

THE HOUSING BANK FOR TRADE AND FINANCE
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - THE HASHEMITE KINGDOM OF JORDAN

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

THE HOUSING BANK FOR TRADE AND FINANCE
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - THE HASHEMITE KINGDOM OF JORDAN
JUNE 30, 2021

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Review Report on the Condensed Consolidated Interim Financial Information

AM/ 010923

H.E. The Chairman and Board of Directors Members
The Housing Bank for Trade and Finance
(Public Shareholding Limited Company)
Amman – The Hashemite Kingdom of Jordan

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of The Housing Bank for Trade and Finance (Public Shareholding Limited Company) as of June 30, 2021 and the related condensed consolidated interim statements of profit or loss and comprehensive income for the three and six months ended on June 30, 2021, and changes in owners' equity and cash flows for the six-months then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these condensed consolidated interim financial information in accordance with the international accounting standard No. (34) "Interim Financial Reporting" as adopted by the Central Bank of Jordan. Our responsibility is to express a conclusion on these condensed consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements No.2410, "Review of Condensed Interim Financial Information Performed by the Independent Auditor". A review of 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 condensed consolidated interim financial information are not prepared, in all material respects in accordance with the International Accounting Standard No. (34)" interim financial reporting as adopted by the Central Bank of Jordan".

Other Matter

The accompanying condensed consolidated interim financial information are a translation of the statutory condensed consolidated interim financial statements in the Arabic language to which reference is to be made.

Amman – Jordan
July 29, 2021

Deloitte & Touche (M.E.) – Jordan
ديلويت آند توش (الشرق الأوسط)
010103

THE HOUSING BANK FOR TRADE AND FINANCE
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - THE HASHEMITE KINGDOM OF JORDAN
CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

		June 30, 2021	December 31, 2020
	Note	(Reviewed)	(Audited)
Assets:		JD	JD
Cash and balances at central banks - net	5	797,474,398	1,125,774,294
Balances at banks and financial institutions - net	6	366,300,189	360,632,307
Deposits at banks and financial institutions - net	7	49,903,807	53,681,863
Financial assets at fair value through profit or loss	8	4,753,978	4,455,791
Financial assets at fair value through other comprehensive income	9	382,073,831	371,882,600
Direct credit facilities at fair value through profit or loss	10	113,626,581	130,690,360
Direct credit facilities at amortized cost - net	11	4,118,768,643	3,976,743,772
Financial assets at amortized cost - net	12	1,959,038,200	1,833,842,295
Property and equipment - net		168,085,263	174,997,134
Intangible assets - net		19,609,304	18,995,985
Right of use asset		23,696,508	25,269,889
Deferred tax assets		116,198,115	105,241,081
Other assets - net	13	131,340,281	123,841,846
TOTAL ASSETS		<u>8,250,869,098</u>	<u>8,306,049,217</u>
LIABILITIES AND OWNERS' EQUITY:			
LIABILITIES:			
Banks and financial institutions deposits		800,287,550	777,725,622
Customers' deposits	14	5,339,004,571	5,466,474,965
Cash margins		255,751,407	234,263,330
Borrowed funds	15	355,254,413	314,578,622
Sundry provisions	16	24,783,570	41,573,033
Income tax provision	17/a	38,489,280	48,515,568
Deferred tax liabilities		8,036,718	8,981,193
Lease liability		22,851,670	24,365,216
Other liabilities	18	237,152,883	227,714,160
TOTAL LIABILITIES		<u>7,081,612,062</u>	<u>7,144,191,709</u>
OWNERS' EQUITY:			
BANK'S SHAREHOLDERS' EQUITY:			
Authorized and paid-up capital		315,000,000	315,000,000
Share premium		328,147,537	328,147,537
Statutory reserve		243,460,970	243,461,008
Special reserve		11,446,352	11,433,336
Foreign currencies translation		(122,716,027)	(120,824,117)
Fair value reserve - net	20	6,556,692	9,654,188
Retained earnings	21	276,112,856	313,925,834
Profit for the Period		49,436,234	-
TOTAL BANK'S SHAREHOLDERS' EQUITY		<u>1,107,444,614</u>	<u>1,100,797,786</u>
Non-controlling interest		61,812,422	61,059,722
TOTAL OWNERS' EQUITY		<u>1,169,257,036</u>	<u>1,161,857,508</u>
TOTAL LIABILITIES AND OWNERS' EQUITY		<u>8,250,869,098</u>	<u>8,306,049,217</u>

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THE HOUSING BANK FOR TRADE AND FINANCE
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - THE HASHEMITE KINGDOM OF JORDAN
CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS

	Note	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
Interest income	22	90,578,740	101,249,194	184,566,195	211,805,502
Interest expense	23	(17,860,180)	(26,549,413)	(37,048,620)	(58,640,026)
Net Interest Income		72,718,560	74,699,781	147,517,575	153,165,476
Net commission income		5,476,617	4,601,550	11,341,248	11,216,850
Net Interest and Commission Income		78,195,177	79,301,331	158,858,823	164,382,326
Gain from foreign currencies		2,424,196	2,622,475	4,459,881	5,709,394
(Loss) gain from financial assets at fair value through profit or loss	24	(51,349)	1,253,023	(442,453)	1,019,338
Cash dividends from financial assets at fair value through other comprehensive income		169,027	175,000	169,027	175,000
Other revenue		6,692,191	3,678,276	13,494,966	10,950,698
Total Income		87,429,242	87,030,105	176,540,244	182,236,756
Expenses					
Employees' expenses		19,189,708	20,025,037	37,255,486	41,523,018
Depreciation and amortization		6,221,891	5,850,796	12,358,966	12,152,453
Other expenses		15,267,831	13,364,945	28,050,225	27,027,640
Allowance for expected credit losses	19	24,020,266	32,384,072	36,652,266	58,315,031
(Recovery) expense of Sundry provisions	16	(16,182,343)	135,116	(15,897,581)	52,069
Total Expenses		48,517,353	71,759,966	98,419,362	139,070,211
Profit for the period before income tax expense		38,911,889	15,270,139	78,120,882	43,166,545
Income tax expense	17/b	(11,623,764)	(5,244,749)	(25,466,070)	(16,569,202)
Profit for the Period		27,288,125	10,025,390	52,654,812	26,597,343
Attributable to:					
Bank's Shareholders		25,155,857	10,250,609	49,436,234	25,898,348
Non-Controlling Interest		2,132,268	(225,219)	3,218,578	698,995
		27,288,125	10,025,390	52,654,812	26,597,343
Basic and diluted earnings per share for the period attributable to the Bank's Shareholders					
	25	0,080	0,033	0,157	0,082

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THE HOUSING BANK FOR TRADE AND FINANCE
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - THE HASHEMITE KINGDOM OF JORDAN
CONDENSED CONSOLIDATED INTERIM
STATEMENT OF COMPREHENSIVE INCOME

	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	27,288,125	10,025,390	52,654,812	26,597,343
<u>Other comprehensive income items which may be reclassified to profit or loss in the subsequent period</u>				
Foreign currencies translation	(2,086,064)	(5,002,350)	(3,329,884)	(15,633,407)
Net change in valuation reserve of financial assets at fair value through other comprehensive income after tax – debt instruments	(340,488)	5,826,276	(2,932,885)	2,708,028
<u>Other comprehensive income items that will not be reclassified to profit or loss in the subsequent period</u>				
Net change in valuation reserve of financial assets at fair value through other comprehensive income after tax – equity instruments	(5,527)	213,820	(5,527)	1,565
Total other comprehensive income items for the period after tax	(2,432,079)	1,037,746	(6,268,296)	(12,923,814)
Total Comprehensive Income for the Period	24,856,046	11,063,136	46,386,516	13,673,529
<u>Attributable to:</u>				
Bank's shareholders	23,694,390	12,421,432	44,446,828	17,115,645
Non-controlling interest	1,161,656	(1,358,296)	1,939,688	(3,442,116)
	24,856,046	11,063,136	46,386,516	13,673,529

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THE HOUSING BANK FOR TRADE AND FINANCE
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - THE HASHEMITE KINGDOM OF JORDAN
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN OWNERS' EQUITY

	Bank's Shareholders Equity										
	(Authorized) Paid-up Capital	Share premium	Reserves		Foreign Currency Translation	Fair value reserve - net	Retained Earnings	Profit for the Period	Total Bank Shareholder's Equity	Non- controlling Interest	Total Owners' Equity
			Statutory	Special Reserve							
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
For the Six Months Ended June 30, 2021											
(Reviewed)											
Beginning Balance for the Period (Audited)	315,000,000	328,147,537	243,461,008	11,433,336	(120,824,117)	9,654,188	313,925,834	-	1,100,797,786	61,059,722	1,161,857,508
Prior years adjustments	-	-	(38)	13,016	-	-	(12,978)	-	-	-	-
Adjusted Beginning Balance for the Period	315,000,000	328,147,537	243,460,970	11,446,352	(120,824,117)	9,654,188	313,912,856	-	1,100,797,786	61,059,722	1,161,857,508
(Reviewed)	315,000,000	328,147,537	243,460,970	11,446,352	(120,824,117)	9,654,188	313,912,856	-	1,100,797,786	61,059,722	1,161,857,508
Profit for the period	-	-	-	-	-	-	-	49,436,234	49,436,234	3,218,578	52,654,812
Net change in valuation reserve of financial assets at fair value through other comprehensive income – debit instruments	-	-	-	-	-	(3,091,969)	-	-	(3,091,969)	159,084	(2,932,885)
Net change in valuation reserve of financial assets at fair value through other comprehensive income – equity instruments	-	-	-	-	-	(5,527)	-	-	(5,527)	-	(5,527)
Foreign currencies translation	-	-	-	-	(1,891,910)	-	-	-	(1,891,910)	(1,437,974)	(3,329,884)
Total comprehensive income for the period (Note 21)	-	-	-	-	(1,891,910)	(3,097,496)	-	49,436,234	44,446,828	1,939,688	46,386,516
Dividends paid	-	-	-	-	-	-	(37,800,000)	-	(37,800,000)	(1,186,988)	(38,986,988)
Ending Balance for the Period (Reviewed)	315,000,000	328,147,537	243,460,970	11,446,352	(122,716,027)	6,556,692	276,112,856	49,436,234	1,107,444,614	61,812,422	1,169,257,036
For the Six Months Ended June 30, 2020											
(Reviewed)											
Beginning Balance for the Period (Audited)	315,000,000	328,147,537	235,755,327	11,184,797	(112,455,441)	5,400,864	285,267,050	-	1,068,300,134	55,513,708	1,123,813,842
Prior years adjustments	-	-	(1,357)	117,655	-	-	(116,298)	-	-	-	-
Adjusted Beginning Balance for the Period	315,000,000	328,147,537	235,753,970	11,302,452	(112,455,441)	5,400,864	285,150,752	-	1,068,300,134	55,513,708	1,123,813,842
(Reviewed)	315,000,000	328,147,537	235,753,970	11,302,452	(112,455,441)	5,400,864	285,150,752	-	1,068,300,134	55,513,708	1,123,813,842
Profit for the period	-	-	-	-	-	-	-	25,898,348	25,898,348	698,995	26,597,343
Net change in valuation reserve of financial assets at fair value through other comprehensive income – debit instruments	-	-	-	-	-	2,708,028	-	-	2,708,028	-	2,708,028
Net change in valuation reserve of financial assets at fair value through other comprehensive income – equity instruments	-	-	-	-	-	1,565	-	-	1,565	-	1,565
Foreign currencies translation	-	-	-	-	(11,492,296)	-	-	-	(11,492,296)	(4,141,111)	(15,633,407)
Total comprehensive income for the period	-	-	-	-	(11,492,296)	2,709,593	-	25,898,348	17,115,645	(3,442,116)	13,673,529
Realized (loss) from sold financial assets at fair value through other comprehensive income – equity instruments	-	-	-	-	-	-	(1,350)	-	(1,350)	-	(1,350)
Ending Balance for the Period (Reviewed)	315,000,000	328,147,537	235,753,970	11,302,452	(123,947,737)	8,110,457	285,149,402	25,898,348	1,085,414,429	52,071,592	1,137,486,021

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THE HOUSING BANK FOR TRADE AND FINANCE
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - THE HASHEMITE KINGDOM OF JORDAN
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

	For the Six Months Ended June 30,	
	2021 (Reviewed)	2020 (Reviewed)
<u>OPERATING ACTIVITIES</u>	JD	JD
Profit for the period before income tax	78,120,882	43,166,545
Adjustments for non-cash items:		
Depreciation and amortization	12,358,966	12,152,453
Provision for expected credit losses	36,652,266	58,488,277
Net unrealized loss (gain) from valuation of credit facilities at fair value through profit and loss	910,821	(1,185,650)
Unrealized (gain) loss from valuation of derivatives	(910,821)	1,185,650
Cash dividends from financial assets at fair value through other comprehensive income	(169,027)	(175,000)
Net unrealized (gain) loss from the valuation of financial assets at fair value through profit or loss	(356,132)	184,722
Net accrued interest and commission income	(2,189,098)	(3,920,422)
Effect of the change in exchange rates on cash and cash equivalents	(2,736,309)	(2,702,706)
Provision for end of service indemnity expense	953,217	5,483,627
Premiums and discounts amortization	(404,270)	(508,986)
Sundry provisions	(15,897,581)	52,069
Others	2,725,389	1,470,651
Cash flows from operating activities before changes in assets and liabilities	109,058,303	113,517,984
Decrease (Increase) in Assets:		
Deposits at banks and financial institutions (maturing within more than 3 months)	3,884,275	(8,684,263)
Direct credit facilities	(169,757,927)	(121,941,959)
Financial assets at fair value through profit or loss	57,945	12,382
Other assets	(7,265,772)	(11,756,496)
Increase (Decrease) in Liabilities:		
Banks and financial institutions' deposits (maturing within more than 3 months)	18,417,787	11,427,587
Customers' deposits	(104,860,420)	(395,756,020)
Cash margins	22,472,806	(49,734,324)
Other liabilities	9,995,210	(5,205,704)
Sundry provisions	(1,282,811)	(1,295,991)
Net Cash Flow (Used in) Operating Activities Before Income Tax	(119,280,604)	(469,416,804)
Income tax paid (Note 17)	(45,771,449)	(45,013,500)
Net Cash Flow (Used in) Operating Activities	(165,052,053)	(514,430,304)
<u>INVESTING ACTIVITIES</u>		
(Purchase) of financial assets at fair value through other comprehensive income	(91,786,069)	(63,043,940)
Matured financial assets at fair value through other comprehensive income	78,105,296	75,281,478
Cash dividends from financial assets at fair value through other comprehensive income	169,027	175,000
(Purchase) of financial assets at amortized cost	(229,533,966)	(165,414,130)
Matured financial assets at amortized cost	105,587,100	118,700,000
(Purchase) of property and equipment	(1,117,080)	(2,931,061)
Proceeds from sale of property and equipment	(54,696)	15,723
(Purchase) of intangible assets	(3,723,461)	(2,263,367)
Net Cash Flow (Used in) Investing Activities	(142,353,849)	(39,480,297)
<u>FINANCING ACTIVITIES</u>		
Borrowed funds	40,675,791	126,281,670
Dividends paid to shareholders	(35,912,440)	(45,436)
Lease liability paid	(2,735,194)	(2,365,357)
Net Cash Flows from Financing Activities	2,028,157	123,870,877
Net (Decrease) in Cash and Cash Equivalent	(305,377,745)	(430,039,724)
Effect of the change in exchange rates on cash and cash equivalents	(21,275,726)	(325,415)
Cash and cash equivalents - beginning of the period	771,041,221	909,289,435
Cash and Cash Equivalents - End of the Period (Note 26)	444,387,750	478,924,296

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.THE HOUSING BANK FOR TRADE AND FINANCE
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - THE HASHEMITE KINGDOM OF JORDAN
NOTES TO THE CONDENSED CONSOLIDATED INTERIM
FINANCIAL INFORMATION

1. Incorporation and Activities

- The Housing Bank for Trade and Finance ("the Bank") was established in 1973 and registered as a public shareholding limited company with its head quarter located in Amman – Jordan , in accordance with the Jordanian Companies Law No. (12) of 1964.
- The Bank provides its banking and financing business activities through its headquarter in Amman – Jordan and through its branches in Jordan (114 branches) and abroad in Palestine and Bahrain (16 branches) and through its subsidiaries in Jordan, Syria, Algeria and the United Kingdom.
- The Bank's shares are traded on Amman Stock Exchange.
- The condensed consolidated interim financial information were approved by the Bank's Board of Directors on July 29th 2021.

2. Basis of Preparation of the Condensed Consolidated Interim Financial Information

- The accompanying condensed consolidated interim financial information have been prepared in accordance with the International Accounting Standard No. (34) "Interim Financial Reporting", as adopted by the Central Bank of Jordan.
- The condensed consolidated interim financial information are prepared in accordance with the historical cost principle, except for financial assets and financial liabilities which are stated at fair value at the date of the condensed consolidated interim financial information.
- The reporting currency of the condensed consolidated interim financial information is the Jordanian Dinar, which is the main 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 financial reporting standards as adopted by the Central Bank of Jordan 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 necessarily 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 the end of the financial year.
- The condensed consolidated interim financial information includes the condensed interim financial information of the Bank and its subsidiaries under its control. Control is achieved when the Bank has the ability to control the financial and operational policies of subsidiaries in order to obtain benefits from their activities. Transactions, balances, revenue and expenses between the bank and its subsidiaries are eliminated.

As of June 30, 2021, the Bank owns the following subsidiaries:

a. Foreign subsidiaries:

- International Bank for Trade and Finance / Syria: paid-in capital is Syrian Lira 5.25 billion, of which the Bank owns 49.063%. The Bank has the power to control and manage the operational and financial policies of this bank. Therefore, its accounts have been consolidated with the financial statements of the Bank. In this regard, the Bank's main objective is to conduct commercial banking activities, and ownership of this bank dates back to 2003. In addition, the International Bank for Trade and Finance has a subsidiary – The International Financial Center/ Syria with an ownership percentage of 85% of the company's capital amounting to 100 million SYL, whereas The Housing Bank for Trade and Finance owns a percentage of 5% of the company's capital.
- Housing Bank for Trade and Finance – Algeria: the ownership is 85% of the bank's capital of 20 billion Algerian dinars. The main objective of this bank is to conduct commercial banking activities, and ownership of this bank dates back to 2002.
- Jordan International Bank / London: The Bank ownership is 75% of paid-up capital, which amounts to 65 million pounds sterling (65 million shares). The main objective of this bank is to conduct banking activities.

b. Local subsidiaries:

- International Financial Center Company- Jordan: The Bank ownership is 77.5% of paid-up capital, which amounted to JD 5 million. The Company's main activity is financial brokerage in local and foreign financial markets, and it conducts purchase and sale transactions of financial instruments for customers and the company. The Bank's ownership in this company dates back to 1998.
- Specialized Lease Finance Company – Jordan: The Bank owns 100% of paid- in capital of JD 30 million (30 million shares). The Company's main activity is to conduct finance leases for various types of equipment and machinery, in addition to real estate, land, vehicles, and other items purchased by the company for financial leasing purposes. The Bank's ownership in this company dates back to 2005.
- Jordan Real Estate Investments Company – Jordan: The Bank owns 100% of this company's paid- in capital of JD 40,000. The company's main activity is managing non- banking services employees, and the Bank's ownership in this company dates back to 1997.

3. Significant Accounting Policies

The accounting policies used in the preparation of the condensed consolidated interim financial information for the period ended on June 30, 2021 are consistent with those used in the preparation of the annual consolidated financial statements for the year ended December 31, 2020. However, the Bank has adopted the following amendments and interpretations that apply for the first time in 2021 and have not materially affected the amounts and disclosures in the condensed consolidated interim financial information for the period and prior years, which may have an impact on the accounting treatment of future transactions and arrangements:

Interest Rate Benchmark Reform - Phase 2 amendments

Effective from January 1, 2021, the Group has implemented Interest Rate Benchmark Reform - Phase 2 amendments which address issues that might affect financial reporting as a result of the reform of an interest rate benchmark, including the effects of changes to contractual cash flows or hedging relationships arising from the replacement of an interest rate benchmark with an alternative benchmark rate. The amendments provide practical relief from certain requirements in IFRS 9, IFRS 7, IFRS 4, IFRS 16 and IAS 39 relating to changes in the basis for determining contractual cash flows of financial assets, financial liabilities and lease liabilities and hedge accounting.

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

The Bank performed a preliminary study in relation to exposure to cash flow and fair value hedges and non-derivative financial assets and liabilities linked to Inter Bank Offered Rate maturing beyond the year 2021 and it was found that there is no material impact of the interest rate reform on the bank's results.

4. Significant Accounting Judgments and key Sources of Uncertainty Estimates and risk management:

Preparation of the condensed consolidated interim financial information and application 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 assumptions 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 reasonable and consistent with those used in the preparation of the Bank's annual financial statements for the year ended December 31, 2020.

5. Cash and Balances at Central Banks - net

The details of this item are as follows:

	June 30, 2021 (Reviewed)	December 31, 2020 (Audited)
	JD	JD
Cash on hand and treasury	123,095,950	122,074,433
Balance at central banks :		
Current accounts and demand deposits	425,921,368	746,163,935
Term and notice deposits	43,020,402	38,749,073
Statutory cash reserve	205,476,805	218,827,845
Total Balances at Central Banks	674,418,575	1,003,740,853
Total cash and balances at central banks	797,514,525	1,125,815,286
Less: Provision for expected credit losses	(40,127)	(40,992)
Net	797,474,398	1,125,774,294

* There are no certificate of deposits purchased from the Central Bank of Jordan as of June 30, 2021 and December 31, 2020.

- Except for the statutory cash reserve, there are no restricted balances as of June 30, 2021 and December 31, 2020.

6. Balances at Banks and Financial Institutions-net

The details of this item are 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 and under demand accounts	7,606,504	21,544,629	174,135,599	150,140,120	181,742,103	171,684,749
Deposits maturing during six months or less	24,928,606	38,591,665	159,865,965	150,468,829	184,794,571	189,060,494
Total	32,535,110	60,136,294	334,001,564	300,608,949	366,536,674	360,745,243
Provision for expected credit losses	(68,664)	(29,317)	(167,821)	(83,619)	(236,485)	(112,936)
Net	32,466,446	60,106,977	333,833,743	300,525,330	366,300,189	360,632,307

- Non-interest bearing balances at banks and financial institutions amounted to JD 44,810,567 as of June 30, 2021 (JD 25,073,162 as of December 31, 2020).
- There are no restricted balances as of June 30, 2021 and December 31, 2020.
- There is no transfers between stages (1, 2 and 3) or written off balances during the six months period ended June 30, 2021 and for the year ended December 31, 2020.

7. Deposits at Banks and Financial Institutions - Net

The details of this item are 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
Deposits mature during the period:						
From 3 months to 6 months	-	30,000,000	576,851	21,918,417	576,851	51,918,417
From 6 months to 9 months	-	-	16,392,130	1,542,962	16,392,130	1,542,962
From 9 months to 12 months	30,000,000	-	3,064,361	456,238	33,064,361	456,238
Total	30,000,000	30,000,000	20,033,342	23,917,617	50,033,342	53,917,617
Provision for expected credit losses	(847)	(10,207)	(128,688)	(225,547)	(129,535)	(235,754)
Net	29,999,153	29,989,793	19,904,654	23,692,070	49,903,807	53,681,863

- There are no restricted deposits as of June 30, 2021 and December 31, 2020.
- There is no transfers between stages (1,2 and 3) or written off balances during the six months period ended June 30, 2020 and the year ended December 31, 2020.

8. Financial Assets at Fair Value through Profit or Loss

The details of this item are as follows:

	June 30, 2021 (Reviewed)	December 31, 2020 (Audited)
	JD	JD
Quoted companies shares listed in financial markets	4,121,181	3,822,994
Total	4,121,181	3,822,994
Unquoted Companies shares not listed in financial markets	632,797	632,797
Total	632,797	632,797
Grand Total	4,753,978	4,455,791

9. Financial Assets at Fair Value through other Comprehensive Income

The details of this item are as follows:

	June 30, 2021 (Reviewed)	December 31, 2020 (Audited)
	JD	JD
Unquoted shares	26,807,082	26,129,906
Total Shares	26,807,082	26,129,906
Jordanian Treasury bonds	198,070,301	170,277,249
Foreign governments bills and bonds	79,986,368	80,485,872
Corporate bonds	78,017,271	95,496,835
Total Bonds	356,073,940	346,259,956
<u>Less:</u> Provision of expected credit loss	(807,191)	(507,262)
Total Bonds – Net	355,266,749	345,752,694
Total	382,073,831	371,882,600

Bonds are repaid on several instalments, the last of which matures on the year 2049. And, the interest rates on the bonds ranges from 0.06 negative to 6.51%.

- The movement on financial assets at fair value through other comprehensive income for shares during the period/year was as follow:

	June 30, 2021 (Reviewed)	December 31, 2020 (Audited)
	JD	JD
Fair value - beginning balance period / year	26,129,906	25,628,516
New investments during the period / year	684,444	698,760
Change in fair value during the period / year	(8,631)	(123,521)
Sold investments during the period / year	-	(78,974)
Currency translation difference	1,363	5,125
Balance – End of the Period/Year	26,807,082	26,129,906

- The movement on financial assets at fair value through other comprehensive income for bonds during the period / year was as follow:

	Stage (1) Individual	Stage (2) Individual	Stage (3)	Total
	JD	JD	JD	JD
For the Six Months Period				
Ended June 30, 2021 (Reviewed)				
Fair value-beginning of the period (Audited)	346,259,956	-	-	346,259,956
New investments during the period	91,101,625	-	-	91,101,625
Matured investments during the period	(78,105,296)	-	-	(78,105,296)
Transferred to stage (2)	(918,226)	918,226	-	-
Change in fair value during the period	(4,245,716)	-	-	(4,245,716)
Amortization of premium/ discount	239,758	-	-	239,758
Adjustments resulted from change in exchange rates	823,613	-	-	823,613
Balance – End of the Period (Reviewed)	355,155,714	918,226	-	356,073,940

	Stage (1) Individual JD	Stage (2) Individual JD	Stage (3) JD	Total JD
For the Year Ended				
<u>December 31, 2020 (Audited)</u>				
Fair value – beginning of the year	352,431,258	10,768,285	-	363,199,543
New investments during the year	83,885,501	-	-	83,885,501
Matured investments during the year	(100,792,508)	(10,720,328)	-	(111,512,836)
Change in fair value during the year	6,670,407	4,344	-	6,674,751
Amortization of premium/ discount	(828,470)	(50,196)	-	(878,666)
Adjustments resulted from change in exchange rates	4,893,768	(2,105)	-	4,891,663
Balance – End of the Year	346,259,956	-	-	346,259,956

- The movement on expected credit losses during the period / year were as follow:

	Stage (1) Individual JD	Stage (2) Individual JD	Stage (3) JD	Total JD
For the Six Months Period				
<u>Ended June 30, 2021 (Reviewed)</u>				
Balance – beginning of the period (Audited)	507,262	-	-	507,262
Expected credit losses for new investment during the period	11,180	-	-	11,180
Reversed from impairment losses on matured Investments	(6,470)	-	-	(6,470)
Transferred to stage (2)	(159,050)	159,050	-	-
Changes resulting from adjustments	58,115	216,919	-	275,034
Effect resulting from change in exchange rates	20,185	-	-	20,185
Balance – End of the Period (Reviewed)	431,222	375,969	-	807,191

For the Year Ended				
<u>December 31, 2020 (Audited)</u>				
Balance – beginning of the year	352,877	21,131	-	374,008
Expected credit loss for new investments during the year	267,736	-	-	267,736
Reversed from impairment losses on matured investments	(151,168)	(21,131)	-	(172,299)
Changes resulting from adjustments	27,521	-	-	27,521
Adjustments resulting from change in exchange rates	10,296	-	-	10,296
Balance – End of the Year	507,262	-	-	507,262

10. Direct Credit Facilities at fair value through the profit or loss

The movement on direct credit facilities at fair value through profit or loss during the period / year were as follow:

	June 30, 2021 (Reviewed) JD	December 31, 2020 (Audited) JD
Balance – beginning of the period/year	130,690,360	-
paid Facilities during the period / year	(15,952,500)	-
Transferred from direct credit facilities at amortized cost	-	129,093,382
Changes resulted from adjustments	(200,458)	-
Change in fair value during the period / year	(910,821)	1,596,978
Balance end of period / year	113,626,581	130,690,360

11. Direct Credit Facilities at Amortized Cost – Net

The details of this item are as follows:

	June 30, 2021 (Reviewed)	December 31, 2020 (Audited)
	JD	JD
Individuals (retail):		
Overdraft accounts	7,738,012	5,481,013
Loans and discounted bills *	891,723,319	841,501,810
Credit cards	16,492,636	15,144,726
Real estate loans	1,271,708,108	1,258,978,371
Includes Housing loans	782,359,898	783,748,117
Companies:		
Large corporation		
Overdraft accounts	291,402,281	216,813,681
Loans and discounted bills *	1,260,122,381	1,293,788,358
Small and Medium Entities		
Overdraft accounts	70,126,833	57,323,650
Loans and discounted bills *	285,029,839	256,118,000
Government and public sector	599,593,891	577,933,242
Total	4,693,937,300	4,523,082,851
<u>Less:</u> Provision of expected credit losses	(458,742,795)	(431,232,121)
Suspended interest	(116,425,862)	(115,106,958)
Net Direct Credit Facilities	4,118,768,643	3,976,743,772

* Net after deducting interest and commission received in advance of JD 19,407,100 as of June 30, 2021 (JD 22,038,145 as of December 31, 2020).

- Non-performing credit facilities at fair value and amortized cost amounted to JD 342,681,198 which is equivalent to 7.13% of total credit facilities at fair value and amortized cost as of June 30, 2021 (JD 367,220,045 which is equivalent to 7.89% of total credit facilities as of December 31, 2020).
- Non-performing credit facilities after deducting interest and commissions in suspense amounted to JD 234,753,713 which is equivalent to 5% of total direct credit facilities balance at fair value and amortized cost at after deducting suspended interest and commission as of June 30, 2021 (JD 255,512,265 which is equivalent to 5.63% of total credit facilities balance at fair value and amortized cost after deducting suspended interest and commission as of December 31, 2020).
- Non-performing credit facilities transferred to off-the consolidated statement of financial position amounted to JD 20,343,135 as of June 30, 2021 (JD 20,875,345 as of December 31, 2020), the off-balance sheet item balance is amounted to JD 395,126,781 as of June 30, 2021 (JD 406,053,093 as of December 31, 2020). These debts are fully covered with provisions and suspended interests.
- Direct credit facilities granted to and guaranteed by the Government of Jordan amounted to JD 646,333,550 which is equivalent to 13.4% of total direct credit facilities as of June 30, 2021 (JD 646,111,011 which is equivalent to 13.9% as of December 31, 2020).
- Rescheduled loans amounted to JD 35 million during the period ended June 30, 2021 against JD 51,7 million during the year 2020.
- Restructured loans amounted to JD 309,7 million during the period ended June 30, 2021 against JD 255,7 million during the year 2020.

The movement on Direct credit facilities during the period / year were as follow:

	Stage (1)		Stage (2)			
	Individual	Collective	Individual	Collective	Stage (3)	Total
	JD	JD	JD	JD	JD	JD
For the Six Months Period						
<u>Ended June 30, 2021 (Reviewed)</u>						
Balance - beginning of the period (Audited)	2,029,419,235	1,620,627,677	338,844,132	94,476,568	439,715,239	4,523,082,851
Reclassification impact	127,476	(30,518,646)	-	30,391,170	-	
Adjusted balance – beginning of the year	2,029,546,711	1,590,109,031	338,844,132	124,867,738	439,715,239	4,523,082,851
New credit facilities during the period	272,059,995	264,584,283	19,500,172	2,245,444	1,784,247	560,174,141
Paid credit facilities during the period	(99,269,310)	(151,428,401)	(11,282,925)	(5,045,435)	(11,812,147)	(278,838,218)
Transferred from to stage (1)	25,636,579	23,221,205	(23,936,126)	(20,906,270)	(4,015,388)	-
Transferred from to stage (2)	(119,961,746)	(15,181,917)	122,254,948	20,489,669	(7,600,954)	-
Transferred from to stage (3)	(5,569,929)	(1,818,892)	(5,051,781)	(3,332,196)	15,772,798	-
Changes resulted from adjustments	(30,220,848)	(35,414,662)	(1,228,641)	(5,253,116)	(1,662,515)	(73,779,782)
Credit facilities written off and transferred to off balance sheet items	-	-	-	-	(24,537,724)	(24,537,724)
Adjustments resulting from change in exchange rates	(2,643,583)	575,828	(601,527)	(3,414,744)	(6,079,942)	(12,163,968)
Balance - End of the Period (Reviewed)	2,069,577,869	1,674,646,475	438,498,252	109,651,090	401,563,614	4,693,937,300
For the Year Ended						
<u>December 31, 2020 (Audited)</u>						
Balance - beginning of the year	1,999,944,671	1,764,918,943	321,609,001	124,546,946	387,724,773	4,598,744,334
Reclassification impact	210,016,133	(210,016,133)	22,000,702	(22,000,702)	-	-
Adjusted balance – beginning of the year	2,209,960,804	1,554,902,810	343,609,703	102,546,244	387,724,773	4,598,744,334
New credit facilities during the year	416,677,939	418,244,061	16,484,631	13,984,832	14,628,499	880,019,962
Paid credit facilities during the year	(305,853,997)	(255,427,631)	(23,023,189)	(15,438,233)	(15,830,529)	(615,573,579)
Transferred from to stage (1)	12,702,016	47,374,817	(12,001,851)	(40,651,504)	(7,423,478)	-
Transferred from to stage (2)	(56,124,955)	(47,924,378)	57,838,483	55,753,164	(9,542,314)	-
Transferred from to stage (3)	(4,974,800)	(8,551,536)	(50,945,868)	(9,147,268)	73,619,472	-
Changes resulted from adjustments	(93,734,713)	(77,374,024)	8,989,468	1,314,999	36,628,539	(124,175,731)
Transferred to direct credit facilities at fair value through profit or loss	(129,093,382)	-	-	-	-	(129,093,382)
credit facilities transferred to off balance sheet items	-	-	-	-	(23,688,063)	(23,688,063)
Adjustments resulting from change in exchange rates	(20,139,677)	(10,616,442)	(2,107,245)	(13,885,666)	(16,401,660)	(63,150,690)
Balance - End of the Year	2,029,419,235	1,620,627,677	338,844,132	94,476,568	439,715,239	4,523,082,851

The movement on the provision of expected credit loss during the period / year were as follows:

	Corporate JD	SME's JD	Individuals (Retail) JD	Real Estate loans JD	Governmental and Public JD	Total JD
For the Six Months Ended June 30, 2021 (Reviewed)						
Balance - beginning of the period (Audited)	217,494,102	47,931,630	36,517,290	129,214,695	74,404	431,232,121
Effect of re-classification	1,650,981	168,533	(3,367)	(1,816,147)	-	-
Adjusted Beginning Balance (Reviewed)	219,145,083	48,100,163	36,513,923	127,398,548	74,404	431,232,121
Impairment loss on new facilities during the period	2,572,166	1,886,049	2,495,037	598,830	7,059	7,559,141
Reversed from impairment loss on paid facilities	(2,382,094)	(1,305,568)	(2,329,069)	(4,133,560)	-	(10,150,291)
Transferred from to stage (1) – net	(8,857,275)	(783,916)	2,565,874	(1,021,172)	-	(8,096,489)
Transferred from to stage (2) – net	5,908,849	787,255	(1,430,532)	1,287,641	-	6,553,213
Transferred from to stage (3) – net	2,948,426	(3,339)	(1,135,343)	(266,469)	-	1,543,275
Effect on the provision as of the end of the period resulting from reclassification between the three stages during the period	3,064,645	1,712,469	(442,827)	3,940,251	-	8,274,538
Changes resulting from adjustment	11,742,863	(486,438)	1,203,472	21,242,752	(10,211)	33,692,438
Credit facilities written off and transferred to off balance sheet items	(9,790,603)	(64,426)	(53,447)	(106,980)	-	(10,015,456)
Adjustments resulting from change in exchange rates	(1,602,897)	(229,911)	(3,875)	(13,012)	-	(1,849,695)
Balance - End of the Period (Reviewed)	222,749,163	49,612,338	37,383,213	148,926,829	71,252	458,742,795
Redistribution based on portfolio:						
Provisions on an individual level	220,580,894	48,346,903	20,497,631	129,058,744	71,252	418,555,424
Provisions on a collective level	2,168,269	1,265,435	16,885,582	19,868,085	-	40,187,371
	222,749,163	49,612,338	37,383,213	148,926,829	71,252	458,742,795
Redistribution based on stages:						
Stage (1)	12,720,083	3,145,807	9,832,132	10,766,830	71,252	36,536,104
Stage (2)	64,623,728	10,533,151	8,891,691	110,031,582	0	194,080,152
Stage (3)	145,405,352	35,933,380	18,659,390	28,128,417	0	228,126,539
	222,749,163	49,612,338	37,383,213	148,926,829	71,252	458,742,795

	Corporate JD	SME's JD	Individuals (Retail) JD	Real Estate loans JD	Governmental and Public JD	Total JD
For the Year Ended December 31, 2020						
(Audited)						
Balance - beginning of the year	178,484,965	39,280,368	40,543,847	74,880,894	417,669	333,607,743
Reclassification impact	1,082,581	(894,576)	389,311	(177,315)	(400,001)	-
Adjusted Beginning Balance	179,567,546	38,385,792	40,933,158	74,703,579	17,668	333,607,743
Impairment loss on new facilities during the year	12,245,589	6,240,575	4,444,974	2,999,871	581	25,931,590
Reversed from impairment loss on paid facilities	(9,535,737)	(3,440,928)	(3,511,161)	(1,473,408)	(49)	(17,961,283)
Transferred from to stage (1)	731,346	(72,639)	4,117,906	3,287,920	-	8,064,533
Transferred from to stage (2)	(7,908,580)	(3,322,886)	(603,135)	(160,660)	-	(11,995,261)
Transferred from to stage (3)	7,177,234	3,395,525	(3,514,771)	(3,127,260)	-	3,930,728
Effect on the provision as of the end of the period resulting from reclassification between the three stages	19,357,572	6,038,044	2,077,178	7,278,752	-	34,751,546
Changes resulting from adjustment	28,624,840	3,854,557	(7,001,048)	46,160,575	56,204	71,695,128
Credit facilities written off and transferred to off balance sheet items	(8,352,010)	(2,023,140)	(377,734)	(235,635)	-	(10,988,519)
Adjustments resulting from change in exchange rates	(4,413,698)	(1,123,270)	(48,077)	(219,039)	-	(5,804,084)
Balance - End of the Year	217,494,102	47,931,630	36,517,290	129,214,695	74,404	431,232,121
Redistribution based on portfolio:						
Provisions on an individual level	216,529,551	47,156,080	21,425,185	114,577,284	74,404	399,762,504
Provisions on a collective level	964,551	775,550	15,092,105	14,637,411	-	31,469,617
	217,494,102	47,931,630	36,517,290	129,214,695	74,404	431,232,121
Redistribution based on stages:						
Stage (1)	26,526,203	4,766,044	7,323,419	15,592,456	74,404	54,282,526
Stage (2)	41,642,561	6,336,783	8,795,760	83,203,865	-	139,978,969
Stage (3)	149,325,338	36,828,803	20,398,111	30,418,374	-	236,970,626
	217,494,102	47,931,630	36,517,290	129,214,695	74,404	431,232,121

Interest in Suspense

The following is the movement on interest in suspense:

	Corporate Entities				Government and Public Sector	
	Corporate	SME's	Individuals (Retail)	Real Estate loans	JD	Total
	JD	JD	JD	JD		JD
<u>For the Six Months Ended June 30, 2021 (Reviewed)</u>						
Balance – beginning of the period (Audited)	43,690,566	27,118,474	24,910,177	19,387,741	-	115,106,958
Effect of re-classification	-	14,100	(15,456)	1,356	-	-
Adjusted Beginning Balance (Reviewed)	43,690,566	27,132,574	24,894,721	19,389,097	-	115,106,958
Suspended interest on new exposures during the period	109,587	76,372	92,902	15,402	-	294,263
Suspended interest on settled exposures transferred to revenue during the period	(366,039)	(199,391)	(221,932)	(593,992)	-	(1,381,354)
Total effect on the suspended interest resulting from reclassification between the three stages	134,095	(25,801)	(344,594)	(179,212)	-	(415,512)
Total effect on the suspended interest resulting from adjustments	9,957,327	3,652,053	2,194,202	5,403,530	-	21,207,112
Credit facilities written off and transferred to off balance sheet items	(11,975,037)	(598,989)	(520,634)	(1,427,608)	-	(14,522,268)
Adjustments resulting from changes in exchange rate	(3,755,458)	(101,202)	(5,635)	(1,042)	-	(3,863,337)
Balance – End of the Period (Reviewed)	37,795,041	29,935,616	26,089,030	22,606,175	-	116,425,862
<u>For the year ended December 31, 2020 (Audited)</u>						
Balance – beginning of the year	45,614,086	23,114,028	20,778,391	16,809,081	-	106,315,586
Reclassification impact	260,600	(257,250)	11,132	(14,482)	-	-
Adjusted beginning balance	45,874,686	22,856,778	20,789,523	16,794,599	-	106,315,586
Suspended interest on new exposures during the year	224,183	509,319	55,917	84,215	-	873,634
Suspended interest on settled exposures transferred to revenue during the year	(2,030,735)	(663,942)	(233,635)	(735,728)	-	(3,664,040)
Total effect on the suspended interest resulting from reclassification between the three stages	1,412,565	619,718	(374,738)	(202,922)	-	1,454,623
Total effect on the suspended interest resulting from adjustments	10,559,567	6,142,130	5,092,447	4,280,229	-	26,074,373
Credit facilities written off and transferred to off balance sheet items	(9,546,597)	(1,932,875)	(398,063)	(822,084)	-	(12,699,619)
Adjustments resulting from change in exchange rates	(2,803,103)	(412,654)	(21,274)	(10,568)	-	(3,247,599)
Balance – End of the Year	43,690,566	27,118,474	24,910,177	19,387,741	-	115,106,958

- The following are the total direct credit facilities classified by economic sector and geographic distribution:

Economic Sector	June 30, 2021 (Reviewed)			December 31, 2020 (Audited)
	Inside Jordan	Outside Jordan	Total	Total
	JD	JD	JD	JD
Financial	134,151,865	60,293,565	194,445,430	184,921,682
Industrial	323,510,432	158,176,724	481,687,156	485,535,840
Trading	301,522,186	259,723,889	561,246,075	548,815,320
Real estate	1,052,519,933	279,388,525	1,331,908,458	1,294,738,478
Agriculture	22,231,697	1,264,151	23,495,848	23,932,778
Shares	7,738,093	-	7,738,093	5,642,396
Individuals	899,526,013	24,030,796	923,556,809	879,261,768
Government and public sector	522,825,387	76,768,504	599,593,891	577,933,242
Other	457,606,115	112,659,425	570,265,540	522,301,347
	3,721,631,721	972,305,579	4,693,937,300	4,523,082,851

12. Financial Assets at Amortized Cost - Net

The details of this item are as follows:

	June 30, 2021 (Reviewed)	December 31, 2020 (Audited)
	JD	JD
Quoted Financial Assets:		
Jordanian Treasury bills	8,110,657	-
Jordanian treasury bonds *	1,224,667,473	1,117,900,012
Governmental guaranteed bonds	538,854,765	531,390,922
Foreign governments bonds	24,349,220	24,342,358
Corporate bonds and debentures	164,284,076	162,386,634
Total Quoted Financial Assets	1,960,266,191	1,836,019,926
Unquoted Financial Assets:		
Corporate bonds and debentures	3,000,001	3,000,001
Total Unquoted Financial Assets	3,000,001	3,000,001
Total	1,963,266,192	1,839,019,927
<u>Less: Provision for excepted credit losses</u>	<u>(4,227,992)</u>	<u>(5,177,632)</u>
Total	1,959,038,200	1,833,842,295
Bonds and Bills Analysis:		
With fixed rate	1,959,038,200	1,825,271,295
With floating rate	-	8,571,000
Total	1,959,038,200	1,833,842,295

- Bonds are repaid on several instalments, the last of which matures on the year 2036.
- Interest rate on bonds ranges from 0.7% to 6.74%.
- * The Bank has entered into repurchase agreements with the Central Bank of Jordan as stated in Note (15) against mortgaging treasury bonds with a nominal value of JD 55,3 million (JD 52,8 million as of December 31, 2020).

- The following is the movement on financial assets at amortized cost during the period / year:

	Stage (1) Individual	Stage (2) Individual	Stage (3)	Total
	JD	JD	JD	JD
<u>For the Six Months Ended June 30, 2021 (Reviewed)</u>				
Beginning balance (Audited)	1,836,019,926	-	3,000,001	1,839,019,927
New investments during the period	229,533,966	-	-	229,533,966
Matured investments	(105,587,100)	-	-	(105,587,100)
Amortization of premium/ discount	164,512	-	-	164,512
Adjustments resulting from changes in exchange rates	134,887	-	-	134,887
Balance – End of the Period (Reviewed)	<u>1,960,266,191</u>	<u>-</u>	<u>3,000,001</u>	<u>1,963,266,192</u>
<u>For the Year Ended December 31, 2020 (Audited)</u>				
Beginning balance	1,826,801,575	-	3,000,001	1,829,801,576
New investments during the year	253,382,804	-	-	253,382,804
Matured investments	(245,231,000)	-	-	(245,231,000)
Amortization of premium/ discount	966,518	-	-	966,518
Adjustments resulting from changes in exchange rates	100,029	-	-	100,029
Balance – End of the Year	<u>1,836,019,926</u>	<u>-</u>	<u>3,000,001</u>	<u>1,839,019,927</u>

- The following is the movement on provision for expected credit losses during the period/year:

	Stage (1) Individual	Stage (2) Individual	Stage (3)	Total
	JD	JD	JD	JD
<u>For the Six Months Ended June 30, 2021 (Reviewed)</u>				
Beginning balance (Audited)	2,177,632	-	3,000,000	5,177,632
Expected credit loss for new investments during the period	103,471	-	-	103,471
The effect on the provision resulting from the adjustments	(1,054,900)	-	-	(1,054,900)
Adjustments resulting from changes in exchange rates	1,789	-	-	1,789
Balance – End of the Period (Reviewed)	<u>1,227,992</u>	<u>-</u>	<u>3,000,000</u>	<u>4,227,992</u>
<u>For the Year Ended December 31, 2020 (Audited)</u>				
Beginning balance	177,625	-	3,000,000	3,177,625
Expected credit loss for new investments during the year	908,182	-	-	908,182
Expected credit loss for matured investments during the year	(16,826)	-	-	(16,826)
The effect on the provision resulting from the adjustments	1,103,822	-	-	1,103,822
Adjustments resulting from changes in exchange rates	4,829	-	-	4,829
Balance – End of the Year	<u>2,177,632</u>	<u>-</u>	<u>3,000,000</u>	<u>5,177,632</u>

13. Other Assets – Net

The details of this item are as follows:

	June 30, 2021 (Reviewed)	December 31, 2020 (Audited)
	JD	JD
Accrued revenues and interest	31,498,679	29,817,280
Prepaid expenses	7,496,839	2,986,491
Assets seized by the Bank as a fulfilment accrued debt *	68,786,129	66,579,286
Gain of hedging derivative valuation	661,199	252,390
Cheques under collection	9,130,887	14,984,796
Other	14,227,696	9,675,211
Total	131,801,429	124,295,454
Provision for expected credit loss **	(461,148)	(453,608)
Net	131,340,281	123,841,846

- * The regulations of Central Bank of Jordan require the Bank to dispose the assets it seizes during a maximum period of two years from the date of the acquisition.

The following is a summary of the movement on assets seized by the Bank as a fulfilment accrued debt:

	For the Six Months Period Ended June 30, 2021 (Reviewed)	For the Year Ended December 31, 2020 (Audited)
	JD	JD
Beginning balance of the period / year	66,579,286	64,412,759
Additions	9,223,194	13,688,228
Disposals	(5,696,386)	(6,423,991)
Impairment loss	(1,306,888)	(4,952,095)
Foreign currencies translation difference	(13,077)	(145,615)
Balance – Ending of the Period / Year	68,786,129	66,579,286

14. CUSTOMERS' DEPOSITS

The details of this item are as follows:

	Individuals (Retail)	Corporate	SME's	Governmental and Public	Total
	JD	JD	JD	JD	JD
June 30, 2021					
(Reviewed)					
Current accounts and demand deposits	697,893,440	186,831,322	355,135,225	46,506,011	1,286,365,998
Saving deposits	2,087,054,778	205,199	17,755,402	406,388	2,105,421,767
Time and notice deposits	1,193,303,144	347,701,598	52,206,491	126,091,065	1,719,302,298
Certificates of deposit	207,557,921	19,042,313	902,110	-	227,502,344
Others	412,164	-	-	-	412,164
Total	4,186,221,447	553,780,432	425,999,228	173,003,464	5,339,004,571

December 31, 2020**(Audited)**

Current accounts and demand deposits	666,315,607	185,585,879	325,095,531	57,928,997	1,234,926,014
Saving deposits	2,058,453,077	90,052	14,512,166	382,574	2,073,437,869
Time and notice deposits	1,248,459,314	371,812,862	59,158,943	229,715,262	1,909,146,381
Certificates of deposit	224,417,024	23,217,152	917,192	-	248,551,368
Others	413,333	-	-	-	413,333
Total	4,198,058,355	580,705,945	399,683,832	288,026,833	5,466,474,965

- The deposits of the public sector and the Government of Jordan inside the Kingdom amounted to approximately JD 168.1 million representing 3.15% of total deposits as of June 30, 2021 (approximately JD 280.4 million, representing 5.1% of total deposits as of December 31, 2020).
- Non-interest bearing deposits amounted to JD 1.68 billion, representing 31.5% of total deposits as of June 30, 2021 (against around JD 1.63 billion, representing 29.9% of total deposits as of December 31, 2020).
- Restricted deposits (Restricted withdrawal) amounted to JD 178.5 million, representing 3.3% of total deposits as of June 30, 2021 (against JD 187.1 million, representing 3.4% of total deposits as of December 31, 2020).
- Dormant accounts amounted to JD 294.8 million, representing 5.52% of total deposits as of June 30, 2021 (against JD 251.9 million, representing 4.6% of total deposits as of December 31, 2020).

15. Borrowed funds:

This item consists of the following:

	Amount	Periodicity of instalments due	Number of Total instalments	Number of Remaining instalments	Final instalments due date	Guarantees	Borrowing Interest Rate	Re-lending Interest Rate
June 30, 2021	JD							
Cairo Amman Bank	24,000,000	Monthly	13	13	10//6/2022	Financial Solvency	%3.5	10.5%
Jordan Mortgage Refinance Co.	5,000,000	Semi annual	1	1	6/5/2023	Financial Solvency	%4.5	10.5%
Jordan Mortgage Refinance Co.	5,000,000	Semi annual	1	1	7/1/2024	Financial Solvency	%4.5	10.5%
Jordan Mortgage Refinance Co.	5,000,000	Semi annual	1	1	15/11/2023	Financial Solvency	%4.5	10.5%
European investment Bank	41,639,570	Semi annual	10	10	22/10/2027	Financial Solvency	%1.18	As per the prices approved by the Bank
Central Bank of Jordan loan	4,550,000	Semi annual	20	13	14/7/2028	Financial Solvency	%1.99	Guaranteed 6.04% without guarantee 6.54%
Central Bank of Jordan loan	3,577,388	Semi annual	20	18	15/3/2030	Financial Solvency	%2.04	Guaranteed 5.59% without guarantee 6.59%
Central Bank of Jordan loan	1,540,000	Semi annual	15	7	7/2/2031	Financial Solvency	%2.5	Guaranteed 6% without guarantee 6.5%
Central Bank of Jordan loan	3,880,680	Semi annual	34	34	21/12/2039	Financial Solvency	%3,00	Guaranteed 6.5% without guarantee 7.5%
Central Bank of Jordan loan	4,000,000	Semi annual	34	34	15/3/2035	Financial Solvency	%1.99	Guaranteed 6.04% without guarantee 6.54%
Central Bank of Jordan loan	49,720,502	Based on the Periodicity of instalments due			10 years	On demand promissory note	Inside the capital 1% outside the capital 0.5%	Inside the capital Minimum 3.75% outside the capital minimum 3.25%
Central Bank of Jordan loan – national program to face COVID-19 pandemic	25,769,930	Based on the Periodicity of instalments due			54 months of which a 12 month grace period	On demand promissory note	%0	%2
Central Bank of Jordan – repurchase agreements	60,816,189	Based on each agreement			From July 1 st to November 15 th 2021	Government bonds	%2	-
Bank UBAF - Japan	15,760,154	Based on the financing agreement			31/8/2021	Financial Solvency	0.9%	6 month Libor + 1.9% (floor : 1.9%)
Jordan Mortgage Refinance Co *	50,000,000	Semi annual	1	1	29/5/2024	Mortgage	%6,35	%5.75 – 8.25%
Jordan Mortgage Refinance Co *	25,000,000	Semi annual	1	1	31/01/2022	Mortgage	%6,10	%5.75 – 8.25%
Jordan Mortgage Refinance Co *	30,000,000	Semi annual	1	1	08/10/2023	Mortgage	%4.25	%5.75 – 8.25%
	355,254,413							

* Funds have been lent to customers for housing loans with an interest rate ranges from 5,75% to 8,25%.

- Borrowed funds with a fixed interest rate amounted to JD 301,487,455, and borrowed funds with variable interest rate amounted to JD 53,766,958 as of June 30, 2021.
- The Maturity dates for the borrowed funds from the Central Bank of Jordan range from 14 July 2021 to 21 December 2039.
- Borrowed funds amounted to JD 78,772,526 and settled borrowed funds amounted to JD 44,197,502 during the six months period ended June 30, 2021, excluding repurchase agreement.
- The renewed loans amounted to JD 5,000,000 during the period ended June 30, 2021.

	Amount	Periodicity of instalments due	Number of Total instalments	Number of Remaining instalments	Final instalments due date	Guarantees	Borrowing Interest Rate	Re-lending Interest Rate
December 31, 2020	JD							
Cairo Amman Bank	28,000,019	Monthly	16	16	16/12/2021	Financial Solvency	%3.50	%10.5
Jordan Mortgage Refinance Co.	5,000,000	Semi annual	1	1	6/5/2023	Financial Solvency	%4.50	%10.5
Jordan Mortgage Refinance Co.	5,000,000	Semi annual	1	1	7/1/2021	Financial Solvency	%5.00	%10.5
Jordan Mortgage Refinance Co.	5,000,000	Semi annual	1	1	15/11/2023	Financial Solvency	%4.50	%10.5
Central Bank of Jordan loan	4,900,000	Semi annual	20	14	14/7/2028	Financial Solvency	%2.08	Guaranteed 6.04% without guarantee 6.54%
Central Bank of Jordan loan	3,776,131	Semi annual	20	19	15/3/2030	Financial Solvency	%2.13	Guaranteed 5.59% without guarantee 6.59%
Central Bank of Jordan loan	1,785,000	Semi annual	15	8	7/2/2031	Financial Solvency	%2.50	Guaranteed 6% without guarantee 6.5%
Central Bank of Jordan loan	3,880,680	Semi annual	34	34	21/12/2039	Financial Solvency	%3.00	Guaranteed 6.5% without guarantee 7.5%
Central Bank of Jordan loan	4,000,000	Semi annual	20	20	15/3/2035	Financial Solvency	2.08%	Guaranteed 6.04% without guarantee 6.54%
Central Bank of Jordan loan	36,235,962	Based on the Periodicity of instalments due			10 years	On demand promissory note	Inside the capital city 1% outside the capital city 0.5%	Inside the capital Minimum 3.75% outside the capital minimum 3.25%
Central Bank of Jordan loan – national program to face COVID-19 pandemic	29,484,408	Based on the Periodicity of instalments due			42 months	On demand promissory note	%0	%2
Central Bank of Jordan – repurchase agreements	54,715,405	Based on each agreement			From 11 days to 3 months	Government bonds	%2	-
Bank UBAF - Japan	27,801,017	Based on the financing agreement			19/05/2021	Financial Solvency	%0.9	6 month Libor + 1.9% (floor : 1.9%)
Jordan Mortgage Refinance Co *	50,000,000	Semi annual	1	1	29/5/2024	Mortgage	%6,35	%5.75 – 8.50%
Jordan Mortgage Refinance Co *	25,000,000	Semi annual	1	1	31/01/2022	Mortgage	%6,10	%5.75 – 8.50%
Jordan Mortgage Refinance Co *	30,000,000	Semi annual	1	1	08/10/2023	Mortgage	%4.25	%5.75 – 8.50%
	314,578,622							

* Funds have been lent to customers for housing loans with an interest rate ranges from 5,75% to 8,50%.

- Borrowed funds with a fixed interest rate amounted to JD 301,902,491, and borrowed funds with variable interest rate amounted to JD 12,676,131 as of December 31, 2021.
- The Maturity dates for the borrowed funds from the Central Bank of Jordan range from 7 January 2021 to 21 December 2039.
- Borrowed funds during 2020 amounted to JD 159,250,254 and the settled borrowed funds amounted to JD 57,676,624.
- The renewed loans amounted to JD 15,000,000

16. Sundry Provisions

The details of this item are as follows:

	Provision for End-of- Service Indemnity	Provision for Outstanding Lawsuits Against the Bank	Other Provisions	Total
<u>For the Six Months Ended June 30, 2021 (Reviewed)</u>	JD	JD	JD	JD
Beginning balance (Audited)	6,440,425	24,224,789	10,907,819	41,573,033
Provision for the period	953,217	964,119	600,580	2,517,916
Provision used during the period	(16,277)	(1,266,534)	-	(1,282,811)
Reverse to revenue	(608,878)	(16,853,402)	-	(17,462,280)
Currency translation difference for the period	(69)	(137,158)	(425,061)	(562,288)
Balance - End of the period (Reviewed)	<u>6,768,418</u>	<u>6,931,814</u>	<u>11,083,338</u>	<u>24,783,570</u>
<u>For the Year Ended December 31, 2020 (Audited)</u>				
Beginning balance (Audited)	7,858,724	23,053,888	13,411,831	44,324,443
provision for the year	6,008,227	3,133,485	612,602	9,754,314
Transfers (from) / to provisions	-	-	(729,929)	(729,929)
Provision used during the year	(7,426,546)	(147,905)	(719,120)	(8,293,571)
Reverse to revenue	-	-	(459,524)	(459,524)
Currency translation difference for the year	20	(1,814,679)	(1,208,041)	(3,022,700)
Balance - End of the Year	<u>6,440,425</u>	<u>24,224,789</u>	<u>10,907,819</u>	<u>41,573,033</u>

17. Income Tax

a. Income tax provision

The movement on the income tax provision is as follows:

	June 30, 2021 (Reviewed)	December 31, 2020(Audited)
	JD	JD
Balance – beginning of the period / year	48,515,568	46,550,293
Income tax paid	(45,771,449)	(61,112,545)
Accrued income tax	35,106,896	62,552,313
Income tax due on the dividends from subsidiaries	1,008,939	825,264
Currency translation	(370,674)	(299,757)
Balance – Ending of the Period / Year	38,489,280	48,515,568

- Income tax rate for Banks in Jordan is 35% and a 3% for the national contribution account. In addition, the average income tax percentage in the countries in which the Bank has investments is in between (0- 31%).
- Jordan branches have reached a final settlement until year 2018 (excluding 2017) with the Income Tax Department, and have filed the tax statements which have not been audited by the income tax department on years 2019 and 2020 tax returns.
- Taxes due on Palestine branches were settled until 2020, and reached a final settlement until year 2018.
- The income tax for International Bank for Trade and Finance /Syria was paid up to the year 2020.
- The income tax for the Housing Bank for Trade and Finance /Algeria was paid up to the year 2020.
- The income tax for Jordan International Bank/ London was paid up to the year 2020.
- The income tax for International Financial Centre Company was paid up to the year 2020, Moreover, a final settlement has been reached for all years except for 2018 and 2020.
- The income tax for Specialized Leasing Company was paid up to the year 2020, Moreover, a final settlement has been reached up to 2019.

b. Income tax expense appearing in the condensed consolidated interim statement of profit or loss represents the following:

	For the Six Months Ended June 30,	
	2021 (Reviewed)	2020 (Reviewed)
	JD	JD
Accrued for income tax for the period	35,106,896	36,177,984
Deferred tax assets for the period	(29,946,994)	(29,044,040)
Amortization of deferred tax assets	19,297,229	9,439,385
Amortization of deferred tax liabilities	-	(4,127)
Income tax due on dividend's distribution from subsidiaries	1,008,939	-
Total	25,466,070	16,569,202

18. Other Liabilities

The details for this item are as follows:

	June 30, 2021 (Reviewed)	December 31, 2020 (Audited)
	JD	JD
Accrued interest	12,238,758	12,660,083
Interests and commissions received in advance	541,503	627,877
Accrued expenses	20,091,896	18,825,735
Certified cheques	23,863,733	27,716,240
Transfers in process	41,345,035	25,980,352
Payments in process	10,614,823	8,142,073
Prizes	885,200	532,131
Amounts payable to correspondent banks	1,734,728	1,656,199
General management trusts	5,214,118	5,086,352
Dividends payable to shareholders	5,884,071	2,647,281
Accounts payable	7,186,310	5,134,749
Unrealized loss / hedge derivatives	1,877,549	2,554,897
Other payable accounts	67,980,365	69,128,388
Provision for indirect facilities' expected credit losses	33,764,043	35,880,148
Other	3,930,751	11,141,655
Total	237,152,883	227,714,160

Below is the movement on indirect facilities during the period / year:

	Stage (1)		Stage (2)		Stage (3)	Total
	Individual	Collective	Individual	Collective	JD	JD
	JD	JD	JD	JD		
<u>For the Six Months Period ended June 30, 2021</u>						
<u>(Reviewed)</u>						
Balance at the beginning of the period (Audited)	692,194,446	64,259,589	39,957,175	4,312,028	19,027,488	819,750,726
New exposures during the period	264,443,655	10,267,720	21,436,184	4,037,715	494	300,185,768
Matured exposures during the period	(209,491,653)	(11,375,165)	(7,595,985)	(3,947,855)	(311,511)	(232,722,169)
Transferred to stage (1)	4,390,343	150,456	(4,390,343)	(138,656)	(11,800)	-
Transferred to stage (2)	(19,525,087)	(74,350)	19,565,075	124,350	(89,988)	-
Transferred to stage (3)	(20,000)	(71,500)	(412,291)	(5,800)	509,591	-
Changes resulting from adjustment	(19,852,568)	8,707,627	(2,620,850)	-	(175,119)	(13,940,910)
Adjustments resulting from changes in foreign currency rates	(710,603)	294,912	(43,416)	-	13,502	(445,605)
Balance at the Ending of the Period (Reviewed)	<u>711,428,533</u>	<u>72,159,289</u>	<u>65,895,549</u>	<u>4,381,782</u>	<u>18,962,657</u>	<u>872,827,810</u>
<u>For the Year Ended December 31, 2020</u>						
<u>(Audited)</u>						
Balance at the beginning of the year	686,750,033	139,683,669	32,131,097	4,381,623	19,746,052	882,692,474
Reclassification effect	70,492,510	(70,492,510)	179,282	(179,282)	-	-
Adjusted beginning balance for the year	757,242,543	69,191,159	32,310,379	4,202,341	19,746,052	882,692,474
New exposure during the year	302,469,988	10,593,932	10,315,454	682,060	198,050	324,259,484
Matured exposure during the year	(321,103,972)	(11,511,107)	(5,845,230)	(1,404,066)	(5,661,112)	(345,525,487)
Transferred to stage (1)	2,576,288	954,632	(2,303,266)	(826,632)	(401,022)	-
Transferred to stage (2)	(7,349,516)	(3,431,913)	7,769,762	3,431,913	(420,246)	-
Transferred to stage (3)	(638,175)	(990,833)	(3,720,898)	(50,000)	5,399,906	-
Changes resulting from adjustment	(35,126,913)	4,802,622	1,447,100	748,285	146,957	(27,981,949)
Adjustments resulting from changes in foreign currency rates	(5,875,797)	(5,348,903)	(16,126)	(2,471,873)	18,903	(13,693,796)
Balance at the End of the Year	<u>692,194,446</u>	<u>64,259,589</u>	<u>39,957,175</u>	<u>4,312,028</u>	<u>19,027,488</u>	<u>819,750,726</u>

Below is the movement on the expected credit loss for indirect facilities during the period / year:

	Stage (1)		Stage (2)		Stage (3)	Total
	Individual	Collective	Individual	Collective	JD	JD
	JD	JD	JD	JD		
<u>For the Six Months Period ended June 30, 2021 (Reviewed)</u>						
Balance at the beginning of the period (Audited)	11,290,253	353,830	8,328,900	303,588	15,603,577	35,880,148
Impairment loss on the new facilities	2,071,761	81,307	1,931,800	136,877	98	4,221,843
Reversed from impairment loss on the matured facilities	(4,526,092)	(69,886)	(1,224,955)	(176,904)	(155,568)	(6,153,405)
Transferred to stage (1)	231,548	48,551	(231,548)	(44,277)	(4,274)	-
Transferred to stage (2)	(1,079,564)	(1,720)	1,103,004	20,836	(42,556)	-
Transferred to stage (3)	(693)	(1,180)	(36,189)	-	38,062	-
Effect on provision as end of the period resulting from reclassification between the three stages during the period	(78,883)	(45,259)	(288,421)	20,405	258,422	(133,736)
Changes resulting from adjustment	(465,737)	74,023	158,251	9,553	211,860	(12,050)
Adjustments resulting from changes in foreign currency rates	(22,397)	(6,634)	(7,067)	1,328	(3,987)	(38,757)
Balance at the Ending of the Period (Reviewed)	<u>7,420,196</u>	<u>433,032</u>	<u>9,733,775</u>	<u>271,406</u>	<u>15,905,634</u>	<u>33,764,043</u>
<u>For the Year Ended December 31, 2020 (Audited)</u>						
Balance at the beginning of the year	3,279,931	4,129,689	6,728,093	938,565	16,981,074	32,057,352
Reclassification	2,770,570	(2,770,570)	30,084	(30,084)	-	-
Adjusted beginning balance for the year	6,050,501	1,359,119	6,758,177	908,481	16,981,074	32,057,352
Impairment loss on new exposure during the year	6,842,630	104,144	2,111,474	35,086	105,004	9,198,338
Reversed impairment loss on matured exposure	(3,540,491)	(481,972)	(118,803)	(330,969)	(5,233,176)	(9,705,411)
Transferred to stage (1)	217,652	244,384	(10,155)	(178,084)	(273,797)	-
Transferred to stage (2)	(249,640)	(442,327)	585,837	442,327	(336,197)	-
Transferred to stage (3)	(3,204)	(1,644)	(1,760,159)	(2,474)	1,767,481	-
Effect on provision as of end of the year due to reclassification between the three stages during the year	(169,114)	(240,389)	(55,438)	(282,462)	1,795,619	1,048,216
Changes resulting from adjustment	2,398,769	1,042,918	820,598	524,379	797,622	5,584,286
Adjustments resulting from changes in foreign currency rates	(256,850)	(1,230,403)	(2,631)	(812,696)	(53)	(2,302,633)
Balance at the End of the Year	<u>11,290,253</u>	<u>353,830</u>	<u>8,328,900</u>	<u>303,588</u>	<u>15,603,577</u>	<u>35,880,148</u>

19. Expected Credit Loss Expense

The details of this item is as follows:

	For the Six Months Ended June 30,	
	2021	2020
	(Reviewed)	(Reviewed)
	JD	JD
Balances and deposits at banks and financial institutions	17,934	1,153,706
Financial assets at fair value through other comprehensive income	279,744	76,345
Financial assets at amortized cost	(951,429)	380,584
Direct credit facilities	39,375,825	51,558,374
Commitments and contingent liabilities	(2,077,348)	5,119,021
Other Assets	7,540	27,001
Total	36,652,266	58,315,031

20. Fair Value Reserve – Net

The details of this item is as follows:

	For the Six Months Ended June 30, 2021	For the Year Ended December 31,
	(Reviewed)	2020 (Audited)
	JD	JD
Balance – beginning of the period/year	9,654,188	5,400,864
Unrealized (losses) gain - debt instrument	(4,484,460)	6,674,751
Unrealized (losses) – equity instrument	(8,631)	(123,521)
Deferred tax assets	451,120	118,092
Deferred tax liabilities	944,475	(2,415,997)
Net change in valuation reserve of financial assets at fair value through comprehensive income after tax	(3,097,496)	4,253,324
Balance at the End of the Period/year	6,556,692	9,654,188

21. Retained Earnings

The movement on retained earnings is as follows:

	June 30, 2021 (Reviewed)	December 31, 2020 (Audited)
	JD	JD
Balance – beginning of the period / year	313,925,834	285,267,050
Prior year adjustments *	(12,978)	(9,566)
Adjusted– Beginning Balance of the Period / Year	313,912,856	285,257,484
Profit for the year	-	36,614,354
Dividends paid **	(37,800,000)	-
Transferred from/to reserves	-	(7,944,654)
(loss) from sale of financial assets at fair value through other comprehensive Income	-	(1,350)
Balance – End of the Period / Year	276,112,856	313,925,834

* Prior year adjustments item represents reserves for subsidiaries that were recorded after the issuance of the group consolidated financial statements for the year 2020.

** The Shareholders General Assembly, at its ordinary meeting held on April 8, 2021, resolved to distribute cash dividends to shareholders at a rate of 12% of the subscribed and paid-up capital, equivalent to JD 37.8 million.

- The Bank cannot use a restricted amount of JD 6,275,955 from retained earnings which represents the financial assets unrealized gain in accordance with the instructions of the Central Bank of Jordan and the Jordan Securities Commission.
- Retained earnings includes an amount of JD 512,464 which represents the effect of early implementation of the International Financial Reporting Standard No (9) (Phase 1). This amount may not be used except for the amounts actually realized from sale.
- The Bank cannot use a restricted amount of JD 116,198,115 from retained earnings which represents deferred tax assets which are restricted against capitalization or distribution only to the extent if actually realized in accordance with the instructions of the Central Bank of Jordan and the Jordan Securities Commission.
- Retained earnings includes a restricted amount of JD 2,392,936, which represents the gain from the valuation of foreign currencies at the International Bank for Trade and Finance /Syria for the current period and the prior periods.

22. Interest Income

The details of this item are as follows:

		For the Six Months Ended June 30,	
		2021 (Reviewed)	2020 (Reviewed)
		JD	JD
Direct Credit Facilities			
Individual (retail) customer:			
Overdraft		125,291	252,148
Loans and promissory bills		33,090,644	34,574,716
Credit cards		1,048,702	1,347,161
Real estate loans		28,125,757	36,090,693
Large corporates			
Overdraft		8,769,148	10,587,275
Loans and promissory bills		31,077,464	40,877,941
SME's			
Overdraft		3,743,157	4,201,469
Loans and promissory bills		6,932,769	6,323,018
Government and Public Sector		15,540,965	18,130,815
Balances at central banks		1,794,385	2,725,354
Balances and deposits at banks and financial institutions		1,014,620	3,769,367
Financial assets at amortized cost		47,741,537	47,499,835
Financial assets at fair value through other comprehensive income		5,561,756	5,425,710
		184,566,195	211,805,502

23. Interest Expense

The details of this item are as follows:

		For the Six Months Ended June 30,	
		2021 (Reviewed)	2020 (Audited)
		JD	JD
Banks and financial institutions deposits		3,076,000	6,409,491
Customers deposits :			
Current accounts and demand deposits		256,842	403,905
Saving deposits		2,092,817	2,136,593
Time and notice deposits		17,826,538	33,208,203
Certificates of deposit		3,917,685	6,408,883
Cash margins		933,717	1,095,099
Borrowed funds		4,724,145	4,315,828
Deposits insurance fees		3,400,183	3,836,783
Lease liability		820,693	825,241
		37,048,620	58,640,026

24. (Loss) / Profit from Financial Assets at Fair Value Through Profit or Loss

The details of this item are as follows:

	Realized		Unrealized		Dividends	
	Gain	(Loss)	Gain	(Loss)	Received	Total
	JD	JD	JD	JD	JD	JD
<u>For the Six Months</u>						
<u>Period Ended June 30,</u>						
<u>2021 (Reviewed)</u>						
Corporate shares	3,533	-	356,132	-	108,703	468,368
Direct Credit Facilities	-	-	-	(910,821)	-	(910,821)
Total	3,533	-	356,132	(910,821)	108,703	(442,453)
<u>For the Six Months</u>						
<u>Period Ended June 30,</u>						
<u>2020 (Reviewed)</u>						
Corporate shares	-	-	-	(184,722)	18,410	(166,312)
Direct Credit Facilities	-	-	1,185,650	-	-	1,185,650
Total	-	-	1,185,650	(184,722)	18,410	1,019,338

25. Earnings Per Share Attributable to the Shareholders of the Bank (Basic / Diluted)

The details of this item are as follows:

	For the three Months		For the Six Months	
	Ended June 30,		Ended June 30,	
	2021	2020	2021	2020
	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)
	JD	JD		
Profit for the period attributable to shareholders'	25,155,857	10,250,609	49,436,234	25,898,348
Weighted average number of shares	315,000,000	315,000,000	315,000,000	315,000,000
Earnings Per Share Attributable to the Shareholders of the Bank	0.080	0.033	0.157	0.082

26. Cash and Cash Equivalents

This item consists of the following:

	June 30,	
	2021	2020
	(Reviewed)	(Reviewed)
	JD	JD
Cash and balances with central banks maturing within 3 months	797,514,525	726,312,004
Add: Balances with banks and financial institutions maturing within 3 months	366,536,674	338,883,445
(Less): Banks and financial institutions deposits maturing within 3 months	(719,663,449)	(586,271,153)
	444,387,750	478,924,296

27. Capital Adequacy

The schedule below shows the capital components according to the instructions of the Central Bank of Jordan, based on the instructions of Basel III Committee, the following is the capital adequacy ratio:

	June 30, 2021 (Reviewed) JD	December 31, 2020 (Audited) JD
1. Common Equity Tier 1 Capital		
Paid-in capital	315,000,000	315,000,000
Retained earnings	266,834,466	264,443,973
Other comprehensive income items	(116,159,335)	(111,169,929)
Net fair value reserve	6,556,692	9,654,188
Foreign currency translation	(122,716,027)	(120,824,117)
Share premium	328,147,537	328,147,537
Statutory reserve	243,442,683	243,442,730
Other reserve	11,446,352	11,433,336
Non-controlling Interest permitted to declare	17,757,744	18,100,568
Profit for the period after deducting tax and the expected cash dividends	17,936,235	-
Total capital for ordinary shares	1,085,405,682	1,069,398,215
Regulatory amendments (Propositions of the capital)	(142,853,596)	(131,032,385)
Goodwill and intangible assets	(19,609,304)	(18,995,985)
Deferred tax assets	(116,198,115)	(105,241,081)
Investments in the capital of non-consolidated subsidiaries with the bank	(40,681)	(40,681)
Mutual investments in banks' capital, financial companies, and insurance companies Within the CET1	(7,005,496)	(6,754,638)
Net ordinary shareholder's equity	942,552,086	938,365,830
additional capital Tier 1.	3,310,190	3,194,218
Net capital Tier 1.	945,862,276	941,515,831
Tier 2		
Expected credit losses provision for the first stage – does not exceed 1.25% of the assets weighted credit risks	46,454,693	63,777,881
Non-controlling Interest permitted to declare	4,413,587	4,258,958
Total Tier 2 Capital	50,868,280	68,036,839
Regulatory capital	996,730,556	1,009,596,887
Total weighted assets risk average.	5,900,777,621	5,810,185,234
Capital Adequacy ordinary shareholders (CET1) Ratio %	% 15,97	% 16,15
Capital Adequacy Tier 1 Ratio %	% 16,03	% 16,21
Capital Adequacy Ratio %	% 16,89	% 17,38

28. Related Party Transactions

- a. The Bank entered into transactions with major shareholders, Board of Directors, and executive management in the course of its ordinary activities at commercial rates of interest and commissions. All facilities granted to related parties are performing and no provisions have been taken.
- b. Details of related party balances:

	Related Party				Total	
	Major Shareholders	Subsidiaries	Board of Directors	Executive Management	June 30, 2021 (Reviewed)	December 31, 2020 (Audited)
	JD	JD	JD	JD	JD	JD
Financial position items						
Total deposits with related parties	36,198,075	69,934,118	394	-	106,132,587	120,367,049
Total deposits from related parties	472,086,601	77,327,119	1,590,989	4,162,646	555,167,355	679,531,052
Loans and facilities granted to related parties	-	-	269,847	4,896,591	5,166,438	4,903,669
Loans and facilities granted From related parties	-	3,381,643	-	-	3,381,643	3,948,698
Items off-statement of Financial position						
Letters of credits and guarantees	-	1,427,812	-	-	1,427,812	1,336,262
Forward foreign currency contracts	46,169,126	-	-	-	46,169,126	61,595,238
Interest rate swap contracts	127,620,000	-	-	-	127,620,000	127,620,000

- c. Summary of related party transactions during the period:

	Related Party				Total	
	Major Shareholders	Subsidiaries	Board of Directors	Executive Management	For the Six Months Ended June 30, 2021 (Reviewed)	2020 (Reviewed)
	JD	JD	JD	JD	JD	JD
Statement of Profit or Loss items						
Interest and commissions income	125,715	54,288	7,787	82,186	269,976	859,021
Interest and commissions expense	1,622,197	815,073	5,263	38,628	2,481,161	7,507,926

- Interest income rates ranges from 0% to 7%.
- Interest expense rates ranges from 0% to 7%.

- d. The Bank's executive management remuneration were as follows:

	For the Six Months Ended June 30,	
	2021 (Reviewed)	2020 (Reviewed)
	JD	JD
Salaries, bonuses, and other benefits	1,466,272	1,948,825
Salaries, bonuses, and other benefits/ Subsidiaries	1,298,150	1,498,486

29. Segment Analysis

Information on the Bank Activities:

For management purposes, the Bank is divided into four major business segments according to reports sent to the chief operating officer:

- **Retail Banking:** Principally handling individual customers' and small businesses' deposits and providing loans, overdrafts, credit cards and other services.
- **Corporate Banking:** Principally handling deposits, credit facilities, and other financial services for corporate and institutional customers.
- **Corporate Finance:** Principally arranging structured finance and providing services relating to privatizations, IPO's, mergers and acquisitions.
- **Treasury:** Principally providing trading and treasury services and the management of the Bank's funds in money and capital markets.

Information of the Bank's business segment, distributed according to operations is as follows:

							Total For the Six Months Period Ended June 30,	
	Retail	Corporate	Corporate	Treasury	Others	Elimination	2021 (Reviewed)	2020 (Reviewed)
	JD	JD	Finance	JD	JD	JD	JD	JD
			JD					
Gross Income	92,107,129	83,179,572	2,356,018	71,513,737	(4,718,193)	(30,849,399)	213,588,864	240,876,781
Expected credit loss for the period / year	(1,434,936)	(32,399,775)	(3,471,306)	653,751	-	-	(36,652,266)	(58,315,031)
Segment results	36,220,416	23,556,272	(1,752,666)	29,772,706	(4,718,193)	83,078,535	83,078,535	48,316,132
Unallocated expenses							(4,957,653)	(5,149,587)
Income before Tax							78,120,882	43,166,545
Income Tax							(25,466,070)	(16,569,202)
Profit for the Period							52,654,812	26,597,343
							June 30, 2021	December 31,
							(Reviewed)	2020 (Audited)
Segment Assets	4,705,837,248	2,661,805,084	69,455,256	3,549,174,696	1,326,213,872	-	12,312,486,156	12,432,217,862
Elimination of assets between segments	(2,970,685,189)	-	-	(578,768,792)	(628,361,192)	-	(4,177,815,173)	(4,231,409,726)
Unallocated assets on segments							116,198,115	105,241,081
Total Assets							8,250,869,098	8,306,049,217
Segment Liabilities	4,666,585,667	2,757,158,331	71,237,343	3,462,608,082	293,801,093	-	11,251,390,516	11,366,620,242
Elimination of liabilities between segments	-	(1,559,786,821)	(31,729,312)	(2,586,299,039)	-	-	(4,177,815,172)	(4,231,409,727)
Unallocated liabilities							8,036,718	8,981,194
Total Liabilities							7,081,612,062	7,144,191,709
							For the Six Months	Ended June 30,
							2021 (Reviewed)	2020 (Reviewed)
Capital expenditures							4,840,541	5,194,428
Depreciation and amortization							12,358,966	12,152,453

30. Risk Management

Banking risks are managed based on a comprehensive mitigation strategy where acceptable risks are defined along with ways to limit and confront such risks. Such a strategy allows the Bank to better manage its business while maintaining a certain level and type of risk the Bank is willing to bear and handle without affecting strategic goals and objectives. Meanwhile, the Bank minimizes the negative effects of internal and external incidents on the Bank's profitability, capitalization, market share and any other intangible factors such as reputation and goodwill.

The Bank's risk management policies for the six-month period ended June 30, 2021 are identical to the policies followed for the year ended December 31, 2020, which are disclosed in the Bank's annual report as of December 31, 2020.

1- Distributed according to economic sector is as follows:

A- Distributions According to Financial Instruments Exposure:

	Financial	Industrial	Trading	Real Estate	Agriculture	Equities	Individuals	Government and Public	Other	Total
Balances at central banks	-	-	-	-	-	-	-	674,378,448	-	674,378,448
Balances at banks and financial institutions	366,300,189	-	-	-	-	-	-	-	-	366,300,189
Deposits at banks and financial institutions	49,903,807	-	-	-	-	-	-	-	-	49,903,807
Credit facilities at amortized cost	182,967,569	358,226,333	477,754,818	1,157,731,968	18,617,006	4,965,804	851,936,538	599,189,726	467,378,881	4,118,768,643
Credit Facilities at FVTPL	-	113,626,581	-	-	-	-	-	-	-	113,626,581
Bonds and bills:										
<u>Within:</u> Financial assets at fair value through other comprehensive income	71,677,396	-	-	-	-	-	-	276,882,126	6,707,227	355,266,749
<u>Within:</u> Financial assets at amortized cost	150,867,715	-	-	-	-	-	-	1,795,786,045	12,384,440	1,959,038,200
Total for the Period	821,716,676	471,852,914	477,754,818	1,157,731,968	18,617,006	4,965,804	851,936,538	3,346,236,345	486,470,548	7,637,282,617
Letter of guarantees	-	-	326,670,370	-	-	-	-	-	-	326,670,370
Letter of credit	-	-	400,489,708	-	-	-	-	-	-	400,489,708
Other	-	-	111,903,689	-	-	-	-	-	-	111,903,689
Total	821,716,676	471,852,914	1,316,818,585	1,157,731,968	18,617,006	4,965,804	851,936,538	3,346,236,345	486,470,548	8,476,346,384
Prior Year Total	820,465,593	503,102,769	1,239,080,717	1,143,790,110	19,282,276	3,817,709	812,883,700	3,504,406,472	442,084,384	8,488,913,730

b. Distribution of exposures as staging according to International Financial Reporting Standard (9):

Item	Stage (1)		Stage (2)		Stage (3)	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD	JD	JD
Financial	805,673,537	4,331,179	7,873,857	1,688,037	2,150,066	821,716,676
Industrial	362,507,685	11,598,144	83,051,676	6,183,002	8,512,407	471,852,914
Trading	1,057,145,091	110,177,446	120,884,823	16,530,333	12,080,892	1,316,818,585
Real-estate	203,264,774	827,026,392	57,054,580	47,458,350	22,927,872	1,157,731,968
Agriculture	7,529,900	382,958	10,108,327	78,130	517,691	18,617,006
Equity	-	4,342,556	-	-	623,248	4,965,804
Individual	61,008,724	763,574,765	1,212,060	14,983,982	11,157,007	851,936,538
Government and public sector	3,345,694,088	-	542,257	-	-	3,346,236,345
Other	427,668,429	9,253,962	40,666,717	2,159,035	6,722,405	486,470,548
Total	6,270,492,228	1,730,687,402	321,394,297	89,080,869	64,691,588	8,476,346,384
Prior Year Total	6,398,546,078	1,670,020,436	247,311,781	81,372,038	91,663,397	8,488,913,730

2- Total Exposure Distribution According to Geographic Region:

A. Total distribution of exposures by geographical regions:

	Other Middle East						Other	
	Inside Jordan	Countries	Europe	Asia	Africa	America	Countries	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Balances at central banks	322,159,406	132,280,599	-	-	219,938,443	-	-	674,378,448
Balances at banks and financial institutions	32,534,997	64,829,617	56,677,002	5,534,656	83,104,162	123,619,755	-	366,300,189
Deposits at banks and financial institutions	29,999,153	12,109,396	7,795,258	-	-	-	-	49,903,807
Credit facilities at amortized cost	3,410,857,549	300,576,097	216,697,978	-	190,637,019	-	-	4,118,768,643
Credit Facilities at FVTPL	113,626,581	-	-	-	-	-	-	113,626,581
Bonds and Bills:								
Financial assets at fair value through other comprehensive income	217,162,786	31,033,522	13,716,850	15,416,438	13,044,478	46,591,541	18,301,135	355,266,750
Financial assets at amortized cost	1,915,374,194	25,295,659	-	3,927,915	-	5,417,134	9,023,298	1,959,038,200
Total for the Period	6,041,714,666	566,124,890	294,887,088	24,879,009	506,724,102	175,628,430	27,324,433	7,637,282,618
Letter of guarantee	247,257,844	32,492,873	16,754,703	192,585	29,972,364	-	-	326,670,369
Letter of credit	337,171,225	7,811,444	4,745,095	2,489,423	46,809,414	1,463,107	-	400,489,708
Other	68,291,371	-	43,612,318	-	-	-	-	111,903,689
Total	6,694,435,106	606,429,207	359,999,204	27,561,017	583,505,880	177,091,537	27,324,433	8,476,346,384
Prior Year Total	6,715,409,891	576,289,866	419,111,332	33,047,753	558,796,800	182,355,347	3,902,741	8,488,913,730

b. Exposure distribution as staging according to International Financial Reporting Standard (9):

	Stage (1)		Stage (2)		Stage (3)	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD	JD	JD
Inside Jordan	4,890,127,482	1,464,995,897	176,407,473	67,961,628	94,942,626	6,694,435,106
Other Middle Eastern countries	559,175,335	34,662,272	26,288,201	19,019,873	(32,716,474)	606,429,207
Europe	122,581,866	230,810,833	4,121,453	2,017,495	467,557	359,999,204
Asia	27,210,059	115,028	158,138	78,262	(470)	27,561,017
Africa	467,616,853	103,372	113,783,833	3,611	1,998,211	583,505,880
America	176,456,200	-	635,199	-	138	177,091,537
Other countries	27,324,433	-	-	-	-	27,324,433
Total	6,270,492,228	1,730,687,402	321,394,297	89,080,869	64,691,588	8,476,346,384
Prior Year Total	6,398,546,078	1,670,020,436	247,311,781	81,372,038	91,663,397	8,488,913,730

3. Credit exposures that have been reclassified:

A. Total credit exposures that have been reclassified:

	Stage (2)		Stage (3)		Total Exposures that have been Reclassified	Percentage of Exposures that have been Reclassified
	Total Exposures Amount	Exposures that have been Reclassified	Total Exposures Amount	Exposures that have been Reclassified		
	JD	JD	JD	JD	JD	%
Credit facilities at amortized cost	548,149,342	142,744,617	401,563,614	15,772,798	158,517,415	%3.4
Bonds and bills:						
Within: Financial assets at fair value through other comprehensive income	918,226	918,226	-	-	918,226	%0.3
Within: Financial assets at amortized cost	-	-	3,000,001	-	-	-
Total	549,067,568	143,662,843	404,563,615	15,772,798	159,435,641	%1.9
Letter of guarantees	47,607,503	15,728,164	18,920,796	509,591	16,237,755	%2.6
Letter of credit	22,278,321	3,757,926	41,858	-	3,757,926	%1.0
Other	391,507	203,335	-	-	203,335	%0.3
Total	70,277,331	19,689,425	18,962,654	509,591	20,199,016	%2.3
Sub Total	619,344,899	163,352,268	423,526,269	16,282,389	179,634,657	%2.0
Prior Year Sub Total	477,589,903	124,793,322	461,742,727	79,019,378	203,812,700	%2.2

b. Expected credit loss for exposures that have been reclassified:

Description	Exposures that have been Reclassified			Expected Credit Loss due to Reclassified Exposures			
	Exposures Reclassified from Stage (2)	Exposures Reclassified from Stage (3)	Total	Stage (2)		Stage (3)	Total
	JD	JD	JD	JD	JD	JD	JD
Credit facilities at amortized cost	142,744,617	15,772,798	158,517,415	12,901,074	2,001,167	6,007,983	20,910,224
Bonds and Bills:							
<u>Within</u> : Financial assets at fair value through other comprehensive income	918,226	-	918,226	159,050	-	-	159,050
Total	143,662,843	15,772,798	159,435,641	13,060,124	2,001,167	6,007,983	21,069,274
Letter of guarantees	15,728,164	509,591	16,237,755	973,035	20,160	38,062	1,031,257
Letter of credit	3,757,926	-	3,757,926	79,222	-	-	79,222
Other	203,335	-	203,335	50,747	676	-	51,423
Total	19,689,425	509,591	20,199,016	1,103,004	20,836	38,062	1,161,902
Sub Total	163,352,268	16,282,389	179,634,657	14,163,128	2,022,003	6,046,045	22,231,176
Prior Year Sub Total	124,793,322	79,019,378	203,812,700	2,754,998	5,233,946	15,137,483	23,126,427

4. Liquidity coverage Ratio (LCR):

The average liquidity coverage ratio for the six months period ended in June 30th 2021 was 160.3% and 170.3% for Jordan Branches and the Banking Group respectively. The liquidity coverage ratio as of June 30,2021 was 161.3% and 176.7% for Jordan Branches and the Banking Group respectively.

Following are the details of the calculation as of June 30,2021:

	Jordan Branches JD 000'	Banking Group JD 000'
High qualified liquid assets before adjustments	2,259,537	2,354,680
High qualified liquid assets after adjustments	2,259,537	2,354,680
Net Cash outflow	1,400,851	1,332,581
Liquidity Coverage Ratio (LCR)	161.3%	176.7%

31. Commitments and Contingent Liabilities:

This item consists of the following:

	June 30, 2021 (Reviewed) JD	December 31, 2020 (Audited) JD
Letters of credit	507,528,736	451,740,343
Acceptances	79,893,823	64,442,718
Guarantees:		
- Payment guarantees	107,706,726	108,719,285
- Performance bonds	113,793,346	120,996,066
- Other	215,427,661	236,536,461
Forward foreign currency contracts	284,077,733	299,696,658
Currency swap contracts	14,180,000	14,180,000
Un-utilized direct credit facilities ceilings	419,577,481	445,547,020
Total	1,742,185,506	1,741,858,551

32. Lawsuits Raised Against the Bank and Lawsuits Raised by the Bank Against Others

Lawsuits raised against the Bank amounted to approximately JD 40,1 million as of June 30, 2021 (approximately JD 53 million as of December 31, 2020). In the opinion of the Bank's management and legal advisor, no liabilities will arise therefrom that exceed the booked provision of JD 6.9 million as of June 30, 2021 (JD 7.2 million as of December 31, 2020).

Other than the above-mentioned lawsuits, during the year 2019, the inspectors of the Central Bank of Algeria visited the management of the Housing Bank for Trade and Finance Algeria (a subsidiary company) and cited reports of violations attributed to the Bank related to violating some banking procedures in the Republic of Algeria. In this connection, an appealable preliminary decision by the Court of First Instance in Algeria was issued. The said decision imposed a fine of DZD 6.3 billion (Equivalent to JD 33.5 million as of June 30,2021) on the Housing Bank for Trade and Finance / Algeria (a subsidiary company) for one of the violations. The subsidiary company appealed on the preliminary decision, and The decision of the Algiers Judicial Council was issued on May 25, 2021, which acquitted the subsidiary of all charges against it in the civil and criminal lawsuit. And, In the opinion of both the management and the legal advisor, the bank has a strong legal position in the discrimination phase.

On the other hand, the lawsuits raised by the Bank against others amounted to approximately JD 578,4 million as of June 30, 2021 (approximately JD 541.2 million as of December 31, 2020).

33. Fair Value Hierarchy

The following table analyses the financial instruments recorded at fair value based on the valuation method, which is defined at different levels as follows:

- **Level (1):** List prices (unadjusted) for identical assets or liabilities in active markets.
- **Level (2):** Information other than the stated price included in level 1, which is monitored for the asset or liability, either directly (such as prices) or indirectly (i.e., derived from the prices).
- **Level (3):** Information on the asset or liability not based on those observed in the market (unobservable information).

	Level (1)	Level (2)	Level (3)	Total
June 30, 2021 (Reviewed)	JD	JD	JD	JD
Financial assets:				
Financial assets at fair value through other comprehensive income	355,266,749	-	26,807,082	382,073,831
Financial assets at fair value through profit or loss	4,121,181	-	632,797	4,753,978
Direct credit facilities at fair value through profit or loss	113,626,581	-	-	113,626,581
Total	473,014,511	-	27,439,879	500,454,390

December 31, 2020 (Audited)

Financial assets:

Financial assets at fair value through other comprehensive income	345,752,694		26,129,906	371,882,600
Financial assets at fair value through profit or loss	3,822,994		632,797	4,455,791
Direct credit facilities at fair value through profit or loss	130,690,360		-	130,690,360
Total	480,266,048		26,762,703	507,028,751

34. Comparative Figures

The Shareholders General Assembly, at its ordinary meeting held on April 8, 2021, resolved to distribute cash dividends to shareholders at a rate of 12% of the subscribed and paid-up capital, equivalent to JD 37.8 million, noting that the recommendation of the Board of Directors to the General Assembly was to distribute cash dividends to shareholders at a rate of 11% of the subscribed and paid-up capital, equivalent to JD 34.7 million. Accordingly, some comparative figures have been amended, and had no impact on both the consolidated statement of financial position and the consolidated statement of profit or loss for the year 2020 as follows:

	December 31, 2021 (Audited)	
	After Reclassification	Before Reclassification
	JD	JD
Regulatory Capital	1,009,596,888	1,012,746,888
Capital Adequacy ordinary shareholders (CETI) Ratio %	16.15%	16.20%
Capital Adequacy Tier 1 Ratio %	16.21%	16.26%
Capital Adequacy Ratio %	17.38%	17.43%

35. Impact of Covid 19

The coronavirus ("COVID – 19") pandemic has spread across various geographies globally, causing disruption to business and economic activities. COVID – 19 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 – 19 outbreak may have on its operations and financial performance.

The Bank has performed an assessment of COVID – 19 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 noting that there were no changes to policies, estimates and judgments during the period ended June 30, 2021:

a. Expected credit losses

The uncertainties caused by COVID – 19, have required the Bank to update the inputs and assumptions used for the determination of ECLs during the year, 2020. 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 (here Credit Index or CI) used is determined from the observed historical credit index. The credit index is used to forecast expected probability of defaults for the credit portfolio of the Bank.

In addition to the assumptions outlined above, the Bank has given specific consideration to the relevant impact of COVID – 19 on the qualitative and quantitative factors when determining the significant increase in credit risk and assessing the indicators of impairment for the exposures in potentially affected sectors and reflecting the Bank's management estimates (Management Overlay) in evaluating the impact on certain sectors or specific customers based on studying each sector or customers separately.

b. Valuation estimates and judgements

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

c. Deferred installments and customer credit ratings

Based on the Central Bank of Jordan Circular number 10/3/4375 and 10/3/13960 issued on March 15, 2020 and November 22, 2020 to the banks operating in Jordan, the bank postponed the installments due or that would be due on some customers without considering this as a restructuring and without affecting the customer credit rating, the postponed installments amounted to around JD 100.3 million during the period ended March 31, 2021 (JD 239.8 million during the year 2020).