

ARAB BANKING CORPORATION (JORDAN)
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN

CONSOLIDATED CONDENSED INTERIM
FINANCIAL INFORMATION
FOR THE SIX MONTHS PERIOD
ENDED JUNE 30, 2021
TOGETHER WITH THE REVIEW REPORT

ARAB BANKING CORPORATION (JORDAN)
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
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TABLE OF CONTENTS

	<u>Page</u>
Review Report	1
Consolidated Condensed Interim Statement of Financial Position	2
Consolidated Condensed Interim Statement of Profit or Loss	3
Consolidated Condensed Interim Statement of Comprehensive Income	4
Consolidated Condensed Interim Statement of Changes in Shareholders' Equity	5
Consolidated Condensed Interim Statement of Cash Flows	6
Notes on the Consolidated Condensed Interim Financial Information	7- 44

Independent Auditor's Review Report

AM/ 003305

To the Chairman and Board of Directors Members
Arab Banking Corporation
(A Public Shareholding Limited Company)
Amman – The Hashemite Kingdom of Jordan

Introduction

We have reviewed the accompanying consolidated condensed statement of financial position of the Arab Banking Corporation (A Public Shareholding Limited Company) as of June 30, 2021, and the related consolidated condensed statements of income and other comprehensive income for the three-month and the six-month period ended June 30, 2021, and the condensed statement of changes in equity and cash flows for the six-months then ended and the summary of significant accounting policies and other explanatory information. Management is responsible for the preparation and fair presentation of these consolidated condensed interim financial information in accordance with International Accounting Standard number (34) related to "Interim Financial Reporting" as adopted by the Central Bank Jordan. Our responsibility is to express a conclusion on these consolidated condensed interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagement 2410 "Review of consolidated condensed interim financial information performed by the Independent Auditor". A review of consolidated condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters in the Bank 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 consolidated condensed interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard (34) related to "Interim Financial Reporting" as adopted by the Central Bank Jordan.

Other Matter Paragraph

The accompanying consolidated condensed financial statements are a translation of the statutory consolidated condensed financial statements in the Arabic Language to which reference should be made.

Amman – The Hashemite Kingdom of Jordan
July 29, 2021


Deloitte & Touche (M.E.) - Jordan

Deloitte & Touche (M.E.)

ديلويت أند توش (الشرق الأوسط)

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ARAB BANKING CORPORATION (JORDAN)
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN
CONSOLIDATED CONDENSED INTERIM STATEMENT
OF FINANCIAL POSITION

		June 30, 2021	December 31,
	Note	(Reviewed)	2020
		JD	JD
Assets			
Cash and balances at the Central Bank of Jordan	5	47,114,600	52,217,487
Balances at banks and financial institutions	6	70,649,606	89,979,061
Deposits at banks and financial institutions	7	24,387,572	7,343,135
Direct credit facilities-net	11	690,981,952	649,941,932
Financial assets at fair value through other comprehensive income	8	143,773,202	135,570,467
Financial assets at amortized cost	9	117,829,175	126,843,748
Financial assets at amortized cost - Mortgaged	10	67,414,675	62,631,159
Property and equipment - net		30,640,683	30,037,561
Intangible assets - net		1,438,325	1,519,806
Right of use assets	12	2,613,503	2,844,640
Deferred tax assets	17/b	9,154,204	9,226,618
Other assets	13	20,764,515	15,445,012
Total Assets		<u>1,226,762,012</u>	<u>1,183,600,626</u>
Liabilities And Shareholders' Equity			
Liabilities			
Banks and financial institutions deposits		166,786,464	157,160,531
Customers' deposits	14	687,285,187	684,291,947
Margin accounts	15	49,792,090	51,320,703
Borrowed Funds	16	122,949,477	93,484,141
Sundry provisions		3,293,004	3,545,381
Income tax provision	17/a	5,857,985	6,456,452
Deferred tax liabilities	17/b	2,777,100	3,076,163
Lease contracts liabilities	12	2,481,649	2,755,325
Other liabilities	18	20,945,502	21,633,675
Total Liabilities		<u>1,062,168,458</u>	<u>1,023,724,318</u>
Owner's Equity			
Bank's Shareholders Equity			
Issued and paid-in capital	19	110,000,000	110,000,000
Additional paid-in capital		66,943	66,943
Statutory reserve	20	28,379,747	28,379,747
Voluntary reserve	20	197,281	197,281
Fair value reserve	21	4,265,840	4,705,107
Retained earnings	22	16,537,722	16,527,230
Profit for the Period		5,146,021	-
Total Owners' Equity		<u>164,593,554</u>	<u>159,876,308</u>
Total Liabilities and Owners' Equity		<u>1,226,762,012</u>	<u>1,183,600,626</u>

THE ACCOMPANYING NOTES FROM (1) TO (37) CONSTITUTE AN INTEGRAL PART OF THESE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION.

ARAB BANKING CORPORATION (JORDAN)
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN
CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
(REVIEWED AND NOT AUDITED)

		For the Three Months Ended June 30,		For the Six Months Ended June 30,	
		2021	2020	2021	2020
	Note	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)
		JD	JD	JD	JD
Interest income	24	16,000,747	15,585,479	31,139,501	32,357,922
Interest expense	25	(6,441,453)	(7,175,163)	(12,840,564)	(15,756,655)
Net Interest Income		9,559,294	8,410,316	18,298,937	16,601,267
Net commission income		875,235	522,389	1,905,628	1,545,380
Net Interest and commission Income		10,434,529	8,932,705	20,204,565	18,146,647
Gain from foreign currencies		257,598	150,060	462,842	429,712
Gain from financial assets at fair value through other comprehensive income	26	4,000	31,875	4,000	31,875
Other income – net		850,312	676,632	1,836,896	1,739,884
Total Income		11,546,439	9,791,272	22,508,303	20,348,118
Expenses					
Employees' expenses		3,682,619	3,392,742	7,311,384	6,785,040
Depreciation and amortization		605,091	576,187	1,150,725	1,160,897
Other expenses		1,906,399	2,344,600	3,713,487	4,434,173
Provision for expected credit loss on financial assets facilities	23	1,558,368	1,243,943	2,609,111	4,633,665
sundry provisions		42,541	165,110	85,081	236,011
Repossession assets impairment provision		25,166	-	50,331	-
Total Expenses		7,820,184	7,722,582	14,920,119	17,249,786
Profit for the period before Tax		3,726,255	2,068,690	7,588,184	3,098,332
Income tax expense		(1,358,067)	(673,501)	(2,442,163)	(1,992,675)
Profit for the Period		2,368,188	1,395,189	5,146,021	1,105,657
Basic and Diluted Earnings Per Share for the period attributable Bank's Shareholders					
	27	0.022	0.013	0.047	0.010

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ARAB BANKING CORPORATION (JORDAN)
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN

CONSOLIDATED CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME
(REVIEWED AND NOT AUDITED)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2021 (Reviewed)	2020 (Reviewed)	2021 (Reviewed)	2020 (Reviewed)
	JD	JD	JD	JD
Profit for the period	2,368,188	1,395,189	5,146,021	1,105,657
<u>Other comprehensive income items:</u>				
<u>Other comprehensive income items which may be reclassified to profit or loss in the subsequent period:</u>				
Net Change in valuation reserve of financial assets at fair value through comprehensive income after tax				
– Debt Instruments	(322,716)	131,605	(649,565)	1,769,764
(Loss) in fair value for derivatives	(24,177)	(53,189)	48,887	(163,172)
<u>Items not to be subsequently transferred to statement of profit or loss:</u>				
Net Change in valuation reserve of financial assets at fair value through comprehensive income after tax – Equity Instruments	159,227	14,699	161,411	(7,865)
Total Comprehensive Income for the Period	<u>2,180,522</u>	<u>1,488,304</u>	<u>4,706,754</u>	<u>2,704,384</u>

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ARAB BANKING CORPORATION (JORDAN)
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
(REVIEWED AND NOT AUDITED)

	Issued and Paid in Capital	Additional Paid in Capital	Reserves			Retained Earnings	Profit for the Period	Total
			Statutory Reserve	Voluntary Reserve	Fair Value Reserve - Net			
For the Six-Months Ended June 30, 2021 (Reviewed)	JD	JD	JD	JD	JD	JD	JD	JD
Balance - beginning of the period (Audited)	110,000,000	66,943	28,379,747	197,281	4,705,107	16,527,230	-	159,876,308
Gain from the disposal impairment of financial instruments (OCI)	-	-	-	-	-	10,492	-	10,492
Total comprehensive income for the period	-	-	-	-	(439,267)	-	5,146,021	4,706,754
Balance - End of the Period (Reviewed)	<u>110,000,000</u>	<u>66,943</u>	<u>28,379,747</u>	<u>197,281</u>	<u>4,265,840</u>	<u>16,537,722</u>	<u>5,146,021</u>	<u>164,593,554</u>
For the Six-Months Ended June 30, 2020 (Reviewed)								
Balance - beginning of the period (Audited)	110,000,000	66,943	27,958,998	197,281	2,943,308	15,725,766	-	156,892,296
Total comprehensive income for the period	-	-	-	-	1,598,727	-	1,105,657	2,704,384
Balance - End of the Period (Reviewed)	<u>110,000,000</u>	<u>66,943</u>	<u>27,958,998</u>	<u>197,281</u>	<u>4,542,035</u>	<u>15,725,766</u>	<u>1,105,657</u>	<u>159,596,680</u>

- An amount of JD 9,154,204 as of June 30, 2021 is restricted against deferred tax assets (JD 9,226,618 as of December 31, 2020), which represents the accumulated change in fair value including capitalization or distribution only to the extent that it is actually realized according to Jordan Securities Commission and Central Bank of Jordan instructions.
- Included in retained earnings an amount of JD 2,761 as of June 30, 2021 and December 31, 2020 which is restricted, representing the effect of IFRS 9 early adoption, except for the amounts realized through the actual sale.

THE ACCOMPANYING NOTES FROM (1) TO (37) CONSTITUTE AN INTEGRAL PART OF THESE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION.

ARAB BANKING CORPORATION (JORDAN)
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS
(REVIEWED NOT AUDITED)

		For the Six Months Ended June 30,	
	Note	2021 (Reviewed) JD	2020 (Reviewed) JD
Operating Activities:			
Profit before income tax		7,588,184	3,098,332
Depreciation and amortization		1,150,725	1,160,897
Provision for expected credit loss on financial assets	23	2,609,111	4,633,666
(Loss) gain from disposed property and equipment		(1,985)	1,436
Sundry provisions		85,081	236,011
Accrued interests		(1,374,087)	(5,039,203)
Reposessed assets impairment provision		50,331	-
Effect of Exchange rate fluctuation on cash and cash equivalents		(138,853)	(210,256)
Net income before Changes in Assets and Liabilities		9,968,507	3,880,883
Changes in Assets and Liabilities:			
(Increase) in deposits at banks and financial Institutions that mature after three months		(17,046,465)	(7,981,116)
(Increase) in direct credit facilities		(43,842,134)	(11,310,995)
(Increase) decrease in other assets		(3,973,562)	16,760,985
(Decrease) increase in customers' deposits		2,993,240	(34,266,452)
(Decrease) increase in cash margins		(1,528,614)	4,107,042
(Decrease) increase in other liabilities		(804,247)	1,258,863
(Decrease) in sundry provisions		(337,457)	(488,952)
Net Cash Flows (used in) Operating Activities before Income Tax Paid		(54,570,732)	(28,039,742)
Income tax paid	17/A	(2,998,051)	(437,572)
Net Cash Flows (used in) Operating Activities		(57,568,783)	(28,477,314)
Investing Activities			
(Purchase) of financial assets at amortized cost		(14,004,175)	(12,002,086)
Sale and maturity of financial assets at amortized cost		23,024,585	50,074,809
(Increase) decreased financial asset at amortized cost – mortgaged		(4,783,516)	(28,060,062)
(Purchase) of property and equipment		(1,219,804)	(5,179,927)
(Purchase) of intangible assets		(136,208)	(93,936)
Sale of property and equipment		4,783	33
(Purchase) of financial assets at fair value through other comprehensive income		(36,033,920)	(5,881,872)
Sale and maturity of financial assets at fair value through other comprehensive income		27,058,366	3,539,917
Net Cash Flows (used in) from Investing Activities		(6,089,889)	2,396,876
Financing Activities			
Dividends paid to shareholders		(12,407)	(7,603)
Borrowing funds		29,465,336	33,434,903
Net Cash Flows from Financing Activities		29,452,929	33,427,300
Net (Decrease) Increase in Cash and Cash Equivalents		(34,205,743)	7,346,862
Effect of exchange rate fluctuation on cash and cash equivalents		138,853	210,256
Cash and cash equivalents - beginning of the year		(14,928,943)	(42,703,306)
Cash and Cash Equivalents - End of the Period	28	(48,995,833)	(35,146,188)

**THE ACCOMPANYING NOTES FROM (1) TO (37) CONSTITUTE AN INTEGRAL
PART OF THESE CONSOLIDATED CONDENSED INTERIM FINANCIAL
INFORMATION.**

ARAB BANKING CORPORATION (JORDAN)
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN
NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
(REVIEWED NOT AUDITED)

1. Incorporation and Activities

Arab Banking Corporation (Jordan) was established as a public shareholding company on January 21, 1990 in accordance with the Companies Law No (1) of 1989 with headquarter in Amman.

The Bank provides banking services through its head office in Amman and its 24 branches in Jordan and the subsidiary Company.

The Bank's shares are listed in Amman Stock Exchange.

The Bank and its subsidiary "the Group" financial statements are consolidated in the Arab Banking Corporation – Bahrain financial statements.

2. Basis of Preparation

The consolidated condensed interim financial information of the Bank were prepared as of June 30, 2021 in accordance with International Accounting Standard Number (34) (Consolidated Condensed Interim Financial Statements), as adopted by the Central Bank of Jordan.

The main differences between the IFRSs as they should be applied and what has been adopted by the Central Bank of Jordan are as follows:

- a. Provisions for expected credit losses are calculated in accordance with IFRS 9 and according to instructions of Central Bank of Jordan's, whichever is more conservative. The material differences are as follows:
 - Elimination of debt instruments issued or granted by the Jordanian government so that credit exposures are treaded as the Jordanian Government and by its guarantee without credit losses.
 - When calculating the credit losses against credit exposures, the calculation results according to IFRS 9 are compared with those according to the Central Bank of Jordan's Instructions No. (2009/47) dated December 10, 2009 for each stage separately. The tougher results are adopted.
 - In special cases the Central Bank of Jordan, approves some special arrangements while calculating the expected credit loss for the direct credit facilities customers for a certain period.
- b. Interest and commissions on non-performing credit facilities granted to clients are suspended, in accordance with the instructions of the Central Bank of Jordan.

- c. Assets seized by the Bank are shown in the consolidated statement of financial position, among other assets, at their current value when seized by the Bank or at their fair value, whichever is lower. Furthermore, they are reassessed on the date of the consolidated financial statements separately, and any decrease in value is recorded in the consolidated statement of profit or loss while any increase in value is not recorded as revenue. In addition, any subsequent increase is taken to the statement of profit or loss to the extent of not exceeding the previously recorded value. As of the beginning of the year 2015, a gradual provision has been taken for real estate acquired in exchange for debts and whose acquisition has exceeded 4 years, according to the Central Bank of Jordan's Circular No 15/1/4076 dated March 27, 2014 and Circular No. 10/1/2510 dated February 14, 2017. In this respect, the Central Bank of Jordan has issued Circular No. 10/1/13967 dated October 25, 2018, approving the extension of Circular No. 10/1/16607 dated December 17, 2017, and confirming postponement of the calculation of the provision until the end of the year 2020. According to the Central Bank of Jordan's Circular No. 10/1/16239 dated November 21, 2020, deduction of the required provisions against the acquired real estate will continue at a rate of 5% of the total book value of these properties (regardless of the violation period) from the year of 2021 until the required percentage is reached 50% of these properties by the end of the year 2029.
- The reporting currency of the consolidated financial statements is the Jordanian Dinar, which is the functional currency of the Bank.
- The condensed consolidated interim financial information do not include all notes and information presented in the annual financial statements which is prepared in accordance with the international accounting standards and should be read with the Bank's annual report for the year ended December 31, 2020. The results of the six months ended June 30, 2021 do not indicate the expected results for the year ended December 31, 2021. There was no appropriation of the profit of the six months ended June 30, 2021 which is usually performed at year end.

- Significant Accounting Judgments and key Sources of Uncertainty Estimates:

Preparation of the condensed interim consolidated financial information and implementation of the accounting policies require management to make judgments, estimates, and assumptions that affect the amounts of financial assets and financial liabilities and to disclose Contingent liabilities. Moreover, these estimates and judgments affect revenues, expenses, provisions, in general, expected credit losses, as well as changes in fair value that appear in the condensed consolidated interim statement of comprehensive income and within shareholders' equity. In particular, the Bank's management requires judgments to be made to estimate the amounts and timing of future cash flows. These estimates are necessarily based on multiple hypotheses and factors with varying degrees of estimation and uncertainty. Meanwhile, the actual results may differ from estimates due to the changes arising from the conditions and circumstances of those estimates in the future.

The critical judgements and estimates used in the preparation of these condensed consolidated interim financial information are consistent with those used in the preparation of the Bank's annual financial statements for the year ended December 31, 2020.

3. Significant Accounting Policies

The accounting policies used in the preparation of the condensed consolidated interim financial information for the period ending on June 30, 2021 are identical with the accounting policies that were followed in the preparation of the consolidated financial statements for the year ended December 31, 2020. However, the following revised international financial reporting standards were followed, which became Effective for the financial periods beginning on or after January 1, 2021, in preparing the group's condensed consolidated interim financial information, which did not materially affect the amounts and disclosures contained in the condensed consolidated interim financial information for the previous period and years, knowing that it may have an impact on the treatment Accounting for future transactions and arrangements.

Interest price standardized reforms second phase adjustment

Effective January 1, 2021, the Bank has implemented the second phase of benchmark interest rate reforms that may affect financial reporting as a result of the reform of the interest rate standard, including the effects of changes to contractual cash flows or hedging relationships arising from the replacement of the interest rate standard with a reference rate alternative. The amendments provide an exemption from certain requirements in IFRS 9, 7, 4, 16 and IAS 39 relating to changes in the basis for determining contractual cash flows for financial assets, financial liabilities, lease obligations and hedge accounting.

The amendments require the entity to recognize a change in the basis for determining the contractual cash flows of a financial asset or a financial liability that is required to reform the interest rate standard by updating the effective interest rate for the financial asset or liability. In addition, it provides specific exceptions to hedge accounting requirements.

The Bank has conducted a preliminary study regarding exposure to cash flows, fair value hedges, and non-derivative financial assets and liabilities related to the standard interest between banks, which mature after 2021, and it was found that there is no significant impact of the interest rate reform on the bank's results.

4. Basis of Consolidation financial statements

- The condensed consolidated interim financial statements include the financial statements of the bank and its subsidiary company that is under its control. Control is achieved when the bank has the ability to control the financial and operating policies of the subsidiaries in order to obtain benefits from their activities. As for the in process transactions, they appear under other assets or other liabilities in the statement of financial position condensed consolidated interim financial.
- The Bank reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control listed above.
- When the Bank has less than the majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Bank considers all relevant facts and circumstances in assessing whether or not the Bank's voting rights in an investee are sufficient to give it power.
- Transactions, balances, revenues and expenses are eliminated between the Bank and the subsidiary.
- The financial statements of the subsidiary are prepared for the same financial year, using the same accounting policies adopted by the Bank. If the accounting policies adopted by the company are different from those used by the Bank, the necessary adjustments to the financial statements of the subsidiary are made to comply with the accounting policies followed by the Bank.
- The results of the subsidiary are incorporated into the consolidated statement of income from the effective date of acquisition, which is the date on which actual control over the subsidiaries is assumed by the Bank. Moreover, the operating results of the disposed subsidiary are incorporated into the consolidated statement of income up to the effective date of disposal, which is the date on which the Bank loses control over its subsidiary.
- Non-controlling interests represent that part of the equity that is not owned by the Bank. Non-controlling interests are presented in the net assets of the subsidiary are presented separately in the Bank's statement of equity.

The Bank's subsidiary as of June 30, 2021 are as follows:

- Arab Co-operation for Financial Investments (ABCI)

Arab Co-operation for Financial Investments is wholly owned by the Bank. The Company's objective is to perform brokerage investments on behalf of its clients in addition to providing financial consultation services on stock exchange investing. Its paid-up capital amounted to JD 15,600,000, total assets amounted to JD 45,942,857 and total liabilities amounted to JD 20,929,912 as at June 30, 2021. Its total revenue amounted to JD 2,020,460 and total expenses amounted to JD 1,089,398 for the six months ended June 30, 2021, before excluding any transactions, balances, revenue, and expenses between the Company and the Bank.

Control is achieved when the Bank:

- has the power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect the investee's returns.

The Bank reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control listed above.

When the Bank has less than the majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Bank considers all relevant facts and circumstances in assessing whether or not the Bank's voting rights in an investee are sufficient to give it power, including:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, other vote holders, or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Bank has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

When the Bank loses control of the subsidiary, the Bank performs the following:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary.
- Derecognizes the book value of any non-controlling interests.
- Derecognizes the accumulated transfer difference in Owners' Equity.
- Derecognizes the fair value to the next controlling party.
- Derecognizes the fair value of any investment retained.
- Derecognizes any gain or loss in the income statement.
- Reclassifies owners' equity already booked in other comprehensive income to the profit or loss statement, as appropriate.

5. Cash and Balances at Central Bank of Jordan

The details of this item is as follows

	June 30, 2021 (Reviewed)	December 31, 2020 (Audited)
	JD	JD
Cash on hand	6,537,504	6,694,630
Balances at central bank of Jordan:		
Current accounts and demand deposits	10,315,309	13,020,146
Statutory cash reserve	<u>30,261,787</u>	<u>32,502,711</u>
Total	<u>47,114,600</u>	<u>52,217,487</u>

- The statutory cash reserve amounted to JD 30,261,787 as of June 30, 2021 (JD 32,502,711 as of December 31, 2020).
- There are no restricted balances except for the statutory cash reserve as of June 30, 2021 and December 31, 2020.
- Balances with the Central Bank of Jordan are classified as part of the first stage in accordance with the requirements of IFRS 9, and there are no transfers between the first, second and third stages or non-performing balances during the six months ended June 30, 2021.

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

	Stage (1) Individual	Stage (2) Individual	Stage (3)	Total
	JD	JD	JD	JD
Total balance at the beginning of period	45,522,857	-	-	45,522,857
Settled balances	<u>(4,945,762)</u>	-	-	<u>(4,945,762)</u>
Total balance at the end of period	<u>40,577,095</u>	-	-	<u>40,577,095</u>

6. Balances at Banks and Financial Institutions

The details of this item is as follows:

	Local Banks and Financial Institutions		Foreign Banks and Financial Institutions		Total	
	June 30, 2021(Reviewed)	December 31, 2020(Audited)	June 30, 2021(Reviewed)	December 31, 2020(Audited)	June 30, 2021(Reviewed)	December 31, 2020(Audited)
	JD	JD	JD	JD	JD	JD
Current accounts and demand deposits	839	575	17,012,937	24,723,523	17,013,776	24,724,098
Deposits maturing within or less than 3 months	41,966,960	35,450,000	11,695,295	29,840,003	53,662,255	65,290,003
Total	41,967,799	35,450,575	28,708,232	54,563,526	70,676,031	90,014,101
Provision for impairment	(21,897)	(29,120)	(4,528)	(5,920)	(26,425)	(35,040)
Net Balances at banks and financial institutions	41,945,902	35,421,455	28,703,704	54,557,606	70,649,606	89,979,061

The movement on the balances at banks and financial institutions is as follows

	June 30, 2021 (Reviewed)				December 31, 2020 (Audited)
	Stage 1 Individual	Stage 2 Individual	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Total Balance at the beginning of period/year	89,979,061	-	-	89,979,061	59,264,917
New balances during the period/year	13,576,712	-	-	13,576,712	62,981,365
Settled balances	(32,879,742)	-	-	(32,879,742)	(32,232,181)
Total Balance at the end of period/year	70,676,031	-	-	70,676,031	90,014,101
Less: Impairment loss	(26,425)	-	-	(26,425)	(35,040)
	70,649,606	-	-	70,649,606	89,979,061

- Non-interest bearing balances at banks and financial institutions amounted to JD 7,119,591 as of June 30, 2021 (JD 4,951,278 as of December 31, 2020).
- There are no restricted balances as of June 30, 2021 and December 31, 2020.
- The movement on the expected credit loss provision for the balances at banks and financial institutions during six months period ended as of June 30, 2021:

	June 30, 2021 (Reviewed)				December 31, 2020 (Audited)
	Stage 1 Individual	Stage 2 Individual	Stage 3	Total	Total
	JD	JD	JD	JD	JD
balance at the beginning of the period /Year	35,040	-	-	35,040	2,808
Impairment loss on new balances during the period/year	26,425	-	-	26,425	35,040
Recoveries from impairment loss on The balances.	(35,040)	-	-	(35,040)	(2,808)
Total balance at the end of period/year	26,425	-	-	26,425	35,040

- There are no transfers between stages (1, 2 and 3) or written off balances during the six months period ended June 30, 2021.

7. Deposits at Banks and Financial Institutions

The movement on deposits at banks and financial institutions is as follows:

	Local Banks and financial institutions		Foreign Banks and financial institutions		Total	
	June 30, 2021 (Reviewed) JD	December 31, 2020 (Audited) JD	June 30, 2021 (Reviewed) JD	December 31, 2020 (Audited) JD	June 30, 2021 (Reviewed) JD	December 31, 2020 (Audited) JD
Deposits maturing during the period:						
From 3 months to 6 months	-	-	24,389,600	7,343,135	24,389,600	7,343,135
Total Before Provisions	-	-	24,389,600	7,343,135	24,389,600	7,343,135
Provision for expected credit losses, bank deposits	-	-	(2,028)	-	(2,028)	-
Total	-	-	24,387,572	7,343,135	24,387,572	7,343,135

- There is no Deposits which mature during the period longer than 6 months as of June 30, 2021 (as of December 31, 2020 there were no deposits that mature during a period longer than 6 months).
- There are no restricted deposits as of June 30, 2021 and December 31, 2020.
- Deposits balances with banks and financial institutions amounted to JD 24,389,600 classified as part of the first stage as of June 30, 2021, There are also no transfers between the (first, second and third) stages or written off balances during the six months ended June 30, 2021.

The movement on deposits at banks and financial institutions is as follows:

	June 30,2021 (Reviewed)				December 31, 2020 (Audited)
	Stage 1 Individual	Stage 2 Individual	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Total balance at the beginning of period/Year	7,343,135	-	-	7,343,135	2,603,874
New balances during the period/Year	24,389,600	-	-	24,389,600	7,343,135
settled balances	(7,343,135)	-	-	(7,343,135)	(2,603,874)
Total balance at the end of period/Year	24,389,600	-	-	24,389,600	7,343,135

The movement on provisions on the deposits at banks and financial institutions is as follows:

	June 30,2021 (Reviewed)				December 31, 2020 (Audited)
	Stage 1 Individual	Stage 2 Individual	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Total balance at the beginning of period/Year	-	-	-	-	-
New balances during the period/Year	2,028	-	-	2,028	-
settled balances	-	-	-	-	-
Total balance at the end of period/Year	2,028	-	-	2,028	-

8. Financial Assets at Fair Value Through Other Comprehensive Income

The details of this items are as follows:

	June 30, 2021 (Reviewed)	December 31, 2020 (Audited)
	JD	JD
Shares listed in active markets	1,129,243	869,844
shares not listed in active markets	2,443,419	2,368,267
Government and government guaranteed bonds	125,934,225	117,941,021
Jordan Treasury bills	6,931,285	7,018,586
Other financial bonds	7,340,120	7,381,874
	<u>143,778,292</u>	<u>135,579,592</u>
<u>Less:</u> Provision of expected credit loss	<u>(5,090)</u>	<u>(9,125)</u>
	<u>143,773,202</u>	<u>135,570,467</u>

- The movement on provision of the expected credit loss for the financial assets through other comprehensive income for the period is as follows:

	June 30, 2021 (Reviewed)				December 31, 2020 (Audited)
	Stage (1) individual	Stage (2) individual	Stage (3)	Total	Total
	JD	JD	JD	JD	JD
Balance at the Beginning of the period	9,125	-	-	9,125	20,563
Impairment loss on new balances during the period	-	-	-	-	4,027
Recoveries from impairment loss on settled balances during the period	(4,035)	-	-	(4,035)	(15,465)
Impairment loss on new investments during the period	-	-	-	-	-
Balance at the end of the period	<u>5,090</u>	<u>-</u>	<u>-</u>	<u>5,090</u>	<u>9,125</u>

- The movement on the financial assets through other comprehensive income is as follows:

	June 30, 2021 (Reviewed)				December 31 (Audited) 2020
	Stage (1) individual	Stage (2) individual	Stage (3)	Total	Total
	JD	JD	JD	JD	JD
Balance at the beginning of the period/year	135,579,592	-	-	135,579,592	148,842,776
New investments during the period/year	36,033,919	-	-	36,033,919	13,149,834
Matured investments	(34,959,502)	-	-	(34,959,502)	(34,324,647)
Change in fair value	7,124,283	-	-	7,124,283	7,911,629
Total balances at the end of the period/year	<u>143,778,292</u>	<u>-</u>	<u>-</u>	<u>143,778,292</u>	<u>135,579,592</u>

- There are no transfers between stages (1, 2 and 3) or written off balances during the six months period ended June 30, 2021 and the year 2020.

9. Financial Assets at Amortized Cost

The details of this item is as follows:

	June 30, 2021 (Reviewed) JD	December 31, 2020 (Audited) JD
Unquoted Financial Assets:		
Government and Government guaranteed financial bonds	102,843,206	111,863,616
Other financial bonds	15,000,000	15,000,000
	<u>117,843,206</u>	<u>126,863,616</u>
<u>Less:</u> Expected credit loss provision	<u>(14,031)</u>	<u>(19,868)</u>
Total	<u>117,829,175</u>	<u>126,843,748</u>
	June 30, 2021 (Reviewed) JD	December 31, 2020 (Audited) JD
Bonds and treasury bills analysis:		
Fixed return	117,843,206	119,863,616
Variable return	-	7,000,000
Total	<u>117,843,206</u>	<u>126,863,616</u>
	June 30, 2021 (Reviewed) JD	December 31, 2020 (Audited) JD
Bond Analysis IFRS 9:		
Stage (1)	117,843,206	126,863,616
Stage (2)	-	-
Stage (3)	-	-
Total	<u>117,843,206</u>	<u>126,863,616</u>

The movement on the financial assets at amortized cost is as follow:

	June 30, 2021 (Reviewed)				December 31, 2020 (Audited)
	Stage (1) Individual JD	Stage (2) Individual JD	Stage (3) JD	Total JD	Total JD
Balance at the beginning of the period/year	126,863,616	-	-	126,863,616	137,471,590
New investments during the period/year	14,004,175	-	-	14,004,175	54,043,169
Matured investments	<u>(23,024,585)</u>	<u>-</u>	<u>-</u>	<u>(23,024,585)</u>	<u>(64,651,143)</u>
Total balance at the end of the period/year	<u>117,843,206</u>	<u>-</u>	<u>-</u>	<u>117,843,206</u>	<u>126,863,616</u>

The movement on the expected credit loss provision for financial assets at amortized cost is as follows:

	June 30, 2021 (Reviewed)				December 31, 2020 (Audited)
	Stage (1) Individual JD	Stage (2) Individual JD	Stage 3 JD	Total JD	Total JD
Balance at the beginning of the period/year	19,868	-	-	19,868	10,129
Credit losses on new investments during the period/year	-	-	-	-	19,868
Recovered amounts from losses on paid balances	<u>(5,837)</u>	<u>-</u>	<u>-</u>	<u>(5,837)</u>	<u>(10,129)</u>
Balance at the end of the period/year	<u>14,031</u>	<u>-</u>	<u>-</u>	<u>14,031</u>	<u>19,868</u>

10. Financial Assets at Amortized Cost-Mortgaged

The details of this item is as follows:

	June 30, 2021 (Reviewed)	December 31, 2020 (Audited)
	JD	JD
Government and Government guaranteed financial bonds	67,414,675	62,631,159
Total	67,414,675	62,631,159

- On April 4, 2021 the Bank sold three bonds of Jordanian treasury bonds with a nominal value of JD 31,000,000 to Arab Bank. The amount of repurchasing agreement for the bond JD 34,455,130 the amount received was JD 33,766,027 as borrowed money at an interest rate of 3.97% per annum, as indicated in Note (16). The Bank did not recognize this transaction as sale transaction, as the bank reserved the right of repurchase of these bonds on April 4, 2024.
- On April 12, 2021 the Bank sold one bond of Jordanian treasury bonds with a nominal value of JD 10,812,000 to Central Bank of Jordan. The agreed upon repurchasing amount was JD 11,111,177 the received amount was JD 11,055,708 as loan with 2.0% per annum, as indicated in note (16). The Bank did not recognize this transaction as sale transaction, as the bank reserved the right of repurchase of these bonds on July 12, 2021.
- On June 3, 2021 the Bank sold one bond of Jordanian treasury bonds with a nominal value of JD 11,715,000 to Central Bank of Jordan. The agreed upon repurchasing amount was JD 11,765,217 the received amount was JD 11,746,656 as loan with 2.0% per annum, as indicated in note (16). The Bank did not recognize this transaction as sale transaction, as the bank reserved the right of repurchase of these bonds on July 1, 2021.
- On June 30, 2021 the Bank sold one bond of Jordanian treasury bonds with a nominal value of JD 3,968,000 to Central Bank of Jordan. The agreed upon repurchasing amount was JD 4,310,442 the received amount was JD 4,308,692 as loan with 2.0% per annum, as indicated in note (16). The Bank did not recognize this transaction as sale transaction, as the bank reserved the right of repurchase of these bonds on July 7, 2021.
- On June 21, 2021 the Bank sold one bond of Jordanian treasury bonds with a nominal value of JD 9,935,000 to Central Bank of Jordan. The agreed upon repurchasing amount was JD 10,257,094 the received amount was JD 10,241,235 as loan with 2.0% per annum, as indicated in note (16). The Bank did not recognize this transaction as sale transaction, as the bank reserved the right of repurchase of these bonds on July 18, 2021.

11. Direct Credit Facilities - Net

The details of these items are as follows:

	June 30, 2021(Reviewed)	December 31, 2020(Audited)
	JD	JD
Individual (Retail)		
Overdrafts*	29,623,786	23,108,211
Loans and bills **	333,326,425	302,087,344
Credit cards	3,746,688	3,830,702
Real Estate loans	71,265,254	72,118,408
Corporate		
Overdrafts*	80,516,020	81,537,727
Loans and bills **	179,493,819	181,620,076
Small and medium enterprises		
Overdrafts*	5,148,402	4,888,584
Loans and bills **	21,729,486	20,694,534
Government and public sector	40,470,665	30,119,417
Total	<u>765,320,545</u>	<u>720,005,003</u>
<u>Less: Interest in suspense</u>	(15,625,352)	(14,149,904)
<u>Less: Expected credit loss</u>	<u>(58,713,241)</u>	<u>(55,913,167)</u>
Direct credit facilities – net	<u>690,981,952</u>	<u>649,941,932</u>

* Net of interest and commission received in advance amounting to JD 10,458 as of June 30, 2021 (JD 14,183 as of December 31, 2020).

** Net of interest and commissions received in advance amounting to JD 96,005 as of June 30, 2021 (JD 80,669 as of December 31, 2020).

- At June 30, 2021, non-performing credit facilities amounted to JD 64,993,000 (JD 62,889,091 as of December 31, 2020) which represent 8.492% as of June 30, 2021 (8.735% as of December 31, 2020) of gross facilities.

- At June 30, 2021, non-performing credit facilities after deducting interest suspended amounted to JD 49,367,648 (JD 48,739,187 as of December 31, 2020) which represent 6.585% as of June 30, 2021 (6.905% from the opening balance as of December 31, 2020).

- At June 30, 2021, the credit facilities that granted to the Jordanian government with guarantee amounted to JD 40,470,665 (JD 30,119,417 as of December 31, 2020) which represent 5.288% as of June 30, 2021 (4.183% as of December 31, 2020) of gross facilities.

The movement on direct credit facilities on collective basis as of the end of the period:

For the Six Months Ended as of June 30, 2021 (Reviewed)

	Stage (1)		Stage (2)		Stage (3)	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the period	215,656,551	354,271,541	57,982,731	29,205,089	62,889,091	720,005,003
New credit facilities during the period	34,087,224	108,694,326	5,085,968	411,454	1,825,021	150,103,993
Settled credit facilities	(21,713,520)	(69,432,205)	(5,360,041)	(3,325,199)	(4,648,026)	(104,478,991)
Transferred to Stage 1	1,371,697	5,771,681	(1,371,697)	(5,517,483)	(254,198)	-
Transferred to Stage 2	(2,023,226)	(4,106,086)	2,023,226	4,257,523	(151,437)	-
Transferred to Stage 3	-	(345,660)	(1,482,299)	(3,567,902)	5,395,861	-
Adjustments resulting from the reclassification between the three stages	1,538	(39,191)	(961,284)	752,789	(11,155)	(257,303)
Written off credit facilities	-	-	-	-	(52,157)	(52,157)
Adjustment due to changes in exchange rates	-	-	-	-	-	-
Total balance at the end of the period	<u>227,380,264</u>	<u>394,814,406</u>	<u>55,916,604</u>	<u>22,216,271</u>	<u>64,993,000</u>	<u>765,320,545</u>

For the year Ended as of December 31, 2020 (Audited)

	Stage (1)		Stage (2)		Stage (3)	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	213,290,271	313,561,683	64,521,060	31,673,781	51,214,277	674,261,072
New credit facilities during the year	47,804,788	156,723,826	20,337,835	2,070,933	7,313,831	234,251,213
Settled credit facilities	(43,330,013)	(111,602,386)	(19,509,565)	(4,466,667)	(1,911,646)	(180,820,277)
Transferred to Stage (1)	3,310,956	6,511,708	(3,310,956)	(6,242,144)	(269,564)	-
Transferred to Stage (2)	(4,204,781)	(9,347,470)	4,204,781	9,722,610	(375,140)	-
Transferred to Stage (3)	(29)	(984,536)	(4,224,119)	(2,040,758)	7,249,442	-
Adjustments resulting from the reclassification between the three stages	(1,214,641)	(591,284)	(4,036,305)	(1,512,666)	(93,282)	(7,448,178)
Written off credit facilities	-	-	-	-	(238,827)	(238,827)
Adjustment due to changes in exchange rates	-	-	-	-	-	-
Total balance at the end of the year	<u>215,656,551</u>	<u>354,271,541</u>	<u>57,982,731</u>	<u>29,205,089</u>	<u>62,889,091</u>	<u>720,005,003</u>

The movement on Expected credit loss on collective basis as of the end of the period:

For the Six Months Ended as of June 30, 2021 (Reviewed)

	Stage (1)		Stage (2)		Stage (3)	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the period	2,243,122	1,958,144	6,870,848	2,362,843	42,478,210	55,913,167
New credit facilities during the period	1,239,344	671,727	2,220,362	316,773	1,484,153	5,932,359
Settled credit facilities	(1,189,349)	(444,280)	(567,030)	(379,166)	(1,456,127)	(4,035,952)
Transferred to Stage 1	2,379	25,171	(2,379)	(23,287)	(1,884)	-
Transferred to Stage 2	(264)	(328,261)	264	353,492	(25,231)	-
Transferred to Stage 3	-	(158,565)	(903,472)	(1,162,009)	2,224,046	-
Adjustments resulting from the reclassification between the three stages	(380)	467,479	470,701	235,897	(272,071)	901,626
Written off credit facilities	-	-	-	-	2,041	2,041
Adjustment due to changes in exchange rates	-	-	-	-	-	-
Total balance at the end of the period	<u>2,294,852</u>	<u>2,191,415</u>	<u>8,089,294</u>	<u>1,704,543</u>	<u>44,433,137</u>	<u>58,713,241</u>

	Stage (1)		Stage (2)		Stage (3)	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD	JD	JD
<u>For the year ended at December,31 2020 (Audited)</u>						
Balance at the beginning of the year	1,661,551	1,471,697	4,676,629	1,538,740	33,196,576	42,545,193
New credit facilities during the year	872,555	1,045,676	4,903,125	1,005,171	6,042,604	13,869,131
Settled credit facilities	(286,381)	(559,067)	(1,783,215)	(250,953)	(1,549,671)	(4,429,287)
Transferred to Stage 1	40,402	28,777	(40,402)	(26,761)	(2,016)	-
Transferred to Stage 2	(83,059)	(517,125)	83,059	559,511	(42,386)	-
Transferred to Stage 3	(29)	(580,380)	(3,205,540)	(1,422,161)	5,208,110	-
Adjustments resulting from the reclassification between the three stages	38,083	1,068,566	2,237,192	959,296	(402,936)	3,900,201
Written off credit facilities	-	-	-	-	27,929	27,929
Adjustment due to changes in exchange rates	-	-	-	-	-	-
Total balance at the end of the year	<u>2,243,122</u>	<u>1,958,144</u>	<u>6,870,848</u>	<u>2,362,843</u>	<u>42,478,210</u>	<u>55,913,167</u>

The movement on Expected credit loss according to the sectors on collective basis as of the end of the period:

	Individual	Mortgage Loan	Large Companies	Small and medium companies	Government and public sector	Gross
<u>For the Six Months Ended as of June 30, 2021 (Reviewed)</u>	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year (Audited)	20,260,675	724,144	32,824,783	2,103,565	-	55,913,167
Impairment on new Credit facilities during the period	1,760,525	85,828	3,896,277	189,726	-	5,932,356
Settled credit facilities	(1,249,184)	(58,279)	(2,366,759)	(357,644)	-	(4,031,866)
Transferred to Stage 1	(438,928)	(20,369)	2,379	(264)	-	(457,182)
Transferred to Stage 2	(443,573)	(1,929)	(860,053)	(45,534)	-	(1,351,089)
Transferred to Stage 3	882,501	22,298	857,674	45,798	-	1,808,271
Impact on provision- as of the end of the period/year - resulting from the reclassification between the three stages during the period	435,760	(4,456)	442,769	27,552	-	901,625
Written off credit facilities	(2,041)	-	-	-	-	(2,041)
Total balance as of the end of the period (Reviewed)	<u>21,205,735</u>	<u>747,237</u>	<u>34,797,070</u>	<u>1,963,199</u>	<u>-</u>	<u>58,713,241</u>

	Individual	Mortgage Loan	Large Companies	Small and medium companies	Government and public sector	Gross
<u>For the year Ended as of December 31, 2020 (Audited)</u>	JD	JD	JD	JD	JD	JD
Adjusted beginning balance of the year (Audited)	18,445,617	563,231	21,765,141	1,662,281	108,923	42,545,193
Impairment on new Credit facilities during the year	2,306,292	164,106	10,839,190	559,542	-	13,869,130
Settled credit facilities	(1,968,978)	(128,764)	(2,052,797)	(113,966)	(108,923)	(4,373,428)
Transferred to Stage 1	(953,246)	(100,406)	(28,571)	(14,115)	-	(1,096,338)
Transferred to Stage 2	(663,959)	56,176	(3,176,969)	14,086	-	(3,770,666)
Transferred to Stage 3	1,617,205	44,230	3,205,540	29	-	4,867,004
Impact on provision- as of the end of the year – resulting from the reclassification between the three stages during the period	1,505,673	125,571	2,273,249	(4,292)	-	3,900,201
Written off credit facilities	(27,929)	-	-	-	-	(27,929)
Total balance as of the end of the year (Audited)	<u>20,260,675</u>	<u>724,144</u>	<u>32,824,783</u>	<u>2,103,565</u>	<u>-</u>	<u>55,913,167</u>

- The amount of provisions that were no longer needed as a result of settlement and payment of debts and converted to other debts is JD 2,021,836 as of June 30, 2021 (JD 1,867,845 as of December 31, 2020).

- Credit Exposures according to IFRS 9 as follows:

For the period ended at June 30, 2021 (Reviewed)

	Stage (1)			Stage (2)			Stage (3)			Total		
	Gross	Expected credit losses	Interest in suspense	Gross	Expected credit losses	Interest in suspense	Gross	Expected credit losses	Interest in suspense	Gross	Expected credit losses	Interest in suspense
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Individuals	330,110,111	(2,153,047)	-	9,036,514	(1,419,620)	-	27,550,274	(17,633,068)	(8,339,479)	366,696,899	(21,205,735)	(8,339,479)
Mortgage Loan	57,879,595	(29,387)	-	12,128,471	(263,894)	-	1,257,188	(453,956)	(357,257)	71,265,254	(747,237)	(357,257)
Large companies	176,725,371	(2,234,900)	-	50,594,542	(8,015,907)	-	32,689,926	(24,546,263)	(5,908,000)	260,009,839	(34,797,070)	(5,908,000)
Small to Medium companies	17,008,928	(68,933)	-	6,373,348	(94,416)	-	3,495,612	(1,799,850)	(1,020,616)	26,877,888	(1,963,199)	(1,020,616)
Government and public sector	40,470,665	-	-	-	-	-	-	-	-	40,470,665	-	-
	<u>622,194,670</u>	<u>(4,486,267)</u>	<u>-</u>	<u>78,132,875</u>	<u>(9,793,837)</u>	<u>-</u>	<u>64,993,000</u>	<u>(44,433,137)</u>	<u>(15,625,352)</u>	<u>765,320,545</u>	<u>(58,713,241)</u>	<u>(15,625,352)</u>

For the year Ended as of December 31, 2020 (Audited)

	Stage (1)			Stage (2)			Stage (3)			Total		
	Gross	Expected credit losses	Interest in suspense	Gross	Expected credit losses	Interest in suspense	Gross	Expected credit losses	Interest in suspense	Gross	Expected credit losses	Interest in suspense
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Individuals	291,356,914	(1,918,739)	-	12,772,095	(1,994,952)	-	24,897,248	(16,346,984)	(7,874,768)	329,026,257	(20,260,675)	(7,874,768)
Mortgage Loan	56,105,620	(24,285)	-	14,827,633	(264,059)	-	1,185,155	(435,800)	(322,459)	72,118,408	(724,144)	(322,459)
Large companies	174,884,718	(2,145,790)	-	55,319,310	(6,855,090)	-	32,953,775	(23,823,903)	(4,986,869)	263,157,803	(32,824,783)	(4,986,869)
Small to Medium companies	17,461,423	(112,452)	-	4,268,782	(119,590)	-	3,852,913	(1,871,523)	(965,808)	25,583,118	(2,103,565)	(965,808)
Government and public sector	30,119,417	-	-	-	-	-	-	-	-	30,119,417	-	-
	<u>569,928,092</u>	<u>(4,201,266)</u>	<u>-</u>	<u>87,187,820</u>	<u>(9,233,691)</u>	<u>-</u>	<u>62,889,091</u>	<u>(42,478,210)</u>	<u>(14,149,904)</u>	<u>720,005,003</u>	<u>(55,913,167)</u>	<u>(14,149,904)</u>

Interest in Suspense:

The detailed movement on interest in suspense is as follows:

For the Six Months Ended on June 30, 2021 (Reviewed)	Companies				
	Individuals	Real Estate	Large Corporate Customers	SMEs	Total
	JD	JD	JD	JD	JD
Balance – beginning of the period	7,874,768	322,459	4,986,869	965,808	14,149,904
<u>Add:</u> Suspended interest during the period	750,245	34,798	1,349,312	76,701	2,211,056
<u>Less:</u> Interest in suspense reversed to income	(237,590)	-	(426,009)	(21,893)	(685,492)
Written-off suspended interest	(47,944)	-	(2,172)	-	(50,116)
Balance - End of the Period	<u>8,339,479</u>	<u>357,257</u>	<u>5,908,000</u>	<u>1,020,616</u>	<u>15,625,352</u>
For the Year Ended December 31, 2020 (Audited)					
Balance – beginning of the year	6,995,654	238,862	2,748,638	729,271	10,712,425
<u>Add:</u> Suspended interest during the year	1,426,377	87,614	2,329,856	241,601	4,085,448
<u>Less:</u> Interest in suspense reversed to income	(363,264)	-	(69,103)	(4,704)	(437,071)
Written-off suspended interest	(183,999)	(4,017)	(22,522)	(360)	(210,898)
Balance - End of the Year	<u>7,874,768</u>	<u>322,459</u>	<u>4,986,869</u>	<u>965,808</u>	<u>14,149,904</u>

12. Right of Use Assets / Lease Liability Contracts

The details of this item is as follows:

1. Right of Use Assets:

The bank lease many assets including lands and buildings, and the average lease term is 8 years.

The following is the movement on the right- of-use assets during the year:

	For the period ended June 30, 2021 (Reviewed)	For the year ended December 31, 2020 (Audited)
	JD	JD
Balance Beginning of the period/ year	2,844,640	3,357,169
Add: additions during the period / year	114,080	521,885
Less: cancellation of lease contracts for the period/ year	(56,810)	(427,391)
Less: Amortization for the period / year	(288,407)	(607,023)
Balance - End of the Period / Year	2,613,503	2,844,640

	For the period ended June 30, 2021 (Reviewed)	2020 (Reviewed)
	JD	JD
Amortization for the Period/ year	1,315,024	234,575
Interest for the Period/ year	79,161	88,874
Lease expense during the Period/ year	1,394,185	413,449

2. Lease Liability Contracts

	For the period ended June 30, 2021 (Reviewed)	For the year ended December 31, 2020 (Audited)
	JD	JD
Balance Beginning of the period/ year	2,755,325	3,223,659
Add: additions during the period / year	114,082	521,885
Interest During the period / Year	79,161	164,543
Less: Paid during the year	(453,988)	(789,186)
Less: cancellation of lease contracts for the period/ year	(12,931)	(365,576)
Balance - End of the Period / Year	2,481,649	2,755,325

13. Other Assets

The details of this item are as follows:

	June 30, 2021 (Reviewed)	December 31, 2020 (Audited)
	JD	JD
Revenue and interest under collection	8,539,570	7,071,454
Prepaid expenses	1,133,449	611,454
Assets seized by the Bank against due debts *	6,614,142	2,449,555
Assets / profits of unrealized financial derivatives	1,684	85,468
Other receivables/brokerage company	57,692	519,167
Land held for sale/brokerage company	1,696,734	1,696,734
Discounted LC's	51,785	724,107
Other	2,669,459	2,287,073
Total	20,764,515	15,445,012

- * The details of the movement on the real state that was seized by bank due to outstanding debt are as follows:

	for the six- Months Period Ended in June 30, 2021 (Reviewed)	for the Year Ended in December 31, 2020 (Audited)
	JD	JD
Balance at the beginning of the period/year	2,449,555	2,429,211
Additions	4,214,918	227,714
Disposals	-	(207,370)
Provision for Assets seized for the year **	(50,331)	-
Balance - End of the Year	6,614,142	2,449,555

- * The regulations of Central Bank of Jordan require disposing of the assets seized by the Bank during a maximum period of two years from the date of the acquisition. In exceptional cases, the Central Bank may extend this period to a maximum of two consecutive years.

- ** The provision for the real state is JD 150,992 as of June 30, 2021 and (100,661 as December 31, 2020).

14. Customers' Deposits

This item consists of the following:

	Individual	Large Companies	Small and Medium Companies	Government and Public Sector	Total
	JD	JD	JD	JD	JD
<u>For the Six Months ended as of June 30, 2021 (Reviewed)</u>					
Current and demand deposits	52,718,467	22,396,930	11,854,596	1,477,790	88,447,783
Saving accounts	26,242,773	646,367	75,514	194,447	27,159,101
Time and notice deposits	303,508,377	178,492,787	14,702,514	74,974,625	571,678,303
Total	<u>382,469,617</u>	<u>201,536,084</u>	<u>26,632,624</u>	<u>76,646,862</u>	<u>687,285,187</u>

For the year ended as of December 31, 2020 (Audited)

Current and demand deposits	49,546,697	16,550,085	13,615,008	775,685	80,487,475
Saving accounts	29,648,573	364,501	216,291	201,987	30,431,352
Time and notice deposits	297,239,130	197,904,084	11,339,921	66,889,985	573,373,120
Total	<u>376,434,400</u>	<u>214,818,670</u>	<u>25,171,220</u>	<u>67,867,657</u>	<u>684,291,947</u>

- Jordan Government and public sector deposits amounted to JD 76,646,862 as of June 30, 2021 (JD 67,867,657 as of December 31, 2020) representing 11.152% (9.918% as of December 31, 2020) of total customers' deposits.
- Non-interest bearing deposits amounted to JD 89,923,439 as of June 30, 2021 (JD 88,910,349 as of December 31, 2020) representing 13.084% (12.993% as of December 31, 2020) of total deposits.
- Restricted deposits amounted to JD 96,917,345 as of June 30, 2021 (JD 96,559,289 as of December 31, 2020) representing 14.101% (14.111% as of December 31, 2020) of total deposits.
- Dormant accounts amounted to JD 25,599,173 as of June 30, 2021 (JD 20,189,962 as of December 31, 2020).

15. Margin Accounts

This item consists of the following:

	June 30, 2021 (Reviewed)	December 31, 2020 (Audited)
	JD	JD
Margins on Direct credit	41,870,821	43,512,259
Margins on Indirect credit	4,980,003	5,020,693
Other Margins	<u>2,941,266</u>	<u>2,787,751</u>
Total	<u>49,792,090</u>	<u>51,320,703</u>

16. Borrowed Funds

This item consists of the following:

	Amount	Number of Payments		Instalments maturity	collaterals	Interest rate
		Total no. of Payments	Outstanding payments			
<u>June 30, 2021 (Reviewed)</u>	JD					
					Mortgage bonds of central bank	
Borrowing from Arab Bank*	33,766,027	1	1	36 Months		3.97%
Borrowing from Central Bank of Jordan**	594,916	30	15	Semi Annual	-	2.500%
Borrowing from Central Bank of Jordan***	606,941	34	34	Semi Annual	-	3.000%
Borrowing from Central Bank of Jordan	10,819	30	10	Monthly	-	1.750%
Jordanian Real Estate Mortgage Refinance Company ****	404,764	236	19	Monthly	-	6.850%
Jordanian Real Estate Mortgage Refinance Company	15,000,000	1	1	24 Months	Mortgage deeds loan Portfolio	4.25%
Jordanian Real Estate Mortgage Refinance Company	10,000,000	1	1	7 Years	Mortgage deeds loan Portfolio	4.9%
Jordanian Real Estate Mortgage Refinance Company	7,000,000	1	1	24 Months	Mortgage deeds loan Portfolio	4.25%
Borrowing from Central Bank of Jordan*****	11,055,708	1	1	Quarterly	Mortgage bonds of central bank	2.000%
Borrowing from Central Bank of Jordan*****	11,746,656	1	1	Monthly	Mortgage bonds of central bank	2.000%
Borrowing from Central Bank of Jordan*****	4,308,692	1	1	Monthly	Mortgage bonds of central bank	2.000%
Borrowing from Central Bank of Jordan*****	10,241,235	1	1	Monthly	Mortgage bonds of central bank	2.000%
Borrowing from Central Bank of Jordan*****	367,951	24	24	Monthly	-	1.000%
Borrowing from Central Bank of Jordan*****	6,501,768	1200	1031	Monthly	-	0.000%
Arab Banking Corporation (Bahrain) *****	11,344,000	1	1	2 Weeks		1.000%
Total	<u>122,949,477</u>					
<u>December 31, 2020 (Audited)</u>						
Arab Bank loan *	14,576,373	1	1	36 Months	Mortgage bonds - The Central Bank of Jordan	5.290%
Arab Bank loan **	19,378,304	1	1	36 Months	Mortgage bonds - The Central Bank of Jordan	5.500%
Central Bank of Jordan loan ***	689,489	30	17	semi annual	-	2.500%
Central Bank of Jordan loan ****	607,888	34	34	semi annual	-	3.000%
Central Bank of Jordan loan	23,666	30	13	Monthly	-	1.75%
Jordanian Real Estate Mortgage Re-fund Co. *****	508,411	236	24	Monthly	-	6.850%
Jordanian Real Estate Mortgage Re-fund Co.	15,000,000	1	1	24 Months	Mortgage deeds loan portfolio	4.250%
Jordanian Real Estate Mortgage Re-fund Co.	5,000,692	1	1	24 Months	Mortgage deeds loan portfolio	5.050%
Central Bank of Jordan loan *****	7,280,586	1	1	Quarterly	-	2.000%
Central Bank of Jordan loan *****	8,320,548	1	1	Monthly	-	2.000%
Central Bank of Jordan loan *****	12,263,312	1	1	Monthly	-	2.000%
Central Bank of Jordan loan *****	6,644,372	792	777	Monthly	-	0.000%
ABC (Bahrain) *****	3,190,500	1	1	2 weeks	-	1.000%
Total	<u>93,484,141</u>					

* The funds borrowed from the Arab Bank of JOD 33,766,027 represents, a repurchase agreement of treasury bonds amounted to nominal value of 31,000,000 JOD, that the bank holds the repurchase right of these bonds on April 4, 2024

** The funds borrowed from the Central Bank amounted JD 594,916 as of June 30, 2021 that represent the loan agreement of the Arab Fund for Economic and Social Development to finance the sector of micro, small and medium enterprises (JD 689,489 as at December 31, 2020).

- *** The funds borrowed from the Central Bank amounted JD 606,941 as of June 30, 2021 represent the loan agreement of the Arab Fund for Economic and Social Development to finance the sector of micro, small and medium enterprises (JD 607,888 as at December 31, 2020).
- **** The borrowed fund as of June 30, 2021 amounted to JD 404,764 at an average interest rate 6.85% (JD 508,411 at an average interest rate of 6.85% as of December 31, 2020)
- ***** The money borrowed from the Central Bank of Jordan amounting to JD 11,055,708 represents a repurchase agreement of treasury bonds with a nominal value of JD 10,812,000 as the bank has the right to repurchase these bonds on July 12, 2021
- ***** The money borrowed from the Central Bank of Jordan amounting to JD 11,746,656 represents a repurchase agreement of treasury bonds with a nominal value of JD 11,715,000 as the bank has the right to repurchase these bonds on July 1, 2021.
- ***** The money borrowed from the Central Bank of Jordan amounting to JD 4,308,692 represents a repurchase agreement of treasury bonds with a nominal value of JD 3,968,000 as the bank has the right to repurchase these bonds on July 7, 2021
- ***** The money borrowed from the Central Bank of Jordan amounting to JD 10,241,235 represents a repurchase agreement of treasury bonds with a nominal value of JD 9,935,000 as the bank has the right to repurchase these bonds on July 18, 2021
- ***** The funds borrowed from the Jordanian Central Bank amounting to JD 6,501,767 are a loan agreement to support companies as a result of the Corona pandemic.
- ***** The funds borrowed from the Arab Banking Corporation (Bahrain) amounting to JD 11,344,000 represent the financing agreement of the subsidiary company (Arab Cooperation Company).

17. Income Tax**a. Income Tax Provision**

The movements on the income tax provision is as follows:

	June 30, 2021 (Reviewed)	December 31, 2020 (Audited)
	JD	JD
Balance at the beginning of the period/ year	6,456,452	2,478,661
Income tax paid	(2,998,051)	(1,137,194)
Accrued income tax	2,399,584	5,114,985
Balance at the end of the period/ year	5,857,985	6,456,452

Income tax expense appearing in the income statement represents the following:

	For the Six Months Ended	
	2021 (Reviewed)	2020 (Reviewed)
	JD	JD
Current income tax liabilities for the period	2,399,584	1,888,454
Deferred tax assets for the period	(683,131)	(988,148)
Reversal of deferred tax assets	725,710	1,092,369
	2,442,163	1,992,675

b. Deferred Tax Assets/Liabilities**1. Deferred Tax Assets**

The movement on deferred tax assets during the period is as follows:

	June 30, 2021 (Reviewed)	December 31, 2020 (Audited)
	JD	JD
Provision for impairment losses from prior years	3,442	3,442
loss on valuation of financial instruments available for sale	92,680	122,643
Difference in impairment provision	1,002,557	1,672,585
Reserves at fair value for financial assets – shares	68,180	68,052
Deferred tax assets result from adoption of IFRS (9)	6,771,556	6,332,848
Employees reward provision	250,519	77,953
Others	965,260	949,095
Total	9,154,204	9,226,618

2. Deferred Tax Liabilities

	June 30, 2021 (Reviewed)	December 31, 2020 (Audited)
	JD	JD
Unrealized gain on financial assets results from adoption of IFRS (9)	1,692	1,692
Gains on Financial assets at fair value through other Comprehensive Income	2,588,916	2,987,037
Fair value reserve of financial assets shares through other comprehensive income	186,492	87,434
Balance - End of the Period/Year	2,777,100	3,076,163

The movement on Assets/Liabilities deferred taxes as follows:

	For the Six Months ended June 30, 2021 (Reviewed)		For the Year Ended December 31, 2020 (Audited)	
	Assets	Liabilities	Assets	Liabilities
	JD	JD	JD	JD
Balance - beginning of the period/year	9,226,618	3,076,163	7,078,498	1,977,939
Additions	691,604	(299,063)	2,242,982	1,098,224
Released	(764,018)	-	(94,862)	-
Balance - End of the period/year	<u>9,154,204</u>	<u>2,777,100</u>	<u>9,226,618</u>	<u>3,076,163</u>

The statutory tax rate on banks in Jordan is 35%, 3% National contribution and the statutory tax rate on the subsidiary is 24%, 4% National contribution.

A final settlement was made with the Income Tax Department of the Bank 2017 and 2018 where the statement was accepted, while the tax declaration for 2019 and 2020 was submitted and no decision was issued final by the Income and Sales Tax Department.

A final Settlement occurred for the subsidiary for 2019 and, The tax declaration was submitted to the subsidiary company for 2020 and no final decision was issued by the Income Tax Department As of the date of these consolidated financial statements.

The income tax return for the year 2015 was submitted to the subsidiary and it was reviewed by the Income and Sales Tax Department and a decision was made to claim additional taxes amounting to 44,370 JD, However, the subsidiary company objected to the estimator's decision with the objection committee, and this decision was issued by the objection committee to support the estimator's decision, and accordingly the subsidiary appealed against the decision of the objection committee at the Tax Court of First Instance, and the case is still pending before the court.

18. Other Liabilities

The details for this item is as follows:

	June 30, 2021(Reviewed)	December 31, 2020(Audited)
	JD	JD
Interest payable	4,469,760	4,375,733
Revenue received in advanced	168,306	80,092
Accounts payable	8,544,082	9,571,829
Unpaid and accrued expenses	1,615,330	1,043,227
Losses derivative financial liabilities / Unrealized	354,391	372,812
Certified cheques withdrawn by the bank	1,308,935	621,152
provision for expected credit losses for Off - balance sheet items	743,622	903,995
Incentives for the board of directors	73,993	140,500
Transfers held for payment	2,430,121	3,053,255
Deferred income	40,977	52,685
Other liabilities	1,195,985	1,418,395
Total	20,945,502	21,633,675

* The movement on the indirect facilities on collective basis as of the end of the period was as follows:

	June 30, 2021 (Reviewed)						December 31, 2020 (Audited)
	Stage (1)		Stage (2)		Stage (3)	Total	Total
	Individual JD	Collective JD	Individual JD	Collective JD	JD	JD	JD
Balance at the beginning of the period/Year	141,411,274	7,367,289	6,354,889	3,688	4,914,055	160,051,195	180,590,493
New exposure during the period	57,289,888	1,329,216	1,481,037	384	159,389	60,259,914	88,120,064
Matured exposure	(66,179,043)	(1,524,066)	(1,979,632)	(2,762)	(97,278)	(69,782,781)	(108,676,193)
Transferred to stage (1)	2,028,008	1,000	(2,028,008)	(1,000)	-	-	-
Transferred to stage (2)	-	(448)	-	448	-	-	-
Transferred to stage (3)	-	-	(7,500)	-	7,500	-	-
Adjustments that resulted from reclassification between the three stages	-	(66)	899,700	352	-	899,986	16,831
Balance at the ending of the period	134,550,127	7,172,925	4,720,486	1,110	4,983,666	151,428,314	160,051,195

The movement on the impairment loss for the indirect facilities on a collective basis as of the end of the period was as follows:

	June 30, 2021 (Reviewed)						December 31, 2020 (Audited)
	Stage (1)		Stage (2)		Stage (3)	Total	Total
	Individual JD	Collective JD	Individual JD	Collective JD	JD	JD	JD
Balance at the beginning of the period/Year	696,156	36,263	171,101	475	-	903,995	1,216,771
Impairment loss on the new exposure during the year	244,191	6,481	69,376	-	-	320,048	532,372
Recoveries from impairment losses on matured exposure	(420,119)	(5,440)	(53,292)	(93)	-	(478,944)	(824,802)
Transferred to stage (1)	3,644	5	(3,644)	(5)	-	-	-
Transferred to stage (2)	-	(41)	-	41	-	-	-
Transferred to stage (3)	-	-	-	-	-	-	-
Adjustments that resulted from reclassification between the three stages	-	38	(1,447)	(68)	-	(1,477)	(20,346)
Balance at the ending of the period	523,872	37,306	182,094	350	-	743,622	903,995

19. Paid-up Capital

The paid-up capital amounted to JD 110,000,000 divided into 110,000,000 shares at a par value of JD 1 per share as of June 30, 2021 (JD 110,000,000 as of June 30, 2021 December 31, 2020).

20. Reserves:

The details of the reserves as of June 30, 2021 and December 2020 as follows:

a. Statutory Reserve

The total amounts in the account includes the transferred profits before taxes in proportion of 10% during the year and the previous year according to the bank's regulation and it is not distributable among shareholders.

b. Voluntary Reserve

The total amounts in this account includes transferred profits before taxes in proportion of 20% during the year of and the previous years. The voluntary reserve is used in specified situations according to the board of directors and the general assembly have the authorization to distribute all of it or any part of it as dividends to shareholders.

21. Fair Value Reserve – Net

This item consists of the following:

	June 30, 2021(Reviewed)	December 31, 2020(Audited)
	JD	JD
Balance at the beginning of the year	4,705,107	2,943,308
Unrealized profits	(708,495)	2,841,610
Deferred tax liabilities	299,063	(1,098,223)
Deferred tax assets	(29,835)	18,412
Balance at the End of the Period/ Year	<u>4,265,840</u>	<u>4,705,107</u>

22. Retained Earnings

This item consists of the following:

	June 30, 2021(Reviewed)	December 31, 2020(Audited)
	JD	JD
Balance at the beginning of the period/year	16,527,230	15,725,766
Total other Comprehensive Income	-	1,222,213
Transfers during the period / year	-	(420,749)
Gain from the disposal impairment of financial instruments (OCI)	10,492	-
Balance at the End of the Period/ Year	<u>16,537,722</u>	<u>16,527,230</u>

An amount of JD 9,154,204 as of June 30, 2021 is restricted against deferred tax assets (JD 9,226,618 as of December 31, 2020), It also includes capitalization or distribution to the extent that it is realized, Indeed, this was previously based on the instructions of the Central Bank of Jordan and the Securities Commission.

Retained earnings includes an amount of JD 2,761 as of June 30, 2021, (JD2,761 as of December 31, 2020) which represents the effect of early implementation of the IFRS no. (9). this amount may not be used except for the amounts actually realized from sale.

23. Expected Credit Loss Provision on Financial Assets

This item consists of the following:

	For the Six Months Ended June 30,	
	2021 (Reviewed)	2020 (Reviewed)
	JD	JD
Deposits and balances in Banks and financial institutions	(6,587)	18,114
Financial assets at fair value from other comprehensive income	(4,035)	(12,557)
Financial assets in amortized cost	(5,837)	(9,165)
Direct credit facilities	2,802,115	4,455,087
Discounted Letters of credit	(375)	(14,041)
Interests and revenues receivable	(15,797)	12,245
Off- balance sheets items	(160,373)	183,982
	<u>2,609,111</u>	<u>4,633,665</u>

24. Interest Income

This item consists of the following:

	For the Six Months Ended as of June 30,	
	2021(Reviewed)	2020(Reviewed)
	JD	JD
Direct credit facilities		
Consumers (Retail)		
Overdrafts	76,687	115,747
Loans and bills	11,235,181	10,963,223
Credit cards	303,600	348,822
Real – estate loans	2,097,890	2,535,556
Companies		
Large		
Overdrafts	1,776,654	2,223,596
Loans and bills	4,987,797	5,421,017
Small and medium enterprises		
Overdrafts	166,340	206,161
Loans and bills	490,459	422,903
Government and public sectors	1,055,269	495,840
Balances at Central Banks	7,342	51,334
Balances at banks and financial institutions	175,787	384,186
Financial assets through statement of other comprehensive income	3,111,587	3,610,624
Financial assets at amortized cost	4,348,214	4,136,583
Interest income on margin financing for the subsidiary's customers	1,241,796	1,303,154
Interest income on interest rate swap contracts	64,898	139,176
	<u>31,139,501</u>	<u>32,357,922</u>

25. Interest Expense

This item consists of the following:

	For the Six Months Ended as of June 30,	
	2021 (Reviewed)	2020 (Reviewed)
	JD	JD
Banks and financial institutions deposits	926,133	1,651,267
Customers' deposits:		
Current accounts and demand deposits	40,802	29,839
Saving accounts	9,540	49,053
Time and notice deposits	8,658,588	10,695,299
Margin accounts	672,946	711,446
Borrowed funds	1,647,071	1,687,163
Deposit guarantee fees	432,621	432,839
Interest on lease liability	79,161	79,312
Interest paid on interest rate swap contracts	373,702	420,437
	<u>12,840,564</u>	<u>15,756,655</u>

26. Profit from Financial Assets at Fair Value Through Other Comprehensive Income

The details for this item are as follows:

	For the Six Months Ended as of June 30,	
	2021 (Reviewed)	2020 (Reviewed)
	JD	JD
Share dividend	4,000	31,875
Total	<u>4,000</u>	<u>31,875</u>

27. Earnings Per Share for the Bank's Shareholders (Basic and Diluted)

The details for this item are as follows:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2021 (Reviewed)	2020 (Reviewed)	2021 (Reviewed)	2020 (Reviewed)
	JD	JD	JD	JD
Profit for the period	2,368,188	1,395,189	5,146,021	1,105,657
Weighted average number of shares	110,000,000	110,000,000	110,000,000	110,000,000
Basic and diluted earnings per share (JD/Fils)	<u>0.022</u>	<u>0.013</u>	<u>0.047</u>	<u>0.010</u>

28. Cash and Cash Equivalents

The details for this item are as follows:

	For the Six Months Ended June 30,	
	2021 (Reviewed)	2020 (Reviewed)
	JD	JD
Cash and balances with Central Bank of Jordan maturing within three months	47,114,600	46,015,077
Add: Balances at banks and financial institutions maturing within 3 months	70,676,031	78,181,098
<u>Less: Banks and financial institutions' deposits maturing within 3 months</u>	<u>(166,786,464)</u>	<u>(159,342,363)</u>
Total	<u>(48,995,833)</u>	<u>(35,146,188)</u>

29. Related Parties Transactions

The accompanying consolidated condensed interim financial statements include the Bank and the financial statement of following subsidiary:

<u>Company name</u>	<u>Ownership</u> %	<u>Paid-up capital</u>	
		<u>June 30, 2021 (Reviewed) JD</u>	<u>December 31, 2020 (Audited) JD</u>
Arab Co- operation for Financial Investments Company Ltd	100	<u>15,600,000</u>	<u>15,600,000</u>

All the balances and transactions between the Bank and the subsidiary company were eliminated.

The Group entered into transactions with parent and affiliated companies, directors, senior management and their related concerns in the ordinary course of business at commercial interest and commission rates. All the loans and advances granted to related parties are performing loans and are free of any provision for impairment.

The details for this item are as follows:

	Related party				Total	
	Parent and affiliated companies	Senior management	Bank's employees	Board of Directors	June 30, 2021 (Reviewed)	December 31, 2020 (Audited)
	JD	JD	JD	JD	JD	JD
<u>Consolidated Statements of Financial Position Items:</u>						
Direct credit facilities	-	1,658,129	10,264,209	7,064	11,929,402	11,645,658
Balance at banks and financial institutions	11,204,801	-	-	-	11,204,801	11,987,761
Banks and financial institutions deposits	37,751,317	-	-	-	37,751,317	37,452,830
Customers' deposits	-	2,486,749	2,105,105	1,727,816	6,319,670	5,524,875
Borrowed funds	11,344,000	-	-	-	11,344,000	3,190,500

Off-Consolidated consolidated statement of financial position items

Letters of guarantee	33,450,715	-	-	-	33,450,715	41,549,882
Letters of credit	6,418,428	-	-	-	6,418,428	3,815,790
Interest rate swap contracts	7,090,000	-	-	-	7,090,000	7,090,000
Currency swap contracts	10,635,000	-	-	-	10,635,000	32,018,000

Consolidated Condensed Interim statements of Profit or Loss Items:

					For the Six Months Ended as of June 30,	
					2021 (Reviewed)	2020 (Reviewed)
					JD	JD
Interest and commission income	187,217	65,093	320,841	-	573,151	518,106
Interest and commission expense	(168,991)	(32,653)	(26,540)	(20,814)	(248,998)	(457,390)

- Interest rates on credit facilities range between 3% to 8.25% while interest rates on customers' deposits range between 0.01% to 4.50%.
- In addition to what was disclosed in the above table, the total balance of credit facilities provided to related parties in the bank amounted to JD 5,391,439 and they numbered 116 clients against acceptable guarantees amounted to JD 3,406,061. The interest rates payable on credit facilities range from 2% to 14% Commission rates range from 0.5% to 1%.

Compensation of the benefits of the senior management is as follows:

	For the Six Months Ended as of June 30,	
	2021 (Reviewed)	2020 (Reviewed)
	JD	JD
Salaries and bonuses	1,351,899	1,283,054

30. Segment Analysis

a. Information on Group business segment:

For management purposes, the Bank was organized into the following major operating segments measured in accordance with the reports that are used by the chief executive decision maker:

- Retail banking.
- Corporate banking.
- Treasury.

The following are the information of the bank's business segments:

					Total For the six months ended as of June 30,	
	Retail	Corporate	Treasury	Other	2021 (Reviewed)	2020 (Reviewed)
	JD	JD	JD	JD	JD	JD
Total income	15,859,194	9,230,710	10,234,922	24,041	35,348,867	36,104,773
(Provision) for impairment loss on direct credit facilities	(810,391)	(1,677,908)	(120,812)	-	(2,609,111)	(4,633,665)
	8,291,210					
Results of the Sector		4,433,549	7,140,557	(51,205)	19,814,111	15,478,443
Unallocated segmental expenses					(12,225,927)	(12,380,111)
Profit for the period before tax					7,588,184	3,098,332
Income tax					(2,442,163)	(1,992,675)
Profit for the Period					5,146,021	1,105,657
Capital expenditures					(1,356,012)	(5,273,863)
Depreciation and amortization					(1,150,725)	(1,160,897)
					June 30 2021 (Reviewed)	Dec 31 2020 (Audited))
Other information					JD	JD
Segmental assets	395,942,026	281,565,564	505,729,829	-	1,183,237,419	1,140,835,256
Unallocated segmental assets	-	-	-	43,524,593	43,524,593	42,766,370
Total Assets	395,942,026	281,565,564	505,729,829	43,524,593	1,226,762,012	1,183,600,626
Segmental liabilities	603,217,263	181,822,177	261,786,262	-	1,046,825,702	1,006,983,970
Unallocated segmental liabilities	-	-	-	15,342,756	15,342,756	16,740,348
Total Liabilities	603,217,263	181,822,177	261,786,262	15,342,756	1,062,168,458	1,023,724,318

b. Geographical distribution information

This disclosure represents the geographical distribution of the Bank business. The Bank operations are mainly concentrated within the local business.

The following shows the distribution of the Bank's operating income and capital expenditure by geographical segmentation:

	Inside Jordan		Outside Jordan		Total	
	June 30, 2021 (Reviewed)	June 30, 2020 (Reviewed)	June 30, 2021 (Reviewed)	June 30, 2020 (Reviewed)	June 30, 2021 (Reviewed)	June 30, 2020 (Reviewed)
	JD	JD	JD	JD	JD	JD
Total income	32,919,999	34,553,918	2,428,868	1,550,855	35,348,867	36,104,774
Capital expenditures	1,238,036	5,262,651	117,976	11,212	1,356,012	5,273,863
	Inside Jordan		Outside Jordan		Total	
	June 30, 2021 (Reviewed)	December 31, 2020 (Audited)	June 30, 2021 (Reviewed)	December 31, 2020 (Audited)	June 30, 2021 (Reviewed)	December 31, 2020 (Audited)
	JD	JD	JD	JD	JD	JD
Total assets	1,166,802,996	1,113,660,924	59,959,016	69,939,702	1,226,762,012	1,183,600,626

31. Capital adequacy ratio

The capital adequacy ratio is calculated in accordance with the instructions of the Central Bank of Jordan based on the decisions of Basel III. The following is the capital adequacy ratio compared to the previous period:

	June 30, 2021 (Reviewed) Thousands JD	December 31, 2020 (Audited) Thousands JD
Common equity shareholder rights		
Paid-up capital (paid)	110,000	110,000
Retained earnings less proposed dividends Plus profit for the period	21,681	16,524
Cumulative change in fair value of financial assets	4,266	4,705
Share premium	67	67
Statutory reserve	28,380	28,380
Voluntary reserve	197	197
Total Capital of Common Shares	164,591	159,873
Regulatory amendments (deduction from capital)		
Goodwill and intangible assets	(1,438)	(1,520)
Deferred tax assets	(9,154)	(9,227)
Total primary Capital	153,999	149,126
Additional capital		
Total Capital (Tier1)	153,999	149,126
General ranking risk reserve / stage (1) IFRS 9	5,102	5,002
Regulatory amendment / Investment in subsidiary		
Total supporting capital	5,102	5,002
Total Regulatory capital	159,101	154,128
Total assets weighted risk	791,739	765,466
Capital adequacy ratio (%)	20.10%	20.14%
Primary Capital adequacy Ratio (%)	19.45%	19.48%

- The banking group liquidity coverage ratio at the average and of each month equates 201.53% for the total currencies during the period from January 1, 2021 until June 30, 2021.

32. Risk Management

1. Exposure distribution based on economic sectors:

a. Total exposure distribution based on financial instrument – Net:

The bank is constantly developing the structure of risk and credit management to ensure effective management of it in all its operations to ensure the efficiency of the risk and credit management process and the proper application of controls in all of the bank's operations.

The Bank's risk management policies for the six months period ended June 30, 2021 are same as the policies followed in the year ended December 31, 2020 that were disclosed in the bank's annual report as of December 31, 2020.

	Financial JD	Industrial JD	Trading JD	Real estates JD	Agriculture JD	shares JD	Individual JD	Government and public sector JD	Services JD	Total JD
Cash and balances at Central Bank of Jordan	-	-	-	-	-	-	-	40,577,096	-	40,577,096
Balances at banks and financial institutions	70,649,606	-	-	-	-	-	-	-	-	70,649,606
Deposits at banks and financial institutions	24,387,572	-	-	-	-	-	-	-	-	24,387,572
Credit facilities	13,360,999	104,498,130	48,593,563	84,181,747	1,523,175	31,858,341	313,670,307	40,470,665	52,825,025	690,981,952
Bills and Bonds:	-	-	-	-	-	-	-	102,843,206	-	117,829,175
Within Financial assets at amortized cost	14,985,969	-	-	-	-	-	-	132,865,511	-	140,200,541
Within Financial assets at fair value through other comprehensive income	7,335,030	-	-	-	-	-	-	67,414,675	-	67,414,675
Mortgaged Financial assets	299,405	166,149	386,975	443,180	58	-	2,705,580	4,702,291	123,318	8,826,956
Other Assets	-	-	-	-	-	-	-	-	-	-
Total for the current period	131,018,581	104,664,279	48,980,538	84,624,927	1,523,233	31,858,341	316,375,887	388,873,444	52,948,343	1,160,867,573
Letter of guarantees	52,600,849	6,005,878	10,515,147	10,805,225	60,305	-	-	-	13,233,073	93,220,477
Letter of credit	12,364,357	2,527,399	2,583,171	-	-	-	-	-	743,273	18,218,200
Other Liabilities	3,064,022	6,617,671	13,487,462	3,554,752	215,287	892,341	7,175,195	-	4,239,285	39,246,015
Total	199,047,809	119,815,227	75,566,318	98,984,904	1,798,825	32,750,682	323,551,082	388,873,444	71,163,974	1,311,552,265

b. Exposure distribution based on classification stage according to the International Financial Reporting Standards No. (9):

	Stage (1)		Stage (2)		Stage (3)	Total
	Individual JD	Collective JD	Individual JD	Collective JD	JD	JD
Financial	198,946,469	-	49,789	-	51,551	199,047,809
Industrial	93,038,474	-	25,019,902	-	1,756,851	119,815,227
Trading	51,897,666	-	22,714,266	-	954,386	75,566,318
Real estate	21,518,466	57,849,645	3,328,208	11,864,582	4,424,003	98,984,904
Agriculture	1,185,506	-	31,634	-	581,685	1,798,825
Shares	-	27,893,963	-	3,049,844	1,806,875	32,750,682
Individual	2,665,690	314,983,318	-	5,600,798	301,276	323,551,082
Government and public sector	388,873,444	-	-	-	-	388,873,444
Services	69,900,523	-	1,221,897	-	41,554	71,163,974
Total	828,026,238	400,726,926	52,365,696	20,515,224	9,918,181	1,311,552,265

2. Exposure distribution based on geographical distribution:

a. Total exposure distribution based on the geographic region – Net:

	Inside Jordan	Other Middle East countries	Europe	Asia	Africa	America	Other countries	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Cash and balances at Central Bank of Jordan	40,577,096	-	-	-	-	-	-	40,577,096
Balances at banks and financial institutions	42,405,754	4,219,325	7,256,819	2,338,450	158,419	14,270,839	-	70,649,606
Deposits at banks and financial institutions	-	24,387,572	-	-	-	-	-	24,387,572
Credit facilities	690,981,952	-	-	-	-	-	-	690,981,952
Bills and Bonds:								
Within Financial assets at fair value through of other comprehensive income	132,865,511	7,335,030	-	-	-	-	-	140,200,541
Within Financial assets at amortized cost	117,829,175	-	-	-	-	-	-	117,829,175
Financial Assets at amortized cost mortgaged	67,414,675	-	-	-	-	-	-	67,414,675
Other Assets	8,698,321	123,272	-	-	-	5,363	-	8,826,956
Total for the current period (2021)	1,100,772,484	36,065,199	7,256,819	2,338,450	158,419	14,276,202	-	1,160,867,573
Letter of guarantees	41,056,459	9,702,900	35,307,483	-	35,558	2,553,490	4,564,587	93,220,477
Letter of credit	5,853,843	-	12,364,357	-	-	-	-	18,218,200
Other Liabilities	39,246,015	-	-	-	-	-	-	39,246,015
Total	1,186,928,801	45,768,099	54,928,659	2,338,450	193,977	16,829,692	4,564,587	1,311,552,265

b. Exposure distribution based on classification steps according to the International Financial Reporting Standards No. (9):

	Stage (1)		Stage (2)		Stage (3)	Total
	Individual	Collective	Individual	Collective	JD	JD
	JD	JD	JD	JD		
Inside Jordan	703,402,774	400,726,926	52,365,696	20,515,224	9,918,181	1,186,928,801
Other middle east countries	45,768,099	-	-	-	-	45,768,099
Europe	54,928,659	-	-	-	-	54,928,659
Asia	2,338,450	-	-	-	-	2,338,450
Africa	193,977	-	-	-	-	193,977
America	16,829,692	-	-	-	-	16,829,692
Other countries	4,564,587	-	-	-	-	4,564,587
Total	828,026,238	400,726,926	52,365,696	20,515,224	9,918,181	1,311,552,265

3. Credit exposure that have been reclassified:

a. Gross credit exposure that have been reclassified:

Item	Stage (2)		Stage (3)		Gross Exposure that have been reclassified	Percentage of exposure that have been reclassified
	Gross Exposure amount	Exposure that have been reclassified	Gross Exposure amount	Exposure that have been reclassified		
	JD	JD	JD	JD	JD	%
Credit facilities	68,767,224	5,926,993	8,368,306	2,954,039	8,881,031	0.98%
Letter of guarantees	1,534,238	-	4,983,666	7,500	7,500	0.001%
Letter of credit	402,063	-			-	0.000%
Other Liabilities	2,658,122	407			407	0.000%
Total	73,361,648	5,927,399	13,351,972	2,961,539	8,888,938	0.98%

b. Expected credit losses for the exposure that have been reclassified:

	Exposures that have been reclassified			Expected credit loss due to reclassified exposures				
	Exposure reclassified from stage (2)	Exposure reclassified from stage (3)	Total	Stage (2)		Stage (3)		Total
				Individual	Collective	Individual	Collective	
	JD	JD	JD	JD	JD	JD	JD	JD
Credit facilities	5,926,993	2,954,039	8,881,031	264	353,492	903,472	1,320,573	2,577,801
Letter of guarantees	-	7,500	7,500					-
Letter of credit	-	-	-					-
Other Liabilities	407	-	407	41				41
Total	5,927,399	2,961,539	8,888,938	305	353,492	903,472	1,320,573	2,577,842

33. Contingent Liabilities and Commitments

This item consists of the following:

	June 30, 2021 (Reviewed)	December 31,2020 (Audited)
	JD	JD
Letters of credit:		
Import LCs	27,465,273	24,908,517
Export LCs	4,026,171	13,806,852
Acceptances	8,818,855	3,085,746
Letters of guarantee:		
Payments	23,010,051	22,140,259
Performance	50,399,442	51,652,717
Other	20,028,794	26,011,435
Unutilized credit facilities	39,713,981	42,902,284
Total	173,462,567	184,507,810

34. Lawsuits Raised Against the Bank

The lawsuits raised against the Bank amounted to JD 4,394,174 as of June 30, 2021 (JD 4,394,174 as of December 31, 2020). According to the management and legal advisor opinion, no material liability will arise as a result of these lawsuits in excess of the amounts already provided for which amounted to JD 688,414 as of June 30, 2021 (JD 688,414 as of December 31, 2020).

36. Impact of Covid

The coronavirus ("COVID") pandemic has spread across various geographies globally, causing disruption to business and economic activities. COVID has brought about uncertainties in the global economic environment.

The Bank is closely monitoring the situation and has activated its business continuity planning and other risk management practices to manage the potential business disruption the COVID outbreak may have on its operations and financial performance.

The Bank has performed an assessment of COVID pandemic which has resulted in the following changes to the expected credit loss methodology and valuation estimates and judgements as at and for the year ended December 31, 2020 noted that there are no changes to policies, estimates and judgments during the period ended on June 31, 2021:

a. Expected credit losses

The uncertainties caused by COVID, have required the Bank to update the inputs and assumptions used for the determination of ECLs during the Second quarter of 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 on the qualitative and quantitative factors when determining the significant increase in credit risk and assessing the indicators of impairment loss for sectors which may be affected. The Bank hedged against these claims through preparing macro-economic overlay on the credit facility portfolio during the second quarter of the year 2021.

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 observable information.

c. Deferred installments and customer credit ratings

Based on the Central Bank of Jordan Circular number 10/3/4375 and 10/3/14960 issued on March 15, 2020 and November 22, 2020 to the banks operating in Jordan, the bank postponed the instalments due or that would be due on some customers without considering this as a restructuring and without affecting the customer credit rating, the postponed instalments amounted to around JD 28 million during the period ended at 30 -June 2021 (60 million during the year 2020).

37. Approval on Consolidated Interim Condensed Financial Information

The consolidated interim condensed financial information was approved by the bank board of directors on July 29, 2021.

35. Fair Value Measures

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

Some financial assets and liabilities of the Bank are evaluated at fair value at the end of each fiscal period. The following table shows the information about how to determine the fair value of these financial assets and liabilities (evaluation methods and inputs used).

Financial Assets	Fair Value		The Level of Fair Value	Evaluation Method and Inputs used	Significant Unobservable Inputs	Relationship of Unobservable Inputs to Fair Value
	June 30, 2021 (Reviewed)	December 31, 2020 (Audited)				
	JD	JD				
Financial Assets at Fair Value						
Financial Assets at Fair Value Through other comprehensive income						
Bonds	132,865,510	124,959,607	Level 2	According to last financial information available	N/A	N/A
Quoted Shares in active markets	8,464,273	8,242,593	Level 1	Quoted prices in financial markets	N/A	N/A
Unquoted Shares in active markets	2,443,419	2,368,267	Level 2	According to last financial information available	N/A	N/A
Total	143,773,202	135,570,467				
Total Financial Assets at Fair Value	143,773,202	135,570,467				
Unrealized gains on financial assets	1,684	85,468	Level 2	According to last financial information available	N/A	N/A
Financial liabilities						
Unrealized losses on financial derivatives	354,391	372,812	Level 2	According to last financial information available	N/A	N/A
Total liabilities at fair value	354,391	372,812				

There were no transfers between level 1 and level 2 during the period ended June 30, 2021 and December 31, 2020.

b. The fair value of the financial assets and financial liabilities that don't have specific fair value on an ongoing basis.

These financial instruments include cash balances and deposits with banks, central banks, direct credit facilities, other financial assets, customer deposits , bank deposits and other financial liabilities.
The fair value of financial instruments is not materially different from their book value.