

**Jordan Mortgage Refinance Company**  
**Public Shareholding Company**  
**Condensed Interim Financial Statements (Unaudited)**  
**31 March 2022**

**Jordan Mortgage Refinance Company**  
**Public Shareholding Company**

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**Report on Review of Condensed Interim Financial Statements**

To The Board of Directors  
Jordan Mortgage Refinance Company  
Public Shareholding Company  
Amman - Jordan

**Introduction**

We have reviewed the accompanying condensed interim financial statements of **Jordan Mortgage Refinance Company PLC**, comprising the interim statement of financial position as at 31 March 2022 and the related interim statement of profit or loss, interim statement of comprehensive income, interim statement of changes in equity and interim statement of cash flows for the three-months period then ended and the notes about condensed interim financial statements. Management is responsible for the preparation and presentation of this condensed interim financial statement in accordance with International Accounting Standard number (34) "Interim Financial Reporting". Our responsibility is to express a conclusion on this condensed interim financial statements based on our review.

**Scope of Review**

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

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statement is not prepared, in all material respects, in accordance with International Accounting Standard number (34) "Interim Financial Reporting".

26 April 2022  
Amman - Jordan



**Arab Professionals**  
**Amin Samara**  
**License No. (481)**

**Jordan Mortgage Refinance Company**  
**Public Shareholding Company**  
**Interim Statement of Financial Position as at 31 March 2022**  
**(In Jordanian Dinar)**

	Note	31 March 2022 (Unaudited)	31 December 2021 (Audited)
<b>Assets</b>			
Cash and cash equivalents		8,089,572	13,905,943
Deposits at banks		2,495,209	2,495,209
Refinance loans		605,188,803	584,750,382
Employees' housing loans		711,400	481,744
Interest receivable		7,728,753	7,038,265
Financial assets at amortized cost		5,995,940	5,995,940
Financial assets at fair value through other comprehensive income		827,750	827,750
Other assets		96,906	57,037
Property and equipment		396,912	402,936
<b>Total Assets</b>		<b>631,531,245</b>	<b>615,955,206</b>
<b>Liabilities and Equity</b>			
<b>Liabilities</b>			
Bonds		580,500,000	565,000,000
Central Bank of Jordan loan		20,014,027	20,014,027
Accrued interest		6,635,591	5,803,957
Other liabilities		1,966,974	2,262,441
<b>Total Liabilities</b>		<b>609,116,592</b>	<b>593,080,425</b>
<b>Equity</b>			
Paid – in capital	3	10,000,000	10,000,000
Statutory reserve		4,306,729	4,306,729
Voluntary reserve		1,949,774	1,949,774
Special reserve		2,254,627	2,254,627
Fair value adjustments		58,858	58,858
Retained earnings		3,844,665	4,304,793
<b>Total Equity</b>		<b>22,414,653</b>	<b>22,874,781</b>
<b>Total Liabilities and Equity</b>		<b>631,531,245</b>	<b>615,955,206</b>

“The accompanying notes from (1) to (8) are an integral part of these condensed interim financial statements and read with review report”

**Jordan Mortgage Refinance Company**  
**Public Shareholding Company**  
**Interim Statement of Profit or Loss**  
**For the three months ended at 31 March 2022**

(In Jordanian Dinar)

	Note	31 March 2022 (Unaudited)	31 March 2021 (Unaudited)
Interest income		7,626,120	8,105,334
Interest expense		<u>(5,835,425)</u>	<u>(6,291,372)</u>
<b>Gross operating income</b>		<b>1,790,695</b>	<b>1,813,962</b>
Administrative expenses		(317,898)	(267,632)
Depreciation		<u>(6,404)</u>	<u>(7,639)</u>
<b>Profit for the period before income tax</b>		<b>1,466,393</b>	<b>1,538,691</b>
Income tax expense for the period	4	(365,589)	(383,107)
National Contribution tax for the period	4	<u>(60,932)</u>	<u>(63,851)</u>
<b>Profit for the period</b>		<b><u>1,039,872</u></b>	<b><u>1,091,733</u></b>
<b>Basic and diluted earnings per share for the period</b>		<b><u>0.104</u></b>	<b><u>0.109</u></b>

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**Jordan Mortgage Refinance Company**

**Public Shareholding Company**  
**Interim Statement of Comprehensive Income**  
**For the three months ended at 31 March 2022**

(In Jordanian Dinar)

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	31 March 2022 (Unaudited)	31 March 2021 (Unaudited)
Profit for the period	1,039,872	1,091,733
<b>Other comprehensive income</b>		
Changes in fair value of financial assets	-	-
<b>Total comprehensive income for the period</b>	<b><u>1,039,872</u></b>	<b><u>1,091,733</u></b>

“The accompanying notes from (1) to (8) are an integral part of these condensed interim financial statements and read with review report”

**Jordan Mortgage Refinance Company**  
**Public Shareholding Company**  
**Interim Statement of Changes in Equity for the three months ended at 31 March 2022 (Unaudited)**

(In Jordanian Dinar)

	<u>Paid Capital</u>	<u>Statutory</u>	<u>Reserves Voluntary</u>	<u>Special</u>	<u>Fair Value Adjustments</u>	<u>Retained Earnings</u>	<u>Total</u>
<b>Balance at 1 January 2022</b>	10,000,000	4,306,729	1,949,774	2,254,627	58,858	4,304,793	22,874,781
Dividends paid	-	-	-	-	-	(1,500,000)	(1,500,000)
Comprehensive income for the period	-	-	-	-	-	1,039,872	1,039,872
<b>Balance at 31 March 2022</b>	<u>10,000,000</u>	<u>4,306,729</u>	<u>1,949,774</u>	<u>2,254,627</u>	<u>58,858</u>	<u>3,844,665</u>	<u>22,414,653</u>
<b>Balance at 1 January 2021</b>	5,000,000	3,696,785	1,949,774	2,018,515	58,858	5,876,689	18,600,621
Comprehensive income for the period	-	-	-	-	-	1,091,733	1,091,733
<b>Balance at 31 March 2021</b>	<u>5,000,000</u>	<u>3,696,785</u>	<u>1,949,774</u>	<u>2,018,515</u>	<u>58,858</u>	<u>6,968,422</u>	<u>19,692,354</u>

“The accompanying notes from (1) to (8) are an integral part of these condensed interim financial statements and read with review report”

**Jordan Mortgage Refinance Company**  
**Public Shareholding Company**  
**Interim Statement of Cash Flows for the three month ended at 31 March 2022**  
**(In Jordanian Dinar)**

	31 March 2022 (Unaudited)	31 March 2021 (Unaudited)
<b>Operating Activities</b>		
Profit for the period	1,466,393	1,538,691
Depreciation	6,404	7,639
<b>Changes in working capital</b>		
Interests receivable	(690,488)	(722,185)
Refinance loans	(20,438,421)	(10,957,628)
Employees' housing loans	(229,656)	9,693
Other current assets	(39,869)	(20,472)
Accrued interests	831,634	489,000
Bonds	15,500,000	6,000,000
Other current liabilities	(24,043)	(8,180)
Income tax paid	(697,945)	(565,907)
<b>Net cash flows used in operating activities</b>	<u>(4,315,991)</u>	<u>(4,229,349)</u>
<b>Investing Activities</b>		
Property and equipment	<u>(380)</u>	<u>(8,925)</u>
<b>Financing Activities</b>		
Dividends paid	<u>(1,500,000)</u>	<u>-</u>
<b>Changes in cash and cash equivalents</b>	(5,816,371)	(4,238,274)
Cash and cash equivalents, beginning of year	<u>13,908,628</u>	<u>8,460,195</u>
<b>Cash and cash equivalents, end of period</b>	<u><b>8,092,255</b></u>	<u><b>4,221,921</b></u>

"The accompanying notes from (1) to (8) are an integral part of these condensed interim financial statements and read with review report"



**Jordan Mortgage Refinance Company**  
**Public Shareholding Company**  
**Notes to the Condensed Interim Financial Statements (Unaudited)**  
**31 March 2022**  
**(In Jordanian Dinar)**

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## **1 . General**

**Jordan Mortgage Refinance Company** was established on 5 June 1996 in accordance with Jordanian Companies Law No. (22) Of 1997 and registered under No. (314) as a public shareholding company and was granted the operating license on 22 July 1996. The Company's head office is in the Hashemite Kingdom of Jordan and its main objectives are:

- Development and improvement of the housing finance market in Jordan by enabling licensed banks and other financial institutions to increase their participation in granting housing loans.
- Enhancement and development of the capital market in Jordan by issuing medium and long-term bonds.

The condensed interim financial statements have been approved for issue by the Company's Board of Directors on 26 April 2022.

## **2 . Summary of Significant Accounting Policies**

### **Basis of Preparation**

The condensed interim financial statements of the Company have been prepared in accordance with International Accounting Standard number (34) "Interim Financial Reporting". They do not include all of the information required in annual financial statements in accordance with IFRSs, and should be read in conjunction with the financial statements of the Company for the year ended 31 December 2021.

The condensed interim financial statements have been prepared on a historical cost basis except for investment securities, which have been measured at fair value.

The condensed interim financial statements are presented in Jordanian Dinar which is the functional currency of the Company.

The accounting policies are consistent with those used in the previous year, except for the adoption of new and amended standards effective as at the beginning of the year.

### **Use of Estimates**

The preparation of the condensed interim financial statements requires management to make estimates and assumptions that affect the reported amount of financial assets and liabilities and disclosure of contingent liabilities. These estimates and assumptions also affect the revenues, expenses and the provisions. Such estimates are necessarily based on assumptions about several factors involving varying degrees of judgment and uncertainty and actual results may differ resulting in future changes in such provisions.

Management believes that the estimates are reasonable and are as follows:

- Management reviews periodically the tangible assets in order to assess the depreciation for the year based on the useful life and future economic benefits. Any impairment is taken to the interim statement of profit or loss.
- The measurement of impairment losses under IFRS 9 requires judgment, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances. Elements of the expected credit loss model that are considered accounting judgments and estimates include Probability of default (PD), Loss given default (LGD) and Exposure at default (EAD).

### **3 . Paid – in capital**

The General Assembly approved in its meeting held in 2022 to distribute JOD (1.5) million as cash dividends to its shareholders and to increase the authorized capital of the Company from JOD (10) million/share to JOD (12.5) million/share from retained earnings, and distribute it to existing shareholders as bonus shares. The procedures were completed by Authorities on 10 April 2022.

### **4 . Income Tax**

The movement on provision for the income tax is as follows:

	31 March 2022	31 December 2021
Balance at beginning of the year	1,349,447	1,149,079
Income and national contribution tax expense	426,521	1,726,326
Income tax paid	<u>(697,945)</u>	<u>(1,525,958)</u>
<b>Balance at end of the period / year</b>	<b><u>1,078,023</u></b>	<b><u>1,349,447</u></b>

- The Company has settled its tax liabilities with the Income Tax Department up to the year ended 2018.
- The Income tax returns for the years 2019, 2020 and 2021 has been filed with the Income Tax Department, but the Department has not reviewed the Company's records till the date of this report.
- The Income tax and National contribution tax provision for three-months ended at 31 March 2022 were calculated in accordance with the Income Tax Law.

## 5 . Analysis of the Maturities of Assets and Liabilities

The following table illustrates the analysis of assets and liabilities according to the expected period of their recoverability or settlement.

<b>31 March 2022</b>	<b>Up to one year</b>	<b>From one to two years</b>	<b>More than two years</b>	<b>Not tied to maturities</b>	<b>Total</b>
<b>Assets</b>					
Cash and cash equivalents	8,089,572	-	-	-	8,089,572
Deposits at banks	2,495,209	-	-	-	2,495,209
Refinance loans	116,688,803	164,000,000	324,500,000	-	605,188,803
Employees' housing loans	47,806	109,984	553,610	-	711,400
Interest receivable	7,728,753	-	-	-	7,728,753
Financial assets at amortized cost	-	-	5,955,940	-	5,995,940
Financial assets at fair value	-	-	-	827,750	827,750
Other assets	93,758	-	-	3,148	96,906
Property and equipment	-	-	-	396,912	396,912
<b>Total Assets</b>	<b>135,143,901</b>	<b>164,109,984</b>	<b>331,049,550</b>	<b>1,227,810</b>	<b>631,531,245</b>
<b>Liabilities</b>					
Bonds	112,000,000	154,000,000	314,500,000	-	580,500,000
Central Bank of Jordan loan	-	-	20,014,027	-	20,014,027
Accrued interest	6,635,591	-	-	-	6,635,591
Other liabilities	1,091,853	-	-	875,121	1,966,974
<b>Total Liabilities</b>	<b>119,727,444</b>	<b>154,000,000</b>	<b>334,514,027</b>	<b>875,121</b>	<b>609,116,592</b>
<b>31 December 2021</b>	<b>Up to one year</b>	<b>From one to two years</b>	<b>More than two years</b>	<b>Not tied to maturities</b>	<b>Total</b>
<b>Assets</b>					
Cash and cash equivalents	13,905,943	-	-	-	13,905,943
Deposits at banks	2,495,209	-	-	-	2,495,209
Refinance loans	138,250,382	149,000,000	297,500,000	-	584,750,382
Employees' housing loans	26,937	64,288	390,519	-	481,744
Interest receivable	7,038,265	-	-	-	7,038,265
Financial assets at amortized cost	-	-	5,995,940	-	5,995,940
Financial assets at fair value	-	-	-	827,750	827,750
Other assets	55,639	-	-	1,398	57,037
Property and equipment	-	-	-	402,936	402,936
<b>Total Assets</b>	<b>161,772,375</b>	<b>149,064,288</b>	<b>303,886,459</b>	<b>1,232,084</b>	<b>615,955,206</b>
<b>Liabilities</b>					
Bonds	133,500,000	149,000,000	282,500,000	-	565,000,000
Central Bank of Jordan loan	-	-	20,014,027	-	20,014,027
Accrued interest	5,803,957	-	-	-	5,803,957
Other liabilities	1,444,215	-	-	818,226	2,262,441
<b>Total Liabilities</b>	<b>140,748,172</b>	<b>149,000,000</b>	<b>302,514,027</b>	<b>818,226</b>	<b>593,080,425</b>

## 6 . Interest Rate Re-pricing Gap

The Company adopts the assets - liabilities compatibility principle and the suitability of maturities to narrow gaps through categorizing assets and liabilities into various maturities or price review maturities, whichever are nearer, to lower risks in interest rates, studying gaps in the related interest rates.

31 March 2022	Up to one year	From one to two years	More than two years	Not tied to interest	Total
<b>Assets</b>					
Cash and cash equivalents	8,089,474	-	-	98	8,089,572
Deposits at banks	2,495,209	-	-	-	2,495,209
Refinance loans	116,688,803	164,000,000	324,500,000	-	605,188,803
Employees' housing loans	47,806	109,984	553,610	-	711,400
Interest receivable	-	-	-	7,728,753	7,728,753
Financial assets at amortized cost	-	-	5,995,940	-	5,995,940
Financial assets at fair value	-	-	-	827,750	827,750
Other assets	-	-	-	96,906	96,906
Property and equipment	-	-	-	396,912	396,912
<b>Total Assets</b>	<b>127,321,292</b>	<b>164,109,984</b>	<b>331,049,550</b>	<b>9,050,419</b>	<b>631,531,245</b>
<b>Liabilities</b>					
Bonds	112,000,000	154,000,000	314,500,000	-	580,500,000
Central Bank of Jordan loan	-	-	20,014,027	-	20,014,027
Accrued interest	-	-	-	6,635,591	6,635,591
Other liabilities	-	-	-	1,966,974	1,966,974
<b>Total Liabilities</b>	<b>112,000,000</b>	<b>154,000,000</b>	<b>334,514,027</b>	<b>8,602,565</b>	<b>609,116,592</b>
<b>Net</b>	<b>15,321,292</b>	<b>10,109,984</b>	<b>(3,464,477)</b>	<b>447,854</b>	<b>22,414,653</b>

31 December 2021	Up to one year	From one to two years	More than two years	Not tied to interest	Total
<b>Assets</b>					
Cash and cash equivalents	13,905,901	-	-	42	13,905,943
Deposits at banks	2,495,209	-	-	-	2,495,209
Refinance loans	138,250,382	149,000,000	297,500,000	-	584,750,382
Employees' housing loans	26,937	64,288	390,519	-	481,744
Interest receivable	-	-	-	7,038,265	7,038,265
Financial assets at amortized cost	-	-	5,995,940	-	5,995,940
Financial assets at fair value	-	-	-	827,750	827,750
Other assets	-	-	-	57,037	57,037
Property and equipment	-	-	-	402,936	402,936
<b>Total Assets</b>	<b>154,678,429</b>	<b>149,064,288</b>	<b>303,886,459</b>	<b>8,326,030</b>	<b>615,955,206</b>
<b>Liabilities</b>					
Bonds	133,500,000	149,000,000	282,500,000	-	565,000,000
Central Bank of Jordan loan	-	-	20,014,027	-	20,014,027
Accrued interest	-	-	-	5,803,957	5,803,957
Other liabilities	-	-	-	2,262,441	2,262,441
<b>Total Liabilities</b>	<b>133,500,000</b>	<b>149,000,000</b>	<b>302,514,027</b>	<b>8,066,398</b>	<b>593,080,425</b>
<b>Net</b>	<b>21,178,429</b>	<b>64,288</b>	<b>1,372,432</b>	<b>259,632</b>	<b>22,874,781</b>

## 7. Fair Value

The fair values of the financial assets and liabilities are not materially different from their carrying values as most of these items are either short-term in nature or re-priced frequently.

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

<b>31 March 2022</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial assets through other comprehensive income	827,750	-	-	827,750

  

<b>31 December 2021</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial assets through other comprehensive income	827,750	-	-	827,750

## 8. Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its net financial obligation. In this respect, the Company's management diversified its funding sources, and managed assets and liabilities taking into consideration liquidity and keeping adequate balances of cash, and cash equivalents and quoted securities.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the financial position to the contractual maturity date:

<b>31 March 2022</b>	<b>Up to one year</b>	<b>From one to two years</b>	<b>More than two years</b>	<b>Not tied to maturity</b>	<b>Total</b>
Bonds	112,000,000	154,000,000	314,500,000	-	580,500,000
Central Bank of Jordan loan	-	-	20,014,027	-	20,014,027
Accrued interest	6,635,591	-	-	-	6,635,591
Other liabilities	1,091,853	-	-	875,121	1,966,974
<b>Total liabilities</b>	<b>119,727,444</b>	<b>154,000,000</b>	<b>334,514,027</b>	<b>875,121</b>	<b>609,116,592</b>
<b>Total Assets</b>	<b>135,143,901</b>	<b>164,109,984</b>	<b>331,049,550</b>	<b>1,227,810</b>	<b>631,531,245</b>

  

<b>31 December 2021</b>	<b>Up to one year</b>	<b>From one to two years</b>	<b>More than two years</b>	<b>Not tied to maturity</b>	<b>Total</b>
Bonds	133,500,000	149,000,000	282,500,000	-	565,000,000
Central Bank of Jordan loan	-	-	20,014,027	-	20,014,027
Accrued interest	5,803,957	-	-	-	5,803,957
Other liabilities	1,444,215	-	-	818,226	2,262,441
<b>Total liabilities</b>	<b>140,748,172</b>	<b>149,000,000</b>	<b>302,514,027</b>	<b>818,226</b>	<b>593,080,425</b>
<b>Total Assets</b>	<b>161,772,375</b>	<b>149,064,288</b>	<b>303,886,459</b>	<b>1,232,084</b>	<b>615,955,206</b>