

CAIRO AMMAN BANK
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – THE HASHEMITE KINGDOM OF JORDAN

CONDENSED CONSOLIDATED INTERIM
FINANCIAL INFORMATION FOR THE
PERIOD ENDED MARCH 31, 2021

CAIRO AMMAN BANK
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – THE HASHEMITE KINGDOM OF JORDAN
CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
FOR THE THREE MONTHS ENDED MARCH 31, 2021
TOGETHER WITH THE REVIEW REPORT

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Review Report

AM/009489

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

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of Cairo Amman Bank (A Public Shareholding Limited Company) as of March 31, 2021 and the related condensed consolidated interim statements of profit or loss and comprehensive income for the three months ended March 31, 2021, condensed consolidated interim statement of changes in owners' equity and cash flows for the three-month period then ended, and a summary of significant accounting policies and other explanatory information. Management is responsible for the preparation and fair presentation of this condensed consolidated interim financial information in accordance with International Accounting Standard No. (34) relating to 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 Engagement 2410 "Review of Condensed Interim Financial Information performed by an Independent Auditor of the Entity". A review of condensed consolidated interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, 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 is not prepared, in all material aspects, in accordance with International Accounting Standards No. (34) relating to condensed interim financial reporting as adopted by the Central Bank of Jordan.

Other Matters

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

Amman – The Hashemite Kingdom of Jordan
April 29, 2021


Deloitte & Touche (M.E.) – Jordan

Deloitte & Touche (M.E.)
ديلويت أند توش (الشرق الأوسط)
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CATRO AMMAN BANK
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – THE HASHEMITE KINGDOM OF JORDAN
CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

	Note	March 31, 2021 (Reviewed)	December 31, 2020 (Audited)
		JD	JD
Assets			
Cash and balances at Central Banks	5	288,530,709	312,961,419
Balances at banks and financial institutions	6	115,199,951	154,796,630
Deposits at banks and financial institutions	7	49,287,345	79,864,376
Financial assets at fair value through profit or loss	8	7,514,578	7,406,964
Financial assets at fair value through other comprehensive income	9	49,355,301	49,648,977
Financial assets at amortized cost - net	10	792,868,606	739,784,106
Financial assets pledged as collateral	11	43,422,000	73,141,000
Direct credit facilities - net	12	1,900,388,583	1,793,871,484
Property and equipment - net		42,090,957	42,602,959
Intangible assets - net		5,247,625	5,193,184
Right of use assets - net		26,230,302	27,432,242
Deferred tax assets	16	13,185,858	13,316,167
Other assets	13	58,975,116	53,215,969
Total Assets		3,392,296,931	3,353,235,477
Liabilities And Owners' Equity			
Liabilities:			
Banks' and financial institutions' deposits		253,587,020	234,181,337
Customers' deposits	14	2,227,974,753	2,226,430,437
Margin accounts		60,465,391	56,958,241
Borrowed funds	15	311,413,148	314,384,118
Subordinated Loans		18,540,350	18,540,350
Sundry provisions		13,025,219	12,894,571
Income tax provision	16	14,112,936	16,002,794
Lease contracts liabilities		24,909,196	26,266,292
Deferred tax liabilities		806,235	808,967
Other liabilities	17	84,870,636	71,479,421
Total Liabilities		3,009,704,884	2,977,946,528
Owners' Equity			
Shareholders' Equity			
Authorized and paid-up capital		190,000,000	190,000,000
Statutory reserve		82,047,879	82,047,879
General banking risk reserve		4,341,429	3,897,183
Cyclical fluctuations reserve		10,894,653	10,894,653
Fair value reserve - net	18	(6,142,525)	(5,988,630)
Foreign Currencies Translation Reserve		(3,188,744)	(3,188,744)
Retained earnings	19	88,549,209	88,960,274
Profits after tax for the period		7,498,670	-
Total Shareholders' Equity		374,000,571	366,622,615
Non-controlling interest		8,591,476	8,666,334
Total Owners' Equity		382,592,047	375,288,949
Total Liabilities and Owners' Equity		3,392,296,931	3,353,235,477

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONDENSED
CONSOLIDATED INTERIM FINANCIAL INFORMATION AND SHOULD BE READ WITH THEM
AND WITH THE ACCOMPANYING REVIEW REPORT.

CAIRO AMMAN BANK
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – THE HASHEMITE KINGDOM OF JORDAN
CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE THREE MONTHS ENDED MARCH 31, 2021

	Note	For the Three Months	
		Ended March 31,	
		2021 (Reviewed)	2020 (Reviewed)
		JD	JD
Interest income	20	42,183,209	43,916,271
Interest expense	21	(13,876,582)	(18,864,994)
Net interest income		28,306,627	25,051,277
Net commission income		5,061,276	4,954,773
Net interest and commission income		33,367,903	30,006,050
Gain from foreign currencies		1,211,518	1,496,190
(Loss) from financial assets at fair value through profit or loss	22	16,209	(1,314,033)
Dividends from financial assets at fair value through other comprehensive income	9	2,489,791	-
Other income		1,837,183	1,380,946
Total income		38,922,604	31,569,153
Employees' expenses		10,742,963	10,504,529
Depreciation and amortization		2,004,545	2,310,339
Other expenses		8,491,162	8,513,454
Expected credit loss	23	5,446,850	4,431,582
Provision for impairment against repossessed assets		150,000	-
Sundry provisions		225,333	482,194
Total expenses		27,060,853	26,242,098
Profit for the period before tax		11,861,751	5,327,055
Income tax expense	16	(4,437,939)	(2,525,049)
Profit for the period		7,423,812	2,802,006
Attributable to:			
Bank's shareholders		7,498,670	3,043,480
Non-controlling interest		(74,858)	(241,474)
Profit for the period		7,423,812	2,802,006
		JD/ Fils	JD/ Fils
Basic and diluted earnings per share (Bank's shareholders)	24	0/039	0/016

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CAIRO AMMAN BANK

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN – THE HASHEMITE KINGDOM OF JORDAN

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

FOR THE THREE MONTHS ENDED MARCH 31, 2021

	For the Three Months	
	Ended March 31,	
	<u>2021 (Reviewed)</u>	<u>2020 (Reviewed)</u>
	JD	JD
Profit for the period	7,423,812	2,802,006
Other comprehensive income items:		
Items that will not be reclassified subsequently to		
the condensed consolidated interim statement of profit or loss:		
Net change in fair value reserve after tax	<u>(153,895)</u>	<u>(3,266,137)</u>
Total Comprehensive Income (Loss) for the Period	<u>7,269,917</u>	<u>(464,131)</u>
Total Comprehensive Income (Loss) for the period attributable to:		
Bank's shareholders	7,344,775	(222,657)
Non-controlling interests	<u>(74,858)</u>	<u>(241,474)</u>
Total Comprehensive Income (Loss) for the Period	<u>7,269,917</u>	<u>(464,131)</u>

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CAIRO AMMAN BANK
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – THE HASHEMITE KINGDOM OF JORDAN
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN OWNERS' EQUITY
FOR THE THREE MONTHS ENDED MARCH 31, 2020

	Authorized and Paid-up Capital		General Reserves *		Cyclical Fluctuations		Fair Value Reserve - Net		Foreign Currencies Translation Reserve		Retained Earnings		Profits for the period		Total Owners' Equity - Bank's Shareholders		Total Owners' Equity		
	JD		JD		JD		JD		JD		JD		JD		JD		JD		
For the Period Ended March 31, 2021																			
Balance at January 1, 2021	190,000,000	82,047,079	3,897,183	10,894,653	(5,948,630)	(3,188,744)	85,960,274.00	-	7,344,775	346,422,815	9,666,334	375,288,949							
Total comprehensive (loss) income for the period	-	-	-	-	(153,895)	-	444,246.00-	-	-	7,498,670	(74,855)	7,423,815							
Transferred from reserves	-	-	444,246	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gain from sale of financial assets at fair value through od	-	-	-	-	-	-	33,151.00	-	-	-	-	33,151							
Balance at March 31, 2021	190,000,000	82,047,079	4,341,429	10,894,653	(6,102,525)	(3,188,744)	86,549,209	(3,188,744)	7,344,775	374,006,571	8,591,476	382,598,047							
For the Period Ended March 31, 2020																			
Balance at January 1, 2020	190,000,000	79,007,427	3,854,197	10,894,653	(7,048,900)	-	73,967,732	-	-	349,875,109	9,354,257	359,229,366							
Total comprehensive (loss) income for the period	-	-	-	-	(3,366,137)	-	73,967,732	-	-	(222,657)	(241,474)	(484,131)							
Balance at March 31, 2020	190,000,000	79,007,427	3,854,197	10,894,653	(10,415,037)	-	73,967,732	-	-	349,652,452	9,112,783	358,765,235							

* The general banking risk reserve and the credit balance of the fair value reserve are restricted from use without a prior approval from the Central Bank of Jordan.

- As of March 31, 2020 the restricted retained earnings balances resulting from the early implementation of IFRS 9 amounted to JD 13,809,922.

- The amount of JD 13,155,855 is included within retained earnings as of March 31, 2021 (JD 13,316,167 as of December 31, 2020) which represents deferred tax assets amounts that are restricted from use based on the instructions of the Central Bank of Jordan.

- The Bank cannot use a restricted amount of JD (6,142,525) which represents the negative change in the value of financial assets at fair value through other comprehensive income as per the instructions of the Central Bank of Jordan.

- The Bank cannot use a restricted amount of JD (3,135,916) which represents the remaining balance of the general banking risk reserve included in retained earnings in accordance with the resolutions of the Central Bank of Jordan.

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CAIRO AMMAN BANK
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AMMAN – THE HASHEMITE KINGDOM OF JORDAN
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
FOR THE THREE AND NINE MONTHS ENDED MARCH 31, 2021

	Note	For the Nine Months Ended March 31,	
		2021 (Reviewed)	2020 (Reviewed)
Cash Flows from Operating Activities		JD	JD
Profit before tax for the period		11,861,751	5,327,055
Adjustments for:			
Depreciation and amortization		2,004,545	2,310,339
Provision for expected credit losses	23	5,446,850	4,431,582
Sundry provisions		225,333	482,194
Unrealized loss (gain) from financial assets at fair value through profit or loss	22	292,436	1,184,447
Gain from sale of repossessed assets		(7,167)	-
Provision for impairment against repossessed assets		150,000	-
(Gain) Loss from sale of property and equipment		1,577	(8,628)
Effect of exchange rate changes on cash and cash equivalents		(1,154,975)	(1,445,138)
Cash flow from operating activities before changes in assets		18,820,350	12,281,851
(Increase) Decrease in deposits at banks and financial institutions		30,620,241	17,036,006
Decrease in financial assets at fair value through profit or loss		(400,050)	399,086
(Increase) in direct credit facilities		(111,908,691)	(105,287,299)
(Increase) in other assets		(4,700,040)	(19,113,546)
(Decrease) increase in banks and financial institution deposits (maturing after more than three months)		(21,445,050)	(25,000,000)
Increase in customers deposits		1,544,316	28,085,241
(Decrease) Increase in margin accounts		3,507,150	(2,234,330)
(Decrease) Increase in other liabilities		11,431,972	(3,387,212)
Net cash flows (used in) from operating activities before income tax and sundry provisions		(72,529,802)	(97,220,203)
Income tax paid	16	(94,685)	(142,756)
Sundry provisions paid		(6,369,418)	(7,827,340)
Net cash flows (used in) from operating activities		(78,993,905)	(105,190,299)
Cash Flows from Investing Activities			
(Purchase) of financial assets at fair value through other comprehensive income		(201,975)	(2,078,845)
Sale of financial assets at fair value through other comprehensive income		544,135	2,080,219
(Purchase) of other financial assets at amortized cost		(94,436,987)	(15,294,449)
Maturity and sale of other financial assets at amortized cost		71,534,319	37,362,188
(Purchase) of property and equipment		(920,945)	(1,452,892)
Sale of property and equipment		(1,578)	8,628
(Purchase) of intangible assets		(626,038)	(167,896)
Net cash flows (used in) from investing activities		(24,109,069)	20,456,953
Cash Flows from Financing Activities			
Increase in borrowed funds		72,467,099	216,477,732
Borrowed funds settled		(75,438,069)	(80,339,147)
Net cash flows (used in) from financing activities		(2,970,970)	136,138,585
Effect of exchange rate changes on cash and cash equivalents		1,154,975	1,445,138
Net (Decrease) in cash and cash equivalents		(106,073,944)	51,405,239
Cash and cash equivalents, beginning of the period	25	324,193,573	287,777,448
Cash and cash equivalents, end of the period		219,274,604	340,627,825
Non-cash Transactions			
Right of use assets		26,230,302	27,053,196
Lease liability		24,909,196	25,229,203

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CAIRO AMMAN BANK
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – THE HASHEMITE KINGDOM OF JORDAN
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED MARCH 31, 2021

1. INCORPORATION AND ACTIVITIES

- Cairo Amman Bank was established as a public shareholding company, registered and incorporated in Jordan in 1960, in accordance with the Jordanian Companies Laws and Regulations No. (12) for the year 1964.
- The Bank provides its banking and financial services through its head office located in Amman and its 96 branches located in Jordan, 21 branches in Palestine, one in Bahrain and through its subsidiaries.
- The Bank's shares are listed on the Amman Stock Exchange.

2. Basis of Preparation

- 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 main differences between IFSR that should be applied and What have been adopted by the Central Bank of Jordan is:

- When calculating credit losses against credit exposures, the calculation results in accordance to International Financial Reporting Standards (9) are compared with the calculation as per the instructions of the Central Bank of Jordan No. (47/2009) dated December 10, 2009 for each stage separately and the stricter results are recorded.
- Exclusion of the Debt instruments issued or guaranteed by the Jordanian Government, so that credit exposures issued or guaranteed by the Jordanian Government are treated with no credit losses.
- When calculating the expected credit losses against credit exposures, the results of the calculation are compared according to the International Financial Reporting Standard No. (9) with the instructions of the Central Bank of Jordan No. (47/2009) as of December 10, 2009 for each stage separately, and the most severe results are taken.

B- Interests ,returns and commissions shall be suspended on non-performing credit facilities and Funds granted to clients in accordance with the instructions of the Central Bank of Jordan.

- c- Assets seized by the Bank are shown in the consolidated statement of financial position among other assets at their current value when seized by the Bank or at fair value, whichever is lower, and are individually reassessed on the date of the consolidated financial statements. Any impairment loss is recorded in the consolidated statement of profit or loss while any increase in the value is not recorded as revenue. Subsequent increase is taken to the consolidated statement of profit or loss to the extent of not exceeding the previously recorded impairment. A gradual provision was made for assets seized against debts in accordance to the Central Bank of Jordan Circular No. 10/1/16239 dated November 21, 2019, the deduction of the provisions required against seized assets should continue at a rate of 5% of the total book values of these properties from the year of 2021, untill the required percentage of 50% is reached by the end of 2029.

- The interim condensed consolidated financial information has been prepared in accordance with the historical cost principle, with the exception of financial assets and financial liabilities that appear 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 functional currency of the Bank.
- The condensed consolidated interim financial information does not include all notes and information presented in the annual financial statements and should be read with the bank's annual report for the year ended December 31, 2020. The results of the three months ended March 31, 2020 do not indicate the expected results for the fiscal year ending December 31, 2021, Also, Allocations of profits have not been made as of March 31, 2021 as conducted at the end of the fiscal year.

Judgments, estimates and risk management

The preparation of the condensed interim financial information requires management to make judgments, estimates and assumptions that affects the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same

as those that applied to the Company's annual financial statements for the year ended December 31, 2020, except as mentioned in Note 3.

The consolidated financial information include the financial information of the Bank and its subsidiaries under its control. Moreover, control is achieved when the Bank has the power to govern the financial and operating policies of its subsidiaries in order to obtain benefits from their activities. Transactions, balances, income and expenses between the Bank and its subsidiaries are eliminated.

- The Bank owns the following subsidiaries as of March 31, 2021:

Company's Name	Paid-up Capital JD	Ownership Percentage %	Nature of Operation	Country of Operation	Ownership Date
			Investment Brokerage and Portfolio Management	Jordan	1992
Al-Watanieh for Financial Services Company	5,500,000	100	Investment Brokerage	Palestine	1995
Al-Watanieh Securities Company	1,600,000	100	Finance Leasing	Jordan	2013
Tamallak For Financial Leasing Company	5,000,000	100	Islamic Banking	Palestine	2016
Safa Bank	53,175,000	79			

- The most important financial information for the subsidiaries as of March 31, 2021 is as follows:

	Al-Watanieh for Financial Services Company (Awraq Investment)		Al-Watanieh Securities Company	
	March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020
	JD	JD	JD	JD
Total Assets	22,064,510	21,942,637	3,086,303	3,260,604
Total Liabilities	12,303,952	12,468,139	1,938,512	2,129,460
Net Assets	9,760,558	9,474,498	1,147,791	1,131,144
	For the Three Months Ended March 31,		For the Three Months Ended March 31,	
	2021	2020	2021	2020
	JD	JD	JD	JD
Total Revenues	561,736	275,115	75,545	42,297
Total Expenses	179,239	169,246	58,898	80,082
	Tamallak For Financial Leasing Company		Safa Bank	
	March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020
	JD	JD	JD	JD
Total Assets	41,882,890	39,007,713	223,361,723	227,655,276
Total Liabilities	36,047,564	33,402,365	192,425,544	186,362,418
Net Assets	5,835,326	5,605,348	40,936,179	41,292,858
	For the Three Months Ended March 31,		For the Three Months Ended March 31,	
	2021	2020	2021	2020
	JD	JD	JD	JD
Total Revenues	472,179	373,372	1,451,469	704,470
Total Expenses	152,766	814,917	1,808,148	1,855,032

3. Significant accounting policies:

The accounting policies used in the preparation of this consolidated condensed interim financial information are consistent with those used in the preparation of the Bank's annual consolidated financial information for the year ended December 31, 2020, except for the adoption of certain new and revised standards, that became effective on or after January 1st, 2021 and did not have an impact on the bank's condensed consolidated interim financial statement..

Interest Rate Benchmark-phase 2

Effective from January 1, 2021, the bank 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:

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 potential 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 consolidated statement of comprehensive income and within shareholders' equity. In particular, the Bank's management requires judgments to be made to estimate the amounts and timing of future cash flows. These estimates are necessarily based on multiple hypotheses and factors with varying degrees of estimation and uncertainty. Meanwhile, the actual results may differ from estimates due to the changes arising from the conditions and circumstances of those estimates in the future.

We believe that the estimates used in the preparation of these condensed interim financial information are consistent with those used in the annual consolidated financial information for the year ended December 31, 2020 except for the changes in note (3).

The impact of the Coronavirus ("Covid-19")

The outbreak of Novel Coronavirus (Covid-19) in early 2020 in most countries has caused widespread disruptions to business, and economic . Also, this event is witnessing continuous and rapid developments, which required the Group's management to conduct an evaluation of the expected effects on the Group's business inside and outside the kingdom, perform a study to review and evaluate potential risks, in addition to providing additional disclosures in the interim consolidated financial statements as of March 31, 2020. Accordingly, the Bank during 2020 has taken the following measures to contain the crisis:

a. The Bank's plan to address the new Coronavirus (COVID-19) pandemic

Before announcing any case of infection in Jordan, the Supreme Committee for Emergency has taken all necessary measures to ensure its business continuity and customer service in the event of any emergency, through the formation of a specialized team to manage the crisis of the Coronavirus spread in coordination with various sector heads and executives to ensure the implementation of a set of procedures, the most important of which are the following:

- Providing alternative locations for staff distribution to ensure work continuity and to maintain social distancing among employees.
- Activating the remote work feature for sensitive jobs in order to ensure the continuity of the provision of customer service through electronic channels and ATMs.
- Maintaining the safety of both employees and clients by taking all measures related to the sterilization of branches and workplaces.
- The bank has developed a monitoring plan to respond to disruption data and available alternatives periodically.

b. The impact of the new coronavirus (COVID-19) outbreak on the results of the Bank's operations

- In order to assess the crisis expected impact on assumptions used for the determination of ECLs during the year, a set of assumptions was used, based on the interplay of two main pillars that enable the Bank to monitor the impact of the crisis on its business. These two pillars are the following:
 - Global practices related for calculating CL According to International Financial Reporting Standard No. (9), and the amendment of the calculation models developed for this purpose in a manner that leads to taking into account the impact of (COVID-19) epic , and reaching reasonable expectations for the expected outputs of the impact.
 - In addition to the assumptions outlined above, Management Overlay in evaluating the impact on certain sectors or specific customers based on studying each sector or customers separately.

The affected sectors have been divided into three main levels:

- Unaffected (low-risk) sectors
- Moderately affected sectors (medium risk)
- Highly affected sectors (high risk)

Reference has been made to the historical global economic indicators according to data maintained by Moody's, relating to economic crises, including: The crisis related to the economic downturn that occurred in 2002, as a result of the events of September 11th, whose impact was of medium intensity. As such, this was relatively relied upon for the sectors moderately affected. In addition, the crisis related to the economic downturn that occurred in 2008, which had a significant impact and was relatively relied upon for the sectors that were highly affected. Accordingly the following proposals have been made:

Impacting scenario ratios

According to the instructions of the Central Bank of Jordan regarding the application of International Financial Reporting Standard No. (9), banks Have conduct several scenarios when calculating the ECL, so that the final outcome of the results represents the "expected weighted CL for the scenarios". In this respect, the Bank adopts three scenarios: Base Scenario, Upturn Scenario, and Downturn Scenario. The weights of these scenarios are determined based on the results of the Normal Distribution Curve.

Probability of Default (PD) Ratios Scenarios

The Bank's sectors have been divided into the above-mentioned three levels, according to the Bank's estimates by the Business Sectors Division most affected by the epic and the severity of the impact according to the current conditions.

With Business Sectors Department coordination for the purpose of determining the most affected in order to reflect the impact of the epic on the calculation models.

During 2020, the Bank's proposed methodology updated by the bank, and the best practices adopted by various banks on this side are to be reconnaissance. The recommendation was that the effects of the crisis at the level of many countries have included all sectors due to its overlapping impact within several sectors. Therefore, all economic sectors have necessarily been greatly affected by the crisis. Accordingly, based on this recommendation, the following scenario has been adopted at the level of all economic sectors of the components of the portfolio, and the following weights have been applied:

The following weights for scenarios were adopted by the Bank to as a response to the spread of COVID-19 and as follows:

	<u>Weight %</u>
Upturn Scenario	10%
Baseline Scenario	30%
Downturn Scenario	60%

Loss Given Default (LGD)

During the period, the bank has not adjusted the loss given default percentage calculated for all scenarios and stages related to all accounts based on the historical data approved by the bank regarding default conditions and the volume of recovery that were obtained by Moody's, noting that the cash flow Expected from the guarantees in exchange for the facilities granted have been reassessed.

Management Overlay

logical expectations have been reached by bank regarding the outputs of this event, moreover reflecting the Bank's management overlay in assessing the impact on some sectors or some clients depending on the study of each sector or customer separately.

c. The effect of the coronavirus (COVID-19) outbreak on the Bank's liquidity level

All relative scenarios to the stressful situation have been made by the bank, knowing that the bank has comfortable levels enable it to respond to market condition, moreover the procedures adopted by the central bank of Jordan have a significant impact by enhancing the liquidity of the Jordanian bank system

5. Cash and Balances at Central Banks

This item consists of the following:

	March 31, 2021 (Reviewed)	December 31, 2020 (Audited)
	JD	JD
Cash on hand	105,031,349	110,015,206
Balances at Central Banks:		
Current and demand accounts	49,361,235	34,385,870
Time and notice deposits	22,135,000	63,918,998
Statutory cash reserve	<u>112,019,415</u>	<u>104,658,821</u>
	<u>183,515,650</u>	<u>202,963,689</u>
Provision for expected credit loss (cash and balances at central banks)	(16,290)	(17,476)
Balances at Central Banks - Net	<u>183,499,360</u>	<u>202,946,213</u>
Total	<u>288,530,709</u>	<u>312,961,419</u>

- Restricted balances amounted to JD10,635,000 as of March 31, 2021 (JD 10,635,000 as of December 31, 2020).

In addition to the statutory cash reserve as stated above.

- There are no balances that mature in a period more than three months as of March 31, 2021 and December 31, 2020.

- All balances at the Central Bank of Jordan are classified within stage (1) in accordance with the requirements of IFRS (9) and there are no transfers between stages (1), (2) and (3) or any written off balances during the period ended March 31, 2021.

The movement on the provision for expected credit loss for cash and balances with central banks is as follows:

	March 31, 2021 (Reviewed)	December 31, 2020 (Audited)
	JD	JD
Balance - beginning of the period/year	17,476	3,979
Provision for expected credit loss during the period/year	<u>(1,186)</u>	<u>13,497</u>
Total	<u>16,290</u>	<u>17,476</u>

6. Balances at Banks and Financial Institutions

This item consists of the following:

	March 31, 2021 (Reviewed)	December 31, 2020 (Audited)
	JD	JD
Local Banks and Financial Institutions:		
Current and demand accounts	6,073,890	862,998
Deposits maturing within 3 months or less	<u>48,494,824</u>	<u>54,012,296</u>
Total	<u>54,568,714</u>	<u>54,875,294</u>
Foreign Banks and Financial Institutions:		
Current and demand accounts	41,834,239	70,867,991
Deposits maturing within 3 months or less	<u>18,842,872</u>	<u>29,138,080</u>
Total	<u>60,677,111</u>	<u>100,006,871</u>
	<u>115,245,825</u>	<u>154,882,165</u>
Less: Provision for expected credit loss (balances at banks and financial institution)	<u>(45,874)</u>	<u>(85,535)</u>
Total	<u>115,199,951</u>	<u>154,796,630</u>

- Non-Interest bearing balances at banks and financial institutions amounted to JD47,908,129 as of March 31, 2021 (JD 71,730,989 as of December 31, 2020).

- All balances at banks and financial institutions - JD are classified within stage (1) in accordance with the requirements of IFRS (9) and there are no transfers between stages (1), (2) and (3) or any written off balances during the period ended March 31, 2021.

- There are no restricted balances as of March 31, 2021 and December 31, 2020.

- The movement on the provision for expected credit loss on balances at banks and financial institutions is as follows:

	March 31, 2021 (Reviewed)	December 31, 2020 (Audited)
	JD	JD
Balance - beginning of the period/year	85,535	51,367
Provision for expected credit loss during the period/year	<u>(39,661)</u>	<u>34,168</u>
Total	<u>45,874</u>	<u>85,535</u>

7. Deposits at Banks and Financial Institutions

The details for this Item are as follows:

	March 31, 2021 (Reviewed)	December 31, 2020 (Audited)
	JD	JD
Deposit maturing within:		
More than 3 to 6 months	4,762,234	31,750,001
More than 6 to 9 months	3,222,052	6,029,926
More than 9 to 12 months	-	-
More than 12 months	41,601,900	42,426,500
Total	49,586,186	80,206,427
<u>Less: provision for expected credit losses (deposits at banks)</u>	<u>(298,841)</u>	<u>(342,051)</u>
Total	49,287,345	79,864,376

- There are no restricted deposits as of March 31, 2021 and December 31, 2020.

- All deposits at banks and financial institutions - (JD) are classified within stage (1) in accordance with the requirements of IFRS (9) and there are no transfers between stages (1),(2) and (3) or any written off balances during the period ended March 31, 2021.

- Balances with banks are assessed to have low credit risk of default since these banks are highly regulated by the Central Bank of Jordan and the central banks of the respective countries. Accordingly, the Bank's management estimates the provision of loss on balances with banks at the end of the reporting period at an amount equal to 12 month expected credit loss. Taking into account the historical default experience and the current credit ratings of the banks.

- The movement on the provision for expected credit losses for deposits at banks and financial institutions is as follows:

	March 31, 2021 (Reviewed)	December 31, 2020 (Audited)
	JD	JD
Balance - beginning of the period/year	342,051	239,076
Provision for expected credit loss during the period/year	(43,210)	102,975
Total	298,841	342,051

8. Financial Assets at Fair Value through Profit or Loss

This item consists of the following:

	March 31, 2021 (Reviewed)	December 31, 2020 (Audited)
	JD	JD
Corporate shares	7,514,578	7,406,964
	7,514,578	7,406,964

9. Financial Assets at Fair Value through Other Comprehensive Income

This item consists of the following:

	March 31, 2021 (Reviewed)	December 31, 2020 (Audited)
	JD	JD
Quoted shares	42,984,263	43,528,787
Unquoted shares *	6,371,038	6,120,190
	49,355,301	49,648,977

- Cash dividends on investments amounted to JD 2,489,791 for three months ended March 31, 2021 (JD 2,152,730 for the year ended December 31, 2020).

* Fair value calculation for unquoted investments is based on the most recent financial data available.

10. Financial Assets at Amortized Cost - Net

This item consists of the following:

	March 31, 2021 (Reviewed)	December 31, 2020 (Audited)
	JD	JD
Quoted Investments		
Foreign government treasury bonds	13,725,369	2,916,349
Corporate debt securities	24,011,823	24,450,252
Total quoted investments	37,737,192	27,366,601
Unquoted Investments		
Governmental treasury bills	9,830,522	9,770,801
Government treasury bonds	680,973,671	640,782,315
Corporate debt securities	65,000,000	63,000,000
Total unquoted investments	755,804,193	713,553,116
Total	793,541,385	740,919,717
Less: Provision for expected credit loss (Financial Assets at Amortized Cost)	(672,779)	(1,135,611)
	792,868,606	739,784,106
Analysis of bonds and treasury bills:		
Fixed rate	793,541,385	740,919,717
Variable rate	-	-
Total	793,541,385	740,919,717

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

	March 31, 2021 (Reviewed)	December 31, 2020 (Audited)
	JD	JD
Balance - beginning of the period/year	1,135,611	760,286
Provision for expected credit loss during the period/year	(462,832)	375,325
Total	672,779	1,135,611

11. Financial Assets Pledged as Collateral

This item consists of the following:

	March 31, 2021 (Reviewed)		December 31, 2020 (Audited)	
	Financial Assets Pledged as Collateral	Related Financial Liabilities	Financial Assets Pledged as Collateral	Related Financial Liabilities
	JD	JD	JD	JD
Governmental treasury bills	43,422,000	43,422,000	73,141,000	73,141,000

These bonds were collateralized against the funds borrowed from the Central Bank of Jordan for SMEs and industrial financing loans.

12. Direct Credit Facilities - Net

This item consists of the following:

	March 31, 2021 (Reviewed)	December 31, 2020 (Audited)
	JD	JD
Consumer lending		
Overdrafts	13,409,061	13,865,546
Loans and bills *	694,743,001	688,937,832
Credit cards	15,491,514	15,145,311
Others	6,505,876	7,184,597
Residential mortgages	253,861,381	249,897,163
Corporate lending		
Overdrafts	70,977,862	63,466,034
Loans and bills *	501,915,290	461,375,204
Small and medium enterprises lending "SMES"		
Overdrafts	19,044,881	18,432,092
Loans and bills *	175,371,649	166,356,629
Lending to public and governmental sectors	249,328,924	204,171,887
Total	<u>2,000,649,439</u>	<u>1,888,832,295</u>
Less: Suspended interest	(13,255,594)	(13,082,278)
Less: Provision for expected credit loss	(87,005,262)	(81,878,533)
Net Direct Credit Facilities	<u>1,900,388,583</u>	<u>1,793,871,484</u>

* Net of interest and commissions received in advance amounting to JD 2,958,689 as of March 31, 2021 (JD 4,132,557 as of December 31, 2020).

- Non-performing credit facilities, in accordance with the instructions of the Central Bank of Jordan, amounted to JD 109,151,856 as of March 31, 2021 (JD 109,313,840 as of December 31, 2020), representing 5.46% (December 31, 2020: 5.79%) of gross direct credit facilities granted.

- Non-performing credit facilities, in accordance with the instruction of the Central Bank of Jordan amounted to JD96,117,498 as of March 31, 2020 (JD 96,423,451 as of December 31, 2020) representing 4.84% (December 31, 2020: 5.14%) of gross direct credit facilities granted after excluding the suspended interest.

- Credit facilities granted to the Jordanian Government and of which it gurrantees amounted to JD 46,203,355 as of March 31, 2021 (JD 55,167,746 as of December 31, 2020), representing 2.31% (December 31, 2020: 2.92%) of gross direct credit facilities granted.

- Credit facilities granted to the public sector in Palestine amounted to JD 92,860,233 as of March 31, 2021 (JD 87,151,326 as of December 31, 2020) representing 4.64% (December 31, 2020: 4.61%) of gross direct credit facilities granted.

The movement on the provision for expected credit loss is as follows:

	Consumer		Residential Loans		Corporate Large		SMEs		Government and Public Sector		Total	
	JD		JD		JD		JD		JD		JD	
For the Period Ended March 31, 2021 (Reviewed)												
Balance - as of January 1, 2021	40,334,148		9,136,154		18,537,650		13,186,398		684,183		81,878,533	
Credit loss on newly granted facilities during the period	1,187,957		1,768,795		2,332,521		1,053,227		138,744		6,481,244	
Reversed from credit losses on settled facilities	(2,174,462)		(335,002)		(2,099,901)		(1,836,050)		(114,055)		(6,559,470)	
Transferred to stage (1)	150,488		260,934		485,804		87,154		-		984,380	
Transferred to stage (2)	1,696,264		291,621		(483,313)		290,042		-		1,794,614	
Transferred to stage (3)	(1,846,752)		(552,555)		(2,491)		(377,196)		-		(2,778,994)	
Effect on the provision at the end of the period - resulting from the reclassification between the three stages during the period	1,089,573		600,325		863,270		422,626		-		2,975,794	
Written off facilities	1,900,064		(853,985)		1,318,553		129,392		-		2,494,024	
Changes resulting from adjustments	(49,362)		-		-		-		-		(49,362)	
Balance - end of the period	42,072,417		10,316,287		20,952,093		12,955,593		708,872		87,005,262	

	Consumer		Residential Loans		Corporate Large		SMEs		Government and Public Sector		Total	
	JD		JD		JD		JD		JD		JD	
For the Year Ended December 31, 2020 (Audited)												
Balance as of January 1, 2020	38,795,804		6,648,056		9,294,100		9,485,381		3,011,508		67,234,849	
Credit loss on new facilities during the year	6,531,796		2,434,479		3,158,768		3,170,245		302,256		15,597,544	
Reversed from credit losses on settled facilities	(1,445,653)		(628,716)		(1,511,048)		(1,857,983)		(102,005)		(5,545,405)	
Transferred to stage 1	5,703,439		862,710		1,023,097		262,069		4,111		7,855,426	
Transferred to stage 2	1,669,907		327,479		(602,141)		85,470		1,544,104		3,024,819	
Transferred to stage 3	(7,373,346)		(1,190,189)		(420,956)		(347,539)		(1,548,215)		(10,880,245)	
Effect on the provision at the end of the year - resulting from the reclassification between the three stages during the year	(486,651)		955,034		5,532,326		2,435,990		(1,382,754)		7,073,945	
Changes resulting from adjustments	179,769		(291,971)		1,835,071		(157,600)		(1,144,822)		420,447	
Written off facilities	(3,395,729)		(24,787)		-		(10,760)		-		(3,431,276)	
Valuation differences	134,812		44,059		228,433		121,125		-		528,429	
Balance at the End of the Year	40,334,148		9,136,154		18,537,650		13,186,598		684,183		81,878,533	

Suspended Interest

	Consumer		Residential Loans		Corporate		SMEs		Government and Public Sector		Total
	JD		JD		Large	JD	JD		JD		JD
For the Period Ended March 31, 2021 (Reviewed)											
Balance at the beginning of the year	2,331,972		621,534		7,949,234		2,179,538		-		13,082,278
Suspended interest on new exposures during the year	74,281		65,210		226,410		92,630		-		458,531
Suspended interest on settled exposures transferred to revenue during the year	(34,925)		(26,350)		(178,511)		(45,429)		-		(385,215)
Transferred to stage 1	(3,021)		1,976		-		1		-		(1,044)
Transferred to stage 2	43,409		(141)		-		3,216		-		45,484
Transferred to stage 3	(40,388)		(1,835)		-		(3,217)		-		(45,440)
Effect on suspended revenue at the end of the year - resulting from the reclassification between the three stages during the year	-		-		-		-		-		-
Suspended interest on written off exposures	-		-		-		-		-		-
Adjustments resulting from changes in exchange rates	-		-		-		-		-		-
Balance at the End of the period	2,371,328		660,394		7,997,133		2,226,739		-		13,255,594

For the Year Ended December 31, 2020 (Audited)

	Consumer		Residential Loans		Corporate		SMEs		Government and Public Sector		Total
	JD		JD		Large	JD	JD		JD		JD
Balance at the beginning of the year	2,149,457		411,444		6,606,420		1,722,329		199,155		11,086,805
Suspended interest on new exposures during the year	513,021		258,208		1,458,881		757,766		-		2,987,876
Suspended interest on settled exposures transferred to revenue during the year	(355,692)		(46,239)		(116,067)		(300,338)		(199,155)		(917,291)
Transferred to stage 1	124,810		11,565		-		618		-		136,993
Transferred to stage 2	39,953		23,377		(24,075)		41,375		199,155		279,785
Transferred to stage 3	(164,763)		(34,942)		24,075		(41,993)		(199,155)		(415,778)
Effect on suspended revenue at the end of the year - resulting from the reclassification between the three stages during the year	-		-		-		-		-		-
Suspended interest on written off exposures	(75,010)		(1,879)		-		(219)		-		(77,112)
Balance at the End of the Year	2,331,972		621,534		7,949,234		2,179,538		-		13,082,278

13. Other Assets

This item consists of the following:

	March 31, 2021 (Reviewed)	December 31, 2020 (Audited)
	JD	JD
Accrued income	18,263,890	18,892,012
Prepaid expenses	11,676,294	7,448,232
Reposessed Assets – net *	12,947,635	10,844,136
Accounts receivable – net	7,131,673	4,627,668
Clearing checks	1,482,985	6,318,939
Settlement guarantee fund	25,000	25,000
Refundable deposits	609,530	609,531
Deposits at Visa International	3,062,901	2,559,511
Others	3,775,208	1,890,940
Total	58,975,116	53,215,969

* As per the Central Bank of Jordan instructions the reposessed assets should be sold within two years of repossession, and can be extended under exceptional circumstances by the Central Bank of Jordan for a maximum of four years.

The movement on reposessed assets is as follows:

	March 31, 2021 (Reviewed)	December 31, 2020 (Audited)
	JD	JD
Balance - beginning of the Period / Year	12,556,317	13,624,736
Additions	2,436,332	502,086
transfereed to seized asset		(1,522,176)
Disposals	(182,833)	(48,329)
Total	14,809,816	12,556,317
Impairment of reposessed assets as per the Central Bank of Jordan instructions	(496,275)	(496,275)
Balance - end of the Period / Year	12,947,635	10,844,136

As follows, the summary of the impairment movement on reposessed assets:

Balance - beginning of the year	1,712,181	1,685,900
Additions	150,000	-
Utilized during the period / year	-	26,281
Balance - end of the Period / Year	1,862,181	1,712,181

14. Customers Deposits

This item details are as follows:

	March 31, 2021 (Reviewed)	December 31, 2020 (Audited)
	JD	JD
Current and demand accounts	600,764,853	612,812,559
Saving deposits	571,003,880	562,460,861
Time and notice deposits	1,056,206,020	1,051,157,017
Total	2,227,974,753	2,226,430,437

- The Government of Jordan and the public sector deposits inside the Kingdom amounted to JD 280,497,739 equivalent to 12.59 % of total deposits as of March 31, 2021 (JD 338,093,612, equivalent to 15.19% of total deposits as of December 31, 2020).

- Non-interest bearing deposits amounted to JD 556,732,209 as of March 31, 2021 (JD 496,395,865 as of December 31, 2020) representing 24.99% (December 31, 2020: 23%) of total deposits.

15. Borrowed Funds

This item details are as follows:

	No. of Installments		Payment Basis	Maturity Date	Collaterals	Interest Rate
	Total	Outstanding				
March 31, 2021 (Reviewed)						
Amounts borrowed from Overseas Private Investments Corporation (OPIC)	15,598,000	1	At maturity	2034	None	4.845%-4.895%
Amounts borrowed from French Development Agency	1,995,250	20	Semi-annually	2025	None	3.358%
Amounts borrowed from Central Bank of Jordan*	6,175,000	10	Annually	2028	None	2.700%
Amounts borrowed from Central Bank of Jordan**	72,469,534	306	At maturity per loan	2021-2035	Treasury Bonds	1% - 2%
Amounts borrowed from Central Bank of Jordan**	34,665,947	277	At maturity per loan	2022-2024	None	0.000%
Amounts borrowed from Central Bank of Jordan*	1,223,952	14	Semi-annually	2028	None	2.500%
Amounts borrowed from Central Bank of Jordan*	21,270,000	4	Semi-annually	2022	None	5.750%
Amounts borrowed from European Bank for Reconstruction and Development	10,128,571	7	Semi-annually	2025	None	5.500%
Amounts borrowed from European Bank for Reconstruction and Development	3,650,000	20	Semi-annually	2030	None	2.8%
Amounts borrowed from Central Bank of Jordan*	10,000,000	1	At maturity	2024	None	5.750%
Jordan Mortgage Refinance Company ***	30,000,000	1	At maturity	2024	None	5.750%
Jordan Mortgage Refinance Company ***	3,941,315	34	Semi-annually	2039	None	3.000%
Amounts borrowed from Central Bank of Jordan	10,000,000	1	At maturity	2022	None	5.900%
Jordan Mortgage Refinance Company ***	6,250,000	1	At maturity	2021	Treasury Bonds	2.000%
Amounts borrowed from Central Bank of Jordan	18,452,381	1	At maturity	2021	Treasury Bonds	102.000%
Amounts borrowed from Central Bank of Jordan	4,166,667	1	At maturity	2021	Treasury Bonds	202.000%
Amounts borrowed from Central Bank of Jordan	12,500,000	1	At maturity	2021	Treasury Bonds	302.000%
Amounts borrowed from European Bank for Reconstruction and Development (EBRD)	2,025,714	7	Semi-annually	2023	None	2.240%
Amounts borrowed from French Development Agency	7,456,723	20	Semi-annually	2031	None	1.433%
Palestine Monetary Authority	3,706,387	1	-	None	None	0.500%
Ethiad Bank	3,000,000	8	Quarterly	2024	None	6.000%
Societe Generale Banque de Jordanie	111,111	45	Monthly	2021	None	7.000%
Housing Bank for Trade and Finance	30,777,763	1	Overdraft	2021	None	5.500%
Arab Jordan Investment Bank	1,135,509	1	Overdraft	2021	None	6.500%
Amounts borrowed from Financial Markets International (FMI)	1,074,224	1	-	None	None	-
Total	311,413,148					
December 31, 2020 (Audited)						
Amounts borrowed from overseas investment company (OPIC)	15,598,000	1	At maturity	2034	None	4.895%-4.845%
Amounts borrowed from French Development Agency	1,995,250	20	Semi-annually	2025	None	3.358%
Amounts borrowed from Central Bank of Jordan*	6,650,000	10	Annually	2028	None	2.700%
Amounts borrowed from Central Bank of Jordan**	64,397,097	263	At maturity / per loan	2021-2035	Treasury Bills	1.75% - 0.5%
Amounts borrowed from Central Bank of Jordan**	34,536,095	243	At maturity / per loan	2022 - 2024	None	0.000%
Amounts borrowed from Central Bank of Jordan*	1,223,952	14	Semi-annually	2028	None	2.500%
Amounts borrowed from Central Bank of Jordan*	1,011,429	7	Semi-annually	2021	None	4.750%
Amounts borrowed from European Bank for Reconstruction and Development (EBRD)	10,128,571	7	Semi-annually	2025	None	5.500%
Amounts borrowed from European Bank for Reconstruction and Development (EBRD)	3,895,000	20	Semi-annually	2030	None	2.8%
Amounts borrowed from Central Bank of Jordan*	10,000,000	1	At maturity	2024	None	5.000%
Jordan Mortgage Refinance Company ***	30,000,000	1	At maturity	2024	None	5.750%
Jordan Mortgage Refinance Company ***	3,941,315	34	Semi-annually	2039	None	3.000%
Amounts borrowed from Central Bank of Jordan	10,000,000	1	At maturity	2022	None	5.350%
Jordan Mortgage Refinance Company ***	8,333,333	1	At maturity	2021	Treasury Bills	2.000%
Amounts borrowed from Central Bank of Jordan	12,613,636	1	At maturity	2021	Treasury Bills	2.000%
Amounts borrowed from Central Bank of Jordan	6,250,000	1	At maturity	2021	Treasury Bills	2.000%
Amounts borrowed from Central Bank of Jordan	33,582,090	1	At maturity	2021	Treasury Bills	2.000%
Amounts borrowed from Central Bank of Jordan	13,550,136	1	At maturity	2021	Treasury Bills	2.000%
Amounts borrowed from Central Bank of Jordan	2,832,443	7	Semi-annually	2023	None	2.240%
Amounts borrowed from European Bank for Reconstruction and Development (EBRD)	7,823,929	20	Semi-annually	2031	None	1.273%
Amounts borrowed from French Development Agency	3,652,748	1	-	None	None	0.500%
Palestine Monetary Authority	1,300,000	45	Quarterly	2024	None	3.750%
Ethiad Bank	177,778	8	Monthly	2021	None	5.250%
Societe Generale de Banque Jordanie	30,458,727	1	Monthly	2021	None	3.500%
Housing Bank for Trade and Finance	48,665	1	Overdraft	2021	None	5.500%
Arab Jordan Investment Bank	1,074,224	1	Overdraft	2021	None	-
Amounts borrowed from International Financial Markets (IFM)	1,074,224	1	-	None	None	-
Total	314,384,118					

* The borrowed funds from Central Bank of Jordan for SMEs loans were re-lent on an average interest rate of 8.5%.

** The borrowed funds from Central Bank of Jordan for industrial, energy, agriculture and tourism financing loans were re-lent on an average interest rate of 3.5%-4%.

*** Residential loans acquired from Jordan Mortgage Refinance Company amounted to JD 42,338,913 as of March 31, 2021 at a fixed rate of 5.84%.

16. Income Tax

a. Income Tax Provision

The movement on income tax provision during the period / year is as follows:

	March 31, 2021 (Reviewed)	December 31, 2020 (Audited)
	JD	JD
Balance - beginning of the period / year	16,002,794	16,954,411
Income tax paid	(6,369,418)	(17,454,437)
Income tax expense	4,479,560	16,502,820
Balance - end of the period / year	14,112,936	16,002,794

b. Income tax appearing in the statement of profit or loss represents the following:

	For the Three Months Ended March 31,	
	2021 (Reviewed)	2020 (Reviewed)
	JD	JD
Income tax for the period	4,479,560	2,737,200
Deferred tax assets	(41,621)	(212,151)
Accrued income tax on the current period's profit	4,437,939	2,525,049

- The income tax rate on banks in Jordan is 38% , and the income tax rate in countries where the Bank has Companies and branches, where tax rate ranges between 0%and 31% for banks in Palestine and are subject to an income tax rate of 15% and VAT of 16%.

- The Bank has reached a final settlement with the Income and Sales Tax Department up to the end of the year 2018 for the Bank's branches in Jordan.

- A final settlement was reached for the Bank's branches in Palestine up to the end of the year 2017, returns for the years 2018 and 2019 were not were not reviewed by the income and sales tax department till the date of preparations of the condensed consolidated interim financial information.

- A final settlement has been reached with the Income and Sales Tax Department up to the end of the year 2014 for Al-Watanieh Financial Services Company. In addition, the Sales and Income Tax Department reviewed the Company's records for the years 2015, 2016 and 2017, and estimated the accrued tax amount for these years at JD 1,361,990 for the amounts paid. The decision was appealed whereas the income and sales tax department has accepted the self assessment tax return for the years 2018 and 2019.

- A final settlement was reached for Al-Watanieh Securities Company - Palestine up to the year 2019.

- Tamallak for Financial Leasing Company has reached a final settlement with the Income and sales tax Department until the year 2018. Furthermore, the Income Tax Department did not review the 2018 and 2019 records, up to the date of these condensed consolidated interim financial information.

- In the opinion of the Bank's management and the tax consultant, income tax provisions as of March 31, 2021 are sufficient to meet any future tax obligations.

c. The movement on deferred tax assets is as follows:

	March 31, 2021 (Reviewed)	December 31, 2020 (Audited)
	JD	JD
Balance - beginning of the period / year	13,316,167	9,325,649
Additions during the period / year	475,536	5,848,544
Disposal during the period / year	<u>(605,845)</u>	<u>(1,858,026)</u>
Balance - End of the Period / Year	<u>13,185,858</u>	<u>13,316,167</u>

- Deferred tax is calculated using the tax rates that are expected to be applied when the deferred tax assets will be realized or the deferred tax liabilities will be settled.

17. Other Liabilities

This item consists of the following:

	March 31, 2021 (Reviewed)	December 31, 2020 (Audited)
	JD	JD
Accrued interest	10,405,457	10,134,602
Accrued income	342,147	374,106
Accounts payable	11,105,741	10,984,966
Accrued expenses	9,369,385	8,445,873
Temporary deposits	33,612,772	27,312,979
Checks and withdrawals	7,772,673	6,523,346
Others	<u>8,837,435</u>	<u>4,880,670</u>
	81,445,610	68,656,542
Provision for expected credit losses (other liabilities)	<u>3,425,026</u>	<u>2,822,879</u>
	<u>84,870,636</u>	<u>71,479,421</u>

The movement on the provision for expected credit losses for other liabilities is as follows:

	March 31, 2021 (Reviewed)	December 31, 2020 (Audited)
	JD	JD
Balance - beginning of the period / year	2,822,879	2,374,728
Provision for expected credit loss during the period / year	<u>602,147</u>	<u>448,151</u>
Total	<u>3,425,026</u>	<u>2,822,879</u>

18. Fair Value Reserve - Net

The details of this item are as follows:

	March 31, 2021 (Reviewed)	December 31, 2020 (Audited)
	JD	JD
Balance - beginning of the period / year	(5,988,630)	(7,848,900)
Unrealized gains	28,147	1,418,027
Loss (gain) from sale financial assets at fair value through other comprehensive income transferred to retained earnings	(33,181)	85,200
Deferred tax assets	(151,593)	369,450
Deferred tax liabilities	2,732	(12,407)
Balance - end of the period / year	(6,142,525)	(5,988,630)

19. Retained Earnings

This item consists of the following:

	March 31, 2021 (Reviewed)	December 31, 2020 (Audited)
	JD	JD
Balance - beginning of the period / year		
Profit for the year	88,960,274	73,967,732
Transferred to legal reserve	-	18,161,180
Transferred from general banking risk reserve	-	(3,040,452)
Transferred to cyclical fluctuations reserve	(444,246)	(42,986)
other comprehensive income	33,181	(85,200)
Balance - end of the period / year	88,549,209	88,960,274

- Retained earnings balance as of March 31, 2021 includes unrealized gains amounting to JD 13,909,822 resulting from the early implementation of IFRS 9. This amount is not available for distribution in accordance with the Securities Commission instructions, except for the amounts realized through sales transactions.
- Retained earnings include deferred tax assets amounting to JD 13,185,858 as of March 31, 2021 against (JD 13,316,167 as of December 31, 2020) which is not available for distribution in accordance with the Central Bank of Jordan instructions.
- The Bank cannot use a restricted amount of JD 6,142,525 which represents the negative change in fair value for financial assets through other comprehensive income in accordance with the instructions of the Central Bank of Jordan and the Jordanian Securities Commission.
- The Bank cannot use a restricted amount of JD 1,155,916 which represents the remaining balance of the general banking risk reserve included in retained earnings in accordance with the instructions of the Central Bank of Jordan.

20. Interest Income

The details of this item are as follows:

	For the Three Months Ended March 31,	
	2021 (Reviewed)	2020 (Reviewed)
	JD	JD
Direct Credit Facilities:		
Overdrafts	4,776,066	4,932,595
Loans and bills	26,363,266	27,603,655
Credit cards	703,473	644,301
Balances at Central Banks	14,134	71,925
Balances and deposits at banks and financial institutions	357,246	1,236,129
Financial assets at amortized cost	9,867,862	9,349,954
Other	101,162	77,712
	42,183,209	43,916,271

21. Interest Expense

The details of this item are as follows:

	For the Three Months Ended March 31,	
	2021 (Reviewed)	2020 (Reviewed)
	JD	JD
Banks and financial institutions' deposits	1,048,702	2,801,224
Customers' deposits:		
Current and demand accounts	654,802	546,613
Saving deposits	650,753	673,632
Time and notice deposits	8,553,676	11,684,179
Certificates of deposit	-	-
Cash margins	139,669	209,150
Loans and borrowings	2,129,427	2,135,889
Deposit guarantee fees	699,553	814,307
Total	13,876,582	18,864,994

22. Gains from Financial Assets at Fair Value through Profit or Loss

This item consists of the following:

	Realized Gains		Unrealized (Losses)		Stock Dividends		Total	
	JD		JD		JD		JD	
Equity Instruments		134,289		(292,436)		174,356		16,209
Total		134,289		(292,436)		174,356		16,209

Equity Instruments		(130,751)		(1,184,447)		1,165		(1,314,033)
Total		(130,751)		(1,184,447)		1,165		(1,314,033)

For the Three Months Ended March 31, 2021 (Reviewed)

Equity Instruments

Total

23. Provision for expected credit losses

This item consists of the following:

	For the Three Months Ended March 31,	
	2021 (Reviewed)	2020 (Reviewed)
Balances at central banks	JD	JD
Balances at banks and financial institutions	(1,186)	(1,964)
Deposits at banks and financial institutions	(39,661)	(33,832)
Financial assets at amortized cost	(43,210)	179,428
Direct credit facilities	(462,832)	(290,603)
Indirect credit facilities	5,391,592	4,492,539
Total	602,147	86,014
	5,446,850	4,431,582

24. Earnings per share for the Period - (Bank's Shareholders)

This item consists of the following:

	For the Three Months Ended March 31,	
	2021 (Reviewed)	2020 (Reviewed)
	JD	JD
Profit for the period attributable to shareholders (JD)	7,498,670	3,043,480
Weighted average number of shares (share)	190,000,000	190,000,000
	(JD / Fils)	(JD / Fils)
Basic and diluted earnings per share for the period - (Bank's Shareholders)	0/039	0/016

- The weighted average number of shares was calculated on the basic and diluted profit attributable to the shareholders of the Bank based on the authorized number of shares for the three months ended March 31, 2021 and 2020.

25. Cash and Cash Equivalents

This item consists of the following:

	March 31,	
	2021 (Reviewed)	2020 (Reviewed)
	JD	JD
Cash and balances at the Central Bank of Jordan maturing within three months	288,546,999	399,835,832
<u>Add: Balances at banks and financial institutions maturing within three months</u>	115,245,825	139,507,833
<u>Less: Banks and financial institutions' deposits maturing within three months</u>	173,883,220	188,080,840
Restricted balances	10,635,000	10,635,000
Total	219,274,604	340,627,825

26. Balances and Transactions with Related Parties

The condensed consolidated interim financial information includes the financial information of the Bank the following subsidiaries:

Company Name	Ownership	Paid in Capital	
		March 31, 2021	December 31, 2020
	%	JD	JD
Al-Watanieh Financial Services Company Limited Liability	100	5,500,000	5,500,000
Al-Watanieh Securities Company private shareholding	100	1,600,000	1,600,000
Tamallak for Financial Leasing Company	100	5,000,000	5,000,000
Safa Bank	79	53,175,000	53,175,000

The Bank executed transactions with subsidiaries, major shareholders, directors and senior management in the ordinary course of business at commercial interest and commission rates. All the credit facilities to related parties are performing facilities with no associated provision amounts.

28. Contingent Liabilities and Commitments

This item consists of the following:

	<u>March 31,</u> <u>2021 (Reviewed)</u>	<u>December 31,</u> <u>2020 (Audited)</u>
	JD	JD
Letters of credit:		
Received	46,758,088	46,987,960
Acceptances	17,325,337	10,691,097
Letters of guarantee:		
- Payments	25,293,176	26,079,007
- Performance	16,610,656	16,346,471
- Other	18,819,199	16,086,063
Utilized direct credit facility limits	<u>168,780,206</u>	<u>171,498,249</u>
Total	<u>293,586,662</u>	<u>287,688,847</u>

29. Lawsuits raised against the bank

In the normal course of business, the Bank appears as a defendant in a number of lawsuits amounting to JD 39,196,067 as of March 31, 2021 (JD 39,211,662 as of December 31, 2020). In the opinion of the Bank's management and legal counsel, the Bank maintains adequate provisions against the lawsuits.

Provisions against the lawsuits amounted to JD 2,744,701 and JD 2,746,501 as of March 31, 2021 and December 31, 2020, respectively.

On January 1, 2019 multiple civil lawsuits have been filed at US courts against multiple banks and financial institutions claiming financial compensation using the US antiterrorism law for damages allegedly resulting from attacks by groups listed under the US sanctions list in 2001. These lawsuits have been filed at courts hours before their filing deadline, and have been filed by an attorney office which has filed several similar complaints against other banking institutions on behalf of the same plaintiffs claiming the damages. Cairo Amman Bank is one of the banks the aforementioned lawsuit has been filed against. The lawsuit is still in the initial preliminary phase.

In the opinion of management and legal counsel, no provisions should be recorded for the lawsuits filed at US courts against the Bank as of March 31, 2020 as the Bank has consulted with legal consultants specialized in US courts and concluded that the legal status of the lawsuits is in favor of the Bank and that there are no legal or judicial grounds for the lawsuits. Also, there were no updates during the three months ended March 31, 2020.

30. Statutory Reserve

The Bank did not deduct the statutory reserves during the period due to the fact that these information are condensed consolidated financial information.

31. Subsequent Events

Later to the date of the financial statements, the general assembly of the Bank on April 29, 2021 approved the distribution of cash dividends amounting to JD 22.8 million (equivalent to 12% of the value of the Bank's authorized and paid up capital).

32. Approval of condensed consolidated interim financial information

These condensed consolidated interim financial information was approved by the Board of Directors and authorized for issue on April 28, 2021 .