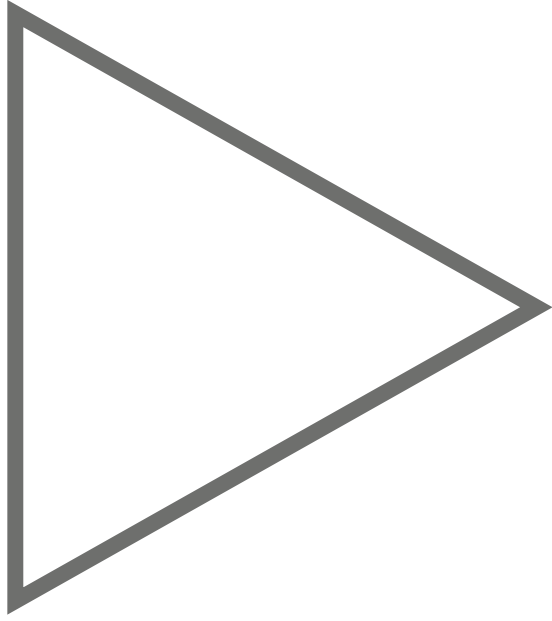
A Sustainable Future

Safwa Islamic Bank is optimistic about a sustainable future full of opportunities for growth and progress. We are working hard to create new ways and opportunities in our Jordanian society. Knowing our customers and responding to the market needs are the base for a sustainable future.

At Safwa Islamic Bank, we work as a fully integrated team with a unified strategic goal, and with the spirit of a one team. Our continuous support for the economy and society, along with offering optimal services that add value in accordance with the highest standards is the appropriate way for us to maintain upward growth and sustainability.

I would like to conclude my message by wishing everyone a new year full of goodness and giving...

Samer “Al Saheb Al Tamimi”
CEO

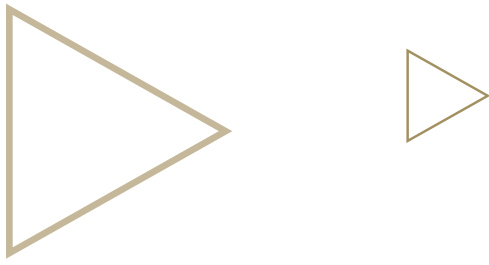


Shari'a Supervisory Board Report

**A DISTINCTIVE YEAR
IN WHICH WE HAVE
ACHIEVED SO MUCH**







In the Name of Allah
Report of Shari'a Supervisory Board
For Safwa Islamic Bank For The Year 31/12/2021

Praise be to Allah and peace and blessings be upon our Prophet Mohammad and his family and companions,
To shareholders of Safwa Islamic Bank,

Peace and Allah's mercy and blessings be upon you,

Pursuant to the Jordanian Banking Law No. 28 of 2000 And the law amending the Banking Law No.7 of 2019, regarding Islamic banks, the Bank's Articles of Association as well as the controls included in the accounting and auditing standards and the controls for Islamic financial institutions issued by the Audit and Accountancy Organization for Islamic Financial Institutions (AAOIFI) And based on a letter of assignment from the Board of Directors; the Sharia Supervisory Board presents the following report:

The Board has supervised the principles used and the contracts concerning transactions and applications offered by the Bank during the financial period ending on 31/12/2021. It has also carried out due surveillance to give its opinion whether the Bank has been compliant with regulations and principles of the Islamic Sharia, and how far its observance of Fatwas (Sharia decisions) was, as well as the defined resolutions and directions that we had issued, and to make sure of the Bank's observance thereof.

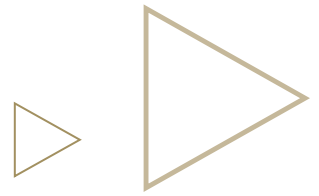
Because the Bank's management is responsible for the execution of the banks activities in accordance to the Islamic Sharia and ensuring that all times. However, Our responsibility is limited to providing an independent opinion based on our supervision of the Bank's operations and preparing a report for you.

We performed supervision which included the inspection of the Bank's documentation and procedures based on testing each type of operations through Sharia Supervisory Department.

We have planned and executed supervision to obtain all information and explanations deemed necessary to provide us with sufficient evidence to give reasonable confirmation that the Bank has did not intend to violate the regulations and principles of the Islamic Sharia. The Board has also continued, through meetings and discussions of the agenda items proposed by the head of internal Sharia Audit, to develop required provisions and instructions for emerging topics that arise during the practical application and indicate the Sharia regulations for those topics.

In Our Opinion:

- A. The members of the Board reviewed the consolidated financial statements of the bank as on 31/12/2021, and the income statement for the year ended at 31/12/2021, and the explanations related to it as they provide of the bank's business image ,and it did not show any Sharia violation as it looked at.
- B. The contracts, operations and transactions conducted by the Bank during the year ending 31/12/2021, that we reviewed have been conducted according to the regulations and principles of the Islamic Sharia.
- C. The Bank's management enabled the Board to review all books and records it demanded, and has obtained the data it requested to enable it to perform its duty of audit on the Bank's executed transactions.
- D. The Board revised the structures of financing and its terms and conditions, and contracts by which transactions were executed during the current year as of 31/12/2021 which we reviewed according to regulations and principles of the Islamic Sharia.
- E. Distribution of profits and burdening loss on investment accounts, agrees with the basis approved by us according to regulations and principles of Islamic Sharia.



F. Sums that came resources or by ways that are non-compliant with the regulations and principles of Islamic Sharia were credited to the Account of benefits (Khairat) to be spent in charities, and were disincluded from Banks revenues.

G. The Board replied to inquiries presented to it and issued the necessary and Fatwa (Sharia opinion); and the Banks management showed a decision positive reaction in applying those (Fatwa) opinions And decisions and observance of Them.

H. The issuance of Zakat is the task of the shareholders, As per the bank's articles of association, the shareholder must pay (Zakat) of his shares when applying the provisions of Sharia and Zakat regulations, taking the following into considerations:

- If the intention on purchasing shares to trade with them and circulation, the shareholders will issue (Zakat) of the shares market value and the dividends distributed at the end of the year by (2.5%) of this value in the Hijiri year , and the calendar year (2.575%).
- If the intention on purchasing shares to obtain profits not trading, he will issue (Zakat) (2.5%) in the Hijri year or (2.577%) in the calendar year.

in the value of (Zakat) assets in addition to the dividends either distributed or not.

H. The commission approved new products, which are electronic murabaha, electronic bargaining, stock murabaha with its Shariah controls.

In conclusion , the Authority extends its thanks to the Board of Directors for its good and continuous cooperation, as well as the executive management and those dealing with the bank, praying to God Almighty to bless dear country.

In conclusion, the board extends its thanks to the Board of Directors and to the executives management for their continuous and generous cooperation. Praying to Allah to bless our country.

Praise be to Allah

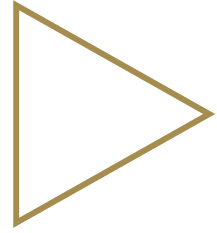
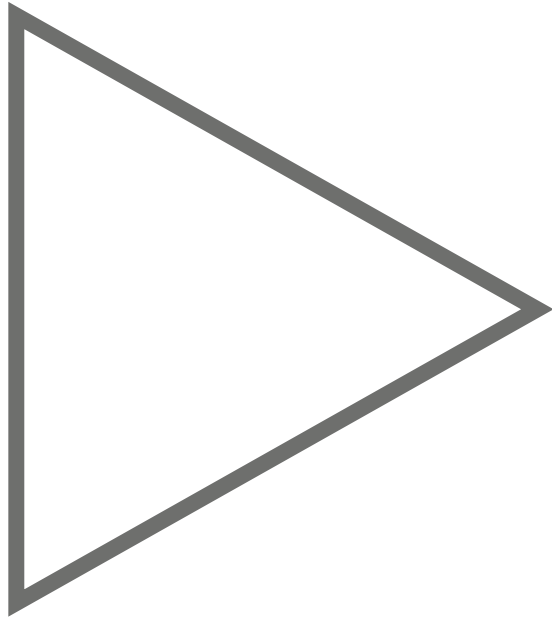
Date: 2/3/2022

Chairman and Executive Member
Prof. Dr. Ali Al Quradaghi

Deputy Chairman
Dr. Ahmad Melhem

Board Member
Dr. Safwan Ali Edibat

Board Member
Dr. Ali M.Husen Musa



**Consolidated Financial
Statement for The Year Ended
31 December 2021 and Notes
about them Together with
Independent Auditor's Report**

SUCCESS BEYOND NUMBERS







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INDEPENDENT AUDITOR'S REPORT

AM/014589

To the Shareholders of
Safwa Islamic Bank
(A Public Shareholding Limited Company)
Amman – The Hashemite Kingdom of Jordan

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Safwa Islamic Bank and its subsidiary (referred to together as "The Group"), which comprise the consolidated statement of financial position as at December 31, 2021, and the related consolidated statements of income and comprehensive income, changes in shareholders' equity, cash flows, and changes in restricted Wakala investment accounts for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2021, and the consolidated results of the operations, changes in shareholders' equity, its cash flows, and changes in restricted wakala investment accounts for the year then ended in accordance with the Financial Accounting Standards ("FAS") issued by the Accounting and Auditing Organization for Islamic Financial Institutions ("AAOIFI") as adopted by the Central Bank of Jordan.

In our opinion, the Group has also complied with the Islamic Shariah Principles and Rules as determined by the Shariah Supervisory Board of the Bank during the year ended 31 December 2021.

Basis for Opinion

We conducted our audit in accordance with the Auditing Standards for Islamic Financial Institutions ("ASIFIs") issued by AAOIFI. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the AAOIFI's Code of Ethics for Accountants and Auditors of Islamic Financial Institutions ("the Code"), together with the ethical requirements that are relevant to our audit of the consolidated financial statements in Jordan, and we have fulfilled our other responsibilities in accordance with these requirements and the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Other Matter

The accompanying consolidated financial statements are a translation of the original consolidated financial statements, which are in the Arabic language, to which reference should be made.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

1- Expected credit losses in the financing portfolio (Deferred sales receivables and other receivables, and Ijara Muntahia Bittamleek assets):

The disclosures related to the impairment loss in the financing portfolio (Deferred sales receivable and other receivables, and Ijara Muntahia Bittamleek assets) are detailed in Notes (8 and 12) to the consolidated financial statements.

Key Audit Matter	How the key audit matter was addressed
<p>The Bank's net financing portfolio (Deferred sales receivables and other receivables, and Ijara Muntahia Bittamleek assets) amounted to JD 1.59 Billion as at December 31, 2021 after deducting an expected credit loss provision of JD 44.5 million, which includes a provision of JD 19.8 million against the exposures of Stage (1) and Stage (2), and JD 24.6 million against the exposures included in Stage (3).</p> <p>The Group's Management applies significant judgment in determining the assumptions used in determining the timing and amount to be recorded regarding the expected credit losses in the value of the financing portfolio (Deferred sales receivables and other receivables, and Ijara Muntahia Bittamleek assets) and estimating the amount of the related expected credit loss provision against it.</p> <p>The financing portfolio (Deferred sales receivables and other receivables, and Ijara Muntahia Bittamleek assets) constitutes a major part of the Group's assets. Due to the importance of the judgments used in the classification of financing portfolio at the various stages set forth in Financial Accounting Standard (30) and the Application Instructions issued by the Central Bank of Jordan and the related provision requirements, this matter has been considered as a key audit matter.</p>	<p>The audit procedures included evaluating the internal controls, by determining if they had been designed and implemented appropriately, and the monitoring system related to granting, recording and monitoring of the financing, as well as the procedures for determining the expected credit losses. We also took into consideration the Central Bank of Jordan's requirements to verify their effectiveness and evaluate the efficiency of their design and implementation.</p> <p>We have also evaluated the Group's expected credit loss allowance policy against the requirements of the Financial Accounting Standards issued by (AAOIFI) as adopted by the Central Bank of Jordan in this regard and the strictest between them, after taking into consideration some differences.</p> <p>Furthermore, we have obtained understanding of the methodology used by the Group in determining the provisions against exposures classified within Stages (1, 2 and 3). We have also assessed the underlying assumptions and adequacy of the data used by the Group to determine the reasonable. We also determined if the credit facilities portfolio included in the calculation of the expected credit loss was complete.</p>



Key Audit Matter

As disclosed in Note (58), the COVID-19 pandemic has significantly impacted management's determination of expected credit loss and required the application of heightened judgment. To address the uncertainties inherent in the current and future environment and to reflect all relevant risk factors not captured in the Bank's modelled results, management applied quantitative and qualitative adjustments for the impacts of the unprecedented macroeconomic scenarios arising from the pandemic, the temporary effects of the bank and government-led payment support programs, which may not completely mitigate future losses, and the impacts to particularly vulnerable sectors affected by COVID-19.

The Bank made amendments to the expected credit loss calculation models (including management overlays) to take into consideration the potential impact of the COVID 19 pandemic to address the impact on certain sectors or specific customers based on relative cash flow forecasts.

How the key audit matter was addressed

We assessed the judgments applied by management relating to significant increases in expected credit losses, and the results from classifying the exposures into different stages.

We tested a sample of the credit exposures to evaluate if the determination of exposure at default, the probability of default, and the loss given default used in the calculation of the expected credit losses were appropriate.

We tested a sample of the financing portfolio exposures in which impairment in value has been identified on an individual basis, and which are classified in Stage (3). In addition, we assessed management's estimate of the future cash flows on a sample basis to determine if they are reasonable and reperformed calculations of the allowances.

We also have used our internal specialists, where appropriate, to verify the validity of that data.

We obtained an understanding of the amendments made by the Bank to the expected credit losses impacted by the COVID-19 pandemic. We assessed those amendments by evaluating the model adjustments in relation to macroeconomic factors and forward-looking scenarios, which were incorporated into the impairment calculations, by utilizing our internal specialists to challenge the chosen scenarios and weights applied to capture non-linear losses

We have tested, utilizing our internal IT specialists, the IT application used in the credit impairment process and have verified the integrity of data used as input to the models, including the transfer of data between source systems and the impairment models. We have evaluated system-based and manual controls over the recognition and measurement of the allowance for expected credit loss, including the consideration of the economic disruptions caused by COVID 19.

We assessed if the amount recorded as the allowance for expected credit losses was in accordance with the Financial Accounting Standards issued by (AAOIFI) as modified by the Central Bank of Jordan.



2 - IT systems and controls related to the preparation of the consolidated financial statements

Key Audit Matter	How the key audit matter was addressed
We have identified IT systems and controls over the Group's financial reporting as an area of focus due to the extensive volume and variety of transactions that are processed daily by the Group, which rely on the effective operation of automated and IT dependent manual controls. There is a risk that automated accounting procedures and related internal controls are not accurately designed or are not operating effectively. In particular, the incorporated relevant controls are essential to limit the potential for fraud and error as a result of a changes to an application or underlying data.	<p>Our audit approach relies on automated controls, and therefore the following procedures were designed to test access and control over IT systems:</p> <p>We have obtained an understanding of the applications relevant to financial reporting and the infrastructure supporting these applications.</p> <p>We have tested IT general controls relevant to automated controls and computer-generated information covering access security, program changes, data center and network operations.</p> <p>We have examined computer-generated information used in financial reports from relevant applications and key controls over their report logics.</p> <p>We have performed testing on the key automated controls on significant IT systems relevant to business processes.</p>

Other Information included in the Group's Annual Report for the Year 2021

Other information consists of the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon. The Board of Directors is responsible for other information. We expect that the annual report will be made available to us after the date of our audit report. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

These consolidated financial statements and the Group's undertaking to operate in accordance with the Islamic Shari'ah rules and Principles are the responsibility of the Group's Board of Directors.



The Group's Board of Directors is also responsible for the preparation and fair presentation of the consolidated financial statements in accordance with FAS issued by the AAOIFI as adopted by the Central Bank of Jordan and for such internal control as the Group's Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ASIFIs issued by the AAOIFI will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with AAOIFI, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



Deloitte.

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and have communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguard applied.

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

Report on Other Legal and Regulatory Requirements

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

**Amman – The Hashemite
Kingdom of Jordan**

February 13, 2022


Deloitte & Touche (M.E.) - Jordan
Deloitte & Touche (M.E.)
ديلويت آند توش (الشرق الأوسط)
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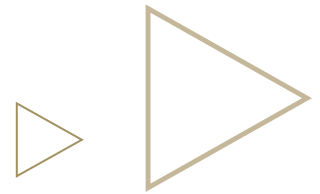


Safwa Islamic Bank
(A Public Shareholding Limited Company)
Amman-The Hashemite Kingdom of Jordan
Consolidated Statement of Financial Position

Statement "A"

	Note	31 December	
		2021	2020
		JD	JD
Assets			
Cash and balances at the Central Bank	4	358,653,364	351,694,499
Balances at banks and the financial institutions	5	8,293,931	9,669,834
International wakala investments-net	6	86,124,648	78,717,349
Financial assets at fair value through statement of income	7	1,565,294	1,513,175
Deferred sales receivables and other receivables-net	8	1,063,215,294	753,903,198
Financial assets at fair value through unrestricted investment accounts' holders equity-net	9	164,363,677	58,488,983
Financial assets at amortized cost -net	10	64,752,000	92,191,000
Investment in associate	11	343,708	349,507
Ijara Muntahia Bittamleek assets-net	12	533,805,256	422,067,496
Qard Hasan-Net	Statement "E"	1,619,321	1,721,260
Property and equipment-net	13	22,333,251	22,889,345
Intangible assets - net	14	1,919,527	2,024,886
Right of use assets	46/A	9,367,268	8,969,372
Deferred tax assets	20/C	6,734,092	5,313,875
Other assets	15	13,044,688	10,725,424
Total Assets		2,336,135,319	1,820,239,203
Liabilities, Unrestricted Investment Accounts Holders' and Shareholders' Equity			
Liabilities			
Banks and financial Institutions accounts	16	16,530,718	25,085,579
Customers' current accounts	17	290,066,768	228,380,089
Cash margins	18	56,124,802	26,856,968
Income tax provision	20/A	8,332,402	8,298,808
Other provisions	19	440,000	954,597
Lease liabilities	46/B	9,342,554	8,898,628
Other liabilities	21	51,211,325	40,422,039
Total Liabilities		432,048,569	338,896,708
Unrestricted Investment Accounts Holders' Equity			
Unrestricted investment accounts	22	1,741,326,610	1,326,573,194
Fair value reserve	23	82,413	151,894
Total Unrestricted Investment Accounts Holders' Equity		1,741,409,023	1,326,725,088
Shareholders' Equity			
Paid up capital	24	100,000,000	100,000,000
Statutory reserve	25	29,766,889	27,485,171
Retained earnings	26	32,910,838	27,132,236
Total Shareholders' Equity		162,677,727	154,617,407
Total Liabilities, Unrestricted Investment Accounts Holders' and Shareholders' Equity		2,336,135,319	1,820,239,203
Wakala Investments accounts	Statement "F"	4,288,847	7,096,305

The accompanying notes are part of these consolidated financial statements and should be read with them and with the accompanying audit report.



Safwa Islamic Bank

(A Public Shareholding Limited Company)

Amman-The Hashemite Kingdom of Jordan

Consolidated Statement of Income and Comprehensive Income

Statement "B"

	Note	For the year ended 31 December	
		2021	2020
		JD	JD
Deferred sales revenue	27	58,754,853	47,806,599
Ijara Muntahia Bittamleek assets revenue	28	33,606,273	31,653,197
Gains from International wakala investments	29	269,264	865,064
Gains from financial assets at fair value through unrestricted investment accounts' holders equity	30	1,933,740	1,810,043
Gains from financial assets at fair value through statement of income	31	118,407	122,759
Gains from financial assets at amortized cost	32	3,539,642	4,137,690
Share of joint funds from profits of associate company	11	451	5,485
(Losses) Gains from foreign currencies evaluation	33	(48,324)	62,892
Other revenue - jointly financed -net		85,909	32,201
Total unrestricted investment revenue		98,260,215	86,495,930
Deposit Insurance fees - jointly financed accounts		(1,928,999)	(1,580,571)
Share of unrestricted investment accounts holders'	34	(45,658,680)	(38,245,176)
Expected credit losses on jointly items	6 & 8 & 9 & 21	(9,499,586)	(9,960,274)
Bank's share of unrestricted investments revenue as a mudarib and rab - mal	35	41,172,950	36,709,909
Bank's self financed revenue	36	686,602	671,095
Banks share from the restricted investments revenue as agent (wakeel)	37	150,018	129,099
Gain from foreign currencies	38	1,491,988	922,916
Banking services revenue - Net	39	6,722,733	4,946,663
Other revenue	40	158,770	1,415
Deposit Insurance fees - self financed		(1,184,299)	(982,883)
Gross Income		49,198,762	42,398,214
Employees' expenses	41	(14,402,503)	(13,123,431)
Depreciation and amortization	13 & 14	(3,240,190)	(3,182,555)
Depreciation of Ijara muntahia bittamleek assets- self financed	28	(387,164)	(395,003)
Expected credit loss (expenses) on - self items	Statements "E" & 8 & 21	(21,767)	(84,596)
Depreciation of right of use assets	46	(1,445,208)	(1,513,964)
Finance costs / discount rate on lease liability	46	(299,732)	(322,467)
Rent expenses		(198,802)	(182,889)
Recovered from (expenses) miscellaneous provisions	19	514,597	(550,000)
Other expenses	42	(6,900,813)	(7,212,289)
Total expenses		(26,381,582)	(26,567,194)
Profit for the year before tax		22,817,180	15,831,020
Income tax expense	20/B	(8,756,860)	(5,663,881)
Profit for the year/Comprehensive Income for the year		14,060,320	10,167,139
		JD/Fils	JD/Fils
Basic and diluted earnings per share	43	0/141	0/102

The accompanying notes are part of these consolidated financial statements and should be read with them and with the accompanying audit report.



Safwa Islamic Bank
(A Public Shareholding Limited Company)
Amman-The Hashemite Kingdom of Jordan
Consolidated Statement of Changes in Shareholders' Equity

Statement "C"

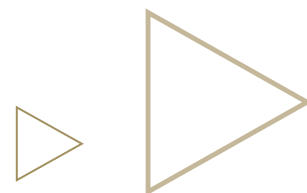
	Paid up capital	Statutory reserve	Retained Earnings *	Total
	JD	JD	JD	JD
For the year ended 31 December 2021				
Balance as at the beginning of the year	100,000,000	27,485,171	27,132,236	154,617,407
Total comprehensive income for the year - (Statement B)	-	-	14,060,320	14,060,320
Distributed dividends**	-	-	(6,000,000)	(6,000,000)
Transfer to reserves	-	2,281,718	(2,281,718)	-
Balance as at 31 December 2021	100,000,000	29,766,889	32,910,838	162,677,727
For the year ended 31 December 2020				
Balance as at the beginning of the year	100,000,000	25,902,069	18,548,199	144,450,268
Total comprehensive income for the year - (Statement B)	-	-	10,167,139	10,167,139
Transfer to reserves	-	1,583,102	(1,583,102)	-
Balance as at 31 December 2020	100,000,000	27,485,171	27,132,236	154,617,407

- Retained earnings balance as at 31 December 2021 includes an amount of JD 669,296 (JD 807,460 as at 31 December 2020) which represents the self financed deferred tax assets and it is restricted from use in accordance with the Central Bank of Jordan instructions.

* Based on CBJ instructions no.(13/2018) that were issued on 6 June 2018 . the general banking risks reserve which was transferred to retained earnings,amounted to JD 108,397 is restricted from use without prior approval of the Central Bank of Jordan.

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

The accompanying notes are part of these consolidated financial statements and should be read with them and with the accompanying audit report.

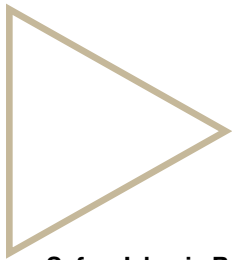


Safwa Islamic Bank
(A Public Shareholding Limited Company)
Amman-The Hashemite Kingdom of Jordan
Consolidated Statement of Cash Flows

Statement "D"

	Note	For the year ended 31 December	
		2021	2020
		JD	JD
Cash Flows from Operating Activities			
Profit for the year before tax - statement B		22,817,180	15,831,020
Adjustments for non-cash items:			
Depreciation and amortization	13&14	3,240,190	3,182,555
Depreciation of Ijara Muntahia Bittamleek assets(self & jointly financed)	28	41,855,727	39,851,640
Depreciation of right of use assets	46	1,445,208	1,513,964
Finance costs (discount lease liabilities)	46	299,732	322,467
Unrealized (gain) loss of financial assets at fair value through statement of income	31	(6,269)	(42,872)
Expected credit losses provision - joint	6&8&9&21	9,499,586	9,960,274
Expected credit losses provision - self	8 & 21	21,767	84,596
Other provisions	19	(514,597)	550,000
Share of joint funds from (profits) associate company	11	(451)	(5,485)
(Gain) Loss from disposal of property and equipment	40	(11,102)	12,647
Loss (Gain) from sale of seized assets against debts		37,313	(29,821)
Cash Flows from Operating Activities before Changes in working capital		78,684,284	71,230,985
Changes in working capital:			
(Increase) in deferred sales receivables and other receivables		(318,626,975)	(122,462,378)
(Increase) in Ijara Muntahia Bittamleek assets		(153,593,487)	(79,058,845)
Decrease (Increase) in Qard Hasan		150,990	(472,222)
(Increase) in other assets		(2,703,577)	(1,198,260)
Increase in customers' current accounts		61,686,679	47,018,603
Increase (Decrease) in cash margin accounts		29,267,834	(9,018,385)
Increase (Decrease) in other liabilities		10,677,719	(1,384,961)
Net cash (used in) operating activities before income tax paid		(294,456,533)	(95,345,463)
Income tax paid	20	(10,143,483)	(8,635,951)
Paid from lawsuits provisions	19	-	(17,188)
Net cash flows (used in) operating activities		(304,600,016)	(103,998,602)
Cash Flows from Investing Activities			
Net (purchase) of financial assets at fair value through unrestricted investment accounts holders		(105,811,560)	(25,650,991)
Net (purchase) of financial assets at fair value through statement of income		(45,850)	2,065,835
Net sale of financial assets at fair value through shareholders' equity -self financed		27,439,000	-
Cash dividends from associate company	11	6,250	10,000
(Purchase) of intangibles assets	14	(616,659)	(709,117)
(Purchase) of property and equipment	13	(803,688)	(284,249)
(Increase) in payments on purchase of property, equipment and projects	13	(1,197,692)	(1,187,624)
Proceeds from sale of property and equipment in progress		50,404	850
Proceeds from sale of assets seized by the bank		347,000	208,654
(Increase) in International Wakala Investments		(7,827,197)	(7,967,210)
Net cash (used in) investing activities		(88,459,992)	(33,513,852)
Cash Flows from Financing Activities			
Increase in unrestricted investment 'holders equity		414,753,416	191,556,851
Finance lease (payments)	46	(1,698,910)	(1,573,346)
(Dividends) distributed to shareholders		(5,856,675)	-
Net cash generated by financing activities		407,197,831	189,983,505
Net increase in cash and cash equivalents		14,137,823	52,471,051
Cash and cash equivalents at the beginning of the year		336,278,754	283,807,703
Cash and cash equivalents at the end of the year	44	350,416,577	336,278,754
Non-cash transactions:			
Transfer to property and equipment from installments to purchase property, equipment and projects in progress	13	242,214	2,220,988

The accompanying notes are part of these consolidated financial statements and should be read with them and with the accompanying audit report.



Safwa Islamic Bank

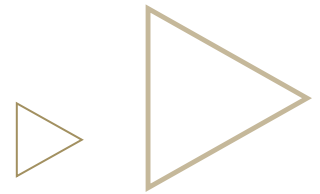
(A Public Shareholding Limited Company)

Amman-The Hashemite Kingdom of Jordan

Statement Of Sources And Uses Of Al-Qard Al-Hasan Fund

Statement “E”

	31 December	
	2021	2020
	JD	JD
Balance at the beginning of the year	981,882	509,660
Sources of the fund from :		
Shareholders' equity	(6,152,124)	(27,778)
Total Sources of the fund during the year	(6,152,124)	(27,778)
Uses of the fund on :		
Professional unions / salary payments	-	500,000
Companies	6,444,856	-
Employees	4,967	-
Total uses during the year	6,449,823	500,000
Balance at the end of the year	1,279,581	981,882
Add: exposed accounts	540,001	988,690
Less : Expected credit losses provisions	(200,261)	(249,312)
Balance at the end of the year - Net	1,619,321	1,721,260



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

Consolidated Statement of Changes in Restricted Wakala Accounts

Statement "F"

	Note	Local Murabaha	Total
		JD	JD
For the year ended 31 December 2021			
Beginning balance of the year		7,096,305	7,096,305
Add: Deposits		10,287,479	10,287,479
Less: Withdrawals		(13,094,937)	(13,094,937)
Add: Investments' gains	37	1,136,746	1,136,746
Less: Banks share as agent (wakeel)	37	(150,018)	(150,018)
Less: Muwakel's share	37	(986,728)	(986,728)
Investments at the end of year		4,288,847	4,288,847
Deferred revenue		114,515	114,515
Suspended revenue		-	-
Balance as at 31 December 2021		114,515	114,515
For the year ended 31 December 2020			
Beginning balance of the year		7,815,807	7,815,807
Add: Deposits		4,979,853	4,979,853
Less: Withdrawals		(5,699,355)	(5,699,355)
Add: Investments' gains	37	904,889	904,889
Less: Banks share as agent (wakeel)	37	(129,099)	(129,099)
Less: Muwakel's share	37	(775,790)	(775,790)
Investments at the end of year		7,096,305	7,096,305
Deferred revenue		225,964	225,964
Suspended revenue		-	-
Balance as at 31 December 2020		225,964	225,964



Safwa Islamic Bank
(A Public Shareholding Limited Company)
Amman-The Hashemite Kingdom of Jordan
Notes To The Consolidated Financial Statements

(1) GENERAL

Safwa Islamic Bank (the "Bank") is a public shareholding company licensed by the Central Bank of Jordan to practice and provide Islamic business and banking services in accordance with the Banking Law and the Companies Law.

The Bank provides all financial banking and structured investment services on a non-Interest basis in accordance with Islamic shari'a through the Bank's head office and its forty branches within the Kingdom and its subsidiary, in accordance with the effective Banking Law.

The authorized and paid-up capital of the bank is 100 million dinars, per 100 million shares, with a nominal value of one dinar per share .

Ethad Islamic Investment Company owns 62.37% of the Bank's capital.

The consolidated financial statements were approved by the Bank's Board of Directors in their meeting No. (1/2022) held on 3 February 2022, are subject to the approval of the General Assembly of Shareholders.

The consolidated financial statements were read and reviewed by the Bank's Sharia Supervisory Board , in their meeting No. (1/2022) held on 3 February 2022, and the board issued its shari'a report thereon.

(2) SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation of the Consolidated Financial Statements

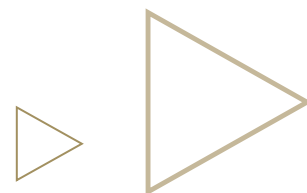
The consolidated financial statements of the Bank have been prepared according to the financial accounting standards issued by The Accounting and Auditing Organization for Islamic Financial Institutions as adopted by the Central Bank of Jordan.

The standards issued by the International Accounting Standards Board and The interpretations issued by the International Financial Reporting Interpretations Committee are applied in the absence of standards issued by The Accounting and Auditing Organization for Islamic Financial Institutions and will be replaced later by Standards when the new standards are issued.

The main differences between what should have been applied according to the financial accounting standards issued and what has been approved by the Central Bank of Jordan consist of the following:

First:Provisions for expected credit losses are made in accordance with FAS (30) issued by the Organization for Islamic Financial Institutions and according to the instructions of the Central Bank of Jordan, whichever is stricter, the major differences are as follows:

- Sukuk issued or guaranteed by the Jordanian government are excluded so that credit exposures on the Jordanian government and guaranteed by it are addressed without credit losses.
- When calculating credit losses against credit exposures, the results are compared according to FAS (30) issued by Organization for Islamic Financial Institutions with the instructions of the Central Bank of Jordan No. (47/2009) dated 10 December 2009 for each stage separately. The strictest result is selected.
- Revenue and commissions are suspended on non-performing credit financing granted to clients in accordance with the Central Bank of Jordan instructions.
- Based on the Central Bank of Jordan circulars number 10/3/4515 issued on 15 March 2021 and previous circulars during the year 2020 to the banks operating in Jordan, the bank postponed the installments due or that would be due on some customers without considering this as a restructuring and without affecting the customer credit rating.



Second: Assets seized by the bank against debts are disclosed in the consolidated statement of financial position in the other asset, and recorded using the acquisition value or fair value, whichever is lower, and they are reevaluated individually at the date of the consolidated financial statements, and any impairment in value is taken to the consolidated statement of profit or loss; any increase is not recorded as revenue. Subsequent increase in fair value is recorded in the consolidated statement of income and comprehensive income to the extent that it does not exceed the value of the decrease that has been previously recorded. Also, a progressive provision was recorded for the assets seized against debts, according to the Circular of the Central Bank of Jordan No. 10/3/13246 dated on 2 September 2021 as (5%) of the total book values of these properties starting from the year 2022 so as to achieve the required percentage of (50%) for these properties by the end of the year 2030.

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

The separation between what belongs to the Shareholders' equity and what belongs to the unrestricted investment accounts holders has been taken into consideration unrestricted investment accounts mean joint investment accounts wherever they are mentioned.

The consolidated financial statements are prepared on historical cost basis except for the financial assets at fair value through statement of income, financial assets at fair value through unrestricted investment accounts' holders equity and financial assets at fair value through shareholders' equity that have been measured at fair value.

Basis of Consolidation of the Financial Statements

The Consolidated financial statements comprise of the financial statements of the Bank and its subsidiary which is financed by the Bank's Self Funds where the Bank has control to govern the operational and financial policies of the entity to obtain benefits from their activities. All intra-company balances, transactions, revenues, expenses and off balance sheet items between the Bank and its subsidiary are eliminated.

The financial statements of the subsidiary are prepared for the same reporting period as the group, using same accounting policies used by the group. If the subsidiary uses different accounting policies than those used by the group, the necessary adjustments are made to the financial statements of the subsidiary to comply to the accounting policies adopted by the group.

The subsidiary owned by the Bank as at 31 December 2021 is as follows:

Company name	Paid up Capital (JD)	Source of Funding	Ownership %	Company Main Activity	Operation location	Acquisition Date
Misc for brokerage company	2,000,000	Self	100%	Brokerage	Amman	2011

The results of the operations of the subsidiary are consolidated in the consolidated statement of income and comprehensive income from the date of its acquisition, which is the date on which the bank's control is effectively transferred to its subsidiary, and the results of the operations of the subsidiary that were disposed of are consolidated in the consolidated statement of income and comprehensive income until the date of disposal, which is the date in which the bank loses control of its subsidiary.

When preparing the separate financial statements for the Bank as an independent entity, investments in subsidiaries are shown at cost or net proceeds value in case of liquidation.

Control is achieved when the Bank:-

- Has the ability to control the investee;
- Is subject to variable returns or has the right to variable returns arising from its association with the investee; and
- Has the ability to use its power to influence the returns of the investee.

The Bank re-assesses whether it controls the investee companies or whether the facts and circumstances indicate that there are changes to one or more control check points referred to above.



If the voting rights of the Bank are less than the majority of voting rights in any of the investee companies, it shall have the power to control when the voting rights suffice to grant the Bank the ability to direct the activities of the related subsidiary unilaterally. The Bank takes into consideration all the facts and circumstances when assessing whether the Bank has voting rights in the investee so as to grant it the ability to control or not. Among these facts and circumstances are the following:

- The volume of voting rights owned by the Bank in relation to the volume and distribution of other voting right;
- Potential voting rights held by the Bank and any other voting rights holders or third parties;
- Rights arising from other contractual arrangements;
- Any additional facts and circumstances indicating that the Bank has or does not have current responsibility for directing relevant activities at the time of making the required decisions, including how to vote at previous General Assembly meetings.

When the Bank loses control over any of its subsidiaries, the Bank:

- Derecognizes the assets of the subsidiary (including goodwill) and liabilities ;
- Derecognizes the carrying amount of any uncontrolled interest ;
- Derecognizes the cumulative transfer differences recognized in equity ;
- Derecognizes the fair value of the consideration received ;
- Derecognizes the fair value of any investment held ;
- Derecognizes the surplus or deficit in the statement of income ;
- Reclassifies the equity of the previously restricted bank in other comprehensive income to the statement of income or retained earnings, as appropriate ;

Non-controlling interests represent the portion not owned by the Bank in the equity of the subsidiaries.

Changes in accounting policies

The accounting policies used in the preparation of the consolidated financial statements are consistent with those used in the preparation of the consolidated financial statements for the year ended 31 December 2020, Except for the impact of the New and revised standards and as follows :

Standards that were applied with no material effects on the consolidated financial statements.

IAS No. (32) "Ijara and Ijara ending in ownership." This standard aims to improve the principles of recognition, classification, measurement and disclosure of Ijara and Ijara transactions ending with ownership, knowing that the mandatory application date for Standard No. 32 is on or after 1 January 2021, with early application permitted , The Bank has applied the Islamic Financial Accounting Standard No. (32) " Ijara " which defines the principles relating to of recognition, classification, measurement and About the different types of rent as a landlord and tenant and Ijara transactions ending with ownership , This standard has replaced Financial Accounting Standard No. (8) "Ijarah and Ijara ending in ownership ", The application of this new standard to the bank's consolidated financial statements as of 31 December 2021 has had no impact, since part of this standard has replaced IFRS 16, which was previously applied from 1 January 2019.

- IAS No. (35) "Risk Reserve." This standard describes the accounting treatment and financial reporting related to risk reserves that are put in place to mitigate the various risks faced by stakeholders, especially investors, noting that the mandatory application date of Standard No. (35) is the first of January 2021 with early application permitted. This standard has no impact on the interim condensed financial statements at 31 december 2021.

Segments information

A business is a group of assets and operations that jointly engage in the rendering of products or services subject to risks and rewards different from those of other business segments, and which are measured according to reports used by the chief executive officer and the main decision maker of the Bank .



A geographical segment is associated with the provision of products or services in a specific economic environment subject to risks and rewards that differ from those of segments operating in other economic environments .

The basis for the distribution of joint investment profits between shareholders' equity and holders of joint investment accounts

The combined return on investment of equity holders and holders of joint investment accounts for the year 2021 was distributed as follows:

	Percentage
Share of joint investment account holders	56%
Share of shareholders equity	44%

The Joint Investment Accounts shall participate in the results of the investment profits, and shall be distributed to the depositors each according to their participation rate, taking into consideration the weights of the concerned joint investment accounts and the terms of the account signed between the Bank and the depositor .

The weights of the joint investment accounts are as follows:

- From 20% to 34% of the lowest balance of savings accounts in Jordanian Dinars.
- From 14% to 33% of the lowest balance of savings accounts in foreign currencies.
- From 56% to 96% of the average balance of term accounts in Jordanian Dinars.
- From 18% to 51% of the average balance of foreign currency term accounts.
- 90% of average the balance of the accounts of the investment certificates of deposit in Jordanian Dinars .
- From 80% to 85% of the avarage balance of the certificates of deposit in foreign currencies .

The Bank shall bear all administrative expenses except for the advertising and marketing expenses of the products.

The insurance expenses of the ljarah Muntahia Bittamleek assets are incurred in the joint investment pool.

The Bank combines (mixes) its funds and any other funds (which were not received by the Bank on the basis of Mudaraba contract) in the Joint Investment Accounts.

Priority Investment / Equal Investment Opportunities and Profit Sharing:

The principle of equal investment opportunities is applied to the shareholders' funds and the funds of the investment account holders in the joint Mudaraba. The Bank's own investments are presented in separate accounts from investments through the rights of the Joint Investment Accounts holders equity.

Moreover, the joint investment accounts shall share in the results of the investment profits, which shall distributed to the holders of the joint investment accounts according to their participation rate, taking into account the weights of the respective investment accounts concerned and the terms of the account signed between the Bank and the depositor.

The weighting of the joint investment accounts proposed by the Bank's management is approved by the Bank's Shari'ah Supervisory Board.

Zakat

Zakat is the responsibility of the shareholders and unrestricted investment accounts holders. In this regard, the Bank is not directly and explicitly authorized to expend it, nor is there a law for its collection. In addition, the Bank's Articles of Association do not prescribe it, nor the General Assembly's decisions do not specify it. There is no related authorization by the shareholders either. Therefore, the shareholders and the unrestricted investment accounts holder shall pay zakat on their shares and funds if the Shari'ah conditions and rules are fulfilled.



Revenue, gains, expenses and losses in violation of Islamic Shari'ah

The sums devolved to the bank from sources or by means that are inconsistent with the provisions and principles of Islamic Sharia are set aside to the charity account within the other credit balances in the consolidated balance sheet, to be disbursed for charitable causes in accordance with what is decided by the Sharia supervisory board in the bank.

Deferred sales receivable

Murabaha contracts:

Murabaha is the sale of an item at the same price at which the seller bought it plus an agreed profit margin based on a certain percentage of the price or a lump sum, which is one of the sales of the trust on which the purchase price or cost is based.

Murabaha to the purchase order

It is the sale of an asset by the Bank to its client (the purchase order) with a specific increase in the asset's price or cost after determining the increase (Murabaha profit in the promise).

The Bank applies the principle of making the promise in Murabaha transactions to the buying manager in accordance with the standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions.

Deferred sales revenue is recognized when the transaction is executed (which paid in one installment after the current financial period or paid in installments over subsequent financial periods). Revenue is allocated to future financial periods for each period, irrespective of whether cash has been paid or not.

Deferred sales receivable are recognized when they occur at their nominal value and are measured at the end of the financial period on the basis of net realizable value.

At the end of the financial period, finance assets are carried at cost or at the expected recoverable cash value, whichever is lower.

Deferred sales revenue which was granted to non-performing customers is suspended in accordance with the instructions of the Central Bank of Jordan.

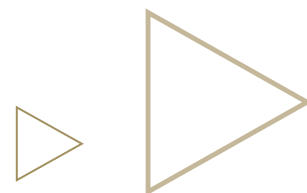
Deferred sales receivable and funds financed from the joint investment accounts are written off in case of the measures taken to collect them are ineffective which will be written off against the joint provisions and suspended profits (if any), the proceeds from the joint provisions (if any) previously written off are transferred to the common pool profits (presented in the Consolidated Statement of Income and Comprehensive Income). On the other hand, deferred sales receivable and financing from the Bank's self funds for which there is an impairment provision are written off in case the measures for their collection are ineffective. In this respect, they are deducted from the self provisions and suspended profits (if any), and any provision surplus is transferred to the consolidated statement of income and comprehensive income / Prior funding is written off to income.

Financial instruments

Initial recognition and measurement:

Financial assets and liabilities are recognized in the Bank's consolidated statement of financial position when the Bank becomes a party to the contractual provisions of the instrument. Moreover, funds are recognized to customers since they are credited to the customer's accounts.

Financial assets and financial liabilities are measured initially at fair value, transaction costs directly attributable to the acquisition or issuance of financial assets and liabilities, and are added to the fair value of the financial asset or financial liability or, where appropriate, deducted from the financial asset at initial recognition. Furthermore, transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through the statement of income are recognized directly in the comprehensive statement of income.



Financial assets

Initial recognition and measurement:

All financial assets are recognized on the trade date when the purchase or sale of a financial asset under a contract that requires the delivery of the financial asset within a time frame determined by the relevant market and is initially measured at fair value plus transaction costs except for those financial assets designated at fair value through the Consolidated Statement of Income. Transaction costs directly attributable to the acquisition of financial assets designated at fair value through income are recognized in the Consolidated Statement of income.

Subsequent measurement:

The measurement of all recognized financial assets that fall within the scope of AAOIFI (33) is subsequently carried at amortized cost or fair value based on the entity's business model for managing financial assets and contractual cash flow characteristics of financial assets.

Specifically:

- Finance instruments held in a business model intended to collect contractual cash flows that have contractual cash flows and are subsequently measured at amortized cost; and
- All other financing instruments, such as:
 - Financial assets managed on a fair value basis through the unrestricted investment account holders are measured at fair value through the rights of the joint investment holders equity.
 - Financial assets at fair value through shareholders equity are subsequently measured at fair value through other statement of comprehensive income.
 - Financial assets at fair value through the statement of income are subsequently measured at fair value through the statement of income.

Evaluation of the business model

An assessment of the business model for managing the financial assets is essential for their classification. The Bank defines a business model at a level that reflects how the groups of financial assets are managed together to achieve a particular business objective. Moreover, the Bank's business model does not rely on management intentions in relation to an individual instrument, and therefore the business model is assessed at a group level and not on an instrument-by-instrument basis.

The Bank adopts a business model to manage its financial instruments that reflects how the Bank manages its financial assets in order to generate cash flows. In addition, the Bank's business model determines whether cash flows will result from the collection of contractual cash flows or the sale of financial assets or both.

The Bank also takes into consideration all relevant information available when conducting an evaluation of the business model. However, this assessment is not made on the basis of scenarios that the Bank does not reasonably expect, such as the so-called "worst case" or "stress" scenarios. Furthermore, the Bank takes into account all relevant evidence available, such as:

- The stated policies and objectives of the portfolio and the application of those policies whether the management strategy focuses on obtaining contractual revenues, maintaining a specific profit rate, matching the period of financial assets with the period of financial liabilities that finance those assets. or achieving cash flows through the sale of assets;
- How to evaluate the performance of the business model and financial assets held in this business model and to report to key management personnel;
- Risks affecting the performance of the business model (and the financial assets of that model), in particular, the manner in which such risks are managed; and
- How to compensate business managers (for example, whether compensation is based on the fair value of the assets managed or on the contractual cash flows received).

Upon initial recognition of a financial instrument, the Bank determines whether the newly recognized financial asset is part of its existing business model or whether it reflects the beginning of a new business model. In this respect, the Bank evaluates its business model for each reporting period to determine whether the business model needs to be changed from the prior period.



When the instruments measured at fair value through shareholders equity-self are derecognised, the cumulative gain / loss previously recognized in other comprehensive income in shareholders equity is reclassified to the consolidated statement of income. On the other hand, for equity investments measured at fair value through shareholders' equity, the cumulative gain / loss previously recognized in other comprehensive income is not subsequently reclassified to the consolidated statement of income but transferred directly to shareholders' equity .

In respect of Sukuk and equity instruments within joint investments, when these financial assets are derecognized which are measured at fair value through the unrestricted investment account holders , the cumulative gain / loss previously recognized in the fair value reserve - joint in the unrestricted investment account holders equity is reclassified to the consolidated statement of income and comprehensive income.

Sukuk subsequently measured at amortized cost or at fair value are subjected to the impairment test.

Reclassification

If the business model in which the Bank retains financial assets is reclassified, the financial assets that have been affected are reclassified. The classification and measurement requirements relating to the new class are effective from the first day of the first reporting period after the change in the business model resulting in the reclassification of the Bank's financial assets. Moreover, the changes in contractual cash flows are considered . The accounting policy framework for the adjustment and disposal of financial assets is described below:

Financial assets at fair value through the statement of income

Financial assets at fair value through the statement of income are:

- Assets with contractual cash flows that are not payments on assets and returns on the principal outstanding amount; and / or
- Assets held in a business model other than those held to collect contractual cash flows or held for collection and sale; or .

These assets are measured at fair value any gain/loss arising on remeasurement recognized in the consolidated statement of income and comprehensive income.

Financial assets at fair value through shareholders' equity-self financed.

These assets represent investments in equity instruments and sukuk instruments financed from the Bank's own funds for the purpose of maintaining them over the long term.

These assets are recognized at fair value, plus acquisition costs, and subsequently revalued at fair value. The change in fair value is included in the fair value reserve under shareholders' equity .

In case of sale of these assets or part thereof, the resulting gain or loss is recognized in retained earnings within shareholders' equity.

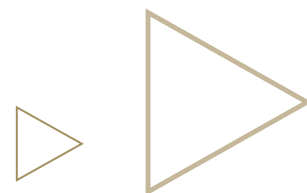
Gains and losses arising from foreign exchange differences on these assets, if any, are recognized in the fair value reserve in shareholders' equity.

Financial assets at fair value through unrestricted investment account holders equity

These assets represent investments in equity and (Sukuk) instruments financed from the joint investment accounts for the purpose of maintaining them over the long term.

These assets are recognized at fair value, plus acquisition costs, and are subsequently revalued at fair value. The change in fair value under fair value reserve is shown in the unrestricted investment account holders equity .

The impairment loss previously recognized in the consolidated statement of income and comprehensive income can be reversed if it is objectively determined that the increase in fair value occurred in a subsequent period to record impairment losses through the fair value reserve that is reflected in the unrestricted investment accounts.



As the unrestricted investment accounts on a continuous joint Mudaraba basis are characterized by a discontinuity at the beginning and end of the deposits in the accounts, the profit of the deferred operations over subsequent periods is distributed over the entire term of maturity and proportionality with each period.

Gains and losses arising from the foreign currency translation differences of these assets, if any, are recognized in the fair value reserve within unrestricted investment accounts holders equity.

Financial assets for which fair value can not be reliably measured are stated at cost. Impairment test of these assets is carried out at the end of each financial period, and any impairment is recognized in the consolidated statement of income and comprehensive income. And the impairment loss can't be retrieved on subsequent periods.

Financial assets at amortized cost

These are the financial assets that the Bank's management, in accordance with its business model, intends to maintain to collect contractual cash flows that represent fixed or determinable payments to the capital and profits of such assets.

These assets are recognized at cost, plus acquisition costs, and are revalued at the end of the current period using the effective profit rate method. Moreover, any gain or loss arising from amortization is recognized in the consolidated statement of income and comprehensive income. Additionally, any expected credit losses regarding self-financed instruments are recognized in the consolidated statement of income and comprehensive income. As for joint investments, the calculated expected credit losses are recognized in the consolidated statement of income and comprehensive income (joint investment pool).

The amount of impairment in value for these assets represents the difference between the carrying amount and the present value of the expected cash flows calculated on the basis of the original effective profit rate and any impairment provisions .

Gain and loss on sale, purchase and valuation of foreign currencies

Transactions in foreign currencies are recorded during the year at the rates prevailing at the transaction date (Trading) .

The balances of financial assets and financial liabilities are translated at the average foreign exchange rates prevailing at the consolidated statement of financial position date, as announced by the Central Bank of Jordan.

In order to present the consolidated financial statements, the assets and liabilities of the Bank's foreign operations are translated at the rates of exchange prevailing at the consolidated statement of financial position date. Income is also converted at the average exchange rates for the period, unless exchange rates change significantly during that period, in which case the exchange rates on the date of the transactions are used. The exchange differences arising therefrom, if any, are recognized in the consolidated statement of income and comprehensive income.

Non-monetary assets and non-monetary liabilities denominated in foreign currencies at fair value are translated on the date when the fair value is determined.

Foreign exchange gains and losses are recognized in the consolidated statement of income and comprehensive income.

Translation differences on non-monetary assets and liabilities in foreign currencies (such as equity) are recorded in the fair value reserve self within the shareholders equity of the financial assets financed by the Bank's own funds and within the fair value reserve – joint within the unrestricted investment account holders equity.

Lease contracts

IAS No. (32) "Ijara and Ijara ending in ownership." This standard aims to improve the principles of recognition, classification, measurement and disclosure of Ijara and Ijara transactions ending with ownership, knowing that the mandatory application date for Standard No. 32 is on or after 1 January 2021, with early application permitted, The Bank has applied the Islamic Financial Accounting Standard No. (32) " Ijara " which defines the principles relating to of recognition, classification, measurement and About the different types of rent as a landlord and tenant and Ijara transactions ending with ownership , This standard has replaced Financial Accounting



Standard No. (8) “Ijarah and Ijara ending in ownership “, The application of this new standard to the bank’s consolidated financial statements as of 31 December 2021 has had no impact, since part of this standard has replaced IFRS 16, which was previously applied from 1 January 2019.

The Bank as a lessee

The Bank recognizes the right of use assets and the lease liabilities in relation to all lease arrangements in which the bank is a lessee, except for short-term lease contracts (defined as 12-month or less lease contracts) and low value asset leases contract, and for these contracts, the bank recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease, unless another regular basis is more representative of the time pattern in which the economic benefits from the leased assets are taken advantage of.

The lease obligation is initially measured at the present value of the lease payments that were not paid on the start date of the lease, deducted using the additional financing rate.

The lease payments included in the rental obligation measurement include:

- Fixed rental payments (includes fixed payments in the contract), minus receivable rental incentives
- Variable rental payments that depend on an index or rate, initially measured using the indicator or the rate at the date the contract begins;
- The amount expected to be paid by the lessee under the residual value guarantees;
- The price of the exercise of purchase options, if the tenant is reasonably certain of the exercise of the options; and
- The price of the exercise of purchase options, if the tenant is reasonably certain of the exercise of the options; and
- Paying the contract termination fines, if the lease reflects the exercise of the lease termination option.

Lease obligations are presented as a separate line item in the consolidated statement of financial position.

Lease obligations are subsequently measured by increasing the carrying amount to reflect the costs of the additional financing over the lease obligations (using the incremental cost of financing method) and by reducing the carrying amount to reflect the paid rental payments.

The lease obligations (and a similar adjustment to the related right-to-use assets) are re-measured whenever:

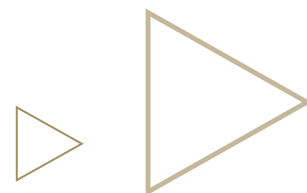
- The lease term has changed or there is an important event or change in the conditions that lead to a change in the exercise of the purchase option assessment, in which case the lease obligations are re-measured by deducting the adjusted lease payment using the adjusted discount rate.
- Lease payments change due to changes in an index, rate, or change in expected payments under the guaranteed residual value. In these cases, the rental obligation is remeasured by deducting the modified rental payments using an unchanged discount rate.
- The lease contract is modified and the lease agreement is not accounted for as a separate lease, in which case the lease obligation is re-measured based on the duration of the modified lease contract by deducting the modified rental payments using the adjusted discount rate at the actual price at the date of the amendment.

The right of use assets are depreciated over the life of the lease or the useful life of the asset (whichever is shorter). If the lease transfers the ownership of the underlying asset or the cost of the right of use, which reflects that the bank expects to exercise the option to purchase, then the relevant value of the right to use is depreciated over the useful life of the asset. Depreciation begins from the start date of the lease.

Right of use assets are presented as a separate line item in the consolidated statement of financial position.

The Bank applies International Accounting Standard (36) to determine whether the value of the right to use has decreased its value and any impairment losses are calculated as described in the “property and equipment” policy.

Variable rents that are not dependent on an index or rate are not included in the measurement of lease obligations and right of use assets. The related payments are recognized as an expense in the period in which the event or condition that leads to these payments occurs and are included in the statement of income and the comprehensive statement of income.



The Bank as a lessor

The bank enters into leases as a lessor in relation to some of its investment properties.

Lease contracts in which the bank is leased are classified as finance or operating leases. In the event that the terms of the lease contract transfer all risks and benefits of ownership to the lessee, the contract is classified as a finance lease and all other leases are classified as operating leases.

When the Bank is an intermediary lease, it represents the main lease and sub-contract as two separate contracts. The sublease contract is classified as finance or operating lease by reference to the original right of use arising from the main lease.

Lease income from operating leases is recognized on a straight-line basis over the period of the relevant lease. The initial direct costs incurred in negotiating and arranging an operating lease are added to the book value of the leased asset and are recognized on a straight-line basis over the lease term.

The amounts due from the lessee under finance leases are recognized as receivables with the amount of the company's net investment in the lease contracts. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the bank's existing net investment in relation to lease contracts.

When the contract includes lease components and components other than leasing, the bank applies IFRS 15 to distribute the amounts received or to be received under the contract for each component.

Investment in an associate

An associate is a company in which the Bank exercises effective influence over its financial and operating policy decisions, and which is not held for trading. In this respect, the investments in the associate are accounted for using the equity method.

Investments in the associate are included in the consolidated statement of financial position at cost, in addition to the Bank's share of changes in the net assets of the associate. Goodwill arising on investment in an associate is recognized as part of the investment account of the associate and is not amortized. The Bank's share of the associate's income is recognized in the consolidated statement of income and comprehensive income. If there is a change in the equity of the associate, such a change is recognized in the statement of changes in shareholders' equity. Gains and losses arising from transactions between the Bank and the associate are eliminated to the extent of the Bank's interest in the associate company.

In the separate financial statements of the Bank as an independent entity, investments in the associate are stated at cost.

Ijara and Ijara Muntahia Bittamleek

Ijara is ownership of the benefit of return and is divided into:

Operating Ijara: Ijara contracts that doesn't end with translated ownership of the leased asset of the lessee.

Ijarah Muntahia Bittamleek: Ijarah which ends with the lessee owning the leased assets and taking several types as stated in the Ijara and Ijarah Muntahia Bittamleek standard No. (32) issued by the Accounting and Auditing Organization for Financial and Islamic Institutions.

Assets acquired for the purpose of leasing are measured at historical cost, including direct expenses, to make them usable. The leased assets are depreciated in accordance with the Bank's depreciation policy.

When the recoverable amount of any asset acquired for Ijara is less than its net carrying amount, the amount is reduced to the recoverable amount, and the impairment loss is recognized in the Consolidated Statement of Income and Comprehensive Income .

The income of Ijara shall be distributed in proportion to the financial periods covered by the lease contract.

Basic insurance and maintenance expenses of leased assets are recognized in the financial period in which they arise.



Transfer of assets

Any transfers of tangible and financial assets made between the assets financed from the joint investment accounts, shareholders' equity, restricted investment accounts, investment funds, conversion bases and accounting policies adopted for this purpose shall be disclosed. Disclosure shall also be made of the related financial effect, balances of any assets transferred to the beginning of the financial period, changes that occurred during the financial period, and the balance at the end of the period.

All transfers to related parties are disclosed, and description is made of the nature of the relationship, type of transactions carried out, and total value of the operations at the beginning and end of the financial period, indicating the financial implications.

The Bank's bases for asset valuation are disclosed when transfers are made.

Differences resulting from foreign currency transactions and financial implications are also disclosed.

The nature and terms of the transferred assets are disclosed as to whether they are separable, and any related provisions are disclosed as well.

The reasons and principles governing the transfer of assets between different investment accounts are disclosed.

Obligations and restrictions required by the contractual relationship between investment account holders and equity holders, if any, are disclosed.

Profit equalization reserve

This reserve is created / set up with a view to allocate appropriate and competitive rates of return to the Joint/Restricted Investment Account holders and to the shareholders in the event of exceptional circumstances and sharp fluctuations in the markets that actually make the actual profit rates less than what the holders of the Joint Investment Accounts expect. The same applies to the Bank's shareholders. This reserve is established based on the pre-approval of the Shari'a Supervisory Board and approval of the unrestricted investment accounts holders' equity.

This reserve shall be allocated to the share of the profits of the holders of the Joint Investment Accounts holders equity and the shareholders equity before the deduction of Mudarib's share. The balance available in the reserve account shall be invested in the aggregated joint money account. The profits from the investment shall be credited to the reserve account.

If the balance in the profit equalization reserve account is insufficient to meet the competition, the shareholders may give part of their share of profits to the holders of the joint investment accounts based on the Bank's Board of Directors' decision and approval of the Shari'a Supervisory Board.

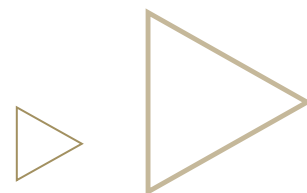
The bank abides by what is stated in the Financial Accounting Standard No. (35) "Risk Reserve" issued by the Accounting and Auditing Organization for Islamic Financial Institutions when there is a need to create/compose a profit rate reserve.

The profit equalization reserve is transferred to the shareholders and unrestricted investment accounts holders equity each according to its share of the deduction.

Fair value of financial assets

Fair value is defined as the price at which an asset should be sold or paid to convert any of the liabilities in a structured transaction between the market participants on the measurement date, irrespective of whether the price can be realized directly or it is estimated using another valuation technique. When estimating the fair value of an asset or liability, the Bank takes into consideration, upon determining the price of any asset or liability, whether market participants are required to take these factors into account at the measurement date. The fair value for the purposes of measurement and / or disclosure is determined for these financial statements on the same basis.

In addition, fair value measurements are classified for the purposes of financial reporting to level (1), (2) or (3) based on the extent to which the inputs are clear regarding the fair value measurements and the importance of inputs to the full fair value measurements. The details are as follows:



Input Level (1) inputs are induced inputs derived from quoted (unadjusted) prices of identical assets or liabilities in active markets that an enterprise can obtain on the measurement date;

Input Level (2) inputs are induced inputs derived from data other than quoted prices used at level (1) and observable for assets or liabilities, either directly or indirectly;

Input Level (3) inputs are induced inputs to assets or liabilities that are not based on observable market prices.

Impairment of financial assets

The Bank applies the expected credit loss requirements and the amendments relating to the classification and measurement of financial instruments. The effect of the following instructions of the Central Bank of Jordan related to the application of AAOIFI (30) is recognized by recording the impact on the consolidated statement of income and comprehensive income in respect of assets and financing, in respect of assets and co-financing. The new expected credit losses and other provisions for finance and investments for the assets financed through unrestricted investment accounts holders' equity will be charged through statements of income and comprehensive income statements (common pool)

The expected credit losses provisions are calculated on the following financial instruments:

- Balances at banks and financial institutions.
- International wakala agencies
- Direct credit financing (self and joint).
- Qard Hasan (self)
- (Sukuk) within financial assets at amortized cost.
- (Sukuk) within financial assets at fair value through shareholders equity – self
- (Sukuk) within financial assets at fair value through investment account holders' equity – joint
- Off-balance sheet exposures subject to credit risk (self and joint).

No impairment loss is recognized in equity instruments.

The expected credit losses should be measured through an impairment provision equivalent of:

- The expected 12-month credit losses, or, the expected life of the expected credit losses resulting from those default events on financial instruments that can be achieved within (12) months after the reporting date, referred to as stage one , or
- Expected 12-month credit loss, ie, the expected life of expected credit losses arising from all possible default events over the life of the financial instrument referred to the stage two and stage three .

A provision for the expected credit loss over the life of a financial instrument is required if the credit risk on that instrument increases substantially since initial recognition.

For all other financial instruments, the ECL is measured at an amount equal to the expected credit loss for a period of (12) months.

The expected credit losses are a possible weighted estimate of the present value of the credit loss. This value is measured as the present value of the difference between the cash flows due to the Bank under the contract and the cash flows that the Bank is expected to receive arising from the weighting of several future economic scenarios, discounted at the effective yield rate of the asset.

For unutilized limits, the expected credit losses are the difference between the present value of the difference between the contractual cash flows payable to the Bank, if the borrower withdraws the financing, and cash flows that the Bank expects to receive, if the financing is utilized; and The Bank measures the expected credit losses on an individual basis or on a collective basis for funding that shares the characteristics of similar economic risks. The measurement of the provision for loss is based on the present value of the expected cash flows of the asset using the original effective rate of return of the asset, irrespective of whether it is measured on an individual or collective basis.



Credit-impaired financial assets

The financial asset is considered to be “credit-impaired” when one or more events have an adverse effect on the estimated future cash flows of the financial asset. Credit-impaired financial assets are referred to as third stage assets. Evidence of credit impairment includes observable data on the following events:

- Significant financial difficulties faced by the borrower or issuer ;
- Breach of contract, e.g. deficit or delay in payment ;
- The Bank gives the borrower, for economic or contractual reasons related to the borrower's financial difficulty, a concession ; or
- The disappearance of an active market for this financial asset due to financial difficulties; or
- Buying a financial asset at a significant discount that reflects the credit losses incurred.

If a single event can not be identified, instead, the combined effect of several events may cause the financial assets to turn into assets with a credit-impaired value. The Bank assesses whether there has been a decline in credit of financial instruments measured at amortized cost or fair value through comprehensive income at each reporting date. To assess whether there is credit impairment to corporate debt instruments. Furthermore, a combination of factors such as Sukuk proceeds, credit rating, and the borrower's ability to increase funding is considered.

The Bank has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

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

Default

The definition of default is very important in determining the expected credit loss. It is used to measure the expected credit loss and determine whether the expected credit less provision for loss is based on the expected 12-month or lifetime loss .

The Bank considers the following as an event of default:

- Failure to pay for more than 90 days for any important credit commitment to the Bank;or
- It is unlikely that the customer will pay his entire credit obligations to the Bank.

The definition of default is designed to reflect the different characteristics of different types of assets.

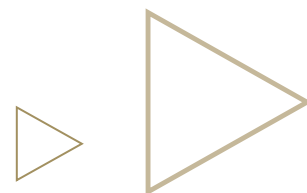
In assessing whether a customer is unlikely to pay his credit commitment, the Bank takes into account qualitative and quantitative indicators. The information is based on the type of asset, and the Bank uses various sources of information to assess defaults that are internally developed or obtained from external sources.

Significant increase in credit risk

The Bank monitors all financial assets, financial liabilities, and financial guarantee contracts that are subject to impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there is a significant increase in credit risk, the Bank will measure the allowance for loss on a life-long basis rather than the expected (12)month credit loss.

The Bank does not consider financial assets with “low” credit risk at the reporting date if they have not been exposed to a significant increase in credit risk. As a result, the Bank monitors all financial assets and liabilities of financing issued and financial guarantees contracts that are subject to impairment for the significant increase in credit risk.

In assessing whether the credit risk on a financial instrument has increased substantially since initial recognition, the Bank compares the risk of default of the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of



default for the remaining maturity period at the date of the current report when the financial instrument is recognized for the first time. In the assessment process, the Bank considers both quantitative and qualitative information that is reasonable and reliable, including historical experience and future information available at no cost or undue effort, based on the Bank's historical experience and the assessment of the credit expert, including future information.

Multiple economic scenarios represent the basis for determining the probability of default on initial recognition and subsequent reporting dates. Various economic scenarios will result in a different probability of default. The weighting of the different scenarios is the basis of the weighted average probability of default that is used to determine whether the credit risk has increased significantly.

The qualitative factors that indicate a marked increase in credit risk are reflected in the probability of default models at the appropriate time. However, the Bank is still looking separately at some qualitative factors to assess whether the credit risk has increased significantly. With regard to corporate finance, there is a particular focus on the assets included in the "watch list" where exposure is included in the watch list when there are concerns about the deterioration of credit worthiness. With regard to individual financing, the Bank takes into account expectations of the non-payment periods and defaults, and signs of low credit.

Quantitative information is a key indicator of the significant increase in credit risk and is based on a change in the probability of default over a lifetime by comparing:

- The probability of remaining life-long defaults at the reporting date; and
- The probability of life-long defaults remaining at this point from the time estimated on the basis of facts and circumstances at initial recognition of exposure.

The Bank uses the same methodologies and data used to measure expected credit loss provisions.

Since the significant increase in credit risk since the initial recognition is a relative measure, a specific change, in absolute terms, in the probability of non-payment will be more important to a financial instrument with a lower initial non-payment probability compared to a financial instrument with a higher non-payment probability.

As a safety valve when an asset's maturity exceeds more than (40) days, the bank considers that a significant increase in credit risk has occurred, and the asset is in the second stage of the impairment model, meaning that the loss provision is measured as a credit loss for life expectancy.

Presentation of Provision for expected credit loss in the consolidated statement of financial position

The expected credit loss provisions are presented in the consolidated statement of financial position as follows:

For joint financial assets: as a deduction from the total value of the net assets.

Direct and indirect financing – Self : The provision for credit losses is recognized as a deduction from the balance of self-financing, and off-balance sheet items are presented in other liabilities.

Direct and indirect financing – Joint : The provision for credit losses is recognized as a deduction from the balance of joint financing, and off balance sheet items are presented in other liabilities.

Write-off

Financial assets are derecognized when there is no reasonable expectation of recovery, such as a clients failure to participate in a payment plan with the Bank. The Bank classifies funds or amounts due to be written off after all possible payment methods have been exhausted. However, if the financing or receivables are written off, the Bank continues its enforcement activity to attempt to recover the receivable, which is recognized in the consolidated statement of income upon recovery .



Property, plant & equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment in value. Property and equipment (excluding land) are depreciated when they are ready to be used on a straight-line basis over the estimated useful life using the following annual rates:

Item	Annual depreciation rate
Buildings	2%
Equipment, device and furniture	15%
Vehicles	15%
Computers	20%
Others	4% - 10%

Where the estimated recoverable amount of any property and equipment is less than its net carrying amount, the carrying amount of the asset and equipment is written down to its recoverable amount, and the amount of impairment is recognized in the consolidated statement of income and comprehensive income statement.

The useful life of property and equipment is reviewed at the end of each year. If the expected useful life is different from the previous estimates, the change in estimate for subsequent years is recorded as a change in estimates.

Property and equipment are derecognized upon disposal or when no future benefits are expected to arise from its use or disposal.

Intangible assets

Intangible assets are classified on the basis of their estimated useful lives for a specified period or unspecified period. Intangible assets with a finite useful life are amortized over a period of up to four years, and the amortization is recognized in the consolidated statement of income and comprehensive income. Intangible assets with an indefinite useful life are reviewed for impairment at the consolidated statement of financial position date, and any impairment loss is recognized in the consolidated statement of income and comprehensive income.

Intangible assets arising from the Bank's business are not capitalized, and are recognized in the consolidated statement of income and comprehensive income for the same period.

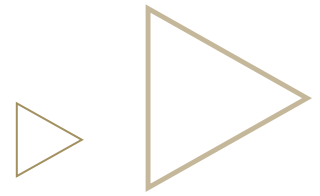
Any indications of impairment of intangible assets are reviewed at the date of consolidated statement of financial position date. The life of the asset is reviewed, and any adjustments are made in the subsequent periods.

The amortization rate for the groups intangible assets item is as follows:

Item	Annual depreciation rate
Computers systems & Softwares	20%

Seized assets by the Bank against debts

Assets seized by the bank's ownership are shown in the consolidated statement of financial position under "other assets" at the value it devolved to the bank or the fair value whichever is lower. They are re-evaluated at the date of the consolidated financial statements at fair value individually, and any decrease in its value is recorded as a loss in the statement. Consolidated income and comprehensive income and the increase is not recorded as revenue, a progressive provision is calculated for real estate according to Central Bank Circular No. 10/3/13246 of 2 September 2021, at a rate of (5%) of the total book values of those real estate as of the year 2022, so that the arrival To the required percentage (50%) of those real estate by the end of 2030.

**Impairment in non-financial assets:**

The carrying value of the Group's non-financial assets is reviewed at the end of each fiscal year, except for the deferred tax assets, to determine whether there is an indication of impairment. In the event of an indication of impairment, the amount recoverable from those assets is estimated.

If the carrying amount of the assets exceeds the recoverable amount from those assets, the impairment loss is recorded in those assets.

The recoverable amount is the fair value of the asset - less selling costs - or the value of its use, whichever is greater.

All impairment losses are recognized in the statement income and comprehensive income.

Provisions

Provisions are recognized when the Bank has obligations as of the date of the consolidated statement of financial position arising from past events, and the payment of the liability is probable and can be reliably measured.

Income tax

Tax expenses represent amounts of accrued taxes and deferred taxes.

Due taxes are calculated based on taxable profits, which differ from those declared in the financial statements. In this regard, declared profits include non-taxable income or expenses not deductible in the fiscal year but deductible in subsequent years, deductible accumulated tax losses, or items not subject to tax or tax deductible.

The Bank deducts taxes and establishes a provision for income tax in accordance with Income Tax Law No. (34) of 2014 and IAS (12), which recognizes deferred taxes arising from time differences in the fair value reserve.

Deferred taxes are the taxes expected to be paid or recovered as a result of temporary timing differences between the value of the assets or liabilities in the financial statements and the amount on which the taxable profit is calculated. Deferred taxes are calculated using the method that complies with the consolidated statement of financial position, and they are calculated according to the tax rates expected to be applied when the tax liability is settled or deferred tax assets are realized. A rate of 38% was used to calculate deferred taxes for this year (35% tax rate, 3% national contribution rate), effective from 1 January 2019, to calculate deferred taxes in accordance with the Income Tax Law No. 38 of 2018. As such deferred taxes should be calculated according to the prescribed rate or expected rates for future periods.

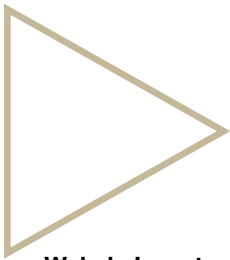
The balance of deferred tax assets is reviewed at the date of the consolidated financial statements, and is reduced in case that it is not probable that the tax asset will be fully or partially utilized.

Deposit guarantee

On April 1, 2019, a law amending the Deposit Insurance Corporation Law was issued, which included Islamic banks under the Deposit Insurance Corporation, noting that Islamic banks were not previously covered by the law, and the amended law stipulated that deposit accounts that fall within the bank's trust (credit accounts or the like, The part that does not participate in the profits from the joint investment accounts) entails fees for guaranteeing deposits and the bank bears from its own funds. As for the joint investment accounts, the owners of the joint investment accounts bear the participation fees for these accounts.

Offsetting

Financial assets are offsetted against financial liabilities, and the net amount is recognized in the consolidated statement of financial position only when the legally binding rights are available and settled on an offsetting basis, or the asset is realized and the liability settled simultaneously.



Wakala Investment accounts

The accounts managed by the Bank are represented by Wakala within a specific program with the Central Bank of Jordan. Funds invested in the Wakala are shown off-side the consolidated statement of financial position, and the Bank's share of the Wakala (gains) is included in the consolidated statement of income and comprehensive income.

Realization of revenues and recognition of expenses

Revenues and expenses are recognized on the accrual basis except for non-performing deferred sales revenue and financing which are recognized in the suspended revenue account.

Commission income and expenses

Commissions are recognized as income, when the related services are provided, in the consolidated statement of income and comprehensive income. Commissions are charged in respect of banking services and financing services when they are met.

Net trading income

Net trading income includes all gains and losses from changes in the fair value of financial assets and financial liabilities held for trading. The Bank has elected to present the full fair value movement of trading assets and liabilities, including any related income, expenses and dividends.

Dividend income

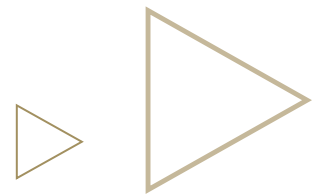
Dividend income is recognized when the right to receive payment is established, which is the earlier date of the earnings per share, and is usually the date on which the shareholders approve the dividend for unquoted equity.

Dividend distribution in the consolidated statement of income depends on the classification and measurement of equity investment, i.e.:

- With respect to equity instruments held for trading, dividend income is recognized in the consolidated statement of income and comprehensive income (loss) on financial assets at fair value through the statement of income; and
- For equity instruments classified at fair value through shareholders' equity, equity is recognized in the consolidated statement of income and comprehensive income under the Bank's self financed revenue; and
- For equity instruments that are not classified at fair value through share holders equity - self and not held for trading, equity gains are recognized in the consolidated statement of income and consolidated comprehensive income under other income - self; and
- With respect to equity instruments classified at fair value through the joint investment accounts holders' equity, the income from equity is included in the consolidated statement of income and comprehensive income under profit from financial assets at fair value through unrestricted investment account holders equity.

Cash and cash equivalents

Cash and cash balances maturing within three months, including: cash and balances with the Central Bank, balances with banks and banking institutions, and deposits of banks and banking institutions with maturities of three months and restricted balances.



(3) SIGNIFICANT ACCOUNTING ESTIMATED AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the consolidated financial statements and the application of accounting policies require management to make estimates and judgments that affect the amounts of financial assets and liabilities and to disclose potential liabilities. These estimates and judgments also affect income, comprehensive income, equity and equity holders of joint investment accounts. In particular, the Bank's management is required to issue significant judgments to estimate the amounts and timing of future cash flows. These estimates are necessarily based on assumptions and multiple factors that have varying degrees of estimation and uncertainty and that the actual results may differ from the estimates as a result of changes resulting from the circumstances and circumstances of those estimates in the future.

Judgments, estimates, and assumptions are reviewed periodically. The effect of the change in estimates is recognized in the financial period in which the change occurs if the change affects only the financial period, and the effect of the change in estimates is recognized in the financial period in which the change occurs and in future periods. In case the change affects the financial period and future financial periods.

We believe that our estimates in the consolidated financial statements are reasonable, and the estimates are summarized as follows:-

Significant Judgments in applying the bank's accounting policies

Evaluation of business model

The classification and measurement of financial assets depends on the test results of the principal amount and profit payment on the principal outstanding and the business model test. The Bank defines a business model at a level that reflects how the groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgment that reflects all relevant evidence, including how to assess the performance of the asset, measure its performance and the risks that affect the performance of the asset and how it is managed, and how the asset managers are compensated. The Bank monitors financial assets measured at amortized cost or fair value through income - equity or fair value through the rights of the holders of the joint investment that have been derecognised before maturity to understand the reasons for derecognition and whether the reasons are consistent with the objective of the business being retained. The control is part of the Group's continuous assessment of whether the business model under which the remaining financial assets are retained is appropriate, and whether it is inappropriate if there is a change in the business model and therefore a future change is made in the classification of those assets.

Significant increase in credit risk

The expected credit loss is measured as an allowance equivalent to the expected credit loss of 12 months for the assets of stage (1), or the credit loss over the life of the assets of the stage (2) and (3). The asset transferred to the stage (2) if credit risk increases significantly since initial recognition. FAS (30) issued by the Accounting and Auditing Organization for Financial and Islamic Institutions does not specify what constitutes a significant increase in credit risk. In assessing whether the credit risk of any asset has increased significantly, the Bank takes into account reasonable and reliable quantitative and qualitative information. The estimates and uses by the Bank's management of the significant change in credit risk that result in a change in classification within the three stages (1, 2 and 3) are explained in detail in Note (47).

Establishment of groups of assets with similar credit risk characteristics

When the expected credit losses are measured on a cumulative basis, the financial instruments are grouped on the basis of common risk characteristics (eg instrument type, credit risk, type of collateral, date of initial recognition, remaining period of maturity, industry, geographical location of the customer, etc.). The Bank monitors the appropriateness of credit risk characteristics on an ongoing basis to assess whether they are still similar. This is required to ensure that, in the event of a change in the credit risk characteristics, the asset is properly reallocated. This may result in the creation of new portfolios or the transfer of assets to an existing portfolio that better reflects the credit risk characteristics of that group of assets.



Models and assumptions used

The Bank uses various models and assumptions in measuring the fair value of financial assets as well as in assessing the expected credit loss described in note (47). The judgment is applied when determining the best models for each type of asset, as well as for the assumptions used in those models, which include assumptions regarding the main drivers of credit risk.

Extension and termination options in lease contracts :

Extension and termination options are included in the number of leases, These conditions are used to increase operational flexibility in contract management. Most extension and termination options are exercisable by both the bank and the lessor when determining the duration of a lease, management takes into consideration all facts and circumstances that create an economic incentive to exercise the option of extension or not to exercise the option of termination. Extension options (or periods following termination options) are only included in the term of the lease if the lease contract is reasonably confirmed to be extended (or not terminated). An assessment is reviewed if an important event or a significant change occurs in the circumstances affecting the valuation that are under the control of the lessee.

Key sources of estimation uncertainty

The principal estimates used by management in applying the Bank's accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are as follows:

Impairment in value of seized assets by the bank against debt

Any impairment in value of the seized assets is recorded as a loss in the consolidated statement of income and other comprehensive income however, the increase in value is not recorded as revenue. Subsequent increase is recorded in the consolidated statement of income and comprehensive income to the extent that it does not exceed the value of the decrease that has been previously recorded.

According to the circular Central Bank No. 10/2/13246 dated on 2 September 2021 recognizing of the required allocations against the properties acquired as (5%) of the total book values of these properties starting from the year 2022 so that achieve the required percentage amount (50%) of these properties with the end of the year 2030.

The useful lives of tangible assets and intangible assets

The management periodically recalculates the useful lives of tangible assets and intangible assets for the purpose of calculating annual depreciation and amortization based on the general condition of these assets and estimated future useful lives. Moreover, impairment losses are recognized in the consolidated statement of income and comprehensive income for the year.

Income tax provision:

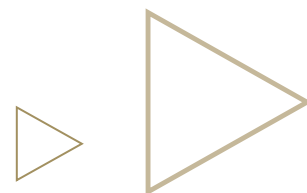
The income tax expense is charged to its financial year according to the accounting regulations, laws and standards. Deferred tax assets , liabilities, and required tax provision are recognized and calculated.

Legal Provisions:

A provision is taken to meet any potential legal obligations based on the legal study prepared by the Bank's legal counsel and by the Bank's legal department, which identifies the risks that may arise in the future and reviews the study periodically.

Assets that are stated at cost:

The management periodically reviews financial assets stated at cost to assess any impairment in their value, which is taken to the consolidated statement of income and comprehensive income.

**Provision for expected credit losses:**

Requires management to use significant judgments and estimates to estimate the amounts and timing of future cash flows and to estimate the risks of an increase in credit risk for financial assets after initial recognition and future measurement information for expected credit losses.

Provisions against assets financed by joint investment account holders (including provisions against sales receivables and joint financing) are charged to the profits of the joint investment pool.

Where provisions for expected credit losses were formed in accordance with FAS (30) in accordance with the instructions of the Central Bank of Jordan, whichever is stricter.

Determining the number and estimated weight of scenarios of the outlook for each type of product / market and the identification of future information relevant to each scenario.

When measuring the expected credit loss, the Bank uses reasonable and supported future information based on the assumptions of the future movement of the various economic effects and how these affect each other.

The probability of default

The probability of default is a key input in measuring the expected credit loss. It is an estimate of the probability of default over a given period of time, which includes the calculation of historical data, assumptions, and expectations relating to future circumstances.

Loss given default

Loss on the assumption of default is an estimate of the loss arising from default. It is based on the difference between the contractual cash flows due and those that the financier expects to collect, taking into account cash flows from collateral and integrated credit adjustments.

Fair value measurement and valuation procedures

When estimating the fair value of financial assets and financial liabilities, the Bank uses available observable market data. In the absence of level (1) inputs, the Bank conducts evaluations using appropriate valuation models to determine the fair value of financial instruments.

Discount of lease payments

Lease payments are discounted using the bank's average finance cost, where the administration has applied judgments and estimates to determine the average financing costs when the lease contract begins.

(4) CASH AND BALANCES AT THE CENTRAL BANK

The details of this item are as follows:

	31 December	
	2021	2020
	JD	JD
Cash on hand	22,099,424	20,828,813
Balances at the Central Bank of Jordan:		
Current accounts	259,858,283	268,960,098
Statutory cash reserve	76,695,657	61,905,588
Total	358,653,364	351,694,499

- Except for the statutory cash reserve, there are no other restricted cash accounts as at 31 December 2021 and 31 December 2020 .
- No provision for expected credit losses has been calculated on the balances with the Central Bank, as they are exposures to the Jordanian government.

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

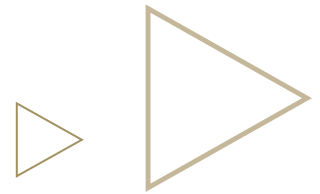
	Stage 1	Stage 1
	(individual)	(individual)
	for the year ended 31 December	for the year ended 31 December
	2021	2020
	JD	JD
Balance at the beginning of the year	330,865,686	260,871,603
New balances during the year	430	-
Repaid balances	-	-
Changes resulting from modifications	5,687,824	69,994,083
Balance at the end of the year	336,553,940	330,865,686

(5) BALANCES AT BANKS AND FINANCIAL INSTITUTIONS

The details of this item are as follows:

	Local banks and financial institutions		Foreign banks and financial institutions		Total	
	31 December		31 December		31 December	
	2021	2020	2021	2020	2021	2020
	JD	JD	JD	JD	JD	JD
Current and on -Demand accounts	713,698	417,588	7,580,233	9,252,246	8,293,931	9,669,834
Total	713,698	417,588	7,580,233	9,252,246	8,293,931	9,669,834

- There are no balances at banks and financial institutions on which the bank receives returns as at 31 December 2021 and 31 December 2020.
- There are no balances with banks and banking institutions for which the bank charges returns as at 31 December 2021 and as at 31 December 2020.
- All balances have current accounts that use the bank's operations, and there is no need for calculating financial provisions for them according to Islamic Financial Accounting Standard No. (30).



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

	Stage 1 (individual)	Stage 1 (individual)
	For the year ended 31 December 2021	For the year ended 31 December 2020
	JD	JD
Balance at the beginning of the year	9,669,834	6,513,543
New balances during the year	186,595	779,248
Repaid balances	(26)	(489,752)
Changes resulting from modifications	(1,562,472)	2,866,794
Balance at the end of the year	8,293,931	9,669,833

(6) INTERNATIONAL WAKALA INVESTMENTS - NET

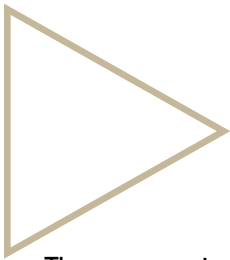
The details of this item are as follows:

	Jointly financed	
	31 December	
	2021	2020
	JD	JD
Matures:		
Within a month	66,701,844	52,466,000
From a month to three months	17,209,456	24,940,971
From three to six months	2,771,936	1,449,068
Total International Wakala Investments	86,683,236	78,856,039
Less: Expected credit losses for international wakala investment	(558,588)	(138,690)
Net International Wakala Investments	86,124,648	78,717,349

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

Item	For the year ended 31 December 2021				For the year ended 31 December 2020
	Stage 1 (individual)	Stage 2 (individual)	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Balance at the beginning of the year	78,856,039	-	-	78,856,039	70,888,829
New balances and deposits during the year	86,683,236	-	-	86,683,236	78,856,039
Repaid balances and deposits	(78,856,039)	-	-	(78,856,039)	(70,888,829)
Total balance at the end of the year	86,683,236	-	-	86,683,236	78,856,039

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



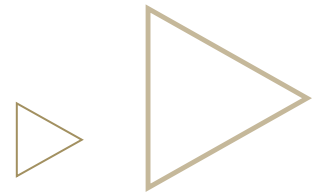
The movement on the gross International Wakala Investments was as follows:

Item	For the year ended 31 December 2021				For the year ended 31 December 2020
	Stage 1 (individual)	Stage 2 (individual)	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Balance at the beginning of the year	138,690	-	-	138,690	98,451
Impairment loss of new balances during the year	558,588	-	-	558,588	138,690
Recoverable from impairment loss on repaid balance and deposits	(138,690)	-	-	(138,690)	(98,451)
Total balance at the end of the year	558,588	-	-	558,588	138,690

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

The details of this item are as follows:

	Jointly financed	
	31 December	
	2021	2020
	JD	JD
Shares corporate	69,813	49,851
Quated Islamic sukuk	1,495,481	1,463,324
Total	1,565,294	1,513,175



(8) DEFERRED SALES RECEIVABLES AND OTHER RECEIVABLES - NET

The details of this item are as follows:

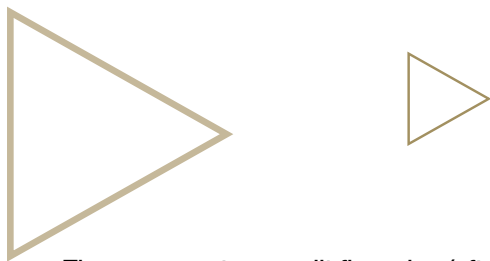
	Jointly financed		Self financed		Total	
	31 December		31 December		31 December	
	2021	2020	2021	2020	2021	2020
	JD	JD	JD	JD	JD	JD
Individuals (retail)						
Murabaha to the purchase orderer	357,150,865	275,010,114	1,387,424	1,548,111	358,538,289	276,558,225
Ijara Muntahia Bittamleek - receivables	1,440,495	1,544,385	246	-	1,440,741	1,544,385
Other receivables	5,243,641	3,705,043	30,612	61,312	5,274,253	3,766,355
Real estate financing	23,922,928	23,261,507	-	-	23,922,928	23,261,507
Ijara Muntahia Bittamleek - receivables	431,709	1,471,114	-	-	431,709	1,471,114
Corporate						
International Murabaha	-	13,471,978	-	-	-	13,471,978
Murabaha to the purchase orderer	430,360,904	359,318,707	-	-	430,360,904	359,318,707
Ijara Muntahia Bittamleek - receivables	2,161,551	1,521,159	-	-	2,161,551	1,521,159
Other receivables	-	-	779,145	1,067,888	779,145	1,067,888
Small and medium enterprises						
Murabaha to the purchase orderer	44,951,938	39,318,766	-	-	44,951,938	39,318,766
Ijara Muntahia Bittamleek - receivables	20,110	-	-	-	20,110	-
Other receivables	-	-	1,922,767	2,889,524	1,922,767	2,889,524
Government and the public sector	384,465,171	150,587,406	-	-	384,465,171	150,587,406
Total	1,250,149,312	869,210,179	4,120,194	5,566,835	1,254,269,506	874,777,014
Less: Deferred revenue	144,157,955	83,622,777	174,257	210,477	144,332,212	83,833,254
Suspended revenue	2,149,584	1,783,025	7,112	7,112	2,156,696	1,790,137
Expected credit losses	44,532,900	35,185,881	32,404	64,544	44,565,304	35,250,425
Net deferred sales receivable and other receivables	1,059,308,873	748,618,496	3,906,421	5,284,702	1,063,215,294	753,903,198

- The non-performing deferred sales receivables, other receivables, facilities and Ijara Muntahia bittamleek receivables amounted to JD 30,246,226 as at 31 December 2021, representing 2.41% of deferred sales receivables, other receivables, facilities and Ijara Muntahia Bittamleek receivables (JD 22,200,442 as at 31 December 2020, representing 2.53% of deferred sales receivables, other receivables, facilities and Ijara Muntahia Bittamleek receivables).

- The non- performing deferred sales receivables, other receivables, facilities and Ijara Muntahia bittamleek receivables amounted to JD 28,089,530 as at 31 December 2021, representing 2.24% of deferred sales receivables, other receivables, facilities and Ijara Muntahia Bittamleek receivables (JD 20,410,305 as at 31 December 2020, representing 2.33% of deferred sales receivables, other receivables, facilities and Ijara Muntahia Bittamleek receivables).

- The provision for impairment of the jointly financed facilities portfolio, which is calculated based on the Central Bank of Jordan's Instructions No.(47/2009) and based on (watch list) amounted to JD 642,260 Moreover, the provision calculated based on the "individual customer"(non-performing) amounted to JD 24,646,935 as at 31 December 2021(JD 291,459 and JD 18,604,987 respectively as at 31 December 2020).

- The deferred sales receivables and other receivables and facilities granted to and guaranteed by the Government of the Hashemite Kingdom of Jordan amounted to JD 235,350,835 as at 31 December 2021, representing 18.76% of the balance of deferred sales receivables, other receivables and facilities (JD 213,356,360 as at 31 December 2020, representing 24.36% of the balance of deferred sales receivables , other receivables and facilities).



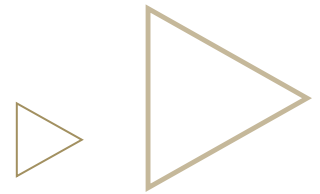
- The movement on credit financing (after deducting suspended and deferred revenue) :

A- Self-financed (Deferred sales receivables and other receivables and Alqard alhasn)

Item	For the year ended at 31 December 2021					
	Stage 1		Stage 2		Stage 3	Total
	individual	Collective	individual	Collective		
	JD	JD	JD	JD	JD	JD
Total balance at the beginning of the year	1,961,545	2,767,017	522,747	1,477,752	590,757	7,319,818
New facilities during the year	646,833	316,606	150,544	92,343	2,913	1,209,239
Repaid facilities	-	(135,320)	(452,364)	(334)	(51,538)	(639,556)
Transfer to Stage 1	-	117,537	-	(117,490)	(47)	-
Transfer to Stage 2	(103,833)	(146,905)	103,833	146,959	(54)	-
Transfer to Stage 3	-	(63)	-	-	63	-
Effect on the provision - as at the end of the year - as a result of the change in classification between the three stages during the year	-	(49,707)	(47,049)	(32,924)	-	(129,680)
Changes resulting from modifications	(690,129)	(722,695)	(34,901)	(550,752)	(2,937)	(2,001,414)
Total balance at the end of the year	1,814,416	2,146,470	242,810	1,015,554	539,157	5,758,407

The movement of the expected credit losses provision / self financed:

Item	For the year ended at 31 December 2021					
	Corporate	Small and medium enterprises	Retail (individual)	Real estate financing	Government and the public sector	Total
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	50,606	58,974	204,276	-	-	313,856
Impairment loss on new facilities during the year	7,893	117	3,756	-	-	11,766
Recovered from impairment loss on repaid facilities	(16,707)	(3,294)	(47,571)	-	-	(67,572)
Transfer to Stage 1	-	-	-	-	-	-
Transfer to Stage 2	-	-	-	-	-	-
Transfer to Stage 3	-	-	-	-	-	-
Effect on the provision - as at the end of the year - as a result of the change in classification between the three stages during the year	(14)	-	(37)	-	-	(51)
Changes resulting from modifications	(17,472)	(400)	(7,462)	-	-	(25,334)
Total balance at the end of the year	24,306	55,397	152,962	-	-	232,665
Redistribution:						
Provisions on an individual basis	24,306	55,388	147,077	-	-	226,771
Provisions on a collective basis	-	9	5,885	-	-	5,894



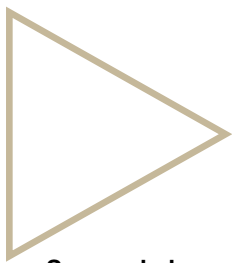
The movement on credit facilities (after deducting deferred revenue and suspended revenue) :

B- Jointly financed

Item	For the year ended at 31 December 2021					
	Stage 1		Stage 2		Stage 3	Total
	individual	Collective	individual	Collective		
	JD	JD	JD	JD	JD	JD
Total balance at the beginning of the year	446,860,560	253,621,074	47,536,533	15,320,387	20,465,823	783,804,377
New facilities during the year	356,672,298	132,285,731	17,400,244	8,332,594	173,065	514,863,932
Repaid facilities	(75,246,271)	(24,518,422)	(17,579,690)	(1,080,879)	(801,318)	(119,226,580)
Transfer to Stage 1	7,675,258	508,410	(7,675,258)	(508,410)	-	-
Transfer to Stage 2	(41,958,448)	(19,430,670)	41,958,448	19,903,805	(473,135)	-
Transfer to Stage 3	-	(4,130,148)	(3,440,876)	(925,558)	8,496,582	-
Effect on the provision as a result of the change in classification between the stages	(6,143,124)	(169,369)	(6,852,934)	(2,256,829)	(151,004)	(15,573,260)
Changes resulting from modifications	(21,133,181)	(35,952,642)	(1,566,535)	(1,174,305)	(200,033)	(60,026,696)
Total balance at the end of the year	666,727,092	302,213,964	69,779,932	37,610,805	27,509,980	1,103,841,773

The movement on expected credit loss / jointly financed:

Item	For the year ended at 31 December 2021					
	Corporate	Small and medium enterprises	Retail (individual)	Real estate financing	Government and the public sector	Total
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	24,294,704	615,089	5,457,157	4,818,931	-	35,185,881
Impairment loss on new facilities during the year	4,110,202	55,738	935,200	1,686,358	-	6,787,498
Recovered from impairment loss on repaid facilities	(1,692,655)	(10,270)	(505,476)	(1,817,311)	-	(4,025,712)
Transfer to Stage 1	-	-	-	-	-	-
Transfer to Stage 2	-	-	-	-	-	-
Transfer to Stage 3	-	-	-	-	-	-
Effect on the provision - as at the end of the year - as a result of the change in classification between the three stages during the year	2,271,321	390,198	3,400,061	1,885	-	6,063,465
Changes resulting from modifications	466,485	523,839	191,158	(659,714)	-	521,768
Total balance at the end of the year	29,450,057	1,574,594	9,478,100	4,030,149	-	44,532,900
Redistribution:						
Provisions on an individual basis	29,450,057	897,564	-	4,029,976	-	34,377,597
Provisions at a collective basis	-	677,030	9,478,100	173	-	10,155,303



Suspended revenue:

The movement on suspended revenue is as follows:

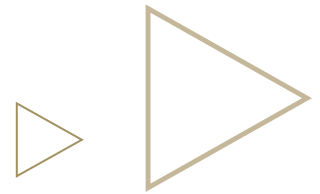
	For the year ended 31 December 2021				For the year ended 31 December 2020			
	Retail (individual)	Corporate	Small and medium enterprises	Total	Retail (individual)	Corporate	Small and medium enterprises	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year (Self)	-	7,112	-	7,112	-	7,112	-	7,112
Add: suspended revenue during the year	-	-	-	-	-	-	-	-
Less: suspended revenue transferred to revenue	-	-	-	-	-	-	-	-
Balance at the end of the year (Self)	-	7,112	-	7,112	-	7,112	-	7,112
Balance at the beginning of the year (Joint)	815,512	932,660	34,853	1,783,025	455,873	896,626	16,535	1,369,034
Add: suspended revenue during the year	461,987	222,544	51,489	736,020	467,496	94,820	33,016	595,332
Less: suspended revenue transferred to revenue	292,788	73,508	3,165	369,461	107,857	58,786	14,698	181,341
Balance at the end of the year (Joint)	984,711	1,081,696	83,177	2,149,584	815,512	932,660	34,853	1,783,025

1) Impairment loss on Credit financing - corporates

(A) Self (Deferred sales receivables and other receivables and Qard Hassan)

- The distribution of total finances according to the Bank's internal credit rating categories (After deducting deferred and suspended revenue):

Item	31 December 2021				31 December 2020
	Stage 1 (individual)	Stage 2 (individual)	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Almost risk free	14,442	-	-	14,442	-
Low risk	49,443	-	-	49,443	570,966
Normal risk	813,422	52,802	-	866,224	353,010
Acceptable risk	397,406	182,054	-	579,460	527,536
Acceptable with due care	30,043	7,431	-	37,474	78,532
Substandard	-	-	-	-	313,605
Doubtful	-	-	10	10	-
Loss	-	-	331,433	331,433	17,838
Unrated	-	523	2,287	2,810	448,137
Total	1,304,756	242,810	333,730	1,881,296	2,309,624



The movement of financing:

Item	31 December 2021			
	Stage 1 (individual)	Stage 2 (individual)	Stage 3	Total
	JD	JD	JD	JD
Balance at the beginning of the year*	1,451,885	522,747	334,992	2,309,624
New facilities during the year	646,833	150,544	49	797,426
settled facilities	-	(452,364)	(1,421)	(453,785)
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	(103,833)	103,833	-	-
Transfer to Stage 3	-	-	-	-
Effect on the provision as a result of the change in classification between the stages	-	(47,049)	-	(47,049)
Changes resulting from modifications	(690,129)	(34,901)	110	(724,920)
Total balance at the end of the year	1,304,756	242,810	333,730	1,881,296

The movement of impairment provision:

Item	For the year ended 31 December 2021			
	Stage 1 (individual)	Stage 2 (individual)	Stage 3	Total
	JD	JD	JD	JD
Balance at the beginning of the year	19,904	15,321	15,381	50,606
New facilities during the year	7,826	18	49	7,893
settled facilities	-	(15,286)	(1,421)	(16,707)
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	(28)	28	-	-
Transfer to Stage 3	-	-	-	-
Effect on the provision as a result of the change in classification between the stages	-	(14)	-	(14)
Changes resulting from modifications	(17,598)	(26)	152	(17,472)
Total balance at the end of the year	10,104	41	14,161	24,306

B- Jointly financed

The distribution of total finances according to the Bank's internal credit rating categories (After deducting deferred and suspended revenue):

Item	31 December 2021				31 December 2020
	Stage 1 (individual)	Stage 2 (individual)	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Insignificant	5,432,849	-	-	5,432,849	-
Almost risk free	5,092,255	-	-	5,092,255	3,945,620
Low risk	13,815,612	311,496	-	14,127,108	13,907,735
Normal risk	141,537,473	19,290,377	-	160,827,850	126,525,787
Acceptable risk	139,534,151	28,557,720	-	168,091,871	130,254,071
Acceptable with due care	29,119,685	10,256,923	-	39,376,608	34,901,314
Watch list	-	2,832	-	2,832	16,462,100
Substandard	-	-	3,444,487	3,444,487	1,146,012
Doubtful	-	-	1,146,495	1,146,495	394,115
Loss	-	-	12,064,458	12,064,458	11,829,201
Unrated	724,719	1,000,373	-	1,725,092	15,215,906
Total	335,256,744	59,419,721	16,655,440	411,331,905	354,581,861



The movement on financing:

Item	For the year ended 31 December 2021			
	Stage 1 (individual)	Stage 2 (individual)	Stage 3	Total
	JD	JD	JD	JD
Balance at the beginning of the year	304,139,199	37,073,334	13,369,328	354,581,861
New facilities during the year	147,110,330	8,768,482	-	155,878,812
settled facilities	(74,994,302)	(8,791,551)	-	(83,785,853)
Transfer to Stage 1	7,675,258	(7,675,258)	-	-
Transfer to Stage 2	(41,661,007)	41,661,007	-	-
Transfer to Stage 3	-	(3,440,876)	3,440,876	-
Effect on the provision as a result of the change in classification between the stages	(6,143,124)	(6,767,618)	3,612	(12,907,130)
Changes resulting from modifications	(869,610)	(1,407,799)	(158,376)	(2,435,785)
Total balance at the end of the year	335,256,744	59,419,721	16,655,440	411,331,905

The movement on impairment provision:

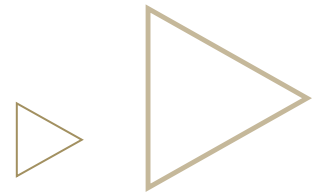
Item	For the year ended 31 December 2021			
	Stage 1 (individual)	Stage 2 (individual)	Stage 3	Total
	JD	JD	JD	JD
Balance at the beginning of the year	3,191,535	7,955,456	13,147,713	24,294,704
Impairment loss on new financing during the year	1,997,793	2,112,036	373	4,110,202
Recoverable from the loss of impairment on reimbursements	(950,350)	(742,305)	-	(1,692,655)
Transfer to Stage 1	509,700	(509,700)	-	-
Transfer to Stage 2	(443,842)	443,842	-	-
Transfer to Stage 3	-	(2,819,638)	2,819,638	-
Effect on the provision as a result of the change in classification between the stages	(490,804)	2,137,276	624,849	2,271,321
Changes resulting from modifications	(64,005)	512,321	18,169	466,485
Total balance at the end of the year	3,750,027	9,089,288	16,610,742	29,450,057

2) Impairment Loss on Credit Financing - Small and Medium Enterprises:

A- Self financed

The distribution of total finances according to the Bank's internal credit rating categories (After deducting deferred and suspended revenue):

Item	31 December 2021						31 December 2020
	Stage 1		Stage 2		Stage 3	Total	Total
	individual	Collective	individual	Collective			
	JD	JD	JD	JD	JD	JD	JD
Not rated	-	908,055	-	1,015,092	55,388	1,978,535	2,948,669
Total	-	908,055	-	1,015,092	55,388	1,978,535	2,948,669



The movement on financing:

Item	31 December 2021					
	Stage 1		Stage 2		Stage 3	Total
	individual	Collective	individual	Collective		
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	-	1,412,544	-	1,477,158	58,967	2,948,669
New facilities during the year	-	3,489	-	92,312	109	95,910
settled facilities	-	(1,513)	-	(99)	(3,288)	(4,900)
Transfer to Stage 1	-	117,464	-	(117,464)	-	-
Transfer to Stage 2	-	(146,905)	-	146,905	-	-
Transfer to Stage 3	-	-	-	-	-	-
Effect on the provision as a result of the change in classification between the stages	-	(49,652)	-	(32,901)	-	(82,553)
Changes resulting from modifications	-	(427,372)	-	(550,819)	(400)	(978,591)
Total balance at the end of the year	-	908,055	-	1,015,092	55,388	1,978,535

The movement on impairment provision:

Item	31 December 2021					
	Stage 1		Stage 2		Stage 3	Total
	individual	Collective	individual	Collective		
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	-	3	-	4	58,967	58,974
Impairment loss on new financing during the year	-	2	-	6	109	117
Recoverable from the loss of impairment on reimbursements	-	-	-	(6)	(3,288)	(3,294)
Transfer to Stage 1	-	-	-	-	-	-
Transfer to Stage 2	-	-	-	-	-	-
Transfer to Stage 3	-	-	-	-	-	-
Effect on the provision as a result of the change in classification between the stages	-	-	-	-	-	-
Changes resulting from modifications	-	-	-	-	(400)	(400)
Total balance at the end of the year	-	5	-	4	55,388	55,397



B- Jointly financed

The distribution of total finances according to the Bank's internal credit rating categories (After deducting deferred and suspended revenue):

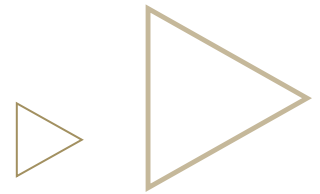
Item	31 December 2021						31 December 2020
	Stage 1		Stage 2		Stage 3	Total	Total
	individual	Collective	individual	Collective			
	JD	JD	JD	JD	JD	JD	JD
unrated	-	20,151,623	-	20,475,259	2,390,340	43,017,222	37,065,370
Total	-	20,151,623	-	20,475,259	2,390,340	43,017,222	37,065,370

The movement on financing:

	31 December 2020					
	Stage 1		Stage 2		Stage 3	Total
	individual	Collective	individual	Collective		
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	-	23,821,387	-	11,481,235	1,762,748	37,065,370
New facilities during the year	-	5,166,167	-	7,064,431	48,172	12,278,770
settled facilities	-	(3,146,691)	-	(764,230)	(2,910)	(3,913,831)
Transfer to Stage 1	-	464,591	-	(464,591)	-	-
Transfer to Stage 2	-	(4,625,257)	-	4,736,846	(111,589)	-
Transfer to Stage 3	-	(659,194)	-	(135,910)	795,104	-
Effect on the provision as a result of the change in classification between the stages	-	(142,174)	-	(580,756)	(52,802)	(775,732)
Changes resulting from modifications	-	(727,206)	-	(861,766)	(48,383)	(1,637,355)
Total balance at the end of the year	-	20,151,623	-	20,475,259	2,390,340	43,017,222

The movement on impairment provision:

Item	31 December 2021					
	Stage 1		Stage 2		Stage 3	Total
	individual	Collective	individual	Collective		
	JD	JD	JD	JD	JD	JD
Balance of beginning of the year	-	58,413	-	114,094	442,582	615,089
Impairment loss on new financing during the year	-	9,996	-	44,906	836	55,738
Recoverable from the loss of impairment on reimbursements	-	(9,260)	-	(829)	(181)	(10,270)
Transfer to Stage 1	-	314	-	(314)	-	-
Transfer to Stage 2	-	(9,827)	-	35,487	(25,660)	-
Transfer to Stage 3	-	(15,210)	-	(798)	16,008	-
Effect on the provision - as at the end of the year - as a result of the change in classification between the three stages during the year	-	(244)	-	221,607	168,835	390,198
Changes resulting from modifications	-	(6,451)	-	235,146	295,144	523,839
Total balance at the end of the year	-	27,731	-	649,299	897,564	1,574,594



3) Impairment loss on credit facilities - Individual portfolio (retail):

A-Self financed

- The distribution of total finances according to the Bank's internal credit rating categories (After deducting deferred and suspended revenue):

Item	31 December 2021				31 December 2020
	Stage 1 (collective)	Stage 2 (collective)	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Unrated	1,238,415	462	150,039	1,388,916	1,551,865
Total	1,238,415	462	150,039	1,388,916	1,551,865

The movement on financing:

Item	For the year ended 31 December 2021			
	Stage 1 (collective)	Stage 2 (collective)	Stage 3	Total
	JD	JD	JD	JD
Balance at the beginning of the year	1,354,473	594	196,798	1,551,865
New facilities during the year	313,117	31	2,755	315,903
settled facilities	(133,807)	(235)	(46,829)	(180,871)
Transfer to Stage 1	73	(26)	(47)	-
Transfer to Stage 2	-	54	(54)	-
Transfer to Stage 3	(63)	-	63	-
Effect on the provision as a result of the change in classification between the stages	(55)	(23)	-	(78)
Changes resulting from modifications	(295,323)	67	(2,647)	(297,903)
Total balance at the end of the year	1,238,415	462	150,039	1,388,916

The movement on impairment provision:

Item	For the year ended 31 December 2021			
	Stage 1 (collective)	Stage 2 (collective)	Stage 3	Total
	JD	JD	JD	JD
Balance at the beginning of the year	7,472	21	196,783	204,276
Impairment loss on new financing during the year	999	2	2,755	3,756
Recoverable from the loss of impairment on reimbursements	(730)	(13)	(46,828)	(47,571)
Transfer to Stage 1	48	(2)	(46)	-
Transfer to Stage 2	-	54	(54)	-
Transfer to Stage 3	-	-	-	-
Effect on the provision - as at the end of the year - as a result of the change in classification between the three stages during the year	(48)	(52)	63	(37)
Changes resulting from modifications	(1,869)	3	(5,596)	(7,462)
Total balance at the end of the year	5,872	13	147,077	152,962



B- Jointly financed

The distribution of total finances according to the Bank's internal credit rating categories (After deducting deferred and suspended revenue):

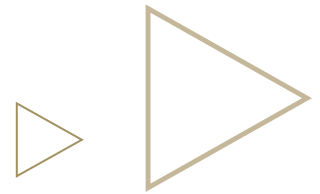
Item	For the year ended 31 December 2021				31 December 2020
	Stage 1 (collective)	Stage 2 (collective)	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Unrated	276,706,634	16,676,113	8,269,772	301,652,519	233,268,588
Total	276,706,634	16,676,113	8,269,772	301,652,519	233,268,588

The movement on financing:

Item	31 December 2021			
	Stage 1 (collective)	Stage 2 (collective)	Stage 3	Total
	JD	JD	JD	JD
Balance at the beginning of the year	224,929,828	3,601,481	4,737,279	233,268,588
New facilities during the year	124,990,884	1,268,163	103,938	126,362,985
settled facilities	(20,751,111)	(316,649)	(375,413)	(21,443,173)
Transfer to Stage 1	43,819	(43,819)	-	-
Transfer to Stage 2	(14,567,611)	14,929,157	(361,546)	-
Transfer to Stage 3	(3,470,954)	(789,648)	4,260,602	-
Effect on the provision as a result of the change in classification between the stages	(27,195)	(1,641,572)	(101,814)	(1,770,581)
Changes resulting from modifications	(34,441,026)	(331,000)	6,726	(34,765,300)
Total balance at the end of the year	276,706,634	16,676,113	8,269,772	301,652,519

- The movement on impairment provision:

Item	31 December 2021			
	Stage 1 (collective)	Stage 2 (collective)	Stage 3	Total
	JD	JD	JD	JD
Balance at the beginning of the year	825,929	40,004	4,591,224	5,457,157
Impairment loss on new financing during the year	626,256	215,519	93,425	935,200
Recoverable from the loss of impairment on reimbursements	(67,543)	(2,476)	(435,457)	(505,476)
Transfer to Stage 1	678	(678)	-	-
Transfer to Stage 2	(34,652)	381,425	(346,773)	-
Transfer to Stage 3	(12,367)	(9,607)	21,974	-
Effect on the provision - as at the end of the year - as a result of the change in classification between the three stages during the year	(570)	628,980	2,771,651	3,400,061
Changes resulting from modifications	(162,838)	41,938	312,058	191,158
Total balance at the end of the year	1,174,893	1,295,105	7,008,102	9,478,100



4) Impairment loss on credit facilities - Real estate financing:

A-Self financed

The distribution of total finances according to the Bank's internal credit rating categories (After deducting deferred and suspended revenue):

Item	31 December 2021						31 December 2020
	Stage 1		Stage 2		Stage 3	Total	Total
	individual	Collective	individual	Collective			
	JD	JD	JD	JD	JD	JD	JD
Total	-	-	-	-	-	-	-

The movement on financing:

Item	For the year ended 31 December 2021					
	Stage 1		Stage 2		Stage 3	Total
	individual	Collective	individual	Collective		
	JD	JD	JD	JD	JD	JD
Total balance at the beginning of the year	-	-	-	-	-	-
Total balance at the end of the year	-	-	-	-	-	-

The movement on impairment provision:

Item	For the year ended 31 December 2021					
	Stage 1		Stage 2		Stage 3	Total
	individual	Collective	individual	Collective		
	JD	JD	JD	JD	JD	JD
Total balance at the end of the year	-	-	-	-	-	-

B- Jointly financed

The distribution of total finances according to the Bank's internal credit rating categories (After deducting deferred and suspended revenue):

Item	31 December 2021						31 December 2020
	Stage 1		Stage 2		Stage 3	Total	Total
	individual	Collective	individual	Collective			
	JD	JD	JD	JD	JD	JD	JD
Almost free risk	1,006,883	-	-	-	-	1,006,883	1,385,526
Normal Risk	9,588	-	77,269	-	-	86,857	86,899
Acceptable risk	2,455,288	-	1,701,175	-	-	4,156,463	4,895,735
Acceptable with due care	3,948	-	8,552,977	-	-	8,556,925	8,177,584
Watch list	-	-	20,769	-	-	20,769	-
Loss	-	-	-	-	-	-	422,996
Unrated	-	5,355,707	8,021	459,433	194,428	6,017,589	6,311,791
Total	3,475,707	5,355,707	10,360,211	459,433	194,428	19,845,486	21,280,531

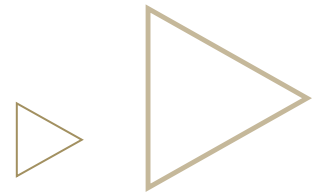


The movement on financing:

Item	For the year ended 31 December 2021					
	Stage 1		Stage 2		Stage 3	Total
	individual	Collective	individual	Collective		
	JD	JD	JD	JD	JD	JD
Total balance at the beginning of the year	5,113,334	4,869,859	10,463,199	237,671	596,468	21,280,531
New facilities during the year	127,509	2,128,680	8,631,762	-	20,955	10,908,906
Settled facilities	(251,969)	(620,620)	(8,788,139)	-	(422,995)	(10,083,723)
Transfer to Stage 1	-	-	-	-	-	-
Transfer to Stage 2	(297,441)	(237,802)	297,441	237,802	-	-
Transfer to Stage 3	-	-	-	-	-	-
Effect on the provision as a result of the change in classification between the stages	-	-	(85,316)	(34,501)	-	(119,817)
Changes resulting from modifications	(1,215,726)	(784,410)	(158,736)	18,461	-	(2,140,411)
Total balance at the end of the year	3,475,707	5,355,707	10,360,211	459,433	194,428	19,845,486

The movement on impairment provision:

Item	For the year ended 31 December 2021					
	Stage 1		Stage 2		Stage 3	Total
	individual	Collective	individual	Collective		
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	5,170	51	4,390,242	-	423,468	4,818,931
Impairment loss on new financing during the year	826	148	1,654,281	-	31,103	1,686,358
Recoverable from the loss of impairment on reimbursements	(1,132)	-	(1,456,959)	-	(359,220)	(1,817,311)
Transfer to Stage 1	-	-	-	-	-	-
Transfer to Stage 2	(3,984)	-	3,984	-	-	-
Transfer to Stage 3	-	-	-	-	-	-
Effect on the provision as a result of the change in classification between the three stages during the year	-	-	1,885	-	-	1,885
Changes resulting from modifications	2,638	(26)	(697,502)	-	35,176	(659,714)
Total balance at the end of the year	3,518	173	3,895,931	-	130,527	4,030,149



5) Impairment loss on credit facilities - Government and public sector:

A- Self financed

The distribution of total finances according to the Bank's internal credit rating categories (After deducting deferred and suspended revenue):

Item	31 December 2021				31 December 2020
	Stage 1 (individual)	Stage 2 (individual)	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Insignificant	509,660	-	-	509,660	509,660
Total	509,660	-	-	509,660	509,660

The movement on financing:

Item	For the year ended 31 December 2021			
	Stage 1 (individual)	Stage 2 (individual)	Stage 3	Total
	JD	JD	JD	JD
Total balance at the beginning of the year	509,660	-	-	509,660
Total balance at the end of the year	509,660	-	-	509,660

The movement on impairment provision:

Item	For the year ended 31 December 2021			
	Stage 1 (individual)	Stage 2 (individual)	Stage 3	Total
	JD	JD	JD	JD
Balance at the beginning of the year	-	-	-	-
Total balance at the end of the year	-	-	-	-

B- Jointly financed

The distribution of total finances according to the Bank's internal credit rating categories (After deducting deferred and suspended revenue):

Item	For the year ended 31 December 2021				
	Stage 1 (individual)	Stage 2 (individual)	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Low risk	327,994,641	-	-	327,994,641	137,608,027
Total	327,994,641	-	-	327,994,641	137,608,027



The movement on financing:

Item	For the year ended 31 December 2021			
	Stage 1 (individual)	Stage 2 (individual)	Stage 3	Total
	JD	JD	JD	JD
Total balance at the beginning of the year	137,608,027	-	-	137,608,027
New facilities during the year	209,434,459	-	-	209,434,459
settled facilities	-	-	-	-
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Effect on the provision as a result of the change in classification between the three stages during the year	-	-	-	-
Changes resulting from modifications	(19,047,845)	-	-	(19,047,845)
Total balance at the end of the year	327,994,641	-	-	327,994,641

The movement on impairment provision:

Item	For the year ended 31 December 2021			
	Stage 1 (individual)	Stage 2 (individual)	Stage 3	Total
	JD	JD	JD	JD
Balance at the beginning of the year	-	-	-	-
Total balance at the end of the year	-	-	-	-

1 - The following are credit exposures in accordance to financial accounting standard (30) Issued by the Accounting and Auditing Organization for Islamic Financial Institutions as at 31 December 2021

A- Self-financed

	Stage 1				Stage 2				Stage 3				Total			
	Total	ECL	Suspended revenue	Deferred revenue	Total	ECL	Suspended revenue	Deferred revenue	Total	ECL	Suspended revenue	Deferred revenue	Total	ECL	Suspended revenue	Deferred revenue
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Corporates	1,304,756	10,104	-	-	242,810	41	-	-	340,842	14,161	7,112	-	1,888,408	24,306	7,112	-
Small and medium enterprises	908,055	5	-	-	1,015,092	4	-	-	55,388	55,388	-	-	1,978,535	55,397	-	-
Retail (Individual)	1,412,672	5,872	-	174,257	462	13	-	-	150,039	147,077	-	-	1,563,173	152,962	-	174,257
Real estate financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Government and public sector	509,660	-	-	-	-	-	-	-	-	-	-	-	509,660	-	-	-
Total	4,135,143	15,981	-	174,257	1,258,364	58	-	-	546,269	216,626	7,112	-	5,939,776	232,665	7,112	174,257

The financing amount in accordance to financial accounting standard (30) Issued by the Accounting and Auditing Organization for Islamic Financial Institutions instructions does not include the amount of JD (5,457,190), representing Ijara Muntahia Bittamleek.

B- Jointly financed

	Stage 1				Stage 2				Stage 3				Total			
	Total	ECL	Suspended revenue	Deferred revenue	Total	ECL	Suspended revenue	Deferred revenue	Total	ECL	Suspended revenue	Deferred revenue	Total	ECL	Suspended revenue	Deferred revenue
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Corporates	352,088,357	3,750,027	-	16,811,613	62,266,523	9,089,288	-	2,846,802	18,187,575	16,610,742	1,081,696	450,439	432,522,455	29,450,057	1,081,696	20,108,854
Small and medium enterprises	21,031,716	27,731	-	880,093	21,364,938	649,299	-	889,679	2,575,394	897,564	83,177	101,877	44,972,048	1,574,594	83,177	1,871,649
Retail (Individual)	334,740,676	1,174,893	-	58,034,042	19,207,257	1,295,105	-	2,531,144	9,887,068	7,008,102	940,593	676,703	363,835,001	9,478,100	940,593	61,241,889
Real estate financing	10,088,171	3,691	-	1,256,757	14,014,751	3,895,931	-	3,195,107	251,715	130,527	44,118	13,169	24,354,637	4,030,149	44,118	4,465,033
Government and public sector	384,465,171	-	-	56,470,530	-	-	-	-	-	-	-	-	384,465,171	-	-	56,470,530
Total	1,102,394,091	4,956,342	-	133,453,035	116,853,469	14,929,623	-	9,462,732	30,901,752	24,646,935	2,149,584	1,242,188	1,250,149,312	44,532,900	2,149,584	144,157,955

The financing amount in accordance with Financial accounting standard (30) Issued by the Accounting and Auditing Organization for Islamic Financial Institutions instructions does not include the amount of JD (528,348,066) representing Ijara Muntahia Bittamleek.

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

A- Self-financed

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

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

B- Jointly financed

	Stage 1				Stage 2				Stage 3				Total			
	Total	ECL	Suspended revenue	Deferred revenue	Total	ECL	Suspended revenue	Deferred revenue	Total	ECL	Suspended revenue	Deferred revenue	Total	ECL	Suspended revenue	Deferred revenue
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Corporates	320,685,542	3,191,535	-	16,546,343	39,375,438	7,955,456	-	2,302,104	14,250,864	13,147,713	868,885	12,651	374,311,844	24,294,704	868,885	18,861,098
Small and medium enterprises	25,189,246	58,413	-	1,367,859	12,199,513	114,084	-	718,278	1,930,007	442,592	34,853	132,406	39,318,766	615,089	34,853	2,218,543
Retail (Individual)	270,310,764	825,929	-	45,380,936	4,073,718	40,004	-	472,237	5,875,060	4,591,224	791,763	346,018	280,259,542	5,457,157	791,763	46,199,191
Real estate financing	11,435,201	5,221	-	1,452,008	12,588,980	4,390,242	-	1,888,110	708,440	423,468	87,524	24,448	24,732,621	4,818,931	87,524	3,364,566
Government and public sector	150,587,406	-	-	12,979,379	-	-	-	-	-	-	-	-	150,587,406	-	-	12,979,379
Total	776,208,159	4,081,098	-	77,726,525	66,237,649	12,499,796	-	5,380,729	22,764,371	18,604,987	1,783,025	515,523	869,210,179	35,185,881	1,783,025	83,622,777

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

Disclosure of credit exposures according to the classification instructions No. 47/2009 and in comparison with Financial Accounting Standard No. (30) issued by the Accounting and Auditing Organization for Islamic Financial Institutions as of December 31, 2021

A- Self

		according to financial accounting standard (30)														Total				
		1 stage						2 stage				3 stage								
		Total	Deferred revenue	Suspended revenue	Net	ECL	Total	ECL	Deferred revenue	Suspended revenue	Total	ECL	Deferred revenue	Suspended revenue	Total	ECL	Deferred revenue	Suspended revenue		
Performing loans		10,853,339	174,257	-	10,679,082	-	4,135,143	15,981	174,257	-	1,258,042	42	-	2,964	2,357	-	5,396,149	18,380	174,257	-
Debt under Watch		322	-	-	322	42	-	-	-	-	322	16	-	-	-	-	322	16	-	-
Non-performing debt		543,305	-	7,112	536,193	216,626	-	-	-	-	-	-	-	543,305	178,789	-	543,305	178,789	-	7,112
of watch:					-															
Substandard		62	-	-	62	61	-	-	-	-	-	-	-	62	47	-	62	47	-	-
Bad debts		3,064	-	-	3,064	3,064	-	-	-	-	-	-	-	3,064	2,436	-	3,064	2,436	-	-
Loss		540,179	-	7,112	533,067	213,501	-	-	-	-	-	-	-	540,179	176,306	-	540,179	176,306	-	7,112
Total		11,396,966	174,257	7,112	11,215,597	216,668	4,135,143	15,981	174,257	-	1,258,364	58	-	546,269	181,146	-	5,939,776	197,185	174,257	7,112

The finances that are covered according to Instructions No. 47/2009 were linked to the results of their calculation according to the instructions of the Central Bank of Jordan.

B- joint

	According to classification instructions No. (47/2009)												according to financial accounting standard (30)												Total
	1 stage						2 stage						3 stage												
	Total	Deferred revenue	Suspended revenue	Net	ECL		Total	ECL	Deferred revenue	Suspended revenue	Total	ECL	Deferred revenue	Suspended revenue	Total	ECL	Deferred revenue	Suspended revenue							
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD							
Performing loans	1,742,352,738	142,283,374	-	1,600,069,364	-	1,102,380,976	4,956,296	133,452,276	-	110,578,445	13,966,197	8,831,098	-	1,045,251	2,376	-	1,214,004,672	142,283,374	-						
Debt under Watch	6,441,719	636,310	-	5,805,409	642,260	13,115	46	759	-	6,275,024	983,426	631,634	-	153,580	-	3,917	6,441,719	963,472	636,310	-					
Non-performing debt	29,702,921	1,238,271	2,149,584	26,315,066	24,646,935	-	-	-	-	-	-	-	-	29,702,921	19,868,416	1,238,271	29,702,921	19,868,416	1,238,271	2,149,584					
of watch:																									
Substandard	2,377,119	226,452	11,677	2,138,990	778,655	-	-	-	-	-	-	-	-	2,377,119	782,057	226,452	2,377,119	782,057	226,452	11,677					
Bad debts	2,909,108	293,729	87,685	2,527,694	2,069,877	-	-	-	-	-	-	-	-	2,909,108	1,321,415	293,729	2,909,108	1,321,415	293,729	87,685					
Loss	24,416,694	718,090	2,050,222	21,648,382	21,798,403	-	-	-	-	-	-	-	-	24,416,694	17,764,944	718,090	24,416,694	17,764,944	718,090	2,050,222					
Total	1,778,497,378	144,157,955	2,149,584	1,632,189,839	25,288,195	1,102,394,091	4,956,342	133,453,035	-	116,853,469	14,929,623	9,462,732	-	30,901,752	19,870,792	1,242,188	1,250,149,312	39,756,757	144,157,955	2,149,584					

The finances that are covered according to Instructions No. 47/2009 were linked to the results of their calculation according to the instructions of the Central Bank of Jordan.

Disclosure of credit exposures according to the classification instructions No. 47/2009 and in comparison with Financial Accounting Standard No. (30) issued by the Accounting and Auditing Organization for Islamic Financial Institutions as of December 31, 2020

A- Self

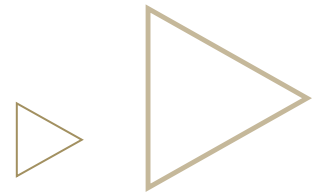
	according to financial accounting standard (30)												Total								
	According to classification instructions No. (2009/47)					1 stage				2 stage							3 stage				
	Total	Deferred revenue	Suspended revenue	Net	ECL	Total	ECL	Deferred revenue	Suspended revenue	Total	ECL	Deferred revenue	Suspended revenue	Total	ECL	Deferred revenue	Suspended revenue	Total	ECL	Deferred revenue	Suspended revenue
Performing loans	6,939,136	210,477	-	6,728,659	-	4,939,039	27,379	210,477	-	2,000,081	15,322	-	-	16	12	-	-	6,939,136	42,713	210,477	-
Debt under Watch	428	-	-	428	34	-	-	-	-	418	24	-	-	10	7	-	-	428	31	-	-
Non-performing debt	597,843	-	7,112	590,731	271,130	-	-	-	-	-	-	-	-	597,843	221,996	-	7,112	597,843	221,996	-	7,112
Of watch:				-																	
Substandard	1,044	-	-	1,044	1,044	-	-	-	-	-	-	-	-	1,044	820	-	-	1,044	820	-	-
Bad debts	340,096	-	-	340,096	26,501	-	-	-	-	-	-	-	-	340,096	20,992	-	-	340,096	20,992	-	-
Loss	256,703	-	7,112	249,591	243,585	-	-	-	-	-	-	-	-	256,703	200,184	-	7,112	256,703	200,184	-	7,112
Total	7,537,407	210,477	7,112	7,319,818	271,164	4,939,039	27,379	210,477	-	2,000,499	15,346	-	-	597,869	222,015	-	7,112	7,537,407	264,740	210,477	7,112

The finances that are covered according to Instructions No. 47/2009 were linked to the results of their calculation according to the instructions of the Central Bank of Jordan.

B- joint

	According to classification instructions No. (2009/47)												according to financial accounting standard (30)							Total	
	1 stage					2 stage					3 stage										
	Total	Deferred revenue	Suspended revenue	Net	ECL	Total	ECL	Deferred revenue	Suspended revenue	Total	ECL	Deferred revenue	Suspended revenue	Total	ECL	Deferred revenue	Suspended revenue				
Performing loans	829,043,307	82,337,633	-	746,705,674	-	777,690,542	4,078,985	77,713,705	-	50,232,227	9,416,034	4,616,089	-	1,120,538	14,118	7,839	-	829,043,307	82,337,633	-	-
Debt under Watch	18,564,273	781,215	-	17,783,058	291,459	517,617	2,113	12,820	-	18,005,422	3,083,762	764,640	-	41,234	17,137	3,755	-	18,564,273	3,103,012	781,215	-
Non-performing debt	21,602,599	503,929	1,783,025	19,315,645	18,604,987	-	-	-	-	-	-	-	-	21,602,599	15,984,769	503,929	1,783,025	15,984,769	503,929	1,783,025	1,783,025
Of which:																					
Substandard	1,520,440	207,682	10,444	1,302,314	313,243	-	-	-	-	-	-	-	-	1,520,440	323,368	207,682	10,444	1,520,440	323,368	207,682	10,444
Bad debts	1,113,786	31,964	8,863	1,072,959	548,978	-	-	-	-	-	-	-	-	1,113,786	687,327	31,964	8,863	1,113,786	687,327	31,964	8,863
Loss	18,968,373	264,283	1,763,718	16,940,372	17,742,766	-	-	-	-	-	-	-	-	18,968,373	14,974,094	264,283	1,763,718	18,968,373	14,974,094	264,283	1,763,718
Total	869,210,179	83,622,777	1,783,025	783,804,377	18,896,446	778,208,159	4,081,088	77,726,525	-	68,237,649	12,499,796	5,390,729	-	22,764,371	16,016,044	515,523	1,783,025	869,210,179	32,596,938	83,622,777	1,783,025

The finances that are covered according to Instructions No. 47/2009 were linked to the results of their calculation according to the instructions of the Central Bank of Jordan.



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

The details of this item are as follows:

	Jointly financed	
	31 December	
	2021	2020
	JD	JD
Quoted Financial Assets :		
Corporate Shares	478,651	273,603
Islamic Sukuk	71,457,019	54,337,021
Total quoted Financial Assets	71,935,670	54,610,624
Unquoted Financial Assets:		
Corporate Shares	2,564,807	2,179,574
Islamic Sukuk	90,096,000	2,064,200
Total unquoted financial assets	92,660,807	4,243,774
Total Financial Assets At Fair Value through Unrestricted Investment Accounts Holders' Equity-Net	164,596,477	58,854,398
Less: Expected Credit Losses provision of financial assets	(232,800)	(365,415)
Net Financial Assets At Fair Value through Unrestricted Investment Accounts Holders' Equity	164,363,677	58,488,983

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

The movement of the total financial assets at fair value through unrestricted investment accounts holders' equity for the year ended 31 December 2021:

Item	Stage1 (Individual)	Stage2 (Individual)	Stage3	Total
	JD	JD	JD	JD
Fair value as at the beginning of the year	57,425,054	1,429,344	-	58,854,398
New investments during the year	98,331,865	-	-	98,331,865
Matured and sold investments	(10,983,356)	(1,429,344)	-	(12,412,700)
Change in Fair value	-	-	-	-
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Effect on the provision as a result of the change in classification between the stages	-	-	-	-
Changes resulting from modifications	19,822,914	-	-	19,822,914
Total balance at the end of year	164,596,477	-	-	164,596,477



Movement on the Expected Credit Losses provision for the financial assets at fair value through unrestricted investment accounts holders' equity for the year ended 31 December 2021:

Item	(Stage1 (Individual	(Stage2 (Individual	Stage3	Total
	JD	JD	JD	JD
Fair value as at the beginning of the year	323,501	41,914	-	365,415
New investments during the year	23,896	-	-	23,896
Matured and sold investments	(111,883)	(41,914)	-	(153,797)
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Effect on the provision as a result of the change in classification between the stages	-	-	-	-
Changes resulting from modifications	(2,714)	-	-	(2,714)
Total balance at the end of year	232,800	-	-	232,800

(10) FINANCIAL ASSETS AT AMORTIZED COST

The details of this item are as follows:

	Jointly financed	
	31 December	
	2021	2020
	JD	JD
Unquoted Financial Assets:		
Islamic Sukuk	64,752,000	92,191,000
Total unquoted Financial Assets	64,752,000	92,191,000
Total Financial Assets at Amortized Cost- Net	64,752,000	92,191,000

- The assets mentioned above mature during the years 2022 and 2023.

- No need to record expected credit losses provision against financial assets at amortized cost since these sukuk are guaranteed by The Jordanian Government in accordance with CBJ instructions.

(11) INVESTMENT IN ASSOCIATE

Investment in associated company (jointly financed)

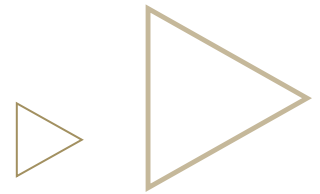
	Percentage of ownership	Country	Principal activity	31 December	
				2021	2020
				JD	JD
Jordan Blending and Packing of Fertilizers Company	25%	Jordan	Manufacturing	343,708	349,507

- Cash dividend for the bank from the associate amounted to JD 6,250 during the year 2021 (JD 10,000 during the year 2020).

The movement on the investment in associate was as follows:

	Jointly financed	
	31 December	
	2021	2020
	JD	JD
Beginning balance	349,507	354,022
Share of profit	12,951	17,985
The share of joint funds from the loss of decline in the affiliate's investment	(12,500)	(12,500)
Dividends received	(6,250)	(10,000)
Ending balance for the year*	343,708	349,507

* The latest audited and approved financial statements of the associate have been used for the purpose of valuation.



(12) IJARA MUNTAHIA BITTAMLEEK ASSETS - NET

31 December 2021	Jointly financed			Self financed			Total		
	Cost	Accumulated Depreciation	Net Value	Cost	Accumulated Depreciation	Net Value	Cost	Accumulated Depreciation	Net Value
	JD	JD	JD	JD	JD	JD	JD	JD	JD
Ijara Muntahia Bittamleek assets-Real Estate	580,679,266	(91,816,833)	488,862,433	6,879,147	(1,421,957)	5,457,190	587,558,413	(93,238,790)	494,319,623
Ijara Muntahia Bittamleek assets-Machines	51,976,724	(12,579,226)	39,397,498	-	-	-	51,976,724	(12,579,226)	39,397,498
Ijara Muntahia Bittamleek assets-vehicles	117,976	(29,841)	88,135	-	-	-	117,976	(29,841)	88,135
Total	632,773,966	(104,425,900)	528,348,066	6,879,147	(1,421,957)	5,457,190	639,653,113	(105,847,857)	533,805,256

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

- The accrued Ijara installments amounted to JD 4,054,111 as at 31 December 2021 (JD 4,536,658 as at 31 December 2020).

Moreover the due Ijara installments were presented under deferred sales receivables and other receivables-Net (Note 8).

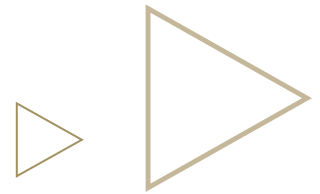
- The non-performing Ijara Muntahia Bittamleek amounted to JD 5,320,249 as at 31 December 2021 representing 1.00% of the balance of Ijara Muntahia Bittamleek assets (JD 5,512,567 as at 31 December 2020, representing 1.31% of the balance of Ijara Muntahia Bittamleek assets).

(13) PROPERTY AND EQUIPMENT - NET

For the year ended 31 December 2021	Lands	Buildings	Equipment, Devices and furniture	Vehicles	Computers	Others	Total
	JD	JD	JD	JD	JD	JD	JD
Cost:							
Beginning balance for the year	2,747,021	12,882,553	17,013,040	279,530	5,132,919	1,139,949	39,195,012
Additions / capitalization*	-	-	745,717	63,501	236,684	-	1,045,902
Disposals	-	-	119,735	60,900	33,586	-	214,221
Ending balance for the year:	2,747,021	12,882,553	17,639,022	282,131	5,336,017	1,139,949	40,026,693
Accumulated depreciation							
Beginning balance for the year	-	1,929,875	10,896,811	158,824	3,539,449	235,984	16,760,943
Depreciation for the year	-	257,591	1,667,381	28,526	497,960	66,714	2,518,172
Disposals	-	-	84,076	60,896	29,947	-	174,919
Ending balance for the year	-	2,187,466	12,480,116	126,454	4,007,462	302,698	19,104,196
Net book value for property and equipment	2,747,021	10,695,087	5,158,906	155,677	1,328,555	837,251	20,922,497
Advance payments on purchasing property and equipment	-	-	60,062	-	339,503	634,061	1,033,626
Projects in progress	-	-	377,128	-	-	-	377,128
Net property and equipment at the end of year	2,747,021	10,695,087	5,596,096	155,677	1,668,058	1,471,312	22,333,251
For the year ended 31 December 2020							
Cost:							
Beginning balance for the year	2,747,021	12,882,553	15,848,487	279,530	4,593,044	1,139,949	37,490,584
Additions / capitalization*	-	-	1,964,080	-	541,157	-	2,505,237
Disposals	-	-	799,527	-	1,282	-	800,809
Ending balance for the year	2,747,021	12,882,553	17,013,040	279,530	5,132,919	1,139,949	39,195,012
Accumulated depreciation:							
Beginning balance for the year	-	1,671,521	10,111,008	128,053	3,013,591	169,037	15,093,210
Depreciation for the year	-	258,354	1,571,842	30,771	527,131	66,947	2,455,045
Disposals	-	-	786,039	-	1,273	-	787,312
Ending balance for the year	-	1,929,875	10,896,811	158,824	3,539,449	235,984	16,760,943
Net book value for property and equipment	2,747,021	10,952,678	6,116,229	120,706	1,593,470	903,965	22,434,069
Advance payments on purchasing property and equipment	-	-	-	-	33,640	339,518	373,158
Projects in progress	-	-	82,118	-	-	-	82,118
Net property and equipment at the end of year	2,747,021	10,952,678	6,198,347	120,706	1,627,110	1,243,483	22,889,345
Annual depreciation rate	-	2%	15%	15%	20%	4%-10%	

Fully depreciated property and equipment amounted to JD 10,358,001 as at 31 December 2021 (JD 8,211,976 as at 31 December 2020).
The total estimated cost to complete projects in progress amounted to JD 225,831 as at 31 December 2021.

* An amount of JD 242,214 was capitalized from payments on the purchase of property, equipment and projects under implementation in 2021 (JD 2,220,988 during the year 2020).



(14) INTANGIBLE ASSETS-NET

The details of this item are as follows:

	Computer Systems & Software	
	31 December	
	2021	2020
	JD	JD
Beginning balance for the year	2,024,886	2,043,279
Additions	616,659	709,117
Amortization for the year	(722,018)	(727,510)
Ending balance for the year	1,919,527	2,024,886
Annual amortization rate	20%	20%

(15) OTHER ASSETS

The details of this item are as follows:

	31 December	
	2021	2020
	JD	JD
Seized assets by the Bank against debts-Net	7,941,658	6,500,513
Prepaid expenses	1,120,008	1,210,840
Accrued revenue	1,580,066	1,666,749
Stationery and printing inventory	228,399	219,043
Withholding income tax	31,180	24,769
Petty cash	134,170	27,387
Other accounts receivable	648,306	617,341
Others	1,360,901	458,782
Total	13,044,688	10,725,424

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

	For the year ended 31 December 2021			For the year ended 31 December 2020
	Seized real estates - self financed	Seized real estates - jointly financed	Total	Total
	JD	JD	JD	JD
Net balance at the beginning of the year	629,841	6,315,804	6,945,645	6,442,297
Additions	-	2,468,822	2,468,822	682,182
Amortization and disposal	(220,008)	(164,305)	(384,313)	(178,834)
Total	409,833	8,620,321	9,030,154	6,945,645
Provision for impairment of real estate - Jordan Central Bank instructions	(343,441)	(745,055)	(1,088,496)	(445,132)
Net balance at the end of the year	66,392	7,875,266	7,941,658	6,500,513

- The Central Bank of Jordan's regulations require disposal of seized assets during a maximum period of 2 years from the date of repossession, and in some cases the Central Bank of Jordan can extend the period for an additional 2 years at max.
- The recorded provision for seized assets against debts that violate Article (48) of the Banking Law No.(28) for the year 2000 and its amendments amounted to JD 225,754 as at 31 December 2021 (JD 214, 390 as at 31 December 2020).



	31 December 2021			31 December 2020
	Seized real estates - self financed	Seized real estates - jointly financed	Total	Total
	JD	JD	JD	JD
Provision balance at the beginning of the year	(343,441)	(101,691)	(445,132)	(445,132)
Additions to the provision for impairment in real estate	(833)	(661,407)	(662,240)	-
Additions to the real estate provision (instructions of the Central Bank of Jordan)	(7,424)	(4,773)	(12,197)	(966)
Exclusions from the provision for impairment of real estate	7,424	22,816	30,240	966
Exclusions from the real estate provision (Central Bank of Jordan instructions)	833	-	833	-
Balance at the end of the year	(343,441)	(745,055)	(1,088,496)	(445,132)

(16) BANKS AND FINANCIAL INSTITUTIONS ACCOUNTS

The details of this item are as follows:

	31 December 2021			31 December 2020
	Inside the Kingdom	Outside the Kingdom	Total	Total
	JD	JD	JD	JD
Current accounts	13,214,296	3,316,422	16,530,718	25,085,579
Total	13,214,296	3,316,422	16,530,718	25,085,579

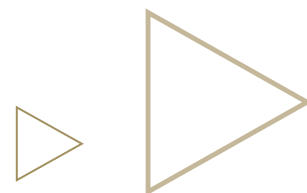
(17) CUSTOMERS' CURRENT ACCOUNTS

The details of this item are as follows:

	31 December 2021				
	Retail	Corporate	Small and medium companies	Governmental and Public sector	Total
	JD	JD	JD	JD	JD
Current accounts	175,393,369	31,782,908	80,641,325	2,249,166	290,066,768
Total	175,393,369	31,782,908	80,641,325	2,249,166	290,066,768

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

- Government and public sector deposits inside the Kingdom as at 31 December 2021 amounted to JD 2,249,166 representing 0.78% of the total customers' current accounts (As at 31 December 2020 amounted to JD 3,076,011 representing 1.35 % of the total customers' current accounts) .
- The restricted accounts as at 31 December 2021 amounted to JD 1,465,904 representing 0.51% of the total customers' current accounts (As at 31 December 2020 amounted to JD 580,372 representing 0.25% of the total customers' current accounts).
- The dormant accounts as at 31 December 2021 amounted to JD 9,820,599 (As at 31 December 2020 amounted to JD 15,886,076



(18) CASH MARGIN ACCOUNTS

The details of this item are as follows:

	31 December	
	2021	2020
	JD	JD
Margins against direct facilities	39,702,662	18,695,386
Margins against indirect facilities	15,501,135	7,557,696
Other margins	921,005	603,886
Total	56,124,802	26,856,968

(19) OTHER PROVISIONS

The details of this item are as follows:

	31 December 2021				
	Beginning balance	Provided during the year	Used during the year	Reversed to income	Ending balance
	JD	JD	JD	JD	JD
Provision of lawsuits against the bank	193,597	146,403	-	-	340,000
Provision for contingent liabilities	761,000	-	-	661,000	100,000
Total	954,597	146,403	-	661,000	440,000

	31 December 2020				
	Beginning balance	Provided during the year	Used during the year	Reversed to income	Ending balance
	JD	JD	JD	JD	JD
Provision of lawsuits against the bank	60,785	150,000	17,188	-	193,597
Provision for contingent liabilities	361,000	400,000	-	-	761,000
Total	421,785	550,000	17,188	-	954,597

(20) INCOME TAX PROVISION

A- Income tax provision

The movement of the income tax provision is as follows :

	For the year ended 31 December	
	2021	2020
	JD	JD
Beginning balance for the year	8,298,808	6,936,284
Income tax expense	10,177,077	9,719,111
Previous years settlement	-	(105,240)
Less : Income tax paid for the year*	(10,143,483)	(8,251,347)
Ending balance for the year	8,332,402	8,298,808

* Of which, an amount of 1,891,615 JD paid in advance for the income tax for the year 2021 (1,597,068 JD paid in advance for the income tax for the year 2020).

B- The income tax expense presented in the Consolidated Statement of Income and Comprehensive Income consists of the following:

	For the year ended 31 December	
	2021	2020
	JD	JD
Income tax due	(10,177,077)	(9,719,111)
Add : Released deferred tax assets/self financed	(296,780)	(6,531)
Less : Deferred tax assets / self financed	158,616	377,615
Less : Deferred tax assets / jointly financed	1,558,381	3,281,601
Settlement of prior year tax provision	-	402,545
Total	(8,756,860)	(5,663,881)

* 35% was used to calculate the income tax provision for the year 2019, according to the Income and Sales Tax Law No. 38 of 2018, which was implemented from 1 January 2019, in addition to the percentage of 3% as national contributions.

Tax Status:

The Bank :

- Tax clearance was obtained for end the year 2018 from The Income and Sales Tax Department.
- The tax returns for the year is 2019 , 2020 were submitted within the statutory period and were still not reviewed by the Income and Sales Tax Department until the date of preparing the consolidated financial statements .

The Subsidiary:

Misc Financial Brokerage Company:

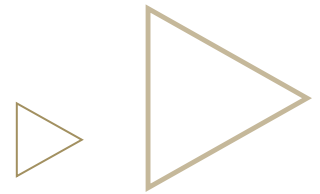
- A tax clearance was obtained for the year 2014. The tax return for the years 2015-2018, and 2020 were accepted within the sampling system issued by the Income and Sales Tax Department.
- The tax return for the year 2019 has been submitted and still pending review by the Income and Sales Tax Department.
- During the year 2021, the company objected to the imposed taxes by the Income and Sales Tax Department for the years 2011-2013, and it is currently under consideration by the court. In light of the bank's lawyer's letter regarding this case, the income tax provision as of December 31, 2021 is considered sufficient.

In the opinion of the Bank's management, and the bank's tax consultant the provisions booked in the consolidated financial statements are sufficient for all tax liabilities.

C- Deferred tax assets

The details of this item are as follows:

	For the year ended 31 December					For the year ended 31 December
	2021					2020
	Beginning Balance for the year	Released Amounts	Additional Amounts	Ending Balance for the year	Deferred tax	Deferred tax
	JD	JD	JD	JD	JD	JD
Deferred tax assets						
Deferred tax assets - self financed						
Provision of lawsuits against the bank	193,597	-	146,403	340,000	129,200	73,567
Provision for impairment of assets seized by the bank against debts	343,441	-	-	343,441	130,508	130,508
Provision for credit losses for the first and second stages - self	207,558	-	76,272	283,830	107,855	78,872
Difference in the application of FAS (32) - Leases	499,298	-	137,464	636,762	241,970	189,733
Provision for contingent liabilities	761,000	661,000	-	100,000	38,000	289,180
Unpaid employee bounsnes	120,000	120,000	57,272	57,272	21,763	45,600
Total Deferred tax assets - self financed	2,124,894	781,000	417,411	1,761,305	669,296	807,460
Deferred tax assets - jointly financed						
Provision for impairment of expropriated real estate - joint	-	-	643,364	643,364	244,478	-
Provision for credit losses for the first and second stages - jointly financed	11,858,986	-	3,457,639	15,316,625	5,820,318	4,506,415
Total Deferred tax assets - jointly financed	11,858,986	-	4,101,003	15,959,989	6,064,796	4,506,415
Total	13,983,880	781,000	4,518,414	17,721,294	6,734,092	5,313,875



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

	For the year ended 31 December	
	2021	2020
	JD	JD
Balance at the beginning of the year	807,460	436,376
Additions during the year	158,616	377,615
Amortized during the year	(296,780)	(6,531)
Balance at the End of the year	669,296	807,460

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

	For the year ended 31 December	
	2021	2020
	JD	JD
Balance at the beginning of the year	4,506,415	1,224,814
Additions during the year	1,558,381	3,281,601
Balance at the End of the year	6,064,796	4,506,415

D- Reconciliation summary between taxable income and accounting income were as follow:

	For the year ended 31 December	
	2021	2020
	JD	JD
Accounting profit for the Bank	22,817,180	15,831,020
Less: Non-taxable income	(842,955)	(158,096)
Add: Non-deductible expenses	5,041,180	10,030,347
Tax income for the Bank	27,015,405	25,703,271
Attributable to:		
Taxable income for the Bank (separated)	26,109,462	25,212,014
Subsidiary's taxable profit	905,943	491,257
Statutory tax rate- bank	38%	38%
Statutory tax rate- subsidiary	28%	28%
Effective tax rate (for the current year)	38.4%	38.3%

(21) OTHER LIABILITIES

The details of this item are as follows:

	31 December	
	2021	2020
	JD	JD
Accrued expenses and not paid	410,517	849,779
Certified cheques	5,925,643	5,930,248
Expected credit losses on off - balance sheet items-self financed (Note 53)**	341,537	238,578
Expected credit losses on off balance sheet items - Jointly financed (Note 53)***	841,925	976,641
Shareholders and customers deposits	10,702,612	6,046,447
Customers' share of profits from unrestricted investment	17,867,612	13,686,993
Temporary deposits*	12,591,008	10,427,849
Visa Claims	2,099,032	1,493,618
Others	431,439	771,886
Total	51,211,325	40,422,039

* It includes intermediate accounts for an amount of JD 10,993,035 as at 31 December 2021 (JD 8,914,081 as at 31 December 2020), which is the value of credits and deferred policies, and the value will be paid when due.



• Expected credit losses

** Expected credit loss of indirect facilities

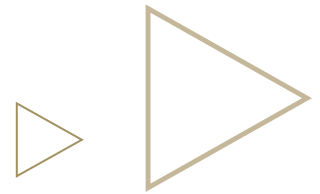
A-Self-financed

Movement on indirect facilities for the year ended 31 December 2021:

Item	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD		
Total balance at the beginning of the year	54,315,483	-	2,805,926	-	301,372	57,422,781
New exposures during the year	43,310,430	-	7,367,730	-	-	50,678,160
Accrued exposures	(8,827,799)	-	(1,346,838)	-	-	(10,174,637)
Transfer to Stage 1	176,986	-	(176,986)	-	-	-
Transfer to Stage 2	(338,562)	-	338,562	-	-	-
Transfer to Stage 3	(10,500)	-	-	-	10,500	-
Effect on the provision as a result of the change in classification between the stages	195,748	-	(90,972)	-	-	104,776
Changes resulting from modifications	1,919,291	-	162,524	-	(186,563)	1,895,252
Total balance at the end of the year	90,741,077	-	9,059,946	-	125,309	99,926,332

Movement on the provision for expected credit losses (indirect facilities /self financed) for the year ended 31 December 2021:

Item	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD		
Balance at the beginning of the year	215,397	-	23,181	-	-	238,578
Impairment loss on new exposures during the year	98,265	-	42,881	-	-	141,146
Impairment loss of matured / derecognized exposures	(21,234)	-	(5,260)	-	-	(26,494)
Transfer to Stage 1	663	-	(663)	-	-	-
Transfer to Stage 2	(1,714)	-	1,714	-	-	-
Transfer to Stage 3	(1)	-	-	-	1	-
Effect on the provision - as at the end of the Year - as a result of the change in classification between the three stages during the year	1,037	-	(493)	-	(1)	543
Changes resulting from modifications	(16,382)	-	4,146	-	-	(12,236)
Total balance at the end of the year	276,031	-	65,506	-	-	341,537



**** Expected credit loss of indirect facilities / guarantees**

Distribution of total indirect facilities / guarantees

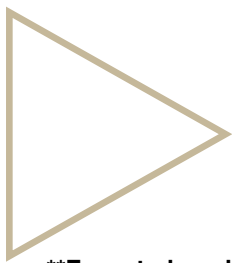
Item	31 December 2021						31 December 2020
	Stage 1		Stage 2		Stage 3	Total	Total
	Individual	Collective	Individual	Collective			
	JD	JD	JD	JD	JD	JD	JD
Almost risk free	17,105,132	-	-	-	-	17,105,132	16,638,695
Low risk	1,177,110	-	19,856	-	-	1,196,966	1,569,430
Normal Risk	2,121,200	-	179,463	-	-	2,300,663	1,407,013
Acceptable risk	11,411,930	-	100,000	-	-	11,511,930	13,606,163
Acceptable with due care	1,683,363	-	3,500	-	-	1,686,863	606,430
Substandard	-	-	-	-	-	-	251,372
Doubtful	-	-	-	-	54,809	54,809	-
Loss	-	-	-	-	60,000	60,000	50,000
Not rated	1,783,444	-	3,293,255	-	10,500	5,087,199	4,238,298
Total	35,282,179	-	3,596,074	-	125,309	39,003,562	38,367,401

Movement on indirect facilities / guarantees for the year ended 31 December 2021:

Item	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	35,283,126	-	2,782,903	-	301,372	38,367,401
New exposures during the year	4,113,878	-	1,903,858	-	-	6,017,736
Matured exposures	(1,964,856)	-	(1,323,815)	-	-	(3,288,671)
Transfer to Stage 1	176,986	-	(176,986)	-	-	-
Transfer to Stage 2	(338,562)	-	338,562	-	-	-
Transfer to Stage 3	(10,500)	-	-	-	10,500	-
Effect on the provision as a result of the change in classification between the stages	195,748	-	(90,972)	-	-	104,776
Changes resulting from modifications	(2,173,641)	-	162,524	-	(186,563)	(2,197,680)
Total balance at the end of the year	35,282,179	-	3,596,074	-	125,309	39,003,562

Movement on the provision for expected credit loss (indirect facilities / guarantees) for the year ended 31 December 2021:

Item	52.064		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	174,348	-	23,181	-	-	197,529
Impairment loss on new exposures during the year	23,554	-	27,683	-	-	51,237
Impairment loss of matured / derecognized exposures	(15,941)	-	(5,260)	-	-	(21,201)
Transfer to Stage 1	663	-	(663)	-	-	-
Transfer to Stage 2	(1,714)	-	1,714	-	-	-
Transfer to Stage 3	(1)	-	-	-	1	-
Effect on the provision - as at the end of the Year - as a result of the change in classification between the three stages during the year	1,037	-	(493)	-	(1)	543
Changes resulting from modifications	(24,840)	-	4,146	-	-	(20,694)
Total balance at the end of the year	157,106	-	50,308	-	-	207,414



**Expected credit loss of indirect facilities / Acceptance

Distribution of total on indirect facilities /Acceptance

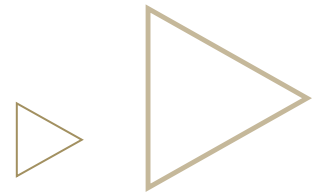
Item	31 December 2021						31 December 2020
	Stage 1		Stage 2		Stage 3	Total	Total
	Individual	Collective	Individual	Collective			
	JD	JD	JD	JD	JD	JD	JD
Low risk	1,176,762	-	-	-	-	1,176,762	1,401,027
Normal risk	317,076	-	-	-	-	317,076	353,722
Acceptable risk	163,539	-	-	-	-	163,539	1,140,411
Not rated	8,205,116	-	-	-	-	8,205,116	4,971,679
Total	9,862,493	-	-	-	-	9,862,493	7,866,839

Movement on the provision for expected credit loss(indirect facilities / acceptance) for the year ended 31 December 2021:

Item	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	7,866,839	-	-	-	-	7,866,839
New exposures during the year	375,719	-	-	-	-	375,719
repaid exposures	(1,140,411)	-	-	-	-	(1,140,411)
Transfer to Stage 1	-	-	-	-	-	-
Transfer to Stage 2	-	-	-	-	-	-
Transfer to Stage 3	-	-	-	-	-	-
Effect on the provision as a result of the change in classification between the stages	-	-	-	-	-	-
Changes resulting from modifications	2,760,346	-	-	-	-	2,760,346
Total balance at the end of the year	9,862,493	-	-	-	-	9,862,493

Movement on the provision for expected credit loss(indirect facilities / Acceptance) for the year ended 31 December 2021:

Item	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	24,055	-	-	-	-	24,055
New exposures during the year	614	-	-	-	-	614
Impairment loss on accrued exposures	(741)	-	-	-	-	(741)
Transfer to Stage 1	-	-	-	-	-	-
Transfer to Stage 2	-	-	-	-	-	-
Transfer to Stage 3	-	-	-	-	-	-
Effect on the provision as a result of the change in classification between the stages	-	-	-	-	-	-
Changes resulting from modifications	10,165	-	-	-	-	10,165
Total balance at the end of the year	34,093	-	-	-	-	34,093



**** Expected credit loss of indirect facilities / Credits**

Distribution of total on indirect facilities / credits

Item	31 December 2021						31 December 2020
	Stage 1		Stage 2		Stage 3	Total	Total
	Individual	Collective	Individual	Collective			
	JD	JD	JD	JD	JD	JD	JD
Low risk	7,356,403	-	-	-	-	7,356,403	-
Normal risk	11,128,280	-	-	-	-	11,128,280	1,989,906
Acceptable risk	14,755,213	-	4,833,253	-	-	19,588,466	6,669,519
Acceptable with due care	1,308,247	-	-	-	-	1,308,247	-
Not rated	11,048,262	-	630,619	-	-	11,678,881	2,529,116
Total	45,596,405	-	5,463,872	-	-	51,060,277	11,188,541

Movement on the provision for expected credit loss(indirect facilities / credits) for the year ended 31 December 2021:

Item	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	11,165,518	-	23,023	-	-	11,188,541
New exposures during the year	38,820,833	-	5,463,872	-	-	44,284,705
repaid exposures	(5,722,532)	-	(23,023)	-	-	(5,745,555)
Transfer to Stage 1	-	-	-	-	-	-
Transfer to Stage 2	-	-	-	-	-	-
Transfer to Stage 3	-	-	-	-	-	-
Effect on the provision as a result of the change in classification between the stages	-	-	-	-	-	-
Changes resulting from modifications	1,332,586	-	-	-	-	1,332,586
Total balance at the end of the year	45,596,405	-	5,463,872	-	-	51,060,277

Movement on the provision for expected credit loss (indirect facilities / credits) for the year ended 31 December 2021:

Item	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	16,994	-	-	-	-	16,994
Impairment loss on new exposures during the year	74,097	-	15,198	-	-	89,295
Impairment loss of matured / derecognized exposures	(4,552)	-	-	-	-	(4,552)
Transfer to Stage 1	-	-	-	-	-	-
Transfer to Stage 2	-	-	-	-	-	-
Transfer to Stage 3	-	-	-	-	-	-
Effect on the provision - as at the end of the Year - as a result of the change in classification between the three stages during the year	-	-	-	-	-	-
Changes resulting from modifications	(1,707)	-	-	-	-	(1,707)
bad debts	-	-	-	-	-	-
Adjustments as a result of changing exchange rates	-	-	-	-	-	-
Total balance at the end of the year	84,832	-	15,198	-	-	100,030



*** Expected credit loss of indirect facilities

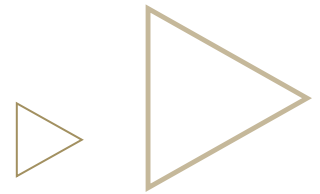
B- jointly financed

Movement on indirect facilities for the year ended 31 December 2021:

Item	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD		
Balance at the beginning of the year	128,357,497	-	3,646,393	-	-	132,003,890
New exposures during the year	48,034,868	-	2,558,448	-	-	50,593,316
Accrued exposures	(47,853,792)	-	(457,534)	-	-	(48,311,326)
Transferred to Stage 1	2,665,920	-	(2,665,920)	-	-	-
Transferred to Stage 2	(1,613,608)	-	1,613,608	-	-	-
Transferred to Stage 3	-	-	-	-	-	-
Effect on the provision as a result of the change in classification between the stages	7,204,923	-	(581,021)	-	-	6,623,902
Changes resulting from modifications	(21,653,215)	-	49,484	-	-	(21,603,731)
Total balance at the end of the year	115,142,593	-	4,163,458	-	-	119,306,051

Movement on the provision for expected credit losses (indirect facilities /jointly financed) for the year ended 31 December 2021:

Item	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD		
Balance at the beginning of the year	887,772	-	88,869	-	-	976,641
Impairment loss on new exposures during the year	245,830	-	43,037	-	-	288,867
Impairment loss of matured / derecognized exposures	(286,665)	-	(6,917)	-	-	(293,582)
Transferred to Stage 1	72,898	-	(72,898)	-	-	-
Transferred to Stage 2	(10,700)	-	10,700	-	-	-
Transferred to Stage 3	-	-	-	-	-	-
Effect on the provision - as at the end of the Year - as a result of the change in classification between the three stages during the year	46,789	-	3,609	-	-	50,398
Changes resulting from modifications	(181,250)	-	851	-	-	(180,399)
Total balance at the end of the year	774,674	-	67,251	-	-	841,925



*** Expected credit loss of indirect facilities - unutilized credit limits

Distribution of total on indirect facilities - unutilized credit limits

Item	31 December 2021						31 December 2020
	Stage 1		Stage 2		Stage 3	Total	Total
	Individual	Collective	Individual	Collective			
	JD	JD	JD	JD	JD	JD	JD
Low risk	719,301	-	-	-	-	719,301	477,710
Semi free risk	2,285,402	-	-	-	-	2,285,402	2,672,583
Low risk	20,805,416	-	-	-	-	20,805,416	9,711,342
Normal risk	20,763,684	-	-	-	-	20,763,684	66,594,652
Acceptable risk	30,356,018	-	-	-	-	30,356,018	34,007,229
Acceptable with due care	14,267,169	-	1,013,976	-	-	15,281,145	304,714
Watch list	-	-	18,611	-	-	18,611	1,505,126
Not rated	25,945,603	-	3,130,871	-	-	29,076,474	16,730,534
Total	115,142,593	-	4,163,458	-	-	119,306,051	132,003,890

Movement on the indirect facilities/credit unutilized credit limits for the year ended 31 December 2021:

Item	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	128,357,497	-	3,646,393	-	-	132,003,890
New exposures during the year	48,034,868	-	2,558,448	-	-	50,593,316
Repaid exposures	(47,853,792)	-	(457,534)	-	-	(48,311,326)
Transferred to Stage 1	2,665,920	-	(2,665,920)	-	-	-
Transferred to Stage 2	(1,613,608)	-	1,613,608	-	-	-
Transferred to Stage 3	-	-	-	-	-	-
Effect on the provision as a result of the change in classification between the stages	7,204,923	-	(581,021)	-	-	6,623,902
Changes resulting from modifications	(21,653,215)	-	49,484	-	-	(21,603,731)
Total balance at the end of the year	115,142,593	-	4,163,458	-	-	119,306,051

Movement on the provision for expected credit loss (indirect facilities) /unutilized credit limits for the year ended 31 December 2021:

Item	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	887,772	-	88,869	-	-	976,641
Impairment loss on new exposures during the year	245,830	-	43,037	-	-	288,867
Impairment loss of matured / derecognized exposures	(286,665)	-	(6,917)	-	-	(293,582)
Transferred to Stage 1	72,898	-	(72,898)	-	-	-
Transferred to Stage 2	(10,700)	-	10,700	-	-	-
Transferred to Stage 3	-	-	-	-	-	-
Effect on the provision - as at the end of the period - as a result of the change in classification between the three stages during the year	46,789	-	3,609	-	-	50,398
Changes resulting from modifications	(181,250)	-	851	-	-	(180,399)
Total balance at the end of the year	774,674	-	67,251	-	-	841,925

(22) UNRESTRICTED INVESTMENT ACCOUNTS

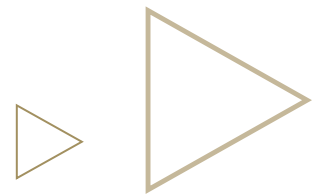
The details of this item are as follows:

	31 December 2021					
	Individuals	Corporate	Small and Medium enterprises	Governmental and Public sector	Banks and Financial Institutions	Total
	JD	JD	JD	JD	JD	JD
Saving accounts	153,230,289	37,799,497	21,999,806	2,219,758	28,071,380	243,320,730
Term accounts/ Investing deposits	845,988,575	142,699,456	105,834,239	163,084,662	7,894,984	1,265,501,916
Certificates of investing deposit	114,130,375	5,080,952	10,693,672	18,388,208	38,552,077	186,845,284
Total	1,113,349,239	185,579,905	138,527,717	183,692,628	74,518,441	1,695,667,930
Depositors' share from investments' revenue	30,363,437	4,735,740	3,699,343	5,537,513	1,322,647	45,658,680
Total unrestricted investment accounts	1,143,712,676	190,315,645	142,227,060	189,230,141	75,841,088	1,741,326,610

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

- Unrestricted investment accounts share of profit is calculated as follows:

- 20% to 34% of the minimum balance of saving accounts in Jordanian Dinar.
- 14% to 33% of the minimum balance of saving accounts in foreign currencies.
- 56% to 96% of the average term accounts in Jordanian Dinar.
- 18% to 51% of the average term accounts in foreign currencies.
- 90% of the average balances of investing certificates of deposit in Jordanian Dinar.
- 80% to 85% of average balances of certificates of investing deposit in foreign currencies .
- The percentage of the profit on the Jordanian Dinar for the Year ended 31 December 2021 is (3.27%) (for the Year ended 31 December 2020 was (3.30%)).
- The percentage of the profit on USD for the Year ended 31 December 2021 is (1.13%) (for the Year ended 31 December 2020 was(1.45%)).
- The unrestricted investment accounts for the Government and Public sector amounted to JD 189,230,141 as at 31 December 2021, which represents 10.87% of the total unrestricted investment accounts (As at 31 December 2020 amounted to JD 106,132,449 which represents 8.00% of the total unrestricted investment accounts).
- The restricted accounts amounted to JD 437,006 as at 31 December 2021, which represents 0.03% of the total unrestricted investment (As at 31 December 2020 amounted to JD 129,093 which represent 0.01% of the total unrestricted investment).
- The dormant accounts as at 31 December 2021 amounted to JD 18,797,250 (As at 31 December 2020 amounted to JD 14,909,477).



(23) FAIR VALUE RESERVE

The details of this item are as follows:

Jointly financed

Financial assets at fair value through unrestricted investment accounts reserves - jointly financed	For the year ended 31 December	
	2021	2020
	JD	JD
Beginning balance	151,894	48,157
Unrealized (losses) gains on debt instruments / sukuk	(38,076)	67,702
Unrealized (losses) gains on shares	(31,405)	36,035
Ending balance	82,413	151,894

(24) PAID IN CAPITAL

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

(25) RESERVES

- Statutory reserve:

The accumulated amounts in this account represent the transferred (10%) of annual profits before taxes during the years, according to the Banks and Companies Laws. This reserve is not available for distribution to shareholders.

The following reserves are restricted

Reserve name	For the year ended 31 December		Nature of recordly
	2021	2020	
	JD	JD	
Statutory reserve	29,766,889	27,485,171	Law's requirement (Banking and companies)

(26) RETAINED EARNINGS

	31 December	
	2021	2020
	JD	JD
Beginning balance of the year	27,132,236	18,548,199
Transferred statutory reserve	(2,281,718)	(1,583,102)
Dividends	(6,000,000)	-
Profit for the year	14,060,320	10,167,139
Ending balance of the year	32,910,838	27,132,236

The retained earnings balance as at 31 December 2021 includes an amount to JD 669,296 (2020 amounted to JD 807,460) which represent deferred tax assets-self financed and it is restricted from use in accordance with the Central Bank of Jordan regulations.

It is prohibited to dispose of the surplus from the balance of the general banking risk reserve, which is transferred to the retained earnings, amounting to JD108,397 , except with the prior approval of the Central Bank of Jordan, where the accumulated balance of the general banking risk reserve has been transferred to the retained earnings based on the instructions of the Central Bank of Jordan No. (13/2018) issued On 6 June 2018.

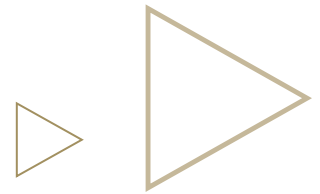
Proposed dividend to shareholders

The Board of Director proposed, in their meeting held on 3 Febraury 2022, recomended to distribute cash dividends of JD 6,000,000 to shareholders for the year 2021, representing 6% of paid-up and authorized capital from distributable retained earnings. This proposed percentage is subject to the approval of the General Assembly of Shareholders .

(27) DEFERRED SALES REVENUE

The details of this item are as follows:

	For the year ended 31 December			
	2021		2020	
	Jointly financed	Self financed	Jointly financed	Self financed
	JD	JD	JD	JD
Individual (Retail)				
Murabaha to the purchase orderer	21,926,610	94,854	19,017,709	102,824
Real estate facilities	1,990,177	-	1,628,136	-
Corporate				
International Murabaha	4,814	-	288,845	-
Murabaha to the purchase orderer	20,993,858	-	20,513,754	-
Small and medium enterprises				
Murabaha to the purchase orderer	2,119,075	-	1,653,507	-
Government and the public sector	11,720,319	-	4,704,648	-
Total	58,754,853	94,854	47,806,599	102,824



(28) IJARA MUNTAHIA BELTAMLEEK REVENUE

The details of this item are as follows:

	For the year ended 31 December			
	2021		2020	
	Jointly financed	Self financed	Jointly financed	Self financed
	JD	JD	JD	JD
Ijara Muntahia Beltamleek – real state	71,430,304	588,122	66,926,124	568,271
Ijara Muntahia Beltamleek – machines	3,644,532	-	4,183,710	-
Depreciation for Ijara Muntahia Beltamleek assets	(41,468,563)	(387,164)	(39,456,637)	(395,003)
Total	33,606,273	200,958	31,653,197	173,268

(29) GAINS FROM INTERNATIONAL WAKALA INVESTMENT

The details of this item are as follows:

	Jointly financed	
	For the year ended 31 December	
	2021	2020
	JD	JD
Gains from International Wakala investment	269,264	865,064
Total	269,264	865,064

(30) GAINS FROM FINANCIAL ASSETS AT FAIR VALUE THROUGH UNRESTRICTED INVESTMENT ACCOUNTS' HOLDERS EQUITY

The details of this item are as follows:

	Jointly financed	
	For the year ended 31 December	
	2021	2020
	JD	JD
Shares dividends	19,941	19,969
(Loss) gains on sale of financial assets	214,925	(62,205)
Islamic Sukuk profits	1,698,874	1,852,279
Total	1,933,740	1,810,043

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

The details of this item are as follows:

	Jointly financed							
	For the year ended 31 December							
	2021				2020			
	Realized gains	Unrealized (gains)	Dividends	Total	Realized gains	Unrealized (Losses)	Dividends	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Corporate Shares	26,717	(312)	781	27,186	2,077	(254)	-	1,823
Sukuk	87,462	6,581	-	94,043	78,265	43,126	-	121,391
Total	114,179	6,269	781	121,229	80,342	42,872	-	123,214
Less:								
Contract commission	2,822	-	-	2,822	455	-	-	455
Total	111,357	6,269	781	118,407	79,887	42,872	-	122,759



(32) GAINS FROM FINANCIAL ASSETS AT AMORTIZED COST

The details of this item are as follows:

	Jointly financed	
	For the year ended 31 December	
	2021	2020
	JD	JD
Sukuk	3,539,642	4,137,690
Total	3,539,642	4,137,690

(33) (LOSSES) GAINS FROM FOREIGN CURRENCIES VALUATION

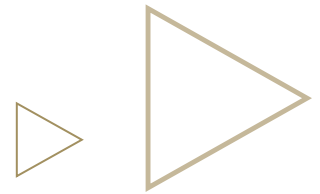
The details of this item are as follows:

	Jointly financed	
	For the year ended 31 December	
	2021	2020
	JD	JD
(Losses) Gains foreign currencies valuation	(48,324)	62,892
Total	(48,324)	62,892

(34) SHARE OF UNRESTRICTED INVESTMENT ACCOUNTS HOLDERS'

The details of this item are as follows:

	Jointly financed	
	For the year ended 31 December	
	2021	2020
	JD	JD
Customers		
Saving accounts	1,540,645	1,094,476
Term accounts	37,860,999	31,114,063
Certificates of deposit	4,934,389	4,878,767
Total Revenue From Customers	44,336,033	37,087,306
Banks		
Banks and financial Institutions accounts	1,322,647	1,157,870
Total Revenue From Banks	1,322,647	1,157,870
Total	45,658,680	38,245,176



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

The details of this item are as follows:

	Jointly financed	
	For the year ended 31 December	
	2021	2020
	JD	JD
Bank's share as Mudarib*	35,438,981	34,481,661
Bank's share as Rab Mal	5,733,969	2,228,248
Total	41,172,950	36,709,909

*The bank's share of the revenues of joint investment accounts in its capacity as mudarib amounted to JD 38,219,175 , and JD 2,780,194 were donated with the approval of Sharia supervision for the benefit of joint investment account holders.

(36) BANK'S SELF FINANCED REVENUE

The details of this item are as follows:

	Note	Self financed	
		For the year ended 31 December	
		2021	2020
		JD	JD
Ijara Muntahia Bittamleek revenue	28	588,122	568,271
Deferred sales revenue	27	94,854	102,824
Cash dividends - financial assets at fair value through shareholders' equity- self financed		3,626	-
Total		686,602	671,095

(37) BANKS SHARE FROM THE RESTRICTED INVESTMENT REVENUE AS AGENT (WAKEEL)

The details of this item are as follows:

	For the year ended 31 December	
	2021	2020
	JD	JD
Deferred sales revenue	1,136,746	904,889
Less: Muwakel's share	(986,728)	(775,790)
Banks share as an agent (wakeel) statement "E"	150,018	129,099

This item represents revenue from Murabaha to purchase order within the Restricted Wakala Investment agreement signed with the Central Bank of Jordan.

(38) GAIN FROM FOREIGN CURRENCIES

The details of this item are as follows:

	For the year ended 31 December	
	2021	2020
	JD	JD
As a result of trading / dealing foreign currencies	1,491,988	922,916
Total	1,491,988	922,916



(39) BANKING SERVICES REVENUE - NET

The details of this item are as follows:

	For the year ended 31 December	
	2021	2020
	JD	JD
Indirect facilities commissions	1,415,625	1,010,746
Direct facilities commissions	2,222,238	2,318,170
Other commissions	5,267,299	3,286,535
Less : debit commission	(2,182,429)	(1,668,788)
Total	6,722,733	4,946,663

(40) OTHER REVENUE

The details of this item are as follows:

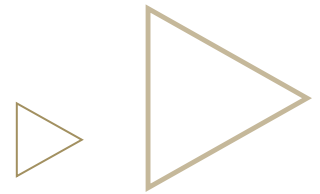
	2021	2020
	JD	JD
Gain (losses) from sale of fixed assets	11,102	(12,647)
(Losses) Gain from sale of seized assets*	(11,008)	142
Membership in the Board of Directors of Jordan Fertilizer Processing Company	4,941	4,148
Revenue from Reconciling accounts	147,650	-
Other revenue	6,085	9,772
Total	158,770	1,415

* Relates to self-revenue only, as there are sales profits for the joint part amounted to JD26,305 for the year ended 31 December 2021 (29,678 for the year ended 31 December 2020).

(41) EMPLOYEES' EXPENSES

The details of this item are as follows:

	For the year ended 31 December	
	2021	2020
	JD	JD
Salaries, benefits, allowances and bonuses for employees	11,126,175	10,472,357
Bank's contribution for social security	1,147,113	1,078,433
Medical expenses	620,116	570,274
Employees training	54,657	96,190
Insurance expenses	35,538	35,906
Other employees expenses	1,418,904	870,271
Total	14,402,503	13,123,431



(42) OTHER EXPENSES

The details of this item are as follows:

	For the year ended 31 December	
	2021	2020
	JD	JD
Stationery and printing materials	252,666	239,299
Postal telecommunications	509,608	618,576
Utilities	369,389	712,688
Travel and transportation	121,979	89,079
Marketing and advertising	951,154	967,362
Subscription and fees	487,255	477,377
Maintenance and Cleaning	466,983	493,672
Licences and fees	552,488	425,895
Board of Directors' meetings expenses	562,005	523,798
Information technology expenses	1,200,639	1,287,139
Security and insurance expenses	478,532	394,142
Donations	47,500	126,310
Management and consulting fees	211,411	128,796
Professional fees	130,200	146,785
Board of Directors' remunerations	55,000	55,000
Hospitality expenses	65,391	60,894
Money transportation expenses	207,790	137,649
Legal expenses - Self financed	68,786	75,264
Others	162,037	252,564
Total	6,900,813	7,212,289

(43) EARNINGS PER SHARE

The details of this item are as follows:

	For the year ended 31 December	
	2021	2020
	JD	JD
Profit for the year	14,060,320	10,167,139
	Share	Share
Weighted average number of shares	100,000,000	100,000,000
	JD/Fils	JD/Fils
Basic and diluted earnings per share for the year	0/141	0/102

(44) CASH AND CASH EQUIVALENTS

The details of this item are as follows:

	For the year ended 31 December	
	2021	2020
	JD	JD
Cash balances with CBJ maturing within three months	358,653,364	351,694,499
Add: cash at banks and banking institutions maturing within three months	8,293,931	9,669,834
Less: banks and financial banking accounts maturing within three months	(16,530,718)	(25,085,579)
Total	350,416,577	336,278,754

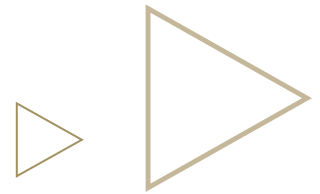
(45) RELATED PARTY TRANSACTIONS

The Bank entered into transactions with shareholders, board members, and senior management within its normal operations using normal rates of Murabaha and trade commissions, All deferred sales receivables and facilities granted to related parties are performing, and no provisions were taken for these balances. The related parties' transactions are as follows:

	Main shareholders	Senior management	Board of Directors members	Al-Etihad Islamic company for investment*	Sharia directors members	Total	
						31 December	
						2021	2020
	JD	JD	JD	JD	JD	JD	JD
Consolidated statements of financial position items							
Balances at banks and banking institutions	-	-	-	270,824	-	270,824	204,472
Unrestricted investments accounts and current accounts	370,044	886,093	20,560,091	21,718,823	81,760	43,616,811	35,660,888
Deferred sales receivables and facilities	-	256,561	99	-	-	256,660	358,067
Ijara Muntahia Bittamleek assets	-	1,420,652	488,293	-	-	1,908,945	2,108,143
Consolidated statement of Income and Comprehensive Income items						For the year ended 31 December	
						2021	2020
Dividends	88	8,431	465,032	424,789	564	898,904	1,131,098
Salaries and bonuses	-	2,548,031	55,000	-	50,033	2,653,064	2,428,488
Transportation	-	-	557,700	-	27,500	585,200	536,800

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

- The lowest and highest received Murabaha rate were 3.92% and 6.39% respectively.
- The lowest and highest rate of Ijara Muntahia Bittamleek received by the Bank were 3.81 % and 7.50% respectively.
- The lowest and highest distributed profit rate were 0.81% and 4.30% respectively.
- Executive management salaries and benefits for the year ended 31 December 2021 amounted to JD 2,548,031 (JD 2,325,766 as at 31 December 2020).
- All facilities granted to related parties are performing and no provisions were recorded for it.



(46) Right of use assets / lease liabilities

The details of this item are as follows:

A- Right of use assets

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

	For the year ended 31 December 2021	For the year ended 31 December 2020
	JD	JD
Balance at the beginning of the year	8,969,372	9,702,044
Add : Additions during the year	1,989,830	1,092,173
Less : Disposals during the year	(146,726)	(310,881)
Less : depreciation for the year	(1,445,208)	(1,513,964)
Balance at the end of year	9,367,268	8,969,372

B- Lease Liabilities

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

	For the year ended 31 December 2021	For the year ended 31 December 2020
	JD	JD
Depreciation of the right of use assets for the year	(1,445,208)	(1,513,964)
Finance costs (discounting of rental obligations) during the year	(299,732)	(322,467)

	For the year ended 31 December 2021	For the year ended 31 December 2020
	JD	JD
Balance at the beginning of the year	8,898,628	9,368,215
Add : Additions during the year	1,989,830	1,092,173
Less : Disposals during the year	(146,726)	(310,881)
Finance costs (discounting of rental obligations) during the year	299,732	322,467
Less : paid during the year	(1,698,910)	(1,573,346)
Balance at the end of year	9,342,554	8,898,628

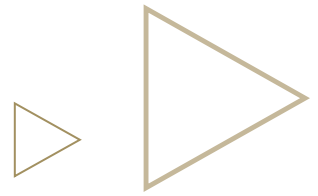


Analysis of lease tenancy contract liability maturity:

	31 December 2021	31 December 2020
	JD	JD
In less than a year	85,839	152,726
From 1 to 5 years	2,287,215	1,562,598
More than 5 years	6,969,500	7,183,304
	9,342,554	8,898,628

The value of undiscounted rental contract obligations amounted to JD 10,578,786, as at 31 December 2021, and the following is the maturity analysis:

Maturity of undiscounted lease obligations:	For the year ended 31 December 2021	For the year ended 31 December 2020
	JD	JD
In less than a year	86,427	155,891
From 1 to 5 years	2,400,532	1,658,181
More than 5 years	8,091,827	8,349,174
	10,578,786	10,163,246



(47) Risk Management

Safwa Islamic Bank applies a risk management system that adopts the concept of Enterprise Risk Management to manage the risks that the bank is exposed to according to the concept of prevention before treatment, where the bank adopts a Risk Management framework which is documented and approved by the Board of Directors as the basis for other policies related to the Risk Appetite and other risk policies and a basis of preparing an Internal Capital Adequacy Assessment Plan (ICAAP) and Stress Testing.

Risk Management is a prime responsibility of the bank's Board of Directors through the Board Risk Committee that endorsing to the board of directors to approve the Risk Framework. The Risk Management Department role is to facilitate the management process of different types of risks that the bank is exposed to and evaluating, measuring and developing an appropriate measurement methods to mitigate these risks that's affecting the Bank's profitability and Capital Adequacy in line with the approved Risk framework. The Risk Management Department prepares periodic reports to the Board of Directors through the Risk Management Committee to inform them with the latest developments related to risk management for their evaluation and recommendations.

The Internal Audit Department also reports to the Board of Directors through Board Audit Committee on the compliance level of all departments with risk management policies and procedures; as well as auditing the Risk Management Department activities and reporting the findings to the concerned parties.

The bank applies the Central Bank of Jordan instructions related to Risk Management through developing an Internal Capital Adequacy Assessment Plan (ICAAP) and Stress Testing on an annual and regular basis.

Risk Management Department adopts an integrated Risk Management methodology through identifying all risk factor that the bank exposed to and then managing each type of risk within an integrated cycle that includes the following:

- A. Define each type of risk.
- B. Determine the strategic objectives for managing this type of risk.
- C. Defining the risk appetite.
- D. Assess and measure these risks.
- E. Managing the risks.
- F. Monitoring and reporting of exposure.

The bank is exposed to the following risks:

1. Credit risk:

The bank defines credit risk as the risk arising from the clients inability or unwillingness to fulfill their obligations (principal amount and / or profits) according to the agreed terms and maturities which is causing the bank to incur financial losses.

The Risk Management Department manages credit risk by applying the Credit Manual that organizes and governs the credit process for corporate clients, in addition to the credit Policy for retail and small business clients, as well as the policy of financial institutions credit limits, in line with the Central Bank of Jordan policies and the Basel requirements.

Bank's exposure to credit risk in the bank arises from its financing and investment operations, including:

- Risks related to the client and the nature of business.
- Risks related to the granting and implementing of financing.
- Concentration risk.
- Risks related to Islamic financing instruments.



In this field, the bank monitors and controls credit risks through:

- Managing and controlling portfolio risks through a number of committees such as Board Risk Management committee approved by the Bank Board at director.
- Reviewing and approving credit applications through Credit Committees according to specific authorities that is documented and approved by the Board of Directors, where small amounts are approved by individual authorities.
- Applying credit rating methodologies in line with best practices.
- Monitor credit limits and issuing the needed reports to avoid breach of that limits and monitoring the quality of portfolio.
- Diversifying between financing and investment to avoid the Concentration Risk within individuals, groups or clients of specific geographical regions, specific economic sectors, or specific financing instruments or in the term of financing period.
- Managing nonperforming loans to reduce the expected credit losses.
- Segregation of duties between marketing and credit decision tasks.
- Segregation of duties between implementation and credit control role.
- Setting and updating credit policy, which is responsible of the credit process and decisions.

Credit risk measurement:

The bank applies the Standardized Approach for measuring credit risk by measuring the weighted assets of credit risks mentioned in the consolidated Balance sheet as per the Regulatory Capital Instruction in accordance with the Amended Standard No. 15 (issued by the Islamic Financial Services Board (IFSB)). The bank is taking the necessary steps to apply the Foundation Internal Risk Basis (FIRB), where a corporate credit rating system is periodically applied in addition to a specialized credit rating system for small companies and for individual clients to determine the credit quality for each client when granting the credit and monitoring this quality throughout the financing period to specify any deterioration that may occur and to specify the quality of the whole credit portfolio on a regular basis which will be reflected on credit policy and pricing.

Credit Risk mitigation:

The bank uses various credit risk mitigation tools (such as real estate guarantees, financial, etc.) accordance to the approved credit risk mitigation policy in order to mitigate the exposure credit risks and the related impact on the bank ,where the volume and value of the required collateral is determined based on approved credit risk mitigation policy.

The systems used by the bank to manage Credit Risk:

The bank is currently using advanced technological programs to improve the quality of risk management. Perhaps the most important systems currently used are:

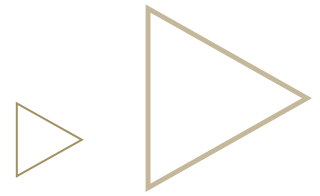
1- Expected Credit Losses System (ECL):

Risk management department with the related bank's departments has accomplished setting the Accounting and Auditing Organization for Islamic Financial Institutions AAOIFI (30) through an integrated and automated system to calculate the expected credit loss that is linked with the core banking system.

2- Internal Credit Scoring system and how it works:

Scoring system is a tool that is used to evaluate and improve the quality of the credit decision, in addition to be considered as a primary base to improve and develop the credit risk in line with the Basel requirements and FAS (30) Accounting and Auditing Organization for Islamic Financial Institutions instructions.

Safwa Islamic Bank implements the best international practices related to the internal credit rating on the Corporate Banking clients (CreditLens: Moody's System), where the classification process is based on qualitative and quantitative credit criteria. Where the credit rating includes two ratings, one at the customer level (Obligor Risk Rating "ORR") and the other at the level of financing (Facility Risk Rating "FRR"). Whereas, the credit rating system is the main focus of calculating the Probability of Default "PD" in addition to



calculating losses upon default and within the concept of losses assuming default (Loss Given Default “LGD”).

The credit rating system (ORR) is determined by ten degrees and divided as follows:

- From one to six degrees for operating financing, where the first degree is considered the best.
- The seventh degree for operating under supervision
- Degrees eight to ten are for non-performing financing.

The customer is classified on the credit rating system at least once a year in case that no credit event occurs during the year (Credit Events).

In addition, a special system for internal credit rating has been implemented for small business customers, where the classification process is based on qualitative and quantitative criteria. Credit Decisions are made relying mainly on the system output.

Risk Scoring System has been implemented, noting that it is considered an essential part of an integrated project to automate individual financing requests through a Work Flow System that includes all stages of submitting applications and approvals in the relevant departments.

The Bank continuously seeks to review and develop the credit rating systems applied for the various bank's portfolios in accordance with the best international practices that complies with the international and local legislative requirements.

3- Management Information System (MIS)

The management information system is considered a base for the development of credit risk management system in accordance with the requirements of the Basel decisions and the instructions for the application of the Accounting and Auditing Organization for Islamic Financial Institutions FAS (30). Where the system contributes to control risk management related to granted credit by providing periodic oversight reports. Which in turn contributes to control risk within acceptable levels.

Governance of implementation of Accounting and Auditing Organization for Islamic Financial Institutions AAOIFI (30):

The bank applies an integrated corporate governance for the implementation of Accounting and Auditing Organization for Islamic Financial Institutions AAOIFI (30) where the board of directors responsibility is to ensure compliance with the AAOIFI (30), through adopting methodology and policies for the standard, which include defining the roles of relevant committees, departments, and business units also it includes the adopting of system for Accounting and Auditing Organization for Islamic Financial Institutions AAOIFI (30), implementation and providing the necessary infrastructure.

Also -through the Board committees- the Board of Directors' responsibility is to approve the periodic results of expected credit loss in line with AAOIFI (30) instructions.

Definition of Default Implementation and the Mechanism of Handling the Default

The bank applied the Central Bank of Jordan instructions regarding the default where the facilities is considered as defaulted (Non-performing) if its maturity or the maturity of one of the installments is equal or more than 90 days or there are indicators that the facilities may be defaulted. The possibility of non-payment of financial Sukuk, International Murabaha and International Wakala with the banking institutions also included into Bank's default concept.

Payment of due installments are monitored through the related departments within approved framework and policies.

The Mechanism of Calculating the Expected Credit Losses (ECL)

The mathematical model for calculating the Expected Credit Loss according to Accounting and Auditing Organization for Islamic Financial Institutions AAOIFI (30) instructions is as follows:

Expected Credit Loss = Probability of Default (PD) * Exposure at Default (EAD) * Loss Given Default (LGD)



The calculation of Expected Credit Loss (ECL) depended on the calculation of the following variables:

A- Probability of Default (PD)

Definition of Probability of Default and the Mechanism of Calculation and Controlling (PD):

It is the probability of irregularity in repayment where it is measured for the purpose of calculating the expected credit loss for each stage of Expected Credit Losses based on historical data that reflecting historical default rates as well as macroeconomic factors stress testing, Where the bank has developed appropriate perceptions according to levels of risk for each economic sector and made several perceptions for sectors with high levels of risk and calculated the impact of this on expected credit losses. Moreover, the bank also reflected the economic effects of the Corona pandemic on the possibility of default (Macroeconomic Adjusted PD) And adopting it as a basis in the process of calculating expected credit losses, with the aim of precaution.

The probability of default for a period of 12 months is calculated for the funds included in the first phase and the probability of default for the entire life of the financing for the funds included in the second and third stages. Whereas, the bank adopts a default rate on the level of corporate portfolio clients and investment portfolio clients on an individual basis, while a general ratio for each individual product is based on a collective basis.

B- Exposure at Default (EAD)

Definition of Exposure at Default and Mechanism of Calculating and Controlling (EAD):

It is the amount of potential exposure that is subject to risk - uncovered balance by acceptable collateral - for exposures that fall within the scope of Accounting and Auditing Organization for Islamic Financial Institutions AAOIFI (30) through a forward-looking for the period, which the default may occur. Where the exposure at default is measured for the purposes of calculating Expected Credit Loss for each stage of AAOIFI (30) instruction. An EAD Haircut is used to determine the on-balance exposure that subjected to risk where the off-balance statistical exposure utilization (DDF) is used to determine the potential utilization for that exposures (LGs, LCs and Unutilized Limits). Exposure at Default (EAD) is calculated by the total facilities for the first and second stage and net facilities for the third stage.

C- Loss Given Default (LGD)

Definition of Loss Given Default and Mechanism of Calculating and Controlling (LGD):

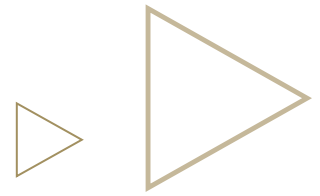
It is the amount of loss that arises as a result of defaulted facilities and that is calculated through a statistical model which analyzes the historical collections for each portfolio, where it measured for the purpose of calculating the expected credit loss for each stage of Expected Credit Losses according to the instructions for the implementation of AAOIFI (30) by calculating the recoverable amount of the different collateral (Cars, Real Estate, Cash, Land, Machinery, Equipment and Vehicles) provided to the Bank against the facilities that granted and legally documented into contracts through a conversion factor for each type of collateral taking into consideration the timing of reaching each type of collateral and turn them into cash (expected cash flow and timing).

In light of the new Corona pandemic (Covid-19), the bank has developed a methodology for calculating loss on default (LGD), according to the following:

1. The loss ratio was taken under the assumption of default for the first and second stage customers, based on updated historical data for the amounts recovered from the dealers.
2. The loss on default ratio was considered for the third stage dealers based on the default period, so that the relationship between the loss on default and the default period is positive.
3. The bank has updated the data related to the loss on default ratio (LGD) and increased it based on studies of previous financial crises

The Bank's policy in Determining the Elements of calculating Credit Risk and Expected Credit Loss on a Collective Basis

The expected Credit Loss (ECL) methodology is classified into individual or collective basis where the collective basis was adopted for retail portfolio through a general PD ratio for each product and then calculating the expected credit loss for each retail portfolio product. While the individual basis was adopted for corporate portfolio as well as for each investment in the Bank's investment portfolios that are subjected to AAOIFI (30) instructions through a PD ratio for corporate and investment portfolio then calculating the Expected Credit Loss for corporate and investment portfolio.



Key indicators of credit risk on which the Bank has relied in distributing its credit exposures among the three stages

Bank classified exposures on the Expected Credit Loss automated system in line with Accounting and Auditing Organization for Islamic Financial Institutions AAOIFI (30) instructions into three stages depending on a set of determinants such as: corporate client internal credit rating, external credit rating, number of dues installments, restructuring and rescheduling, negative changes in the client behavior, increase credit risk, classifying the client under watching-list stage adjusting the credit terms, negative changes on the guarantees value, negative changes in the customer's economic sector, the bank's legal follow-up with the client, In addition to the classification criteria mentioned in the CBJ instructions No. (47/2009) 10/12/2009.

The Main Economic Factors Used by the Bank in Calculating the Expected Credit Loss (CECL)

The main economic factors (macroeconomic factors) were included in the automated system for calculating the expected credit loss with the variables for calculating the expected credit loss, and in light of the spread of the new Corona virus (Covid-19) globally and locally, as the bank has adopted several foundations to contain the pandemic and mitigate its impact as follows:

Bank management trends (management overlay)

Taking into account the bank's management directions (management overlay) in assessing the impact on certain sectors or specific customers based on the study of each sector and / or dealer separately.

Impact on the weights of future scenarios (scenarios)

In accordance with the instructions of the Central Bank of Jordan regarding the implementation of Financial Accounting Standard No. (30) Issued by the Accounting and Auditing Organization for Islamic Financial Institutions, several scenarios were applied to calculate expected credit losses so that the final outcome of the results representing the "weighted expected credit losses for these scenarios", in this aspect the bank adopts three scenarios: Base Scenario which is the perception of improvement and transformation to the best, Upturn Scenario, and Downturn Scenario.

The Bank continued to adopt the conservative model of the economic situation that is expected for the next five years, as it adopted an increase percentage of the decline and deflation (Downturn Scenario) and reducing the percentage of improvement and transformation for better (Upturn Scenario) in accordance with the data of the Corona pandemic.

2. Market Risk:

The bank defines market risk as the potential losses that the bank may be exposed to as a result of the decrease in the prices of the various financial instruments in which it invests, including equity instruments, Sukuk, currency exchange and commodities. The Bank also adopts a conservative policy that aims to identify, assess, measure and manage all types of market risks that may be exposed, which ensures that the Bank's risk factors are reduced and kept within the minimum limits.

3. Operational Risk:

The risk of losses resulting from inadequate or failure of internal processes and/or the human resources and/or systems and/or from external events.

Operational risk factors are managed according to a framework approved by the Board of Directors. This framework includes policies and procedures that clarify the mechanism of identifying and evaluating risk factors and assessing the current controls to determine the adequacy of these controls in mitigating the risk factors and reducing the likelihood of occurrence.

The Bank adopted and applied the Risk & Control Self-Assessment methodology through workshops to define and measure all the Operational Risk factors of operations, activities, products and services of the bank, and to assess the effectiveness of current controls in mitigating these risks and to develop corrective plans to handle such gaps. As this methodology promotes and enhance the principles of direct responsibility of the business units for managing risk factors of their areas. also it achieves the principle of continuous monitoring risk factors. risk profiles were developed for all departments which are monthly examined and providing the results to the Risk Management Department.



Operational risk department reviews the internal audit reports of bank's business units and includes new operational risks factors within the unit's risk profile in addition to the internal control unit findings.

The bank applies Loss Data Collection methodology that arise as a result of operational events and the Board of Directors has adopted a detailed policy. The data for these events are currently collected, analyzed, linked with risk factors.

All policies and procedures related to departments and business units are reviewed by Risk Management Department - within the process of approved policies and procedures – for the purpose of assessing the adequacy of controls to mitigate risk factors.

With regard to the bank wide awareness of risk culture, Risk Department conducted many workshops for Bank employees on an annual basis.

As for capital adequacy purposes, the Operational Risks are measured using the Basic Indicator Approach according to the instructions of the Central Bank of Jordan, and the bank is working to develop a methodology for transferring to the Standardized Approach in calculating Capital Adequacy against Operational Risks.

Information security and cybersecurity

Policies and strategies were developed based on the best practice of Information Security and Cybersecurity in order to maintain the Confidentiality and Availability of client information and provide banking services within the highest levels of safety and to maintain a safety and secured work environment in which the goals related to information protection, confidentiality, integrity and availability are achieved.

A long-term strategy and an integrated annual plan were developed to include the implementation of strategies, policies, standards and systems in the area of Information Security and Cybersecurity to reach a more secure environment and enhance the cybersecurity capabilities of the Bank.

Several projects related to Information Security and Cyber Security were implemented for the purpose of implementing the best solutions and programs to protect and monitor the information systems in the bank as well as ensuring the bank adherence to the International Standards (such as the Payment Card Security Standard PCI DSS) and the instructions of the central bank of Jordan.

In the field of security breaches, several tests were conducted on networks and systems, and also tests covered of banking applications (Internet Banking and Mobile Banking).

The risk factors related to Information Technology are also managed through a continuous updating of Risk Matrix for Information Technology, Information Security and Cyber Security. also controls are tested Periodically and making sure all control gaps are handled in a proper manner.

With regard to Awareness of Information Security, Cyber Security and Business Continuity, training workshops are held for bank staff on an annual basis, also, many Awareness Messages (including SMS) were sent to our staff and customers.

Business continuity

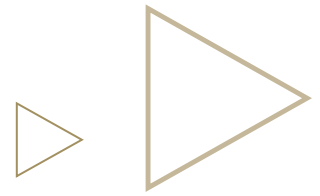
An amendment has been made to the Business Continuity Plan in light of the Covid-19 Pandemic, as remote access mechanism was applied and staff were relocated between the bank's sites to ensure social distancing.

Bank's alternative site was redesigned and reactivated to provide a safe and healthy work environment while achieving the terms of social distancing, and work continued in this alternative site until the pandemic's situation became acceptable and safer.

In addition, the bank conducts periodic checks of Alternative Sites and Business Continuity Plan to ensure they are ready in emergency situations.

The bank conducted an emergency plan for sensitive and critical financial systems with participation of several departments. This test was coordinated with the Central Bank Of Jordan. The findings of the tests were followed up directly after the test.

The bank conducted an examination for the emergency plan in accordance with sensitive and critical financial systems, several departments participated in it, as well as these examinations were coordinated with the Central Bank. The results of the examinations were followed up and the observation was processed after the examination process.



4. Reputational risk

The bank considering reputation risks as the negative effects on the bank's reputation and brand which is resulted from bank failure to fulfill its responsibility towards all clients and / or its failure to manage its affairs efficiently and effectively and / or the failure to comply with the Sharia requirements and / or the failure to manage All other types of risks which leads to several negative effects, including a loss of client confidence and thus a decline in the client base and an increase of costs or a decrease of profits.

5. Non-compliance risks

The risks of non-compliance are the risks of legal or regulatory penalties, material losses or reputation risks to which the bank may be exposed due to non-compliance with laws, regulations, instructions, codes of conduct and banking standards.

The bank evaluates and monitors compliance with the instructions issued by the Central Bank and other official bodies. In addition to reviewing all policies, procedures, agreements, announcements, and any new services or products to ensure the availability of the necessary controls to avoid risks arising from non-compliance.

The bank educates employees on compliance issues and prepares written instructions in this regard. The Compliance Department provides advice and guidance to the executive management on applicable laws, regulations and standards and any amendments to them.

The bank conducts a comprehensive assessment of the risks of money laundering and terrorist financing at least annually, or in the event that a need arises to conduct this assessment as a result of a fundamental change in the nature of the risks to which the bank is exposed. Geographical regions, products, services, processes and service delivery channels, according to a methodology approved by the Board of Directors.

The bank's commitment to the anti-money laundering and terrorist financing policy works to build a business relationship with customers based on ethical standers and best practices, especially with regard to (Know Your Customer) and taking the necessary measures to determine the true beneficiary of all transactions.

6. Legal risks related to operational activities

Risks of exposure to legal procedures, follow-ups and fines as a result of the occurrence of operational risks and events, and the disputes arising as a result of non-compliance with applicable regulations and instructions, also the financial fines and claims that can be resulted from a third party. The insufficiency of documents and the lack of legal capacity and / or the invalidity of contracts and / or their lack of enforceability resulting from lack of proper documentation are among the most important causes of legal risks.

The responsibility for managing these risks lies with the legal department, as it reviews all contracts and documents related to the bank's transactions, in addition to legal follow-up to the bank's debtors – in coordination with the Credit Department- , and careful follow-up of the lawsuits to which the bank is a party.

7. Risks of non-compliance Sharia Laws

These are the risks that Islamic banks exposed to, which lead to non-recognition of income. Also it includes the losses resulting from their operations in addition to the reputational risks resulting from non-compliance with Sharia laws. Where these risks are managed through an integrated system of Sharia controls for both the Sharia Supervision Department supervised by the Sharia Supervisory Board and the regulatory control of the Sharia Compliance Department and the Risk Management Department.

The culture of the bank risk management and the role of risk management policies and strategies in supporting and spreading the bank's risk culture

Risk Management Culture is considered as one of the main pillars of the risk management framework, as it enhances the understanding and communication process among all bank's employees in a way that enables them to perform their daily work and make decisions on a basis of the risk management methodology.



Risk management framework includes a main component related to strengthening the concept of Risk Management Culture through the support of the Board of Directors and Executive Management and the necessity to raise awareness of all managerial levels with a culture of risk management in addition to create an integrated training system for all the bank employees to develop Risk Management Culture.

Bank Risk Appetite in line with the Approved business models

The bank adopts a documented and integrated policy of Risk Appetite, which is approved by the bank's Board of Directors. Approved risk appetite aims to link the bank's strategic objectives with the bank risk management system as well as with the business models.

The concept of integration of Risk Appetite into Risk Management Culture and the involvement of the various managerial levels will lead to the linkage of the strategic plan and the methodology of risk management at different managerial levels.

Risk Appetite have been specified for each type of risk in a manner consistent with the bank's strategic directions and CBJ requirements in addition to analyze historical data for each type of risk.

An integrated system of control has been adopted for the Risk Appetite in terms of following up all these levels according to the periodicity specified in the approved document and issuing reports on Risk Appetite to management and to related committees with specifying the responsibility to follow up on any breach.

Stress testing

Stress testing is considered as one of the most important tools that the bank uses to measure its ability to withstand against shocks and high risks, as these tests aim to assess the financial position and the capital adequacy ratio for the bank within different scenarios.

The bank adopts a comprehensive methodology for conducting stress testing. These tests include the following:

Sensitivity Analysis Tests: These tests aim to measure the impact of different economic factors and internal risk factors on the financial position and the adequacy ratio of the bank's capital. These tests cover credit, market, operational, liquidity and any other risks the bank believes is necessary to stress tested.

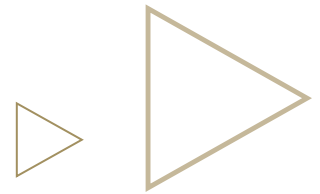
Scenarios tests: These tests aim to assess the bank's tolerance of crises and shocks related to the overall economy of the country, such as changes in the rate of economic growth, unemployment rates, high interest rates, and their impact on the financial position and capital adequacy ratio of the bank.

A policy for stress tests was prepared and approved by the bank's board of directors to cover all the requirements for stress tests and to define the methodology adopted for applying these tests and their periodicity, as the instructions of the Central Bank of Jordan were based on.

This is in light of the spread of the new Corona virus (Covid-19) and its impact on the Jordanian economy, the bank has added special scenarios to measure the bank's ability to withstand shocks resulting from the economic changes due to the pandemic.

The bank seeks to consider the results of stressful situations as a basic reference for developing future plans and appropriate strategies. The concept of stress tests is being incorporated into the department's monthly reports to create a comprehensive culture of the modern risk management concept.

The bank adopts an integrated system for the governance of stress tests whereby the risk management periodically conducts stress tests and then submits them to the Risk Management Committee and then submits them to take the appropriate recommendation from the Board of Directors Committee for Risk Management and then approves it by the Board of Directors, where it simulates the best practical practices in involving the bank's board of directors and senior executive management in the methodology of stress tests and the impact of their results on the bank's strategic decisions.



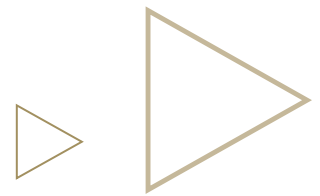
(48/ A) CREDIT RISK

1) Credit risk exposure (After impairment provision and before collateral and other risk reducers):

	31 December 2021		
	Jointly financed	Self financed	Total
	JD	JD	JD
Balances with Central Bank	-	336,553,940	336,553,940
Balances at banks and financial institutions	-	8,293,931	8,293,931
International Wakala investments	86,124,648	-	86,124,648
Deferred sales receivables and other receivables			
Retail (individual)	292,174,419	1,216,379	293,390,798
Real estate financing	15,815,337	-	15,815,337
Corporate	381,881,848	767,277	382,649,125
Small and medium companies	41,442,628	1,922,765	43,365,393
Public and governmental sectors	327,994,641	-	327,994,641
Sukuk			
Within financial assets at fair value through statement of income	1,495,481	-	1,495,481
Financial assets at fair value through unrestricted investments accounts	161,320,219	-	161,320,219
Financial Assets at Amortized Cost	64,752,000	-	64,752,000
Qard hasan	-	1,619,321	1,619,321
Other assets	1,552,641	780,808	2,333,449
Total consolidated statement of financial position items	1,374,553,862	351,154,421	1,725,708,283
Off-consolidated statement of financial position items:			
Letters of guarantees	-	38,796,148	38,796,148
Letters of credit	-	50,960,247	50,960,247
Acceptances	-	9,828,400	9,828,400
Unutilized limits	118,464,126	-	118,464,126
Total	1,493,017,988	450,739,216	1,943,757,204



	31 December 2020		
	Jointly financed	Self financed	Total
	JD	JD	JD
Balances with Central Bank	-	330,865,686	330,865,686
Balances at banks and financial institutions	-	9,669,834	9,669,834
International Wakala investments	78,717,349	-	78,717,349
Deferred sales receivables and other receivables			
Retail (individual)	227,811,431	1,339,244	229,150,675
Real estate financing	16,461,600	-	16,461,600
Corporate	330,287,157	1,055,935	331,343,092
Small and medium companies	36,450,281	2,889,523	39,339,804
Public and governmental sectors	137,608,027	-	137,608,027
Sukuk			
Within financial assets at fair value through statement of income	1,463,324	-	1,463,324
Financial assets at fair value through unrestricted investments accounts	56,035,806	-	56,035,806
Financial Assets at Amortized Cost	92,191,000	-	92,191,000
Qard hasan	-	1,721,260	1,721,260
Other assets	1,647,394	824,185	2,471,579
Total consolidated statement of financial position items	978,673,369	348,365,667	1,327,039,036
Off-consolidated statement of financial position items:			
Letters of guarantees	-	38,169,872	38,169,872
Letters of credit	-	11,165,642	11,165,642
Acceptances	-	7,848,689	7,848,689
Unutilized limits	131,027,249	-	131,027,249
Total	1,109,700,618	405,549,870	1,515,250,488



Distribution of credit exposures

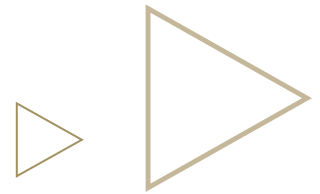
A. Distribution of credit exposures - self (After deducting the deferred and suspended revenues):

Internal rating of the Bank	31 December 2021						
	Category Classification by Instructions (47/2009)	Total exposure value	Expected credit loss	The probability of default (PD)	Classification according to external classification institutions	Exposure at default (EAD) per million dinars	Average loss at default (LGD)%
		JD	JD			JD	
Little risk	Performing exposure	509,660	-	0%	-	-	0%
Semi free risk	Performing exposure	17,119,574	29,339	0.7%	-	7.081	66%
Low risk	Performing exposure	9,779,574	10,756	2%	-	1.556	67%
Normal risk	Performing exposure	14,612,243	23,321	2%	-	3.009	67%
Acceptable risk	Performing exposure	31,843,395	130,245	3%	-	7.382	67%
Acceptable with due care	Performing exposure	3,032,584	24,669	5%	-	0.856	67%
Not rated	Performing exposure	28,123,243	139,246	2%	-	352.304	72%
Sub Total		105,020,273	357,576		-	372.188	
Substandard	Non - performing exposure	54,819	10	100%	-	0.055	66%
Doubtful collection	Non - performing exposure	391,433	56,490	100%	-	0.436	89%
Loss	Non - performing exposure	218,214	160,126	100%	-	0.174	78%
Not rated	Non - performing exposure						
Total		105,684,739	574,202		-	372.852	



B. Distribution of credit exposures - Jointly financed (After deducting the deferred and suspended revenues):

Internal rating of the Bank	31 December 2021						
	Category Classification by Instructions (47/2009)	Total exposure value	Expected credit loss	The probability of default (PD)	Classification according to external classification institutions	Exposure at default (EAD) per million dinars	Average loss at default (LGD)%
		JD	JD			JD	
Little risk	Performing exposure	334,146,791	16,340	0%	-	292.347	7%
Semi free risk	Performing exposure	8,384,540	12,109	0.7%	-	6.774	66%
Low risk	Performing exposure	34,932,524	184,096	2%	-	22.106	68%
Normal risk	Performing exposure	181,678,391	4,721,449	3%	-	155.430	67%
Acceptable risk	Performing exposure	202,604,352	4,940,636	3%	-	170.814	66%
Acceptable with due care	Performing exposure	63,214,678	4,941,452	6%	-	50.528	67%
Watch list	Performing exposure	42,212	2,589,654	23%	-	0.062	66%
Not rated	Performing exposure	370,634,356	4,113,543	2%	-	696.899	73%
Sub Total		1,195,637,844	21,519,279		-	1,394.959	
Substandard	Non - performing exposure	3,444,487	3,444,487	100%	-	3.444	66%
Doubtful collection	Non - performing exposure	1,146,495	1,002,154	100%	-	1.146	79%
loss	Non - performing exposure	12,064,458	12,163,730	100%	-	12.064	97%
Not rated	Non - performing exposure	10,854,540	8,036,564	100%	-	10.855	82%
Total		1,223,147,824	46,166,214		-	1,422.469	



2. Classification of deferred sales and other receivables according to the degree of risk In accordance with the Financial Accounting Standard (30) issued by the Accounting and Auditing Organization for Islamic Financial Institutions :

A) Distribution of the fair value of collateral against credit exposures - for total credit exposure - common according to the following table:

The bank maintains collateral or other credit enhancements to mitigate credit risk associated with financial assets. The Group maintains cash, investments and (joint) financing balances amounting to JD 1,419,878,150 as of 31 December 2021 (compared to JD 1,014,363,355 as of 31 December 2020). The estimated value of the joint collateral held is JD 267,332,949 as on 31 December 2021 (compared to JD 245,467,282 as on 31 December 2020 The value of collateral is only considered to the extent that it mitigates credit risk. There has been no change in The bank's guarantees policy during the current year.

The table below shows each type of exposure and the associated collateral:

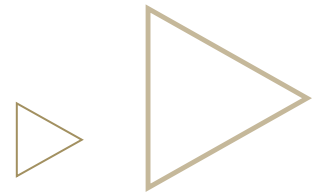
Item	31 December 2021									
	Total exposure value	Fair value of collateral							Net exposure after collateral	Expected credit loss
		Cash margin	Traded shares	Bank guarantees	Real estate financing	Cars and mechanics	Other	Total value of collateral		
		JD	JD	JD	JD	JD	JD	JD	JD	JD
Balances with Central Bank	-	-	-	-	-	-	-	-	-	-
Balances at banks and financial institutions	-	-	-	-	-	-	-	-	-	-
Deposits with banks and financial institutions	-	-	-	-	-	-	-	-	-	-
International Wakala investments	86,683,236	-	-	-	-	-	-	-	86,683,236	558,588
Direct credit financing - NET:										
Retail	301,652,519	6,157,441	-	-	2,927,600	119,091,539	65,957	128,242,537	173,409,982	9,478,100
Real estate financing	19,845,486	438,740	-	-	10,985,848	35,119	-	11,459,708	8,385,778	4,030,149
For corporate	411,331,905	3,676,884	-	-	85,280,073	8,081,512	3,825,437	100,863,905	310,468,000	29,450,057
Large Corporate	-	-	-	-	-	-	-	-	-	-
Small and medium enterprises	43,017,222	1,154,023	-	-	20,199,135	4,112,570	1,301,071	26,766,799	16,250,423	1,574,594
Public and governmental sectors	327,994,641	-	-	-	-	-	-	-	327,994,641	-
Sukuk:										
Within financial assets at fair value through statement of income	1,495,481	-	-	-	-	-	-	-	1,495,481	-
Financial assets at fair value through unrestricted investments accounts	161,553,019	-	-	-	-	-	-	-	161,553,019	232,800
Financial Assets at Amortized Cost-net	64,752,000	-	-	-	-	-	-	-	64,752,000	-
Other assets	1,552,641	-	-	-	-	-	-	-	1,552,641	-
Subtotal	1,419,878,150	11,427,088	-	-	119,392,656	131,320,740	5,192,465	267,332,949	1,152,545,201	45,324,288
Unutilized credit limits	119,306,051	-	-	-	-	-	-	-	119,306,051	841,925
Total	1,539,184,201	11,427,088	-	-	119,392,656	131,320,740	5,192,465	267,332,949	1,271,851,252	46,166,213



B. Distribution of the fair value of collateral against credit exposure - for total credit exposures - self according to the following table:

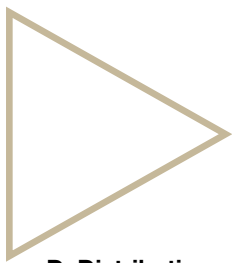
The bank maintains collateral or other credit enhancements to mitigate credit risk associated with financial assets. The Bank maintains cash, investments and (self-financing) balances amounting to JD 351,387,086 as of 31 December 2021 (compared to JD 348,679,523 as of 31 December 2021). The estimated value of the joint guarantees held is JD 3,237,420 as on 31 December 2021 (compared to JD 4,487,976 as on December 2020). The value of collateral is only considered to the extent that it mitigates credit risk. There was no change in the bank's guarantees policy during the current year.

Item	31 December 2020									
	Total exposure value	Fair value of collateral							Net exposure after collateral	Expected credit loss
		Cash margin	Traded shares	Bank guarantees	Real estate financing	Cars and mechanics	Other	Total value of collateral		
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Balances with Central Bank	336,553,940	-	-	-	-	-	-	-	336,553,940	-
Balances at banks and financial institutions	8,293,931	-	-	-	-	-	-	-	8,293,931	-
Direct credit financing - net:										
Retail	1,388,916	-	-	-	246	542,373	-	542,620	846,296	152,962
Real estate financing	-	-	-	-	-	-	-	-	-	-
For corporate	1,881,296	5,972	-	-	1,626,037	6,654	202,389	1,841,053	40,243	24,306
Large Corporate	-	-	-	-	-	-	-	-	-	-
Small and medium enterprises	1,978,535	-	-	-	743,063	22,648	88,037	853,748	1,124,787	55,397
Public and governmental sectors	509,660	-	-	-	-	-	-	-	509,660	-
Other assets	780,808	-	-	-	-	-	-	-	780,808	-
Subtotal	351,387,086	5,972	-	-	2,369,346	571,675	290,426	3,237,420	348,149,666	232,665
Bank guarantees	39,003,562	4,669,192	-	-	-	-	-	4,669,192	34,334,370	207,414
Credits	51,060,277	10,831,943	-	-	-	-	-	10,831,943	40,228,334	100,030
acceptance	9,862,493	-	-	-	-	-	-	-	9,862,493	34,093
Total	451,313,418	15,507,107	-	-	2,369,346	571,675	290,426	18,738,555	432,574,863	574,202



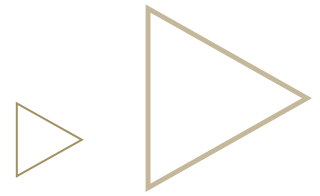
C. Distribution of the fair value of collateral against credit exposures included in the third stage - joint according to the following table:

Item	31 December 2021									
	Total exposure value	Fair value of collateral							Net exposure after collateral	Expected Credit Loss (ECL)
		Cash Insurance	Shares traded	Bank guarantees are acceptable	Real estate	Cars and Mechanics	Other	Total value of collateral		
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Balances with Central Bank	-	-	-	-	-	-	-	-	-	-
Balances at banks and financial institutions	-	-	-	-	-	-	-	-	-	-
Deposits with banks and financial institutions	-	-	-	-	-	-	-	-	-	-
Investment by an international agency - net	-	-	-	-	-	-	-	-	-	-
Direct credit facilities -net:										
Retail	8,269,772	3,802	-	-	642,613	3,855,151	-	4,501,565	3,768,207	7,008,102
Real estate financing	194,428	-	-	-	186,092	-	-	186,092	8,336	130,527
For corporate	16,655,440	25,325	-	-	689,927	25,950	-	741,202	15,914,238	16,610,742
Large Corporate	-	-	-	-	-	-	-	-	-	-
Small and medium enterprises	2,390,340	544,586	-	-	1,067,924	248,581	-	1,861,091	529,249	897,564
Public and governmental sectors	-	-	-	-	-	-	-	-	-	-
Sukuk:										
Within financial assets at fair value through statement of income	-	-	-	-	-	-	-	-	-	-
Within financial assets at fair value through the holders of the joint investment accounts - net	-	-	-	-	-	-	-	-	-	-
Within financial assets at amortized cost-net	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-	-
Subtotal	27,509,980	573,712	-	-	2,586,556	4,129,682	-	7,289,950	20,220,030	24,646,935
Unutilized credit limits	-	-	-	-	-	-	-	-	-	-
Total	27,509,980	573,712	-	-	2,586,556	4,129,682	-	7,289,950	20,220,030	24,646,935



D. Distribution of the fair value of collateral against credit exposures included in the third stage - Self according to the following table:

Item	31 December 2021									
	Total exposure value	Fair value of collateral							Net exposure after collateral	Expected Credit Loss (ECL)
		Cash Insurance	Shares traded	Bank guarantees are acceptable	Real estate	Cars and Mechanics	Other	Total value of collateral		
		JD	JD	JD	JD	JD	JD	JD	JD	JD
Balances with Central Bank	-	-	-	-	-	-	-	-	-	-
Balances at banks and financial institutions	-	-	-	-	-	-	-	-	-	-
Direct credit facilities -net:										
Retail	150,039	-	-	-	-	-	-	-	150,039	147,077
Real estate financing	-	-	-	-	-	-	-	-	-	-
For corporate	333,730	5,972	-	-	4,757	-	-	10,729	323,001	14,161
Large Corporate	-	-	-	-	-	-	-	-	-	-
Small and medium enterprises	55,388	-	-	-	-	-	-	-	55,388	55,388
Public and governmental sectors	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-	-
Subtotal	539,157	5,972	-	-	4,757	-	-	10,729	528,428	216,626
Bank guarantees	125,309	-	-	-	-	-	-	-	125,309	-
Credits and acceptance	-	-	-	-	-	-	-	-	-	-
Unutilized credit limits	-	-	-	-	-	-	-	-	-	-
Total	664,466	5,972	-	-	4,757	-	-	10,729	653,737	216,626



Deferred sales and other receivables and scheduled financing:

Are those that have previously been classified as non-performing financing and are eliminated from the balance of non-performing loans and borrowings under a fundamental schedule whether they are still under control or transferred to a transaction. Moreover, they are classified as cash and cash equivalents. Deferred sales and other receivables amounted to JD 1,290,534 as at 31 December 2021 (JD 2,585,910 as at 31 December 2020).

Deferred sales and other receivables and restructured financing:

Restructuring means a rearrangement of the status of the receivables / financing in terms of instalment adjustment, extension of the life of the receivables / financing, postponement of certain instalments, or extension of the grace period. They were classified as receivables / financing under control. Deferred sales and restructured receivables amounted to JD 174,968,149 as at 31 December 2021 (JD 129,396,497 as at 31 December 2020).

3) Sukuk

The following table illustrates sukuk grading under financial assets at fair value through unrestricted investment accounts holders in accordance with foreign grading institutions.

A- Financial assets at fair value through unrestricted investment accounts			
Classification grade	Grading institution	31 December 2021	31 December 2020
		JD	JD
A1	Moody's	4,084,677	2,181,826
B	Fitch	-	1,262,477
B2	Moody's	658,702	1,387,430
A2	Moody's	5,473,834	5,457,145
Ba3	Moody's	934,549	2,236,441
Aa3	Moody's	3,644,959	-
A+	Fitch	2,074,029	2,934,039
A	Fitch	39,926,595	21,011,985
CCC+	S&P's	-	321,927
N/R	-	14,426,874	17,178,337
Government	-	90,096,000	2,064,200
		161,320,219	56,035,807
B- Financial assets at amortized cost			
On Government guarantee	-	64,752,000	92,191,000
		64,752,000	92,191,000
C- Financial assets at fair value through income statement			
B1	Moody's	-	154,114
N/R	-	1,495,481	1,309,210
		1,495,481	1,463,324
Total		227,567,700	149,690,131

All the above instruments are classified within the first stage for the year 2021.

4 -Concentration in credit exposures by geographical distribution .

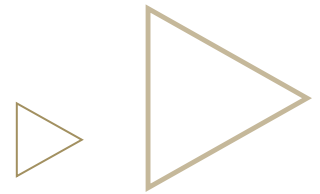
1. The total distribution of exposures by geographical region-self financed (after impairment provision) :

Item	31 December 2021								31 December 2020
	Within the Kingdom	Other Middle Eastern countries	Europe	Asia *	Africa	America	Other countries	Total	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD
Cash and balances with central banks	336,553,940	-	-	-	-	-	-	336,553,940	330,865,686
Balances at banks and financial institutions	713,698	2,380,701	1,470,174	353,955	-	3,356,341	19,062	8,293,931	9,669,834
Deposits with banks and financial institutions	-	-	-	-	-	-	-	-	-
Direct credit facilities -net	5,525,742	-	-	-	-	-	-	5,525,742	7,005,962
Sukuk:									
Within financial assets at fair value through statement of income	-	-	-	-	-	-	-	-	-
Within financial assets at fair value through unrestricted investment accounts holders- equity -net	-	-	-	-	-	-	-	-	-
Within financial assets at amortized cost -net	-	-	-	-	-	-	-	-	-
Other assets	780,808	-	-	-	-	-	-	780,808	824,185
Total / current period	343,574,188	2,380,701	1,470,174	353,955	-	3,356,341	19,062	351,154,421	348,365,667
Letter of guarantees	38,786,176	9,972	-	-	-	-	-	38,796,148	38,169,872
Letters of credit	41,568,875	9,391,372	-	-	-	-	-	50,960,247	11,171,547
Acceptances	1,623,285	8,205,115	-	-	-	-	-	9,828,400	7,842,784
Sub Total	425,552,524	19,987,160	1,470,174	353,955	-	3,356,341	19,062	450,739,216	405,549,870

*Except for Middle Eastern countries

2. Distributions according to classification according to classification according to the FAS No. (30) - Self :

Item	31 December 2021					
	Stage 1 Individual	Stage 1 Collective	Stage 2 Individual	Stage 2 Collective	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Within the Kingdom	412,711,345	2,140,593	9,237,209	1,015,537	447,840	425,552,524
Other Middle Eastern countries	19,987,160	-	-	-	-	19,987,160
Europe	1,470,174	-	-	-	-	1,470,174
Asia	353,955	-	-	-	-	353,955
Africa	-	-	-	-	-	-
America	3,356,341	-	-	-	-	3,356,341
Other countries	19,062	-	-	-	-	19,062
Total	437,898,037	2,140,593	9,237,209	1,015,537	447,840	450,739,216



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

Item	31 December 2021								31 December 2020
	Within the Kingdom	Other Middle Eastern countries	Europe	Asia	Africa*	America	Other countries	Total	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD
Cash and balances with central banks	-	-	-	-	-	-	-	-	-
Balances at banks and financial institutions	-	-	-	-	-	-	-	-	-
Deposits with banks and financial institutions	-	-	-	-	-	-	-	-	-
International wakala investments -net	-	65,186,674	20,937,974	-	-	-	-	86,124,648	78,717,349
Direct credit facilities -net	1,059,308,873	-	-	-	-	-	-	1,059,308,873	748,618,496
Sukuk:									
Within financial assets at fair value through statement of income	-	1,495,481	-	-	-	-	-	1,495,481	1,463,324
Within financial assets at fair value through unrestricted investment accounts holders- equity -net	90,096,000	70,565,517	658,702	-	-	-	-	161,320,219	56,035,806
Within financial assets at amortized cost -net	64,752,000	-	-	-	-	-	-	64,752,000	92,191,000
Other assets	1,552,641	-	-	-	-	-	-	1,552,641	1,647,394
Total / current Year	1,215,709,514	137,247,672	21,596,676	-	-	-	-	1,374,553,862	978,673,369
Unutilized credit limits	118,464,126	-	-	-	-	-	-	118,464,126	131,027,249
Sub Total	1,334,173,640	137,247,672	21,596,676	-	-	-	-	1,493,017,988	1,109,700,618

* except for middle eastern contries

4.Distribution of exposures according to the classification stages according to the FAS 30 - joint :

Item	31 December 2021					
	Stage 1 Individual	Stage 1 Collective	Stage 2 Individual	Stage 2 Collective	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Within the Kingdom	933,742,107	301,011,167	60,890,920	35,666,401	2,863,045	1,334,173,640
Other Middle Eastern countries	137,247,672	-	-	-	-	137,247,672
Europe	21,596,676	-	-	-	-	21,596,676
Asia	-	-	-	-	-	-
Africa	-	-	-	-	-	-
America	-	-	-	-	-	-
Other countries	-	-	-	-	-	-
Total	1,092,586,455	301,011,167	60,890,920	35,666,401	2,863,045	1,493,017,988



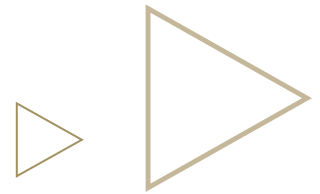
5- Distribution of exposures by economic sectors:

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

Item	31 December 2021										31 December 2020
	Financial	Industry	Trade	Real estates إسبيا*	Agriculture	Shares	Retail	Government and public sector	Other	Total	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Cash and balances with central banks	336,553,940	-	-	-	-	-	-	-	-	336,553,940	330,865,686
Balances at banks and financial institutions	8,293,931	-	-	-	-	-	-	-	-	8,293,931	9,669,834
Deposits with banks and financial institutions	-	-	-	-	-	-	-	-	-	-	-
Direct credit facilities -net	-	205,521	2,278,097	-	-	767,469	469,620	509,660	1,295,375	5,525,742	7,005,962
sukuk :											
Included in financial assets at fair value through income statement	-	-	-	-	-	-	-	-	-	-	-
Within financial assets at fair value through unrestricted investment accounts holders- equity -net	-	-	-	-	-	-	-	-	-	-	-
Within financial assets at amortized cost - net	-	-	-	-	-	-	-	-	-	-	-
Other assets	780,808	-	-	-	-	-	-	-	-	780,808	824,185
Total / current year	345,628,679	205,521	2,278,097	-	-	767,469	469,620	509,660	1,295,375	351,154,421	348,365,667
Financial letter of guarantees	1,136,932	1,287,841	7,600,577	4,625,735	-	1,725,146	742,789	-	21,677,128	38,796,148	38,169,872
Letters of credit	9,355,111	16,935,731	21,857,256	-	-	249,335	1,184,576	-	1,378,238	50,960,247	11,171,547
Acceptances	8,173,434	461,638	1,053,295	-	-	-	-	-	140,033	9,828,400	7,842,784
Sub Total	364,294,156	18,890,731	32,789,225	4,625,735	-	2,741,950	2,396,985	509,660	24,490,774	450,739,216	405,549,870

2. Distribution of divisions according to classification according to the classification of the FAS (30):

Item	31 December 2021					
	Stage 1 Individual	Stage 1 Collective	Stage 2 Individual	Stage 2 Collective	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Financial	363,467,870	-	826,286	-	-	364,294,156
Industry	13,407,863	49,904	5,353,354	73,137	6,473	18,890,731
Trade	29,769,887	432,276	1,630,736	632,731	323,595	32,789,225
Real estates	4,621,202	-	4,533	-	-	4,625,735
Agriculture	-	-	-	-	-	-
Share's	1,909,672	767,469	-	-	64,809	2,741,950
Retail	1,916,545	469,620	10,820	-	-	2,396,985
Government and public sector	509,660	-	-	-	-	509,660
Other	22,295,338	421,324	1,411,480	309,669	52,963	24,490,774
Total	437,898,037	2,140,593	9,237,209	1,015,537	447,840	450,739,216

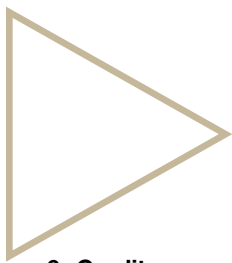


3. Total distribution of exposures by economic sector-jointly financed (after impairment provision) :

Item	31 December 2021										31 December 2020
	Financial	Industry	trade	real estates	Agriculture	Shares	Retail	Government and public sector	Other	Total	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
International wakala investments -net	86,124,648	-	-	-	-	-	-	-	-	86,124,648	78,717,349
Cash and balances with central banks	5,510,530	159,522,998	163,536,840	15,815,337	-	179,656,980	135,214,411	327,994,642	72,057,135	1,059,308,873	748,618,496
Sukuk:											
Within financial assets at fair value through statement of income	1,495,481	-	-	-	-	-	-	-	-	1,495,481	1,463,324
Within financial assets at fair value through unrestricted investment accounts holders- equity -net	71,224,219	-	-	-	-	-	-	90,096,000	-	161,320,219	56,035,806
Within financial assets at amortized cost -net	-	-	-	-	-	-	-	64,752,000	-	64,752,000	92,191,000
Other assets	1,552,641	-	-	-	-	-	-	-	-	1,552,641	1,647,394
Total / current year	165,907,519	159,522,998	163,536,840	15,815,337	-	179,656,980	135,214,411	482,842,642	72,057,135	1,374,553,862	978,673,369
Unutilized credit limits	1,397,478	28,743,167	55,376,730	-	5,469,761	5,510,117	19,086,797	-	2,880,076	118,464,126	131,027,249
Total	167,304,997	188,266,165	218,913,570	15,815,337	5,469,761	185,167,097	154,301,208	482,842,642	74,937,211	1,493,017,988	1,109,700,618

4.Distribution of exposures according to the classification stages according to theFAS (30) - joint:

Item	31 December 2021					
	Stage 1 Individual	Stage 1 Collective	Stage 2 Individual	Stage 2 Collective	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Financial	167,288,049	-	16,948	-	-	167,304,997
Industry	167,030,046	3,460,619	16,486,062	1,936,383	(646,945)	188,266,165
Trade	176,061,745	11,136,616	19,674,682	11,052,037	988,490	218,913,570
Real estates	3,469,176	5,356,642	6,480,767	459,433	49,319	15,815,337
Agriculture	5,469,761	-	-	-	-	5,469,761
Shares	21,561,485	154,236,660	5,038,511	3,573,400	757,041	185,167,097
Retail	19,217,839	122,386,672	18,513	12,278,047	400,137	154,301,208
Government and public sector	482,842,642	-	-	-	-	482,842,642
Other	49,645,712	4,433,958	13,175,437	6,367,101	1,315,003	74,937,211
Total	1,092,586,455	301,011,167	60,890,920	35,666,401	2,863,045	1,493,017,988



6- Credit exposures that have been reclassified

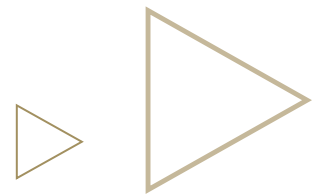
1. Total credit exposures classified:

A. Self financed

Item	31 December 2021					
	Stage 2		Stage 3		Total exposures that have been reclassified	Percentage of rated exposures
	Total exposure value	The exposures that have been reclassified	Total exposure value	The exposures that have been reclassified		
	JD	JD	JD	JD	JD	
Direct credit facilities-net	1,258,364	133,302	539,157	(38)	133,264	7.41%
Letters of guarantee	3,596,074	161,576	125,309	10,500	172,076	4.62%
Acceptances	-	-	-	-	-	-
Letters of credit	5,463,872	-	-	-	-	-
Total	10,318,310	294,878	664,466	10,462	305,340	2.78%

B. Jointly financed

Item	31 December 2021					
	Stage 2		Stage 3		Total exposures that have been reclassified	Percentage of rated exposures
	Total exposure value	The exposures that have been reclassified	Total exposure value	The exposures that have been reclassified		
	JD	JD	JD	JD	JD	
Direct credit facilities-net	107,390,737	49,312,151	27,509,980	8,023,447	57,335,598	42.50%
Unutilized credit limits	4,163,458	(1,052,312)	-	-	(1,052,312)	(25.27%)
Total	111,554,195	48,259,839	27,509,980	8,023,447	56,283,286	40.47%



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

Item	31 December 2021							
	The exposures that have been reclassified			Expected credit loss on exposures that have been reclassified				Total
	Total exposures that have been reclassified rated from Stage 2	Total exposures that have been reclassified rated from Stage 3	Total exposures that have been reclassified	Stage 2 - Individual	Stage 2 - Collective	Stage 3 - Individual	Stage 3 - Collective	
A. Self financed	JD	JD	JD	JD	JD	JD	JD	JD
Direct credit facilities	133,302	(38)	133,264	28	52	-	(100)	(20)
Letters of guarantee	161,576	10,500	172,076	1,051	-	1	-	1,052
Letters of credit	-	-	-	-	-	-	-	-
Acceptances	-	-	-	-	-	-	-	-
Total	294,878	10,462	305,340	1,079	52	1	(100)	1,032

Item	31 December 2021							
	The exposures that have been reclassified			Expected credit loss on exposures that have been reclassified				Total
	Total exposures that have been reclassified rated from Stage 2	Total exposures that have been reclassified rated from Stage 3	Total exposures that have been reclassified	Stage 2 Individual	Stage 2 Collective	Stage 3 Individual	Stage 3 Collective	
B. Jointly financed	JD	JD	JD	JD	JD	JD	JD	JD
Direct credit facilities	49,312,151	8,023,447	57,335,598	(2,881,512)	405,515	2,819,638	(334,451)	9,190
Unutilized credit limits	(1,052,312)	-	(1,052,312)	(62,198)	-	-	-	(62,198)
Total	48,259,839	8,023,447	56,283,286	(2,943,710)	405,515	2,819,638	(334,451)	(53,008)

(48/B) MARKET RISKS

The Bank follows certain financial policies to manage different risks within a specific strategy. There is also a committee concerned with managing assets and liabilities in the Bank. This committee is charged with monitoring and controlling risks, and conducting the best strategic distribution of assets and liabilities whether on- or off -the statement of financial position. Its responsibilities include:

- Updating the investment policy followed by the Bank, submitting it to the Board of Directors to be approved on a regular basis, reviewing the implemented investment policy, and assessing its results against the banking market and competitive indicators.
- Forming investment decision-making committees and related authorities, according to the Bank's investment policy.
- Preparing the annual investment plan, in line with the Assets and Liabilities Committee's expectations of revenues and changes in market rates, including low-risk investment instruments available in the market.
- Preparing a report including market prices and presenting it to the Asset and Liabilities Committee to monitor any sudden change in prices of financial instruments and avoid changes in market prices.



1- Rate of Return Risks

- Risks of rate of return arise from the unexpected changes in the market rates. Necessary procedures must be taken to ensure the existence of administrative procedures related to reviewing, measuring, and monitoring of rate of return risks.
- The Bank is exposed to rate of return risks as a result of the gap between assets and liabilities according to their terms and re-pricing the rate on subsequent transactions.
- The Bank manages these risks by determining the rates of future profits according to the expectations of market conditions and developing new instruments that comply with the Islamic rules and regulations through the Bank's risk management strategy:

1. Attaining the best returns available in the market based on market indicators as a standard and Benchmarks for both the portfolios an investments managed by the Bank.
2. Taking into account the risks resulting from these investments, depending on the diversification option based on countries and institutions to ensure mitigation of the impact of risks.
3. The Bank is committed to manage investments based on matching the Bank's liabilities (represented by deposits term accounts) and assets in foreign currencies (represented by investments in foreign currencies).

2) Currency Risks

Foreign currency centers are managed by Treasury and Investment Department on a daily basis in accordance with the principles of Islamic shari'a. The bank's policy of managing foreign currency centers is a conservative policy based on clearing the centers first and covering the required positions according to customers needs.

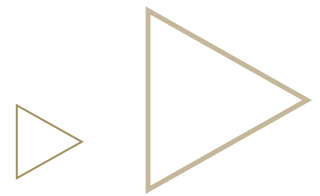
The maximum positions in foreign currencies shall not exceed 5% of shareholders' equity for each currency except for the US Dollar at no more than 15% of total shareholders' equity. The total foreign currencies position shall not exceed 15% of total equity

Below is the effect of foreign currency exchange against JD with other variables being constant:

2021	Change in the indicator	Impact on consolidated income statement	Impact on equity
currency	(5%)	JD	JD
USD	-	-	-
Euro	19,499	19,499	19,499
GBP	4,084	4,084	4,084
Japanese Yen	13,400	13,400	13,400
Other currencies	35,604	35,604	35,604

2020	Increase in the indicator	Impact on consolidated income statement	Impact on equity
currency	(5%)	JD	JD
USD	-	-	-
Euro	614	614	614
GBP	712	712	712
Japanese Yen	12,349	12,349	12,349
Other currencies	19,921	19,921	19,921

The impact of the decrease in the exchange rate by 5% has the same impact of the opposite sign.



Concentration in foreign currencies risks:

	31 December 2021					
	US Dollars	Euro	GBP	Japanese Yen	Others	Total
Assets:						
Cash and balances with Central Banks	15,904,507	6,053,036	496,131	-	313,482	22,767,156
Balances at banks and financial institutions	4,608,909	1,105,937	184,438	267,992	2,126,483	8,293,759
Deferred sale receivables	130,284,732	-	-	-	-	130,284,732
International Wakala Investment	65,228,000	17,345,124	4,110,112	-	-	86,683,236
Financial assets at fair value through unrestricted investment accounts	71,457,019	-	-	-	-	71,457,019
Financial assets at low value through income statement	1,565,294	-	-	-	-	1,565,294
Other assets	(242,446)	806,370	3,050	-	-	566,974
Total assets	288,806,015	25,310,467	4,793,731	267,992	2,439,965	321,618,170
liabilities:						
Banks and financial institutions' accounts	1,813,581	92,953	-	-	9,767	1,916,301
(current, saving, term) Customers' accounts	251,718,244	18,404,074	4,702,493	-	1,678,616	276,503,427
Cash margins accounts	8,153,672	3,391,741	-	-	39,472	11,584,885
Other liabilities	10,866,912	3,031,713	9,568	-	30	13,908,223
Total liabilities	272,552,409	24,920,481	4,712,061	-	1,727,885	303,912,836
Net concentration in current year's financial position	16,253,606	389,986	81,670	267,992	712,080	17,705,334
Contingent liabilities outside current year's financial position	81,239,492	11,869,225	-	-	16,484,273	109,592,990

	31 December 2020					
	US Dollars	Euro	GBP	Japanese Yen	Others	Total
Total Assets	238,323,903	20,823,121	6,145,394	175,683	2,539,279	268,007,380
Total Liabilities	218,748,161	20,810,841	6,131,156	(71,295)	2,140,859	247,759,722
Net concentration in current year's financial position	19,575,742	12,280	14,238	246,978	398,420	20,247,658
Contingent liabilities outside current year's financial position	36,328,007	5,727,613	-	56,087	19,622,451	61,734,158

3- Stocks price risk:

Financial assets price risk is related to the supply and demand in the financial markets which causes a change in the fair value of the investments portfolio. The Treasury Department uses scientific and advanced financial bases to mitigate the risk of price change and to ensure that the Bank and the Bank's customers get better rates of return on their investments. The Department uses segmental and geographical distribution methodology and the credit ratings of the best credit rating agencies (Moody's, Standard & Poor, etc...). Moreover, the department analyses the financial indicators of these prices and evaluates them with a fair estimate of the weighted weight for the total investment portfolios managed by the bank to manage them accurately to ensure the risk of price fluctuations.

Below is the effect of market index movement by 5% with the other variables being constant:

2021	Increase in the indicator (5%)	Impact on consolidated statements of income	Impact on equity	Impact on unrestricted investment accounts holders
Indicator	JD	JD	JD	JD
Amman Stock Market	23,933	-	-	23,933
Foreign markets	3,491	3,491	-	-

2020	Increase in the indicator (5%)	Impact on consolidated statements of income	Impact on equity	Impact on unrestricted investment accounts holders
Indicator	JD	JD	JD	JD
Amman Stock Market	13,680	-	-	13,680
Foreign markets	2,493	2,493	-	-

The impact of the decrease in the exchange rate by 5% has the same impact of the opposite sign.

4- COMMODITIES RISKS

Commodities risks are caused by any fluctuations in the prices of tradable or leasable assets, and relate to the current and future fluctuations in the market values of specific assets. The Bank is exposed to fluctuations in prices of fully-paid commodities after concluding the sale contracts during the year of possession, in addition to being exposed to the fluctuation in the residual value of leased asset at the end of the lease term.

(48/C) LIQUIDITY RISKS

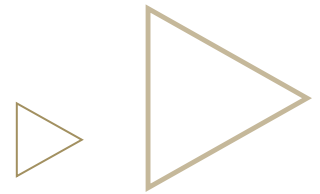
The Cash Liquidity management ensures the Bank's ability to meet short and long-term cash obligations. The Bank's cash liquidity is reviewed and managed regularly. The cash obligations and available funds are assessed daily by the finance department and treasury department. Moreover, review and analysis of cash liquidity of the Bank's assets and liabilities are performed on a monthly basis. Moreover, the maturity of assets and liabilities is analysed. This also includes analysis of the sources of funds according to the nature of the sources and their uses.

First: below is a summary of the maturities of the Bank's undiscounted liabilities and unrestricted investment accounts holders' , based on the contractual payment date as of the date of the consolidated financial statements :

31 December 2021:	Less than one month	1-3 months	3-6 months	6 months to 1 year	1-3 year	More than 3 years	Without maturity	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Bank and financial institutions' accounts	16,530,718	-	-	-	-	-	-	16,530,718
Customers' current accounts	290,066,768	-	-	-	-	-	-	290,066,768
Cash margins accounts	45,399,354	2,398,481	2,182,612	6,314,897	-	-	-	56,295,344
Income tax provisions	8,332,402	-	-	-	-	-	-	8,332,402
Other provisions	440,000	-	-	-	-	-	-	440,000
Lease obligations - long term	-	80,427	-	6,000	2,400,532	8,091,827	-	10,578,786
Other liabilities	29,511,362	15,631,927	5,862,777	205,259	-	-	-	51,211,325
Unrestricted investment accounts	295,094,472	312,941,778	331,392,892	692,787,270	126,807,268	-	-	1,759,023,680
Total	685,375,076	331,052,613	339,438,281	699,313,426	129,207,800	8,091,827	-	2,192,479,023
Total assets maturities as expected due dates	491,283,058	185,992,568	130,532,585	157,276,555	503,610,464	828,760,437	38,679,652	2,336,135,319
31 December 2020:	Less than one month	1-3 months	3-6 months	6 months to 1 year	1-3 year	More than 3 years	Without maturity	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Bank and financial institutions' accounts	25,085,579	-	-	-	-	-	-	25,085,579
Customers' current accounts	228,380,089	-	-	-	-	-	-	228,380,089
Cash margins accounts	18,807,969	5,424,833	1,733,339	1,005,022	-	-	-	26,971,163
Income tax provisions	8,298,808	-	-	-	-	-	-	8,298,808
Other provisions	954,597	-	-	-	-	-	-	954,597
Lease liabilities - long term	-	-	90,321	65,570	404,131	9,603,224	-	10,163,246
Other liabilities	24,614,850	8,880,185	6,440,634	486,370	-	-	-	40,422,039
Unrestricted investment accounts	228,823,688	280,223,225	286,310,731	489,660,270	55,128,078	-	-	1,340,145,992
Total	534,965,580	294,528,243	294,575,025	491,217,232	55,532,209	9,603,224	-	1,680,421,513
Total assets maturities as expected due dates	474,801,652	123,335,876	143,156,998	140,151,706	419,382,970	494,495,770	24,914,231	1,820,239,203

Second: Off statement of financial position items

	Up to 1 year	
	2021	2020
	JD	JD
Letters of credit	51,060,277	11,188,541
Acceptances	9,862,493	7,866,839
Letters of guarantee	39,003,562	38,367,401
Unutilized limits	119,306,051	132,003,890
Total	219,232,383	189,426,671



(49) SEGMENT INFORMATION

a. Information on the Bank's Activities

The Bank is structured for administrative purposes whereby sectors are measured according to the reports used by the executive director and main decision maker at the Bank through three major business sectors :

Retail Accounts:

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

Corporate Accounts:

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

Treasury:

This sector handles the services of brokerage, treasury and management of the Bank's funds.

Information on the Bank's segments according to activities is shown as follows:

	Retail	Corporate	Treasury	Other	2021	2020
					Total	Total
	JD	JD	JD	JD	JD	JD
Total revenues (joint and self financed)	25,335,975	20,975,643	12,040,076	346,654	58,698,348	52,358,488
Expected credit losses (joint and self financed)	(3,969,629)	(5,279,598)	(272,126)	-	(9,521,353)	(10,044,870)
Results of segment's operations	21,366,346	15,696,045	11,767,950	346,654	49,176,995	42,313,618
Distributed expenses	(2,028,135)	(760,004)	(420,348)	-	(3,208,487)	(4,148,420)
Undistributed expenses	-	-	-	(23,151,328)	(23,151,328)	(22,334,178)
Profit for the year before tax	19,338,211	14,936,041	11,347,602	(22,804,674)	22,817,180	15,831,020
Income tax expense	-	-	-	(8,756,860)	(8,756,860)	(5,663,881)
Profit for the year	19,338,211	14,936,041	11,347,602	(31,561,534)	14,060,320	10,167,139
					2021	2020
					JD	JD
Segments' assets	680,576,447	764,964,564	466,341,185	-	1,911,882,196	1,408,632,562
Undistributed assets	-	-	-	424,253,123	424,253,123	411,606,641
Total assets	680,576,447	764,964,564	466,341,185	424,253,123	2,336,135,319	1,820,239,203
Segments' liabilities and total equity of unrestricted investment accounts holders	1,581,887,745	428,219,430	93,363,036	-	2,103,470,211	1,609,935,226
Undistributed liabilities	-	-	-	69,987,381	69,987,381	55,686,570
Total liabilities and Total equity of unrestricted investment accounts holders	1,581,887,745	428,219,430	93,363,036	69,987,381	2,173,457,592	1,665,621,796

	2021	2020
	JD	JD
Capital expenditure	2,618,039	2,180,990
Depreciation and amortization	3,240,190	3,182,555

Geographical Distribution Information

The following disclosure represents the geographical distribution. The Bank performs its operations mainly inside the Kingdom.

Distribution of the Bank's revenue, assets and capital expenditure according to geographical area is as follows:

	31 December 2021			31 December 2020		
	Inside Jordan	Outside Jordan	Total	Inside Jordan	Outside Jordan	Total
	JD	JD	JD	JD	JD	JD
Total assets	2,169,640,925	166,494,394	2,336,135,319	1,662,808,744	157,430,459	1,820,239,203
Total revenue	56,422,880	2,275,468	58,698,348	49,383,907	2,974,581	52,358,488
Capital expenditure	2,618,039	-	2,618,039	2,180,990	-	2,180,990



(50) CAPITAL MANAGEMENT

The Bank's management takes into consideration the Central Bank of Jordan's requirements which require the Bank to have sufficient self-financed resources to cover a certain percentage of its risk-weighted assets based on the nature of the finance granted and direct investment made. Accordingly, the capital considered as per the Central Bank of Jordan's requirements is the regulatory capital (both basic and additional capital) .

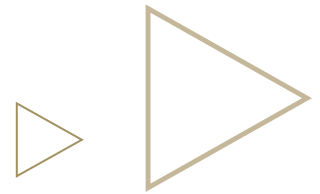
Capital management aims to invest the Bank's fund in various risk-weighted investments (low and high risk) to ensure that the Bank obtains a better rate of return and to maintain a capital adequacy of 12% as required by the Central Bank of Jordan.

The capital adequacy ratio is calculated as on 31 December 2021 according to the instructions of the regulatory capital No. (2018/72) issued by the Central Bank of Jordan in accordance with the revised standard No. (15) issued by the Islamic Financial Services Council (IFSB) in support of the provisions of Article (99) / B) from the Banking Law. The following is the capital adequacy ratio in thousands of dinars:

	31 December	
	2021	2020
	JD '000	JD '000
Basic capital items	151,339	142,516
Authorised and Paid in capital	100,000	100,000
Retained earnings	32,911	27,132
Statutory reserve	29,767	27,485
Proposed dividends	(6,000)	(6,000)
The bank's share of the fair value reserve in full if the fund's are mixed	35	65
Intangible assets	(1,920)	(2,025)
Deferred tax assets (self financed)	(669)	(807)
The Bank's share of the deferred tax assets (jointly financed)	(2,614)	(1,925)
The bank's share in the capital of banks and financial Institutions	(171)	(1,409)
Additional capital	-	-
Supporting capital	2,133	2,541
Self financed general banking risks reserve and the bank's share from the General banking risks reserve (joint) (not to exceed 1.25% of the weighted of financial assets weighted by credit risks)	2,152	2,563
Investment in financial banks and takaful companies that is less than 10%	(19)	(22)
Investments in non-consolidated subsidiaries' capital accounts with bank accounts	-	-
Total regulatory capital	153,472	145,057
Total risk weighted assets	846,971	738,104
Capital adequacy ratio (%)	18.12%	19.65%
Basic capital ratio (%)	17.87%	19.31%
First slide ratio Tier 1 (%)	17.87%	19.31%
Second slide ratio Tier 2 (%)	0.25%	0.34%
Leverage ratio	14.04%	16.11%

(51) LIQUIDITY COVERAGE RATIO

- The liquidity coverage ratio in total amounted to 324.3% as on 31 December 2021 with an average rate of 427.0% during the period (376.9% as on 31 December 2020 and an average rate of 466.9% during the year).
- The liquidity coverage ratio in Jordanian Dinars reached 269.9% as on 31 December 2021 with an average rate of 252.9% during the period (232.7% as on 31 December 2020 and an average rate of 223.1% during the year).



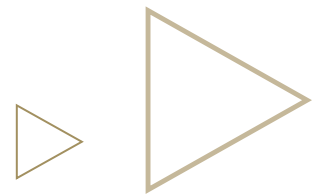
(52) ASSETS AND LIABILITIES MATURITY ANALYSIS:

Information on the Bank's segments according to activities is as follows:

31 December 2021	Within one year	More than one year	Total
	JD	JD	JD
Assets			
Cash and balances with Central Bank	358,653,364	-	358,653,364
Balances at Banks and financial institutions	8,293,931	-	8,293,931
International Wakala investments	86,124,648	-	86,124,648
Financial assets at fair value through statement of income	1,565,294	-	1,565,294
Deferred sale receivables and other receivables, net	405,461,658	657,753,636	1,063,215,294
Financial assets at fair value through unrestricted investment accounts	3,043,458	161,320,219	164,363,677
Financial Assets at Amortized Cost- Net	27,439,000	37,313,000	64,752,000
Investment in associate	343,708	-	343,708
Ijara Muntahia Beltamleek assets, Net	53,199,183	480,606,073	533,805,256
Qard hasan-Net	1,109,661	509,660	1,619,321
Property and equipment-Net	-	22,333,251	22,333,251
Intangible assets-Net	-	1,919,527	1,919,527
Right to use assets	72,081	9,295,187	9,367,268
Deferred tax assets	6,734,092	-	6,734,092
Other assets	13,044,688	-	13,044,688
Total assets	965,084,766	1,371,050,553	2,336,135,319
Liabilities and equity of unrestricted investment accounts' holders			
Banks and financial institutions' accounts	16,530,718	-	16,530,718
Customers' current accounts	290,066,768	-	290,066,768
Cash margins accounts	56,124,802	-	56,124,802
Income tax provision	8,332,402	-	8,332,402
Other provisions	440,000	-	440,000
Lease liabilities-long term	85,839	9,256,715	9,342,554
Other liabilities	51,211,325	-	51,211,325
Fair value reserve – net	82,413	-	82,413
Unrestricted investment accounts	1,614,519,342	126,807,268	1,741,326,610
Total liabilities and equity of unrestricted investment accounts holders	2,037,393,609	136,063,983	2,173,457,592
Net	(1,072,308,843)	1,234,986,570	162,677,727



31 December 2020	Within one year	More than one year	Total
	JD	JD	JD
Assets			
Cash and balances with Central Bank	351,694,499	-	351,694,499
Balances at Banks and financial institutions	9,669,834	-	9,669,834
International Wakala investments	78,717,349	-	78,717,349
Financial assets at fair value through statement of income	1,513,175	-	1,513,175
Deferred sale receivables and other receivables, net	336,919,831	416,983,367	753,903,198
Financial assets at fair value through unrestricted investment accounts	7,808,395	50,680,588	58,488,983
Financial Assets at Amortized Cost- Net	27,439,000	64,752,000	92,191,000
Investment in associate	349,507	-	349,507
Ijara Muntahia Beltamleek assets, net	50,210,620	371,856,876	422,067,496
Qard hasan	1,072,714	648,546	1,721,206
Property and equipment-Net	-	22,889,345	22,889,345
Intangible assets-Net	-	2,024,886	2,024,886
Right to use assets	12,009	8,957,363	8,969,372
Deferred tax assets	5,313,875	-	5,313,875
Other assets	10,725,424	-	10,725,424
Total assets	881,446,232	938,792,971	1,820,239,203
Liabilities and equity of unrestricted investment accounts' holders			
Banks and financial institutions' accounts	25,085,579	-	25,085,579
Customers' current accounts	228,380,089	-	228,380,089
Cash margins accounts	26,856,968	-	26,856,968
Income tax provision	8,298,808	-	8,298,808
Other provisions	954,597	-	954,597
Lease liabilities-long term	152,726	8,745,902	8,898,628
Other liabilities	40,422,039	-	40,422,039
Fair value reserve – net	151,894	-	151,894
Unrestricted investment accounts	1,271,445,116	55,128,078	1,326,573,194
Total liabilities and equity of unrestricted investment accounts holders	1,601,747,816	63,873,980	1,665,621,796
Net	(720,301,584)	874,918,991	154,617,407



(53) COMMITMENTS & CONTINGENT LIABILITIES :

A .Credit commitments and commitments/Self: *

	31 December 2021	31 December 2020
	JD	JD
Letters of credit	51,060,277	11,188,541
Acceptances	9,862,493	7,866,839
Letters of guarantees:		
Payment	9,091,293	8,178,256
Performance	12,988,791	12,311,636
Others	16,923,478	17,877,509
Total	99,926,332	57,422,781

B. Contingent credit and commitments/jointly financed

	31 December 2021	31 December 2020
	JD	JD
Direct unutilized credit limits	119,306,051	132,003,890
Total	119,306,051	132,003,890

*Indirect unutilized credit limits / self financed amounted to JD (24,212,165) as of 31 December 2021.

The expected credit losses recorded against contingent credit commitments/self financed amounted under the implementation instructions of FAS (30) issued by Organization for Islamic Financial Institutions to JD 341,536 as at 31 December 2021 (JD 238,578 31 as at December 2020) and recorded in the other liabilities (note21).

The expected credit losses recorded against contingent credit commitments/jointly financed amounted under the implementation instructions of FAS (30) issued by Organization for Islamic Financial Institutions to JD 841,925 as at 31 December 2021 (JD 976,641 31 as at December 2020) and recorded in other liabilities (note 21).

(54) LAWSUITS AGAINST THE BANK

The Bank is a defendant in a number of lawsuits, which amounted to JD720,885 as at 31 December 2021 (JD 624,553 31 as at December 2020) and that is within the bank's normal activity. In the opinion of the Bank's Management and its legal advisor, the related provision of JD 340,000 is adequate should any liabilities arise therefrom.

(55) FAIR VALUE HIERARCHY

IFRS 13 requires the identification and disclosure of a level in the fair value hierarchy in which fair value measurements are categorized in full, and the fair value measurements are classified according to the levels specified in IFRS. The difference between level (2) and level (3) for fair value measurements means assessing whether information or inputs are observable and the importance of information that is not observable. This requires careful judgment and analysis of the inputs used to measure fair value including consideration of all factors affecting the asset or liability.

A. Fair value of financial assets and financial liabilities that are measured at fair value on a recurring basis:

Some of the financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table provides information about how the fair value of these financial assets and financial liabilities is determined (valuation techniques and key inputs).

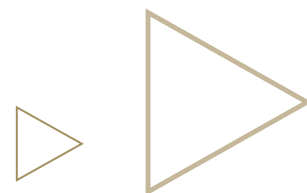
Financial Assets/Financial Liabilities	Fair value as at		Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable	Relationship of unobservable inputs to fair value
	31 December 2021	31 December 2020				
	JD	JD				
Financial assets at fair value through shareholders' equity - self financed	1,565,294	1,513,175	Level 1	Quoted rates in financial markets	Not applicable	Not applicable
Financial assets at fair value through unrestricted investment accounts' holders equity						
Quoted shares	478,651	273,603	Level 1	Quoted rates in financial markets	Not applicable	Not applicable
Quoted sukuk	71,224,219	53,971,606	Level 1	Quoted rates in financial markets	Not applicable	Not applicable
Unquoted shares	2,564,807	2,179,574	Level 3	The latest financial prices available	Not applicable	Not applicable
Unquoted sukuk	90,096,000	2,064,200	Level 2	A similar financial instrument	Not applicable	Not applicable
Total Financial assets at fair value through unrestricted investments accounts	164,363,677	58,488,983				
Total	165,928,971	60,002,158				

There were no transfer between level 1 and 2 during the year ended 31 December 2021 and the year 2020.

B. Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis:

Except for what is detailed in the following table, we believe that the carrying amounts of financial assets and financial liabilities recognized in the Bank's financial statements approximate their fair values .

	31 December 2021		31 December 2020		Fair value hierarchy
	Book value	Fair value	Book value	Fair value	
	JD	JD	JD	JD	
Financial assets not calculated at fair value					
Cash and bank balances	366,947,295	366,947,295	361,364,333	361,364,333	Level 2
Qard hasan - Net	1,619,321	1,619,321	1,721,260	1,721,260	Level 2
Deferred sales receivables and other receivables	1,063,215,294	1,207,547,506	753,903,198	837,736,452	Level 2
Financial assets at amortized cost	64,752,000	65,774,037	92,191,000	93,315,652	Level 2
Ijara muntahia Bittamleek assets - Net	533,805,256	533,805,256	422,067,496	422,067,496	Level 2
Total financial assets not calculated at fair value	2,030,339,166	2,175,693,415	1,631,247,287	1,716,205,193	
Financial liabilities not calculated at fair value					
Customers' current accounts and unrestricted investment accounts	2,031,393,378	2,049,090,448	1,554,953,283	1,568,526,081	Level 2
Cash margin accounts	56,124,802	56,295,344	26,856,968	26,971,163	Level 2
Total financial liabilities not calculated at fair value	2,087,518,180	2,105,385,792	1,581,810,251	1,595,497,244	



(56) COMPARATIVE FIGURES

The comparative figures for the year 2020 balances in the consolidated financial statements were reclassified to correspond with 31 December 2021 presentation. The reclassifications did not have any effect on profit and equity for the year 2020.

List of financial Position items	After reclassification	Befour reclassification	The Difference
	31 December 2020	31 December 2020	
	JD	JD	
Deferred sales receivables and other receivables-net	753,903,198	754,662,396	(759,198)
Expected credit losses	35,250,425	35,479,917	(229,492)
Qard Hasan-Net	1,721,260	962,062	759,198
Expected credit losses (Qard Hasan)	249,312	19,820	229,492
List of consolidated Income and consolidated comprehensive income items	After reclassification	Befour reclassification	The Difference
	31 December 2020	31 December 2020	
	JD	JD	
Miscellaneous allowance expenses	(550,000)	-	(550,000)
Other expenses	(7,212,289)	(7,762,289)	550,000

(57) Accounts managed in favor of clients

Accounts managed in favor of clients amounted to JD 16,899,673 as on 31 December 2021 (JD 5,968,686 as on 31 December 2020). These accounts are not shown among the bank's assets and liabilities in the financial statements. Fees and commissions for managing these accounts are shown in the consolidated statement of income and comprehensive income, fees and commissions for managing these accounts amounted to JD7,144 for the year 2021 (JD 3,505 for the year 2020).

(58) Impact of Covid 19

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

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

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



A. Expected credit losses

The uncertainties caused by COVID – 19, have required the Bank to update the inputs and assumptions used for the determination of ECLs during the years 2020 and 2021. ECLs were estimated based on a range of forecast economic conditions as at that date and considering that the situation is fast evolving, the Bank has considered the impact of higher volatility in the forward-looking macro-economic factors, when determining the severity and likelihood of economic scenarios for ECL determination. This volatility has been reflected through adjustment in the methods of scenario construction and the underlying weightages assigned to these scenarios. The forward-looking factor (Credit Index or CI) used is determined from the observed historical credit index. The credit index is used to forecast expected probability of defaults for the credit portfolio of the Bank. In addition to the assumptions outlined above, the Bank has given specific consideration to the relevant impact of COVID – 19 on the qualitative and quantitative factors when determining the significant increase in credit risk and assessing the indicators of impairment for the exposures in potentially affected sectors and reflecting the Bank's management estimates (Management Overlay) in evaluating the impact on certain sectors or specific customers based on studying each sector or customers separately.

B. Valuation estimates and judgements

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

C. Deferred installments and customer credit ratings

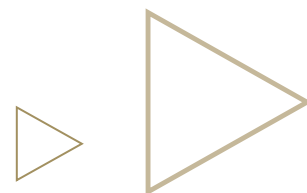
Based on the Central Bank of Jordan Circulars number 10/3/4515 issued on 15 March 2021 And previous circulars during the year 2020 to the banks operating in Jordan, the bank postponed the installments due or that would be due on some customers without considering this as a restructuring and without affecting the customer credit rating, the postponed installments amounted to around JD 103.6 million during the nine months period ended 31 December 2021 (JD 91 million during the year ended 31 December 2020).

(59) Standards issued but not yet effective

Financial Accounting Standard 1 - Amended 2021 (Public Presentation and Disclosure in Financial Statements)

This Standard defines and improves the comprehensive presentation and disclosure requirements stipulated in line with international best practices and replaces the accounting standard Finance No.1.

The standard applies to all Islamic financial institutions and other institutions that follow the financial accounting standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI). Financial Accounting Standard No. 1 - Amended 2021 is aligned with the amendments to the "Conceptual Framework for Financial Reporting of the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI)" (Amendment 2020) (Conceptual Framework). Amended Financial Accounting Standard No. 1 – 2021 will help prepare clear, transparent, and understandable financial statements, and in turn, will help users of financial statements to make better economic decisions.



Financial Accounting Standard No. 37 “Financial Reporting for Endowment Establishments”

This standard sets out the comprehensive accounting and financial reporting requirements for endowment institutions and similar institutions, including requirements for public presentation and disclosure and special presentation requirements such as yield requirements and basic accounting treatments related to some aspects of endowment institutions.

The principles contained in this standard are consistent with the principles and provisions of Sharia, and this helps to reach a better understanding of the information contained in the general-purpose financial statements and enhances the confidence of stakeholders in endowment institutions.

This standard will be applied as of 1 January 2022, with early application permitted. The newly established endowment foundation must apply this standard since its establishment.

Financial Accounting Standard No. 38 “(Promise), (Option), (Hedging)”

This standard describes the accounting and reporting principles and requirements for (promise), (option), and (hedging) arrangements for Islamic financial institutions. Many products such as Murabaha and Ijara offered by institutions incorporate the implementation of a promise or option in one way or another. An additional promise or option that aligns with this Standard is a promise or option associated with a Shariah-compliant arrangement concerning its structure that does not generate any asset or liability unless it turns into an impaired contract or liability.

On the other hand, a promise product or option is a stand-alone arrangement that is Shariah-compliant and is used either as a regular product or, sometimes, for hedging. It may take the form of a single transaction, series, or group of transactions and may transform into a future transaction or series of transactions, in line with Islamic Sharia principles and rules, such transactions emergence to an asset or liability for the parties, for the terms specified in this Standard.

Financial Accounting Standard No. 39 “Financial Reporting on Zakat”

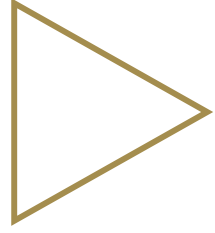
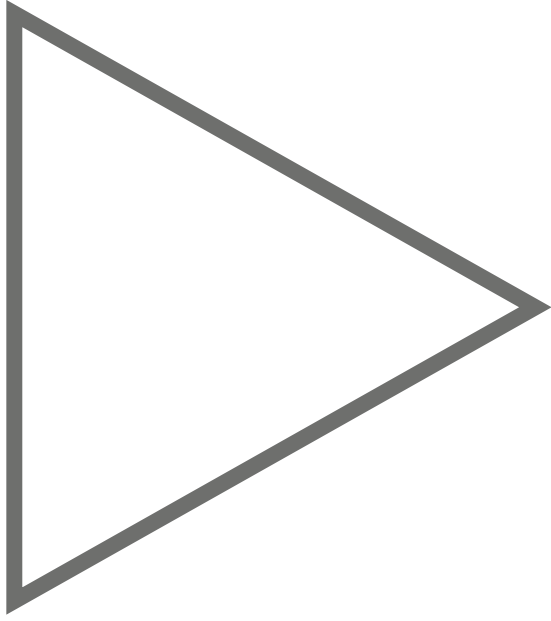
This standard improves and replaces the previously issued Financial Accounting Standard 9 “Zakat”. This standard aims to specify the accounting treatment of Zakat in the records of Islamic financial institutions, including presentation and disclosure in their financial statements.

The standard describes the applicable financial reporting principles based on the obligation of Islamic financial institutions to pay zakat. Additionally, if an Islamic financial institution is not required by law or its founding charter to pay zakat, it must still determine and disclose the amount of zakat due for the benefit of the various stakeholders.

This standard will be applied as of 1 January 2023, with early application permitted.

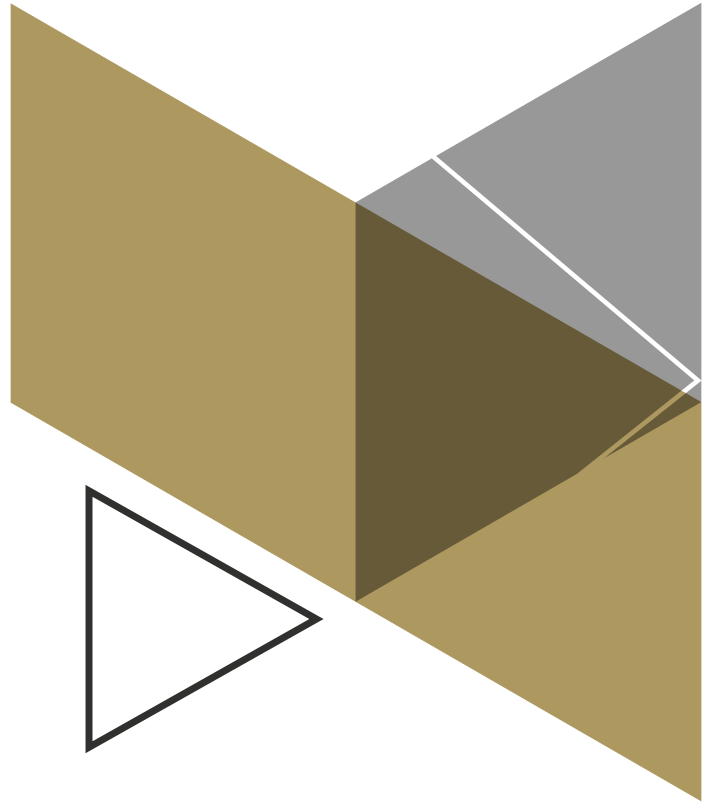
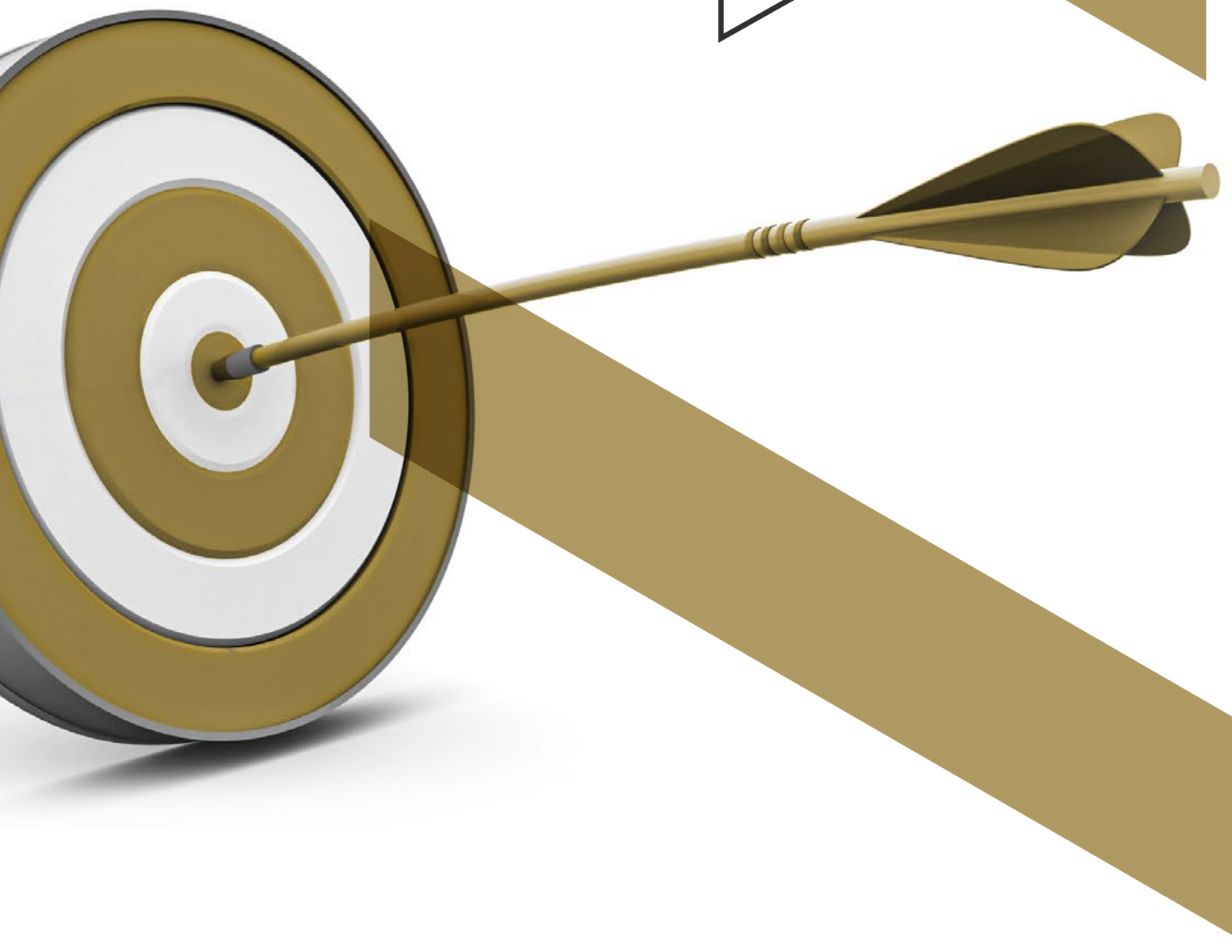
Financial Accounting Standard No. 40 “Financial Reporting for Islamic Finance Windows”

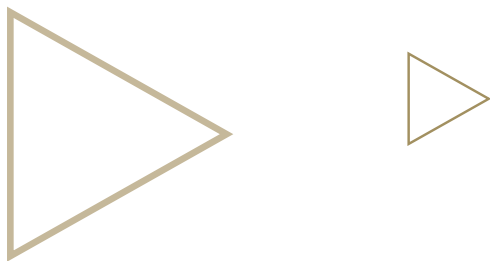
This standard improves and replaces FAS 18 “Islamic financial services provided by conventional financial institutions” and specifies financial reporting requirements applicable to conventional financial institutions that provide Islamic financial services. This standard requires traditional financial institutions that provide Islamic financial services through Islamic financing windows to prepare and submit financial statements for Islamic financing windows aligned with the requirements of this standard and other financial accounting standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI). This standard provides principles of financial reporting including presentation and disclosure requirements applicable to Islamic finance windows. This standard will be applied as of 1 January 2024, on the financial statements of Islamic financing windows for conventional financial institutions, allowing the early application, taking into account the simultaneous application of Financial Accounting Standard No. 1 “Public Presentation and Disclosure in Financial Statements”.



Board of Directors' Report
ACHIEVEMENTS
WE TAKE PRIDE IN



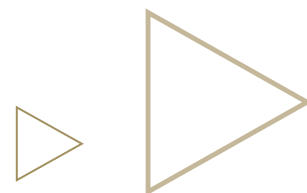




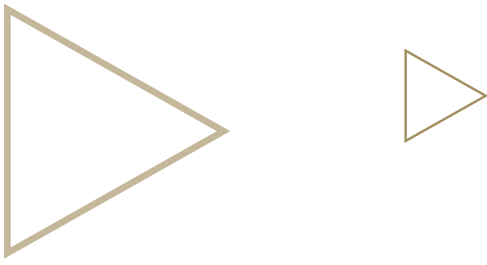
Board of Directors' Report

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Board of Directors' Report

Ladies and Gentlemen, Honorable Shareholders,

The Board of Directors of Safwa Islamic Bank is pleased to present the Annual Report on the Financial Statements, achievements, services and products that were developed during 2021; which highlights achieving several successes and strategic goals that had previously been identified, noting that these positive results will be reflected upon the Bank's shareholders and customers.

Since its inception in 2010, Safwa Islamic Bank has worked on providing integrated Islamic Banking solutions that combine core Islamic values with the latest technological innovations, with the aim of providing high quality services and a personal touch to meet the needs of its customers, all of which is embodied within the concept behind the Bank's motto: "Deeply rooted principles and innovative solutions".

Bank's achievements and significant events during 2021

The Bank has sought to establish a network of branches, the number of which has reached 40 branches as of this date, which are spread throughout the entire Kingdom, offering a variety of banking solutions which are in line with the provisions of Islamic Sharia within a modern framework. The Bank's operations have grown to reach an overall JOD 2.3 billion worth in assets, constituting a rate of growth of 28% from the previous year, whilst the Bank's financing and leasing ending with ownership portfolio has also grown to reach a value of JOD 1.6 billion, constituting a growth rate of 36%. Meanwhile, customer deposits at the Bank have reached JOD 2.0 billion, constituting a growth of 31%. The following are the most important achievements made by the various departments of the Bank:

Corporate Banking Services

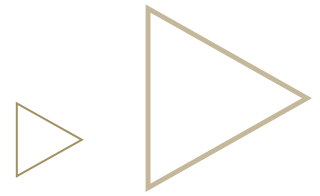
During 2021, the Corporate Banking Department achieved an excellent level of growth in its direct and indirect financing portfolio, along with a significant growth in deposits obtained from various customer segments; whereby the customers' base was expanded to encompass various economic sectors by building up a diversified portfolio of new high-quality customers in the medium to large sized enterprises sectors, spanning across various commercial, industrial, service, contracting, government as well as other fields and domains. Accordingly, the portfolio of direct and indirect facilities experienced a rate of growth of 32% for the year.

Since our primary concern revolves around serving our customers, we have enhanced our products and services which we offer to our customers. A number of new services were launched this year, and the Corporate Operations Support Departments were strengthened in order to enable them to serve our customers based on the highest possible levels of professionalism.

At our Corporate Banking Department, we are always keen to establish strategic and comprehensive relationships with our customers in the Jordanian market, centered around providing them with distinguished services, understanding their respective and special financing requirements and building long-term relationships with these companies, by providing banking solutions that are in line with the provisions of Islamic Sharia, with the aim of satisfying the different needs of companies through our reliance on an experienced team and relationship managers with the necessary level of experience in corporate banking. We continuously strive to provide the best services to our customers so that they may grow their businesses and move forward.

Retail Banking Services

At Safwa Islamic Bank, we are keen to strengthen our presence and to spread our branch network throughout the Kingdom, in order to be able to offer our services to the largest possible segment of customers. The Bank's branch network has continued to grow, reaching a total of 40 branches throughout the Hashemite Kingdom of Jordan, whereby, in addition to the capital, Amman, it covers the governorates of Irbid, Al Zarqa, Aqaba, Al Salt, Jerash, Madaba and Karak. Meanwhile, the number of external ATMs has reached 42, with the aim of providing a full range of services and products to meet the needs and aspirations of a wide range of customers.



In terms of deposits, the Bank offers services related to current accounts, savings accounts, basic bank accounts, investment deposit and investment certificate of deposit; the terms and conditions of which have been designed in highly flexible manner, along with the Hajj Sukuk products, which offers the opportunity to perform the duty of Hajj at an early age through saving and investing in the Hajj fund. Accordingly, the Bank was able to expand its base of customers, whereby the number of accounts exceeded 193,000 largely due to the various innovative accounts that were launched by the Bank, and the distribution of high profit returns on investment accounts.

In regards to financing services and products, the Bank has continued with its development operations in accordance with the highest standards through offering a set of financing solutions that are compatible with the provisions of Islamic Sharia for individuals, and that are designed in a manner that fulfills their requirements and aspirations. These financing solutions include: Murabaha car financing, Murabaha financing of goods and shares, house financing and financing of lands and offices in the form of Ijara ending with ownership, in addition to financing various services such as education and others, along with the Yusr product involved in facilitating paying off financial obligations for personal loans, vehicle loans and credit cards from conventional banks; and the Musawamah product, whereby the Bank has signed agreements with several major merchants operating in the Jordanian market, in addition to the possibility of refinancing real estate properties owned by the customer.

The Bank also offers all types of card services, such as direct debit "Visa Electron" cards, prepaid cards and the electronic Murabaha card, which operates in accordance with the provisions of the Islamic principle of Murabaha.

Evolution and transformation of the Bank's business

The Bank believes that the efficiency and effectiveness in carrying out banking operations is the basis for achieving a sustainable future with our customers, partners and stakeholders. The Bank has therefore worked hard on structuring its main operations and various models.

Safwa Islamic Bank has developed a system of digital services made available through its banking application and internet banking, Noting that these services are executed smoothly and in accordance with the highest levels of security. Our services are diversified, starting off from the basic service of opening up an account through the banking application at any time, linking any investment deposit, and various payment services such as: money transfers, bills payment, in addition to the Instant Payment System, paying through CLIQ service, which includes to requesting a cash payment or cash back payments. Safwa Islamic Bank has also launched a QR code based payment service, allowing our customers to make payments at POS points through their mobile phones instead of their cards.

Safwa Islamic Bank was the first bank to replace OTP payment verification with Biometric Authentication, which has made it possible to effect any financial transaction using a fingerprint or face detection. All of these features have made it easier for our customers to conduct various banking operations at any time and place.

The Bank has also developed its website: www.safwabank.com, in a manner that satisfies the needs of customers. We are working hard to keep pace with the continuous development and modernization taking place around the world. The website has witnessed a 55% increase in the number of visitors, along with a 350% increase in requests related to services. The website has served as a mechanism to stimulate our customers in various categories and services.

We have not lost sight of the importance of the role of the call center, which represents the first and most vital link between the bank and its customers. Logistical matters have been developed at the center in order to elevate the quality of services offered, having reached approximately 93%.



Small Business Banking

A number of centers and units affiliated with the Small Business Department have been established to cover all of regions throughout the Kingdom, and to provide the best level of banking services and facilities. Centers are established as follows:

1. Small Businesses Center / Amman, whereby a total of 4 units were created throughout various areas in Amman during the year, as follows:
 - West Amman Unit / Khalda Branch
 - South Amman Unit / Wehdat Branch
 - North Amman Unit / Sports City Branch
 - East Amman Unit / Headquarters
2. Small Enterprises Center / Irbid and Zarqa, where the Zarqa unit will be upgraded during this year, and the next year, another unit will be upgraded in Irbid.
3. South unit (Aqaba/Karak)

The amount of financing granted through the centers and units through the Small Enterprises Department from 01/01/2021 to 31/12/2021.

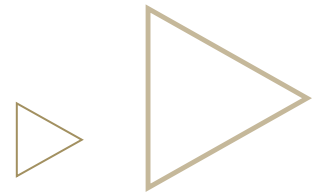
Portfolio size as at the end of 2021	Financing amount
Amman Unit	5,657,268
Irbid and Zarqa Unit	9,389,233
West Amman Unit	14,092,883
South Amman Unit	12,465,476
North Amman Unit	4,279,916
Karak Unit	1,452,738
Total	47,638,514

Treasury and Investment

The Treasury and Investment Department at Safwa Islamic Bank includes a qualified and professional team and professional team working in treasury, investment and capital markets, providing a range of modern products and services that are designed in a manner that is compatible with the provisions of Islamic Sharia, and that achieve the Bank's mission. The Treasury and Investment Department manages the Bank's budget in order to achieve the best possible return through relying on various investment methods that are aligned with the provisions of Islamic Sharia, in addition to managing financial positions in foreign currencies and the effective management of cash flows and related risks.

The Treasury and Investment Department has succeeded in benefitting from the expertise of its members, and harnessing this expertise in order to develop and improve Islamic hedging instruments in line with changing market trends, which are currently characterized by a great deal of volatility, dynamism and a lack of clarity for the future. This constitutes a major challenge for companies and institutions in the fields of managing both liquidity and market risks. The Treasury and Investment Department has relied on these experiences in order to provide innovative solutions that achieve the greatest benefits for all parties, and that are specially designed in accordance to the customers' requirements in line with the provisions of Islamic Sharia. The Department has also ensured that the innovative solutions it develops are the best and most suitable for existing market conditions. Accordingly, the Department is constantly working on developing and upgrading the solutions that it offers to meet the needs of its customers in the domains of investment, liquidity and risk management.

As a part of its commitment to support the national economy, and the necessity to activate the partnership between the private and public sectors, the Bank has been keen to enhance the ability of its clients in exploiting investment agreements with the Central Bank of Jordan, the main aim of which is to provide medium-term sources of funding for the various economic sectors in several domains, in order to conduct their business at low costs and mitigating the impact of the Coronavirus pandemic on them.

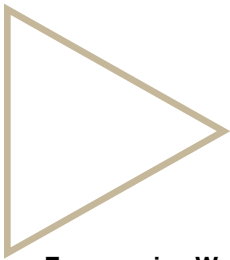


We were also able to fund the Military Housing Fund, which had a positive impact in supporting a wide segment of the Jordanian society, represented by members of the Jordanian Armed Services, with the aim of achieving the vision and mission of King Abdullah II bin Al Hussein and the Crown Prince.

Human Resource Management

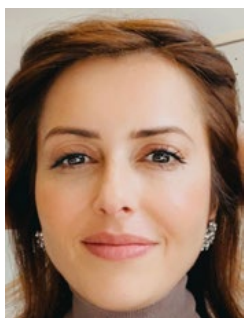
Stemming from importance of the strategic role played by the human element at Safwa Islamic Bank, and the direct contribution it makes towards achieving the strategic objectives of the Bank; at Safwa Islamic Bank we are keen on developing the capabilities and skills of our employees, by valuing and preserving their expertise through a set of achievements that occurred during 2021, and as demonstrated below:-

1. The Safwa Future Stars campaign was implemented for the third year in a row. The campaign aims at empowering students who are currently undergoing their studies at Jordanian universities, in order to grant them with a real opportunities to develop and enhance their skills in a practical manner that suits our Jordanian Islamic banking institution.
2. Launching the “Mena Me Application,” whereby the application allows employees to submit vacation and leave requests, and to accurately record working hours through the use of Google Maps and GPS technology; along with many other operations that contribute to facilitating the offering of human resource services for our employees.
3. The “Sallalem e-Training Company” contract was renewed in accordance with the Bank’s human resources strategy, and based on the Bank’s keenness to keep up with technological development in supporting, developing and facilitating the training process, and providing employees with information and knowledge related to the various business areas.
4. Developing specialized training materials by designing educational videos and uploading them to the electronic training platform. This has helped to save time and effort, and to reduce errors, enhance skills and qualify employees, in addition to assisting them in learning about new things.
5. A medical clinic was established within the Headquarters building, and fully equipped with the latest medical equipment and tools. The clinic was established with the aim of making available highly qualified and full time medical staff to secure the best health care methods for the Bank’s employees and customers, in addition to offering employees with immediate medical check-ups and PCRs.
6. A total of 22 human resource management policies were reviewed and approved by the Board of Directors.
7. A total of 1% in employee expenses was saved as at the end of the forth quarter of 2021, amounting to JOD 84,441.
8. The Internal Control Department affiliated with Central Operations Department was cancelled, and its employees were given the chance to cover vacancies in other departments of the Bank.
9. The process of granting advance salaries was automated through the “Hasan Financing” product offered through the banking system.
10. Honoring the first three branches that were able to achieve the highest level of profitability during 2020 in a special ceremony.
11. Granting a basic salary as a bonus, in appreciation of the efforts made to achieve the various objectives of the Bank.
12. Adjustments were made to the employees’ performance financing policy in a manner that reflects positively on employees and increases the level of their loyalty and affiliation to the Bank.
13. Commencing work on the virtual branch project in order to train employees on developing and enhancing their skills, with the aim of securing qualified and trained cadres with the best set of skills for providing services to customers with high quality, and in accordance with policies and procedures.
14. Working on automating requests for overtime allowances, in order to save time and effort necessary instead of preparing them manually.



Empowering Women

In Safwa we believe in the importance of the role played by women in the national economy, and the necessity of empowering them and enhancing their opportunities and capabilities, by providing them with all of the necessary means and tools to activate their leadership role; the Bank has achieved numerous strategic accomplishments in this regard, whereby the number of females working at the Bank reached (35%) of the total number of employees, (20%) of whom occupy managerial and leadership positions. This was a direct result of the Bank's efforts to prioritize and focus on increasing the percentage of female designation. Accordingly, female assigned constituted (41%) of total assignments for the year 2020 and 2021. This occurred alongside the focus on increasing the number of females in managerial positions, by empowering and providing them with the necessary training and guidance, in addition to involving them in committees and internal work teams which aims to enhance their ability to take important decisions. Moreover, the percentage of females in secondary positions reached (30%), representing an important and essential step for the bank to increase female representation within the top management team. Examples are provided below for the women who hold important leadership and managerial positions at the Bank.



Eng. Zeina Tariq Hosni Khirfan / Head of Business Transformation Department

Zeina joined the Bank on 21 / 09 / 2010 as a Service Quality Manager. She has 18 years of experience, during which she had worked as the Head of Excellence Department and then Head of the Business Transformation Department. She began her career at Aramex, as an Operations Team Leader, and then moved on to work for Agility as a Chief Assurance Quality Officer.

Eng. Zeina obtained a bachelor's degree in Industrial Engineering from the Hashemite University in 2003. She also holds the following international certifications: Six Sigma, PMP, EFQM and ISO Lead Auditor.



Hiba Hassan Othman Al-Badwan / Head of Branches Network

Hiba joined the Bank on 15 / 04 / 2010 as a branch manager with an experience of 19 years in banking. She began her career at Arab Bank, and her last job there was branch manager.

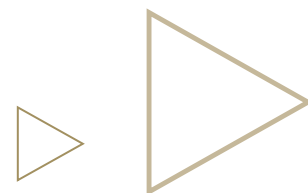
Ms. Hiba obtained a bachelor's degree in Accounting from the University of Jordan.



Yoaad Abdul Karim Faisal Al-Dughmi / Head of Corporate Communications and Marketing Department

Yoaad joined the Bank on 02 / 05 / 2012 as a Senior Corporate Communications and Marketing Officer, with an extensive experience of 16 years. She began her career as a Director of the General Manager's Office at Space Telecommunications Company, after which she moved to work at the Prime Ministry as a researcher and advisor to the Prime Minister for Parliamentary Affairs.

Ms. Yoaad obtained a bachelor's degree in English Language and Literature from the University of Jordan in 2005.



Support departments (central operations / Corporate services / Engineering and Real Estate / Total Quality Management

During the past four years, Safwa Islamic Bank has achieved a significant level of growth, whereby it has doubled the Bank's budget, and the number of current branches reached 40 branches located within the capital of Amman and the main cities of the Kingdom. The spread of the Bank's branches has made access easier for a larger percentage of customers, whereby there has been a significant increase in the number of bank customers, which was reflected in a significant growth in the numbers and volumes of financial operations executed by the Bank.

This growth placed numerous challenges to the Bank's management, especially when it comes to ensuring that transactions are executed within approved standard times and with high quality, reflecting the principles of the Bank in putting customers amongst its top priorities, whilst maintaining the quality of services provided, and simultaneously working to increase the Bank's profitability by reducing operational expenses and increasing profits. This has been achieved by automating as many operations as possible, and re-structuring operations in many departments, along with a subsequent modification of policies and procedures based on the work requirements.

Over the past few years, the Bank has relied on placing the issue of digitization amongst its top priorities. Numerous operations have been automated by developing various banking systems, namely the mobile banking application, which has allowed customers to carry out a large number of transactions, such as: remittances (automatically) without having to refer back to the Bank. Furthermore, work has been done to develop a mechanism for electronically opening up new accounts for existing customers at the branch or remotely.

The process of digitization poses several major challenges to the management to provide the necessary level of protection for customer information and to prevent electronic attacks, as well as providing job security for employees, to ensure their loyalty, due to the automation which occurred in some of the departments. Rather, work has been done to restructure certain departments in order to keep up with technological developments, and accordingly, numerous employees have been moved around to other departments. This has led to an improvement of the (cost to income ratio).

In order to keep up with the aforementioned development, it was necessary to invest in the human resources, aiming to evaluate employee efficiency, and to work on finding replacement employees. In coordination with the Human Resources Department several courses for employees were given to assure they can easily cope with new change. These courses were distinguished by being specialized based on the nature of the work of each department to which the employee belongs to, along with other general training courses concerned with the various products of the Bank, which aims to raise the overall efficiency of employees. Suitable training is also provided to employees on new systems and / or modifications obtained, in order to ensure the optimal use of these systems.

The spread of the Coronavirus pandemic has led to an increase in shipping costs, as well as an increase in delivery times, which in many cases have increased to more than double or three times. This rise in costs has imposed a major challenge to the Department of Corporate Services, making it necessary to work on identifying appropriate solutions and selecting other suppliers so as to continue securing the needs and requirements of the Bank at a reasonable price, high quality and within acceptable lead times, in order to ensure limiting the increase in the Bank's expenses, and ensuring the availability of materials in order to avoid any delay in the Bank's business and operations.

During 2021, a number of new branches were opened up. These branches were designed according to the Bank's requirements, and this was accomplished record time and at competitive prices, taking into account the challenges of the coronavirus pandemic, which has led to an increase in the prices of raw materials used in the design of branches. Nevertheless, a great deal of work was put into finding alternatives at lower prices in order to ensure that the same levels of design costs were maintained.



The previously mentioned challenges were not only limited to banking (financial) operations, but they expanded to the real estate market, whereby it was necessary to ensure that fair real estate evaluations were obtained for the properties intended to be financed or mortgaged to the Bank. Numerous external real estate evaluation experts were relied upon, in addition to the internal evaluations that entailed comparing prices and studying any changes in real estate prices within the local market, so as to ensure access to the fair market value of the properties.

All of the above has led to major breakthroughs and modifications to the working procedures and policies adopted at the Bank, whereby the Quality Department has introduced a number of necessary changes to policies and procedures in order to ensure remaining abreast of technological developments in terms of digitization of several processes, or in terms of the changes introduced to numerous instructions and laws.

Information Technology Department

The Bank firmly believes that the future of banking services depends on its ability to work with a sufficient degree of flexibility, and to adopt the most suitable skills required for digital transformation. In 2021, the Bank took significant steps in this direction by identifying strategies for digital transformation in the short and long terms, and by setting the priorities in this field. This helped the Bank to provide comprehensive solutions that ensure providing the best services to its customers, whether companies or individuals, through the development of simplified and modern applications for mobile phones and the internet, the most prominent being Cliq service, and opening a deposit account deposits, in addition to authorizing financial transactions through the use of Biometric features. These achievements have contributed to an increase in the number of subscribers to the mobile banking system account to more than 50% of the total number of customers.

In accordance with the instructions of the Central Bank of Jordan, the Bank's management was keen to complete 16 IT projects in order to reach the required level of services, and to satisfy requirements for compliance with the Informational Technology Governance Department, namely the 2019 Cobit Standard; in addition to maintaining the highest levels of security and protection standards, such as PCIDSS and cybersecurity.

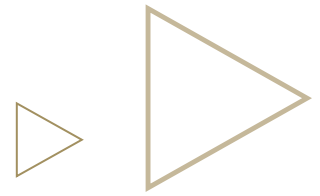
Sharia Supervisory Department

The Sharia Supervisory Department draws its strength from the presence of a distinguished Sharia Supervisory Board with long-standing Sharia banking expertise in the world of Islamic banking. The department is keen to ensure the implementation of the fatwas and decisions of the Sharia Supervisory Board, all of which relate to the Bank's activities, by monitoring and auditing all business, and by conducting a comprehensive study of contract templates, product policies and procedures, and the transactions executed.

The Department is also involved in communicating on a daily basis with the various other departments and employees of the Bank in order to review any issues that may have emerged during implementation, and to answer them in accordance with the decisions of the esteemed Sharia Supervisory Board.

Achievements of the Sharia Supervisory Board during 2021:

- Contributed to the launch of the Musawamah product through the electronic murabaha card
- Established a service related to buying and selling foreign Sukuk shares in compliance with the provisions of Islamic Sharia for customers, and in coordination with the Treasury Department.
- Introduced a vehicle leasing product in cooperation with the Bank's departments.
- Organizing and determining commissions and fees on projects and finances / large amounts limits, using an innovative mechanism, based on cost accounting, and obtaining the necessary approvals from the esteemed Sharia Supervisory Board.
- Contributed to the implementation of the Musawamah product for educational services.



Corporate Communications and Marketing Department

The Corporate Communication and Marketing Department has worked on positioning the brand and highlighting its corporate image in order to set it apart as a distinguished Islamic Bank which competes with its counterpart Islamic and conventional banks in Jordan, and building up advertising campaigns for the various innovative products and services offered by the Bank in all traditional and modern media to ensure reaching the largest possible segment of the target audience.

During the global coronavirus pandemic, the department was able to continue communicating with customers through all available channels. This was the case for the first period of the lockdowns, whereby this was the only official channel to communicate with the customers, due to the stability in the management of social media platforms.

The Appreciation campaign named "Thank you for being Safwa" has a positive impact on the hearts and minds of customers, whereby the department chose the month of October of each year to celebrate our customers and to give out various gifts and prizes to the largest number of customers. This has led to an increase in the number of bank customers in general, and an increase in the rate of customer satisfaction from the bank. We strive to continue launching this campaign every year, and in a new way each time.

The Bank's contribution to serving the local community and protecting the environment during 2021

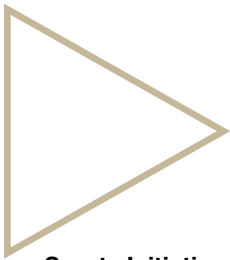
During 2020, the Bank continued to provide material and moral support for community initiatives, stemming from its keenness to participate in the development of all segments of the local community. The Bank made significant financial contributions during this exceptional year, which required us to stand by the public sector and to support it through all possible means. Examples of the contributions made by Safwa Islamic Bank to serve the local community include:

Educational and religious initiatives

- Sponsoring a project related to spreading financial culture in cooperation with the Central Bank of Jordan.
- Donating office supplies to the Hashemite University / Zarqa.
- Signing an agreement with the General Fatwa Department to sponsor religious competitions during the holy month of Ramadan.
- Donating more than 500 smart tablets to schools in the directorates of the Ministry of Education during the Centenary of the Founding of Jordan initiative.

Humanitarian and Health Initiatives

- Donating to the Jordan Nurses and Midwives Association account to support the families of nursing staff that passed away as a result of being infected with the coronavirus.
- Supporting the clinics of the Jordan Medical Aid Society for Palestinians in camps.
- Donating to the activities of the National Association for Consumer Protection.
- Supporting the economic and social forum titled "The Impact of the Coronavirus Pandemic on the Economic and Social Sectors" organized by the Al-Yasmeen foundation for training.
- Signing an agreement to support Tkiyet Um Ali Program for Voluntary and Charity Work.
- Donating to the Directorate of Public Security – goodwill parcels.
- Supporting the pharmacists coronavirus treatment fund affiliated to the Jordanian Pharmacists' Association.



Sports Initiatives

- Sponsoring the speed racing driver, Yazan Al Kattan during 2021 in his participation in the motorsport championship.
- Supporting Al Jazeera Sports Club – football team.

Supporting women and children

- Supporting Ma'an Orphans Charity Association.
- Donating to orphans registered with Sukaina Charitable Society for Social Support.
- Donating clothes to 100 independent single women of the National Aid Fund in cooperation with Clothing Bank.
- Donating winter clothes to more than 100 orphans covered by the services of the National Aid Fund program, in cooperation Clothing Bank.
- Donating clothes for 100 children with special needs, in cooperation and coordination with the Charitable Clothing Bank.

Supporting National Initiatives and Conferences

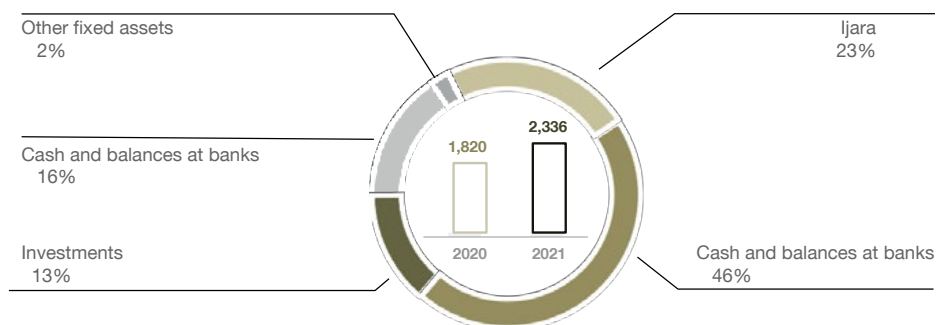
- Supporting the Fourth Arab Ministerial Forum on Housing and Urban Development.
- Silver sponsorship of the 1st Artificial Intelligence Exhibition and Conference for Defense Technology and Cybersecurity "AIDTSEC", which was held at the Dead Sea.



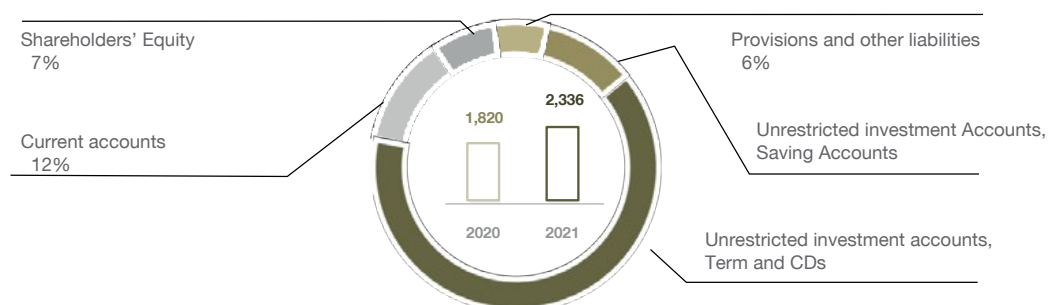
Analysis of the Bank's Financial Position and Key Ratios

Analysis of the Bank's Financial Position

Assets	JOD (millions)		Common size	
	2021	2020	2021	2020
Cash and balances at banks	367	361	16%	20%
Investments	317	231	13%	13%
Net sales and financing receivables	1,065	756	46%	42%
Ijara	534	422	23%	23%
Other fixed assets	53	50	2%	3%
Total	2,336	1,820	100%	100%



Liabilities and Equality	JOD (millions)		Common size	
	2021	2020	2021	2020
Current accounts	290	228	12%	13%
Unrestricted investment accounts, Term and CDs	1,497	1,156	64%	64%
Unrestricted investment Accounts, Saving Accounts	245	171	11%	9%
Provisions and other liabilities	142	111	6%	6%
Shareholders' equity	163	155	7%	8%
Total	2,336	1,820	100%	100%



Important Financial Ratios

		2021	2020	2019	2018
Profitability	Return on Equity	9.4%	6.8%	7.1%	6.0%
	Return on Assets	0.7%	0.6%	0.7%	0.8%
	Earnings per Share (fils/share)	141	102	100	084
	Cost to Income Ratio	44%	50%	49%	55%
Asset quality	Non-performing financing ratio	2.5%	2.6%	2.3%	2.2%
	Coverage Ratio Equityt	137%	141%	141%	123%
	Equity / Assets	7%	8%	9%	13%
Productivity	Operational Financial Leverage*	1.23	1.26	1.29	1.35
	Assets/Branch (JOD millions)	61.5	47.9	45.1	39.7
	Assets/Employee (JOD millions)	3.6	2.9	2.6	1.8

Profitability

- Profitability indicators are on an upward trend driven by the increase of the bank's balance sheet volume and the efficient management of the bank's resources.
- Significant decrease in the cost to income ratio from 50% to 44%.

- The low NPL rate is attributed to the overall quality of the portfolio and the continuous follow-up with customers.
- The Bank had maintained a competitive coverage ratio in comparison with the banking sector, and contributed to strengthen its financial position through building extra provisions to be able to face any potential future outcome of the corona pandemic.

Asset Quality

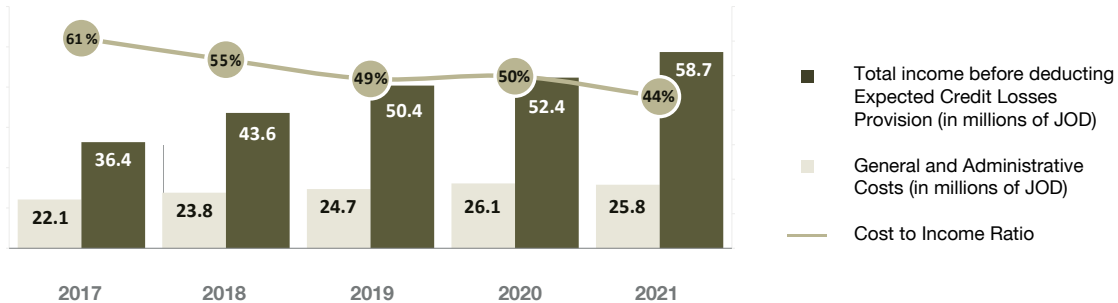
Productivity

- The Bank showed a year – to – year improvement in its ability to cover fixed expenses through the improved operating leverage.
- Productivity indicators related to the number of employees and the number of branches showed an improvement, which was due to the increase in the Bank's balance sheet and the optimal use of resources

*Operational financial leverage Measure the ability of an establishment to cover its fixed costs, and is calculated as follows: (total income and other revenues) divided by (total income and other revenues – fixed general and administrative costs).

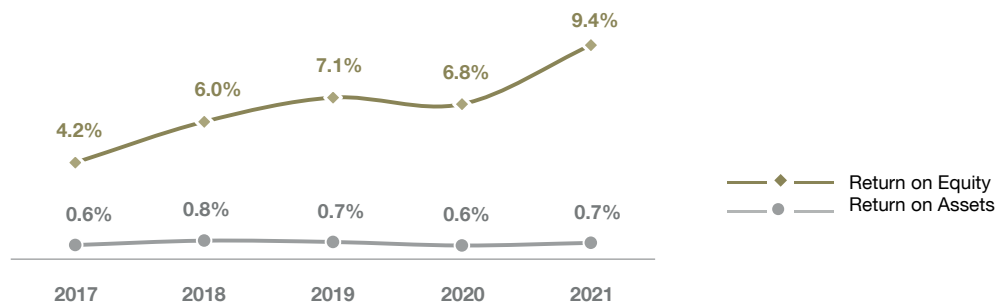
The lower this ratio is, the lower the impact that fixed costs have on net income.

Cost to Income Ratio



- The ratio went back a better downward trend, after it had remained stable during the previous year of 2020, whereby it decreased by 6% (from 50% to 44%), reflecting the growth of the Bank's volume of business driven by its initiatives and achievements aimed at providing better services and upgraded electronic channels, through optimal management of the Bank's resources.
- 2021 witnessed a 12% increase in total income before deducting expected credit loss provisions, and a decrease in general and administrative expenses by 1%.
- The ratio decreased by 17% since 2017, making it one of the best ratios in the banking sector, despite the Bank being relatively new in comparison to most banks operating in the banking sector.

Return on Shareholders' Equity and Return on Assets

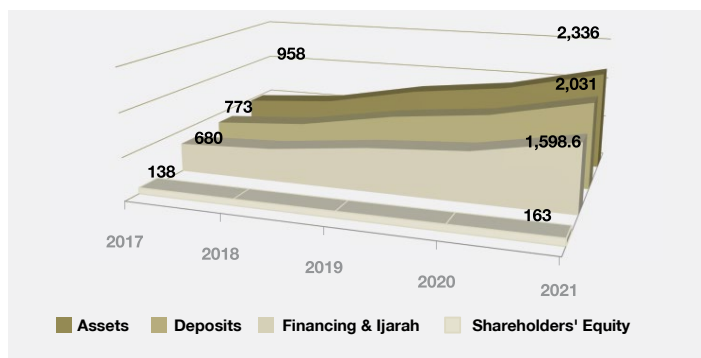


- The Return on Shareholders' Equity improved after an exceptional year witnessed by the Bank and the entire banking sector in 2021. The ratio increased by 260 points, reaching 9.4%, and it is expected that this improvement will continue in the future. This improvement was driven by an increase in the size of the Bank's balance sheet, decrease in cost to income ratio, and an improvement in the ratio of earning assets to total assets.
- Return on assets has been stable for a number of years. This year, the ratio showed a slight improvement, as a result of a 0.3% decrease in general and administrative expenses to assets, and 0.1% in ECL expense to total assets and the indirect income to total assets in one side, in the other side the gross income to total assets showed a decrease with 0.3% and increase of tax expense to total assets by 0.1%.

Time Series (Financial Position)

2021 Growth

Assets	28%
Deposits	31%
Financing and Ijara	36%
Shareholders' Equity	5%



Millions of JOD	2021	2020	2019	2018	2017	Change in 2021	
						Amount	%age
Assets	2,336	1,820	1,557	1,121	958	516	28%
Deposits	2,031	1,555	1,316	931	773	476	31%
Financing and Ijarah	1,599	1,178	1,025	777	680	421	36%
Shareholders' Equity	163	155	144	141	138	8	5%

- The Bank continued with its upward growth trend, increasing its assets in 2021 by 28%, an amount of JOD 516 million.
- The CAGR since 2017, reached 25%.
- The Bank reached the first place in the organic growth of the banking sector in 2021.

Assets

Deposits

- The Bank achieved remarkable results in the growth of deposits, following its success in attracting new deposits and expanding the customer base; noting that 2021 witnessed a growth of 31%, an amount of JOD 476 million.
- The growth in deposits from the retail and small enterprises sector reached JOD 293 million out of the total growth of deposits (JOD 476 million), (62%), which will enhance the indicators of liquidity and concentration risk.

- The retail sector re-engineered and developed its operation and fastened its procedures, in addition to granting JOD 150 million to Military Credit Fund, which had driven the financial growth to reach 36%.

Financing and Ijarah

Shareholders' Equity

- The Bank's business results during 2021 contributed to an increase in the shareholders' equity by JOD 8 million.
- The Board of Directors recommended that the General Assembly approve the distribution of cash dividends to shareholders amounting to JOD 6 million, from the Bank's retained earnings.

Time Series (Profits and Losses)

2021 Growth

Total Revenues

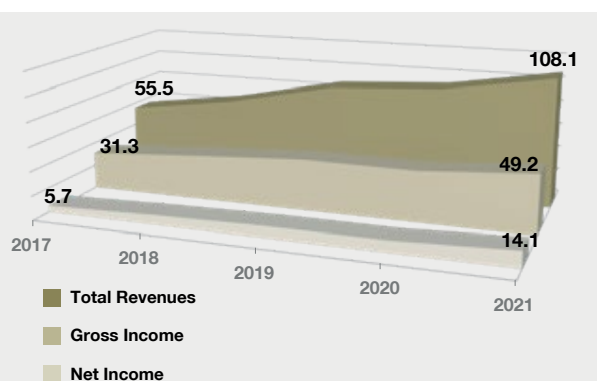
16%

Net Income

16%

Net Income

38%



Millions in JOD

	2021	2020	2019	2018	2017	Change in 2021 Amount	%age
Total Revenues	108.1	92.8	87.5	68.4	55.5	15.3	16%
Gross Income	49.2	42.4	42.9	37.4	31.3	6.8	16%
Net Income	14.1	10.2	10.0	8.4	5.7	3.9	38%

- Increase in revenues by an amount of JOD 15.3 million, resulting from an increase in productive assets by 36%, coupled with a decrease in the return on these assets for a number of reasons: rescheduling and postponing installments, focus on the government sector.

Total Revenues

Gross Income

- Gross income increased, driven by the increase in the Bank's balance sheet by JOD 516 million, despite the spread decrease from 3.7% to 3.1%.

- Net Income after tax grew by 38%, reaching JOD 14.1 million, compared to JOD 10.2 million for the previous year. This was a result of the efficient and effective management of the Bank's resources.

Net Income

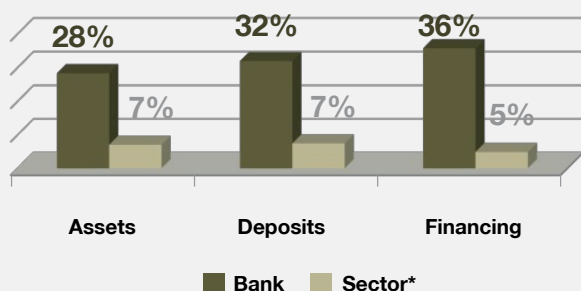
Time series (Share prices and distributed dividends)

Millions in JOD

	2021	2020	2019	2018	2017	Change in 2021 Amount	%age
Share price (JOD)	1.91	1.41	1.36	1.12	1.22	15.3	16%
Dividends	6% cash*	6% cash	-	5% cash	5% cash	-	-

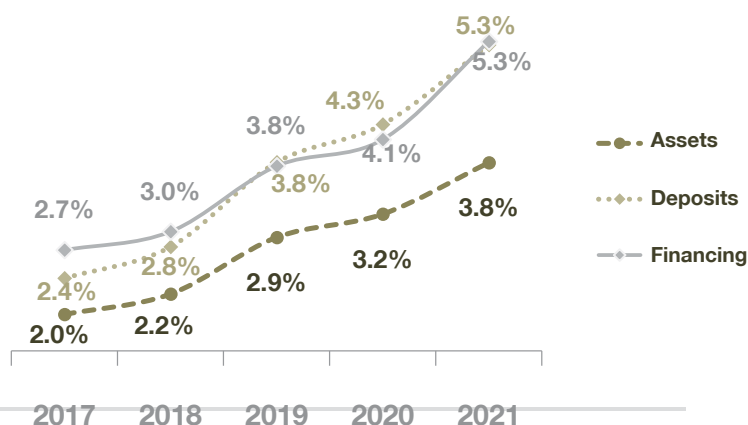
Bank's Competitive Position

Development of Safwa's Share In the Banking Sector



Safwa's growth rates in compared with the banking sector during 2021

Development of the Bank's Share of the Banking Market



The Bank continued to increase its share in the banking sector, achieving higher growth rates than the banking sector as a whole, noting that in just five years, the Bank was able to double its market share, whereby it maintained growth rates that outperformed the growth rates of the banking sector.

2021 Experience

Assets

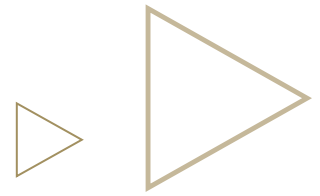
The Bank increased its share in the banking sector from 3.2% to 3.8%, which was a result in the growth of its assets by 28%, compared to the growth of assets in the banking sector by 7%.

Deposits

The Bank was able to attract more deposits, amounting to JOD 476 million, thus raising its banking share from 4.3% to 5.3%, constituting 17%, while banking sector deposits rose by 7%.

Financing

The Bank's financing portfolio increased by 36% compared to 5% growth in financing of the overall banking sector.



The financial impact of non-recurring operations that occurred during the year

During 2021, as a part of its non-recurring activities, the Bank sold a seized asset, resulting in a capital loss amounting to JOD 37.3 thousand.

Volume of capital investment

The Bank's capital investment amounted to JOD 24.3 million at the end of 2021 versus JOD 24.9 million at the end of 2020, representing net fixed and intangible assets.

Important future developments and the strategic plan

The Bank has prepared and updated its strategic plan, based on the factors for success and achievements which was accomplished over the past few years, and after a thoughtful evaluation of the Bank's position from several aspects, the most important of which are external factors, the banking sector, competition, the internal evaluation of the Bank; and measuring the impact of all of these factors on the Bank's operations, and arranging them according to their relevance and importance, and the Bank's reliance on the main factors of success in order to build clear, achievable and measurable strategic goals linked to a specific time period for each goal. In order to ensure the success of its strategic plan, Safwa Islamic Bank is keen on measuring the level of success that has been achieved, and setting action plans in order to rectify any delays, with a permanent review of the objectives for updating the plan based on the management's orientations, or any other emerging issues that could have an impact on the bank's business environment.

Currently, and in the future, the Bank seeks to focus on the customer experience, and to gather all of the Bank's resources in order to ensure customer satisfaction in its endeavor to be ranked as the first community bank throughout the Kingdom.

Customers:

The Bank seeks to provide fair and responsible banking experience, and to ensure that all services and products are offered to customers in a manner that is fair, and to ensure that customers are not burdened with any additional fees or costs, in order to ensure that this is commensurate with the efforts exerted by the Bank, hence, the Bank has started to review all commissions and fees for all of the products and services that it offers.

- Enhancing the customer experience by studying the customer journey for provided products and services, as well as shortening and accelerating procedures in order to ensure ease and smoothness in dealing with the Bank, and ensuring that customer satisfaction is the main objective to be reached, and to achieve the highest degree possible of success.
- Continuing to expand the customer base by offering an integrated package of services and products in a competitive manner that takes into account the needs and requests of customers.
- Restudying the network of branches and ATMs, and expanding it in a thoughtful manner, with the aim of better serving all segments of customers, and looking towards external expansion, after paying adequate attention to the available opportunities.
- Expanding the range of Islamic Sharia compliant products and services offered to the corporate sector, and strengthening the network of relationships with corporate customers.
- Building new relationships with the network of correspondent banks and enhancing the role of the Bank as an accredited correspondent bank, both regionally and globally.
- Managing the Bank's resources efficiently and effectively, and setting a targeted operational leverage that improves from one year to the next.

Digital transformation and structuring operations

The Bank strongly believes, and attaches a great deal of importance to the re-engineering processes and digital transformation in line with its strategy, which is based on efficiency, effectiveness and continuous development.

Development and innovation are at the core of Safwa Islamic Bank's attention, in all channels that are available to customers, varying from branches, electronic channels, the call center and ATMs. This will contribute to offering additional services at the highest levels of efficiency and security, and in an easy and smooth manner.



The harmony between the various service departments and the information technology department forms the basis for development, whereby the department plays a role in translating needs into digital and automated services, by relying on technology in all of the systems used.

Human Resources

The Bank has been able to accomplish numerous successes through its reliance on a cooperative working team that works together with team spirit, and that is persistent and diligent. The Bank looks forward to enhance and take its successes further, and to develop them into an advantage that the Bank enjoys through:

- Maintaining competencies and developing programs for them.
- Designing new values that are aligned with the next phase and the strategic objectives of the Bank.
- Focusing on career paths and providing opportunities for professional advancement.
- Adopting serious incentive systems for the various business departments.
- Designing development programs for leaders that are considered as promising, and creating a new generation of leaders.
- Keeping abreast of developments in the banking labor market and conducting survey studies to develop a competitive system for employee benefits.
- Encouraging innovation and creativity and rewarding creators whose new and innovative ideas contribute to improving efficiency.
- Developing system of functional tests.
- Meeting the needs of employees in accordance with the best standards for transparency, clear procedures and advanced systems.

Risk management and internal controls

The Bank has developed a risk management system; and during the upcoming period, the bank seeks to continuously improve all risk management tasks, whether by developing existing policies and procedures, developing a risk measurement mechanism, updating liquidity plans and rate of return risks, periodic monitoring of acceptable levels of risk, continuing self-assessments of risks, as well as developing corrective plans and reviewing the work environment in order to reduce the effects of risks to which the Bank is exposed.

Corporate Identity and Social Responsibility

The Bank's strategic plans aim to enhance the successes achieved over the past few years, and to market the Bank's brand and highlight its corporate image and identity, in addition to distinguishing it as an Islamic bank that competes with its counterpart Islamic and conventional banks in Jordan, along with building up advertising campaigns for various innovative products and services offered by the bank through traditional and modern media, in order to ensure that the bank is able to reach to the largest possible segment of customers.

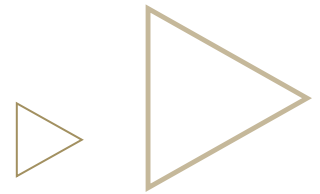
When it comes to the domain of the Bank's social responsibility, we will seek to enhance the Bank's position in the local community, thus having a positive impact on building a bright image that is aligned with the principles of the true Islamic religion.

During the next stage, the Bank will continue to sponsor important events, publish advertisements for new campaigns, products and services, and to market the Bank through social media platforms, along with launching good will initiatives during the holy month of Ramadan and religious occasions. The Bank also seeks to strengthen its role in charitable initiatives and to provide assistance for needy parties and charity organizations.

The Financial Axis

The Bank has formulated a strategy to preserve its successes in achieving growth rates that are considered as the best in the banking sector; whilst simultaneously maintaining the strength of the Bank's financial position, targeting healthy indicators of profitability, liquidity, asset quality, efficiency, continuous improvement in the structure of assets and deposits, and controlling operational and capital expenditures, especially fixed, in order to ensure an optimal utilization of resources.

Financial targets have also been set for many of the strategic objectives of the bank, and they are constantly monitored, with material deviations being analyzed, and noting that a corrective plan has been formulated and is continuously being monitored.



Members of the Board of Directors, the representative capacity, the dates that they were appointed and an introduction to each of them



Dr. Moh'd Naser Abu Hammour

Chairman of the Board of Directors

Representative of: Al-Etihad Islamic Investment Company

Date of joining: 04 / 01 / 2017

Date of Birth: 1961

Educational qualifications:

- PhD in economics / Finance from the University of Surrey in the United Kingdom, 1997.
- Master's in economics from the University of Jordan, 1989
- BA in Economics from Yarmouk University, 1984

Professional experience and memberships

- Minister of Finance from 14 / 12 / 2009 – 17 / 10 / 2011
- Chairman of the Board of Directors for the Arab Potash Company from 01 / 11 / 2007 – 14 / 12 / 2009
- President of the Executive Commission for Privatization from 11 / 07 / 2005 – 20 / 11 / 2007.
- Ministry of Industry and Trade, Minister, 21/7/2003-22/10/2003.
- Minister of Finance from 25 / 10 / 2003 – 05 / 04 / 2003.
- Secretary General of the Ministry of Finance from 08 / 02 / 2000 – 21 / 07 / 2003.
- Advisor to HE. Minister of Finance from 08 / 11 / 1998 – 07 / 02 / 2000 and President of the Financial Oversight Unit and Deputy President of the Commission for Assessing the Economic, Financial and Monetary Situation.
- Part-time lecturer at the University of Jordan for students of the Master's in Economics program from 1998 - 2003.
- Member in the discussion on a number of Master's dissertations, 1998-1999.
- Held a number of administrative positions at the Central Bank of Jordan.
- Chairman of the Board of Directors for Al-Salam Transport Company.



Abd Al-Rahim Al Hazaymeh / Independent

Deputy Chairman of the Board of Directors

Representative of: Orphans Funds Development Organization

Date of joining the Board: 07 / 05 / 2020

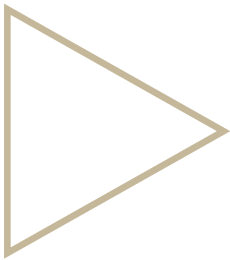
Date of Birth: 1969

Educational qualifications

- BA in Jurisprudence and Legislation / Economics and Statistics from the University of Jordan, 1992.

Professional experience and memberships

- Acting Director General of the Orphans Funds Development Organization from 02 / 03 / 2020 till this date.
- Assistant Director General of the Orphans Funds Development Organization from 03 / 10 / 2017
- Irbid Branch Manager for the Orphans Funds Development Organization from 03 / 08 / 2008
- Head of the Investment Department at the Orphans Funds Development Organization from 1995
- Appointed amongst the owners of the Orphans Funds Development Organization in 1992.

**Basem Salfiti**

Representative of: Al-Etihad Islamic Investment Company

Date of joining the Board: 4/1/ 2017

Date of Birth: 1972

Educational qualifications

- Master's in Business Administration, Finance and Company Strategies from Columbia Business School in New York, 1998 – 2000
- BA in Electrical Engineering, Brown University, 1989 – 1993

Professional experience and memberships

- General Partner and Co-Director, Hummingbird Ventures, United Kingdom, 2013 – 2017
- Managing Director, Head of European Technology Investment Banking, Perella Weinberg Partners, London, United Kingdom, 2006 – 2013
- Executive Director, Technology Investment Banking, Stanley Morgan, London, United Kingdom, 2000 – 2006.
- Chief Operations Officer, Best IC Laboratories, California, 1994 – 1998
- Non-executive Board Member, Etihad Bank – Oman, Jordan, from 2009 till today.
- Non-executive Board Member for Delta for Insurance and Consultations Company.
- Member of King Hussein Foundation.
- Chairman of the Council for Al-Hussein Technical University (HTU).

**Deema Aqel**

Representative of: Al-Etihad Islamic Investment Company

Date of joining the Board: 04 / 01 / 2017

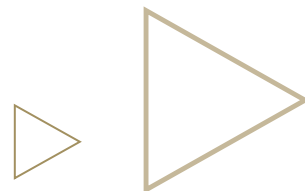
Date of Birth: 1968

Educational qualifications:

- Masters' in Business Administration, 2001, from Imperial College in London, United Kingdom.
- Master's in Financial Markets, 1998
- BA in Electrical Engineering, 1990

Professional experience and memberships

- Deputy General Manager at Etihad Bank since 01 / 2012
- Assistant General Manager of Etihad Bank for Risk and Compliance Management until 1/2012.
- Assistant General Manager / Director of Risk and Compliance at Ahli Bank Bank, 2005-2007.
- Head of Risk and Credit Policy Department at Housing Bank, 2004-2005..
- Credit Risk Manager at Arab Bank, 1990-2004.
- Member of the Board of Directors at Etihad Financial Brokerage Company
- Member of the Board of Directors at Etihad Leasing Company
- Member of the Board of Directors of Palestine Commercial Bank 09 / 2011 – 07 – 2013

**Khaled Algonseil**

Representative of: Etihad Islamic Investment Company

Date of joining the Board: 4/1/ 2017

Date of Birth: 1971

Educational qualifications:

- Master's in Banking and Financing, European University, 2003
- Master's in Financial Accounting from the Academy for Higher Studies – Libya, 1996
- BA in Financial Accounting, Department of Accounting, Ghrayan, Libya, 1992.

Professional experience and memberships

- Member of the Board of Directors and General Manager of the Libyan Foreign Investment Company, (LIFCO, 2012 – 2018)
- Vice Chairman of the Board of Directors of the Arab Petroleum Investments Corp (APICORP, 2012 – 2018)
- Member of the Board of Directors for the International Hotel Investments Company, 2015 – 2018
- Chairman of the Board of Directors of the Libya Investment Company – Egypt, 2012 – 2018.
- Chairman of the Board of Directors of Itran Company – Malta, 2015 – 2018.
- Director of the Department of Cash Operations and Financial Planning of the Libyan Foreign Investment Company. 2008 – 2012.
- Member of the Board of Directors of Kofrac – Ukraine
- Responsibilities and leadership positions in the subsidiaries of the Libyan Foreign Investment Company, 1995-2008.

**Dr. Ahmad Menesi**

Representative of: Al-Etihad Islamic Investment Company

Date of joining the Board: 13 / 04 / 2017

Date of Birth: 1938

Educational qualifications:

- PhD in Economics from the Cologne University, 1972
- BA in Economics from the University of Libya, 1963

Professional experience and memberships

- Chairman of the Council of Libyan Economists Association, 1990 - 1999
- Chairman and General Manager of Al-Wahda Bank – Libya, 09 / 09 / 2000 – 23 / 03 / 2001.
- Central Bank of Libya Governor, 23 / 03 / 2001 – 03 / 03 / 2006
- Secretary of the General People's Committee for Finance (Minister of Finance), 03 / 03 / 2006 – 03 / 01 / 2007
- Ambassador for Libya to Austria, 04 / 07 / 2007 – 04 / 04 / 2012
- Professor at the Department of Economics in University of Benghazi – Libya, 1973 – 2001.



Dr. Noufan Alaql

Representative of: Social Security Corporation*

Date of joining the Board: 03 / 08 / 2016

Date of Birth: 1971

*(As of 29 / 04 / 2021, whereby he had previously been a representative of the Governmental Investment Management Company since 03 / 08 / 2016)

Educational qualifications:

- PhD in General Law (Administrative Law / Administrative Judiciary), Ain Shams University – Egypt, 2005.
- Master's in General Law (Administrative Law), Al Bayt University, 1997
- BA in Law, Mu'tah University, 1994.

Professional experience and memberships

- Head of the Legislation and Opinion Bureau – Council of Ministers from 30/6/2013 – 8/5/2019
- Acting Head of the Board of Grievances from 31/12/2014 – 18/10/2015
- Minister of State for Cabinet Affairs from 8/10/2012 – 30/3/2013
- Minister of Political Development from 2/5/2012 – 7/10/2012
- Associate Professor in Public Law at the University of Jordan from 2006 to this date.
- Lawyer and legal advisor from 2006 – 2012.
- Director of the Legal Department / Telecommunications Regulatory Authority from 8/1/2003 – 20/1/2004
- Legal Researcher at the Audit Bureau of Jordan from 1/1/1999 – 8/12/1999.
- Member of Daman Company for Energy Investments



Dr. Ibrahim Saif

Representative of: Al-Etihad Islamic Investment Company

Date of joining the Board: 22 / 10 / 2017

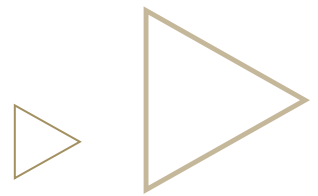
Date of Birth: 1965

Educational qualifications:

- PhD in Economics, London University, 2001
- Master's in Economics – London University, 1988
- BA in Economics and Accounting – Yarmouk University, 1986

Professional experience and memberships

- Minister of Planning and International Cooperation from the beginning of 2013 until 2015, and in March 2015, he took over as the Minister of Energy and Mineral Resources until June 2017.
- Researcher at the Carnegie Middle East Center, where his research focused on Middle Eastern Economics from 2012 – 2015.
- Secretary – General of the Economic and Social Council in Jordan, 2009 – 2012
- Professor of Economics and Director of the Center for Strategic Studies at the University of Jordan, 2002 – 2008
- Executive Director of the Jordan Strategies Forum.



Samir Abu Lughod / Independent

Date of joining the Board: 13/4/2017

Date of Birth: 1951

Educational qualifications:

- BA in Accounting, 1976

Professional experience and memberships

- Member of the Investigation Committee – International Criminal Court / The Hague, March 2020 to date.
- Head of the Audit Committee – International Criminal Court / The Hague, March 2017 till March 2020.
- Member of the Audit Committee – International Criminal Court / The Hague, January 2016 till March 2017.
- Responsible Partner – Price Water House Coopers / Jordan. 2009 – 2012
- Responsible Partner – Ernst & Young / Jordan, 2002 – 2009
- Responsible Partner – Arthur Anderson / Jordan, 1979 – 2002
- Account auditor – Saba and Co., 1976 – 1979.



Salem Burqan / Independent

Date of joining the Board: 17/12/2018

Date of Birth: 1951

Educational qualifications:

- BA in Accounting / University of Jordan, Amman / Jordan
- Professional License / Jordanian Association of Certified Public Accountants.

Professional experience and memberships

- CEO and Chairman of the Board of Directors of the Islamic International Arab Bank
- Numerous important managerial positions at Arab Bank, inside and outside of Jordan.
- Deputy Chairman of the Board of Directors – Arab National Leasing Company
- Member of the Board of Directors of Al Nisr Al-Arabi Insurance Company, and then he went on to become the Chairman of its Board of Directors
- Chairman of the Board of Directors – Jordan Group of Maritime Agencies
- Chairman of the Board of Directors of the Arab Investment Group / Palestine, and member of the Board of Directors of the Arab Investment Group, Jordan
- Financial and Administrative Director / Arab Insurance Company
- Auditor / Saba and Co.
- He has held membership at the Boards of Directors of several important companies in the Kingdom.



Dr. Khaled Zentuti / Independent

Date of joining the Board: 17/12/2018

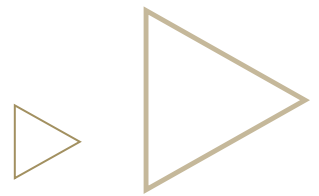
Date of Birth: 1954

Educational qualifications:

- PhD in Financial Management and Organization and Marketing Management, Bosphorus University – Turkey, 1992
- MBA in Managerial Accounting, Hatford C.T. University, United States of America, 1982
- BA in Accounting – Faculty of Economics, University of Benghazi – Libya, 1976

Professional experience and memberships

- (1998 – 2000) Director / Deputy Director of various companies owned by the Libyan Company for Foreign Investments in Italy, Germany, Pakistan and Egypt.
- (2000 – 2002) Assistant Secretary of State for Investment and International Cooperation – Ministry of African Unity – Libyan Council of Ministers
- (2002 – 2004) Chairman and General Manager of the Libyan Foreign Investment Company
- General Manager and Chairman of the Long-Term Investment Portfolio Management Committee / Libya – Tripoli, 2004 / 2012
- Part-time faculty member, Academy of Graduate Studies – Tripoli
- Financial, economic and investment advisor for long-term portfolio / Amman – Jordan, 2016 till now.
- Vice Chairman of the Board of Directors of the British Arab Bank, London / United Kingdom, 2004 / 2012
- Vice Chairman of the Board of Directors / Etihad Bank / Amman – Jordan, 2007 / 2012
- Vice Chairman of the Board of Directors of the Libyan External Bank / Tripoli, Libya, 2009 / 2012
- Member of the Board of Directors of the Arab Banking Corporation, ABC, Manama, Bahrain, 2010 / 2012
- Advisor to Union Bank, Amman / Jordan, 2012 – 2016



Members of the Sharia Supervisory Board and an introduction to each of them



His Eminence Professor Dr. Ali Al Qaradaghi

Chairman of the Sharia Supervisory Board and Executive Member

Date of Birth: 1949

Date of appointment: 22 / 09 / 2020

Educational certificates:

- PhD in Sharia and Jurisprudence at Al-Azhar University in the field of financial contracts and transactions, 1985
- MA in Comparative Jurisprudence from the Faculty of Sharia and Law at Al-Azhar University, 1980
- BA in Islamic Sharia, Baghdad, 1975
- Diploma in Islamic Studies under supervision of the Sheikhs, 1970
- Graduate of the Islamic Institute, 1969.

Professional experience

- Secretary – General for the International Union of Muslim Scholars
- Expert at the International Islamic Fiqh Academy affiliated with the Organization of Islamic Cooperation in Jeddah
- Vice Chairman of the European Council for Fatwa and Research
- Professor and Head of the Department of Jurisprudence and Principles at the Faculty of Sharia, Law and Islamic Studies at Qatar University (formerly).
- Member of the Sharia Board for the Auditing Authority for Islamic Financial Institutions
- Chairman and executive member of the Fatwa and Sharia Supervisory Board for a number of Islamic Banks and Islamic insurance companies inside Qatar, including Qatar Islamic Insurance Company, inside and outside of Qatar, Dubai Islamic Bank, Bahrain Investment Bank and First Investment in Kuwait.

Jobs that he currently holds outside of the Bank:

Chairman or Executive Member of the Fatwa and Sharia Supervisory Board of a number of Islamic banks outside Jordan



His Eminence, Dr. Ahmad Melhem

Deputy Chairman of the Sharia Supervisory Board

Date of Birth: 1961

Date of appointment: 22 / 11 / 2020

Educational certificates:

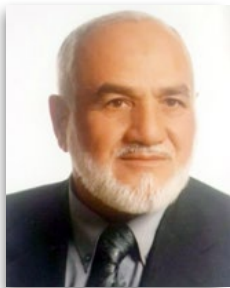
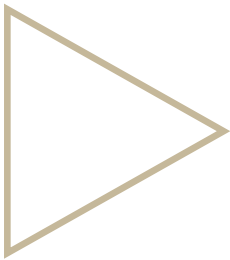
- PhD in Comparative Jurisprudence, 1994
- Master's in Jurisprudence and Legislating, 1987
- BA in Jurisprudence and Legislating, 1982

Professional experience

- Sharia advisor in the Sharia Supervisory Board affiliated with the World Federation for Islamic Takaful and Insurance Companies in Khartoum
- Sharia advisor within the advisory board of North African Bank, Libya
- Part-time lecturer at Al-Zaytoonah Private University
- Sharia advisor at the Sharia Supervisory Board of the Islamic Insurance company – formerly
- Sharia advisor in the Sharia Supervisory Board of the Jordanian Engineers Association
- Sharia advisor in the Sharia Supervisory Board of the Orphans Funds Development Foundation

Jobs that he currently holds outside of the Bank:

- Board of Commissioners of the Securities Commission
- Sharia advisor in the Sharia Supervisory Board of the Jordanian Engineers Association
- Sharia advisor in the Sharia Supervisory Board of the Orphans Funds Development Foundation



His Eminence Dr. Ali Musa "Al Sawa"

Member of the Sharia Supervisory Board

Date of Birth: 01 / 01 / 1948

Date of appointment: 29 / 04 / 2021

Educational certificates:

- PhD in Comparative Jurisprudence from Al Azhar University, 1978.

Professional experience

- University professor at the University of Jordan since 1979.
- University professor at the King Saud University until 1991.
- University professor at Zarqa University until 1996.
- University professor at the University of Kuwait until 2004.
- Member of the Sharia Supervisory Board at the Islamic Insurance Company till 2012.
- Member of the Sharia Supervisory Board at First Financing Company till now.

Jobs that he currently holds outside of the Bank:

- Permanent member of the Association for Islamic Studies
- Permanent member of Jordanian Afaf Charity Organization.



His Eminence, Dr. Safwan Edibat

Member of the Sharia Supervisory Board

Date of Birth: 10/6/1975

Date of appointment: 29 / 04 / 2021

Educational certificates:

- PhD in Jurisprudence and its Principles, 2012
- Master's in Jurisprudence and its Principles, 2005
- BA in Jurisprudence and its Principles, 1997.

Professional experience

- Director of Sharia Supervision and Inspection at the General Ifta' Department
- Member of the Sharia Supervisory Board at Al-Namothajiyah for Islamic Microfinance.
- Member of the Sharia Supervisory Board at Bandar Trading and Investment Company
- Representative of the General Ifta' Department, as a Sharia advisor to the Islamic Finance Department in the Cities and Villages Development Bank affiliated with the Ministry of Local Administration
- Lecturer at the Al-Um International University / Turkey.
- Researcher and arbitrator in Al-Isbah Journal for International Strategic and Political Studies in France.
- Assigned to the National Center for Security and Crises Management, Media Response Unit.

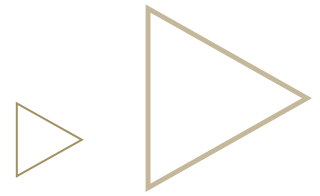
Jobs that he currently holds outside of the Bank:

- Director of Sharia Supervision and Inspection at the General Ifta' Department
- Member of the Human Resources Committee at the General Ifta' Department.
- Member of the Strategic Planning Committee at the General Ifta' Department.

Members of the Sharia Supervisory Board that resigned during 2021

His Eminence, Sheikh Abdul Karim Khasawneh

- His eminence, Sheikh Abdul Karim Khasawneh joined the Sharia Supervisory Board at the Bank on 28 / 04 / 2018, and he resigned on 28 / 04 / 2021.



Members of the Executive Management and introduction to each of them



Samer "Al-Saheb Al Tamimi" / General Manager, CEO

Mr. Samer Al-Tamimi joined Safwa Islamic Bank at the beginning of 2018. He enjoys extensive banking and managerial experience in banks and financial institutions, spanning for more than 32 years, during which he worked with reputable financial institutions in the Hashemite Kingdom of Jordan, the United Arab Emirates, the State of Qatar and the United States of America, Australia and the United Kingdom.



Rami Khayyat /Deputy CEO, Chief of Corporate Banking

Mr. Rami joined the Bank on 1/3/2010 as Vice Chairman and Head of Corporate Banking. He enjoys extensive experience of more than 27 years in finance and corporate banking with several reputable Jordanian and regional commercial and Islamic banks.

Mr. Rami began his career as a facilities officer at Cairo Amman Bank in 1995. He then moved on to work in the Kingdom of Saudi Arabia as the Head of Commercial Services Unit for the Arab Region at Arab National Bank, and then later took the position of Head of the Dubai and Northern Emirates Facility Department at Abu Dhabi Islamic Bank in the UAE. He also worked as a part-time lecturer and trainer at the Arab Academy for Banking and Financial Services.

Mr. Rami is member of the Board of Directors at Misk Brokerage Company affiliated to the Bank. He also holds memberships in the Boards of Directors of a number of foreign companies. He obtained a Master's degree in Banking from the Arab Academy for Banking and Financial Sciences in 1995, and a BA in Accounting, Financial and Banking Sciences from Yarmouk University in Jordan in 1994.

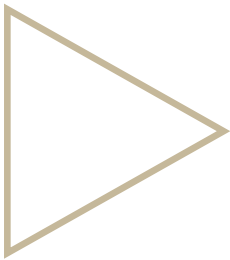


Hani Al-Zrari / Deputy CEO, Chief of Central Operations

Mr. Hani joined the Bank on 01 / 07 / 2010 as Deputy CEO and Head of Operations and Information Technology. He enjoys more than 28 years of experience in Central Operations and Information Technology.

He started his career at Cairo Amman Bank, to become Head of the Remittances and Foreign Exchange Department, then moved on to work for Citibank, where he took on numerous jobs, such as central operations, compliance, and internal control. He then moved to the United Arab Emirates to work at Dubai Islamic Bank as the Head of the International Projects Support Unit.

Mr. Hani obtained a BA in Economics from Yarmouk University in Jordan in 1985.



Ziad Kokash / Deputy CEO, Chief of Credit Department

Mr. Ziad joined the Bank on 16 / 09 / 2012 as Deputy CEO, Head of Risk Management. He enjoys extensive experience of up to 30 years in credit and risk management, and currently holds the position of Deputy CEO, Head of the Credit Department.

He started his career at Cairo Amman Bank / Facilities Department, where he worked as Credit Facilities Officer. He then became the Director of Credit Facilities – Arab Banking Corporation; whereby he later moved to work at National Bank, where he held the title of Assistant General Manager, Head of the Risk Management Group.

Mr. Ziad obtained a Master's degree in Financial Management from the Arab Academy for Banking and Financial Sciences in Jordan in 2006, and a BA in Banking and Financial Sciences from Yarmouk University in Jordan in 1992.

Mr. Ziad is the Vice-Chairman of the Board of Directors for Misk Brokerage Company. He also serves as the managing director at Jordan Fertilizer Supply Company, as a representative of the Bank.



Masoud Sakf Al-Hait / Chief of Legal and the Secretariat of the Board

Mr. Masoud joined the Bank on 01 / 04 / 2012 as the Head of the Legal Department. He enjoys extensive experience of up to 29 years in the legal domain.

Mr. Masoud started his career as a lawyer at Arab Bank, and then moved to work at Capital Bank as the Head of the Legal Department. He then worked as a lawyer at the Ali Sharif Al Zoubi Law Office.

Mr. Masoud obtained a BA in Law from the University of Jordan in 1992.



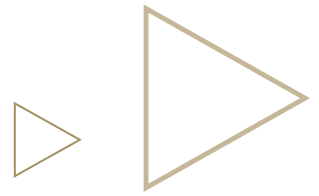
Rami Al-Kilani / Head of Information Technology

Mr. Rami joined the Bank on 01 / 10 / 2012 as a Senior Officer, Vice President of Information Technology, with extensive experience reaching 28 years in the field of Information Technology.

He began his career as a systems analyst at the Housing Bank, and then moved to work for Cairo Amman Bank as Head of Support for Banking Applications. He then joined Banque Audi as Head of Information Technology.

Mr. Rami Al-Kilani obtained a BA in Computer Engineering from Al-Ahliyah Amman University in 1993, and Master's degree in Business Administration from Herriot Watt University – Edinburgh.

He holds the following certificates: ITL, COBIT5, CPP, CISSP, TOGAF, Fintech Certified Professional, COBIT 2019, ISO27001, PMP, Data Scientist Certified.



Muneer Faroneyah / Head of Internal Sharia Audit

Mr. Mounir joined the Bank on 01/08/2010 as a Sharia auditor, with experience of up to 26 years in Islamic banking and Sharia auditing.

Mr. Mounir worked at Jordanian Islamic Bank in many locations and departments, whereby the last title that he held there was Senior Investigator, Internal and Forensic Audit.

Mr. Mounir obtained a Master's degree in Banking and Finance, with a major in Islamic Banking in Islamic Banking from Arab Academy for Banking and Financial Sciences, in addition to a BA in Banking and Finance from Yarmouk University. He also carries a Certificate in Sharia Auditing and Oversight (CSAA) from the Accounting and Auditing Organization for Islamic Financial Institutions – Bahrain (AAOIFI).



Wael Al-Bitar / Chief of Treasury and Investment

Mr. Wael Al-Bitar joined the Bank on 03/01/2010 as Senior Manager / Head of Financial Institutions Relations, with more than 27 years of experience.

He has worked in numerous fields, including corporate facilities, treasury and investment, credit and financial institutions with many Jordanian banks, the Arab Bank, Arab Banking Corporation (ABC) and Capital Bank (where he held several important positions in the banking business).

Mr. Wael Al-Bitar obtained a Master's in Business Administration / Finance from the University of Jordan in 1999 and a BA in Economics and Finance from Yarmouk University in 1994.

Mr. Wael Al-Bitar is a member of a number of companies: Vice Chairman of the Sukuk Ownership Committee at the National Electric Power Company, Vice Chairman of the Board of Sukuk Owners at the Ministry of Finance, member of the Board of Directors at Misk Brokerage Company, member of the Board of Directors at the Islamic Banks Group Company for Joint Stock Company Contributions, (he holds a license for Issuance Management, from the Secretariat of Issuance and Safe Custody from the Securities Commission).

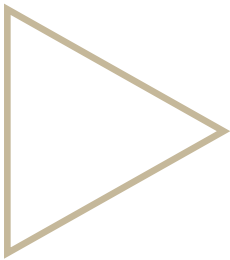


Nesfat Taha / Head of Retail Banking

Mr. Nesfat joined the Bank on 21 / 02 / 2010 as Head of the Branch Network, and with extensive experience of up to 28 years in Retail Banking.

He started his career at Arab Bank, where his last designation was as Area Manager – Jordan Branches / Major Customers Department.

Mr. Nesfat obtained a BA in Business Administration from the American University in Cairo in 1993.



Khaled Al-Issa / Head of Internal Audit

Mr. Khaled joined the Bank on 20/02/2011, as Manager, Financial Audit and Operations, and with banking experience of up to 17 years.

He began his career working in the Housing Bank in the Internal Audit Department, and his last job there was Operations Auditor.

Mr. Khaled obtained a BA in Accounting from Al-Bayt University in 2004, in addition to the following international certifications: CIA, DIP-IFRS, CCSA, CGAP.



Ahmad Tarteer / Head of Compliance

Mr. Ahmad joined the Bank on 21 / 06 / 2015 as a Senior Manager, Head of Compliance and Anti-Money Laundering. He enjoys experience of up to 15 years in banking.

He started his career at the Arab Banking Corporation as an Internal Auditor, and then became an Assistant Manager – Compliance and Anti-Money Laundering Department at the Arab Bank. His last designation was as Head of Compliance and Anti-Money Laundering at the National Bank of Kuwait – Jordan.

Mr. Ahmad obtained a BA in Accounting and Commercial Law from the Hashemite University in 2007, and certified Anti-Money Laundering Specialist Certificate from the ACAMS institute in Miami – USA. He also holds the following international certificates: CAMS, CAMS AUDIT, CCM, CCOS, CPT, CGSS.

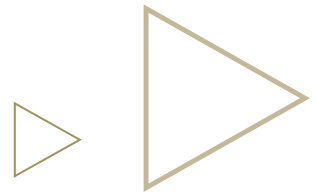


Mohammed Hawari / Head of the Human Resources Department

Mr. Mohammed joined the Bank on 18 / 01 / 2010 as a manager, Human Resources Operations, with banking experience of up to 18 years.

He started his career working in Jordan Kuwait Bank in the Finance Department, and his last job was as Assistant Manager of the Finance Department.

Mr. Mohammed obtained a BA in Accounting from Mu'tah University in 2003, and a Master's in Accounting from Amman Arab University for Graduate Studies in 2005. He also holds the CHRM professional certificates, accredited Human Resources Manager and (CIPTM) Certified International Professional Training Manager.



Ahmad Jafer / Head of Risk Management

Mr. Ahmad joined the Bank on 06/02/2011 as Senior Manager, Head of Risk Policies, Portfolio Management and Market Risks, with 21 years of banking experience.

He began his career working in the Islamic International Arab Bank from 2000 to 2005 within the Banking Regulations and Laws Department, where he later became supervisor of Banking Policies and Laws. He then joined Al-Jazira Bank – Saudi Arabia from 2005 – 2011 as Senior Manager of the Credit Risk Management Department and Basel Decisions.

Mr. Ahmad Jaafar holds a bachelor's degree in Accounting from Al-Ahliyya Amman University, 2000, and a master's degree from Amman Arab University in Accounting, 2003, and holds a professional certificate in International Risk Management Legislation.

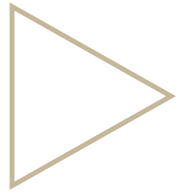
Names of Executive Management members that resigned during 2021:

Ibrahim Saleh Mohammed Samha /Deputy CEO, Chief Finance and Corporate Strategies

- Mr. Ibrahim Samha joined the Bank on 31 / 03 / 2013 as Deputy CEO, Chief of Finance and Corporate Strategies, and resigned on 09 / 03 / 2021.

Numbers of financial securities owned by Board of Directors members, senior management individuals with executive authority and their relatives, and the companies controlled by them, as the end of 2021 compared to the previous year

31 / 12 / 2021							
Name of member representing the legal entity	Nationality	Executive / Non-Executive member	Independent / Non-Independent Member	Name of individual representing the legal entity	Nationality	No. of shares owned by the legal entity	Percentage shares owned in the Bank's capital
Dr. "Mohammed Naser" Abu Hammour	Jordanian	Non-executive	Is not independent				
Basem Salifti	Jordanian	Non-executive	Is not independent				
Deema Aql	Jordanian	Non-executive	Is not independent	Al-Ethad Islamic Investment Co.	Jordanian	62,370,249	62.370%
Khaled Algonsef	Libyan	Non-executive	Is not independent				
Dr. Ahmed Menesi	Libyan	Non-executive	Is not independent				
Dr.Ibrahim Saif	Jordanian	Non-executive	Is not independent				
Dr. Noufan Al-Aqil	Jordanian	Non-executive	Is not independent	Social Security Corporation	Jordanian	9,383,037	9.383%
Abd Al-Rahim Alhazaymeh	Jordanian	Non-executive	independent	Orphans Fund Development Foundation	Jordanian	4,925,000	4.925%
Board of Directors' Member Name (in his / her personal capacity)	Nationality	Executive / Non-Executive member	Independent / Non-Independent Member	No. of shares owned by the Board member		Percentage shares owned in the Bank's capital	
Samir Abu-Lughod	Jordanian	Non-executive	independent	1,500		0.002%	
Salem Burqan	Jordanian	Non-executive	independent	2,000		0.002%	
Dr.Khaled Zentuti	Libyan	Non-executive	independent	1,000		0.001%	
Name of Board of Directors' Member that owns shares in the Bank in his / her personal capacity	Nationality	No. of shares owned by the Board member		Percentage shares owned in the Bank's capital			
Dr. Noufan Al-Aqil	Jordanian	1,000			0.001%		
Dr. "Mohammed Naser" Abu Hammour	Jordanian	65,000			0.065%		
Dr.Ibrahim saif	Jordanian	1,500			0.002%		
Basem Salifti	Jordanian	-			-		
Deema Aql	Jordanian	-			-		
Khaled Algonsef	Libyan	-			-		
Dr. Ahmed Menesi	Libyan	-			-		
Abd Al-Rahim Alhazaymah	Jordanian	-			-		



31 / 12 / 2020							
Name of member representing the legal entity	Nationality	Executive / Non-Executive member	Independent / Non-Independent Member	Name of individual representing the legal entity	Nationality	No. of shares owned by the legal entity	Percentage shares owned in the Bank's capital
Dr. "Mohammed Naser" Abu Hammour	Jordanian	Non-executive	Is not independent	Al-Etiihad Islamic Investment Co.	Jordanian	62,370,249	62.370%
Basem Salfiti	Jordanian	Non-executive	Is not independent				
Deema Aqel	Jordanian	Non-executive	Is not independent				
Khaled Algonsef	Libyan	Non-executive	Is not independent				
Dr. Ahmed Menesi	Libyan	Non-executive	Is not independent				
Dr.Khaled Zentuti	Libyan	Non-executive	Is not independent				
Dr. Noufan Al-Aqil	Jordanian	Non-executive	Is not independent	Government Contributions Management company	Jordanian	5,550,000	5.550%
Abd Al-Rahim Alhazaymah	Jordanian	Non-executive	independent	Orphans Fund Development Foundation	Jordanian	4,925,000	4.925%
Board of Directors' Member Name (in his / her personal capacity)	Nationality	Executive / Non-Executive member	Independent / Non-Independent Member	No. of shares owned by the member	Percentage shares owned in the Bank's capital		
Samir Abu-Lughod	Jordanian	Non-executive	Independent	1,500	0.002%		
Salem Burqan	Jordanian	Non-executive	Independent	2,000	0.002%		
Dr. Ibrahim Saif	Jordanian	Non-executive	Independent	1,500	0.002%		
Board member who owns shares in the bank in his personal capacity	Nationality	The number of shares owned by a member of the Board of Directors			The percentage of shares held in the bank's capital%		
Dr. Noufan Al-Aqil	Jordanian	1,000			0.001%		
Dr. "Mohammed Naser" Abu Hammour	Jordanian	65,000			0.065%		
Basem Salfiti	Jordanian	-			-		
Deema Aqel	Jordanian	-			-		
Khaled Algonsef	Libyan	-			-		
Dr. Ahmed Menesi	Libyan	-			-		
Dr.Khaled Zentuti	Libyan						
Abd Al-Rahim Alhazaymah	Jordanian	-			-		
Hamdan Al-Fawair (until 12/3/2020)	Jordanian	-			-		

*Members of the Sharia Supervisory Board do not own any shares in the Bank.



Financing granted from the Bank to members of the Board of Directors and any other operations that have been executed between the Bank and members of the Board of Directors or any parties affiliated with them

Current Board of Directors Members	Direct Financing (JOD)	Indirect Financing (JOD)
Dr. Nofan Al Aqil	488,293	-

- There is no other financing or operations that were executed between the Bank and Board of Directors members, with the exception of what has been mentioned in the table above.

Ownerships of Executive Management and their relatives or companies controlled by them as at the end of 2021

Name	Position	Nationality	No. of Shares at the end of 2021	No. of shares at the end of 2020
Samer "Al-Saheb Al Tamimi"	General Manager / CEO	Jordanian	20,000	20,000

- There are no other ownerships by individuals from the Executive Management, their relatives or the companies controlled by them, with the exception of what has been mentioned in the table above.
- There are no ownerships by relatives of the Board of Directors' members, except for the ownerships of the sons of Dr. Nofan Mansour Alaqil (Abdullah, Nour, Nouf and Omar), with a total of 1,000 shares owned by each in Safwa Islamic Bank as at the end of 2020 and 2021.
- There are no companies controlled by members of the Board of Directors, or Senior Management individuals with executive authority, nor any of their relatives.

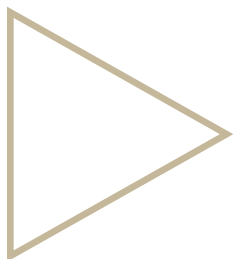
Names of major shareholders and the number of shares they own compared to the previous year

Name	Nationality	31 / 12 / 2021		31 / 12 / 2020	
		Percentage share	No. of Shares	Percentage share	No. of Shares
Al-Etihad Islamic Investment Company	Jordanian	62.370%	62,370,249	62.370%	62,370,249
Social Security Corporation	Jordanian	9.383%	9,383,037	9.383%	9,383,037
Government Contributions Management Company	Jordanian	5.550%	5,550,000	5.550%	5,550,000

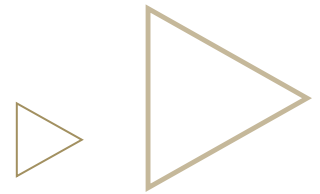
Names of shareholders owning 1% or more in the Bank's capital, and the ultimate beneficial owners of these shares as at 31 / 12 / 2021

	Shareholder name	Nationality	No. of shares owned	Percentage of direct contribution in the capital	Percentage of indirect contribution in the capital	Ultimate Beneficial Owner	No. of pledged shares	Percentage of pledged shares from the total contribution	Party to which the shares are pledged
1	Al-EtiHAD Islamic Investment Company	Jordanian	62,370,249	62.370%			None	-	-
1.1	Bank al Etihad	Jordanian	36,174,744	36.175%	58.000%			-	-
1.1.1	BANQUE BANORIENT FRANCE	French	27,435,967	6.200%	17.140%	One of Bank of Lebanon and Overseas Branches in France, Shareholders in Bank of Lebanon and Overseas: Bank of NEW YORK 34.37% Rest – Shareholders 26.68% Banorabe S.A. SPF 17.55% Azhari Family 7.53% Shaker Family 4.83% Saade Family 2.55% Jaroudi Family 2.17% Actionnaires – Unis 1.83% Khoury Family 1.95%	None	-	-
1.1.2	Libyan Company for External Investments	Libyan	32,413,763	7.329%	20.260%	Fully owned by the Libyan government:	None	-	-
1.1.3	RS FINANCE	Cayman Islands	24,171,599	5.462%	15.100%	Owned by the following companies TRHS Holding 25% ownership (Tareq Rajai Salfiti) 100% ZRS Holding 25% ownership (Zaid Rajai Salfiti) 100% FRS Holding 25% ownership (Faisal Rajai Salfiti) 100% DRS Holding 12.5% ownership (Dina Rajai Salfiti) 100% SRHS Holding 12.5% ownership (Samia Farah Issa Fraih) 100%	16,429,000	68%	Société Generale Bank (Jordan)



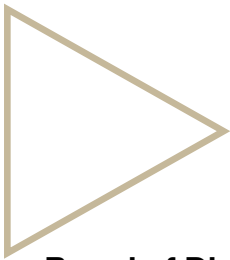


	Shareholder name	Nationality	No. of shares owned	Percentage of direct contribution in the capital	Percentage of indirect contribution in the capital	Ultimate Beneficial Owner	No. of pledged shares	Percentage of pledged shares from the total contribution	Party to which the shares are pledged
1.1.4	Isam Halim Jiryes Saifiti	Jordanian	15,207,886	3.437%	9.500%	Himself	5,551,508	49.6%	Société Generale Bank (Jordan)
							2,000,000		Kuwait National Bank – Bahrain Branch
1.1.5	Social Insurance Corporation	Jordanian	13,645,258	3.082%	8.520%	Himself / Government entity	None	-	-
1.1.6	Wedad Ayoub Odeh Allah Al Khouri	Jordanian	4,472,300	1.011%	2.795%	Herself	None	-	-
1.2	Libyan Foreign Investment Company	Libyan	26,195,505	26.195%	42.000%	Fully owned by the Libyan government	None	-	-
2	Social Security Corporation	Jordanian	9,383,037	9.383%	-	Itself / Government entity	None	-	-
3	Government Investments Management Company	Jordanian	5,550,000	5.550%	-	Itself / Government entity	None	-	-
4	Orphans Fund Development Foundation	Jordanian	4,925,000	4.925%	-	Itself / Government entity	None	-	-
5	Al Mahasen Jordanian Company for Real Estate Development	Jordanian	1,738,595	1.739%	-	Itself	None	-	-
6	Etihad Bank	Jordanian	1,358,732	1.359%	-	Itself	None	-	-
7	Zina Saad Khalaf Al Tal	Jordanian	1,029,342	1.029%	-	Herself	None	-	-
8	Tamara Saad Khalaf Al Tal	Jordanian	1,029,341	1.029%	-	Herself	None	-	-



Benefits and remunerations enjoyed by the Chairman and members of the Board of Directors

Board of Directors Member	Transportation and attendance of Board sessions and sub-committees	Committee membership	Due and unpaid bonuses for 2021	Total
Dr. "Mohammed Naser" Abu Hammour	170,000	13,500	5,000	188,500
Abd Al-Rahim Ali Al-Halzimah	24,000	10,400	5,000	39,400
Basem Salfiti	24,000	15,500	5,000	44,500
Deema Agel	24,000	15,500	5,000	44,500
Khaled Gonsel	24,000	4,500	5,000	33,500
Dr. Khaled Zentuti	40,000	14,900	5,000	59,900
Dr. Ahmad Menesi	24,000	1,500	5,000	30,500
Social Security Corporation (since 29 / 04 / 2021)	16,000	2,500	3,333	21,833
Dr. Ibrahim Saif	24,000	10,000	5,000	39,000
Samir Abu Lughad	31,500	12,400	5,000	48,900
Salem Burqan	31,500	14,500	5,000	51,000
Government Contributions Management Company (till 28 / 04 / 2021)	8,000	1,500	1,667	11,167
Total	441,000	116,700	55,000	612,700



Board of Directors Declaration

The Board of Directors that there are no material issues that could have an impact on the continuity of the Bank in the subsequent fiscal year of 2022.

The Board of Directors declares its responsibility for the preparation of the financial statements and providing an effective control system in the Bank.

Chairman of the Board of Directors
Dr. "Moh'd Naser" Salem Abu Hammour

Vice Chairman of the Board of Directors
Abd Al-Rahim Al Hazaymeh

Basem Isam Halim Salfiti

Deema Mefleh Mohammed Aqel

Dr. Nofan Mansour Ageel Alaqil

Khaled Amr Algonsel

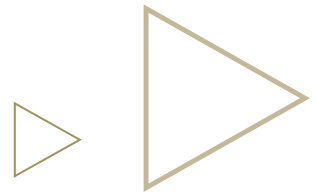
Dr. Khaled FM Zentuti

Dr. Ahmad Menesi Menesi

Salem Abdel-Monem Salem Burqan

Samir Hasan Ali Abu Lughod

Dr. Ibrahim Hasan Mustafa Saif



Board of Directors Declaration

The Board of Directors declares that none of its members have obtained any undeclared benefits from the Bank through their respective memberships of the Board, whether these benefits are of a material or in-kind nature, and whether these benefits are for their own personal use or anyone related to them, during the year 2021.

Chairman of the Board of Directors

Dr. "Moh'd Naser" Salem Abu Hammour

Vice Chairman of the Board of Directors

Abd Al-Rahim Al Hazaymeh

Basem Isam Halim Salfiti

Deema Mefleh Mohammed Aqel

Dr. Nofan Mansour Ageel Alaqil

Khaled Amr Algonsel

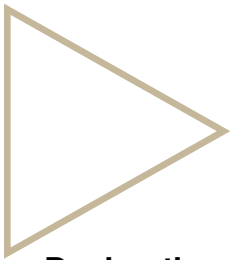
Dr. Khaled FM Zentuti

Dr. Ahmad Menesi Menesi

Salem Abdel-Monem Salem Burqan

Samir Hasan Ali Abu Lughod

Dr. Ibrahim Hasan Mustafa Saif



Declaration

We, the undersigned, hereby declare the accuracy, validity and completeness information and data mentioned with the Annual Report of 2021.

Chairman of the Board of Directors

Dr. "Moh'd Naser" Salem Abu Hammour

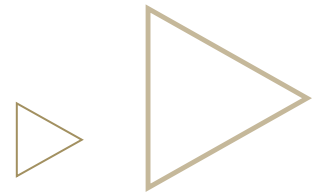
CEO

Samer "Al Saheb Al Tamimi"

Senior Manager

Head of Accounting, Operations and Reporting

Majed Mahmoud "Al Haj Ali" Hamdan



Benefits and remunerations enjoyed by the Chairman and members of the Sharia Supervisory Board

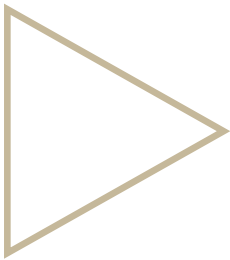
Sharia Supervisory Board Members	Transportation and attendance of Sharia Supervisory Board meetings	No. of sessions for attendance	Annual Bonus	Total
His Eminence Professor Dr. Ali Al Qaradaghi	7,700	7	31,100	38,800
His Eminence Dr. Ahmad Melhem	7,700	7	7,100	14,800
His Eminence Sheikh Abdul Karim Khasawneh (*)	3,300	3	2,367	5,667
His Eminence Professor Dr. Ali Musa (**)	4,400	4	4,733	9,133
His Eminence Dr. Safwan Edibat (***)	4,400	4	4,733	9,133
Total	27,500		50,033	77,533

No. of Sharia Supervisory Body meetings held during 2021 was (7) meetings

(*) His Eminence Sheikh Abdul Karim Khasawneh resigned on 28/04/2021.

(**) His Eminence Professor Dr. Ali Moussa was appointed on 29/04/2021.

(***) His Eminence Dr. Safwan Edibat was appointed on 29/04/2021.



Declaration on not obtaining benefits

May peace, mercy and blessings of Allah be upon you,,

In reference to the Corporate Governance Instructions for Islamic Banks No. (64 / 2016); as a member of the Sharia Supervisory Board, I declare that I have not obtained any undeclared benefits through my work at the Bank, whether these benefits are of a material or in-kind nature, whether they were for my personal use or for any individuals that are related to me; and this is for the previous year of 2021.

Chairman of the Body

Name: Prof. Dr. Ali Al Qaradaghi

Vice Chairman

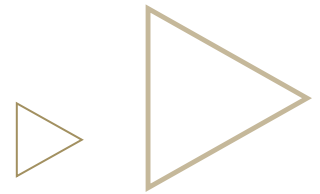
Name: Prof. Dr. Ahmad Melhem

Member

Name: Prof. Dr. Ali Musa

Member

Name: Dr. Safwan Edibat



Benefits and remunerations enjoyed by members of the Executive management

Name	Job	Salaries and bonuses for the year	Transportation expenses	Total
Samer "Al Saheb Al Tamimi"	General Manager / CEO	668,415	-	668,415
Rami Khayat	Deputy CEO, Chief of Corporate Banking	207,482	3,300	211,142
Hani Al Zrari	Deputy CEO, Chief of Central Operations	191,630	3,300	194,930
Ziad Kokash	Deputy CEO, Chief of Credit Management	197,176	3,300	200,476
Masoud (Sakf Al-Hait)	Chief of Legal and Board Secretariat	163,217	3,300	166,517
Rami Al Kilani	Head of Information Technology	167,730	3,000	170,730
Muneer Faroneyah	Head of Internal Sharia Auditing	82,627	2,900	85,527
Wael Al Bitar	Chief of Treasury and Investment	157,660	3,232	160,892
Nesfat Taha	Head of Retail Banking	159,228	2,900	162,128
Khalid Al Issa	Head of Internal Audit	76,819	2,900	79,719
Ahmad Tartir	Head of Compliance	98,420	2,900	101,320
Mohammed Hawari	Head of Human Resources Management	84,056	2,900	86,956
Ahmad Jafar	Head of Risk Management Department	106,944	2,900	109,844
Ibrahim Samha*	Deputy CEO, Head of Finance and Corporate Strategies	149,435	-	149,435
Total		2,511,199	36,832	2,548,031

*Mr. Ibrahim Samha resigned on 09 / 03 / 2021.

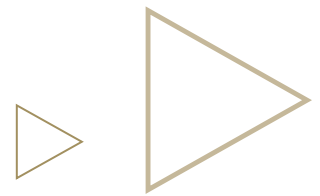
Number of bank employees according to their academic qualifications as of 31/12/2021

Educational Qualification	No. of Employees
PhD	4
Master's	52
Higher Diploma	3
Bachelors	570
Diploma	13
Secondary School	5
Less than Secondary School	11
Total	658



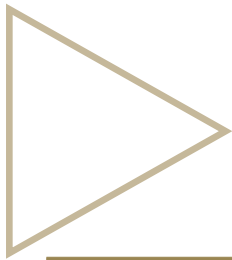
Qualification and training programs for the Bank's employees during 2021

Program Name	No. of Programs	No. of participants	Overall description of the program objectives
Sharia Educational Programs	1	650	These programs aim to develop the skills of employees in terms of Sharia Banking, and to give employees the foundations and principles of Sharia Banking, in order to enable them to serve customers properly and to avoid any Sharia violations in the implementation of transactions
Educational programs on the adopted policies, laws and procedures	20	2654	The Bank's management is keen on adhering to all approved policies and laws, which will ensure that the Bank is in compliance with all relevant regulations and legislations
Developing managerial and personal skills and following positive behavior	4	413	These programs aim to develop the managerial skills of employees, and to help leaders achieve the objectives of the Bank, and to provide them with the necessary skills required to perform their work professionally.
Programs on the best practices in customer service	4	57	These programs aim at emphasizing the employees' skills in excelling when it comes to customer service, maintaining them, dealing with complaints and emphasizing the Bank's mission to providing distinguished and innovative services aimed at building a permanent partnership; and introducing employees to the principles of correct selling in accordance with the highest quality standards
Specialized programs in banking	56	1217	These programs aim to confirm and enable employees' knowledge within their respective fields of work, and to be aware of the latest developments in their work, in a manner that increases efficiency and effectiveness in carrying out their respective tasks
Programs for Training and Qualifying new employees	1	41	Qualifying new employees and providing them with the necessary information and support to ensure they are fully integrated into the work environment, and that they perform as is expected of them.
Specialized professional certificates	9	12	Qualifying employees, empowering their knowledge and enhancing their skills by obtaining specialized professional certificates
Conferences and seminars	15	32	Attending a number of conferences and seminars
Total	110	5076	



The geographical locations of the Bank HQ and branches and the number of employees working at each as of 31/12/2021

Branch / Administration Name	District / Area Name	Street	Building No.	Telephone No.	Fax	No. of employees
Main Headquarters	Abdali Project / Boulevard	Finance Street	38	4602100	4647821	281
Headquarters - Jabal Amman	Second Circle	Islamic Scientific College Street	31	4602100	4602184	52
Al Abdali	Abdali Project / Boulevard	Finance Street	38	4602100	4602728	10
Jabal Amman	Jabal Amman District / Zahran Area	Islamic Scientific College Street	31	4602100	4602723	7
Al Bayader	Al Rawnak / Wadi Al Ser Area	Hosni Sobar	33	4602100	4602711	9
Al Madinah Al Monawara Street	Al Salam District / Tla' Al Ali Area	Al Madinah Al Monawara	121	4602100	4602712	9
Shmeisani	Shmeisani District / Abdali Area	Eliyah Abu Madi	6	4602100	4602713	7
Al Wahdat	Al Aoudah / Yarmouk Area	Prince Hassan	313	4602100	4602714	7
Al Sweifiyeh	Sweifiyeh District / Wadi Al Ser Area	Abdul Rahim Al Hajj Mohammed	70	4602100	4602718	7
Al Khalidi Street	Al Radwan District / Zahran Area	Ibn Khaldoun	38	4602100	4602719	5
Khalda	Khalda Area	Wasfi Al Tal	302	4602100	4602720	8
Taj Mall	Southern Abdoun District / Zahran Area	Saad Abda Shammout	2	4602100	4602721	12
Al Jbeha	Al Fadlieh District / Sweileh Area	Queen Rania Al Abdullah	329	4602100	4602722	7
Al Hashimi	Raghdan District / Basman Area	Al Batha' Street	97	4602100	4602725	7
Jabal Al Hussein	Jabal Al Hussein District / Abdali Area	Khalid Bin Al Walid Street	170	4602100	4602726	7
Wasfi Al Tal Street	Barakah District / Tla' Al Ali Area	Wasfi Al Tal Martyr Street	110	4602100	4602109	11
Dabuq	Al Bashaer District / Sweileh Area	King Abdullah II bin Al Hussein Street	149	4602100	4602734	7
Istiqlal Mall	Jabal Al Nazha District / Basman Area	Istiqlal Street	1	4602100	4602730	10
Abu Nseir	Al Amana District / Abu Nseir Area	Abu Nseir Street	145	4602100	4602731	7
Tabr Bor	Tareq Area	Tareq Street	78	4602100	4602733	10
Mecca Mall	Tla' Al Ali Area / Um Al Sumaq District	Abdullah Al Daoud Street	20	4602100	4602736	12
Al Hiriyah Street	Al Muqableen	Al Hiriyah Street	150	4602100	4604770	8
Marka	Al Zahraa' District	King Abdullah I Street	440	4602100	4602739	8



Branch / Administration Name	District / Area Name	Street	Building No.	Telephone No.	Fax	No. of employees
Sports City	Al Hussein Youth City District	Sarh Al Shaheed Street	90	4602100	4604774	8
Sahab	King Abdullah II bin Al Hussein Industrial City	Banks Street	254	4602100	4660724	7
Marj Al Hammam	Marj Al Hammam Area	Princess Taghrid Mohammed	47	4602100	4602729	7
Madaba	Western District	Yarmouk Street	-	4602100	4604773	8
Al Zarqa – Al Sa'adah Street	Aloula Area	Al Sa'adah Street	74	4602100	4602735	7
Al Zarqa	Zarqa Al Jadidah / Fifth Area	36 Street	36	4602100	4602716	7
Al Salt	Al Kharabshah District	Al 'Amriyah Bridge	-	4602100	4604772	8
Jerash	Al Qairawan District	Al Qairawan Circle	-	4602100	4604771	7
Irbid	Al Hashimi	Al Hashimi Street	84	4602100	4602715	10
Irbid City Center	City Center Mall	Prince Hassan Street	-	4602100	4602727	11
Aqaba	Al Fondoqiyah Area	Al Nahda Street	722	4602100	4602738	10
Karak	Al Thaniyah	Karak Road	-	4602100	4604775	8
Queen Rania Street	Haji Fund	Queen Rania Street	19	4602100	4604776	5
Abu Olanda	Al Nahar Commercial Market / Abu Olanda	Ibrahim Rashed Al Hanati	-	4602100	4604777	8
Al Rawnaq	International Group Complex / Seventh Circle / Damascus Route	Ma'an bin Oday Street	1	4602100	4604778	8
Ramtha	Wasfi Al Tal Martyr Street / Damascus Route	Wasfi Al Tal Martyr Street	-	4604135	4604135	8
Bab Al Madinah Market / Zarqa	Custodian of the Two Holy Mosques City	King Abdullah bin Abdul Aziz City	-	4604436	4604436	7
Mecca Street	Safwat Complex / Mecca Street	Mecca Street	82	4602737	4602737	7
Quba Circle / Irbid	Al Quba Circle	Rateb Al Batayneh Street	-	4602100	4604772	8
Total						658



Bank bonus policy

The Bank has adopted a clear policy when it comes to granting bonuses with the aim of generating distinguished results, by promoting a culture of excellence and high performance amongst employees, which contributes to attracting distinguished competencies with high expertise and qualifications, in addition to maintaining, supporting and developing the existing competencies, thus allowing the institution to progress and be more competitive.

Bonuses are distributed to employees on an annual basis, and are based on the annual evaluation performance and how far the goals that were set at the beginning of the year have been achieved. Accordingly, the bonus system is transparent and fair, and is in line with the Human Resources policies and corporate governance instructions.

Subsidiaries

Misc Brokerage Company

- The company commenced operations in 2011, with a capital of JOD 750,000.
- The Company's capital amounted to JOD 2 million at the end of 2021.
- The main activity of the Company is financial brokerage in Amman Stock Exchange.
- The Bank owns 100% of the Company.
- The Company's address is Jabal Amman, next to the Islamic Scientific College.
- Number of employees: 8
- Company objectives: buying and selling securities for commission, on behalf of others and as a broker.

Fees of the external auditor at the Bank and its subsidiaries and the additional fees for 2021

The fees of the Bank's and its subsidiary company auditor amounted to JOD 133,110 for 2021 (including the fees for the Sharia audit).

The fees for additional services offered to the Bank and its subsidiary amounted to JOD 64,177 during 2021, the details of which are as follows:

- Fees for researching the determinants for calculating Expected Credit Losses, amounting to JOD 47,357.
- Tax advisory fees for the Bank and its subsidiary amounting to JOD 13,340.
- Ensuring that Misk Brokerage Company implements the provisions of the law and the instructions for anti-money laundering, as issued by the Securities and Exchange Commission, and the decisions issued pursuant therewith, along with the adequacy of the policies and procedures in this regard, amounting to JOD 3,480.

The Audit Committee of the Board of Directors have reviewed the engagement letters, along with the contracts signed with the External Audit Firm for independence and to ensure necessary measures have been taken for the independence of the Bank's external auditor.

The level of dependance on specific suppliers or major customers (locally and abroad) in the event this constitutes 10% or more of the total purchases and / or sales or revenues, respectively

- There is no dependence on local or foreign major customers or suppliers who make up 10% or more of the total purchases, sales and / or revenues, respectively.



Description of government protective measures or privileges enjoyed by the Bank or any of its products under laws, regulations or others, and there are no patents or franchises owned by the Bank

- There are no government protection measures or privileges enjoyed by the Bank or any of its products under the laws, regulations or others, and there are no copyrights owned by the Bank.

Description of any decisions issued by the government, international organizations or others that have a material impact on the Bank's business, products or competitiveness

- There are no decisions that have been issued by the government or any international organizations, or others, which could have a material impact on the Bank's business, its products or competitiveness.

A statement of the contracts, projects and engagements that the Bank has concluded with subsidiaries, sister or affiliated companies, the Chairman of the Board of Directors, members of the Board, the General Manager or any employee of the Bank, or their relatives

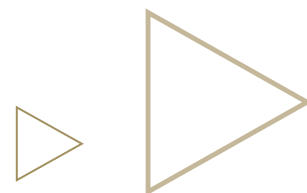
- There are no existing contracts, projects or obligations made by the Bank, its subsidiaries, sister or affiliated companies, the Chairman of the Board of Directors, the General Manager, or any employee of the Bank, and their relatives.

The Bank's implementation of international quality standards

- International quality standards are applicable to the Bank, whereby the Bank has obtained the following:
 - PCIDSS Global Standard Certification for implementing the best international practices related to information security in bank card transactions, and to providing the highest levels of data protection and confidentiality related to electronic payment cards, in accordance with the latest version, V3.2.1.

Donations and Sponsorships provided by the Bank during 2021

Item	Amount
Education Department / Ministry of Education	20,000
Tkiyet Um Ali Foundation for Charity and Volunteer Work	10,000
Public Security Printing House Fund	5,000
Medical Aid for Palestinian Association	3,000
Jordanian Pharmacists Association	2,000
Al Jazira Club	2,000
Nurses and Midwives Association	1,500
Sukaina Charity for Social Support	1,000
Global Forum for Moderation	1,000
General Ifta' Department	1,000
National Customer Protection Association	500
Ma'an Charitable Society	500
Total	47,500



Most prominent legal cases filed by the Bank and filed against it

First: most prominent legal cases filed against the Bank

Lawsuit No.	Lawsuit classification	Claim amount	Court
342/2020	Financial claim and accountability measure	JOD 200,000 for the fees	Amman Court
243/2021	Invalidation of measures for executing debt promissory notes and financial claim and accountability measure	JOD 200,000 for the fees	Jarash Court
8088/2021	Proof of ownership	JOD 200,000 for the fees	Amman Court

Second: most prominent legal cases filed by the Bank

There are no prominent legal cases that have been filed by the Bank.

Risks which might face the Bank

The risks to which Safwa Islamic Bank is exposed are considered as being within the acceptable level for Board of Directors. The Risk Committee determines the general frameworks for risk management strategies and policies that are approved by the Board of Directors. The Risk Management Department executes its tasks through a specialized department equipped with qualified cadres in line with the Board's guidelines and the overall strategy of the Bank. This department works on implementing the best international practices in risk management (Basel III decisions), and in line with the requirements and instructions of the Central Bank of Jordan.

Risk Management Description, Structure and the nature of its Operations

The Risk Management Department is responsible for the process of managing risks that the Bank is exposed to, whereby the department prepares and reviews the policies and procedures documents, controls and limits of the Bank's related activities, by managing all types of risks (such as credit risk, operational risks, market risks, liquidity risks, rate of return risk, reputational risks, non-compliance risks, risks of non-compliance with the provisions of Islamic Sharia, and other risks). The department is also involved in analyzing and measuring these risks and developing appropriate measurement methods in order to mitigate these risks, which in turn may have an impact on the Bank's profitability and capital adequacy ratio, in line with general framework approved from comprehensive risk management, which forms the basis for these policies, in addition to other policies related to the acceptable level of risks. Moreover, the overall framework for risk management and related risk policies forms the basis for preparing the Internal Capital Adequacy Assessment Plan (ICAAP) and conducting stress tests, whereby the department prepares the acceptable levels of risk (risk appetite) for all of the Bank's activities, and then obtain approval on them from the Board of Directors, and periodically compares these levels with the actual level of exposure.

Furthermore, the Risk Management Department prepares periodic reports and presents them to the Board of Directors through the Risk Committee, in order to inform them of the latest developments related to risk management at the Bank, and in order to evaluate these developments and obtain recommendations in this regard.

The Risk Management Department consists of the following sections:

- Credit Risk Department
- Operational Risks, Information Security and Cybersecurity Risk Department
- Market Risk Department



Developments at the Risk Management Department

The Risk Management Department has developed credit risk measurement tools by updating the standards for the Retail Customers Scoring System (Risk Scoring System), the implementation of an assessment system for small enterprise customers, and Moody's CreditLens (for corporate customers).

The modernization and development of customer evaluation systems for various credit portfolios in the Bank will have a positive impact on the Bank's ability to assess its credit portfolios, and will therefore contribute to the development of the credit-decision making methodology, in addition to moving forward with applying advanced methods for calculating credit risks in accordance with Basel decisions.

The Risk Management Department has also continued with the application of methodologies related to operational risk management, of RCSA (Risk and Controls Self-Assessment) workshops with various departments and units of the Bank, in accordance with the organizational structure of the Bank. The department also monitors the extent of all departments' commitment to applying the corrective measures related to gaps in controls, and the follow-up processes in place to examine these controls; by coordinating roles with the control and audit departments in order to ensure documentation of the processing for checking controls carried out by the departments as part of the Risks and Controls Self-Assessment. The department has also updated risk profiles for a number of departments and sections, and has provided the Internal Audit Department with these profiles, thus forming the basis for applying risk-based audit and review approaches. The department collects data on operational losses and events, analyzes this data and then links it to the risk profiles.

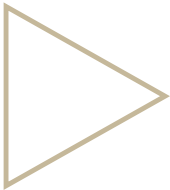
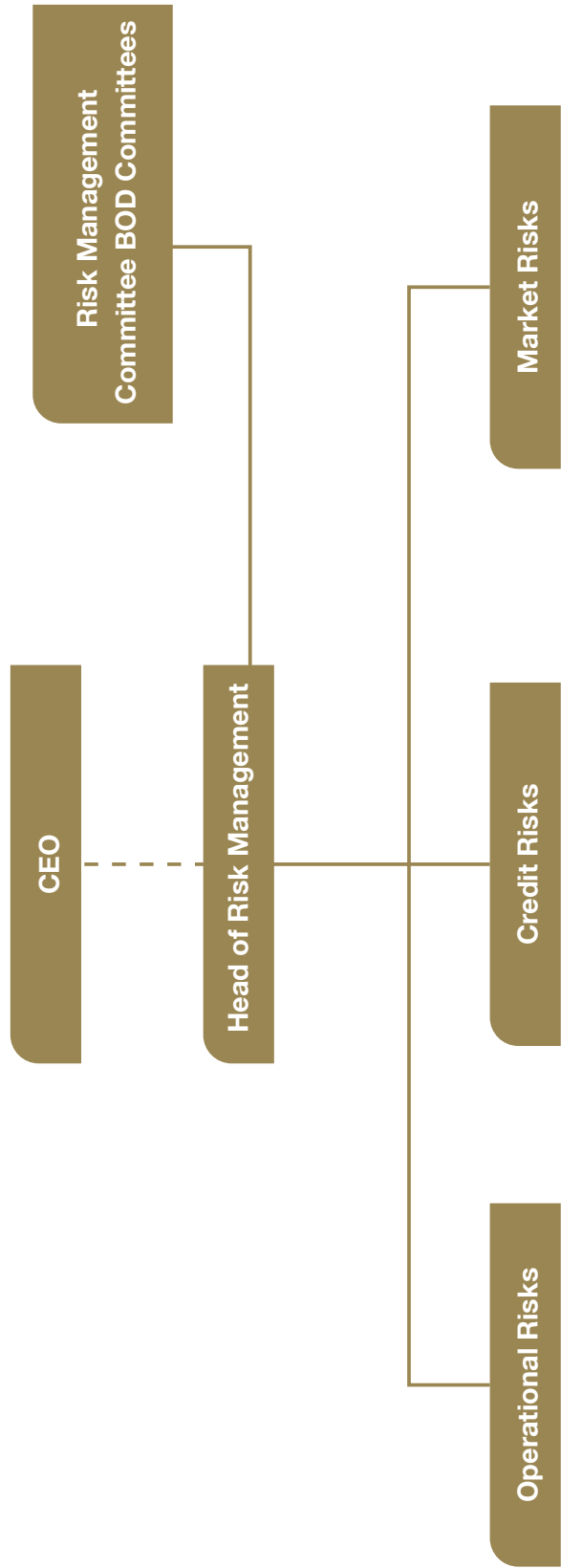
In the domain of information and cyber security, the Bank was granted a Certificate of Compliance with the third version of the Payment Cards Data Security Standard (PCI DSS) V3.2.1. An integrated strategy on information and cyber security was also developed by the Bank, which was accomplished by updating information security policies in line with the best recognized practices, and by managing related projects that are involved in improving the regulatory controls system within the Bank's technical environment, and in line with the instructions of the Central Bank of Jordan. The department was also involved in participating in the project to implement the governance and management of information along with the associated technology (COBIT 2019) in line with the instructions of the Central Bank of Jordan. The Information Security and Cyber Security Unit continuously monitors the records of security events for systems and networks through the Security Incidents Follow-Up Center (SOC). The project was also managed in a manner to ensure compliance with cybersecurity risks instructions issued by the Central Bank of Jordan, with the participation of the relevant departments in the Bank, and various protection systems applied in order to mitigate the associated risks. In the field of security penetration tests, several tests were conducted for the Bank's networks and systems, and a specialized test was done for the Bank's applications. As for spreading awareness on information security and business continuity, the department holds training workshops for the Bank employees on an annual basis, as well as sending awareness messages to customers on a regular basis.

In the field of business continuity plans, the Department has updated these plans in response to the emergence of external risk factors, and various tests have been conducted in order to ensure that the level of readiness is adequate at various locations. Recently, the alternative location of the Bank was upgraded by modernizing computers and offices in order to suit the number of employees present in the bank in case of an emergency. The Business Continuity Plan has also been updated to include business continuity during the Covid-19 pandemic, and remote work has been included as a part of business continuity strategies.

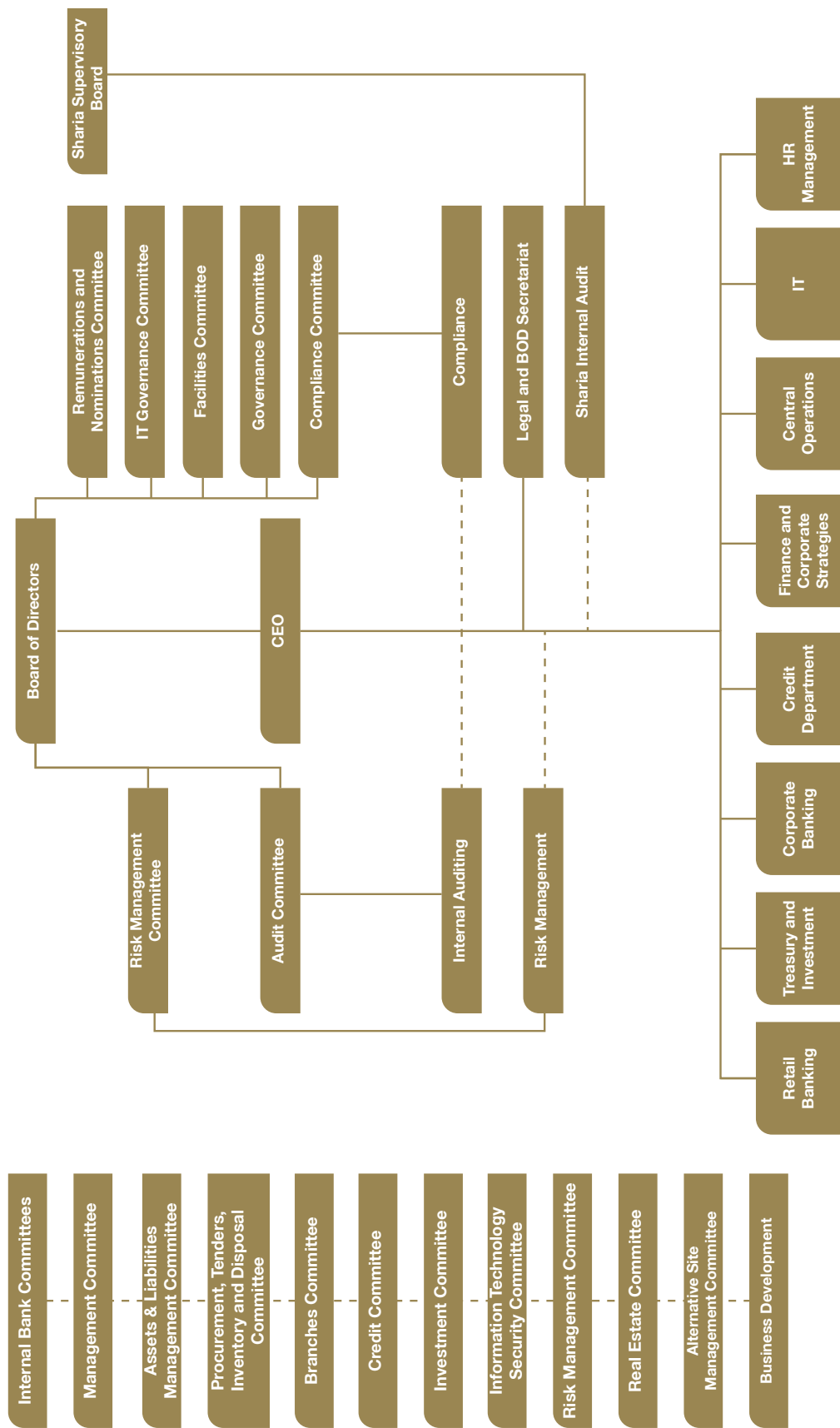
With regards to responding to the Coronavirus pandemic, the Bank has put into place a number of strategies for remote work and social distancing, as well as working through the alternative site in order to ensure a safe work environment that is conducive to business continuity. An integrated plan to deal with the pandemic was developed, and the relevant requirements were identified. The Bank is still implementing this plan in line with the instructions of the official and legislative authorities in this regard.

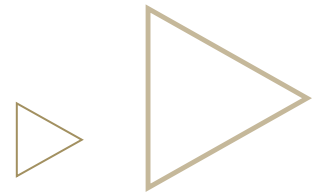
When it comes to market risk, the department has developed reports concerning the rate of return risk, and these reports are sent on a periodic basis. The department has also prepared a methodology related to the Liquidity Coverage Ratio (LCR) within the Liquidity Risk Management Policy, along with a liquidity contingency plan; all of which have been approved by the relevant parties. The Department has also updated the Market Risk Policy.

Risk Management Department Structure



Organizational structure of Safwa Islamic Bank





Executive Management's Evaluation of the Effectiveness of Internal Controls Systems

The Bank's strategy and the operational plans emanating from it, along with the related policies in various fields (credit, risk, human resources, information technology) are approved by the Board of Directors. The Executive Management of the Bank prepares the working procedures that govern all of the Bank's operations, and works to implement the approved policies with a high degree of efficiency and effectiveness. The Executive Management will also conduct a periodic review of these procedures to ensure that they are compatible with the work environment and requirements, and to ensure they are capable of being implemented in an optimal manner.

The Board of Directors and the Executive Management at Safwa Islamic Bank are responsible for setting, implementing and maintaining internal controls systems at the Bank, that are capable of ensuring and achieving the following:

- Accuracy of the information mentioned in the annual report.
- Accuracy and integrity of the financial and operational statements issued by the Bank.
- Efficiency and effectiveness of the performance of the Bank's operations
- Effectiveness of the procedures to protect the assets and properties of the Bank.
- Compliance with internal work policies and procedures, applicable laws, legislations and instructions.
- Adequacy of Sharia control systems.

This stems from the Bank's belief in the importance of having suitable and effective internal control systems and continuously following-up on these controls, as they are considered as one of the most important elements for good management, and a basis for the safety and quality of the Bank's operations. The Bank has adopted a number of internal control and monitoring systems which the Executive Management is responsible for implementing and verifying their effectiveness after they have been approved by the Board of Directors. The Executive Management is also responsible for preparing and developing strategies and policies, and working on their implementation after they have been approved by the Board, along with formulating, updating and implementing work procedures in a way that ensures the identification, measurement, control and monitoring of the risks facing the Bank. The Bank's Board of Directors is involved in continuously monitoring and evaluating the effectiveness and efficiency of these systems, along with working on enhancing them and ensuring they are capable of achieving the desired goals.

In this context, the Board of Directors has drawn up a number of strategic objectives for the Bank, in addition to overseeing its executive management, which is responsible for daily operations. The Board is also involved in approving the internal control and oversight systems, ensuring their effectiveness, and the extent of the Bank's adherence to the strategic plan, policies and procedures as approved or required by the law or instructions issued in this regard. Moreover, the Board will ensure that risks are properly and suitably managed.

Internal Control and Oversight procedures are implemented through the following:

Sharia Oversight

Sharia Oversight is an essential part of the control systems within the organizational structure of the Bank. The Sharia Supervisory Department within the Bank examines and assesses the extent of the Bank's compliance with the provisions and principles of Islamic Sharia, and the Fatwas, guidelines and instructions issued by the Bank's Sharia Supervisory Board; along with the standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI). Accordingly, the Sharia Supervisory Board will issue a report to be attached to the Bank's annual report, and which shall contain the Sharia opinion on the Bank's business and activities.

It is pertinent to note that the Sharia Supervisory Department raises all inquiries to the Sharia Supervisory Board, which will study the activities, topics, inquiries and financing formulas that the Bank uses, and will then provide the relevant departments with the response and decision of the esteemed Sharia Supervisory Board.



Human Resources Management

Human Resources Management activities include the preparation and activation of all controls to appoint employees in the jobs that suit them, based on their qualifications and work requirements; in addition to monitor and evaluate employees performance on a semi-annual basis. This is accomplished by drafting a job description for each employee in line-with the Bank's organizational structure and Human Resources Management Policy. Moreover, the department will ensure that employees are provided with training on an ongoing basis to raise their competencies, and to ensure that they possess the qualifications required to perform their work in a highly professional manner.

Internal Audit

The mission of the Internal Audit Department at Safwa Islamic Bank is seek to improve and protect the institutional value of the Bank, by adopting a risk-based audit approach, providing assurance and objective advisory services, in addition to advice and guidance to the concerned parties at the Bank. The Audit Department reports administratively and functionally to the General Manager, and directly to the Audit Committee emanating from the Board of Directors. The Audit Department is directly supervised by the Audit Committee and reports directly to the Executive Management and the Audit Committee. The Department also has its own Internal Audit Charter which has been approved by the Board of Directors, whereby the Charter includes the functions of the Audit Department, its responsibilities, powers and work methodology, and has been circulated throughout the Bank in accordance with the amended Instructions of Institutional Governance of Islamic Banks No. (64 / 2016) issued by the Central Bank of Jordan on 25 / 09 / 2012. The Charter is reviewed on an annual basis.

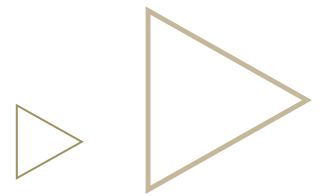
The Department's activities include all business centers, activities and operations of the Bank and its subsidiaries in a way that enables the department to assess the suitability and effectiveness of the internal control systems, the risk management processes and institutional controls, and to verify compliance with the Bank's internal policies, international standards and related legislations, in accordance with the annual risk-based audit plan approved by the Audit Committee. The Internal Audit Department also prepares an annual report on the adequacy of the internal control and oversight systems in accordance with the instructions of the Internal Controls and Oversight Systems No. (35/2007) issued by the Central Bank of Jordan on 10/06/2007.

Risk Management

The general framework for risk management is considered as the main umbrella for the Bank's risk management operations, with an integrated set of various policies for managing risks that the Bank may be exposed to during the course of its business.

The Risk Management Department is responsible for developing a robust and effective system for identifying, measuring and managing risks effectively and efficiently. The most prominent basic roles of the Risk Management Department involve the preparation of relevant risk policies, preparation of acceptable levels of risks on a periodic basis and in line with the strategic directions of the Bank, submitting reports pertaining to violations and ensuring that these are addressed; in addition to evaluating the extent of the Bank's ability to face unusual risks, through conducting stress tests. The Risk Department also analyzes and studies all the risks to which the Bank is exposed and raises the level of awareness of risks based on the best practices and standards relevant to the banking sector.

The application of IFRS (9) within an integrated automated system has contributed to enhancing the ability to predict and determine expected losses. The variables that are relied upon in calculating Expected Credit Losses are periodically reviewed by expanding the default historical data base, guarantees and recoveries, in order to reflect the current overall economic situation, and the Bank's situation in particular, with the aim of increasing accuracy in the process of calculating and forecasting expected credit losses. As for accounts that display a potential for defaulting, early warning and follow-up procedures will provide for taking the corrective and preventive steps, as an effective attempt to reduce risks, and so as not to exceed the acceptable limits and levels.



Finance and Corporate Strategies Department

The Bank's consolidated financial statements are prepared in accordance with the standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions, in addition to the applicable local laws and the instructions of the Central Bank, as well as Sharia regulations. This aims to show the financial position of the Bank in a fair and realistic manner, and to provide decision makers with the necessary and relevant information required to take the appropriate decision. The quarterly performance of the Bank is evaluated objectively and impartially based on the objectives set out in the work plans and the estimated budget. The Finance Department also follows-up on the application of the approved policy for controlling current and capital expenditures at the Bank, which includes all relevant aspects in terms of authorities, limits, approval, exceptions, methods of measurement and analysis, and monitoring compliance with action plans and the estimated expenditures for all departments, whether related to new projects or ongoing projects.

Support Units (central operations, Engineering & Corporate service, Internal Audit, Total quality Management)

The support departments will provide numerous services to many different departments at the Bank, either through the implementation of various financial operations related to corporate or retail customers, or through the operations of the treasury department. Through the Engineering Department, they will also be involved in implementing new projects, and the Real Estate Appraisal Unit performs the necessary appraisals for the properties intended to be financed, or that are intended to be taken as mortgages.

All of the aforementioned operations involve executing financial transactions that have a significant financial impact on the Bank's customers and on the Bank itself. Therefore, it is necessary to work on the application of several principles that guarantee the correct implementation of these operations, and to obtain the accurate market value of real estate properties.

In order to implement this, policies and procedures will have to be developed ensuring the concept of dual control over financial transactions, whilst ensuring there is conflict of interest, and in a manner that is consistent with banking, accounting and legal principles.

Furthermore, a numerous daily, monthly and quarterly reports will be relied on to ensure that these operations are implemented in accordance with the approved policies and procedures. The Internal Audit Department, Sharia Supervision, and the Compliance Department, along with the Control Unit at the Central Operations Department will carry out reviews and on-site visits in order to study the executed operations and to ensure full compliance with the policies and procedures.

Information Technology Department

The Information Technology Department operates in accordance with a methodology through which it determines the owners of systems and therefore they place limits on responsibilities. This is done in order to ensure safety of using the automated systems based on effective controls that are subject to ongoing monitoring, maintenance operations and any emerging applications that are carried out in order to ensure the protection of systems and data at all times.

Compliance Department

The Compliance Department ensures that the Bank and its internal policies comply with all regulations, laws, instructions, orders, codes of conduct, standards and sound banking practices issued by local and international supervisory authorities. This is achieved by setting and developing a compliance policy, and anti-money laundering policy, Sharia Compliance Policy, and through holding the necessary training courses. The Department will also submit special reports to the Compliance Committee in this regard, in addition to the Corporate Governance Committee emanating from the Board of Directors.

Through these procedures, the Executive Management is able to confirm and ensure that all relevant departments concerned with internal controls have implemented their set plans, and that they work with a high degree of discipline and professionalism.



Description of the main activities of the Bank and the most important services and products offered by Safwa Islamic Bank

Corporate Banking

Safwa Islamic Bank offers a variety of financing products that are compatible with the provisions of Islamic Sharia, including direct financing through Murabaha, Murabaha Wakala and leasing; in addition to indirect financing through documentary letters of credit and letters of guarantee of all kinds. We also ensure that special products are offered to certain customers based on their financing needs and the nature of their business.

The focus of our team that is involved in Corporate Banking is the customer, and we ensure that the needs, goals and success of the customer lie at the center of our work. Therefore, at Safwa Islamic Bank, we are keen on being the only corporate banking institution that meets all of the various needs and requirements of different types of companies of all sizes.

In this regard, we are keen on providing an integrated package of services and products that meet the needs of our customers. We also strive to develop products and solutions that are specific to any customer and meet his needs and expectations in a professional manner, and with a view to high service and a personal touch. Therefore, we have provided an integrated set of products and unique corporate services.

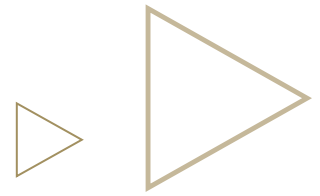
This year, Safwa Islamic Bank also expanded its Corporate Internet Banking Service and Cash Management Service, bearing in mind that we are the only Islamic Bank to provide this service in Jordan, in a modern and distinguished manner. We also offer the Corporate Investment Savings Product, which is only one of its kind offered in Jordan. Furthermore, we offer innovative financing solutions to customers under the umbrella of Islamic banking systems, which include financing large and medium sized companies operating in various economic sectors; whereby the Corporate Banking Department is keen on focusing on establishing strategic and comprehensive relationships with customers, revolving around excellent services and understanding their special financing needs.

This year, Bonded Financing was launched, aimed at storing goods financed by Safwa Islamic Bank, whereby the goods are stored, handled and arranged, and they are insured in exchange for the set commissions, under customs supervision.

On the other hand, and stemming from our keenness to provide all customers with finest of services, the Deposits Department and the Corporate Operations Services Department have been strengthened, whereby the functions of the COSO Department have been developed and upgraded. This department is concerned with completing all corporate financing transactions, opening up lines of credit, issuing guarantees, making transfers and many other services, without having to consult with the manager. This has reflected on the ability to service customers quickly, efficiently and with high quality, thus ensuring that customers are satisfied. Moreover, the tasks of delegates have been added for large, medium and small sized company customers.

In the same context, and in order to establish strategic relationships with our customers, we have directed our attention and efforts to cross-selling with business departments and other services at the Bank that are offered by the Retail and Treasury Departments, thus ensuring that the employees of these companies are also attended to, by providing them with special offers.

We repeat...our path to success is associated with the success of our customers, because we view them as our partners, and we will continue moving forward together.



Retail Banking

The Retail Banking Department offers the following services:

VIP Customers (Safwa Gold)

Safwa Islamic Bank is distinguished by the fact that it is the first Islamic bank in the kingdom to provide unique services that are compatible with the provisions of Islamic Sharia to VIP customers. The Bank seeks to provide a range of high-end and distinctive services that specially designed to meet the aspirations of VIP customers. This is done through Safwa Gold Centers, which are designed and prepared to provide the highest level of convenience and speed. The service also offers a specially designated customer relationship manager to help customers complete their banking transactions, and to provide advice and guidance through banking consultations related to all of the Bank's products and services.

Financing Services and Products

The Bank has continued to introduce new banking services and products, and to develop existing ones, in an effort to further improve the customer experience, and to meet their aspirations, on one hand, and to achieve their ambitions, on the other; through the implementation of projects and programs aimed at simplifying the Bank's procedures, and developing and automating operations for the purpose of facilitating various banking transactions related to financing products that are compliant with the provisions of Islamic Sharia.

Murabaha based Financing products

- Personal financing includes financing goods, merchandise, stocks, motorcycles, lands, solar heating systems, through Murabaha.
- Share financing service in the form of Murabaha, which provides the option to purchase assets (shares) in companies that are involved in permissible activities, and in accordance with the Sharia Financial Analysis Criteria established by the Sharia Supervisory Board.
- Providing financing for new and used cars with quick procedures and minimal requirements, whereby the Bank has succeeded in building strategic relationships with suppliers, and therefore it is able to offer competitive financing with easy terms.
- Financing travel expenses to perform Hajj and Umrah, in addition to financing the expenses of tourist trips, and covering wedding hall costs and study expenses. This is done by concluding a Usufruct Contract between the bank and the customer.
- Financing goods product through Musawamah, which allows customers to finance their purchases of goods at the same cash price and without any profits, through a network of merchants approved by the Bank.
- Al Yusr Product, which allows customers to pay multiple financial obligations with conventional banks (payment of personal loans, car loans and credit card) and commit with Safwa Islamic Bank.

Ijara Finances

- Financing the purchase of apartments and ready-made homes, in addition to the possibility of financing with minimal requirements.
- Financing the purchase of lands for the purpose of building on them, and financing farms and residential lands.
- Financing commercial offices such as clinics and engineering offices.
- Refinancing real estate properties owned by customers.



An agreement was signed with the Ministry of Energy and Mineral Resources / the Fund for the Promotion of Renewable Energy and Energy Rationalization, according to which customers may obtain support from the Energy Fund for one of the systems (the solar cell system of the system for solar heaters), in the event that they wish to purchase renewable energy systems and / or if they would like to opt for energy rationalization and efficiency. The fund subsidizes 30% of the value of the system within the overall specified limits.

In light of the difficult health situation due to the repercussions of the Coronavirus pandemic, and as customers are in need of liquidity to pay off their monthly expenses, the Bank has offered the following:

- Postponing all Murabaha financing and Ijara instalments for retail customers for the month of April, without imposing any extra commissions or profits.
- The possibility of using any of the ATMs of the other banks located in the Kingdom.
- Reducing profit rates for retail customers.
- Amending the refinancing of an existing property so that the financing period is extended to 10 years.
- Reducing commissions for foreign remittances in foreign currencies.
- Amending the account opening service procedures through Safwa Mobile Application Customer On-boarding Service during downtimes for the purpose of transferring salaries.

Accounts and Deposits Services:

These include current and savings accounts, children's savings accounts (Kinzi) and women's savings accounts (Hareer). The Bank is also unique in the Islamic Banking sector as it offers a competitive investment deposit product in terms of pricing and product characteristics. The Bank allows customers to link deposits on a monthly basis, and with profits paid on a quarterly basis, which represents a competitive advantage for the Bank. The Bank also offers Islamic deposit certificates for individuals and financial institutions for customers who wish to obtain a suitable return. Moreover, the Bank offers the Hajj Sukuk product, which provides the opportunity to perform Hajj at an early stage by saving and investing in the Hajj Fund of the Ministry Awqaf, Islamic Affairs and Holy Places. The Bank also offers Safety Deposit Boxes for rent, and they are available in several branches, and come in different sizes in order to enable customers to preserve their valuables.

Digital Banking:

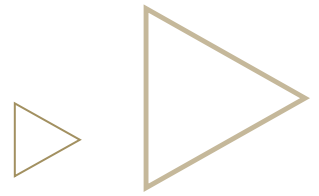
As part of the Bank's digital transformation strategy aimed at providing customers with exceptional solutions, the Bank has developed a set of services through its Digital channels, in addition to working on updating existing services to improve the quality of services provided to our customers.

The Banking Application allows the Bank's customers to complete their banking transactions with the utmost security and in an easy and smooth manner. These services vary, starting from opening an account through the application at any time, opening an investment deposit, and providing various payment services such as: money transfers, bill payment, in addition to the immediate payment system, Cliq payment, along with its features of requesting a cash payment or cash back services. Safwa Islamic Bank launched the payment service through QR code, which allows customers to stop using their cards and to pay at POS points through their mobile phones.

Safwa Islamic Bank was the first bank in Jordan to replace the feature of OTP verified payments with a Biometric authentication feature, allowing for financial transactions to be executed through a person's fingerprint or facial identification. All of these features have contributed to an increase in the number of active customers using the banking application and internet banking by 60%.

With regards to the Bank's website, www.safwabank.com, we are working hard to update the website and to continuously update it in order to help customers to select the service and product according to their needs. The website has experienced an uptick in visitors by 55%.

As for the Call Center, which represents number one channel between the Bank and its customers, some updates have been made to elevate the quality of services to 93%.

**Bank cards:**

Several tactical campaigns were launched during the year in order to meet the needs of customers during all religious and social occasions. This came as a part of the Bank's social responsibility adopted as an integral component of its values as a major and active player in the Jordanian society.

As a result of these efforts, Safwa Islamic Bank witnessed an increase in the number of electronic Murabaha card holders issued by 38% compared to 2020. Work was also done during the year to enhance the number of Musawamah merchants, with an increase of 21 merchants, and 28 merchants concerned with the Immediate Discount Campaign launched during the month of August this year.

Small sized enterprise banking

The Small Business Banking Department at the Bank provides banking and financing services to institutions and small companies operating in various economic sectors through the following products:

1. Financing foreign and local purchases (working capital / merchandise, raw materials).
2. Financing internal and external purchase with a guarantee at POS.
3. Leasing services.
4. Fixed asset Murabaha financing (vehicles, machines, equipment, production lines, and other equipment).
5. Real estate financing (land, offices, commercial complexes) in the form of Ijara ending with ownership.
6. Documentary letters of credit and financing
7. Financing documentary collections
8. Letters of guarantee of all types (payment bonds, bid bonds, performance bonds, maintenance bonds and external guarantees).
9. External transfers
10. Working capital and fixed assets financing products within the programs of the Central Bank (investment agreement) as follows:
11. Financing renewable energy
12. Financing fixed assets and equipment
13. Financing the tourism sector (tourism financing).
14. Financing the agricultural sector (IFAD Program).



Treasury and Investment Department

The Treasury and Investment Department at Safwa Islamic Bank offers a variety of innovative and modern Sharia compliant services, products and solutions for each of the Bank's various departments, and the Bank's retail and corporate customers, in addition to customers that have a solid experience in the financial markets. These products and solutions help to manage investment risks.

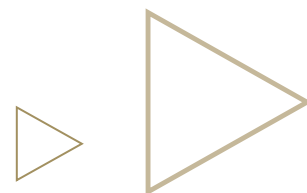
These services and products include:

- Spot exchange of foreign currencies
- Forward exchange of foreign currencies based on the promise to exchange a currency for the purpose of hedging.
- Investing in international Wakalas and Murabaha.
- Investing in international and local as well as and local and regional stocks.
- Investing in investment certificates of deposit issued by the Bank for its customers and financial institutions
- Arranging and managing Sukuk issuances for local companies and institutions, especially government companies.
- Sukuk Issuance Service.
- Service for trading, investment and safe custody of Sukuk.
- Confirming or notifying incoming letters of credit, facilitating the issuance /re-issuance and confirming letters of credit issued to correspondent banks.
- Buying and selling Sharia compliant shares through Misk Brokerage Company, which is wholly owned by the Bank.

Complaints Statistics received from customers through various channels during 2021

Compliant Classification	Total No. of Complaints
Electronic services	40
Commissions and fees	37
Profit / return rates	46
Professional conduct behavior	196
Bank cards	10
Contracts and terms of dealing	35
Work environment	321
Transfers	6
Credit inquiries	6
Other	4
Total	701

Safwa Islamic Bank attaches a great deal of importance to customer complaints, as this is one of the most important indicators of the quality of services performance of products provided by the Bank to its customers. The Customer Complaints Unit is affiliated to the Compliance Department, in line with regulatory requirements, and all complaints are dealt with professionally and effectively. A careful follow-up will be carried out with the relevant departments and sections of the Bank in order to ensure that complaints are delivered to the concerned units and are therefore addressed, in addition to finding solutions and avoiding their recurrence with other customers in the future.



Summary of the policy regulating the relationship between the Bank (the Mudarib) and investment account holders (owners of funds)

Safwa Islamic Bank

Preamble

This policy regulates the relationship between the Bank (the Mudarib) and the investment account holders (owners of the funds).

This policy and any amendments to its are subject to the approval of the Sharia Supervisory Board of the Bank, the Bank's Board of Directors and the Central Bank of Jordan.

First: Defining Investment Accounts

Investment Accounts (Investment Deposits)

These are sums of money that the Bank receives from investors on the basis of Mudarabah, whereby the fund owners will authorize the Bank to invest them on the basis of Mudarabah. Investment accounts are divided into investment accounts managed on the basis of absolute Mudarabah, in which the Mudarib is authorized to invest the money as he sees fit; and investment accounts that are managed on the basis of restricted Mudarabah, in which the Mudarib will be restricted to a specific type or method of investment appointed by the funds owner. The relationship between the owners of these funds and the institution is that of the owner of the money with the Mudarib, and there is a commonality between the Mudaribeen and the multiple owners of funds. This relationship is subject to the provisions and regulations of joint Mudarabah.

Joint Investment Accounts:

These are amounts that the Bank receives from investors whereby the owners will authorize the Bank to invest them on the basis of absolute Mudarabah, without linking this to a specific investment project or program. Account holders and the Bank will share the profits, if any, based on the ratios determined for each party either within the Mudarabah contract or in the account opening request submitted by the depositor and approved by the Bank. The account holder will be liable for all losses in proportion to their respective shares in the capital, except for what may result from infringement, negligence, or violation of conditions, in which case these losses are to be borne by the Bank (Mudarib).

Restricted Investment Accounts:

These are amounts whose owners will authorize the Bank invest on the basis of Mudarabah that is restricted to a specific project or investment program. The Bank and the account owner will share the profits – if any – according to the percentages determined for each party in the Mudarabah contract or the account opening request submitted by the depositor and approved by the Bank. The owner of the account will be liable for the losses incurred up to his / her share in the capital belonging to his account, except for losses resulting from infringement, negligence, or violation of conditions, in which case, such losses are to be borne by the institution.

Second: Investment Priority / Equality in Investment Opportunities

The principle of equality in investment opportunities between shareholders' funds and the funds of investment account holders in joint Mudarabah will be applied, and the Bank's own investments will be shown in separate accounts from the joint investment accounts.



Third: Elements / Basics for Profit Distribution

- Allocating the Mudarib's share in the profits in the common pool of funds.
- Determining the points (assigning weights to the average balances).
- Determining the amounts of shareholders (fund owner) invested in the common pool of funds.
- Determining the amounts of unrestricted investment account holders (investors) in the common pool of funds.
- Calculating the net profit of the common pool of funds.

Fourth: Zakat

The responsibility for paying Zakat rests with the shareholders and owners of unrestricted / restricted investment accounts, as there is no authorization for the Bank to pay it directly, and there is no law for collecting it, in addition to the Bank's articles of association, the decisions of the General Assembly, or authorization from the shareholders do not stipulate this. Therefore, the shareholder and the owner of the unrestricted / restricted investment account must pay Zakat on their shares and funds when the conditions and Sharia regulations for Zakat have been fulfilled.

Fifth: Profit Equalization Reserve

This reserve will be released in order to distribute appropriate and competitive rates of return for the unrestricted investment account holders, as well as shareholders in the event of exceptional circumstances and sharp fluctuations in the market.

Sixth: Points (assigning weights to average balances):

This is a method for calculating the investor's share from the revenues of the joint investment pool, as it is implicitly agreed that the return on deposits and investment deposit certificates is paid on the average balance of the value of the deposit and the investment deposit certificates; whereby the weighting is allocated based on the size or value of the deposit (according to a pre-prepared schedule that specifies these weights and makes them clear to customers), the term of the deposit, investment deposit certificate and the frequency of payment of profits to the customer.

Seventh: Allocating Mudarib's share in the profits of the joint funds pool

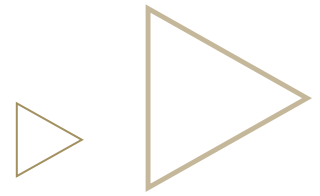
The value of the Mudarib's share of the profits is calculated by applying a pre-specified percentage of the net profit, and with the approval of the Sharia Supervisory Board of the Bank, after calculating the profit share for each category of deposits and each issuance of investment deposit certificates, and making transfers to / from the credit loss allowance for the financial period.

Eighth: Transfer to or from the profit rate reserve

The management of the Bank may, after obtaining approval from the Sharia Supervisory Board, deduct part of the revenues of the joint funds before deducting the share of the Mudarib and will transfer it to the so-called profit rate reserve. The objective of this reserve is to equalize the rate of return for holders of unrestricted / restricted investment accounts and for shareholders in a certain profit distribution with market rates of return for the same period.

Ninth: Income tax for unrestricted / restricted investment account holders "Withholding Tax"

Income tax is deducted from all profits of unrestricted / restricted investment account holders based on the decision of the concerned department in this regard (the Jordanian Income and Sales Tax Department), unless these deposits are exempted by law.



Tenth: Realization of Profits:

In order to realize distributable profits, the following conditions are required:

1. Safety of the capital, as profit is not realized in investment accounts until after the capital has been protected.
2. Actual or judgmental liquidation, whereby profit on investment accounts is only achieved after liquidation Mudarabah assets, whether this is actual liquidation by converting all assets into cash and collecting all debts, or judgmentally by evaluating non-monetary assets and assessing the debt in terms of collectability and forming provisions for doubtful debts. As for cash, this is recorded at value.
3. Covering the expenses related to the investment

Eleventh: Due profits

The Bank will announce all types of accounts and investment deposit certificates managed within the joint funds portfolio, along with the declared percentages for distribution for each of these accounts and investment deposit certificates at all the Bank's branches, and in a prominent place that is clear for public customers, and on the Bank's website.

Unrestricted investment account holders are entitled to profits upon distribution and sharing on the basis of the percentage, and this may not be specified in the form of a lumpsum. The Bank may set different rates between it and the various segments of investment account holders, and the profit rate may be standard between it and all investment account holders. The profit percentages among investment account holders may be standard, or they may be different, based on known weights.

It is permissible to agree upon a mechanism or method for distributing the profit, such as on a quarterly basis or upon maturity.

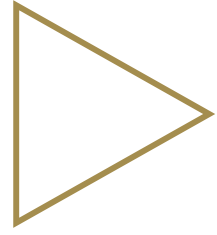
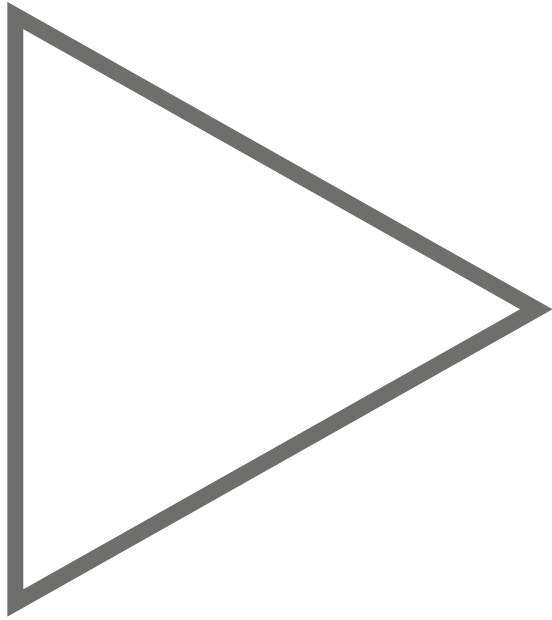
If the Bank was to mix Mudarabah funds with its own funds (idiomatically), then it will become a partner and a Mudarib in the funds of others, and will therefore divide the profit obtained between the two sources of funds, whereby the Bank will retrieve the profit for its work and funds, and will apply to its share in the profit the same rate that has been applied to the rest of the investment account holders.

Twelfth: Mutual Withdrawal / Mubara'a

It is permissible for one of the account holders to withdraw all or part of his funds. This represents a reconciliation of his share in the Mudarabah assets, not a recovery of the cash amount (deposited in the account) in whole or partially. If the Bank were to determine the amount of the exit in a way that it does not gain anything, or if the amount is less than what it is entitled to, this is permissible, and should be considered as a denial of profits, rather, it is a mutual withdrawal based on supply and demand. Accordingly, the joint investment account holder will be cleared from the mutual withdrawal from the rest of the investors (investment account holders) of any profits that have not been distributed or that has not been shown, and the remaining investment risk reserves and the profit rate reserve, and the remaining amount shall be donated to the Zakat Fund when the investment has been liquidated. Investors who hold investment accounts (withdrawn / mutually withdrawn) will bear the losses to the extent of the period during which the amount had remained in the investment account prior to being retained, and will not bear the losses for the remaining period of the year after its retention.

Thirteenth: New Products within the Common Pool

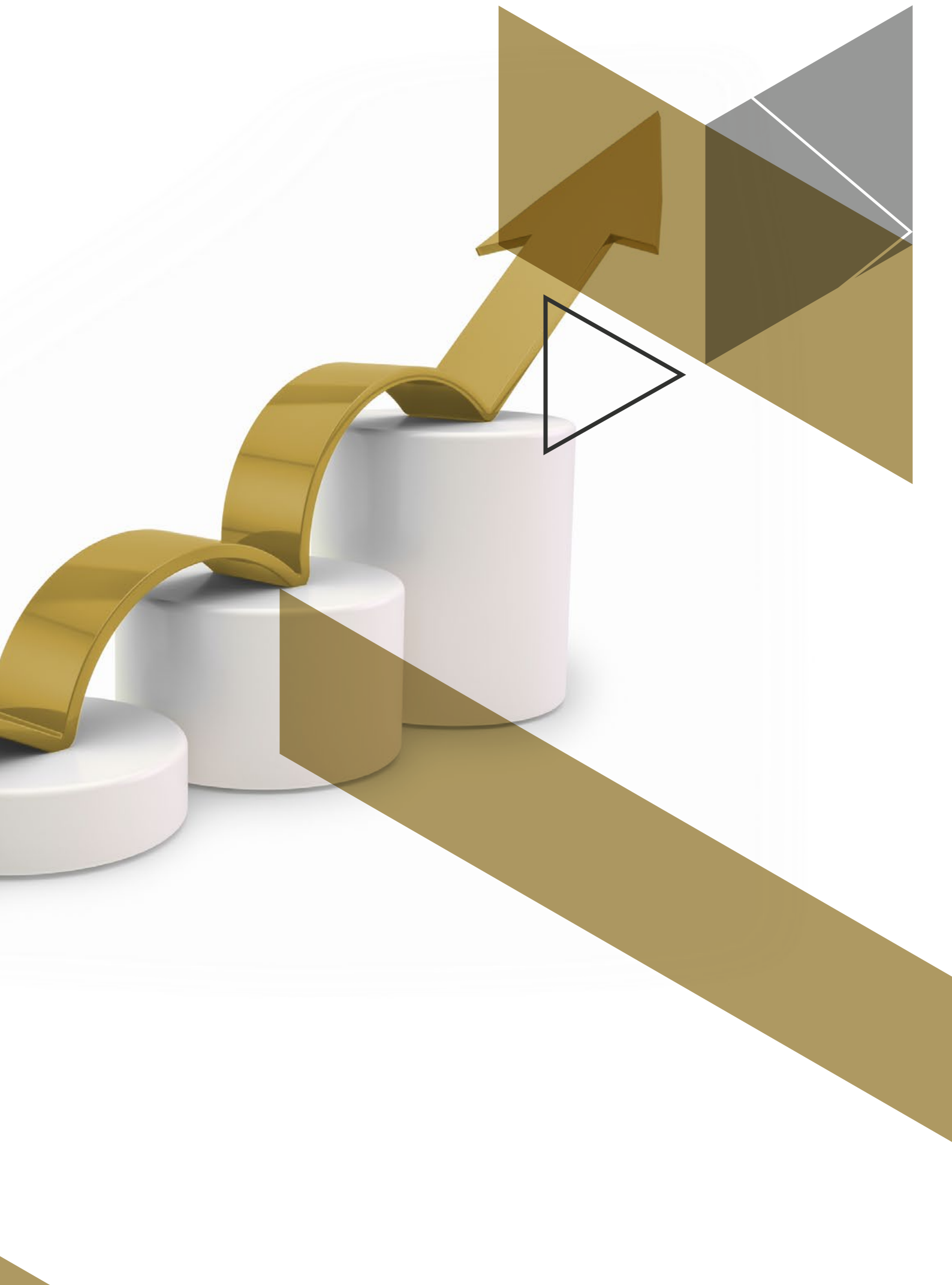
In the event that the Bank were to introduce any new products (obligations) that fall within the framework of the concept of joint investment deposits, and that may have an impact on the profitability of the unrestricted investment accounts holders, such as Islamic Certificates of Deposit, or others, this shall require prior approval from the Sharia Supervisory Board, in order to ensure that these products are offered within the limits and conditions approved by the Bank's Sharia Supervisory Board.



**Corporate Governance Manual
and Governance Report**

**CONTROL AND
GUIDANCE ARE THE
FOUNDATIONS OF
CONTINUOUS
EVOLVEMENT**



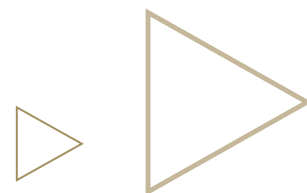




Corporate Governance Manual and Governance Report

Information and details regarding applying the provisions of Corporate Governance and Companies Governance Guidelines

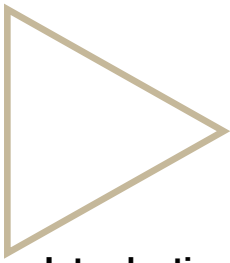
The Bank Corporate Governance Manual and Governance Report have been prepared in line with the amended Corporate Governance Directives of Islamic banks no. (64/2016), issued by the Central Bank of Jordan and the Corporate Governance Regulations of listed companies for the year 2019 issued by Jordan Securities Commission. The Bank top management and under the supervision of the committees emerging from the Board of Directors perform the tasks and procedures necessary to comply with the instructions of the Central Bank of Jordan and the Jordan Securities Commission in addition to submitting periodic reports to the Board of Directors on the extent of compliance with the instructions and procedures taken in this regard



Corporate Governance Manual

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Introduction

This corporate governance manual has been prepared in line with the modified instructions of the Islamic Bank's corporate governance No (64/2016) issued by the Central Bank of Jordan dated 25/9/2016, as well as the corporate governance principles issued by the Organization of Economic Cooperation & Development (OECD) and the directions issued by Basel Committee with a view to reinforce the corporate governance in banking institutions and in conformity with the applicable banking best practices in a manner to coincide with the Bank's needs and policies.

The application of corporate governance within the Bank provides a basis for future corporate development and performance; supports confidence in the Bank's activities and dealings, and enables the Bank to successfully contribute to the Jordanian banking system development which would enhance the efficiency of the National Economy and create an atmosphere of assurance to both the shareholders and clients.

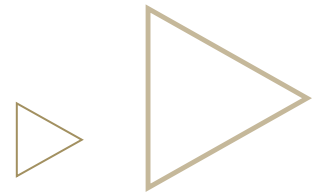
This manual is based on a number of key principles that will effectively contribute to the application of the best practices of the corporate governance within the Bank, most notably:

- Fairness in dealing with all stakeholders like: depositors, shareholders, funders, Bank employees, and control authorities.
- Transparency and disclosure in a manner that enables related parties of evaluating the Bank's position and financial performance.
- Accountability in the relationship between the Bank's executive management and the Board of Directors; the Board of Directors and the shareholders; and the Board of Directors and other related parties.
- Responsibility in terms of clear segregation between responsibilities and delegation of powers.

Article 1: Definitions

The following words and phrases, wherever remunerated in this manual, shall have the meanings ascribed hereunder:

Phrase	Definition
Corporate governance	The system that guides and manages the Bank and aims to define and achieve the Bank's corporate objectives, in order to safely manage its operations and safeguard interests of the depositors and holders of investment accounts, and to comply with the due liability vis-à-vis shareholders and other stakeholders, and the Bank's commitment with its policies and internal regulations.
Suitability	Existence of certain requirements among the Bank's board members, its top executive management, and members of the Sharia Supervision Board
Board (BOD)	The Bank's Board of Directors
The Authority	The Sharia Supervision Board of the Bank
Stakeholders	Any party of interest in the Bank like the depositors, holders of investment accounts, shareholders, employees, creditors, clients, or the concerned control authorities.
Major shareholder	The person who holds 5% or more of the Bank's capital whether directly or indirectly
Executive director	A member of the board of directors who participates in the daily operations of the Bank and receives payments for his work.
Independent member	A member of the board of directors who is not subject to any influences that limit his ability to make objective decisions for the interest of the Bank, and possesses the requirements set forth in this manual.
Top executive management	Includes the general Manager of the Bank, deputy general manager, CFO, Chief operations officer, chief risk officer, chief internal audit officer, director of Sharia internal audit department, chief treasury officer (investment), chief compliance officer, in addition to any Bank employee assuming executive authority equal to any of the authorities of any of the aforementioned and reports directly to the general manager without contravening the human capital policies.



Article 2: Dissemination of Corporate Governance Manual

Safwa Islamic Bank shall post its manual on its website and disseminate it in any other mean suitable to introduce it to the public. The Bank discloses in its annual report the existence of the corporate governance manual and discloses the information that concerns the stakeholders including the Manual as well as the extent of commitment to applying its provisions.

Article 3: Composition of the Board of Directors

1. The number of the Board Members should not be less than eleven.
2. None of the members may be an executive director.
3. The number of independent directors may not be less than four.
4. The conditions to be met and satisfied by the independent directors are as follows:
 - The member was/is not an executive director in the Board during the three years preceding his election,
 - The member was not employed by the Bank or by any of its subsidiaries during the last three years preceding his election.
 - The member is not related to any of the other Board members, or to any member of the Board of directors of the Bank's subsidiaries or to one of the major shareholders in the Bank in any kinship up to the second degree.
 - The member has no relatives among the members of the top executive management of the Bank or any member of the top executive management of the Bank's subsidiaries up to the second degree.
 - The member is not a partner or employee of the external auditor of the Bank or was not a partner or employee during the three years preceding the date of his/her election as a member of the Board and he has no kinship with the partner in charge of the audit process up to the first degree.
 - The member is not a major shareholder in the Bank or proxy of a major shareholder or an ally to a major shareholder in the Bank, or his/her contribution with the ally contribution would constitute an amount equal to a major shareholder's share or a major shareholder in one of the Bank's subsidiaries, Or a main shareholder in the Bank's ownership group.
 - The member has not assumed membership of the Bank's Board of director or its subsidiaries or has not been a Board director for more than eight consecutive years.
 - The member or any company in which he is a director of the Board or owner thereof or a major shareholder therein has not received a trust from the Bank in excess of 5% of the subscribed capital of the Bank and he/she is not a guarantor of a facilities from the Bank of value that exceeds that percentage.
 - The member is highly qualified and experienced in financial and banking matters.

Article 4: Meetings of the Board of Directors

1. The Board of Directors shall hold their meetings by written invitation from the Chairman of the Board of Directors or his deputy, Or by a written request to the Chairman of the Board of Directors from at least the quarter of its members, In the attend of the absolute majority of its members.
2. The board shall take its decisions by the absolute majority of the members. If the votes are equal, the side voted by the head of meeting shall prevail.
3. The Board of Directors shall hold at least one meeting every two months, in total six meetings at least through financial year.
4. Members of the Board shall attend the Board's meetings in person, if the member cannot personally attend the meeting; the member may express his/her viewpoint via phone or videoconference, after obtaining the consent of the Chairman of the Board, but without having the right to vote or sign the minutes of meeting.
5. The Bank shall record the minutes of meetings of the Board and its committees comprehensively and accurately as well as any reservations raised by any member. The Bank shall properly maintain such minutes of meetings.



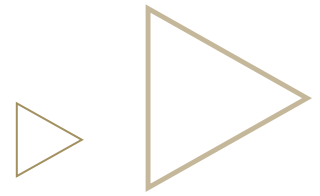
6. The top executive management, in an adequate time prior to the Board's meeting, shall provide the Board's members with complete and accurate information about the items of the meeting's agenda; the Chairman shall verify such action.

Article 5: General Assembly Meeting

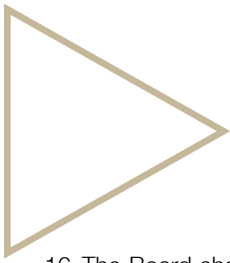
1. The General Assembly shall consist of all shareholders entitled to vote.
2. The General Assembly of the Bank should hold an ordinary meeting at least once a year, the meeting must be held within the four months following the end of the bank's financial year, also the General Assembly of the Bank may hold an abnormal meeting at any time in accordance with the applicable regulations.
3. The Board of Directors should invite the Jordanian Securities Commission and each shareholders to attend the General Assembly meeting by hand or by registered mail or e-mail of the shareholder at least 21 days before the date of the meeting, Providing the appropriate arrangements and procedures for holding the meeting, including the choice of place and time, must be will prepared to encourage the invited attendance as many shareholders as possible.
4. The date and place of the meeting should be mentioned in the invitation with the General Assembly agenda as attachment, including the points that will be discussed during the meeting in a detailed and clear manner, in addition to any documents or attachments related to these subjects.
5. To include any new topics during the General Assembly meeting that is not mentioned in the agenda of the General Assembly, which has been sent previously to the shareholder
6. The shareholder who desires to be nominated to the Board of Directors shall provide the Bank with a brief identification before the end of the financial year of the Bank which precedes the year in which the meeting of the General Assembly to elect the Board of Directors, In this case, the Board of Directors should attach this brief identification with the invitation to shareholders who will attend the meeting of the General Assembly, The Bank should inform all those who desires to be nominate that there is evidence that the Central Bank of Jordan has non-objection to their candidacy, The Bank shall obtain the non-objection of the Central Bank of Jordan to nominate them before the date of the General Assembly meeting of the shareholders of the Bank for a period of not less than two weeks.
7. The Board of Directors should announce the date and place of the General Assembly meeting in two daily local newspapers and at least two times and on the Bank's website.
8. The shareholder may delegate another shareholder to attend the meeting of the General Assembly on his behalf by a power of attorney or to appoint another person under legal Power of attorney, in accordance applicable regulations.
9. The meeting of the General Assembly must be leaded by the Chairman of the Board of Directors or his Deputy in the absence of him, or by any delegate member by the board of director in their absence, The members of the Board of Directors must also attend the General Assembly meeting at no less than the limit which achieves the quorum for any Board meeting.
10. The General Assembly must be managed in a manner that allows shareholders to actively participate and express their views freely, to receive answers to their questions and to provide sufficient information to enable them to make their decisions.

Article 6: Duties and Responsibilities of the Board

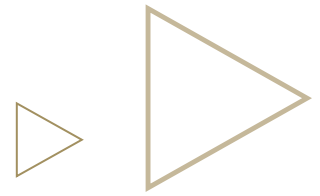
1. The Board shall oversee and follow-up the top executive management's performance and ensure integrity of the Bank's financial situations and its solvency. It shall adopt proper policies and procedures to oversee and control the Bank's performance.
2. The Board shall define the strategic objectives of the Bank and instruct the executive management to set a strategy to achieve these objectives, approve it together with any business plan in line with that strategy.



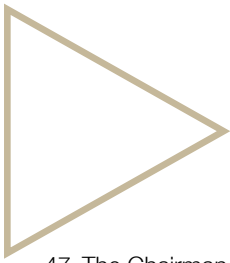
3. The Board shall endorse a policy to monitor and review the executive management's performance through setting the key performance indicators (KPIs) to determine, measure, and monitor the performance and progress towards achieving corporate objectives.
4. The Board shall ensure that the Bank has policies, procedures and action plans which include all the activities. The policies, procedures and action plans should be in line with the related regulations, circulated to all administrative levels, and regularly reviewed.
5. The Board shall determine the corporate values of the Bank; set clear lines of responsibility and accountability to all Bank's activities, and shall establish a high culture of ethical, impartial, and professional conduct standards among the managers of the Bank.
6. The Board shall assume liability for integrity of all the operations of the Bank, including the financial situation; liability for implementing requirements set forth by the Central Bank as well as the requirements of the other regulatory and control authorities, and shall observe the stakeholders and that the Bank is managed and governed under the framework of regulations and policies of the Bank and the effective control is in place at all times over the Bank's activities including those outsourced to external parties.
7. The Board shall, based on recommendations submitted to it by the competent committee, appoint the internal audit manager, the head of the risk management, and compliance officer and accepts their respective resignations or service termination. (Regarding the internal sharia auditing manager, the recommendation shall be given to the Board by the Sharia Supervision Board). The Central Bank's approval on the resignation or service termination of the above-mentioned should be obtained. The Central Bank is entitled to investigate the reasons behind the resignation or service termination of any management member.
8. The Board shall adopt internal control regulations; review them annually and make sure that the internal auditor and external auditor review the structure of these regulations at least once a year.
9. The Board shall ensure independence of the external account auditor at all times.
10. The Board shall ensure independence of the Sharia Supervision Board members from commencement and at all times in accordance with the conditions set forth in this manual.
11. The Board shall adopt and oversee the implementation of a risk management strategy. The proposed strategy includes level of risk appetite and ensures that the Bank will not be prone to high risks. The Board should be familiar with the operating business environment of the Bank and the associated risks; to ensure the presence of appropriate risk management tools and infrastructure in the Bank in order to determine, measure, control, and oversee all kinds of risks which the Bank is exposed to.
12. The Board shall ensure that the adequate and reliable management information systems (MIS) are in place and are covering all the Bank's activities.
13. The Board shall verify that the Bank's credit policy includes an assessment of the type of corporate governance used by companies' clients not least the public joint stock companies so that the risks to the clients may be assessed by strengths and weaknesses in accordance with their exercising in the governance field.
14. The Board shall make sure that the Bank adopts proper social initiatives in the field of environment protection, health, and education and observes the provision of funding to the small and medium-sized businesses at appropriate prices and terms.
15. The Board shall take the necessary procedures to create a clear segregation between the authorities of shareholders' who own influential interests and the executive management; with a view to promote the sound corporate governance. It shall find proper mechanisms to eliminate impacts of shareholders who own influential interests through the following, examples include but are not limited to:
 - None of the shareholders who possess an influential interest may hold a job in the top executive management.
 - The top executive management shall derive its authority only from the Board and shall work within the delegations granted to it by the Board.



16. The Board shall adopt the organizational structure of the Bank setting out the admin hierarchy including the committees of the Board, Sharia Supervision Board, and executive management.
17. The Board shall determine the banking operations that require its approval taking into account the non-expansion thereof in order not to violate the control role of the Board. The Bank shall not delegate executive authorities to the Board's directors, or the Chairman, including the authority to individually grant credit.
18. The Board set special internal charter to be reviewed on an annual basis, specifying in details the functions and Permissions authority of the Board of Directors and its responsibilities.
19. The Board adopt the Governance Report and includes it in the Bank's Annual Report.
20. The Board appoint a contact officer with the Jordan Securities Commission to oversee matters related to the Bank's governance Implementations.
21. The Board adopt the Bank's disclosure and transparency policy and follow up its implementation in accordance with the requirements of the Regulators and the applicable regulations.
22. The Board set a clear delegation policy in the Bank specifying the authorized persons and the limits of delegated authority.
23. The Board adopt the replacement and career progression policy and adopt the Human Resources and Training Policy in the Bank.
24. The Board adopt the Bank's social responsibility policy and programs towards the local community and the environment.
25. The Board set up a mechanism to receive complaints and Suggestions that submitted by the shareholders, in addition to their Suggestions for including a specific topics on the agenda of the General Assembly, in a manner that ensures consideration and appropriate decision on them within a specified period.
26. The Board set up a mechanism to allow shareholders who holding at least 5% of the Bank's underwriting shares to add items on the agenda of the Ordinary General Assembly Meeting before sending it to the shareholders, and should Provide the Securities Authority with this mechanism.
27. The Board set a policy that regulates the relationship with the stakeholders to ensure the implementation of the Bank's obligations towards them, the preservation of their rights, the provision of the necessary information and the establishment of good relations with them.
28. The Board evaluate the implementation of the provisions of the Corporate Governance of listed companies and review them annually, in a manner not conflict with the amended instructions of the institutional governance of Islamic banks.
29. In case of any conflict between the recommendations of any of the Committees and the board's decisions, the Board shall include in the Governance Report a statement clearly detailing these recommendations and the reasons for non-compliance by the Board.
30. The Bank shall determine the duties of the Secretary of the Board so that they include the following:
 - Attends all the Board's meetings; record all deliberations, suggestions, objections, and reservations, along with the voting means on the draft decisions of the Board.
 - Determines the dates of the Board's meetings in coordination with the Chairman.
 - Ensures that the members of the Board sign the minutes of meetings and decisions.
 - Follows up the implementation of the decisions passed by the Board, and follows up the tackling of any topic that was not brought up in previous meetings.
 - Keeps records and documents of the Board's meetings.
 - Takes necessary procedures to ensure that the draft decisions intended to be passed by the Board are in harmony with the legislations.
 - Prepares for the ordinary general meetings and cooperates with the Board's committees.
 - Provides the Central Bank with the proper declarations signed by the members of the Board.



31. Members and committees of the Board must have direct communication with the executive management and secretary of the Board and facilitate their undertaking of the duties and tasks vested in them including outsourcing, when needed, at the expense of the Bank in coordination with the Chairman while making sure none of the members may influence the decisions of the executive management except through deliberations held within the meetings of the Board or its committees.
32. Ensures the presence of a suitable Sharia Supervision Board, and Sharia Controls system that includes the internal Sharia regulatory system through ensuring the existence of an effective Sharia supervision independent from all the Bank units.
33. Verifies that all banking activities are carried out in accordance with the provisions of Islamic principles, in particular Sharia Fatwas and Sharia decisions issued by the Sharia Supervision Board.
34. Ensures that the Sharia Supervision Board is provided with adequate, necessary, and timely information in order to assist it to exercise its duties and assignments represented in verifying the extent of the Bank's commitment by the provisions and principles of Islamic sharia, and formulating an independent opinion in this regard.
35. Ensures having opinion of the Sharia Supervision Board pertaining to all contracts, transactions, agreements and products, services, investment policies, dividend distribution, loss charging, set aside revenues on the investment account and mechanism to dispose of Islamic noncompliant income.
36. Adopts policy to regulate relations between the Bank/shareholders, and holders of investment accounts provided that it is reviewed by the Sharia Supervision Board. The Bank shall be committed by posting the policy on its website.
37. Approves the policies and procedures manual relating to the compliance with the provisions of Islamic principles provided that the manual shall at least include the following:
 - A mechanism to present any related topics to Sharia Supervision Board for Sharia Fatwa and/or decisions thereabout.
 - Manual/procedures of the Sharia Supervision Board business.
 - Mechanism to ensure compliance with the Sharia Fatwas or decisions issued by the Sharia Supervision Board.
 - A mechanism to facilitate the communication between the different units of the Bank and the clients with the Sharia Supervision Board.
38. Ensures the presence of a mechanism to provide the Bank clients, upon request, with explanations to any Sharia Fatwa issued by the Sharia Supervision Board.
39. Commit by posting Sharia Fatwas and decisions issued by the Sharia Supervision Board on the Bank's website, and in case of bringing up a product or service or adapting a remedy or a mechanism pertaining to the product or service for which Sharia Fatwas and decisions have been issued, they shall be disseminated within a period of no more than six months from the bringing up/adoption date.
40. Ensures compliance with the control standards issued by the accounting and auditing organization for the Islamic financial Institutions.
41. Approve the Bank Strategic plan ensure it is implemented o live environment.
42. Approve th decisions taken in the bank Financial budget and ensure it is implemented on live environment.
43. Making decisions in requests of abuses in the Financial authorities of the Executive management.
44. Making decisions in the investment requests of (IPO) or unclaimed shares which exceed the authority pf Executive management.
45. Making decisions in any new investments as a founder and in any amounts.
46. Recommendations for the General assembly in the decisions taken on amending the Rules of procedure or Memorandum of Association and updating it to go in-line with regulation requirements in the Hashemite Kingdom Of Jordan.



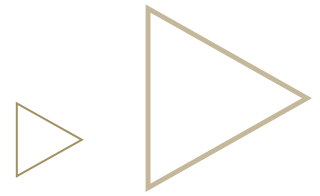
47. The Chairman of the Board shall, at minimum, undertake the following:

- Be keen to establish constructive relations between the Board and the executive management within the Bank.
- Be keen to establish constructive relations between the Board and Sharia Supervision Board, and between the Sharia Supervision Board and the executive management of the Bank.
- Encourages constructive criticism of issues addressed in general and those having different viewpoints between the members, and encourages discussions and voting on such issues.
- Ensures that all previous minutes of meetings are received by the Board members and to be signed, and agendas are delivered within an adequate time before any meeting. The agenda shall include adequate written information about the subjects to be discussed in the meeting. Delivery of the agenda is the responsibility of the secretary of the Board.
- Ensures a charter regulating the Board business is in place and identified.
- Discusses exhaustively the strategic and important issues in the Board's meetings.
- Provides the board members, when elected, with the provisions of laws relating to the Bank's activities and relevant instructions of the Central Bank including these instructions as well as a manual showing the members' rights, responsibilities, and duties together with the duties, tasks, and assignments of the secretary.
- Provides every member of the Board with an adequate summary of the Bank's businesses upon appointment or upon request.
- With the help of the legal counsel of the Bank, deliberates with any new member about tasks and responsibilities of the Board in particular those pertaining to the legal and regulatory requirements to explain tasks, powers, and other issues related to the Board membership such as the duration of membership in the Board, meetings schedule, committees missions, remunerations, and possible access to independent specialized technical advice when necessary.
- Meets the needs of the Board members in connection with upgrading their experience and continued learning. The new member shall be given the chance to attend orientation programs that consider the banking background of the member, provided that such program should, as minimum, include the following subjects:
 - The Bank's organizational structure, corporate governance, and the professional code of conduct and ethics.
 - Corporate objectives and the Bank's strategic plan and approved policies.
 - The financial situation of the Bank
 - The Bank's risk structure and its risk management framework.
 - Sharia controls.

48. Each member of the Board shall undertake, as minimum, the following:

- Be familiar with the Islamic banking business-related regulations and principles, and the Bank's operating environment; keep abreast of the developments taking place as well as the external updates that are related to its business including recruitment requirements for of the top executive management of the Bank.
- Attends meetings of the Board and its committees, as the case may be, along with the general assembly meetings.
- Not to disclose any confidential information of the Bank or use it for his/her own interest or the interest of others.
- In all transactions made with any other company in which he/she has a personal interest, the interest of the Bank shall prevail. Never take the business opportunities of the Bank for his/her own interest. Avoid conflict of interests and disclose any conflict of interest to the Board in details if happened while committing not to be present or not to take part in the decision passed during the meeting in which this subject is discussed and deliberated. Such disclosure should be recorded in the minutes of the Board's meeting.
- Have enough time to undertake his tasks as a member of the Board.

The nomination and remuneration committee shall set in place a clear methodology to verify the above-mentioned including (for example) the members' relations and membership in other boards/authorities/forums...etc.



Article 7: Limits of liability and accountability

1. The Board of Directors should adopt a clear limits of liability, accountability, and commitment. All managerial levels of the Bank shall abide by those limits.
2. The Board must ensure that the organizational structure clearly reflects lines of responsibility and authority provided that it includes at least the following regulatory levels:
 - Board of Directors and its committees.
 - Sharia Supervision Board.
 - Separate departments of risks, compliance, internal audit, and Sharia internal audit which do not perform daily executive activities.
 - Units/employees that do not participate in the daily operations of the Bank activities (such as credit audit officers and Middle Office employees).
3. The Board must ensure that the top executive management assumes their responsibilities pertaining to the daily operation management of the Bank and contributes the implementation of the corporate governance, it delegates authorities to the officers, establishes an effective managerial structure that would enhance accountability, and implements tasks and missions of the various business activities and fields in conformity with the policies and procedures approved by the Board as well as the resolutions and Sharia Fatwas issued by the Sharia Supervision Board.
4. The Board shall adopt regulatory and Sharia controls to hold accountable the top executive management.
5. Despite the provisions of the Companies' Law, the combination between the positions of Chairman and general manager shall be prohibited, and the Chairman or any of the Board's directors or major shareholders may not have kinship with the general manager below the fourth degree.
6. The general manager shall, in addition to the provisions of regulations, undertake the following:
 - Develop the strategic orientation of the Bank
 - Implement the Bank's strategies and policies
 - Carry out the decisions of the Board of Directors
 - Implement and comply with the resolutions and Sharia Fatwas issued by the Sharia Supervision Board.
 - Provide guidance to implement short and long term business plans.
 - Communicate vision, mission and strategy of the Bank to the staff members
 - Notify the Board of all the important aspects of the Bank's operations
 - Manage the Bank's day-to-day operations.

Article 8: Board of Directors Committees

The Board of Directors shall form committees from among its members and determine their objectives and delegates authorities to them in accordance with a charter setting out the same. The committees submit periodic reports to the Board and a report on their work to Ordinary General Assembly meeting. Existence of such committees may not relief the Board as whole from assuming its Commitments each committee shall take its decisions and recommendations by the absolute majority of the members. If the votes are equal, the side voted by the Chairman of the Committee shall prevail The Board shall form, as minimum, the following committees:

1. Corporate Governance Committee:
 - The committee must be composed at least of three members (most of the members shall be independent members) including the Chairman.
 - The Committee must meet at least twice a year or at the request of its Chairman.
 - The committee must assume guiding and overseeing the preparation of the corporate governance manual, and updates and controls its implementation, and prepare and submit a governance report to the board, And studying the Jordanian Securities Commission's observations regarding the implementation of governance in the Bank and following up on what has been done

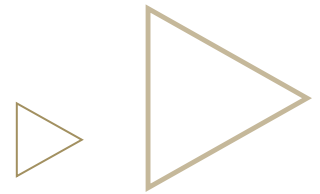


2. Audit Committee (AC)

- Subject to the provisions of the Banking Law, the committee must be composed at least of three members (most of the members shall be independent members) including the Chairman of the Committee, shall be independent members and the Chairman of the Committee shall not be the Chairman of the Board of Directors or the Chairman of any other Off the Board Committees.
- The Committee must meet periodically, with at least four meetings a year.
- All members of the committee should be holders of academic qualifications and have proper practical experience in accounting or finance or any other discipline or related similar fields. In case of lack of the proper Islamic Bank-related experience, they shall join the suitable training programs in accounting, audit and controls standards, and Islamic standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) and the standards issued by the Islamic Financial Services Board (IFSB).
- Subject to the provisions of the Banks Law concerning the duties and authorities of the committee, the Audit Committee shall review the following matters:
 - Scope, results, and adequacy of internal and external audit of the Bank.
 - Accounting issues of material impact on the Bank's financial statements.
 - The internal control systems in the Bank
- The committee shall provide recommendations to the Board relating to the external auditor, his/her termination, remuneration and any other contracting-related conditions in addition to evaluating his/her independence taking into account any other activities assigned to him/her beyond the audit scope.
- The committee shall have the authority to access any information from the executive management and is entitled to call upon any Board member to attend its meetings provided that the same is mentioned in its charter.
- The committee meets the external auditor, the internal auditor, and the compliance officer at least once a year without the attendance of any member from the top executive management.
- The committee shall review and control procedures whereby the employee may confidentially notify of any error in the financial reports or any Sharia violations or any other matters. The committee shall ensure necessary arrangements for independent investigations and make sure that the results of the investigations are objectively pursued and addressed.
- The committee shall ensure the ability of the external auditor to audit the extent of the Bank's commitment to the Sharia controls and the conditions provided for in the engagement letter signed with the auditor and makes sure he/she is undertaking the same.
- The committee must make decisions regarding the requests of writing off debts partially or totally for all the facilities.
- The committee must ensure that there is no conflict of interest that may result from holding deals or contracts or projects by the bank with related parties.
- The work of any other committee may not be combined with the work of this committee.

3. Nomination & Remuneration Committee (NRC)

- This Committee shall consist of at least three members, with the majority of the members of the Committee including the Chairman of the Committee being independent members.
- The Committee shall meet periodically, with at least two meetings a year.
- The NRC assumes the following tasks:
 - Identifies the persons qualified to enroll in the Board's membership taking into account the abilities and qualifications of the nominated persons. Further, in case of nomination for several times, the member's number of attendance cases and his/her effective participation in the Board's meetings shall be taken into consideration.
 - Identifies the persons qualified to join the Sharia Supervision Board, taking into account the abilities and qualifications of the nominated persons. Taking into consideration that the member of the Sharia Supervision Board should possess



a jurisprudential talent conversant in understanding sedulous speech and able to work hard on jurisprudential matters and deriving from emerging issues. Further, the member should be characterized by Acumen and Vigilance, familiar with people's customs and conditions, watchful to their tricks in Forgery and to or changing speech in portraying illegal as legal. He should be versed in the country traditions and customs in order to understand intention of the persons who ask for Sharia Fatwa. Further, in case of nomination for several times, the number of attendance cases and the effective participation in the Sharia Supervision Board's meetings shall be taken into consideration.

- Nominates the qualified persons to the Board to join the top executive management.
- Ensures the Board members and members of Sharia Supervision Board attend workshops or symposiums on the banking matters specially the risk management, corporate governance, and the latest developments in the Islamic Banking business.
- Defines whether the member satisfies the independent member's capacity taking into account the least conditions prescribed herein, and review the same annually, The Jordanian Securities Commission shall be notified in the event of the absence of independence status from any member of the Board.
- Follows specific and approved bases in evaluating the performance of the Board, Sharia Supervision Board and the general manager so that the performance evaluation standard is objective.
- The Committee should conduct an annual evaluation of the performance of the Board and its committees, provided that the Committee shall notify the Jordan Securities Commission of the outcome of this evaluation.
- Provides information and briefs about the background of certain important Bank topics to the Board members and Sharia Supervision Board members, upon request. Ensures that they continuously identify the latest subjects relating to the Islamic banking business.
- Ensures the existence of a remuneration policy to the Bank's Employees and that this policy is revised periodically and applied according to the committee recommendations to determine the salary of the general manager and the remaining top executive management along with other remuneration and benefits.
- The committee should set a policies of replacement, career progression, human resources, and training at the bank and monitor its implementation, and review it annually.

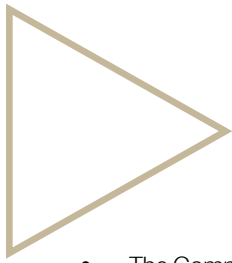
4. Risk Management Committee

- This committee shall be formed of at least 3 Board members, with one independent member. Members of the top executive management may join the committee as members.
- The committee shall assume the following tasks:
 - Setting the Risk Management Framework (Risk Management Policy) at the Bank and review it annually.
 - Review the Bank's risk management strategy before being endorsed by the Board.
 - Keep abreast of developments that would affect the risk management in bank and submit periodic reports thereabout to the Board.
 - Verify absence of variations between actual risks taken by the Bank and risk appetite approved by the Board.
 - Set up the proper circumstances to identify Substantial Risks and any activities carried out by the Bank that would expose it to greater risks than the risk appetite; submit reports to the Board accordingly and follow manipulation thereof.
 - To monitor and evaluate the various types of risks that the Bank might face

It is prohibited for any member of the Board to be a Chairman for more than one committee of the above-mentioned committees. It is also prohibited for him/her to be a Chairman for more than two committees of all the Board's committees.

5. Facilities Committee:

- The committee must be formed from five board member, one of the members may be an independent member provided that he/she is not a member in the audit committee,



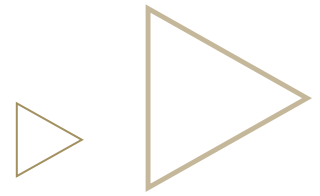
- The Committee's Permissions authority must be limited to taking the appropriate decision regarding the facilities recommended for approval by the highest committee of the Executive Management Committee. Members of the top executive management may participate in the committee's meetings to present their recommendations.
- High limits must be set for the powers vested in this Committee in respect of granting, modifying, renewing or structuring the credit facilities, so that the Board has clear powers in particular.
- The quorum of the Committee meeting must be at least four members and take its decisions by a majority of its members, regardless of the number of those present.
- A periodic report must be submitted to the Board with details of the facilities approved by the Committee.
- Members of the Committee must personally attend their meetings and vote on their decisions. In the absence of personal attendance, the Member may express his opinion through video or telephone and shall have the right to vote and to sign the minutes of the meeting, duly documented.
- The Board may delegate some or all of the powers of this Committee to amend the conditions or structure of the facilities for the Executive Management Committee mentioned above, with the need to inform the Facilities Committee of the decisions taken within these powers.

6. Management committee

- This committee must consist at least three Board members.
- The Committee must meet at least twice a year or at the request of its Chairman.
- The Committee must assume the following functions:
 - The tasks related to financial decision-making and the corporate strategy in terms of recommending to the Board the adoption of the Bank's strategic plan, the annual estimated budget and the approval of financial claims within the terms of reference specified in the Financial Terms of Reference adopted by the Board.
 - Making decisions regarding investment operations that exceed the powers of the highest executive management committee.
 - Recommend to the Board the adoption of all policies governing the Bank's business, with the exception of policies relating to risk management, credit, human resource, compliance, anti-money laundering and corporate governance policies.
 - To adopt all financial and administrative powers in addition to the powers related to investment operations and recommend to the Board for approval.

7. Compliance Committee:

- The Committee consist of at least three board members.
- The Committee meet quarterly or at the request of the Chairman.
- The Committee undertake the following tasks:
 - Supervise to ensure the independence of the Compliance Department and anti-money laundering, and that the Compliance and AML Department shall include a Shari'a Compliance division, and ensure that they continuously provided with adequate and trained staff.
 - Supervise the compliance and anti-money laundering reporting process to the committee, And to the Shari'a Supervisory Board with respect to Shari'a compliance, with a copy sent to the CEO.
 - Approving the compliance policy (including the duties and responsibilities of the Compliance department), Shari'a Compliance, Anti-Money Laundering and any other policy relating to the Compliance and Anti-Money Laundering department and recommending to the Board for approval.
 - Evaluate effectiveness degree whereby the Bank manages the (noncompliance risks and anti-money laundry) at least once a year and review them when making any related changes.
 - Supervising and monitoring compliance with AML / CFT standards in the Bank through reports prepared and / or submitted by the Committee Secretary.



- Ensure compliance in accordance with the policies and procedures and requirements of the Central Bank of Jordan and other regulatory bodies, including the requirements of anti-money laundering and financing of terrorism.
- Ensure that there is an effective internal control system to implement compliance policies, and verify it in the best performance.
- Follow-up the disclosure reports issued by the Compliance and Anti-Money Laundering Department of the Bank.
- Work and coordinate with other Board committees to raise compliance in the Bank.
- Keeping up with the rapid developments and increasing complexity that arise on the management of compliance and anti-money laundering and submit periodic reports to the board on these developments.
- Recommend to the board of director within the scope of the Committee's responsibilities if it deems that is necessary to improve its work, or if the instructions so require.
- Recommend to provide resources for compliance activities and with the necessary requirements.

8. IT governance committee

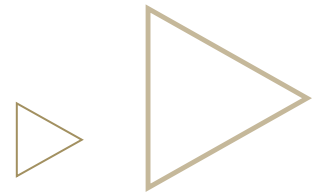
- The committee must consist at least three members that will be elected based on their experience and strategic knowledge in the IT area.
- The committee must hold meetings on a quarterly basis at least.
- The committee shall assume the following tasks:
 - The committee shall approve the strategic objectives of IT and the appropriate organizational structure including the steering committees, specifically on top executive management level (the steering IT committees) in order to guarantee the achievement of the Bank's strategic objectives and the best value added from the projects and IT resources investment. The committee shall use the tools and needed measures to supervise and ensure the achievement of these objectives, such as IT Balance Scorecards, and the return on investment (ROI). The committee shall measure the impact of contributions made to enhance the financial and operational efficiency.
 - The committee shall approve the general framework of managing, regulating, and supervising IT resources and projects that simulates the best approved international practices in this regard especially (Control Objectives for Information and related Technology-COBIT) that conform with and achieve the objectives and the requirements of our instructions through the continuous fulfilment of the institutional objectives, along with the achievement of the accompanying IT objectives' matrix, and covering the processes of IT governance.
 - The committee shall approve the institutional objectives matrix and the accompanying IT objectives and considers its givens as minimum requirements, and describes the sub-objectives needed to achieve them.
 - The committee shall approve the (RACI chart) matrix regarding the main processes of IT governance along with the secondary processes related to: the entity/s or person/s or party/s primarily (responsible), and those who are ultimately responsible (accountable), and those who are (consulted), and those who are (informed) for all processes in light of (COBIT5 Enabling Processes) in this regard.
 - The committee shall ensure that a general framework for IT risk management is in place. And will be consistent and integrated with the overall framework of the risk management in the Bank considering and achieving all IT governance processes.
 - The committee shall approve the IT projects and resources' budget in accordance with the Bank's strategic objectives.
 - The committee shall undertake the general supervision and monitoring of IT processes, projects, and resources to ensure their sufficiency and effective contribution in achieving the Bank's requirements and works.
 - The committee shall monitor IT auditing reports and take the necessary actions to handle deviations.
 - The committee shall give recommendations to the Board to take the necessary actions to correct any deviations.



Article (9): Sharia Supervision Board

Subject to Article 58 of the Banks Law No. 28 of 2000, and the amended, the bank must commit to:

1. The General Assembly of Shareholders must appoint the members of the Shari'a Supervisory Board upon the recommendation of the Board and upon recommendation of the Nomination and remuneration Committee and the for a period of four years renewable.
2. A letter of engagement between the Bank and the Sharia Supervision Board shall be signed defining the scope of the Sharia Supervision Board's works, duties and remuneration is determined.
3. Sharia Supervision Board's meetings:
 - The committee meet periodically to make periodic reviews and follows sharia commitment of the Bank's operations provided that its meetings may not be less than six meetings a year. It also holds meetings with the Board of Directors, audit committee and external auditor at least twice a year (every six months) to discuss issues of common interest.
 - The Sharia Supervision Board members attend the meetings in person. If not, the member may express his/her opinion via phone or videoconference having obtained consent of the Chairman of the committee. He/she is entitled to vote or sign the minutes of meeting. The member may lose this right in any of the following cases:
 - If failed to attend personally without acceptable excuse.
 - If the personal attendance rate of the member is less than 50% of the Supervision Authority meetings.
 - Minutes of meeting must fully and accurately be recorded in addition to any reservations raised by any member. The Bank shall keep all these minutes properly.
 - The top executive management, within an adequate time before the Sharia Supervision Board's meeting, shall provide accurate and complete information to the Sharia Supervision Board's members. The Chairman of the Sharia Supervision Board shall verify this.
4. The Sharia Supervision Board shall prepare a manual that includes its work system, job description, responsibilities, along with the organization of its relation with the Board of directors and the executive management, in addition to the reporting mechanism for the management, the Board of directors, and shareholders, and its methodology regarding sharia supervision, and the mechanism of holding meetings.
5. The Sharia Supervision Board shall observe the Sharia environment – taking into account Article 53/A of the Banks Law No. 28 of 2000, as amended- and legislations in the Kingdom.
6. The Code of Conduct of the Bank shall apply to the members of the Sharia Supervision Board.
7. To ensure the independence of the member of the Sharia Supervision Board, the following, as minimum, shall be met:
 - The member has not received any funding whether to him/her or to his/her family members up to the second degree from the Bank or from any of its subsidiaries.
 - The member must not be employed by the Bank or by any of its subsidiaries during the two years preceding the appointment date.
 - The member has not been a member in any Sharia Supervision Boards in any other Islamic Bank licensed in the Kingdom and has not been a member in any Sharia Supervision Boards for more than four financial institutions that do not accept deposits and operating in the Kingdom, subject to no conflict of interests.
 - The member must not be a member in the bank's Board of Directors, or is not an owner of a company with which the Bank is dealing, except for the transactions arising due to services and/or normal business that the Bank renders to its clients, provided that they are governed by and subject to the same conditions of similar transactions with any other party and without any preferential terms.
 - The member must not be related to any of the members in the Bank's Board, or the top executive management in any kinship up to the second degree. He/she does not receive any salary or amount or remuneration or benefits or gifts from the Bank except the remuneration received in consideration of his/her membership in the Sharia Supervision Board or in consideration of any additional works assigned to him/her but does not affect his/her independence.
 - The member must not be a shareholder in the Bank or proxy of a major shareholder or a shareholder in one of the Bank's subsidiaries or a shareholder in the group owning the Bank.



8. The Sharia Supervision Board member should strive to achieve the following:
- Establishes justice and fairness among the stakeholders.
 - Acts in a manner allowing him/her to preserve his/her honesty and integrity.
 - Takes into account, while making any decisions, the legal and sharia aspects, in addition to the technical aspects for sharia commitment.
 - Regards the different opinions between the various jurisprudential doctrines and variance of experience between the coworkers in the Sharia Supervision Board.
9. The Sharia Supervision Board shall assume Sharia fatwa and Sharia supervision as follows:
- Monitoring the Bank's business and activities in terms of conformity and non-contravention with the Islamic provisions, and follows-up and reviews operations to verify they are free of any Sharia prohibitions.
 - Expresses opinion and approves all contracts, transactions, agreements, products, services and investment policies and the policy that regulates the relationship between the shareholders and the investment account holders including dividend distribution, loss charging, set aside revenues on the investment account and mechanism to dispose of Islamic noncompliant income.
 - Approves the charging of any losses resulting from any Bank operations concerning the investment account holders.
 - Makes and expresses opinion on the extent of the Bank's compliance with the Islamic provisions and principles. The Sharia Supervision Board also:
 - Reviews and adopts the annual Sharia audit report and reports it to the audit committee
 - Releases semi-annual/annual report about the Sharia compliance. This report includes the effectiveness of the internal Sharia controls and any weak points in the Sharia controls system and internal legal control with a fundamental impact. The semi-annual report is submitted to the Board of Directors while the annual report to the shareholders general assembly both copied to the Central Bank.
 - Reviews and approves the policies and guidance relating to the Islamic provisions.
 - Provides advice to the parties rendering services to the Bank such as the auditors, certified public accountants and consultants.
 - Ensures adequacy and effectiveness of the internal Sharia control in the Bank.
 - Ensures adequacy and effectiveness of the internal Sharia audit department through reviewing the internal Sharia audit reports and response of the management thereto and submits directions to the internal Sharia audit department.
 - Coordinates with the (corporate governance and compliance committee) and the audit committee to ensure compliance of the Bank to the Islamic provisions and principles.
 - Proposes any necessary Sharia training to the Bank's staff members.
 - Identifies all reports including review of compliance with the Islamic provisions and principles including the reports by the Central Bank, auditor and responses of the management thereon.
 - Attends meetings of the shareholders general assembly, and the Chairman of the Authority reads the Authority's report or chooses one of the members to do so.
 - Makes opinion on the Bank's memorandum of association and articles of association and ensure they are in harmony with the Islamic provisions and principles.
 - Makes submissions to the Board of Directors on appointment/dismissal of the Sharia internal audit manager.
10. Head of the Sharia internal audit department shall be appointed as the Sharia Supervision Board's Secretary.



11. The Secretary shall assume the following duties:

- Attends all the Sharia Supervision Board's meetings; record all deliberations, proposals, objections and reservations and method of voting on the Sharia Supervision Board's draft decisions.
- Determines the schedule of the Sharia Supervision Board's meetings in coordination with the head of the Sharia Supervision Board and communicate the same to the members.
- Prepares the Sharia Supervision Board meetings; receives Sharia inquiries from all organizational units paving the way for submitting them to the Sharia Supervision Board.
- Ensures that all members have signed the minutes of meeting and decisions.
- Follows-up the implementation of Sharia Fatwa and decisions taken by the Sharia Supervision Board and provide the Sharia internal audit department and the compliance department for action and follows discussion of any topic brought forward from the previous meetings.
- Keeps meetings' records and documents of the Sharia Supervision Board.
- Document the name/s of member/s who absence the meeting and clarifying whether excused or not and state the same in the minutes of meeting.
- Provides the Central Bank with the suitability declarations signed by the Sharia Supervision Board members.

12. The Sharia Supervision Board shall have free access to any information without restriction to the activities of the Bank and can communicate with any employee within the Bank. It shall be delegated with all authorities and powers to perform the duties and tasks entrusted with it as required, including summon of any employee.

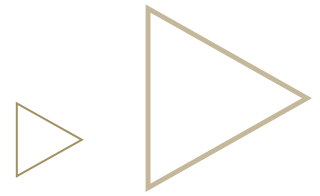
13. If necessary of the board, and after having obtained the consent from the Board, the Sharia Supervision Board may resort to outsourcing at the expense of the Bank to help it undertake the tasks vested in it to the fullest.

Article 10: Suitability

Members of the Board of Directors, members of the Sharia Supervision Board, and top executive management shall have the utmost integrity, credibility, competence, experience, and ability to commit and dedicate time to the Bank's business. It is the responsibility of the Board and NRC to ensure the same.

Article 11: Suitability of Board Members

1. The Board shall adopt an effective policy to ensure Suitability of its members provided that such policy encompasses the minimum standards, requirements and conditions to be met by the nominated and appointed member. This policy should be reviewed when needed. Adequate procedures and regulations should be set to ensure all members satisfy the appropriate standards at all times. The Bank should provide the Central Bank with a copy of the policy approved by the Board.
2. The Chairman or member of the Board of Directors shall meet the following conditions:
 - Not less than 25 years old
 - He/she is not a member of the Board of Directors of another Bank within the Kingdom or is not its general manager or regional manager or employed by it unless such other Bank is a subsidiary.
 - He/she is not a lawyer or legal counsel or auditor of the Bank.
 - Holding the first university degree as minimum whether in economy or finance or accounting or business administration or any other similar discipline. The NRC may consider addition of other disciplines if coupled with bank-related business experience.
 - He/she is not a government employee or any other public official institution unless he/she is its representative.
 - He/she is not a member in the Board of directors of more than five public joint stock companies within the Kingdom in his/her personal capacity in some and representative of a legal person in the others.
 - He has experience in the Bank business, finance or similar fields of no less than five years. He is familiar with the banking activities compliant with the Islamic provisions.



3. The Central Bank may make objections to the nomination of any person to the membership of the bank's Board of Directors should it find that he/she doesn't meet any of the conditions set forth in clause (b) above.
4. The Chairman or members of the Board shall sign a declaration (in accordance with the annexed form No. (1)) to be kept with the Bank copied to the Central Bank along with the member's C.V.
5. The Chairman of the Board shall make sure that the Central Bank was notified with any material information that may negatively affect the consistency of the members.

Article 12: Suitability of Top Executive Management Members

1. The Board must adopt a policy to ensure suitability of members of the top executive management in the Bank if such policy encompasses the minimum standards, requirements, and conditions to be met by the member. The Board shall review this policy from time to time. Adequate procedures and regulations should be set to ensure all members satisfy the Suitability standards at all times. The Bank shall provide the Central Bank with a copy of the policy
2. The Board must appoint a general manager characterized by integrity, technical competence, and banking experience. The prior consent of the Central Bank should be obtained before such appointment.
3. The approval of the Board must be obtained before appointing any member of the top executive management in the Bank.
4. The Board must approve a succession plan to the members of the top executive management. The Board shall review the plan once a year at least.
5. The Board must notify the Central Bank of any material information that may negatively affect Suitability of the members of the top executive management.
6. Top executive managers shall meet the following conditions:
 - He/she is not a member in the Board of Directors of any other Bank inside the Kingdom unless it is a subsidiary.
 - Should be full time dedicated to the Bank business.
 - Holder of the first university degree as a minimum in economics or finance or accounting or business administration or any other similar discipline that is related to the bank business.
 - He/she has experience in bank's business and related businesses of no less than five years except for the position of the general manager for which experience is not less than ten years.
 - Among the experiences set out in the previous clause, at least two years in the Islamic banks field, otherwise the member of the top executive management shall undergo a comprehensive qualifying program in the Islamic banks field, accounting standards, audit and legal controls, and standards issued by the Accounting and Auditing Organization for the Islamic financial institutions and the standards issued by the Islamic Financial Services Board (IFSB) for no less than three months.
7. No objection letter should be obtained from the Central Bank prior to the appointment of any member in the top executive management and thus the Bank should, before appointment of any member in the top executive management, have the C.V of the nominated person annexed with the scientific documents and certificates, experience certificates and good conduct certificate and other supporting documents. The candidate is asked to sign the declaration exhibit No.2 and the Bank should provide the Central Bank with a copy of the declaration together with the relevant C.V.



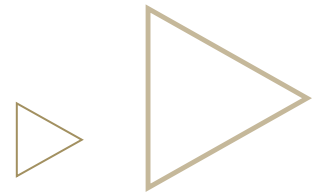
Article 13: Suitability of the Sharia Supervision Board

1. The Board must adopt an effective policy to ensure Suitability of members of the Sharia Supervision Board provided that such policy should encompass the minimum standards, requirements and conditions to be met by the nominated and appointed member. The Board should review this policy when needed. Adequate procedures and regulations should be set to ensure all members satisfy the Suitability standards at all times. The Bank shall provide the Central Bank with a copy of the policy approved by its Board of Directors.
2. The Chairman or member of the Board shall meet the following conditions:
 - He/she is a holder of the bachelor degree in Islamic Sciences, Islamic jurisprudence, principles or Islamic economy or Islamic financing.
 - He/she has experience of no less than 3 years in issuing Sharia Fatwas and Islamic provisions and/or experience in teaching or scientific research of no less than four years following graduation.
3. The Central Bank may object on the nomination of any person to the membership of the Board of Directors of the Bank if found not meeting any of the conditions outlined in clause (b) above.
4. The Chairman or members of the Supervision board shall sign the declaration in exhibit 3 to be kept with the Bank copied to the Central Bank and annexed with the members' C.V.
5. The Chairman of the Board shall notify the Central Bank of any material information that may negatively affect the Suitability of the Sharia Supervision Board members.
6. If there is a need to appoint members of the Sharia Supervision Board of those residents abroad, the number is stipulated not to exceed half of the number of the Sharia Supervision Board members.

Article 14: Performance Appraisal of administrators and Sharia Supervision board Members

The Board shall create a system for appraisal of its works and members provided that it encompasses as a minimum the following:

1. Sets specific objectives and determines role of the Board in achieving the measurable objectives.
2. Determines the key performance indicators (KPIs) that may be deduced from the strategic plans and goals and use them to measure the Board 's performance
3. Periodic communication between the Board of Directors and the shareholders
4. Periodic meetings of the Board of Directors with the top executive management.
5. Role of the member in the Board's meetings; compare its performance to that of other members' performance. Feedback should be obtained from the concerned member with a view to improve the appraisal process.
 - The NRC shall evaluate annually the Board's business as whole and its committees and members if the NRC shall notify the Central Bank of the results of such evaluation.
 - The Board must evaluate the Sharia Supervision Board and its members' performance in accordance with a predetermined evaluation by the NRC and encompasses setting the KPIs to include the Sharia Supervision Board and its members' performance evaluation standards through the role of the member in the Sharia Supervision Board's meetings; comparison of his/her performance with that of the Sharia Supervision Board's other members. Feedback of the concerned member should be obtained in order to improve the appraisal process. The evaluation system should include also the extent of the Sharia Supervision Board's achievement of its duties and tasks and effectiveness of the Sharia control system in the Bank.



- The Board shall evaluate performance of the general manager on annual basis in accordance with the predetermined evaluation by the NRC and encompasses setting the KPIs. The performance evaluation standards of the general manager include the financial and admin performance of the Bank, commitment to apply the legal controls approved by the Bank, extent of achievement of the Bank's medium and long term strategies and plans, provided that the committee notifies the Central Bank of the evaluation results.
- The Board shall adopt a system to measure performance of the Bank members other than the members of the Board of Directors and the general manager provided that such system should include, at minimum, the following:
 - The system provides proper weighing to measure the commitment by the risks management framework and application of the internal controls and the regulatory requirements.
 - Total income or profit is not the only element to measure performance; however, other elements to measure performance of members like the risks associated with the basic operations and customer's satisfaction wherever applicable should be taken into consideration.
 - Not to exploit influence and conflict of interests.

Article 15: Financial Remunerations of Directors and Sharia Supervision Board's Members

1. The Board shall set procedures to determine remuneration of its members based on the approved evaluation system.
2. The Board shall set procedures to determine board members' based on the approved evaluation system.
3. NRC of the Bank shall set the financial remuneration policy to the directors characterized by objectivity and transparency. The policy should be adopted and approved by the Board and the Central Bank is provided with a copy thereof within a maximum period of seven working days from the date of its adoption by the Board
4. The financial remuneration policy shall provide, at minimum, the following elements:
 - Set and prepared to maintain the members of experience, skills and competency and keep them stimulated motivated and to upgrade their performance.
 - Designed to make sure it will not be utilized in a way that adversely affects the solvency and reputation of the Bank.
 - It takes into account the risks, liquidity, and profits situation and timing.
 - Granting remuneration may not be based only on the current year's performance but also on the performance in the medium and long term (35- years)
 - It reflects the Bank's goals, values and strategy
 - Remunerations type is defined in the form of fees, salary, allowances, bonuses or share options or any other benefits
 - It compasses possible postponement of payment of reasonable rate of remuneration, such rate together with the postponement period are determined based on the nature of business, risks and activities of the concerned member.
 - No financial remuneration to the members of the regulatory and control departments will be granted (risk management, audit, compliance and others) based on results of departments' activities under control.

Article 16: Conflict of Interests

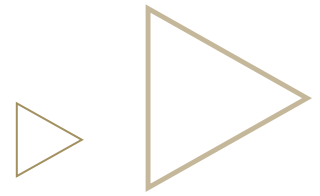
1. Administrators and members of Sharia Supervision Board shall avoid conflict of interests.
2. The Board adopts a policy and procedures to address conflicts of interest that may arise when the Bank is part of a banking group and to disclose any conflict of interest that may arise from the Bank's association with companies within the Group.
3. The Sharia Supervision Board shall approve a policy and procedures to address conflict of interests



4. The Board shall adopt policies and procedures for transactions with stakeholders to include definition of stakeholders taking into account the regulations, transactions conditions, approval procedures and control mechanism over such transactions. These policies and procedures may not be passed over and encroached.
5. The control regulatory departments in the Bank shall ensure that the stakeholders' transactions are carried out and processed in accordance with the approved policy and procedures. The audit committee reviews and controls all these transactions and introduces them to the Board of Directors.
6. The Board shall ensure that the top executive management implements the approved policies and procedures.
7. The Board shall adopt controls for information circulation movement between the different departments and such controls would prevent personal exploitation.
8. The Board shall adopt and circulate policies and charter of professional conduct to all members to include as minimum the following:
 - None of the administrators may use the internal information of the Bank for their own personal benefit.
 - Rules and procedures regulating transactions with the stakeholders.
 - Cases from which conflict of interest may arise.
9. The Board shall ensure that the executive management enjoys high level of integrity in exercising its business and avoids conflict of interest.

Article 17: Internal Audit

1. The Board must ensure that the internal audit department in the Bank is able to undertake the following tasks, as minimum:
 - Check for the availability of enough internal control systems for monitoring the activities of the Bank and its subsidiaries.
 - Verify compliance with the Bank's internal policies and international standards and related regulations.
 - Perform financial and administrative audit to ensure the accuracy, timing, and reliability of the main financial and admin information.
 - Review compliance to the corporate governance manual
 - Review validity and comprehensiveness of the (Stress Testing) in line with the methodology approved by the Board.
 - Ensure the accuracy of the applicable procedures for the Internal Capital Adequacy Assessment Process (ICAAP).
2. The Board ensures and enhances the independence of the internal auditors giving them a suitable position in the career hierarchy of the Bank. It ensures they are qualified enough to undertake their duties including the right of access to all records and information and communication with any employee in the Bank to enable them to perform the tasks vested in them and to prepare their reports without any external interference.
3. The Board must take necessary actions to enhance effectiveness of internal audit through the following:
 - The Board gives necessary importance to the audit process and establishes the same in the Bank.
 - The Board monitors the correction of audit notes.
4. The audit committee shall verify the provision of adequate resources and trained number of human personnel qualified to the internal audit department.
5. The audit committee shall verify that the internal audit staff members are rotated on auditing the Bank's activities every three years as maximum.



6. The audit committee shall verify that the internal audit personnel are not assigned to any executive assignments.
7. The audit committee shall verify that all the Bank activities are audited including the outsourced activities.
8. The Board shall adopt the internal audit charter that includes tasks, authorities, and responsibilities of the audit department and circulate it within the Bank.
9. The Board shall verify that the internal audit department is under the direct supervision of the audit committee and reports directly to the audit committee and the general manager.
10. The audit committee, in coordination with the nomination and remuneration committee shall evaluate performance of the internal audit personnel; and determine their remuneration in line with the human capital policies.

Article 18: Sharia Internal Audit

1. The Sharia Supervision Board shall ensure that the Sharia internal audit in the Bank is able to undertake the following tasks and duties, as minimum:
 - Check and evaluate adequacy and effectiveness of the Sharia internal control system of the Bank.
 - Monitor the compliance of the Bank's management with the legal aspects, Sharia Fatwas, and decisions issued by the Sharia Supervision Board.
 - Set the annual Sharia audit plan to be approved by the Sharia Supervision Board and implement its items.
 - Check receivables and finances that are classified under non-operating facilities or those decided to be written off which are funded by the joint investment accounts in order to verify absence of encroachment or default on the part of the Bank.
 - Determine the earnings contravening the Islamic principles and dispose them in accordance with the decisions of the Sharia Supervision Board.
 - Verify that executive management complies with the policy that regulates relations between the shareholders and investment account holders, in particular distribution bases of dividends.
2. The Board shall ensure and enhance independence of Sharia internal auditors giving them a suitable position in the career hierarchy of the Bank. It ensures they are qualified enough to undertake their duties including the right of access to all records and information and communication with any employee in the Bank to enable them to perform the tasks vested in them and to prepare their reports without any external interference.
3. The Board shall take necessary actions to enhance effectiveness of Sharia internal audit through the following:
 - Give due importance to the Sharia audit process and establish the same in the Bank.
 - Monitor the correction of Sharia audit notes.
4. The Board shall verify provision of adequate resources and qualified number of human personnel to the Sharia internal audit department and that they are well trained. The personnel in the department should, as minimum, meet the following requirements:
 - A related university degree and familiarity with the Islamic financial transaction principles, respective conditions of each contract, and reasons of contracts termination.
 - Familiar with the standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI).
5. The Board shall verify that the Sharia internal audit personnel are rotated to audit the Bank's activities every three years as maximum
6. The Board shall verify that the Sharia internal audit personnel are not assigned to any executive assignments.
7. The Board shall verify that all the Bank's activities are legally audited including the outsourced activities.



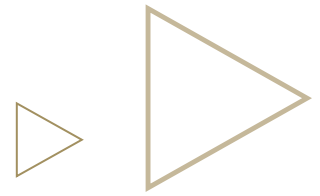
8. The Board shall adopt the internal audit charter that includes tasks, authorities, and responsibilities of the Sharia audit department and circulate it within the Bank.
9. The Board shall verify that the Sharia internal audit department is under the direct supervision of the Sharia Supervision Board and reports directly to the Chairman of the Sharia Supervision Board and send copies of the reports to the audit committee and the general manager.
10. The Sharia Supervision Board, in coordination with the nomination and remuneration committee, shall evaluate the performance of the Sharia internal audit personnel; and determine their remuneration in line with the human capital policies.

Article 19: External Audit

1. The Board shall ensure that the external auditor is regularly rotated between the audit offices and their subsidiaries or allied or associated companies in any way every seven years as maximum as of the election date.
2. The first year (at rotation) of the new office shall be (joint) with the old office.
3. The former office may not be re-elected before the lapse of at least two years from the last election to it in the Bank unlike the joint audit duty.
4. The Sharia Supervision Board shall verify that the external auditor has audited the adequacy and effectiveness of the Sharia internal control system in the Bank.
5. The audit committee shall annually verify the independence of the external auditor.
6. The Board shall take proper actions to address weaknesses in the internal control systems or any other weak points demonstrated by the external auditor.

Article 20: Risk Management

1. The risk management shall monitor the compliance of the Bank's executive managements with the risk appetite levels.
2. The Board shall verify that the irregularities at the risk appetite levels are addressed, including holding the concerned top executive management accountable for these irregularities.
3. The Board shall ensure that the risk management department periodically undertakes stress testing to measure the Bank's ability to tolerate shocks and face the elevated risks. The Board shall have a key role in approving the adopted assumptions and scenarios, discuss testing results, and adopt actions to be taken based on the results.
4. The Board shall approve the internal evaluation methodology of the Bank's capital adequacy so that it is comprehensive and effective and able to determine all risks including the legal ones that the Bank is likely to face; and it takes into account the Bank's strategic plan and capital plan. This methodology should be periodically reviewed and its application shall be ensured. It should be verified that the Bank maintains a capital adequate to meet all faced risks.
5. The Board, prior to approval of any activity expansion, shall take into account the resulting risks, competence, and qualifications of the risk management department personnel.
6. The Board shall ensure independence of the risk management department in the Bank through submitting its reports to the risk management committee and granting the department authorities and powers necessary to be able to access information from the Bank's other departments and cooperate with the other committees to undertake the respective duties.
7. The Board shall adopt the risk appetite charter of the Bank.



8. Duties of the risk management departments, as minimum, are as follows:

- Review the risk management framework before the Board's approval.
- Implement the risk management strategy in addition to setting the risk management policies and procedures to manage all types of risks.
- Setting methodologies to determine, measure, and control each type of the risks.
- Submit reports to the Board through the risk management committee copied to the top executive management including information about the actual risk profile for all the Bank's activities compared to the risk appetite; and monitor the addressing of the negative deviations.
- Verify that the risk measurement mechanisms are integrated with the adopted management information systems
- Study and analyze all risk types faced by the Bank
- Make recommendations to the risk management committee about the Bank's exposures to risks; record exemptions from the risk appetite levels.
- Provide necessary information about the Bank's risks to be used for disclosure purposes.

Article 21: Compliance Department

1. The Board shall ensure the independence of the compliance department whereas it includes the Sharia compliance department. The Board shall also ensure that the compliance department is continuously provided with adequate and well-trained personnel.
2. The Board shall adopt a policy to ensure the Bank's compliance with the related legislations, Sharia Fatwas, and decisions issued by the Sharia Supervision Board; and review the policy periodically and verify its application.
3. The Board shall approve the tasks and responsibilities of the compliance department.
4. The compliance department shall report to the corporate governance and compliance committee of the Board, and to the Sharia Supervision committee and send a copy of the reports to the general manager.

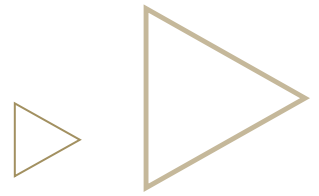
Article 22: Rights of Stakeholders

1. The Board shall provide a specific mechanism to ensure communication with the stakeholders through disclosure and to provide information of significance about the Bank's activities to the stakeholders through the following:
 - General assembly meetings
 - Annual report
 - Quarterly reports containing financial information, in addition to reports of the Board about the Bank's stock exchange, and its financial position during the year.
 - The Bank's website.
 - Shareholders' relation division.
2. The Board shall ensure the designation of a part of the website to include explanations and clarifications of the shareholders rights and encourage them to attend the general assembly meetings and vote therein as well as dissemination of meetings-related documents including the full text of convocation and minutes of meetings.
3. The Board shall ensure the designation of a part of the website to include clarifications about rights of the investment account holders and disseminates the policy that regulates their relations with the shareholders to include quantitative and qualitative disclosures.



Article 23: Disclosure & Transparency

1. The Board shall ensure the dissemination of financial and non-financial information of concern to the stakeholders.
2. The annual report of the Bank should encompass a text stating that the Board is responsible for the accuracy and adequacy of the financial statements of the Bank, the information contained in that report, and the adequacy of the internal control systems and Sharia control systems.
3. The Board shall ascertain compliance of the Bank with the disclosures determined by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) and compliance with the disclosures issued by the International Financial Reporting Standards (IFRS) and the International Accounting Standards (IAS), in case Islamic Standards are not made available, along with the directions of the Central Bank and other related regulations. It shall make sure that the executive management is familiar with the changes to the standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) and the International Financial reporting Standards.
4. The Board shall ensure that the annual report of the Bank and its quarterly reports include disclosures that enable the current or potential shareholders of reviewing the operation results and the financial position of the Bank.
5. The Board and the Sharia Supervision Board shall ensure that the annual report of the Bank includes disclosures that enable the current or potential investment account holders of reviewing the operation results and the legal and the financial situation of the Bank.
6. The Bank shall establish written work procedures in accordance with the disclosure policy adopted by the Board to regulate the disclosure of information and follow up its implementation in accordance with the requirements of the regulatory bodies and the applicable legislation.
7. The Board shall ensure that the annual report includes, as minimum, the following:
 - Summary of the organizational structure of the Bank
 - Summary of the tasks and responsibilities of the Board committees and any authorities delegated to the committees by the Board.
 - The information that concerns the stakeholders set out in the corporate governance manual of the Bank and the extent of compliance with the manual.
 - Information about each member of the Board in terms of respective qualifications, experience and his/her share in the Bank's capital and whether he/she is independent or not, and his/her membership in the Board's committees, date of appointment and any other memberships in the Boards of other companies, remuneration of all forms received from the Bank for the previous year as well as the funding granted to him/her from the Bank and any other operations made between the Bank and the member or the parties related to him/ her.
 - Information about each member of the Sharia Supervision Board in terms of qualifications, experience, date of appointment, positions held currently outside the Bank.
 - Information about the risk management department including structure, nature of operations, and developments made to it.
 - Frequency of meetings of the Board, committees, and the Sharia Supervision Board and the number of meetings attended.
 - Names of independent members of the Board, top executive management, and Sharia Supervision Board during the year.
 - Summary of the Bank's remuneration policy showing and disclosing all forms of remunerations granted to each member of the Board, fees paid to each member of the Sharia Supervision Board, remunerations of all forms paid to each member of the top executive management for the previous year.
 - Names of shareholders holding 1% or more of capital while determining the ultimate beneficial owners of these shares or any part thereof and demonstrating whether any of these contributions are mortgaged wholly or partly.
 - Declarations by all Board members and Sharia Supervision board members that the member has not received any benefits through his/her work at the Bank that has not been disclosed whether such benefits are financial or in-kind and whether personal or to any related party, for the past year.
 - Governance report to be signed by the chairman.



Article 24: General Provisions

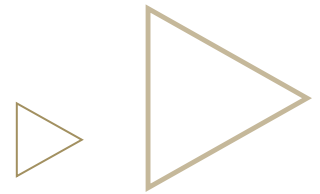
1. The Chairman of the Board shall invite the Central Bank to attend the general assembly meeting in a suitable time before the meeting to enable the nomination of its representative.
2. The Chairman of the Board shall provide the Central Bank with the general assembly minutes of meetings within a period not exceeding five days from the date of endorsement of the meetings' minutes by, or on behalf of, the Companies General Controller.
3. The Bank shall notify the Central Bank, at least 30 days before the date of the general assembly meeting, of its intention to nominate the external auditor to be elected or re-elected by the general assembly.
4. The Bank shall notify the Central Bank, at least 30 days before the date of the general assembly meeting, of its intention to nominate the Sharia Supervision Board's member to be elected or re-elected by the general assembly.
5. The Bank shall notify the Central Bank of the number of shares mortgaged by the Bank's shareholders holding 1% or more of the capital and of the mortgagee.
6. The Bank shall, semi-annually and whenever a change takes place, provide the Central Bank with the information related to the members of the Board and its committees, members of the Sharia Supervision Board, and members of the top executive management, in accordance with the annexed formats (44/4 ,3/4 ,2/4 ,1/).
7. The Bank shall, semi-annually or when change takes place, provide the Central Bank with information related to the members of the Board of directors and the top executive managements of its subsidiaries and affiliates within the Kingdom and abroad in accordance with the annexed formats (53/5 ,2/5 ,1/).



Governance Report

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Names of the Board of Directors members 2021

Dr. Moh'd Abu Hammour	Chairman of the Board since 29/4/2021	Non-independent Representative of Al-Etihad Islamic Investment Co
Abd Al-Rahim Al Hazaymeh	Deputy Chairman of the Board Since 29/4/2021	Independent Orphans Fund Development Foundation
Basem Salfiti	Since 29/4/2021	Non-independent Representative of Al-Etihad Islamic Investment Co.
Deema Akef	Since 29/4/2021	Non-independent Representative of Al-Etihad Islamic Investment Co.
Dr. Noufan Alaql	Since 29/4/2021	Non-independent Representative of Social Security Corporatism
Khaled Algonsef	Since 29/4/2021	Non-independent Representative of Al-Etihad Islamic Investment Co.
Dr. Ibrahim Saif	Since 29/4/2021	Non-independent Representative of Al-Etihad Islamic Investment Co.
Dr. Ahmed Menesi	Since 29/4/2021	Non-independent Representative of Al-Etihad Islamic Investment Co.
Dr. Khaled Zentuti	Since 29/4/2021	Independent
Samir Abu Lughod	Since 29/4/2021	Independent
Salem Burqan	Since 29/4/2021	Independent

- All board members are non-executives.

Resigned Board members during 2021

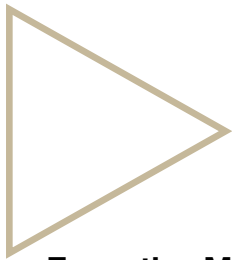
No Resignations during 2021.

Names of the Members of Shari'a Supervisory Board 2021

His Eminence Prof. Ali Al Qaradaghi	Since 22/9/2020	Chairman of the Shari'a Supervisory Board and Executive Member
His Eminence Dr. Ahmad Melhem	Since 22/11/2020	Deputy Chairman of the Shari'a Supervisory Board
His Eminence Dr. Ali Musa	Since 29/4/2021	Member
His Eminence Dr. Safwan Edibat	Since 29/4/2021	Member

Resigned Shari'a Supervisory Board members during 2021

His Eminence Sheikh Abdul Karim Al-Khasawneh	Since 28/4/2021	Member
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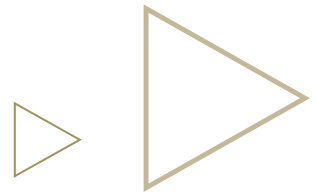


Executive Managment of Safwa Islamic Bank

Name	Job Title
Samer "Al Saheb Al Tamimi"	General Manager / Chief Executive Officer
Rami Khayyat	Deputy CEO, Chief of Corporate Banking
Hani Al-Zrari	Deputy CEO, Chief of Central Operations
Ziad Kokash	Deputy CEO, Chief Credit Officer
Nasfat Taha	Head of Retail Banking
Wael Al-Bitar	Chief of Treasury and Investment
Rami Al-Kilani	Head of Information Technology
Ahmad Tarteer	Head of Compliance
Masoud "Sakf Al-Hait"	Chief of Legal and Board Secretariat
Muneer Faroneyah	Head of Shari'a Supervision
Mohammad Hawari	Head of Human Capital Management
Khalid Al-Issa	Head of Internal Audit
Ahmad Jafar	Head of Risk

Resigned Executive Management members during 2021

Ibrahim Samha	Resigned on 9/3/2021	Deputy CEO, Chief of Finance and Corporate Strategies
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Name of Governance Officer in the Bank

Ahmad Tarteer / Head of Compliance

Names of Committees Originating from the Board

- NRC Committee
- Governance Committee
- Risk Committee
- Compliance Committee
- Audit Committee
- IT Steering Committee
- Facilities Committee

Name of head and members of Governance Committee, NRC Committee And Risk Committee

- **Governance Committee**
 - Dr. "Mohammed Naser" Abu Hammour (Chairman)
 - Samir Abu Lughod (Deputy Chairman)
 - Abd Al-Rahim Al-Hazaymeh
- **NRC Committee**
 - Salem Burqan (Chairman)
 - Samir Abu Lughod (Deputy Chairman)
 - Basem Salfiti
- **Risk Committee**
 - Deema Aqel (Chairman)
 - Dr. Khaled Zentuti (Deputy Chairman)
 - Khaled Al-Gonsel
 - Salem Burqan
 - Dr. Ahmad Menesi



Name of the Audit Committee Head, Members and a brief profile on their relative qualifications and experiences concerning financial and accounting affairs:

Samir Abu Lughod (Head of the Committee)

Qualifications:

- Bachelor's Degree in Accounting 1976.

Practical experiences :

- Member of The Audit Committee – The International Criminal Court / The Hague, Netherlands 3/2020 till now
- Chairman of the Audit Committee - The International Criminal Court / The Hague, Netherlands 3/2017 till March 2020.
- Member of the Audit Committee - The International Criminal Court / The Hague, Netherlands January 2016 till 3/2017.
- Country Senior Partner - PWC, Jordan 2009-2012.
- Managing Partner - EY, Jordan, 2002-2009.
- Office Managing Partner - Arthur Andersen, Jordan, 1979-2002.
- Senior Auditor - Saba&Co 1976-1979.

Abd Al-Rahim Al-Hazaymeh (Deputy Head of The Committee)

Qualifications:

- Bachelor's degree in Jurisprudence and Legislation/ Economics and Statistics from the Jordanian University in 1992

Experience and Memberships:

- Acting Director General of the Orphans Fund Development Foundation since 2/3/2020 to date
- Assistant General Director of the Orphans Fund Development Foundation since 3/10/2017
- Director of the Irbid Branch / Orphans Fund Development Foundation since 3/8/2008
- Head of Investment Department / Orphans Fund Development Foundation since 1995
- Staff member of the Orphans Fund Development Foundation since 1992

Dr. Khaled Zentuti

Qualifications:

- PhD in Finance Administration and Management of Organization and Marketing , Bosphorus University Turkey 1992.
- MBA in Management Accounting University of Hartford C.T USA (Hons) 1982.
- Bachelor of Accounting, Faculty of Economics, Qaryounis University, Benghazi, Libya 1976.

Experience and Memberships:

- (1988 – 2000) Different positions , as Manager and DM in different companies owned by Libyan Arab Foreign Investment Company (LAFICO) in Turkey, Italy, Germany, Pakistan, Egypt.
- (2000 – 2002) State Secretary – Investment and International Cooperation – Libyan Cabinet.
- (2002 – 2004) Chairman and General Manager Libyan Arab Foreign Investment Co. (LAFICO).
- (2012 – 2016) Full time Ass. Proff. Of Finance and Accounting at PUST University Amman – Jordan.
- (2004 – 2012) General Manager and Chairman of the Management Committee / Long Term Investment Portfolio /Libya - Tripoli.
- (2012 - 2016) Advisor to Bank Al-EtiHAD Amman / Jordan.
- (2004 - 2012) Vice Chairman of the Board of Directors of the British Arab Bank London / Britain.
- (2007 - 2012) Vice Chairman / Union Bank Amman Jordan 2007/2012.
- (2009 - 2012) Vice Chairman of the Board / Libyan Foreign Bank / Tripoli Libya.
- (2010 - 2012) Member of the Board of Directors of the Arab Banking Corporation ABC Manama Bahrain.

Number of BOD Meetings and its Committee's during 2021

Board / Committee	NRC Committee	Governance Committee	Compliance	Audit Committee	Risk Committee	IT Steering Committee	Facilities Committee	Board of Directors Meetings
Member's Name	Number of Meetings							
Dr. " Muhammad Naser" Abu Hammour	4	4	3	12	5	4	22	8
Abd Al-Rahim Al-Hazaymeh (since 7/5/2020)	-	4/4	-	-	-	-	22/22	8/8
Dr. Nofan Alaqil	-	4/4	-	12/12	-	-	-	8/8
Deema Agel	-	-	3/3	-	-	4/4	-	8/8
Basem Slifiti	4/4	-	3/3	-	5/5	-	22/22	8/8
Khaled Algonsel	-	-	-	-	-	4/4	19/22 A * (3)	8/8
Dr. Ahmed Menesi	-	-	3/3	-	4/5 A* (1)	4/4	-	8/8
Samer Abu Lughod	4/4	4/4	-	12/12	-	-	-	8/8
Dr. Ibrahim Saif	-	-	-	-	2/2 (C)	4/4	13/14 (A) A * (1)	8/8
Dr. Khaled Zentuti	-	-	-	12/12	5/5	-	8/8 (B)	8/8
Salem Burqan	4/4	-	-	-	3/4 (D) A * (1)	-	22/22	8/8

• Audit Committee met External Auditor 4 times during 2021.

• Audit Committee met with external auditor, internal auditor, and compliance head one time during 2021 without the presence of any executive management personnel.

• Board of Directors met with Sharia supervisory Board twice during 2021.

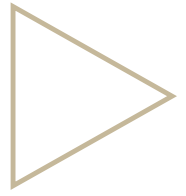
A*=Absent

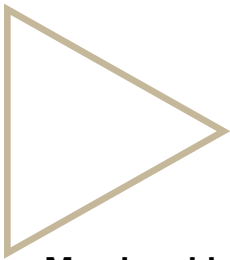
A=from meeting #9 to meeting #22 since the committee was reformed by 29/4/2021.

B=from meeting #1 to meeting #8 since the committee was reformed by 29/4/2021.

C=from meeting #1 to meeting #2 since the committee was reformed by 29/4/2021.

D=from meeting #1 to meeting #2 since the committee was reformed by 29/4/2021 and from meeting #4 to meeting #5 since the committee was reformed by 31/10/2021.





Membership of the Board of Directors, which is occupied by a member of the Board of Directors in other companies

Dr. “Mohammed Naser” Abu Hammour - Chairman of the Board

- Chairman of the Board of Al Salam Transport Company.
- Chairman of the Board of International Gathering Company.
- Chairman of the Board of Al Hassan Microfinance Company.
- Chairman of the Board of Global Insights for Financial and Economic Consulting.
- Chairman of the Board of Arab Group for Development Company.
- Chairman of the Board of Al Salam Investment Company.
- Chairman of the Board of Directors of the Luxury Restaurants Company

Abd Al-Rahim Al-Hazaymeh - Deputy Chairman of the Board

- No membership.

Basem Salfiti

- Non-Executive Board Member, Bank Al-Etihad.
- Member of the Board of Directors, Al-Etihad Islamic Investment Co..
- Non-Executive Board Member of Delta Insurance and Advisory .
- Vice Chairman of the Board of Directors of Sout Al Kanar
- Investment Company Chairman of the Amman Store Managers Authority for Real Estate Projects Management

Deema Aqel

- Non-Executive Board Member, Etihad company for lease financing.
- Non-Executive Board Member, AL Etihad Brokerage Company.

Dr. Nofan Alaqil

- No membership.

Dr. Khaled Algonsel

- Member of The Board of Directors, Libyan Foreign Investment Company.

Dr. Khaled Zentuti

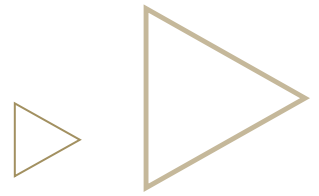
- No membership.

Dr. Ahmed Menesi

- No membership.

Dr. Ibrahim Saif

- Member of the Board of Director, Jordan Loan Guarantee Corporation.
- Member of the Board of Director of the Jordanian National Shipping Lines Company.
- Non-Executive board member of Manaseer Group for Industrial & Commercial Investments.
- Non-Executive board member of Jordan Institute of Maritime Studies.



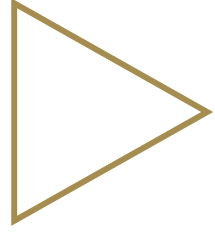
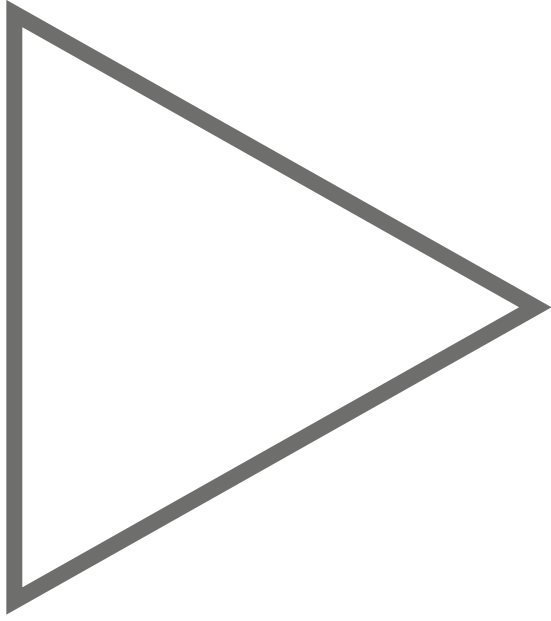
Samir Abu Lughod

- No membership.

Salem Burqan

- Member of the Board of Directors, Jerusalem Insurance Company

Chairman of the Board
Dr. “Mohammed Naser” Abu Hammour



IT Governance Guide
**EXCELLENCE IN
INFORMATION
MANAGEMENT AND RISK
HANDLING**





IT Governance Guide for Information Management and Associated Technology Contents

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Introduction

In line with the instructions of information governance and the associated technology, Safwa Islamic Bank board of directors and its executive management approved a number of measures to equalize IT with other major business department in the Bank. Usage of COBIT 2019 framework for governance, information management, technology and IT projects assists in creating the optimal value of IT by maintaining a balance between achieving benefits and improving risks levels and using resources. COBIT 2019 also enables IT to be managed in a comprehensive way for the full projects taking into account the functional and technological responsibilities from the beginning to the end, along with considering the interests from the involved internal and external stakeholders in addition to working on managing IT risk framework in an integrated manner that complies with the Bank overall risk management operations in accordance with the sound procedures and practices that lead to sound mechanisms for the risk-based decision-making. It also ensures achieving the value added at the lowest costs while mitigating expected losses and risks to reflect the vision of the Bank in this regard and within acceptable risk limits wherever possible.

Definitions

The following words and phrases, wherever stated in this regulation, shall have the meanings assigned to them unless the context indicates otherwise.

Concerned word	phrase
The Bank	Safwa Islamic Bank
The Board	Safwa Islamic Bank board of directors
The Committee	The committee of information governance and management and the associated technology
The Organizational structure	The Bank organizational structure mentioned in the annex
Top Executive Management	Comprises the Bank General Manager, Deputy General Manager, Financial Manager, Operations Manager, Risk Management Manager, Internal Audit Manager, Internal Sharia Audit Manager, Treasury Director (Investment), Compliance Manager, in addition to any employee at the Bank who has executive power parallel to any of the mentioned and directly linked to the General Manager and in a manner that doesn't conflict with human capital police.
Stakeholders	Those who have interest in the Bank such as stakeholders, employees, creditors, customers, external suppliers or concerned regulatory authorities.
Concerned Parties	Persons, groups or institutions which have direct or indirect interest in the Bank as they affect or are affected by its practices or activities.
Guide	A guide to governance and management of information and the associated technology which aims to provide recommendation and guidance for the work of the Committee.
Information governance and the associated technology	Distribution of roles ,responsibilities and characterization of relations among different parties entities and stakeholders such as the Board of Directors and the Executive Management in order to maximize the institution's value added) using the optimal approach that ensures the balance between the risks and expected returns, through adopting necessary rules, principles and mechanisms for decision-making and determining strategic objectives of the Bank and the mechanisms for monitoring and compliance verification which ensure development and sustainability of the bank.
Information Management and the associated technology	A set of on-going activities that fall within the responsibility of the Executive Management; Planning to achieve the strategic objectives including harmonization, organization, and construction and development activities including procurement and implementation, in addition to the operational activities including providing services and support, and monitoring activities including measurement and evaluation, ensuring the sustainability of the Bank objectives and strategic directions.
IT Governance Operations	A set of practices and activities emerging from the institution's policies which are required to achieve the objectives of the information and the associated technology.
Objectives of the information and the associated Technology	A set of key and sub objectives related to the governance and management activities of the information and associated technology which are required to achieve the institutional objectives.
Institutional objectives	A set of objectives related to governance and institutional management which are required to achieve the needs of stakeholders and the objectives of these instructions.
On-site head office building	operation place is in the same head office building of the Bank in Jordan.
Off – Site, for another Building	operation place is in a building other than that of Bank head office in Jordan, but in the same governorate.
Near – Site	Operation place is in a governorate other than that of the Bank head office in Jordan.
Off – Shore, for another Country	where the operation place is in a country other than that of the Bank head office in Jordan.



Scope of Work

The IT Department shall be the responsible entity for this evidence; compliance with the implementation is overseen by the Bank Control Departments; while the date of reviewing this evidence is set if a need arises.

The scope of implementing this (guide) includes all Safwa Islamic Bank's operations (based on) IT in various branches and departments. (All stakeholder parties shall be considered concerned with applying the instructions); each according to their position and role.

General Policies & Procedures

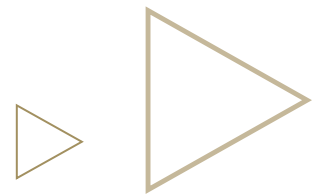
Major stakeholders' responsibilities:

- The responsibilities of the Board Chairman, the Board members, external experts include managing the governance project/program; approving the project's tasks and dues, the support, and providing the (needed) funds.
- The general director and the top management:
Their responsibilities involve employing experienced calibres at the bank's operations to represent them in the project; defining their duties and responsibilities.
- IT Department and Project Management Office:
They're responsible for managing the project/program.
- Internal Auditing:
They're responsible for directly controlling the instructions' implementation; the participation in the project/program; which represents the role of internal auditing in the executive issues as an independent advisor and supervisor to facilitate the project/program's success and achievement.
- Risk Management, Information Security, Compliance and Legal Departments:
Their responsibilities include the participation in the project/program in means representing the role of these departments.
- The competent calibres; holders of professional and technical certificates (COBIT 2019 Assessor, COBIT 2019 Implementation, CGEIT certification), who are appointed from inside and outside the Bank:
Their responsibilities include the guide's role to disseminate knowledge and ease the implementation.
- Safwa Islamic Bank Board shall be responsible for overseeing the implementation of the five governance operations, which involve Administrative Regulation (Assessment, directives, and monitoring), in addition to the operation of Risk Improvement Guarantee, « EDM 03 and APO12 Risk Management », in line with the Central Bank of Jordan's (CBJ) instructions.

Governance goals and Associated Information and Technology Management to achieve:

Governance and Associated Information and Technology aim at:

1. Meeting the stakeholders' needs and achieving the Bank goals through benefiting from the governance framework in:
 - Facilitating the added-value creation by offering online services complying with the instructions of Governance Guidelines and Associated Information and Technology
 - Management, in means ensuring the deliberate management of risks and enhancing the optimum use of resources.
 - Securing information quality guarantee in order to support the decision-making process.
 - Providing infrastructure for online services, which enables the Bank to accomplish its objectives.
 - Ensuring the sustainability of the Bank operations through boosting the operations' automation and activating reliable and effective technological systems.
 - IT risk management in a bid to ensure the necessary protection of the Bank assets.
 - Setting up e-system complying with the requirements of laws, regulations and instructions.
 - Improving the reliability of the internal control environment. (maximize the level of satisfaction of IT users by efficiently and effectively meeting the needs of their work)
 - Management of services provided by suppliers or partners (outsourcing) who provide their services / products to the Bank or execute operations, services and products to the Bank.



2. The use of COBIT 2019 is the benchmark for designing all successful electronic systems and successful and effective solutions in a way that achieves the Bank objectives and all stakeholders.
3. Separation of governance and management in accordance with related internationally recognized standards of governance and management of information and technology.
4. Achieving the comprehensiveness in the governance and management of information and the associated technology (and) provide the seven elements of enablers according to COBIT 2019 ,too .
5. Building the practices and rules of work and organization according to the best international standards, including the areas of IT governance and projects and resources of IT.
6. Boosting the mechanisms of self and independent control and checking compliance in the areas of governance and management of information and technology in which they contribute to developing and improving work continuously.

Attribution

1. This guide is based on Central Bank of Jordan's instructions No. 652016/ and No. 98410/6/ dated 212019/1/, in addition to COBIT 2019, (Noted that it shall be reviewed and updated regularly by the committee of information governance and the associated technology, or upon issuance of instructions in particular by the Central Bank of Jordan.
2. The Bank shall publish this guide on the Website in (any appropriate manner) to the public. The Bank shall disclose in its annual report the existence of a special guide for the governance and management of information and the extent of compliance with it.

Committees

Safwa Islamic Bank formed the following committees:

1. IT Governance Committee - The Board
2. IT Security Steering Committee
3. The Board of Directors of Safwa Islamic Bank adopted the organizational structures (hierarchical and committee structures) for managing resources, IT projects, risk management and information security, which meet the operational needs of the information governance and the associated technology system to achieve efficiency and effectiveness.

IT Governance Committee - The Board:

1. In line with the Central Bank of Jordan's (CBJ) instructions, the Bank has formed an IT governance committee including at least three members selected from calibres boasting of IT experience and strategic knowledge.
2. The committee shall hold at least one quarterly meeting and write the minutes of the meetings; the committee's regulation includes the following tasks:
 - Adopting the IT strategic objectives and appropriate organizational structures, including the steering committees at the top executive management sphere, particularly the IT Steering Committee and the means guaranteeing the achievement of the Bank strategic objectives and accomplishing the optimum added-value of the projects and investments of IT resources; utilizing the necessary instruments and standards to monitor and put this into effect; such as using IT Balanced Scorecards, Return On Investment (ROI) , and measuring the impact of contribution to boosting the financial and operational efficiency.
 - Adopting the common framework of managing, setting and monitoring IT resources and projects, which embraces the international state-of-the-art practices in this realm, especially Control Objectives for Information and Related Technologies (COBIT), in a compatible manner meeting the achievement of goals and requirements of the Governance Guidelines and Associated Information and Technology Management No. 652016/ by fulfilling the institutional goals sustainably; the accomplishment of matrix of associated information and technology Goals.



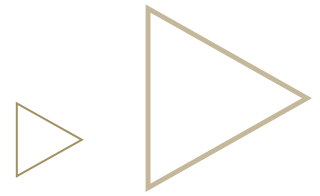
- Endorsing the institutional goals matrix and its associated information and technology goals; considering its data as a minimum; defining the necessary sub-goals to achieve them.
- Adopting a RACI chart (RACI Matrix) towards the fundamental operations of IT governance; its sub-operations stemming from it in regard to: the entity, entities, the person or the parties initially responsible; the (Responsible), the (Accountable) and the (Consulted), along with the ones that are briefed on all operations, using COBIT 2019 Enabling Processes in this regard.
- Making sure of existing a common framework to manage the IT risks in line with the comprehensive common framework of the Bank risk management, taking into its consideration all IT governance operations.
- Adopting the budget of IT resources and projects in accordance with the Bank strategic goals.
- General control of IT operations, resources and projects (to emphasize their) adequacy and effective contribution to achieving the Bank business program.
- Reviewing IT auditing reports and taking any necessary measures to address the troubles.
- Recommending the Bank board to take any necessary measures to fix any errors.
- Adopt the importance and prioritization of objectives (Government and Management Objects) and their correlation to the six institutional objectives (Enterprise Goals and Alien Works) as well as to the other enabling elements (Enablers or Components) contained in the instructions, based on a qualitative study or study A quantity that is prepared for this purpose at least annually and that takes into account the Design Factors listed in the (Cobit 2019-Design Guide).

Information Technology (IT) Steering Committee:

The Bank has formed an Information Technology Steering Committee from the top executive management's members (to ensure a strategic alignment of information technology to achieve the strategic objectives of the bank and that shall be in a sustainable manner.). Hence, the committee headed by the general director and with the membership of executive management's top managers, including IT and Risk Management heads, was appointed. A board member was elected to have an observer status in the committee, as well as the internal audit manager. Other parties could be invited for attending the meetings, if a need arises. The regulation states that the committee has to write the minutes its meetings that shall be periodically held at least once every three months.

The committee shall undertake the following tasks and functions:

1. Laying out the appropriate annual plans required to achieve the strategic goals set up by the board; supervising their implementation in a bid to guarantee their accomplishment, in addition to overseeing the internal and external conditions that affecting them consistently.
2. Linking the matrix of institutional goals to the goals of information and technology associated thereto, as well as adopting and reviewing them regularly in a way that ensures the attainment of the Bank strategic aims and the goals of instructions; taking into account the definition and revision of the set of the assessment criteria, and entrusting relevant parties of the Executive Management to constantly monitor them and brief the committee on the results.
3. Recommending the allocation of financial and non-financial resources necessary to fulfil the objectives and IT governance operations; using the assistance of competent human elements, the right person in the right place, through organizational structures including all fundamental operations to support the objectives; taking in consideration the functional separation and non-conflict of interest; adapting the technological infrastructure and other services related to achieve the objectives; overseeing the implementation IT projects and governance.
4. Prioritizing IT projects and programs.
5. Monitoring the level of technological and technical services, and work on to improve their efficiency constantly.
6. Briefing the IT Governance Committee on the following matters:
 - Providing the necessary resources and efficient instruments which needed to achieve duties of the IT Governance Committee.
 - Any deviations that may adversely affect the achievement of strategic goals.
 - Any unacceptable risks related to the technology, security and protection of information.
 - The reports of performance and compliance with the management's general framework; setting and controlling IT resources and enterprises.



7. Periodically providing the IT Governance Committee with the minutes of its meetings, along with obtaining an indication that these minutes have been reviewed.

Goals and IT governance operations

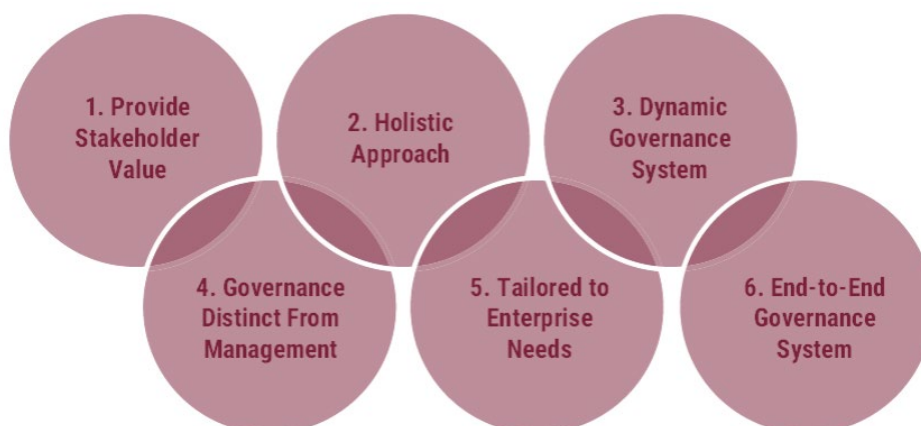
The committee of information governance and the associated technology shall adopt a set of objectives across the Bank level and IT in accordance with COBIT 2019 framework. The objectives will be overviewed, reviewed and appropriately identified to meet the needs of stakeholders.

Information Technology Steering Committee is primarily responsible for ensuring compliance through achieving its requirements; Information Technology Committee and the board as a whole are the final official in this regard. All Bank departments especially Information Technology, Information Security Management and Project Management Departments shall identify their processes and reformulate them in a way that covers the requirements of IT governance operations.

Safwa Islamic Bank has adopted successive objectives in COBIT 2019 to interpret the needs of stakeholders into specified and customized objectives that can be implemented, in addition to IT-related goals and enablers' goals. Such interpretation allows setting specific objectives at all levels and in all departments and branches of the Bank to support the overall objectives and the requirements of stakeholders, and thus effectively support the alignment between Safwa Islamic Bank solutions and services of IT. The Board and the Risk Management Department are directly responsible for the process of ensuring smooth management of the risks included in the annexes to the instructions and risk management process (IT) respectively.

The six (6) principles are the core requirements for a governance system for enterprise information and technology.

1. Each enterprise needs a governance system to satisfy stakeholder needs and to generate value from the use of I&T.
2. A governance system for enterprise I&T is built from a number of components that can be of different types and that work together in a holistic way.
3. A governance system should be dynamic. This means that each time one or more of the design factors are changed the impact of these changes on the EGIT system must be considered.
4. A governance system should clearly distinguish between governance and management activities and structures.
5. A governance system should be tailored to the enterprise's needs, using a set of design factors as parameters to customize and prioritize the governance system components.
6. A governance system should cover the enterprise end to end, focusing not only on the IT function but on all technology and information processing the enterprise puts in place to achieve its goals.





Information and reports

The Board and the Top Executive Management shall develop infrastructure and information systems necessary for providing the information and reports for their users as a base for making decisions at the bank.

Services, programs and infrastructure of information technology

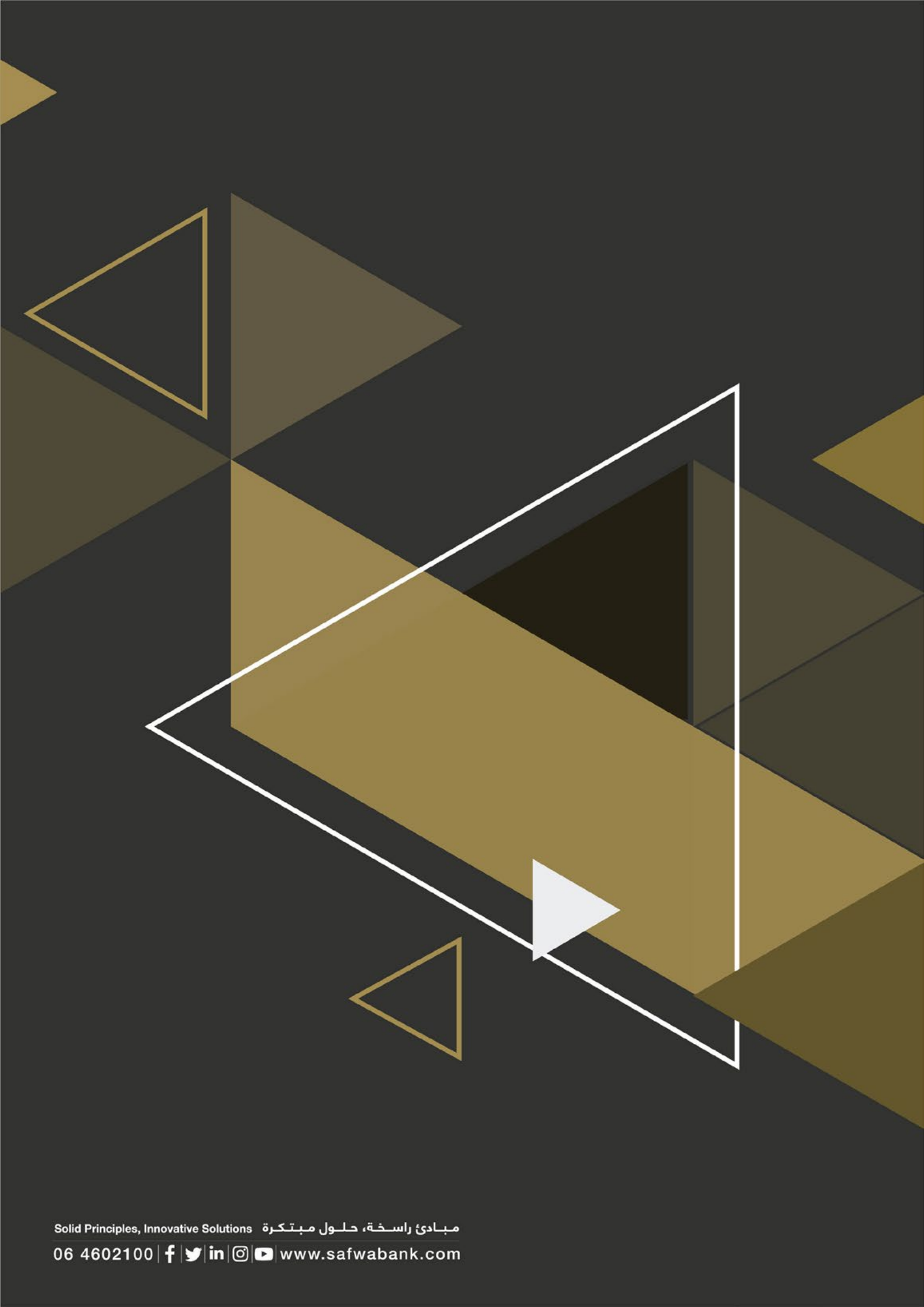
The Board or any of its authorized committees in addition to the top management shall adopt the system of services, programs and infrastructure that support achieving the Bank objectives and reaching an acceptable level in the governance of information and associated technology.

Knowledge, skills and experience

1. The Board or any of its authorized committees shall approve HR Competencies and human resources policies which are necessary for achieving the requirements of IT governance of and the requirements of these instructions in general along with ensuring assigning the right man in the right place or to ensure that the appropriate human resources are in place.
2. The Bank Management shall recruit qualified and trained personnel from persons with experience in the fields of Information Technology resources management, Risk Management, Information Security Management and Internal & External Information Technology Audit Management based on the criteria of academic and professional knowledge in addition to the practical experience recognized by qualified international associations under accreditation criteria ISO / IEC 17024 (and / or any other parallel standards in accordance with its competence, With the re-qualification and training of staff who are currently employed to meet these requirements within two years of the date of these instructions.
3. Executive Management shall be responsible for continuing to provide its staff with continuous training education programs to maintain a level of knowledge and skills that achieves IT governance processes.
4. The executive management is responsible for incorporating the annual evaluation of cadres with objective measurement that take into consideration the contribution through the career centre to achieve bank's objectives

System of Values, Morals and Behaviour

1. The Board or its delegate committees shall adopt a code of conduct that reflects professional behaviour related to the management of information and its related technology that clearly define the desired behavioural rules and consequences.
2. The Board and the Top Executive Management shall hire different mechanisms to encourage the application of desirable behaviors and avoidance Unwanted behaviours by following the methods of governance



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