بنك صفوة الإسلامي
Safwa Islamic Bank

SAFWA ISLAMIC BANK

Investor Report

Q2 2026

Scale expanded. Profits followed. Discipline held.

The Strategy, Reflected in the Numbers

JOD 16.6mn

Net profit, H1 2026

+50% YoY; +19% on a pre-provision, pre-tax basis

13.7%

Return on average equity

vs 10.4% in H1 2025 and an 8.6% sector average (12.25)

36%

Cost-to-income

−168 bps YoY, and below the market average

3.4%

Non-performing financing

vs a 5.5% sector average (12.25), with 122% coverage

JOD 4,582mn

Total assets, +7% in H1 2026

20.3%

Return on average capital, +171 bps YoY

730%

LCR vs a 100% regulatory minimum

BB–

Credit rating, June 2026

Five years of compounding. Assets have grown from JOD 2.3bn to JOD 4.6bn since 2021, net income from JOD 14.1mn to a JOD 26.7mn full-year 2025 — and H1 2026 net profit already stands at JOD 16.6mn, with returns, efficiency and credit quality all moving the right way at once.

Financial performance is the evidence the strategy is working — not the strategy itself

Four Messages, Each Carried by the Numbers

A proven, self-sustaining growth engine driving compounding earnings and strong, consistent returns

Disciplined execution delivering robust organic growth

Strong credit performance achieved through selective client onboarding and rigorous portfolio oversight, aligned with our risk tolerance

Strong earnings power accelerating **returns on capital**

Why Invest in Safwa

Track record	17% net income CAGR since FY21; total assets nearly doubled to JOD 4.6bn.	**17%** NI CAGR
Return on capital	ROE lifted from 10.4% to 13.7% in a single year, on 3.2x operating leverage.	**3.2x** op. leverage
Positioning	Growing two to three times faster than the sector; 27.7% of Islamic-sector assets, up from 22.1% in 2022.	**27.7%** Islamic share
Shareholder alignment	High, sustained investor interest in SIBK: 75.5% total return over the last 52 weeks, with reduced earnings volatility.	**75.5%** 52-wk return
Innovation	Building a hybrid bank — from transaction banking to relationship banking — with 20+ digital services live.	**20+** digital services

A Self-Reinforcing Growth Model

Differentiated strategy

Deepen primary-bank relationships in high-potential segments; target growth where we have specialised capability.

Rigorous execution

Empowered frontline teams with focused action plans; swift, strategic adaptation to market dynamics.

Risk-aware balance

Strong credit quality, robust capital and ample liquidity; clients supported across economic cycles.

Balance-sheet management

Disciplined capital allocation to high-value business lines; growth funded through continued expense optimisation.

Value maximisation

Key value drivers managed to enhance performance — compounding earnings and consistent returns.

Each pillar funds and reinforces the next —creating a self-reinforcing competitive advantage

A Full-Service Islamic Platform, Digital at the Core

Retail
Real-estate Ijarah, auto & personal Murabaha, Yusur refinancing; a full deposit suite including Harir (women) and Kanzi (kids); cards and brokerage.

Corporate
Financing facilities, corporate current and savings accounts, cash-management systems and cash-deposit machines.

SME
Goods and start-up financing, renewable-energy and real-estate financing, indirect facilities and dedicated SME centres.

Treasury & Investment
Investment deposits and certificates, Hajj savings, sukuk management and issuance, safe custody, multi-currency accounts.

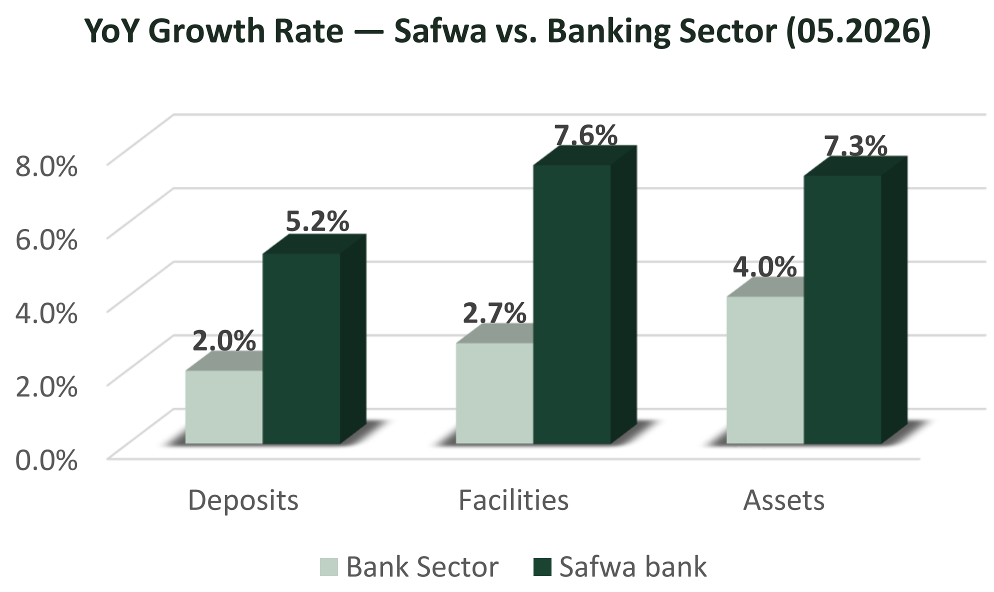
"Anytime, Anywhere"

E-CHANNELS
- Safwa Mobile
- Safwa Online
- 24/7 Call Centre
- Digital Branch
- 83 ATMs
- Cards

E-SERVICES
- Apple Pay
- CliQ instant transfers
- QR payments
- Biometric login
- Digital onboarding
- Contactless cards
- E-bill pay
- Transfers
- RDC cheque deposit
- SIB Trading
- Points & loyalty
- Cash & Cheque deposit
- Update Personal Data
- Card & account management
- New user registration

From transaction banking to relationship banking — routine is digital, human time goes where it is most valuable

Safwa Is Gaining Relevance Faster Than the Market



Safwa is more relevant and more trusted

Financial performance is the evidence the strategy is working — not the strategy itself

JOD 2.5bn → 4.6bn

Total asset growth, 2022 – H1 2026 (+JOD 2.0bn)

18.2% → 22.0%

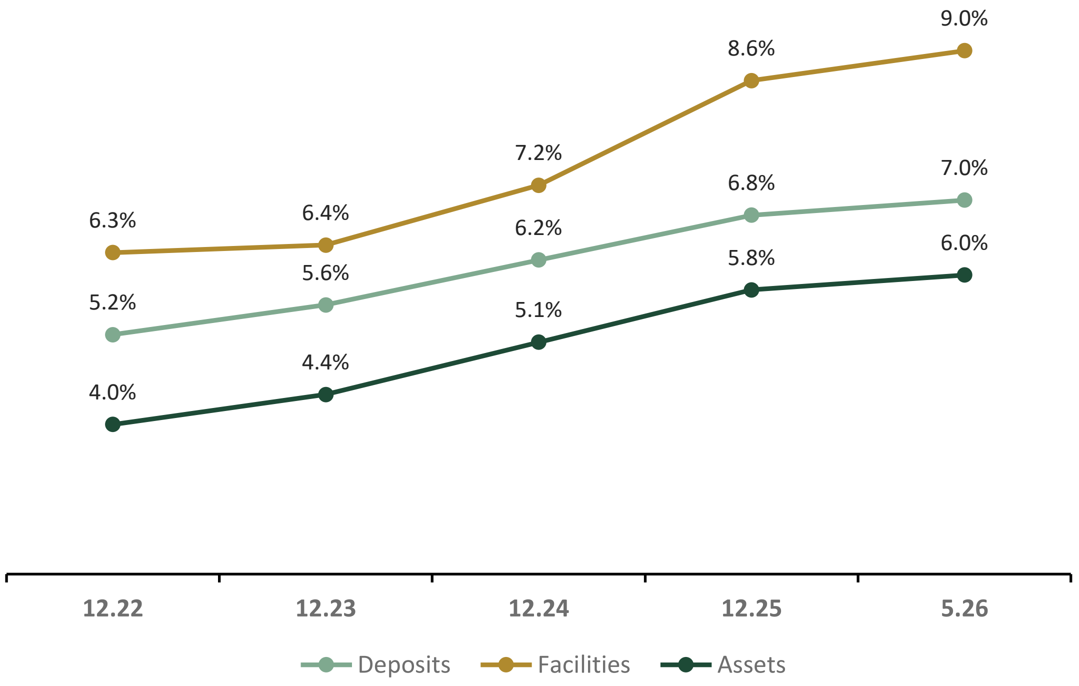
Islamic sector share of total banking-sector assets, 12.22 → 03.26

22.1% → 27.7%

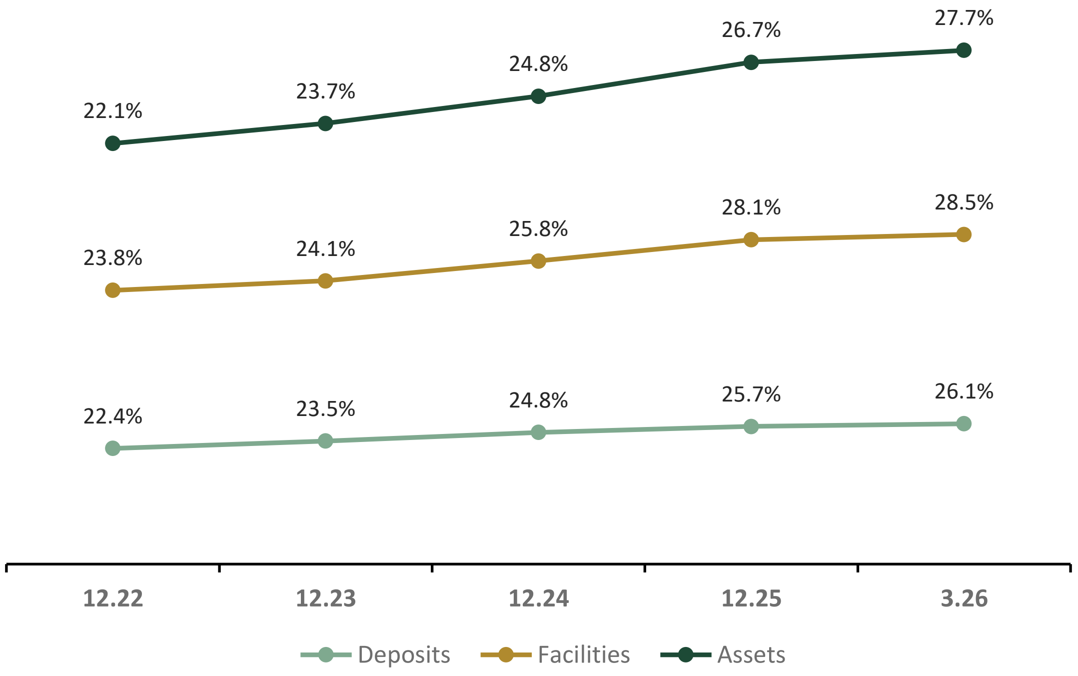
Safwa's share of the Islamic banking sector's assets, 12.22 → 03.26

Converting Growth Into Market Share

Safwa share of the banking sector (%)



Safwa share of the Islamic sector (%)

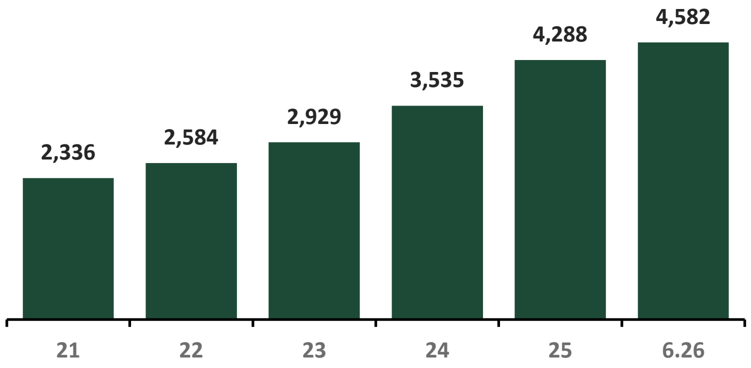


Facilities share of the whole banking sector has risen from 6.3% to 9.0% since December 2022 — and to 28.5% of the Islamic sector.

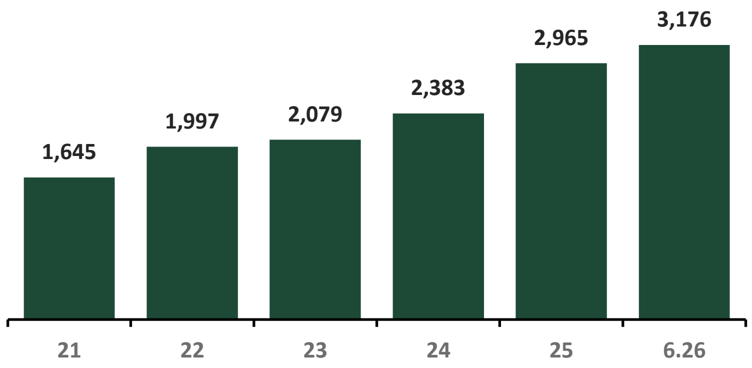
Share gains on all three lines — deposits, facilities and assets — in both markets

Scale Expanded, Profits Followed — Discipline Held

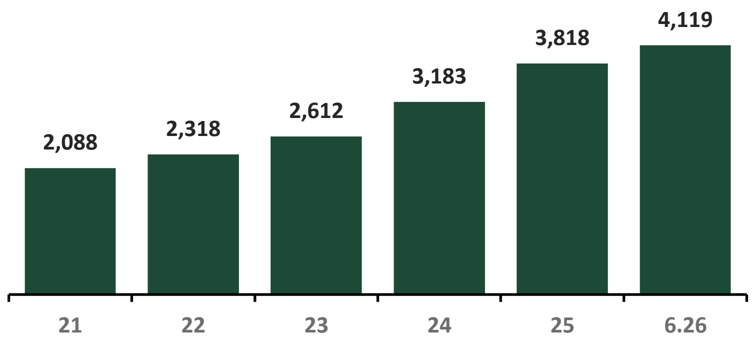
Total assets (JOD mn) CAGR 16%



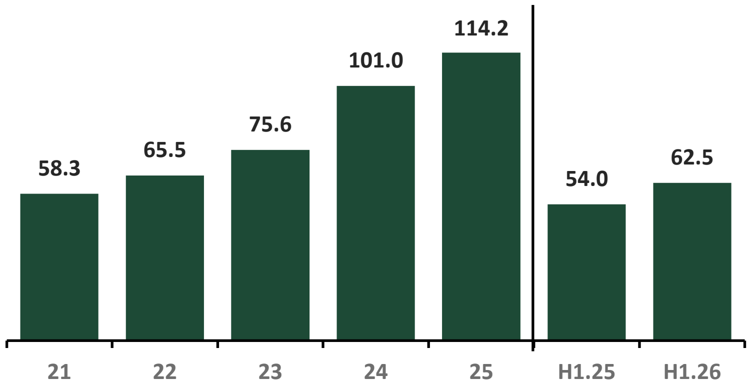
Total facilities (JOD mn) CAGR 16%



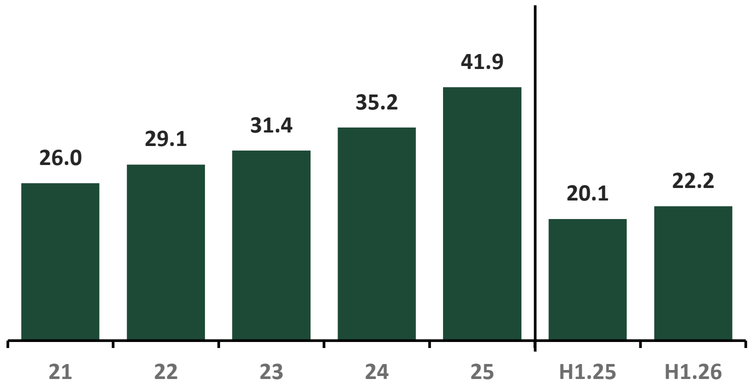
Funding (JOD mn) CAGR 16%



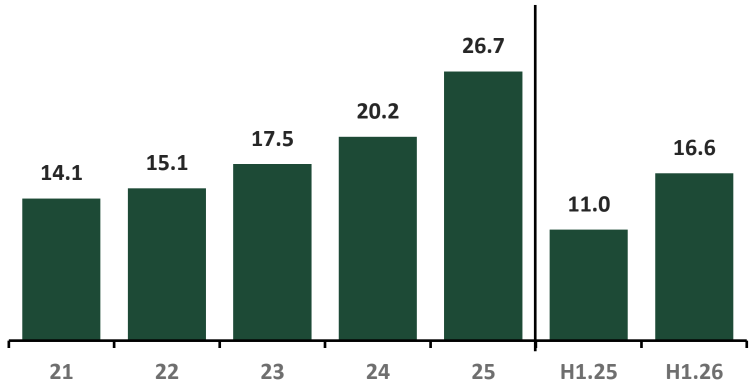
Gross income & fees (JOD mn) CAGR 18%



Operating expenses (JOD mn) CAGR 13%



Net income (JOD mn) CAGR 17%



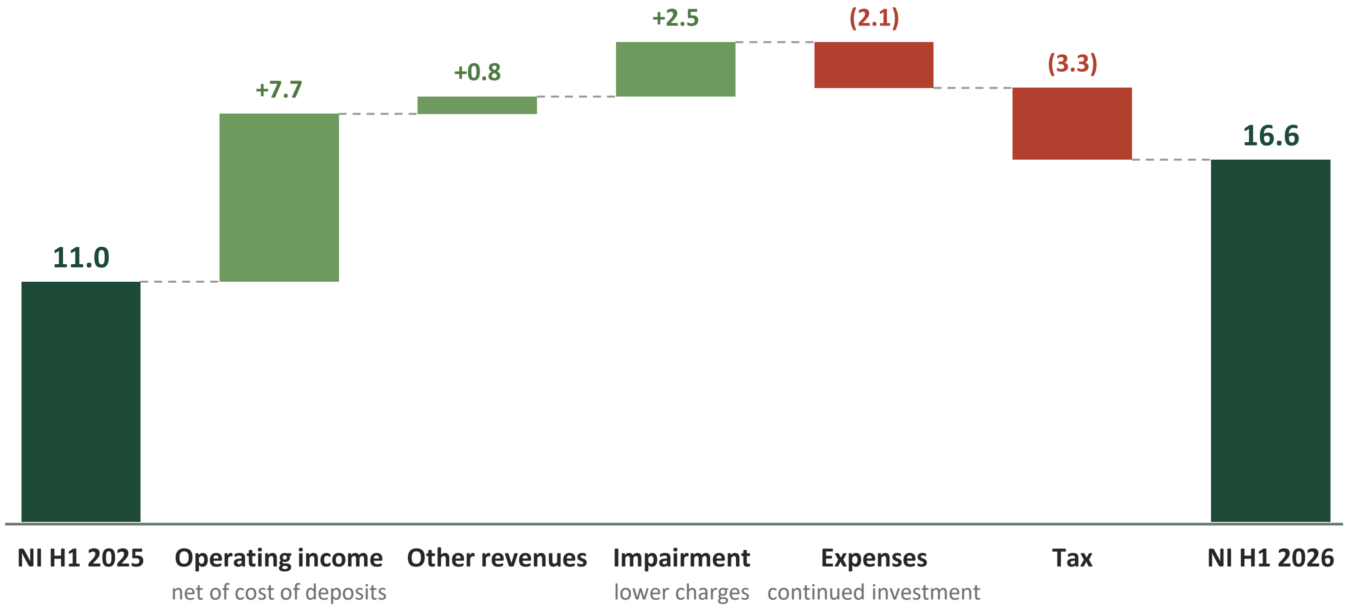
Gross income & fees compounding at 18% against costs at 13% — the discipline is in the gap

The Quality of the +50%

Net profit is up 50% YoY.

On a pre-provision, pre-tax basis, growth is +19% — strong, repeatable and sustainable, with core operating income the largest driver.

Net revenues +16% · expenses +11%
Impairment lower by JOD 2.5mn on prudent, selective onboarding



Core business drives the growth. Operating income net of expenses adds +7.7 mio pre-tax, reflecting the strength of the core business

Credit benefit is disciplined, not flattering. Lower impairment charges added +2.5 mio pre tax

Balance-sheet volume, not one-offs, is doing the compounding

Accelerated Profit, Discipline Intact

Profitability & efficiency	YTD Q2.26	YTD Q2.25	YoY (bps)
Return on average equity	**13.7%**	10.4%	+335
Return on average assets	**0.7%**	0.6%	+13
Return on average capital	**20.3%**	18.5%	+171
Cost-to-income	**36%**	37%	(168)

Quality, capital & liquidity	Q2.26	Q1.26	QoQ (bps)
Non-performing financing	**3.4%**	3.1%	+29
Provision coverage	**122%**	127%	(566)
Capital adequacy (CAR)	**14.65%**	14.52%	+13
CET1	**14.38%**	14.24%	+15
LCR	**730%**	697%	+3,330
Financing to deposits (avg)	**77%**	77%	(26)

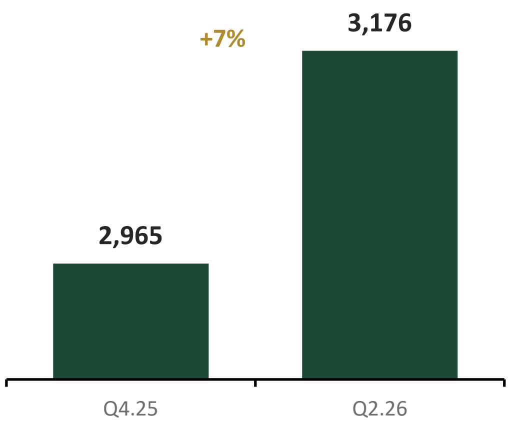
Returns are rising faster than risk.

Profitability improved on every measure over the year, while capital ratios strengthened quarter-on-quarter and liquidity built further headroom. The uptick in NPLs (+29 bps QoQ) remains well inside risk tolerance — and below the sector average.

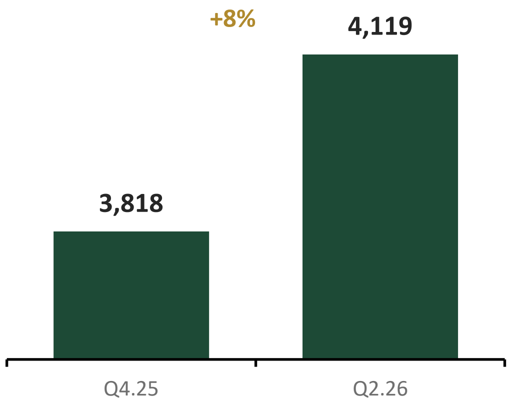
Every profitability line up year-on-year; every prudential line inside its buffer

Momentum Carried by a Diversified Book

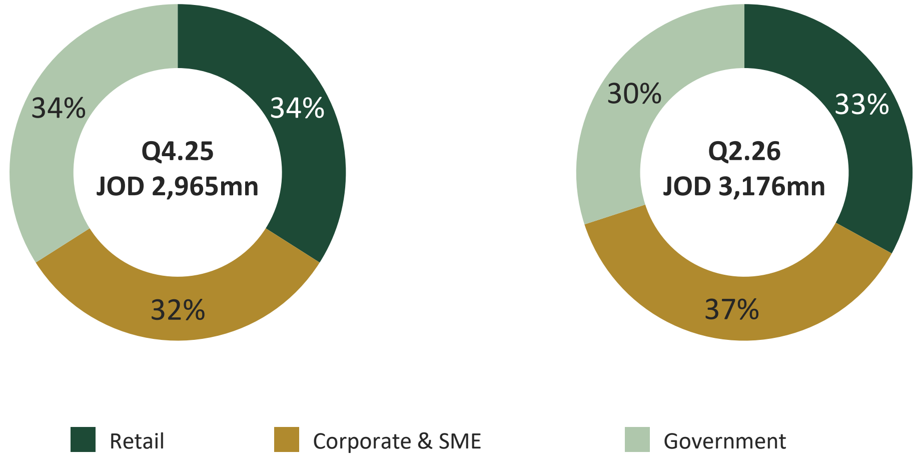
Financing (JOD mn)



Funding (JOD mn)



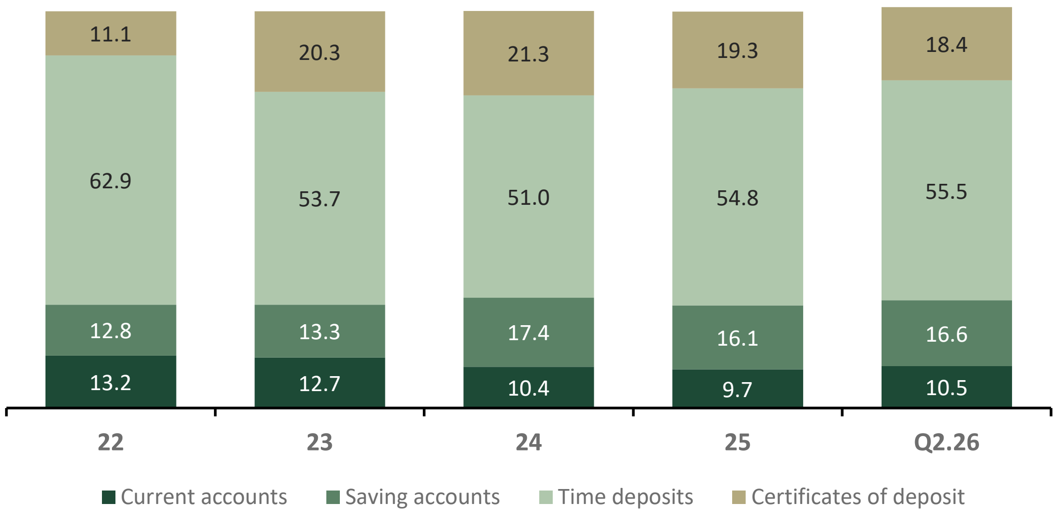
Financing mix by segment



- Financing grew JOD 211mn (+7%) in H1 2026, with funding up JOD 301mn (+8%) keeping pace.
- Government share of the financing book fell from 34% to 30% as private-sector books grew — Corporate & SME now the largest segment at 37%.
- Growth without a quality give-up: NPL 3.4%, coverage 122%, CAR 14.65%.

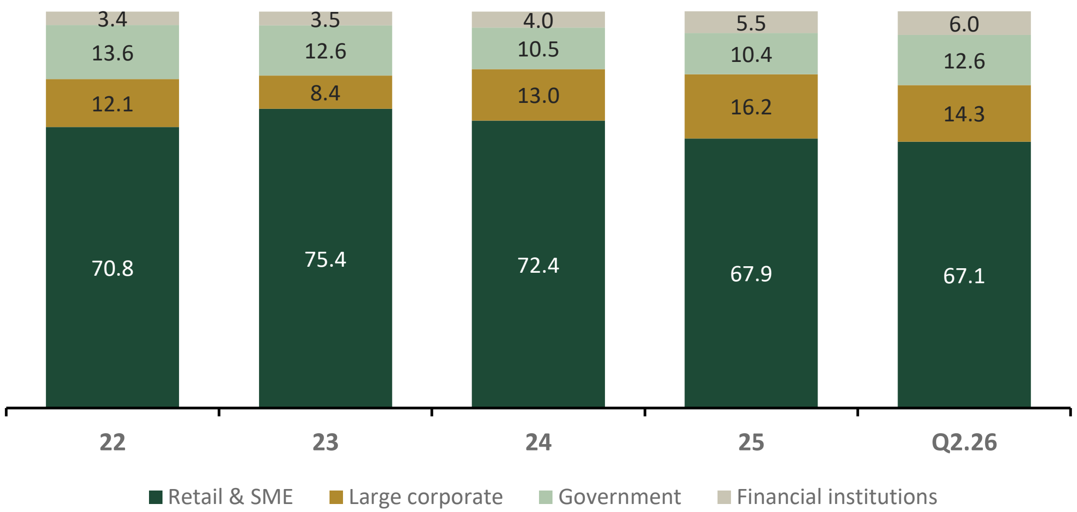
Funding Growth With Disciplined Pricing

Deposits by product (%)



Time deposits still anchor the mix; CASA contribution stable at ≈27%.

Deposits by sector (%)



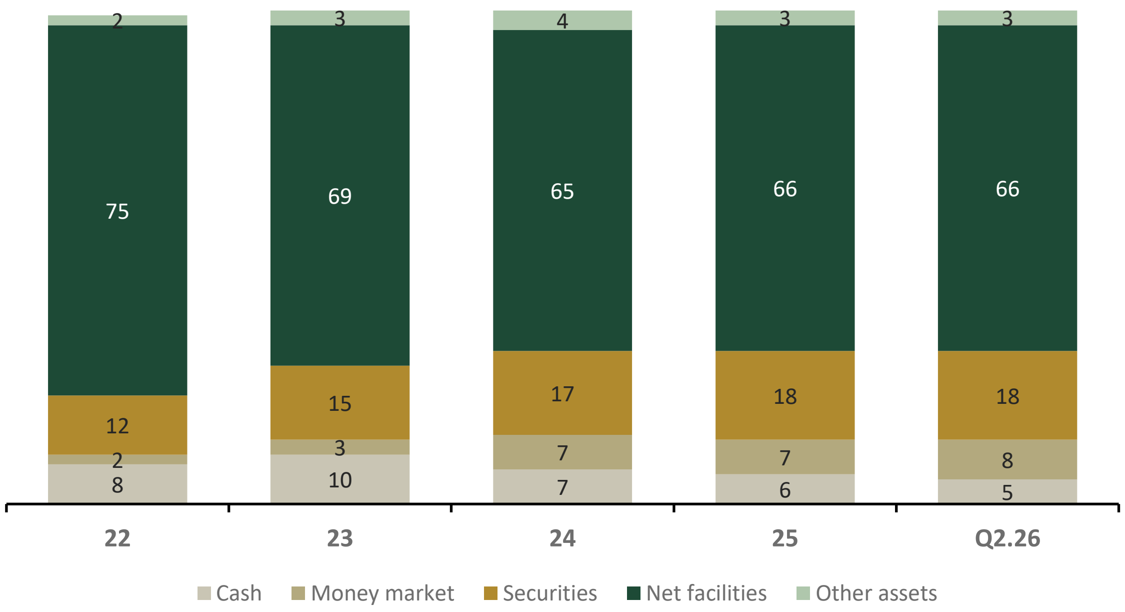
Large-corporate contribution rising since 2024; Retail & SME remain two-thirds of funding.

Sources of funds, H1 2026: customer deposits +JOD 207mn (current +48 · term & CDs +109 · saving +50); other liabilities & equity +JOD 87mn — balance sheet to JOD 4,582mn.

Volume did the work — the mix, and the pricing, held

Balanced, Diversified — and Increasingly Earning

Asset structure (%)



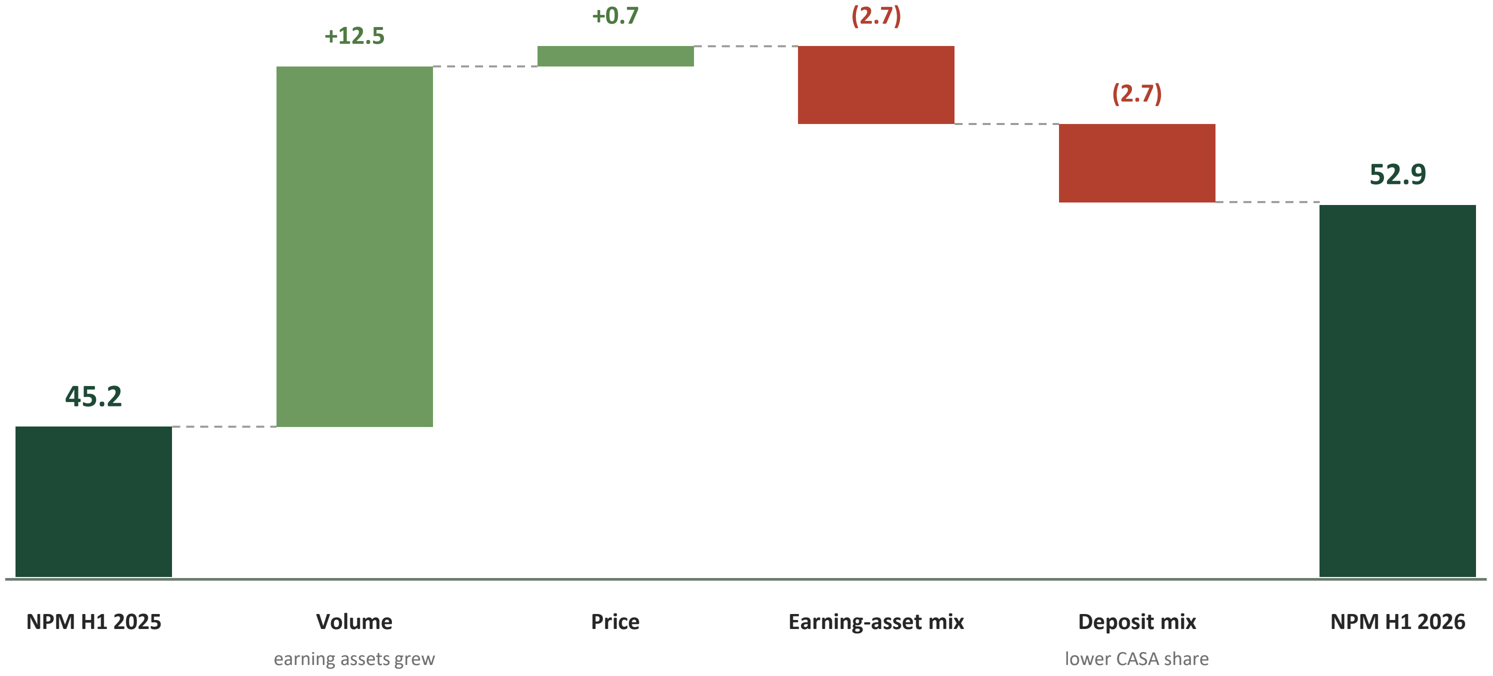
+JOD 312mn
Earning assets added in H1 2026

−JOD 18mn
Non-earning assets released

H1 2026 movement (JOD mn): cash −27 · money market +65 · securities +44 · net facilities +203 · other +9

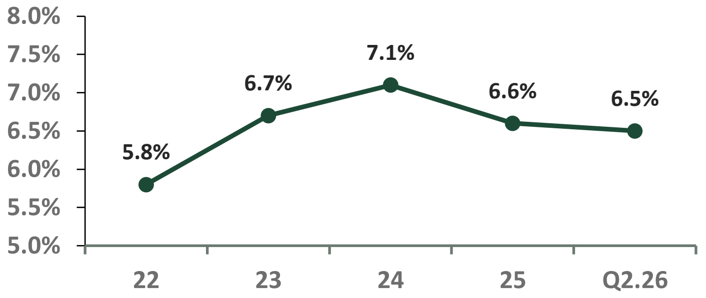
The structural shift since 2022 is securities:
from 12% to 18% of assets, while net facilities held steady at two-thirds of the book. Cash has been worked down from 8% to 5% — liquidity redeployed, not hoarded.

Volume-Led Margin Expansion



Net profit margin bridge, H1 2025 → H1 2026 (JOD mn)

Return on earning assets

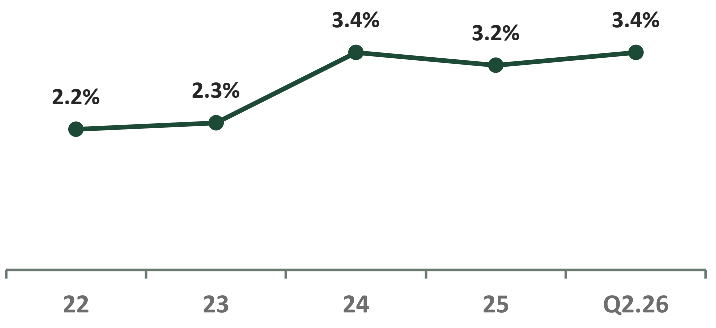


- Volume: average earning assets +JOD 817mn vs +JOD 762mn in average deposits — worth +12.5.
- Price: a modest +0.7 net positive.
- Mix: −2.7 from a lower facilities share, −2.7 from lower CASA contribution.
- Yields eased with market rates and competitive pricing — volume more than offset.

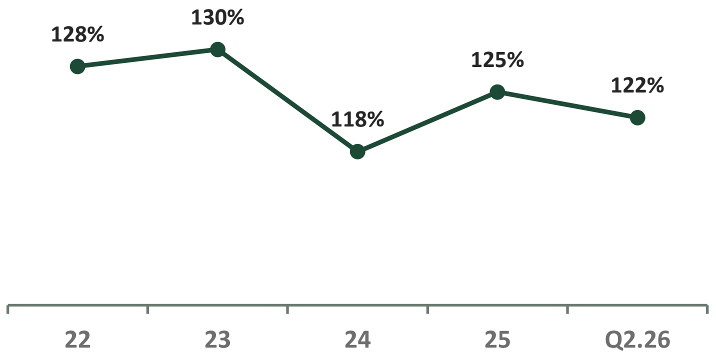
Margins grew because the balance sheet did — not because pricing stretched

Credit Discipline: NPLs Below Market

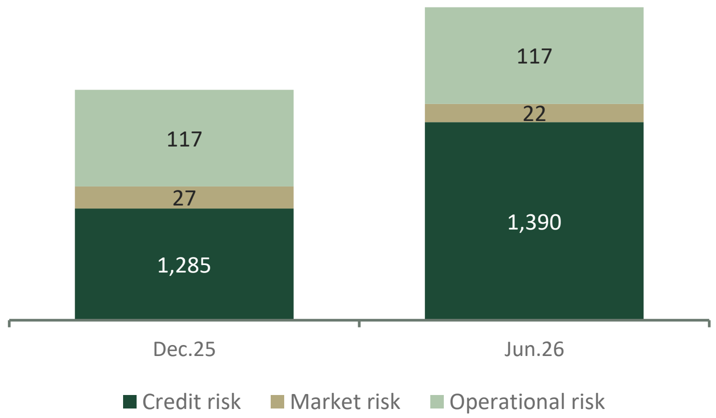
NPL ratio (%)



Coverage ratio (%)



Risk-weighted assets (JOD mn)



3.4% vs 5.5%

Safwa NPL vs sector average (CBJ, 12.2025)

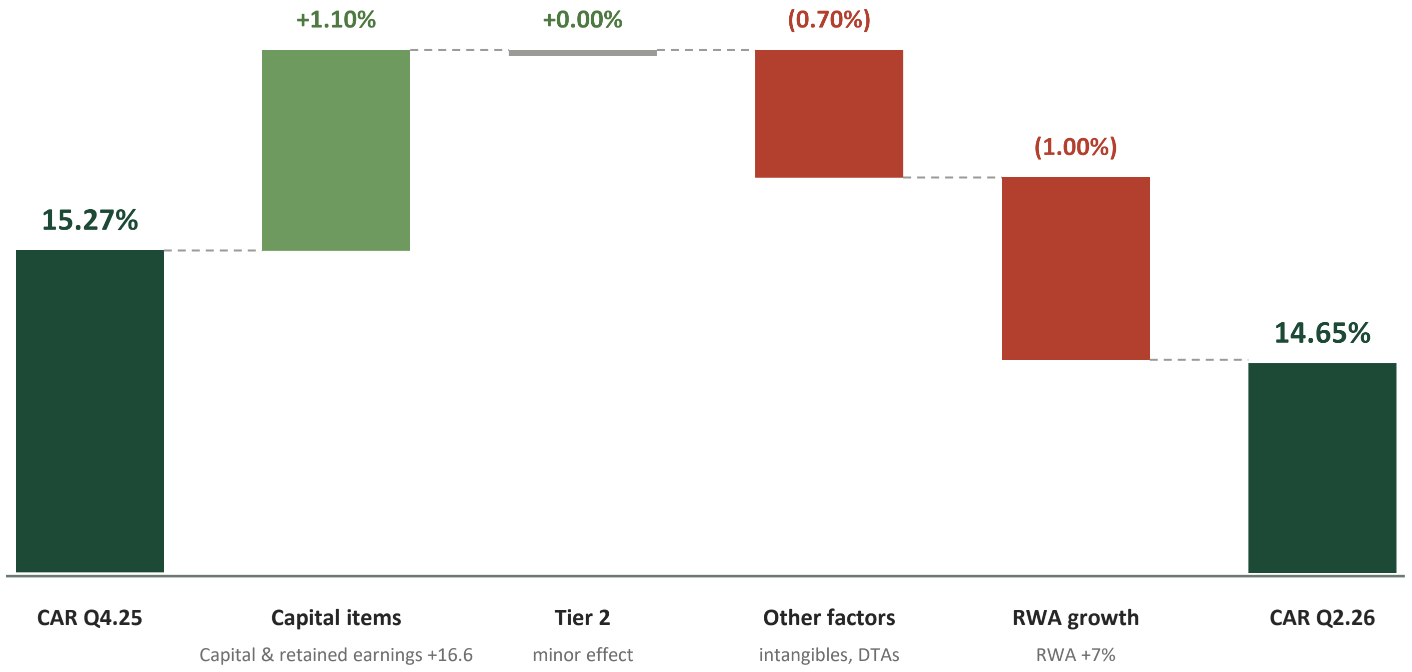
122%

Coverage at Q2.26 — before counting tangible collateral

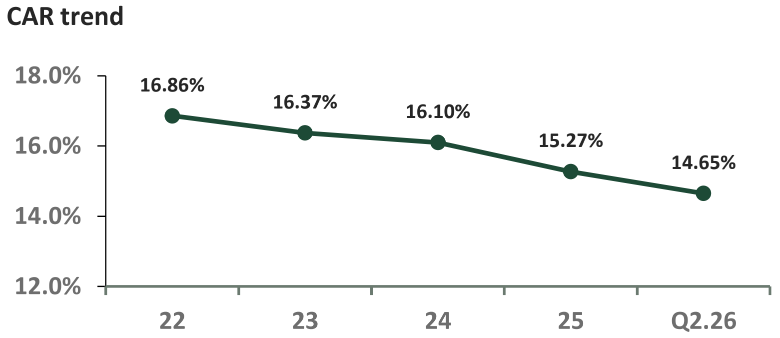
+7.0%

RWA growth in H1 — book growth, not risk drift

Capital Deployed Into Growth — Buffer Intact



Movement of the capital adequacy ratio during H1 2026



12.5%

CBJ minimum requirement

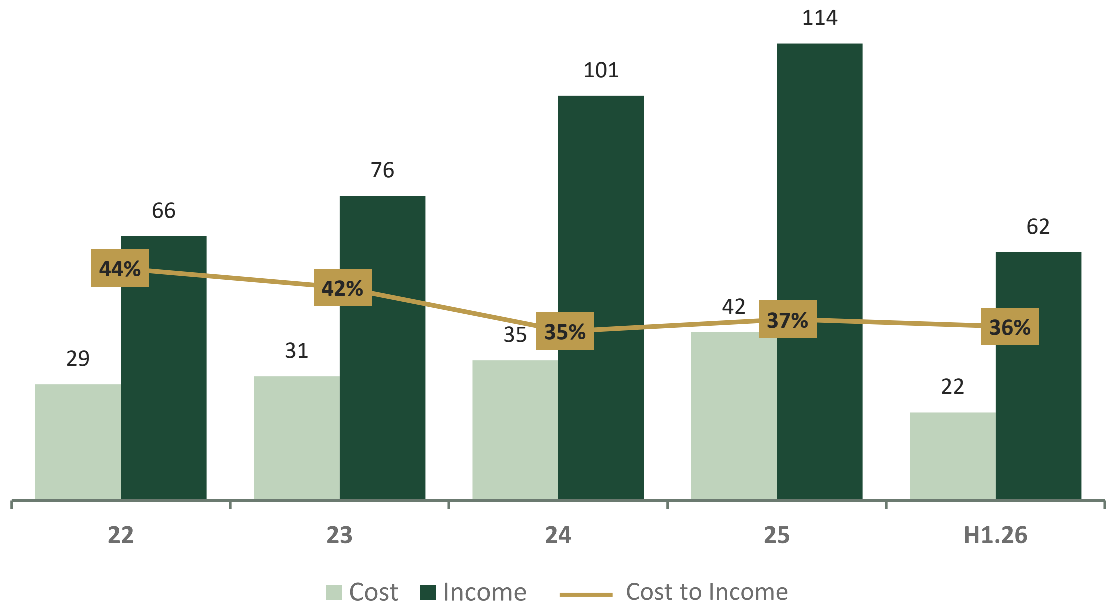
2.2%

Comfort zone above the regulatory floor

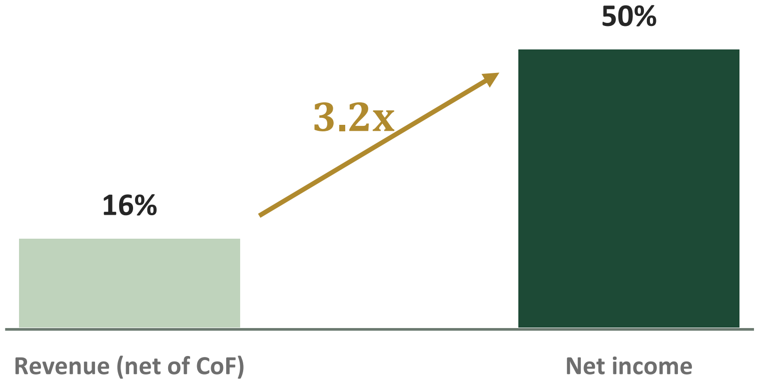
The CAR path is a choice: earnings are being put to work, with the buffer intact

3.2x Operating Leverage — Scale Pays for Itself

Cost & income (JOD mn)



Operating leverage, H1 2026



JOD 3.51mn
Financing / avg. employee · +33% since 2022

JOD 4.57mn
Deposits / avg. employee · +41% since 2022

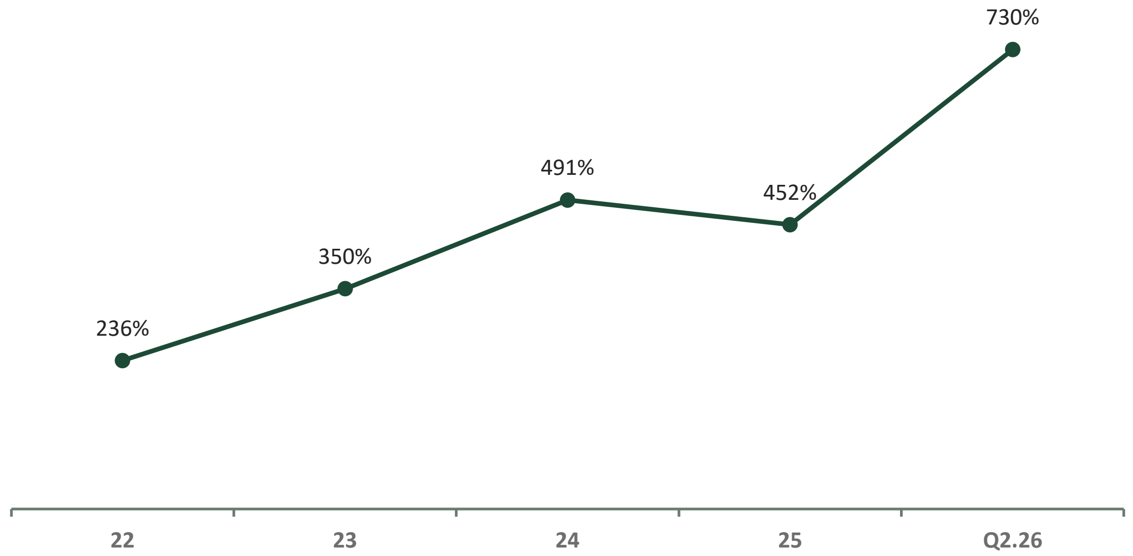
JOD 68.6mn
Financing / avg. branch · +58% since 2022

JOD 89.3mn
Deposits / avg. branch · +68% since 2022

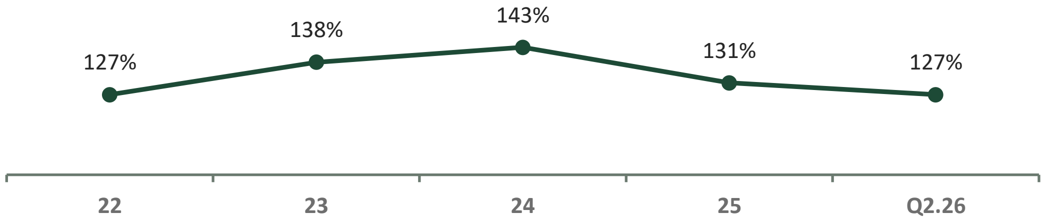
890 Staff, 45 branches — productivity per employee and per branch among the best in the market

Liquidity Is a Strength, Not a Constraint

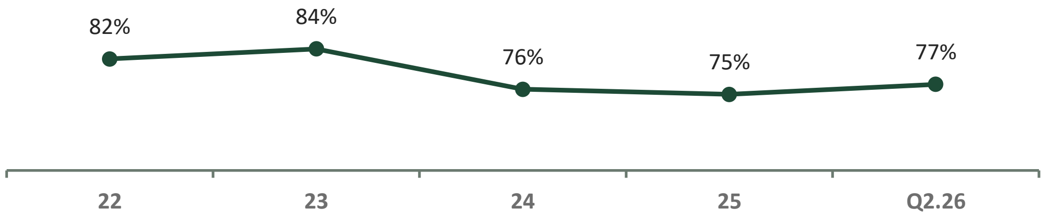
Liquidity coverage ratio (%)



Regulatory liquidity (%)



Financing to deposits, avg (%)



730% — 7.3x the minimum

vs a 100% regulatory requirement; regulatory liquidity 127% (min 100%)

14%

Liquid assets / assets

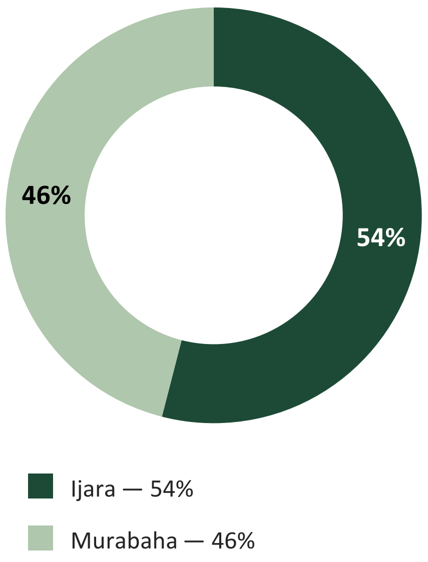
15%

Liquid assets / deposits

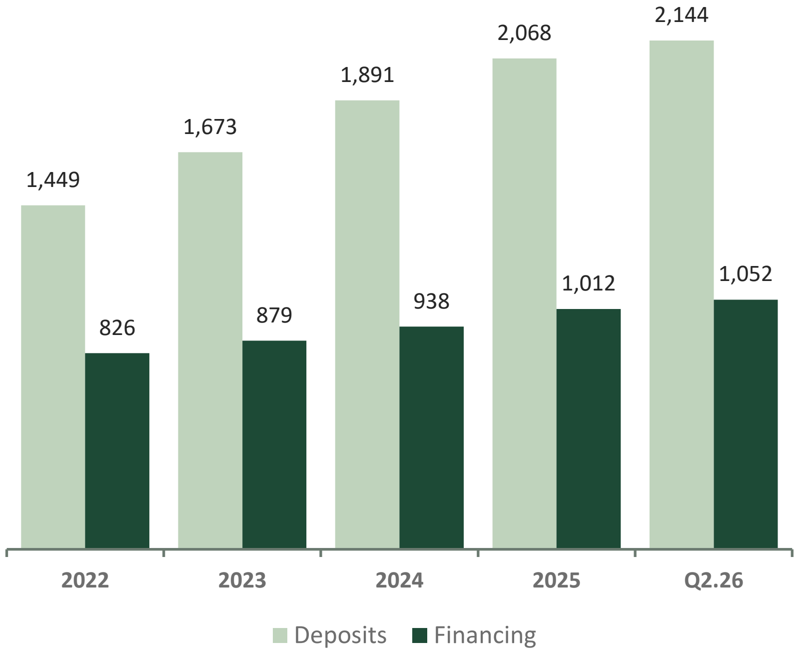
Funding the next leg of growth from surplus, not stretch

Retail: The Financing & Deposit Engine

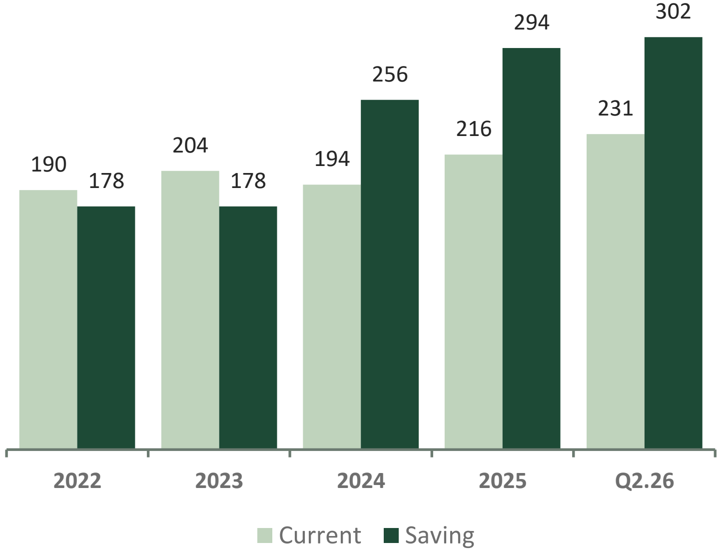
Financing mix



Financing & deposits (JOD mn)



CASA (JOD mn)



JOD 1.1bn

Retail financing, +4% YoY

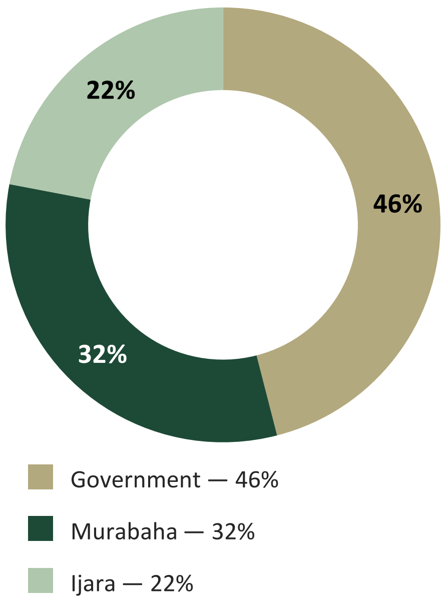
+JOD 23mn

Retail CASA added YoY — JOD 533mn total

Granular, sticky funding: retail deposits are half the funding base

Corporate & SME: The Financing & Deposit Engine

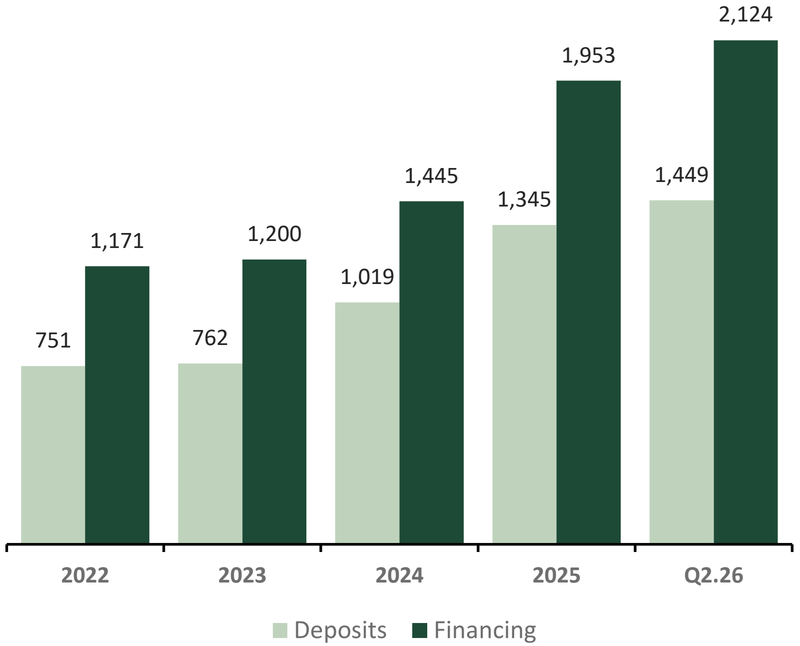
Financing mix



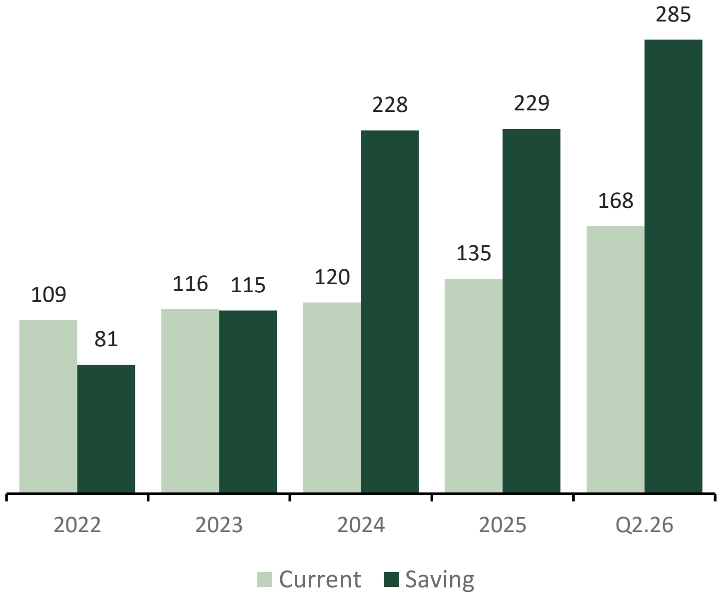
JOD 2.1bn

Highly diversified portfolio

Financing & deposits (JOD mn)



CASA (JOD mn)



+JOD 89mn

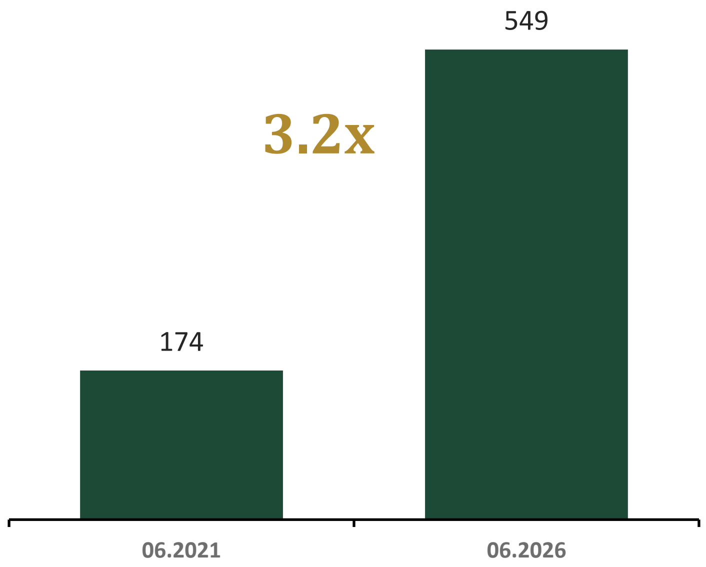
Corporate CASA added YoY — JOD 453mn total

Two engines, one book: corporate financing growth funded by granular deposits

The Market Is Recognizing the Story

Symbol	**SIBK**
Exchange	**Amman Stock Exchange**
Shares outstanding	**180mn**
Free float	**14.94%**
Closing price	**JOD 3.05**
52-week average	**JOD 3.03**
Price / earnings	**16.42x**
Price / book	**2.13x**

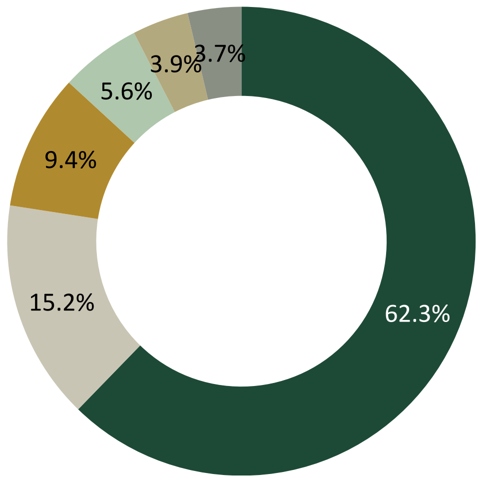
Market value (JOD mn)



75.5%

Total return over the last 52 weeks

Shareholders — 180,000,000 shares



- Al Etihad Investment Co. — 62.4%
- Others (free float) — 15.2%
- Social Security — 9.4%
- Gov. Investments Mgmt Co. — 5.6%
- Orphans Fund Dev. Corp. — 3.9%
- Al Etihad Bank — 3.7%

Re-rated on delivery: JOD 174mn to JOD 549mn of market value in five years

Supplementary Financials

Summary income statement (JOD mn)	Q2.26	Q1.26	QoQ	QoQ %	YTD Q2.26	YoY	YoY %
Direct revenues, net of cost of deposits	28.0	24.9	3.1	12%	52.9	7.7	17%
Other revenues	5.0	4.5	0.5	10%	9.5	0.8	9%
Net revenues	**33.0**	29.5	**3.5**	12%	**62.5**	**8.5**	16%
Impairment charges	(8.3)	(5.2)	(3.2)	61%	(13.5)	2.5	16%
G&A expenses	(11.0)	(11.2)	0.2	2%	(22.2)	(2.1)	11%
Net income before tax	**13.7**	13.1	**0.6**	5%	**26.8**	**8.9**	50%
Taxes	(5.3)	(4.9)	(0.4)	9%	(10.2)	(3.3)	49%
Net income	**8.4**	8.2	**0.2**	2%	**16.6**	**5.5**	50%

Summary balance sheet (JOD mn)	Q2.26	Q1.26	QoQ	QoQ %	EOY Q4.25	YoY	YoY %
Financing	3,176	3,106	71	2%	2,965	211	7%
Investments	1,178	1,159	19	2%	1,069	109	10%
Deposits & cash collaterals	4,119	4,066	53	1%	3,818	302	8%
Total assets	**4,582**	4,596	**(14)**	0%	**4,288**	**294**	7%
Total equity	**252**	243	**10**	4%	**238**	**15**	6%

Sustainability, Embedded in the Operating Model

Safwa embeds sustainability across governance, operations, financing, people and environmental stewardship — creating long-term value while supporting Jordan's sustainable economic development.

Ethical & accountable governance

Highest standards of integrity and Sharia compliance; anti-corruption and anti-competitive controls; ESG governance through the ESMS and a Climate-Risk Management Working Group.

Sustainable & inclusive finance

Sharia-compliant solutions that widen financial inclusion; support for SMEs, renewable energy and green finance, aligned with Jordan's Economic Modernization Vision.

Community & people

Outstanding customer experience with strong privacy protection; investment in employee development, wellbeing and safety; education, healthcare and entrepreneurship initiatives.

Our shared planet

Responsible resource management; improved energy efficiency and expanded renewables; reduced emissions, water consumption and waste; strengthened climate resilience.

ESG here is risk management and franchise-building — not a separate report

Appendix

Operating environment · Banking sector · Islamic banking · Network · Basis of preparation · Glossary · Disclaimer

Operating Environment: Jordan

The market

89.3k km² Area	**12.1mn** Population
Amman Capital	**USD 52.8bn** GDP
USD 4,364 GDP per capita	**0.709 / USD** JOD peg, since 1994

Macro pulse, 2026

2.9%	Real GDP growth, Q1 2026
2.0%	Inflation, Q2 2026
21.1%	Unemployment, Q1 2026 — minimal decrease
JOD 26.1bn	Foreign reserves — ≈9 months of imports
130%	Public debt / GDP, Q1 2026 — easing

Source: Central Bank of Jordan & Ministry of Finance

A Sound Sector — and Safwa's Place in It

20 licensed banks

3 local Islamic — Safwa Islamic Bank, Jordan Islamic Bank, International Islamic Arab Bank
1 foreign Islamic — Al-Rajhi Bank
12 local commercial · 3 foreign commercial

Supervised by the Central Bank of Jordan: monetary and financial stability, depositor protection, payments oversight.

Sector figures, Q1 2026 (JOD bn)

75.4
Assets

50.3
Deposits

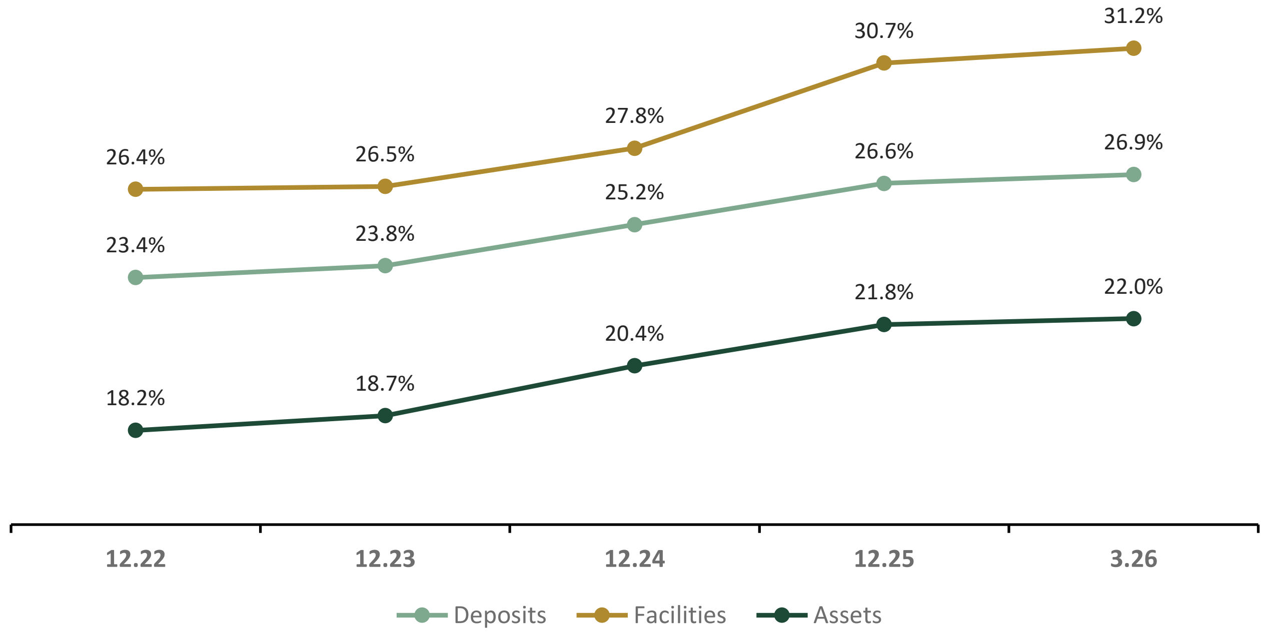
36.7
Financing

Soundness	Sector (12.25)	Safwa (Q2.26)
Capital adequacy	17.8%	**14.65%**
Regulatory liquidity	148%	**127%**
NPL ratio	5.5%	**3.4%**
Return on assets	1.0%	**0.7%**
Return on equity	8.6%	**13.7%**

Safwa runs harder on capital and liquidity than the sector average — the deliberate trade behind a return on equity 5 points above it, with credit quality a third better.

Islamic Banking Keeps Taking Share

Islamic banks' share of the banking sector (%)



31.2%
Islamic share of sector facilities, Q1.26

26.9%
Islamic share of sector deposits, Q1.26

22.0%
Islamic share of sector assets, Q1.26

Islamic banks' assets have compounded at ≈9% since 2016, against ≈5% for the banking sector — reflecting rising demand for Sharia-compliant products.

A structural tailwind: Safwa is the fastest-growing bank

An Efficient National Network

45
Branches

83
ATMs

7
Safwa Gold centres

10
SME centres

1
Brokerage company

Governorate	Branches	ATMs
Amman	31	61
Irbid	4	5
Zarqa	4	5
Balqa	1	1
Ma’daba	1	3

Governorate	Branches	ATMs
Karak	1	2
Jerash	1	1
Mafraq	1	1
Aqaba	1	4
Total	**45**	**83**

SME centres: Amman (7), Irbid, Zarqa, Karak · Safwa Gold: Amman (6), Irbid · Brokerage: Amman. Deposits per branch have risen 68% since 2022 — reach without sprawl.

How to Read Safwa's Financials

Facilities (financing)	The sum of deferred sales receivables and other receivables, net (excluding international Murabaha), Ijarah muntahia bittamleek assets, net, and Qard Hasan.
Money-market instruments	Surplus funds invested mainly in international Murabaha (reported within deferred sales receivables) and international Wakala.
Impairment charges	Expected credit losses on jointly financed items plus the ECL provision for self-financed facilities.
Cost of deposits	The unrestricted investment account holders' share of profit, deposit-insurance fees (jointly and self-financed) and changes in the profit equalisation reserve (PER).
Direct income	Deferred-sales revenue, Ijarah muntahia bittamleek revenue, international Wakala gains, gains on financial assets, the joint funds' share of associate profits and self-financed revenue, less depreciation of self-financed Ijarah assets.

Glossary

Acronym	Meaning
ASE	Amman Stock Exchange
CAGR	Compound annual growth rate
CAR	Capital adequacy ratio
CASA	Current and saving accounts
CBJ	Central Bank of Jordan
CET1	Common equity tier 1
COD	Cost of deposits
CTI	Cost-to-income ratio
G&A	General & administrative expenses
JOD	Jordanian dinar
LCR	Liquidity coverage ratio
MM	Money-market instruments
NPL / NPF	Non-performing financing
NPM	Net profit margin
ROAA / ROAE	Return on average assets / equity
RWA	Risk-weighted assets

Key definitions

Advances to deposits (AD%) Average facilities ÷ average deposits and cash collaterals.

CASA% Current + saving accounts ÷ total deposits and cash collaterals.

Coverage ratio ECL provisions + suspended profits ÷ non-performing financing.

Cost-to-income G&A ÷ (gross income + non-funded income).

Net profit margin Direct income on earning assets less the cost of deposits.

Non-performing financing Financing in default or close to it — generally 90+ days past due.

ROAA / ROAE Annualised net income after tax ÷ average assets / average equity.

Spread Return on earning assets less the cost of deposits.

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