

BANK AL ETIHAD
(PUBLIC SHAREHOLDING COMPANY)
AMMAN – HASHEMITE KINGDOM OF JORDAN

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

BANK AL ETIHAD
(PUBLIC SHAREHOLDING COMPANY)
AMMAN - HASHEMITE KINGDOM OF JORDAN
JUNE 30, 2021

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Independent Auditor's Review Report

AM/ 010932

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

Introduction

We have reviewed the accompanying consolidated condensed interim statement of financial position of Bank Al Etihad (a Public Shareholding Company) "Bank" and its subsidiaries "Group" as of June 30, 2021 and the related consolidated condensed interim statements of profit or loss, and comprehensive income for the three months and six months period ended June 30, 2021, and changes in owners' equity and cash flows for the six months period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for preparation and fair presentation of this consolidated condensed interim financial information in accordance with the international accounting standard (34) "Interim Financial Reporting" as adopted by Central Bank of Jordan. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated condensed interim financial information is not prepared, in all material respects, in accordance with amended International Accounting Standard (34) "Interim Financial Reporting" as adopted by Central Bank of Jordan.

Other Matter

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

Amman –Jordan
July 29, 2021


Deloitte & Touche (M.E.) – Jordan

Deloitte & Touche (M.E.)
ديلويت آند توش (الشرق الأوسط)
010105

BANK AL ETIHAD
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - THE HASHEMITE KINGDOM OF JORDAN
CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

	Note	June 30, 2021 (Reviewed Not Audited)	December 31, 2020
Assets:		JD	JD
Cash and balances at the Central Bank of Jordan	5	634,772,172	721,060,432
Balances at banks and financial institutions	6	555,051,742	397,084,528
Deposits at banks and financial institutions	7	2,846,298	4,448,457
Financial assets at fair value through profit or loss	8	28,362,402	15,219,896
Direct credit facilities and financing - net	9	3,230,792,825	2,951,628,133
Financial assets at fair value through other comprehensive income	10	40,181,830	31,654,110
Financial assets at amortized cost	11	915,271,919	904,003,434
Investments in associates		343,709	349,507
Property and equipment - net		65,645,834	68,782,265
Deferred tax assets	14/b	24,295,831	25,590,727
Right of use assets	25	25,434,693	27,031,520
Intangible assets - net		27,345,676	27,046,436
Other assets	12	100,734,711	99,743,804
TOTAL ASSETS		5,651,079,642	5,273,643,249
LIABILITIES AND OWNERS' EQUITY:			
LIABILITIES:			
Banks' and financial institutions' deposits		309,786,035	280,688,045
Customers' deposits	13	4,338,139,489	4,003,010,992
Cash margins		256,804,175	251,302,459
Borrowed funds	16/a	94,293,154	90,152,003
Subordinate loan	16/b	21,300,000	21,300,000
Sundry provisions		1,174,088	1,333,898
Leasing liabilities	25	24,718,232	26,453,949
Income tax provision	14/a	9,681,145	24,618,987
Deferred tax liabilities	14/b	358,829	-
Other liabilities	15	84,564,785	68,379,574
TOTAL LIABILITIES		5,140,819,932	4,767,239,907
OWNERS' EQUITY:			
BANK'S SHAREHOLDERS' EQUITY:			
Paid-up capital	26	160,000,000	160,000,000
Share premium	26	80,213,173	80,213,173
Statutory reserve	27	61,004,473	61,004,473
Voluntary reserve	27	41,829,012	41,829,012
Fair value reserve - net	18	456,419	(2,609,036)
Retained earnings	17	51,007,637	67,518,099
Profit for the period		15,129,731	-
TOTAL BANK'S SHAREHOLDERS' EQUITY		409,640,445	407,955,721
Non-controlling interests		100,619,265	98,447,621
TOTAL OWNERS' EQUITY		510,259,710	506,403,342
TOTAL LIABILITIES AND OWNERS' EQUITY		5,651,079,642	5,273,643,249

THE ACCOMPANYING NOTES FROM (1) TO (35) CONSTITUTE AN INTEGRAL PART OF THESE CONSOLIDATED
CONDENSED INTERIM FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE
REVIEW REPORT.

BANK AL ETIHAD
(PUBLIC SHAREHOLDING COMPANY)
AMMAN - HASHEMITE KINGDOM OF JORDAN
CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
(REVIEWED NOT AUDITED)

		For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	Note	2021	2020	2021	2020
		JD	JD	JD	JD
Interest income and returns	19	65,356,359	61,917,852	128,153,262	127,031,331
Interest expense	20	25,503,469	25,502,217	49,734,341	55,173,169
Net Interest Income and returns		39,852,890	36,415,635	78,418,921	71,858,162
Net commission income		5,828,485	4,179,537	11,989,919	9,734,294
Net Interest and Commission Income and returns		45,681,375	40,595,172	90,408,840	81,592,456
Foreign currency income		2,169,886	1,446,457	2,970,068	2,091,000
Gain (losses) from financial assets at fair value through profit or loss	21	(181,871)	(520,685)	2,752,747	(844,252)
Gain on financial assets at amortized cost		146,698	133,560	154,665	133,560
Returns on distribution financial assets at fair value through other comprehensive income	10	65,919	553,071	443,992	553,071
Other income		275,650	428,168	1,707,477	747,004
Gross Income		48,157,657	42,635,743	98,437,789	84,272,839
Expenses:					
Employees expenses		12,163,459	10,120,186	23,755,321	21,624,336
Depreciation and amortization		3,650,229	3,422,239	7,377,511	6,828,653
Other expenses		8,360,169	8,972,324	16,708,750	16,087,714
Provision for expected credit loss	23	7,153,408	10,058,008	17,513,306	15,467,538
Amortization of assets right of use	25	935,395	942,761	1,850,853	1,904,165
Rent expense	25	112,049	93,983	210,363	218,943
Interest on lease liabilities	25	242,054	245,385	498,357	506,286
Provision (Surplus) in for impairment of foreclosed assets		356,265	-	822,212	(68,297)
Sundry provisions		7,727	405,500	(159,810)	455,500
Total Expenses		32,980,755	34,260,386	68,576,863	63,024,838
Operating profit		15,176,902	8,375,357	29,860,926	21,248,001
Banks share from gain of subsidiaries		451	5,485	451	5,485
Income for the Period before Income Tax Expense		15,177,353	8,380,842	29,861,377	21,253,486
Income tax expense	14	(5,321,466)	(3,192,523)	(10,302,217)	(7,825,271)
Income for the Period		9,855,887	5,188,319	19,559,160	13,428,215
Attributed to:					
Bank's Shareholders		7,404,972	3,542,276	15,129,731	10,212,391
Non-Controlling Interest		2,450,915	1,646,043	4,429,429	3,215,824
		9,855,887	5,188,319	19,559,160	13,428,215
Basic and diluted earnings per share for the period attributable to the Bank's Shareholders	22	0.046	0.022	0.095	0.064

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BANK AL ETIHAD

(PUBLIC SHAREHOLDING COMPANY)

AMMAN - HASHEMITE KINGDOM OF JORDAN

CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

(REVIEWED NOT AUDITED)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2021	2020	2021	2020
	JD	JD	JD	JD
Income for the Period	9,855,887	5,188,319	19,559,160	13,428,215
Add other comprehensive income items not subsequently transferable				
to condensed interim consolidated statement of profit or loss:				
Unrealized valuation gain (losses) for financial assets at fair value through other comprehensive income	3,384,648	(1,588,300)	3,065,455	(1,583,132)
(Losses) on sale of financial assets at fair value through comprehensive income	(510,462)	-	(510,462)	-
Total Comprehensive Income for the Period	<u>12,730,073</u>	<u>3,600,019</u>	<u>22,114,153</u>	<u>11,845,083</u>
Total Comprehensive Income for the Period Attributed to:				
Bank's Shareholders	10,279,158	1,953,976	17,684,724	8,629,259
Non-controlling interest	<u>2,450,915</u>	<u>1,646,043</u>	<u>4,429,429</u>	<u>3,215,824</u>
	<u>12,730,073</u>	<u>3,600,019</u>	<u>22,114,153</u>	<u>11,845,083</u>

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BANK AL ETIHAD
(PUBLIC SHAREHOLDING COMPANY)
AMMAN - HASHEMITE KINGDOM OF JORDAN
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN OWNERS' EQUITY
(REVIEWED NOT AUDITED)

	Equity- Bank's Shareholders									
	Reserves									
	Authorized and paid-up Capital	Share Premium	Statutory	Voluntary	Fair Value Reserve - net	Retained Earnings	Income for the Period	Total Shareholders Equity	Non-controlling Interests	Total Owners Equity
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
For the Six Months Ended June 30, 2021										
Balance - Beginning of the Period	160,000,000	80,213,173	61,004,473	41,829,012	(2,609,036)	67,518,099	-	407,955,721	98,447,621	506,403,342
Total comprehensive income for the period	-	-	-	-	3,065,455	(510,462)	15,129,731	17,684,724	4,429,429	22,114,153
Dividends distributed - (Note 26)	-	-	-	-	-	(16,000,000)	-	(16,000,000)	(2,257,785)	(18,257,785)
Balance - End of the Period	160,000,000	80,213,173	61,004,473	41,829,012	456,419	51,007,637	15,129,731	409,640,445	100,619,265	510,259,710
For the Six Months Ended June 30, 2020										
Balance - Beginning of the Period	160,000,000	80,213,173	56,257,522	38,833,125	372,413	51,596,833	-	387,273,066	91,971,047	479,244,113
Total comprehensive income for the period	-	-	-	-	(1,583,132)	-	10,212,391	8,629,259	3,215,824	11,845,083
Balance - End of the Period	160,000,000	80,213,173	56,257,522	38,833,125	(1,210,719)	51,596,833	10,212,391	395,902,325	95,186,871	491,089,196

- An amount of JD 23,440,748 of retained earnings and profit for the period as on June 30, 2021 is restricted (JD 23,236,111 as on December 31, 2020), represent deferred tax assets, and based on the instructions of the Central Bank of Jordan, it is prohibited to dispose of them without its prior approval.

- Retained earnings balance includes an amount of JD 1,568,895 that represents unrealized gain from revaluation of financial assets at fair value through profit and loss as of June 30, 2021.

- It is forbidden to use the excess from the general banking risk reserve balance and the amount of JD 108,397 transferred to retained earnings as of June 30, 2021 that belongs to Safwa Islamic Bank without a pre-approval from the Central Bank of Jordan.

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BANK AL ETIHAD
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AMMAN - HASHEMITE KINGDOM OF JORDAN
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS
(REVIEWED NOT AUDITED)

	Note	For the Six Months Ended June 30,	
		2021	2020
		JD	JD
Cash flow from operating activities			
Income for the period before income tax		29,861,377	21,253,486
Adjustments:			
Depreciation and amortization		7,377,511	6,828,653
Expected credit loss	23	17,513,306	15,467,538
Right of use assets amortization	25	1,850,853	1,904,165
Interests on lease liabilities	25	498,357	506,286
(Gain) from sales of financial assets at amortized cost	11	(154,665)	(133,560)
Losses from sale of financial assets at fair value through other comprehensive income		510,462	-
Provision (Surplus) for impairment of foreclosed assets		822,212	(68,297)
Unrealized (gain) losses from financial assets valuation	21	(1,568,895)	1,939,765
Losses from sale of property and equipment		13,496	36,816
(Gain) losses from valuation of convertible loans		(5,860)	19,271
Sundry provisions		(159,810)	455,500
Bank's share of (gain) in an affiliate		(451)	(5,485)
Effect of exchange rate fluctuations on cash and cash equivalents		(1,120,431)	(1,204,440)
Losses on sale of foreclosed assets		489,249	43,855
Profit before changes in assets and liabilities		55,926,711	47,043,553
CHANGES IN ASSETS AND LIABILITIES:			
Restricted cash balances		(1,730)	(686,785)
Direct credit and financing facilities		(296,200,920)	(198,881,268)
Financial assets at fair value through profit or loss		(11,573,611)	2,505,673
Deposits at banks and financial institutions		1,601,485	768,834
Deposits at banks and financial institutions exceeding 3 months		15,500,000	(20,773,000)
Other assets		(2,296,508)	(6,448,515)
Customers' deposits		335,128,497	142,391,914
Cash margins		5,501,716	23,159,739
Other liabilities		16,108,651	(964,282)
Net Cash Flow from (used in) Operating Activities before Income tax and Other Provisions Paid		119,694,291	(11,884,137)
Income tax paid	14/a	(25,085,868)	(20,529,965)
Other provisions paid		-	(50,000)
Net Cash Flow from (used in) Operating Activities		94,608,423	(32,464,102)
Net cash flow from Investing activities			
Net (purchase) sale of financial assets at fair value through other comprehensive income		(4,983,656)	(2,510,429)
Net (purchase) sale of financial assets at amortized cost		(158,323,167)	(113,891,509)
Maturity/sale of financial assets at amortized cost		147,105,680	81,480,301
(Increase) of intangible assets		(3,116,710)	(3,333,985)
(Purchase) of property and equipment		(1,466,670)	(3,342,906)
Proceeds from sale of property and equipment		29,565	2,970
Cash dividends distributed from associate company		6,250	10,000
Net Cash Flow (used in) Investing Activities		(20,748,708)	(41,585,558)
Cash Flow from Financing activities			
Increase in borrowing funds		4,141,151	2,294,197
Increase in subordinated loan	16/b	-	21,300,000
Dividends paid	26	(18,314,566)	(12,084)
Installments payments of the lease liability principal	25	(2,361,797)	(2,433,983)
Repayment of interest portion of the lease liability		(126,303)	(139,658)
Net Cash (used in) Cash Flow from Financing Activities		(16,661,515)	21,008,472
Net Increase (Decrease) in Cash and Cash Equivalents		57,198,200	(53,041,188)
Effect of exchange rate changes on cash and cash equivalents		1,120,431	1,204,440
Cash and cash equivalents at the beginning of the year		854,690,830	783,603,025
Cash and Cash Equivalents at the End of the Period	24	913,009,461	731,766,277

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BANK AL ETIHAD
(PUBLIC SHAREHOLDING COMPANY)
AMMAN - HASHEMITE KINGDOM OF JORDAN
NOTES TO THE CONSOLIDATED CONDENSED INTERIM
FINANCIAL STATEMENTS
(REVIEWED NOT AUDITED)

1. GENERAL

- Bank Al Etihad is a public shareholding company incorporated in Jordan during 1978, in accordance with the Companies Law No (12) of (1964). Its main branch located in Amman, and it was transformed to a bank during the year 1991.
- The Bank provides its financial and banking services through its main branch located in Amman and through its (53) branches and its subsidiaries in Jordan.
- The Bank shares are listed and traded on the Amman Stock Exchange-Jordan.
- The consolidated condensed Interim financial statements were approved by the Board of Directors on July 29, 2021.

2. Basis of Preparation

- The accompanying consolidated condensed interim financial information for the ended six months ended June 30, 2021 in accordance to the International Financial Reporting Standard number 34 (IFRS 34) (interim financial reports) as adopted by Central Bank of Jordan.

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

- a. Provisions for expected credit losses are calculated in accordance with IFRS 9 and according to the instructions of Central Bank of Jordan, whichever is tougher, the material differences is as follows:
 - Elimination of debt instrument issued or guaranteed by the Jordanian government, in addition to other credit exposures with the Jordanian government or guaranteed, in which credit exposures over the Jordanian government are amended and guaranteed without any credit losses.
 - When calculating the credit losses against credit exposures, the calculation results according to IFRS 9 are compared with those according to the Central Bank of Jordan's Instructions No. (2009/47) dated December 10, 2009 for each stage separately and the toughest results are taken.
 - In some special cases Central Bank of Jordan agrees on special arrangements related to the calculation of the expected credit losses' provision of direct credit facilities customers over the determined period.
 - The clients facilities related to governmental projects out comes (transferred of Government dues) are excluded from provisions calculation.
- b. Interests, revenues and commissions on non performing credit facilities granted to clients are suspended, in accordance with the instructions of Central Bank of Jordan.

- Assets foreclosed to the Bank are shown in the consolidated statement of financial position, among other assets at their current value when it foreclosed to the Bank or at their fair value, whichever is lower. Furthermore, they are reevaluated on the date of the consolidated condensed interim financial statements separately, and any decrease in its value is recorded in the consolidated condensed interim statement of profit or loss and consolidated comprehensive income while no increase in its value is recorded as revenue, in which, any subsequent increase is taken to the consolidated statement of profit or loss and other comprehensive income to the extent of not exceeding the previously recorded impairment value. A gradual provision has been taken for real estate acquired in exchange for debts according to the Central Bank of Jordan's generalization (10/1/16239) dated November 21, 2020, which is 5% of the total book value of these real estates from the year of 2021 until the required percentage is reached (50% of these properties by the end of the year 2029).
- The reporting currency of the consolidated condensed interim financial statements is the Jordanian Dinar, which is the functional currency of the Bank.
- The consolidated condensed interim financial information do not include all the information and notes required in the annual financial statements and should be read with the Bank's annual financial statements as of December 31, 2020. Also, operations' results as of June 30, 2021 do not necessarily represent an indicator for the expected operations for the year ending December 31, 2021. In addition, no provision has been taken over the profits of the six months ended June 30, 2021, which is done at the end of the fiscal year.
- Significant Accounting Judgments and key Sources of Uncertainty Estimates, and Risk Management:
Preparation of the consolidated condensed interim financial information and application of the accounting policies require Bank's management to make Judgments, estimates, and assumptions that affect the amounts of financial assets, 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 condensed interim statement of comprehensive income and within shareholders' equity. In particular, Bank's management requires judgments to be made to estimate the amounts and timing of future cash flows. These mentioned estimates are necessarily based on multiple assumptions and many 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 our estimates in the preparation of summary consolidated condensed interim financial information are reasonable and similar to those adopted in the preparation of consolidated financial statements for the year 2020.

3. Significant Accounting Policies

The accounting policies used in the preparation of the consolidated condensed 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 Group has adopted the following amendments and interpretations which are effective for the first time in 2021 and which have no impact on the Bank's condensed interim financial information:

Standard Interest Rate Reforms - Stage Two Adjustments

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

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

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

4. Basis of Preparation of the consolidated condensed interim financial statements

The consolidated condensed interim financial statements include the financial statements of the Bank and its subsidiaries under its control, meanwhile, control exists when the Bank has control over the investee company, or it is exposed to variable returns or holds rights for its participation in the investee company, and the Bank is able to use its control over the investee company to affect those returns.

- The Bank reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control listed above.
- When the Bank has less than the majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally, In this regard, the Bank considers all relevant facts and circumstances in assessing whether or not the Bank's voting rights in an investee are sufficient to give it power, including:
 - The size of the Banks's holding of voting rights relative to the size of holdings of the other vote holders,
 - Potential voting rights held by the Bank, other vote holders or other parties,
 - Rights arising from other contractual arrangements.
 - Any other facts and circumstances indicate that the Bank has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Control is achieved when the Bank:

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

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

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

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

When it loses control of a subsidiary, the Bank performs the following:-

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

The subsidiaries' financial statements are prepared under the same accounting policies adopted by the Bank. If the subsidiaries apply different accounting policies than those used by the Bank, the necessary modifications shall be made to the subsidiaries' financial statements to make them comply with the accounting policies used by the Bank.

The non-controlling interests represent the portion not owned by the Bank relating to ownership of the subsidiaries.

- All balances, transactions, income, and expenses between the Bank and its subsidiaries are eliminated.
- The subsidiaries financial statements are prepared under the same accounting policies adopted by the Bank. If the subsidiaries apply different accounting policies than those used by the Bank, the necessary modifications shall be made to the subsidiaries' financial statements to make them comply with the accounting policies used by the Bank.
- The results of the subsidiaries' operations are consolidated in the consolidated income statement from their acquisition date, which is the date that the control over subsidiaries is effectively transferred to the Bank. Furthermore, the results of the disposed of subsidiaries are consolidated in the consolidated income statement up to the date of their disposal, which is the date on which the Bank loses control over the subsidiaries.
- The non-controlling interests represent the portion not owned by the Bank in the subsidiaries. Non-controlling interests are shown in the subsidiaries' net assets as a separate line item within the Bank's statement of shareholders' equity.

The Bank owns the following subsidiaries as of June 30, 2021:

Company's Name	Ownership of the Bank %	June 30, 2021		Nature of Operation	Date of Acquisition	Location	For the Six Month Ended June 30, 2021			
		Paid-up Capital	Investment Value				Total Assets	Total Liabilities	Total Revenues	Total Expenses
		JD					JD		JD	
Al-Etiihad for Financial Brokerage Company L.L.C	100	5,000,000	5,000,000	Financial Brokerage	2006	Jordan	12,346,011	1,123,903	344,003	(117,299)
Al-Etiihad for Financial Leasing Company L.L.C	100	10,000,000	10,000,000	Finance Leasing Acquisition of bonds and shares in companies and borrowing the necessary funds from banks	2015	Jordan	24,408,351	12,777,392	1,089,322	(498,429)
Al-Etiihad Islamic Investment Company L.L.C*	58	113,039,028	65,562,636	Manufacturing, programming, preparing, developing and supplying programs	2016	Jordan	117,700,189	28,443	-	(3,750)
Al-Etiihad for Financial Technology Company L.L.C	100	100,000	100,000		2019	Jordan	84,654	6,960	-	(45,574)
		128,139,028	80,662,636							

* Al-Etiihad Islamic Investment Company has a presntege of 62.4% in Safwa Islamic Bank total where the total asset amounted to JD 2,072,684,122 and total liability amounted to JD 416,778,955 and total revenue amounted to JD 23,766,545 and total expenses amounted to JD 12,555,427.

5. Cash and Balances at Central Bank of Jordan

Details of this item are as follows:

	June 30, 2021	December 31, 2020
	JD	JD
Cash at treasury	91,174,016	101,051,657
Balances at the Central Bank of Jordan:		
Current accounts and demand deposits	196,904,967	269,306,430
Term and notice deposits	144,000,000	165,000,000
Statutory cash reserve	202,693,189	185,702,345
Total	634,772,172	721,060,432

Disclosure on the movements of the total balances at the Central Bank of Jordan:

	June 30, 2021	December 31, 2020
	Stage (1)- Individual	Stage (1)- Individual
	JD	JD
Balance at the beginning of the period / year	620,008,775	503,730,148
New balances during the period / year	144,000,000	202,978,627
Paid balances	(220,410,619)	(86,700,000)
Balance at the end of the period / year	543,598,156	620,008,775

- There are no transfers between the first, second and third stages or write-off balances during the six months ended June 30, 2021 & the year ended December 31, 2020.
- Except for the statutory cash reserve, there are no restricted balances as of June 30, 2021 and December 31, 2020.
- There are no amounts matured during a period exceeding three months as of June 30, 2021 and December 31, 2020.

6. Balances at Banks and Financial Institutions

The details of this item is as follows:

	Local Banks and Financial Institutions		Foreign Banks and Financial Institutions		Total	
	June 30, 2021 JD	December 31, 2020 JD	June 30, 2021 JD	December 31, 2020 JD	June 30, 2021 JD	December 31, 2020 JD
Current accounts and demand deposits	460,461	623,596	195,922,094	162,452,001	196,382,555	163,075,597
Deposits maturing within 3 months or less	29,000,000	20,000,000	330,098,266	214,198,613	359,098,266	234,198,613
Total	29,460,461	20,623,596	526,020,360	376,650,614	555,480,821	397,274,210
Provision for expected credit losses *	-	-	(429,079)	(189,682)	(429,079)	(189,682)
Net balance at banks and financial institutions	29,460,461	20,623,596	525,591,281	376,460,932	555,051,742	397,084,528

- Non-interest bearing balances at banks and financial institutions amounted to JD 27,824,707 as of June 30, 2021 (JD 46,289,804 as of December 31, 2020).

- Restricted balances amounted to JD 7,547,497 as of June 30, 2021 and (JD 7,545,767 as of December 31, 2020).

The following is the movement of the total balances at banks and financial institutions:

	June 30, 2021		December 31, 2020	
	Stage (1) Individual JD	Total JD	Stage (1) Individual JD	Total JD
Total balance at the beginning of the period / year	397,274,210	397,274,210	331,017,085	331,017,085
New balances during the period / year	471,005,402	471,005,402	336,335,033	336,335,033
Paid balances during the period / year	(309,057,060)	(309,057,060)	(270,077,908)	(270,077,908)
Changes resulting from adjustments	(3,741,731)	(3,741,731)	-	-
Total Balance At the End of the Period / Year	555,480,821	555,480,821	397,274,210	397,274,210

* Disclosure of the provision for expected credit losses of balances at banks and financial institutions:

	June 30, 2021		December 31, 2020	
	Stage (1) Individual JD	Total JD	Stage (1) Individual JD	Total JD
Balance at the beginning of the period / year	189,682	189,682	211,356	211,356
Impairment loss on new balances during the period / year	429,078	429,078	189,682	189,682
Recovered from the loss on the paid deposits	(189,681)	(189,681)	(211,356)	(211,356)
Changes resulting from adjustments	-	-	-	-
Total balance at the end of the period / year	429,079	429,079	189,682	189,682

7. Deposits at Banks and Financial Institutions

Details of the following item are as follows:

Deposits maturing during the period:

More than 3 months to 6 months

More than 6 months to 9 months

Total

Provision for expected credit losses *

Net

	Local Banks and Financial Institutions		Foreign Banks and Financial Institutions		Total	
	June 30, 2021	December 31, 2020	June 30, 2021	December 31, 2020	June 30, 2021	December 31, 2020
	JD	JD	JD	JD	JD	JD
	-	-	2,847,583	1,449,068	2,847,583	1,449,068
	-	3,000,000	-	-	-	3,000,000
	-	3,000,000	2,847,583	1,449,068	2,847,583	4,449,068
	-	-	(1,285)	(611)	(1,285)	(611)
	-	3,000,000	2,846,298	1,448,457	2,846,298	4,448,457

- There are no restricted deposits as of June 30, 2021 and December 31, 2020.

- The following is the movement on the total deposits at Banks and Financial Institutions:

	June 30, 2021		December 31, 2020	
	Stage (1) Individual	Total	Stage (1) Individual	Total
	JD	JD	JD	JD
Total balance at the beginning of the period / year	4,449,068	4,449,068	3,000,000	3,000,000
New balances during the period / year	2,847,583	2,847,583	4,449,068	4,449,068
Paid balances	(4,449,068)	(4,449,068)	(3,000,000)	(3,000,000)
Total Balance at the End of the Period / Year	2,847,583	2,847,583	4,449,068	4,449,068

* Disclosure of the provision for expected credit losses on deposits at banks and financial institutions:

	June 30, 2021		December 31, 2020	
	Stage 1 Individual	Total	Stage 1 Individual	Total
	JD	JD	JD	JD
Balance at the beginning of the period / year	611	611	-	-
Impairment loss on new deposits during the period / year	1,285	1,285	611	611
Recovered from the loss on the Paid deposits	(611)	(611)	-	-
Total Balance at the End of the Period / Year	1,285	1,285	611	611

8. Financial Assets at Fair Value Through Profit or Loss:

Details of the following item are as follows:	June 30,	December 31,
	2021	2020
	JD	JD
Government bonds listed in financial markets	76,454	78,294
Corporate bonds listed in financial markets	7,465,211	1,463,324
Corporate shares listed in financial markets	8,445,116	5,667,508
Investment Funds	12,375,621	8,010,770
	<u>28,362,402</u>	<u>15,219,896</u>

9. Direct Credit and Financing Facilities - Net

The details of this item are as follows:	June 30,	December 31,
	2021	2020
	JD	JD
Individuals (retail):		
Overdraft accounts	2,706,923	2,481,742
Loans and promissory notes*	758,888,985	691,793,785
Credit cards	15,447,411	14,494,456
Real estate loans	836,261,804	783,136,250
Large Companies		
Overdraft accounts	79,058,585	81,996,125
Loans and promissory notes *	1,051,704,609	1,100,136,150
Small and Medium		
Overdraft accounts	22,164,474	25,149,124
Loans and promissory notes *	180,142,654	176,403,540
Government and public sector	436,412,006	212,514,816
Total	<u>3,382,787,451</u>	<u>3,088,105,988</u>
<u>Less:</u> Interest revenue in suspense	17,791,188	16,995,241
Provision of expected credit losses	134,203,438	119,482,614
Net Direct Credit and Financing Facilities	<u>3,230,792,825</u>	<u>2,951,628,133</u>

* Net after deducting the interests and commissions received in advance amounting to JD 5,213,951 as on June 30, 2021. (JD 5,057,807 as of December 31, 2020).

- Credit facilities and financing within the third stage amounted to JD 121,251,223 which represent 3.58% of total Direct Credit facilities and financing as of June 30, 2021 (JD 118,245,398 which represent 3.83% of total credit facilities and financing as of December 31, 2020).
- The credit facilities and financing within the third stage, after deducting the suspend interests and commissions, amounted to JD 103,505,334 which represent 3.08% of total direct credit facilities and financing after deducting interests, returns and commissions in suspend as on June 30, 2021 (JD 101,250,157 which represent 3.30% of total Direct Credit facilities and financing after deducting the suspended interests, returns and commissions as of December 31, 2020).
- Credit facilities and financing granted to the Jordanian government amounted to JD 317,982,751 which represent 9.40% of total direct credit facilities and financing as of June 30, 2021 (JD 305,008,749 which represent 9.88% of the total direct credit facilities and financing as of December 31, 2020).
- Financing in accordance with Islamic law, which belongs to Safwa Islamic Bank, amounted to JD 1,502,542,044 which represent 44.42% of total direct credit facilities as of June 30, 2021 (JD 1,193,020,390 representing a percentage of 38.63% as of December 31, 2020).

Disclosure on the movement of gross credit facilities and financing:

For the Six Months Period June 30, 2021

	Individual		Collective		Individual		Collective		Stage (3)		Total	
	JD		JD		JD		JD		JD		JD	
For the Six Months Period June 30, 2021												
Total Balance at beginning of the Year	2,023,885,152		572,632,425		342,616,631		30,726,382		118,245,398		3,088,105,988	
New facilities during the period	484,255,026		127,125,353		34,536,248		2,947,651		3,003,169		651,867,447	
Paid facilities	(174,761,231)		(19,788,274)		(15,654,199)		(1,088,357)		(4,474,833)		(215,766,894)	
Transferred to stage (1) during the period	45,765,319		835,308		(44,335,300)		(824,417)		(1,440,910)		-	
Transferred to stage (2) during the period	(127,346,602)		(18,980,265)		132,568,247		19,406,928		(5,648,308)		-	
Transferred to stage (3) during the period	(2,916,309)		(1,126,805)		(9,473,430)		(1,025,873)		14,542,417		-	
The total impact on the volume of exposures as a result of changing the classification between stages	(1,480,198)		(101,484)		(16,032,822)		(324,217)		333,679		(17,605,042)	
Changes resulting from adjustments	(95,734,846)		(27,796,931)		3,409,540		(382,422)		(327,305)		(120,831,964)	
Written off debts or transferred to off- statement of financial position items *	-		-		-		-		(2,982,084)		(2,982,084)	
Total Balance as at the End of the Period	2,151,666,311		632,799,327		427,634,915		49,435,675		121,251,223		3,382,787,451	

December 31, 2020

Balance - beginning of the year	1,873,654,487		442,937,612		285,111,909		31,396,579		2,749,551,213
New exposures during the year	462,236,817		177,653,092		60,697,305		9,149,588		717,891,055
Exposures paid during the year	(211,071,360)		(25,168,082)		(36,057,970)		(1,845,521)		(279,614,714)
Transferred to stage (1)	61,109,447		11,524,200		(60,143,204)		(11,487,602)		-
Transferred to stage (2)	(121,613,716)		(2,934,877)		122,689,573		3,991,464		-
Transferred to stage (3)	(10,947,692)		(1,033,392)		(11,245,382)		(1,066,122)		-
The total impact on the volume of exposures as a result of changing the classification between stages	88,053		(1,083,003)		(12,539,614)		(230,859)		(13,986,934)
Changes resulting from adjustments	(29,570,884)		(29,263,125)		(5,895,986)		818,855		(68,020,667)
Written off debts or transferred to off- statement of financial position items *	-		-		-		-		(17,713,965)
Total balance at year- end	2,023,885,152		572,632,425		342,616,631		30,726,382		3,088,105,988

* During the six months period ended June 30, 2021 an amount of JD 2,618,555 was transferred to off- statement of financial position items (JD 14,822,171 as at December 31, 2020) and an amount of JD 363,529 of direct credit and financing facilities was written off according to the BOD decisions in this regards (JD 2,891,794 as at December 31, 2020).

Expected credit loss

Following is the movement for the expected credit loss during the period/year:

	Individuals		Real Estate Loans		Corporates		SMEs		Public Sector		Total	
	JD		JD		JD		JD		JD		JD	
For the Six Months Period Ended June 30, 2021												
Balance at the beginning of the period	25,401,230		14,336,802		67,069,526		12,675,056		-		119,482,614	
Impairment loss on new facilities during the period	3,026,629		692,664		6,885,360		1,614,656		-		12,219,309	
Recovered from the impairment loss on the paid facilities	(1,090,680)		(426,876)		(2,593,115)		(874,225)		-		(4,984,896)	
Transferred to stage (1)	1,449,369		655,913		(1,018,071)		(198,115)		-		889,096	
Transferred to stage (2)	241,599		(182,217)		(2,203,172)		295,113		-		(1,848,677)	
Transferred to stage (3)	(1,690,968)		(473,696)		3,221,243		(96,998)		-		959,581	
The effect on the provision - as at the end of the period - as a result of changing the classification between the three stages during the period	1,712,893		(427,987)		2,116,663		71,366		-		3,472,935	
Changes resulted from adjustments	2,192,375		(354,827)		5,298,914		(807,581)		-		6,328,881	
Written off debts or transferred	(504,555)		(3,402)		(1,449,498)		(357,950)		-		(2,315,405)	
Total balance at the End of the Period	30,737,892		13,816,374		77,327,850		12,321,322		-		134,203,438	
Redistribution:												
Provision on individual level	28,588,977		13,816,239		77,327,850		12,126,531		-		131,859,597	
Provision on Collective level	2,148,915		135		-		194,791		-		2,343,841	
	30,737,892		13,816,374		77,327,850		12,321,322		-		134,203,438	

	Individuals		Real Estate Loans		Corporates		SMEs		Public Sector		Total
	JD		JD		JD		JD		JD		JD
<u>For the Year Ended December 31, 2020</u>											
Balance as at January 1, 2020	16,806,351		8,438,426		61,873,990		9,708,250		189,784		97,016,801
Impairment loss on new facilities during the period	3,345,252		449,582		4,871,545		1,403,202		-		10,069,581
Recovered from the impairment loss on the paid facilities	(1,323,682)		(273,618)		(3,355,349)		(576,193)		-		(5,528,842)
Transferred to stage (1)	590,181		156,753		346,280		22,126		-		1,115,340
Transferred to stage (2)	252,780		(16,189)		(1,161,016)		11,264		-		(913,161)
Transferred to stage (3)	(842,961)		(140,564)		814,736		(33,390)		-		(202,179)
The total impact on the volume of exposures as a result of changing the classification between stages	4,922,881		2,963,848		3,327,599		2,008,715		-		13,223,043
Changes resulting from adjustments	1,675,930		2,774,879		13,503,004		2,188,585		(189,784)		19,952,614
Written off debts or transferred	(25,502)		(16,315)		(13,151,263)		(2,057,503)		-		(15,250,583)
Total balance at the End of the Year	<u>25,401,230</u>		<u>14,336,802</u>		<u>67,069,526</u>		<u>12,675,056</u>		<u>-</u>		<u>119,482,614</u>
Redistribution:											
Provision on individual level	24,527,804		14,336,750		67,069,526		12,502,541		-		118,436,621
Provision on Collective level	873,426		52		-		172,515		-		1,045,993
	<u>25,401,230</u>		<u>14,336,802</u>		<u>67,069,526</u>		<u>12,675,056</u>		<u>-</u>		<u>119,482,614</u>

- The value of the provision that were no longer needed as a result of debit settlements and transfers to other debits amounted to JD 4,984,896 as of

June 30, 2021 (JD 5,528,842 as of December 31, 2020).

Suspended Interests

The movement of the suspended interests are as follows:

For the Six Months Period Ended June 30, 2021

	Companies				Banks and financial institutions	Total
	Individuals	Real estate loans	Corporates	SMEs		
	JD	JD	JD	JD	JD	JD
Balance beginning of the period	4,120,410	2,935,998	7,655,932	2,282,901	-	16,995,241
Add: Interest and returns suspended during period	1,106,073	207,724	700,466	317,709	-	2,331,972
Less: Interests and returns transferred to revenues	243,288	90,947	505,676	29,435	-	869,346
Written off suspended interests	249,492	51,159	188,249	177,779	-	666,679
Balance End of the Period	4,733,703	3,001,616	7,662,473	2,393,396	-	17,791,188

Balance beginning of the Year	3,240,079	2,423,484	9,312,423	1,707,055	-	16,683,041
Add: Interest and returns suspended during year	1,621,969	646,343	1,280,781	836,422	-	4,385,515
Less: Interests and returns transferred to revenues	708,029	108,749	738,822	54,334	-	1,609,934
Written off suspended interests	33,609	25,080	2,198,450	206,242	-	2,463,381
Balance End of the Year	4,120,410	2,935,998	7,655,932	2,282,901	-	16,995,241

For the Year Ended December 31, 2020

10. Financial Assets at Fair Value through Other Comprehensive Income

The details of this item are as follows:

	June 30, 2021	December 31, 2020
	JD	JD
Quoted shares in active markets	25,403,864	20,184,837
Unquoted shares in active markets	10,203,294	9,736,478
Investment funds	4,574,672	1,732,795
Total	40,181,830	31,654,110

- Transferred losses as a result of selling financial assets at fair value through the statement of other comprehensive income amounted to JD 510,462 as of June 30, 2021. (There was no gain or losses transferred as of June 30, 2020)
- Cash dividends on the above financial assets amounted to JD 443,992 for the six months ended June 30, 2021 (JD 553,071 for the six months ended June 30, 2020).

11. Financial Assets at Amortized Cost

The details of this item are as follows:

	June 30, 2021	December 31, 2020
	JD	JD
<u>Quoted Financial Assets:</u>		
Foreign treasury bonds	36,249,702	32,058,762
Corporate bonds and debentures	111,834,663	98,343,786
<u>Unquoted Financial Assets:</u>		
Governmental treasury bonds	84,986,180	35,091,483
Governmental guaranteed bonds and bills	659,596,931	720,801,293
Corporate bonds and debentures	23,452,000	18,452,000
	916,119,476	904,747,324
<u>Less:</u> Provision for excepted credit loss related to financial assets within stage (1)	597,557	451,976
Provision for excepted credit loss related to financial assets within stage (2)	-	41,914
Provision for expected credit loss related to financial assets within stage (3)	250,000	250,000
	915,271,919	904,003,434
<u>Bonds and Bills Analysis (before provisions):</u>		
With Fixed rate	910,221,720	897,958,770
With Floating rate	5,897,756	6,788,554
Total	916,119,476	904,747,324
<u>Bond Analysis IFRS 9 (before provisions):</u>		
Stage (1)	915,869,476	903,067,980
Stage (2)	-	1,429,344
Stage (3)	250,000	250,000
	916,119,476	904,747,324

Movement disclosures of total financial assets at amortized cost before provisions:

	June 30, 2021			2020
	Stage (1) - Individual	Stage (2)	Stage (3)	Total
	JD	JD	JD	JD
Total balance at the beginning of the period / year	903,067,980	1,429,344	250,000	904,747,324
New investments during the period	148,219,980	-	-	148,219,980
Sold / matured investments*	(145,521,671)	(1,429,344)	-	(146,951,015)
The effects on the exposure due to reclassifications between stages	-	-	-	-
Changes resulted from adjustments	10,103,187	-	-	10,103,187
Total balance at the End of the Period / Year	915,869,476	-	250,000	916,119,476
				904,747,324

The following represents a movement on provision for expected credit losses during the period / year:

	June 30, 2021			2020
	Stage (1) - Individual	Stage (2)	Stage (3)	Total
	JD	JD	JD	JD
Balance beginning of the period / year	451,976	41,914	250,000	743,890
Impairment loss on the new investment during the period / year	76,247	-	-	76,247
(Recovered) from the impairment loss on the accrued investments	(34,631)	(41,914)	-	(76,545)
Impact on the provision - for the year ended- due to reclassifications between stages	-	-	-	-
Changes resulted from adjustments	103,965	-	-	103,965
Total balance as at the End of the Period / Year	597,557	-	250,000	847,557
				743,890

* During the first half of 2021, financial assets were sold at amortized cost with a nominal value of JD 9,941,598 (JD 46,504,730 during the same period of the previous year) , the operation resulted in a profit of JD 154,665 for the period ended on June 30, 2021 (a profit of JD 133,560 for the period ended on June 30, 2020) the main reason for the selling process to avoid the large fluctuation in its prices after the US Federal Reserve meeting on June 16, 2021, in which it was announced that it would start raising interest rates on the dollar and within a shorter period of time than the financial market and investors had expected.

12. Other assets

The details of this item are as follows:

	June 30, 2021	December 31, 2020
	JD	JD
Interests and revenue under collection	13,427,420	14,389,293
Prepaid expenses	8,320,635	4,399,768
Foreclosed assets against debts *	47,165,499	49,408,223
Clearing checks	136,634	100,397
Transfers and checks under collection	2,418,677	59,178
Margins on letter of guarantees paid	2,507,193	3,780,704
Discounted commercial papers	13,792,271	16,449,582
Convertible loan**	705,044	699,185
Other	12,261,338	10,457,474
	<u>100,734,711</u>	<u>99,743,804</u>

* Central bank of Jordan instructions requires to dispose of shares and real estates that are foreclosed assets against debts during two years from date of acquisition. However, in some special cases the central bank has the authority to extend the period to two subsequent years at max.

Since the beginning of the year 2015, a gradual provision has been taken for real estate acquired in exchange for debt that have expired over a period of more than 4 years, according to the Central Bank of Jordan's Circular No 15/1/4076 dated March 27, 2014 and Circular No. 10/1/2510 dated February 14, 2017. Moreover, the Central Bank of Jordan has issued Circular No. 10/1/13967 dated October 25, 2018, extending the validity of Circular No. 10/1/16607 dated February 17, 2017, and postponing the provision calculation until the end of the year 2019. According to the Central Bank of Jordan's Circular No. 10/1/16239 dated November 21, 2019, deductions shall be made concerning the required allocations against real estate acquired at the rate of (5%) of the total book values of these properties (regardless of the period of their violation) effective from the year 2021 until the required percentage of 50% of these properties is reached by the end of the year 2029.

** This item represents convertible loans to shares amounted to JD 705,044.

Below is a summary of foreclosed assets against debts in the net after the provision:

	June 30, 2021	December 31, 2020
	JD	JD
Balance beginning of period / year	49,408,223	42,371,291
Additions	1,260,771	7,993,952
Disposals	(2,681,283)	(975,317)
(Provision) Surplus in impairment	(822,212)	18,297
Balance End of Period / year	<u>47,165,499</u>	<u>49,408,223</u>

Below is a summary of the movement on foreclosed assets provision:

	For the six months ended June 30,	
	2021	2020
Balance beginning of period	3,496,864	3,515,161
Additions (Surplus) during the period	822,212	(68,297)
Balance End of Period	<u>4,319,076</u>	<u>3,446,864</u>

The provision for impairment against the foreclosed assets amounted to JD 1,223,095 as of June 30, 2021 (JD 1,025,228 as of December 31, 2020), and the provision for real estate owned by the bank for a period of more than (4) years amounted to an amount of JD 3,095,981 as of June 30, 2021 (JD 2,471,636 as of December 31, 2020).

13. Customers deposits

The details for this item are as follows:

	Companies					Government and Public Sector	Total
	Individual		Corporates		SMES		
	JD		JD		JD		
<u>June 30, 2021</u>							
Current and demand accounts	434,629,795		305,697,927		206,236,990	9,645,580	956,210,292
Saving deposits	765,674,440		26,438,746		20,208,237	5,473,795	817,795,218
Time and notice deposits	1,349,979,667		512,001,540		113,661,490	211,654,504	2,187,297,201
Certificate of deposits	335,672,778		8,657,000		16,407,000	16,100,000	376,836,778
	<u>2,885,956,680</u>		<u>852,795,213</u>		<u>356,513,717</u>	<u>242,873,879</u>	<u>4,338,139,489</u>
<u>December 31, 2020</u>							
Current and demand accounts	386,066,271		261,064,150		172,628,170	3,772,792	823,531,383
Saving deposits	731,001,250		25,149,857		12,542,607	2,841,840	771,535,554
Time and notice deposits	1,259,509,770		516,540,272		114,941,614	171,839,766	2,062,831,422
Certificate of deposits	308,840,633		6,209,000		13,963,000	16,100,000	345,112,633
Total	<u>2,685,417,924</u>		<u>808,963,279</u>		<u>314,075,391</u>	<u>194,554,398</u>	<u>4,003,010,992</u>

- The Jordanian government and public sector's deposits inside the kingdom reached JD 242,873,879 , representing 5.60% of total deposits as of June 30, 2021 (JD 194,554,398 representing 4.86% as of December 31, 2020).

- Deposits with no interest bearing reached JD 925,417,342 , representing 21.33% of the total deposits as of June 30, 2021(JD 790,046,786 representing 19.74% as of December 31, 2020).

- Restricted deposits reached JD 6,195,071, representing 0.14% of the total deposits as of June 30, 2021 (JD 3,101,815 representing 0.08% of the total deposits as of December 31, 2020).

- Dormant deposits reached JD 45,872,334, representing 1.06% of the total deposits as of June 30, 2021 (JD 63,229,721 representing 1.58% of the total deposits as of December 31, 2020).

- Customer deposits include JD 1,435,494,032, representing the joint venture investments of Safwa Islamic Bank as of June 30, 2021 (JD 1,285,977,704 as of December 31, 2020).

14. Provision for income tax

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

	For the Six Months Ended June 30, 2021	For the Year Ended December 31, 2020
	JD	JD
Balance beginning of the period / year	24,618,987	20,634,229
Income tax paid	(25,085,868)	(25,200,592)
Income tax for the period / year	10,126,639	28,629,610
Prior years income tax provision	21,387	555,740
Balance End of the Period / Year	9,681,145	24,618,987

The income tax in the consolidated condensed interim income statements of profit or loss represent the following:

	For the Six Months Ended June 30, 2021	For the Six Months Ended June 30, 2020
	JD	JD
Accrued income tax for the profits of the period	10,126,639	10,496,313
Prior years income tax	21,387	-
Deferred tax assets for the period	(204,638)	(2,671,042)
Deferred tax liabilities for the period	358,829	-
	10,302,217	7,825,271

- Bank Al Etihad submitted tax returns until the end of the year 2020, and the accounting records for the year 2018 were reviewed, and the the year assignment of the assigned employee was completed.
- A final settlement was reached with the Income and Sales Tax Department on the bank's business results until the end of 2018, except for 2017, where the Income and Sales Tax Department reviews the accounting records for that year, and the Income and Sales Tax Department has not reviewed the bank's accounting records for the years 2019 and 2020.
- A final clearance was obtained from the Income and Sales Tax Department of Safwa Islamic Bank until the end of 2018. The tax assessment statements for the years 2019 and 2020 were submitted within the legal period and were not audited by the Income and Sales Tax Department until the date of preparing the condensed consolidated interim financial information.
- The clearance was obtained from the Income and Sales Tax Department for Misk Financial Brokerage Company (a subsidiary of Safwa Islamic Bank) Until the end of 2018 and the company has submitted the tax statements for the years 2019 and 2020 and it have not yet been reviewed by the Income and Sales Tax Department. During 2021, a case filed by the company in the face of the Income and Sales Tax Department, which is now in the beginning stage, to request the abolition of the imposition of tax on the company for the years 2011, 2012 and 2013, and according to the opinion of the lawyer, there is no need to take any provisions for this case.
- A final settlement was reached with the Income Tax Department on the results of Al-Etihad Brokerage Company's business until the year 2019, and the tax return was submitted for the year 2020, and it has not been audited until the date of preparing the condensed consolidated interim financial information.
- A final settlement was reached with the Income Tax Department on the results of Al-Etihad Leasing Company's business until the year 2019, and the tax return was submitted for the year 2020, and it has not been audited until the date of preparing the condensed consolidated interim financial information.
- A provision for tax has been calculated and entered for the six months ending on June 30, 2021 for the bank and its subsidiaries, and in the opinion of the management and the tax consultant that it will not Liabilities arise that exceed the provision recognized in the consolidated condensed interim financial information
- The percentage of deferred taxes was 38% and 13%, and the bank's management estimates that these taxes can be realized in the future.

b. Deferred tax assets and Liabilities:

Details of the following item are as follows:

<u>Deferred tax assets</u>	
Financial assets at fair value through statement of comprehensive income	
Financial assets at fair value through statement of profit or loss	
Provision on foreclosed assets	
Bonus provisions	
Advertising expenses	
Provision on lawsuits against the bank	
Provision on credit and financing facilities	
General provision	
Provision for contingent liabilities	
Differences after the application of IFRS 16	
Provision for expected credit losses (stage 1 & 2)	
End of service indemnity	
Provision for finance lease awards	
Total	

Deferred tax liabilities

Financial assets at fair value through statement of profit or loss

Total

- The movement on the deferred income tax assets is as follows:

Balance - beginning of the period / year

Additions

Disposals

Balance - End of the period / year

15. Other Liabilities

The details of this item are as follows:

	June 30, 2021	December 31, 2020
	JD	JD
Accrued interest expense	29,057,179	24,649,651
Revenue received in advance	1,567,133	1,607,396
Accounts payable	833,545	383,688
Accrued expenses	11,783,736	10,561,947
Incoming transfers	226,516	125,568
Deferred cheques	14,377,975	10,685,079
Provision for expected credit losses on off - statement of financial position items *	5,025,957	4,892,618
Unpaid dividends	599,220	656,001
Other liabilities	21,093,524	14,817,626
Total	84,564,785	68,379,574

	For the six months ended June 30, 2021				For the year ended December 31, 2020
Movement disclosures on indirect facilities	Stage (1) - Individual	Stage(2) - Individual	Stage (3)	Total	December 31, 2020
	JD	JD	JD	JD	JD
Total balance at the beginning of the period / year	976,015,097	49,946,146	1,785,217	1,027,746,460	975,209,945
New exposures during the period/year	497,337,411	73,546,197	34,085	570,917,693	584,589,897
Accrued exposures	(439,999,553)	(19,726,583)	(116,744)	(459,842,880)	(536,649,122)
Transferred into the stage (1)	2,077,208	(2,074,208)	(3,000)	-	-
Transferred into the stage (2)	(32,136,572)	32,136,572	-	-	-
Transferred into the stage (3)	(347,739)	(155,870)	503,609	-	-
Total effect on the volume of exposures as a result of changing classification between stages	898,059	(5,051,462)	13,437	(4,139,966)	(4,763,771)
Changes resulted from adjustments	(10,390,960)	4,714,220	(492)	(5,677,232)	9,359,511
Total balance at the end of the Period / Year	993,452,951	133,335,012	2,216,112	1,129,004,075	1,027,746,460

* The movement on the provision for expected credit losses for the indirect credit facilities during the period / year is as follows:

	For the six months ended June 30, 2021				For the year ended December 31, 2020
	Stage (1) - Individual	Stage(2) - Individual	Stage (3)	Total	December 31, 2020
	JD	JD	JD	JD	JD
Balance at the beginning of the period/year	4,114,834	629,452	148,332	4,892,618	2,377,767
Impairment loss on the new exposures during the period / year	2,083,843	214,601	-	2,298,444	2,689,519
Recovered from the impairment loss on the accrued exposures	(1,848,287)	(314,769)	-	(2,163,056)	(1,313,665)
Transferred to stage 1	17,558	(17,558)	-	-	-
Transferred to stage 2	(12,389)	12,389	-	-	-
Transferred to stage 3	(144)	(462)	606	-	-
Effect on the provision - as at the end of the period - resulted from the changing of classification between the stages during the period	1,327	13,255	(391)	14,191	98,919
Changes resulted from adjustments	(140,218)	123,978	-	(16,240)	1,040,078
Total balance at the End of the Period / Year	4,216,524	660,886	148,547	5,025,957	4,892,618

16/a. Borrowed funds

The details of this item are as follows:

	Number of Payments			Installment	Loan Interest	
	Amount	Total	What's left	Maturity Period	Guarantees	Price
	JD					%
<u>June 30, 2021</u>						
Central Bank of Jordan borrowing *	27,667,504	8,438	5,368	Monthly	Bank Promissory	0.50% - 1.75%
Central Bank of Jordan borrowing *	731,246	54	28	Quarterly	Bank Promissory	1.00%
Central Bank of Jordan borrowing *	3,387,736	37	29	Semi-annual	Bank Promissory	0.50% - 1.00%
Central Bank of Jordan borrowing *	595,603	22	6	Annual	Bank Promissory	0.50% - 1.00%
Central Bank of Jordan borrowing *	31,865,300	17,699	15,240	Monthly	Bank Promissory	-
International Bank for Reconstruction and Development **	3,900,000	20	13	Semi-annual starting from September 15, 2018	Bank Promissory	1.99%
Arab Fund for Economic and Social Development ***	1,320,000	15	7	Semi-annual	Bank Promissory	2.50%
Arab Fund for Economic and Social Development ***	1,589,016	34	34	Semi-annual	Bank Promissory	3.00%
Arab Fund for Economic and Social Development ***	1,576,749	34	34	Semi-annual	Bank Promissory	3.00%
Arab Fund for Economic and Social Development ***	1,200,000	34	34	Semi-annual	Bank Promissory	3.00%
Jordan Mortgage Refinance Company	10,000,000	1	1	One Settlement	Bank Promissory	4.40%
Jordan Mortgage Refinance Company (Related to a subsidiary)	2,000,000	1	1	One Settlement	-	4.60%
Jordan Mortgage Refinance Company (Related to a subsidiary)	2,000,000	1	1	One Settlement	-	4.70%
Jordan Mortgage Refinance Company (Related to a subsidiary)	2,000,000	1	1	One Settlement	-	4.70%
Jordan Mortgage Refinance Company (Related to a subsidiary)	2,500,000	1	1	One Settlement	-	4.60%
Local Banks (related to a subsidiary)	900,000	48	48	Quarterly	-	3.75%
Local Banks (related to a subsidiary)	<u>1,060,000</u>	48	48	Monthly	-	5.90%
	<u>94,293,154</u>					

	Number of Payments			Installment	Loan Interest	
	Amount	Total	What's left	maturity period	Guarantees	price
	JD					%
December 31, 2020						
Central Bank of Jordan borrowing *	29,143,705	7,595	4,602	Monthly	Bank Promissory	1.00% - 1.75%
Central Bank of Jordan borrowing *	635,978	40	15	Quarterly	Bank Promissory	1.00%
Central Bank of Jordan borrowing *	2,753,865	35	27	semi-annual	Bank Promissory	0.50% - 1.00%
Central Bank of Jordan borrowing *	376,245	6	4	Annual	Bank Promissory	0.50% - 1.00%
Central Bank of Jordan borrowing *	29,736,445	14,311	13,686	Monthly	Bank Promissory	-
International Bank for Reconstruction and Development **	4,200,000	20	14	Semi-annual starting from September 15, 2018	Bank Promissory	3.87%
Arab Fund for Economic and Social Development ***	1,530,000	15	8	semi-annual	Bank Promissory	2.5%
Arab Fund for Economic and Social Development ***	1,589,016	34	34	semi-annual	Bank Promissory	3.00%
Arab Fund for Economic and Social Development ***	1,576,749	34	34	semi-annual	Bank Promissory	3.00%
Arab Fund for Economic and Social Development ***	1,200,000	34	34	semi-annual	Bank Promissory	3.00%
Jordan Mortgage Refinance Company	10,000,000	1	1	one instalment	Bank Promissory	4.40%
Jordan Mortgage Refinance Company (related to subsidiary)	2,000,000	1	1	one instalment	-	4.60%
Jordan Mortgage Refinance Company (related to subsidiary)	2,000,000	1	1	one instalment	-	4.70%
Local Banks (related to a subsidiary)	3,000,000	72	72	Quarterly	-	3.75%
Local Banks (related to a subsidiary)	410,000	24	24	Monthly	-	5.90%
	90,152,003					

* Funds have been borrowed from the Central Bank Jordan were lent back to SMEs' and corporates' sectors at an interest rate ranging between 0.00% - 8.75%.

** Funds have been borrowed from the International Bank for Reconstruction and Development were lent back to SMEs' and corporates' sectors at an interest rate ranging between 5.75% - 10.00%.

*** Funds have been borrowed from the Arab Fund for Economic and Social Development were lent back to SMEs' and corporates' sectors at an interest rate ranging from 5.25% - 9.00%.

16/b. Subordinated Loan

The details of this items are as follows:

	Number of settlements					Interest's lending
	Amount	Total	Remaining	settlements' maturity	Collaterals	Price
	JD					%
<u>June 30, 2021</u>						
European bank for restructuring and development	<u>21,300,000</u>	1	1	One settlement at April 8, 2027	-	6.5
<u>December 31, 2020</u>						
European bank for restructuring and development	<u>21,300,000</u>	1	1	One settlement at April 8, 2027	-	6.5

17. Retained earnings

The details of this item are as follows:

	June 30	December 31
	2021	2020
	JD	JD
Balance at the beginning of the period/year	67,518,099	51,596,833
Profit for the year	-	23,567,470
(Losses) Profits on sale of financial assets at fair value through other comprehensive income	(510,462)	96,634
Transferred to reserves	-	(7,742,838)
Dividends distributed	(16,000,000)	-
Balance at the end of the period/year	51,007,637	67,518,099

- The retained earnings balance includes an amount of JD 1,568,895 which represents the differences in the revaluation of financial assets at fair value through profit or loss for the six months ended June 30, 2021

- It is not possible to dispose of JD 23,440,748 of retained earnings and profit for the period as on June 30, 2021 (JD 23,236,111 as on December 31, 2020). which represent deferred tax assets, and based on the instructions of the Central Bank of Jordan, it is prohibited to dispose of them without its prior approval.

18. Fair value reserve

The details of this item are as follows:

	June 30	December 31
	2021	2020
	JD	JD
Balance at the beginning of the period/year	(2,609,036)	372,413
Unrealized profit (loss)	4,564,988	(3,655,130)
Deferred tax assets	(1,499,533)	673,681
Balance at the end of the period/year	456,419	(2,609,036)

19. Credit interests and returns

The details of this item are as follows:

The details of this Item are as follows:	For The Six Months Ended June 30,	
	2021	2020
	JD	JD
Direct credit facilitates:		
Individuals (Retail):		
overdraft	61,409	91,550
Loans and discounted bills	28,666,308	26,293,061
Credit cards	693,503	881,578
Real estate Loans	28,170,016	26,139,436
Corporates:		
Large Companies:		
overdraft	2,834,458	3,868,390
Loans and discounted bills	31,919,577	37,037,613
SME's:		
overdraft	893,624	1,286,184
Loans and discounted bills	4,852,782	6,186,974
Government and public sector	7,936,484	3,892,594
Balances at central bank	1,456,478	887,137
Balances and deposits at banks and financial institutions	571,467	1,776,131
Financial assets at fair value through profit or loss	2,038	2,038
Financial assets at amortized costs	19,798,403	18,273,126
Others	296,715	415,519
Total	128,153,262	127,031,331

20. Debit interests and expense

The details of this item are as follows:

The details of this item are as follows:	For The Six Months Ended June 30,	
	2021	2020
	JD	JD
Banks and financial institutions deposits	1,232,268	1,317,905
Costumers' deposits:		
Current and demand accounts	591,047	1,296,312
Saving deposits	2,347,866	2,366,360
Time and notice deposits	32,911,152	35,609,734
Certificates of deposits	6,170,110	8,893,433
Cash margins	1,971,679	1,386,923
Borrowed funds	703,274	804,808
Subordinated loan	696,096	740,323
Deposits gurantee fees	3,110,849	2,757,371
Total	49,734,341	55,173,169

21. Gains (losses) of financial assets through statement of profit or loss

The details of this item are as follows:

For The Six Months Ended June 30, 2021

	Realized	Unrealized	Dividends	Total
	Gain	Gain (Losses)		
	JD	JD	JD	JD
Treasury bills and bonds	(53,048)	34,210	-	(18,838)
Corporate shares	1,183,855	201,145	88,047	1,473,047
Financial derivatives	(35,002)	-	-	(35,002)
Investment funds	-	1,333,540	-	1,333,540
	<u>1,095,805</u>	<u>1,568,895</u>	<u>88,047</u>	<u>2,752,747</u>

For The Six Months Ended June 30, 2020

Treasury bills and bonds	167,025	(1,402)	-	165,623
Corporate shares	756,976	(1,170,372)	84,021	(329,375)
Financial derivatives	87,491	-	-	87,491
Investment funds	-	(767,991)	-	(767,991)
	<u>1,011,492</u>	<u>(1,939,765)</u>	<u>84,021</u>	<u>(844,252)</u>

22. Basic and diluted earnings per share for the period attributable to the bank's shareholders

Details of this item are as follows:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2021	2020	2021	2020
	JD	JD	JD	JD
Income for the period	7,404,972	3,542,276	15,129,731	10,212,391
Weighted average number of (shares)	160,000,000	160,000,000	160,000,000	160,000,000
	JD / FILS	JD / FILS	JD / FILS	JD / FILS
	0.046	0.022	0.095	0.064

Earnings per share attributable to the Bank's Shareholders (Basic and Diluted)

23. Provision for expected credit losses

Details of this item are as follows:

	For the Six Months Ended June 30,	
	2021	2020
	JD	JD
Balances at banks and financial institutions	239,397	66,230
Deposits at banks and financial institutions	674	66,653
Financial assets at amortized costs	103,667	(31,060)
Direct credit and financing facilities	17,036,229	13,490,203
Contingent liabilities	133,339	1,875,512
	17,513,306	15,467,538

24. Cash and cash equivalent

Details of this item are as follows:

	For the Six Months Ended June 30,	
	2021	2020
	JD	JD
Cash and balances with CBI maturing within three months	634,772,172	570,591,614
Add: Balances at banks and financial institutions maturing within three months	555,480,821	308,458,709
Less: Deposits at banks and financial institutions maturing within three months	269,696,035	139,740,048
Restricted balances	7,547,497	7,543,998
	913,009,461	731,766,277

25. Right of use assets/ Leasing liabilities

This item includes the following:

1. Right of use assets

The Bank leases many assets including land and buildings, the average lease term is 8 years,
below the movement on the assets of the right to use during the year:

	For the period ended June 30, 2021	For the year ended December 31, 2020
	JD	JD
Balance at the beginning of the period / year	27,031,520	26,517,873
<u>Add:</u> additions during the period / year	254,026	4,669,894
<u>Less:</u> disposals during the period/ year	-	(310,881)
<u>Less:</u> depreciation for the period / year	(1,850,853)	(3,845,366)
Balance as of end of the period/ year	<u>25,434,693</u>	<u>27,031,520</u>

Balances recorded in the statement of profit or loss

	For the Six Months Ended June 30, 2021	2020
	JD	JD
Depreciation for the period	(1,850,853)	(1,904,165)
Interest during the period	(498,357)	(506,286)
Rent expense during the period	(210,363)	(218,943)

2. Lease liabilities

	For the period ended June 30, 2021	For the year ended December 31, 2020
	JD	JD
Balance at the beginning of the period / year	26,453,949	25,451,501
<u>Add:</u> additions during the period / year	254,026	4,669,894
Interest during the period / year	498,357	984,241
<u>Less:</u> disposals during the period / year	-	(310,881)
<u>Less:</u> paid during the period / year	(2,488,100)	(4,340,806)
Balance as of end of the period/ year	<u>24,718,232</u>	<u>26,453,949</u>

26. Capital

Capital

The authorized and paid capital amounted to JD 160 Million divided over 160 Million shares, where the par value of the share was JD 1 as of June 30, 2021 and December 31, 2020.

Share premium

The share premium amounted to JD 80,213,173 as of June 30, 2021 and December 31, 2020.

Dividends distributed

The dividends distributed to shareholders reached to JD 16,000,000 for the year 2020 (there are no dividends distributed for the year 2019 under Circular of the Central Bank of Jordan to banks operating in Jordan No. 1/1/4693 on April 9, 2020, to hedge against negative effects of Corona pandemic, it was decided to postpone the distribution of dividends to shareholders by licensed Jordanian banks for the year 2019).

27. Reserves

The Bank did not deduct the statutory reserves for the period; because these are Consolidated condensed interim financial statements, in which this deduction will be done at the end of the fiscal year.

28. Contingent Liabilities and Commitments

The details of this item is as follows:

	June 30, 2021	December 31, 2020
	JD	JD
Letters of credit	275,323,719	190,879,149
Acceptances	68,534,491	95,484,767
Letters of guarantee:		
- Payments	58,562,491	55,636,201
- Performance	72,264,179	75,015,534
- Other	73,850,079	76,530,083
Futures contracts	70,644,710	147,721,448
Unutilized Limits of Credit Facilities and Financing	580,469,116	534,200,726
Total	<u>1,199,648,785</u>	<u>1,175,467,908</u>

29. Lawsuits against the Bank

The value of the lawsuits against the Bank were amounted to JD 1,389,329 as of June 30, 2021 (JD 1,202,731 as of December 31, 2020), Provisions booked against them was amounted to JD 677,424 as of June 30, 2021 (JD 531,021 as of December 31, 2020). The Bank management and it legal counsel believe that the provisions booked for these lawsuits are adequate.

30. Transactions and Balances with Related Parties

The Bank entered into transactions with major shareholders, Board of Directors, and executive management within the normal banking practice and according to the interests' prices and commercial commissions.

All of the credit facilities granted to related parties are considered to be performing facilities, and provisions have not been taken at stage 3 except for the below:

a. The following is a summary of the transactions with related parties during the period / year:

	Total						
	Board of Directors Members	Top Executive Management and shareholder	Subsidiaries	Others (executive management members and their relatives)	June 30, 2021	December 31, 2020	
	JD	JD	JD	JD	JD	JD	
On- Consolidated Condensed Interim Statement of Financial Position Items:							
Direct credit facilities and financing	1,789,531	3,758,346	949,128	60,059,877	66,556,883	71,172,428	
Deposits	77,848,352	3,886,052	26,919,647	8,275,077	116,929,128	111,030,732	
Deposits at banks and financial institutions	-	-	1,128,360	-	1,128,360	257,597	
Off- Consolidated Condensed Interim Statement of Financial Position Items:							
Letter of credits	-	-	136,653	3,794,315	3,930,968	3,166,260	
Acceptances	-	-	-	-	-	2,702,096	
Letter of guarantee	5,000	-	778,000	5,659,066	6,442,066	6,616,017	
Consolidated Condensed Statement of Income items:							
Credit interests, returns and commissions	45,815	77,706	24,879	2,281,044	2,429,443	2,130,967	
Debit interests, returns and commissions	642,174	20,813	155,447	54,505	872,939	1,462,677	
For the Six Months Ended June 30,							
					2021	2020	
					JD	JD	

b. The Salaries, bonuses of bank's Executive management and the fees, transportation and bonuses allowances of the board of directors amounted to JD 3,341,394 for period ended June 30, 2021 (JD 3,330,766 for six month period ended June 30, 2020).

31. Information on the Bank's Business Activities

1. Bank Activities Information

For management purposes, the Bank is organized into the following major business segments based on the reports used by the chief operating decision maker:

- Individual accounts: This item includes following up on individual customer's deposits and granting them credit facilities, credit cards and other services.
- Small and Medium Enterprises: This item includes following up on the client's deposits and credit facilities. Moreover, these clients are classified based on the volume of the granted deposits and facilities according to the Bank's instructions and principles and in compliance with the regulatory bodies' instructions.
- Large Companies' Accounts: This item includes following up on the client's deposits and credit facilities. Moreover, these clients are classified based on the volume of the granted deposits and facilities according to the Bank's instructions and principles and in compliance with the regulatory bodies' instructions.
- Treasury: This item includes providing treasury and trading services and managing the Bank's funds and long- term investments at amortized costs, which are maintained to collect the contractual cash flows.
- Investments and Foreign Currencies Management: This item includes the Bank's local and foreign investments which are recorded at fair value, in addition to the foreign currencies trading\ services.
- Others: This sector includes all the accounts not listed within the sectors mentioned above, such as shareholder's rights, investments in associates, property and equipment, general management and support management.

The following table represents information on the Bank's sectors according to activities:

	Individuals	Corporates	Treasury	Other	Total	
					For the Six Months Ended June 30,	
					2021	2020
	JD	JD	JD	JD	JD	JD
Total Income	55,901,195	60,697,672	31,885,450	378,094	148,862,411	140,045,642
Expected credit loss	(3,373,846)	(8,465,249)	(215,306)	(5,458,905)	(17,513,306)	(15,467,538)
Results of segment's activities	22,225,186	29,381,841	28,939,362	378,094	80,924,483	68,805,301
Unallocated (expenses) - net					(51,063,557)	(47,557,300)
Operating income					29,860,926	21,248,001
Bank's share of profit from investments in associates					451	5,485
Income before tax					29,861,377	21,253,486
Income tax					(10,302,217)	(7,825,271)
Profit for the period					19,559,160	13,428,215
Other Information						
Capital expenses					4,583,380	6,676,891
Depreciation and Amortization					7,377,511	6,828,653

	Individuals	Corporates	Treasury	Other	Total	
					June 30, 2021	December 31, 2020
					JD	JD
Segment's Assets	1,292,793,693	1,783,512,147	2,035,130,671	-	5,111,436,511	4,663,605,610
Undistributed assets	-	-	-	539,643,131	539,643,131	610,037,639
Total Assets	1,292,793,693	1,783,512,147	2,035,130,671	539,643,131	5,651,079,642	5,273,643,249
Segment's Liabilities	3,120,308,990	1,451,201,755	434,475,430	-	5,005,986,175	4,640,560,095
Undistributed liabilities	-	-	-	134,833,757	134,833,757	126,679,812
Total Liabilities	3,120,308,990	1,451,201,755	434,475,430	134,833,757	5,140,819,932	4,767,239,907

32. Capital Adequacy

In addition to subscribed capital, the capital includes the statutory reserve, voluntary reserve, share premium, retained earnings, fair value reserve, general banking risk reserve, other reserves and treasury stocks.

The Bank is committed to apply the requirements set forth by regulators concerning capital adequacy as follows:

1. Central Bank of Jordan instructions that capital adequacy ratio does not go below 12.50%.
2. Comply with the minimum limit set for the paid-up capital for Jordanian Banks, which should not be less than JD 100 million.
3. The Bank's investments in stocks and shares which should not exceed 50% of the subscribed capital.
4. The ratio of credit limits (credit concentration) to regulatory capital.
5. Banks' and Companies' law related to the deduction of the legal reserve at a rate of 10% of the Bank's profit before tax.

	June 30, 2021 JD	December 31, 2020 JD
Common Equity Shareholders' Rights		
Paid-up capital	160,000,000	160,000,000
Retained earnings	51,007,637	51,518,099
Full cumulative change in fair value	456,419	(2,609,036)
Share premium	80,213,173	80,213,173
Statutory reserve	61,004,473	61,004,473
Voluntary reserve	41,829,012	41,829,012
Recognizable non controlling interests shareholders	44,771,457	40,043,180
Interim profit after tax and deduction of the expected dividends	7,129,731	-
Total Common Equity Tier 1 before regulatory adjustments	446,411,902	431,998,901
Regulatory Adjustments (Deductions from the Capital)		
Goodwill and intangible assets	(27,345,676)	(27,046,436)
Deferred tax assets resulting from investments within Tier 1 (10%)	(24,295,831)	(25,652,474)
Net ordinary shareholder's equity	394,770,395	379,299,991
Additional capital		
Recognizable minority rights	7,900,845	7,066,444
Net additional capital Tier 1	402,671,240	386,366,435
Tier 2 Capital		
Provision for debts tools listed in Tier 1	18,277,990	18,083,875
Recognizable non-controlling shareholders	10,534,461	9,421,925
Financial instruments that carry characteristics of supporting capital	21,300,000	21,300,000
Total Supporting Capital	50,112,451	48,805,800
Total Regulatory Capital	452,783,691	435,172,235
Total Risk Weighted Assets	3,125,832,846	3,005,394,577
Capital Adequacy Ratio (CET 1)	%14.49	%14.48
Primary Capital Adequacy Ratio	%12.63	%12.62
Supporting Capital Adequacy Ratio	%1.60	%1.62

	June 30, 2021 JD	December 31, 2020 JD
Financial leverage rate		
Tier 1 Capital	402,671,241	386,366,435
Total assets in and out of the statement of financial positions after removing deductible items from Tier 1	6,188,349,468	5,785,046,475
Financial leverage rate	6.51%	6.68%

Capital adequacy was calculated on June 30, 2021 and December 31, 2020 based on the instruction of Basel committee III.

	For the period ended June 30, 2021 JD	For the year ended December 31, 2020 JD
Liquidity Coverage Ratio (LCR):		
Total high quality liquid assets	1,253,735,422	1,403,137,127
Total high-quality liquid assets after deduction and minus the adjustments	1,234,211,582	1,387,822,565
Net cash outflow	736,338,566	669,360,083
Liquidity Coverage Ratio (LCR)	167.60%	207.30%

The liquidity coverage ratio according to the average end of each month is 186.66% for the period ended June 30, 2021.

23. Risk management:

The Bank continuously develops the structure of risk and credit management to ensure the effective administration of all its operations. Also to ensure efficiency of the risk and credit management process and the proper application of regulatory controls across all of the Bank's operations.

The bank's regulations related to the risk management for the six months ended June 30, 2021, is in consist with the regulations disclosed in the annual report for the bank as at December 31, 2020.

Exposure distribution according to Economic sectors:

a. Distribution of exposure according to financial instruments

	Financial	Industrial	Trade	Real estates	Agriculture	Shares	Individual	Government and public sector	Other	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Balances at central banks	543,598,156	-	-	-	-	-	-	-	-	543,598,156
Balances at banks and financial institutions	555,051,742	-	-	-	-	-	-	-	-	555,051,742
Deposits at banks and financial institutions	2,846,298	-	-	-	-	-	-	-	-	2,846,298
Direct credit & financing facilities	9,867,674	306,527,322	464,296,271	819,443,814	56,574,456	154,336,384	606,812,172	436,412,006	376,522,726	3,230,792,825
Treasury bills and bonds as follows:	111,390,019	22,719,090	7,883,503	-	-	-	-	780,820,972	-	922,813,584
Within financial assets at fair value through statement of profit or loss	7,465,211	-	-	-	-	-	-	76,454	-	7,541,665
Within financial assets at fair value through statement of other comprehensive income	-	-	-	-	-	-	-	-	-	-
Within financial assets at amortized costs	103,924,808	22,719,090	7,883,503	-	-	-	-	780,744,518	-	915,271,919
Other assets	2,580,063	998,514	11,626,000	373,677	206,554	8,142	505,277	7,621,082	23,086,966	47,006,275
Total	1,225,333,952	330,244,926	483,805,774	819,817,491	56,781,010	154,344,526	607,317,449	1,224,854,060	399,609,692	5,302,108,890
Letter of guarantees	27,767,583	26,465,529	46,814,087	4,974,792	192,299	896,221	399,103	3,500	96,377,954	203,891,068
Letter of credits	26,298,314	20,570,120	114,418,450	-	9,008,215	612,013	1,037,688	-	62,936,407	234,881,207
Acceptances	20,959,906	2,415,832	13,368,819	-	18,266,153	-	-	-	13,459,889	68,470,599
Other liabilities	4,610,776	204,223,479	128,122,486	-	36,285,311	1,773,816	17,688,465	10,216,169	173,687,666	576,608,168
Total for period	1,304,970,531	583,919,886	786,529,616	824,792,283	120,532,988	157,626,576	626,442,705	1,235,073,729	746,071,608	6,385,959,922
Total for 2020	1,193,782,013	523,554,537	813,443,828	777,776,074	111,436,656	132,819,860	680,688,804	1,009,729,083	674,099,903	5,917,330,758

b. Distribution of exposures according to IFRS (9) stages:

	Stage (1)		Stage (2)		Stage (3)		Total	
	Collective		Collective		Collective		Total	
	Individual	JD	Individual	JD	Individual	JD	Individual	JD
Financial	1,286,500,113	-	18,448,997	21,421	-	-	1,304,970,531	
Industrial	517,370,579	4,309,621	57,976,901	990,509	3,272,276	583,919,886		
Trade	668,204,362	15,271,588	87,897,824	7,889,953	7,265,789	786,529,616		
Real estates	347,020,838	349,757,524	99,211,916	21,176,301	7,625,704	824,792,283		
Agriculture	49,829,890	-	70,628,641	-	74,457	120,532,988		
Shares	13,898,615	130,057,828	9,148,565	2,992,207	1,529,361	157,626,576		
Individual	474,199,867	125,365,297	16,992,756	8,638,678	1,246,107	626,442,705		
Government and public sector	1,235,073,729	-	-	-	-	1,235,073,729		
Other	585,659,824	6,827,076	142,936,426	6,593,058	4,055,224	746,071,608		
Total	5,177,757,817	631,589,034	503,242,026	48,302,127	25,068,918	6,385,959,922		
Total for 2020	4,919,380,810	571,740,556	364,513,353	30,572,258	31,123,781	5,917,330,758		

Exposure distribution according to geographical distribution

a. Distribution of exposure according to geographical areas after provisions:

	Inside Jordan	Other Middle East countries	Europe	Asia *	America	Other countries	Total
	JD	JD	JD	JD	JD	JD	JD
Balances at central banks	543,598,156	-	-	-	-	-	543,598,156
Balances at banks and financial institutions	34,095,461	189,644,268	214,946,792	37,502,612	77,861,831	1,000,778	555,051,742
Deposits at banks and financial institutions	-	-	2,846,298	-	-	-	2,846,298
Direct credit and financing facilities	3,230,792,825	-	-	-	-	-	3,230,792,825
Treasury bills and bonds as follows:	767,027,606	77,622,103	34,367,543	1,469,550	42,326,782	-	922,813,584
Within financial assets at fair value through statement of profit or loss	-	5,762,505	1,702,706	-	76,454	-	7,541,665
Within financial assets at fair value through statement of other comprehensive income	-	-	-	-	-	-	-
Within financial assets at amortized costs	767,027,606	71,859,598	32,664,837	1,469,550	42,250,328	-	915,271,919
Other assets	47,006,275	-	-	-	-	-	47,006,275
Total for period	4,622,520,323	267,266,371	252,160,633	38,972,162	120,188,613	1,000,778	5,302,108,880
Letter of guarantees	203,891,068	-	-	-	-	-	203,891,068
Letter of credit	215,616,442	19,264,765	-	-	-	-	234,881,207
Acceptances	68,470,599	-	-	-	-	-	68,470,599
Other liabilities	576,608,168	-	-	-	-	-	576,608,168
Total	5,687,106,600	286,531,136	252,160,633	38,972,162	120,188,613	1,000,778	6,385,959,922
Total for 2020	5,405,433,685	180,178,987	174,588,332	54,963,925	99,416,200	2,749,629	5,917,330,758

* Excluding the middle east countries.

b. Distribution of exposures according to IFRS (9) stages

	Stage (1)		Stage (2)		Stage (3)		Total
	Individual	Collective	Individual	Collective	Individual	Collective	JD
Inside Jordan	4,478,904,495	631,589,034	503,242,026	48,302,127	25,068,918	5,687,106,600	5,687,106,600
Other middle east countries	286,531,136	-	-	-	-	286,531,136	286,531,136
Europe	252,160,633	-	-	-	-	252,160,633	252,160,633
Asia	38,972,162	-	-	-	-	38,972,162	38,972,162
America	120,188,613	-	-	-	-	120,188,613	120,188,613
Other countries	1,000,778	-	-	-	-	1,000,778	1,000,778
Total	5,177,757,817	631,589,034	503,242,026	48,302,127	25,068,918	6,385,959,922	6,385,959,922
Total for 2020	4,919,380,810	571,740,556	364,513,353	30,572,258	31,123,781	5,917,330,758	5,917,330,758

Reclassified credit exposures:

a. Total credit exposures that were classified:

	Stage (2)		Stage (3)		Rate of exposures that were reclassified
	Total exposure value	Exposures that were reclassified	Total exposure value	Exposures that were reclassified	
	JD	JD	JD	JD	JD
Direct credit and financing facilities	477,070,590	151,975,175	121,251,223	14,542,417	4.92%
Treasury bills and bonds as follows:	-	-	250,000	-	0.00%
Within financial assets at fair value through other comprehensive income	-	-	250,000	-	0.00%
Total	477,070,590	151,975,175	121,751,223	14,542,417	4.92%
Letter of guarantees	43,821,621	17,607,123	2,216,112	503,609	8.77%
Letter of credit	45,386,002	10,016,024	-	-	3.80%
Acceptances	6,608,582	-	-	-	-
Other liabilities	37,518,807	4,513,425	-	4,513,425	0.85%
Grand total	610,405,602	184,111,747	123,967,335	15,046,026	4.54%

b. Expected credit losses for the exposures that were reclassified:

	Exposures that were reclassified		Expected Credit Losses for the Exposures that were Reclassified			
	Total Exposures that were Reclassified from Stage (2)	Total Exposures that were Reclassified from Stage (3)	Stage (2)		Stage (3)	
	JD	JD	Individual	Collective	Individual	Collective
Direct credit and financing facilities	151,975,175	14,542,417	1,314,062	237,273	4,801,755	(191,821)
Total	151,975,175	14,542,417	1,314,062	237,273	4,801,755	(191,821)
Letter of guarantees	17,607,123	503,609	(517)	-	606	89
Letter of credit	10,016,024	-	-	-	-	-
Acceptances	-	-	-	-	-	-
Other liabilities	4,513,425	-	4,003	-	-	-
Grand total	184,111,747	15,046,026	1,317,548	237,273	4,802,361	(191,821)
						6,165,361

34. Fair Value Hierarchy

a. The fair value of financial assets and financial liabilities of the Bank, which are specified at fair value on an ongoing basis:

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

	Fair Value		The Level of Fair Value	Evaluation Method and Inputs used	Important Intangible Inputs	Relation between the Fair Value and the Important Intangible Inputs
	June 30, 2021	December 31, 2020				
	JD	JD				
Financial Assets						
Financial Assets at Fair Value						
Financial Assets at Fair Value Through Statement of Profit or Loss:						
Government bonds listed on financial markets	76,454	78,294	Level 1	Quoted prices in financial markets	N/A	N/A
Corporate bonds listed on financial markets	7,465,211	1,463,324	Level 1	Quoted prices in financial markets	N/A	N/A
Corporate shares	8,445,116	5,667,508	Level 1	Quoted prices in financial markets	N/A	N/A
Investment Fund	12,375,621	8,010,770	Level 2	The fund manager evaluation of fair value	N/A	N/A
Total	28,362,402	15,219,896				
Financial Assets at Fair Value Through Other Comprehensive Income:						
Quoted Shares in active markets	25,403,864	20,184,837	Level 1	Quoted prices in financial markets	N/A	N/A
Investment fund	4,574,672	1,732,795	level 2	The fund manager evaluation of fair value	N/A	N/A
Unquoted Shares in active markets	10,203,294	9,736,478	Level 3	Through using equity method and based on the latest available information	N/A	N/A
Total	40,181,830	31,654,110				
Total Financial Assets at Fair Value	68,544,232	46,874,006				

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

b. Financial assets and liabilities of the Bank, which are not specified at fair value on going basis :

Except for what is set out in the table below, we believe that the carrying amount of financial assets and liabilities shown in the consolidated financial statements

of the Bank, approximates their fair value.

	June 30, 2021		December 31, 2020		The level of Fair Value
	Book value	Fair value	Book value	Fair value	
	JD	JD	JD	JD	
Financial Assets of Non-specified Fair Value					
Term deposits, notice deposits and certificate of deposits at Central Bank	144,000,000	144,007,890	165,000,000	165,009,041	Level 2
Current accounts, and balances at Banks and Financial Institutions	557,898,040	557,993,456	401,532,985	401,646,486	Level 2
Direct credit facilities at amortized costs	3,230,792,825	3,233,953,974	2,951,628,133	2,955,472,848	Level 2
Other financial assets at amortized costs	915,271,919	925,248,269	904,003,434	914,246,887	Level 1 and 2
Total Financial Assets of Non-specified Fair Value	4,847,962,784	4,861,203,589	4,422,164,552	4,436,375,262	
Financial Liabilities of Non-specified Fair Value					
Banks and Financial Institutions Deposits	309,786,035	310,175,184	280,688,045	281,019,540	Level 2
Customers' Deposits	4,338,139,489	4,366,149,997	4,003,010,992	4,026,685,059	Level 2
Cash Margin	256,804,175	256,938,896	251,302,459	251,414,819	Level 2
Borrowed Funds	94,293,154	94,489,060	90,152,003	90,356,837	Level 2
Subordinated Loan	21,300,000	21,303,846	21,300,000	21,626,896	
Total Financial Liabilities of Non-specified Fair Value	5,020,322,853	5,049,056,983	4,646,453,499	4,671,103,150	

For the items shown above the fair value of the financial assets and liabilities for level 2 was determined in accordance with agreed pricing models, which reflect the credit risk of the parties dealt with.

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 outbreaks 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 December 31, 2020 and for 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 as at June 30, 2021. ECLs were estimated based on a range of forecasted economic conditions as of 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.

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 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 two circulars of the Central Bank of Jordan to banks operating in Jordan Number 10/3/4375 and 10/3/14960 issued on March 15, 2020 and November 22, 2020, and what was issued later in the Central Bank circular (10/3/4515) on March 15, 2021, to continue postponing installments to clients that are highly impacted or affected sectors. During the first half of 2021, the bank postponed installments due or to be due for some customers without considering this as a restructuring, and without affecting the customer credit rating, the postponed installments amounted to around JOD 77,6 million during the first half of 2021 (JOD 324 million as of December 31, 2020).