

ARAB BANK GROUP

AMMAN - JORDAN

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(REVIEWED NOT AUDITED)

31 MARCH 2021



**Building a better
working world**

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**REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
TO THE BOARD OF DIRECTORS
ARAB BANK GROUP
AMMAN - JORDAN**

We have reviewed the accompanying interim condensed consolidated financial statements of Arab Bank Group as of 31 March 2021, comprising of the interim consolidated statement of financial position as of 31 March 2021 and the related interim consolidated income statement, the interim consolidated statement of comprehensive income, the interim consolidated statement of changes in equity and the interim consolidated statement of cash flows for the three-month period then ended and explanatory notes. The Board of Directors is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34 - Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed consolidated 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 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 interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34.

Amman – Jordan
29 April 2021

The Ernst & Young logo is a stylized, handwritten-style signature in blue ink, reading 'Ernst + Young'.

ARAB BANK GROUP
INTERIM CONDENSED CONSOLIDATED
STATEMENT OF FINANCIAL POSITION

	Notes	31 March 2021 (Reviewed not Audited)	31 December 2020 (Audited)
		USD '000	USD '000
<u>ASSETS</u>			
Cash and balances with central banks	5	11 030 770	10 807 627
Balances with banks and financial institutions	6	3 865 710	4 601 165
Deposits with banks and financial institutions	7	340 485	288 165
Financial assets at fair value through profit or loss	8	436 175	304 054
Financial derivatives - positive fair value		144 424	91 510
Direct credit facilities at amortized cost	10	30 499 774	23 907 858
Financial assets at fair value through other comprehensive income	9	486 163	409 715
Other financial assets at amortized cost	11	10 571 497	8 762 789
Investments in associates		3 284 206	3 804 212
Fixed assets	12	546 834	458 518
Other assets	13	1 074 262	763 137
Deferred tax assets		236 295	214 933
Total Assets		62 516 595	54 413 683
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>			
Banks and financial institutions' deposits		4 226 710	3 974 226
Customers' deposits	14	43 249 464	36 235 138
Cash margin		2 548 976	2 483 253
Financial derivatives - negative fair value		96 517	170 956
Borrowed funds	15	647 373	609 791
Provision for income tax	16	221 685	275 406
Other provisions		226 148	230 069
Other liabilities	17	1 321 143	1 040 409
Deferred tax liabilities		5 881	5 672
Total Liabilities		52 543 897	45 024 920
<u>Equity</u>			
Share capital	18	926 615	926 615
Share premium		1 225 747	1 225 747
Statutory reserve	18	926 615	926 615
Voluntary reserve		977 315	977 315
General reserve		1 141 824	1 141 824
General banking risks reserve		224 274	224 274
Reserves with associates		1 540 896	1 540 896
Foreign currency translation reserve		(233 019)	(160 209)
Investments revaluation reserve		(314 146)	(295 797)
Retained earnings	20	2 796 184	2 775 635
Total Equity Attributable to the Shareholders of the Bank		9 212 305	9 282 915
Perpetual Tier 1 Capital Bonds	19	188 449	-
Non-controlling interests		571 944	105 848
Total Shareholders' Equity		9 972 698	9 388 763
Total Liabilities and Shareholders' Equity		62 516 595	54 413 683

The accompanying notes from (1) to (36) form an integral part of these interim condensed consolidated financial statements and should be read with them.

ARAB BANK GROUP
INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME
(REVIEWED NOT AUDITED)

	Notes	For the three-Months	
		Period Ended 31 March	
		2021	2020
		USD '000	USD '000
REVENUE			
Interest income	21	566 536	583 472
<u>Less:</u> interest expense	22	234 067	249 227
Net Interest Income		332 469	334 245
Net commission income	23	82 818	70 634
Net Interest and Commission Income		415 287	404 879
Foreign exchange differences		31 407	30 234
Gain from financial assets at fair value through profit or loss	24	1 324	993
Dividends from financial assets at fair value through other comprehensive income	9	2 680	3 491
Group's share of profits of associates		75 671	107 072
Other revenue / Net	25	15 610	12 968
Total Income		541 979	559 637
EXPENSES			
Employees' expenses		139 002	129 302
Other expenses		87 702	71 445
Depreciation and amortization		19 063	14 729
Provision for impairment - ECL		120 103	140 493
Other provisions		2 448	7 181
Total Expenses		368 318	363 150
Profit for the Period before Income Tax		173 661	196 487
<u>Less:</u> Income tax expense	16	45 377	48 894
Profit for the Period		128 284	147 593
<u>Attributable to :</u>			
- Bank's shareholders		122 982	144 954
- Non-controlling interests		5 302	2 639
Total		128 284	147 593
Earnings per share attributable to the Bank's shareholders			
- Basic and Diluted (US Dollars)	32	0.19	0.23

The accompanying notes from (1) to (36) form an integral part of these interim condensed consolidated financial statements and should be read with them.

ARAB BANK GROUP
INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(REVIEWED NOT AUDITED)

	For the three-Months	
	Period Ended 31 March	
	2021	2020
	USD '000	USD '000
Profit for the period	128 284	147 593
<u>Add: Other comprehensive income items - after tax</u>		
<u>Items that will be subsequently transferred to the statement of Income</u>		
Exchange differences arising from the translation of foreign operations	(75 647)	(21 890)
<u>Items that will not be subsequently transferred to the statement of Income</u>		
Net change in fair value of financial assets at fair value through other comprehensive income	(21 344)	(67 024)
Revaluation (loss) on equity instruments at fair value through other comprehensive income	(18 247)	(66 046)
(Loss) from sale of financial assets at fair value through other comprehensive income	(3 097)	(978)
Total Other Comprehensive Income Items - after Tax	(96 991)	(88 914)
Total Comprehensive Income for the Period	31 293	58 679
Attributable to :		
- Bank's shareholders	30 305	52 135
- Non-controlling interests	988	6 544
Total	31 293	58 679

The accompanying notes from (1) to (36) form an integral part of these interim condensed consolidated financial statements and should be read with them.

ARAB BANK GROUP
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
(REVIEWED NOT AUDITED)

Notes	Share Capital	Share Premium	Statutory Reserve	Voluntary Reserve	General Reserve	General Banking Risks Reserve	Reserves with Associates	Foreign Currency Translation Reserve	Investments revaluation reserve	Retained Earnings	Total Equity Attributable to the Shareholders of the Bank	Non-Controlling Interests	Perpetual Bonds (Tier 1 Capital)	Total Shareholders' Equity
	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000
For the three-Months Period Ended 31 March 2021														
Balance at the beginning of the Period	926,615	1,225,747	926,615	977,315	1,141,824	224,274	1,540,896	(160,209)	(295,797)	2,775,635	9,122,915	105,848	-	9,388,763
Profit for the period	-	-	-	-	-	-	-	122,982	-	122,982	122,982	5,302	-	128,284
Other comprehensive income for the period	-	-	-	-	-	-	-	(19,867)	(19,867)	-	(92,677)	(4,314)	-	(96,991)
Total Comprehensive Income for the Period	-	-	-	-	-	-	-	(72,810)	(19,867)	122,982	30,305	988	-	31,293
Transferred from investments revaluation reserve to retained earnings	-	-	-	-	-	-	-	1,518	1,518	(1,518)	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	(108,423)	(108,423)	-	-	(108,423)
Acquisition of Oman Arab Bank (note 4)	-	-	-	-	-	-	-	-	-	-	-	466,817	188,449	655,266
Adjustments during the period	-	-	-	-	-	-	-	-	-	7,508	7,508	(1,709)	-	5,799
Balance at the End of the Period	926,615	1,225,747	926,615	977,315	1,141,824	224,274	1,540,896	(233,019)	(314,140)	2,796,184	9,212,305	571,944	188,449	9,972,698
For the three-Months Period Ended 31 March 2020														
Balance at the beginning of the period	926,615	1,225,747	926,615	977,315	1,141,824	238,952	1,540,896	(252,925)	(298,403)	2,584,537	9,011,173	91,278	-	9,102,451
Profit for the period	-	-	-	-	-	-	-	144,954	-	144,954	144,954	2,639	-	147,593
Other comprehensive income for the period	-	-	-	-	-	-	-	(25,462)	(67,357)	-	(92,819)	3,905	-	(88,914)
Total Comprehensive Income for the Period	-	-	-	-	-	-	-	(25,462)	(67,357)	144,954	52,135	6,544	-	58,679
Transferred from investments revaluation reserve to retained earnings	-	-	-	-	-	-	-	-	1,025	(1,025)	-	-	-	-
Transferred from investments revaluation reserve to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(47)	-	(47)
Balance at the End of the Period	926,615	1,225,747	926,615	977,315	1,141,824	238,952	1,540,896	(278,387)	(364,735)	2,728,466	9,063,308	97,775	-	9,161,083

* The retained earnings include restricted deferred tax assets in the amount of USD 236.3 million, as well as, restricted retained earnings that cannot be distributed or otherwise utilized except only under certain circumstances as a result of the adoption of certain Accounting Standards amounted to USD 2.8 million as of March 31, 2021.

* The Bank cannot use a restricted amount of USD 314.1 million which represents the negative investments revaluation reserve in accordance with the instructions of the Jordan Securities Commission and Central Bank of Jordan as of March 31, 2021.

The accompanying notes from (1) to (36) form an integral part of these interim condensed consolidated financial statements and should be read with them.

ARAB BANK GROUP
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(REVIEWED NOT AUDITED)

	Notes	For the three-Months	
		Period Ended 31 March	
		2021	2020
		USD '000	USD '000
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit for the period before tax		173 661	196 487
Adjustments for:			
Group's share of profits of associates		(75 671)	(107 072)
Depreciation and amortization		19 063	14 729
Expected credit losses on financial assets		120 103	140 493
Net accrued interest		(51 051)	(2 506)
(Gain) from sale of fixed assets		(46)	(291)
Dividends on financial assets at fair value through other comprehensive income		(2 680)	(3 491)
(Gain) Loss from revaluation of financial assets at fair value through profit or loss	24	(1 033)	1 654
Other provisions		2 448	7 181
Total		184 794	247 184
<u>(Increase) decrease in assets:</u>			
Balances with central banks (maturing after 3 months)		-	27 083
Deposits with banks and financial institutions (maturing after 3 months)		(51 262)	(201 119)
Direct credit facilities at amortized cost		153 735	(87 352)
Financial assets at fair value through profit or loss		(130 041)	209 822
Other assets and financial derivatives		15 797	(162 500)
<u>Increase (decrease) in liabilities:</u>			
Banks' and financial institutions' deposits (maturing after 3 months)		(339 595)	512 785
Customer's deposits		(142 323)	(669 863)
Cash margin		65 723	(333 145)
Other liabilities and financial derivatives		(126 799)	62 306
Net Cash Flows from Operating Activities before Income Tax		(369 971)	(394 799)
Income tax paid	16	(124 081)	(87 379)
Net Cash Flows from Operating Activities		(494 052)	(482 178)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
(Purchase) of financial assets at fair value through other comprehensive income		(84 917)	(54 939)
(Purchase) of other financial assets at amortized cost		(1 194 565)	(514 408)
(Increase) of investments in associates		(1 469)	-
Acquisition of Oman Arab Bank, net cash acquired	4	689 119	-
Dividends received from associates		114 712	27 524
Dividends received from financial assets at fair value through other comprehensive income		2 680	3 491
Decrease (Increase) in fixed assets - net		4 276	(10 310)
Net Cash Flows (Used in) Investing Activities		(470 164)	(548 642)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
(Decrease) Increase in borrowed funds		(14 366)	112 844
Dividends paid to shareholders		(152)	(593)
Net Cash Flows (used in) from Financing Activities		(14 518)	112 251
Net (decrease) in cash and cash equivalents		(978 734)	(918 569)
Exchange differences - change in foreign exchange rates		(72 810)	(25 461)
Cash and cash equivalents at the beginning of the Year		12 412 068	8 815 119
Cash and Cash Equivalents at the End of the Period	33	11 360 524	7 871 089
<u>Operational Cash Flows form Interest</u>			
Interest Paid		160 794	266 777
Interest Received		442 212	598 516

The accompanying notes from (1) to (36) form an integral part of these interim condensed consolidated financial statements and should be read with them.

(1) GENERAL INFORMATION

Arab Bank was established in 1930 and is registered as a Jordanian public shareholding limited company. The Head Office of the Group is domiciled in Amman - Hashemite Kingdom of Jordan and the Group operates worldwide through its 82 branches in Jordan and 129 branches abroad. Also, the Group operates through its subsidiaries and Arab Bank (Switzerland) limited.

Arab Bank PLC shares are traded on Amman Stock Exchange. The shareholders of Arab Bank PLC are the same shareholders of Arab Bank Switzerland (every 18 shares of Arab Bank PLC equal/ traded for 1 share of Arab Bank Switzerland).

The accompanying interim condensed consolidated financial statements was approved by the Board of Directors in its meeting Number (3) on 29 April 2021.

(2) BASIS OF PREPARATION AND CONSOLIDATION

(2-1) BASIS OF PREPARATION

The accompanying interim condensed consolidated financial statements has been prepared in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting".

The interim condensed consolidated financial statements are prepared in accordance with the historical cost principle, except for financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income and financial derivatives which are stated at fair value as of the date of the interim condensed consolidated financial statements.

The accompanying interim condensed consolidated financial statements do not include all the information and disclosures required for the annual financial statements, which are prepared in accordance with the International Financial Reporting Standards and must be read with the consolidated financial statements of the Group as of 31 December 2020. In addition, the results of the Group's operations for the three months ended 31 March 2021 do not necessarily represent indications of the expected results for the year ending 31 December 2021, and do not contain the appropriation of the profit of the current period, which is usually performed at year end.

ARAB BANK GROUP
NOTES TO IN THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
31 MARCH 2021 (REVIEWED BUT NOT AUDITED)

(2-2) BASIS OF CONSOLIDATION

The accompanying interim condensed consolidated financial statements of Arab Bank Group, presented in US dollars, comprise the financial statements of Arab Bank plc, Arab Bank (Switzerland) Limited and the following key subsidiaries:

Company Name	Percentage of ownership%		Date of acquisition	Principal Activity	Place of Incorporation	Paid up capital
	March 31, 2021	December 31, 2020				
Europe Arab Bank plc	100.00	100.00	2006	Banking	United Kingdom	€ 570m
Arab Bank Australia Limited	100.00	100.00	1994	Banking	Australia	AUD 119.3m
Islamic International Arab Bank plc	100.00	100.00	1997	Banking	Jordan	JD 100m
Arab National Leasing Company LLC	100.00	100.00	1996	Financial Leasing	Jordan	JD 50m
Al-Arabi Investment Group LLC	100.00	100.00	1996	Brokerage and Financial Services	Jordan	JD 14m
Arab Sudanese Bank Limited	100.00	100.00	2008	Banking	Sudan	SDG 117.5m
Al Arabi Investment Group / Palestine	100.00	100.00	2009	Brokerage and Financial Services	Palestine	JD 1.7m
Arab Tunisian Bank	64.24	64.24	1982	Banking	Tunisia	TND 100m
Oman Arab Bank*	49.00	-	1984	Banking	Oman	OAR 203m
Arab Bank Syria	51.29	51.29	2005	Banking	Syria	SYP 5.05b
Al Nisr Al Arabi Insurance Company	50.00	50.00	2006	Insurance	Jordan	JD 10m

* During 2021, the Group has obtained control over Oman Arab Bank. Accordingly, the investment has been reclassified from investment in an associate to investment in a subsidiary (note 4).

The interim condensed consolidated financial statements comprise the financial statements of the Bank and its subsidiaries where the Bank holds control over the subsidiaries.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee).
- Exposure, or rights, to variable returns from its involvement with the investee.
- The ability to use its power over the investee to affect its returns.

ARAB BANK GROUP
NOTES TO IN THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee.
- Rights arising from other contractual arrangements.
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary without a loss of control is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary.
- Derecognizes the carrying amount of any non- controlling interests.
- Derecognizes the cumulative translation differences, recorded in equity.
- Recognizes the fair value of the consideration received.
- Recognizes the fair value of any investment retained.
- Recognizes the gain or loss resulted from loss of control.
- Reclassifies the parent's share of components previously recognized in OCI to profit or loss.

(2-3) CHANGES IN ACCOUNTING POLICIES

The accounting policies used in the preparation of the interim condensed consolidated financial statements are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2020 except for the adoption of new standards effective as of 1 January 2021 shown below:

Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR).

The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

The application of these amendments to IFRSs has not had any material impact on the amounts reported for the current and prior periods but may affect the accounting for the Group's future transactions or arrangements.

(3) USE OF ESTIMATE

Provisions for impairment - ECL

In determining impairment of financial assets, judgement is required in the estimation of the amount and timing of future cash flows as well as an assessment of whether the credit risk on the financial asset has increased significantly since initial recognition and incorporation of forward-looking information in the measurement of ECL.

Inputs, assumptions and techniques used for ECL calculation – IFRS9 Methodology

Key concepts in IFRS 9 that have the most significant impact and require a high level of judgment, as considered by the Group while determining the impact assessment, are:

In accordance with IFRS 9, a significant increase in credit risk can be assessed at the group / portfolio level if the common risk characteristics are shared. Any instruments that are collectively assessed must have common credit risk characteristics. The Group has followed the following criteria for determining the ECL calculation on a collective versus individual basis as follows:

- Retail Portfolio: on Collective Basis based on the product level (Loans, Housing Loans, Car Loans, and Credit Cards)
- Corporate Portfolio: individual basis at customer/ facility level
- Financial Institutions: Individual Basis at Bank/ facility Level.
- Debt instruments measured at amortized cost: Individual Level at Instrument level.

- **Assessment of Significant Increase in Credit Risk (SICR)**

To assess whether the credit risk on a financial asset has increased significantly since origination, the Group compares the risk of default occurring over the expected life of the financial asset at the reporting date to the corresponding risk of default at origination, using key risk indicators that are used in the Group's existing risk management processes.

Our assessment of significant increases in credit risk will be performed periodically for each individual exposure based on three factors. If any of the following factors indicates that a significant increase in credit risk has occurred, the instrument will be moved from Stage 1 to Stage 2:

1. We have established thresholds for significant increases in credit risk based on movement in the customer's internal credit grade and the related PDs relative to initial recognition.
2. Restructuring and/or Rescheduling on the customers' accounts/ facilities during the assessment period is considered as indicator for SICR.

Movements between Stage 2 and Stage 3 are based on whether financial assets are credit-impaired as at the reporting date. The determination of credit-impairment under IFRS 9, is mentioned in the "Definition of default" below.

- **Macroeconomic Factors, Forward Looking Information (FLI) and Multiple Scenarios**

The measurement of expected credit losses for each stage and the assessment of significant increases in credit risk must consider information about past events and current conditions as well as reasonable and supportable forecasts of future events and economic conditions. The estimation and application of forward-looking information will require significant judgment in cooperation with international expert in this area.

PD, Loss Given Default (LGD) and Exposure At Default (EAD) inputs used to estimate Stage 1 and Stage 2 credit loss allowances are modelled based on the macroeconomic variables (or changes in macroeconomic variables) that are most closely correlated with credit losses in the relevant portfolio.

Each macroeconomic scenario used in our expected credit loss calculation will have forecasts of the relevant macroeconomic variables.

The estimation of expected credit losses in Stage 1 and Stage 2 will be a discounted probability-weighted estimate that considers a minimum of four future macroeconomic scenarios.

The base case scenario will be based on macroeconomic forecasts (e.g.: GDP, inflation, interest rate). Upside, downside 1 and downside 2 scenarios will be set relative to our base case scenario based on reasonably possible alternative macroeconomic conditions.

ARAB BANK GROUP
NOTES TO IN THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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As a result of the recent developments resulting from the Covid-19 pandemic, the management used an additional worst-case scenario to calculate the expected credit loss provision as on 31 March 2021 and 2020. Accordingly, the Group updated the economic factors used in the calculation of the ECL provision as of 31 March 2021 and 2020. In addition to change the weighted averages assigned to the four scenarios by giving a higher weight to the worst-case scenarios as follows:

Assigned weighted average	Scenario
Baseline scenario	35%
Upside scenario	15%
Worst-case scenario 1	20%
Worst-case scenario 2	30%

Scenarios will be probability-weighted according to the best estimate of their relative likelihood based on historical frequency and current trends and conditions. Probability weights will be updated on a quarterly basis. All scenarios considered will be applied to all portfolios subject to expected credit losses with the same probabilities.

The mechanism of the ECL calculations are outlined below and the key elements are, as follows:

- PD - The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period.
- EAD - The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.
- LGD - The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realization of any collateral. It is usually expressed as a percentage of the EAD.

Despite, the classification of credit facilities is governed by the regulations of the Central Bank of Jordan unless the local regulations in other countries are more stringent, or the Group must adopt the same according to the law.

• **Definition of default**

The definition of default used in the measurement of expected credit losses and the assessment to determine movement between stages will be consistent with the definition of default used for internal credit risk management purposes. IFRS 9 does not define default but contains a rebuttable presumption that default has occurred when an exposure is greater than 90 days past due.

Notwithstanding the above, the classification of credit facilities is governed by the Central Bank of Jordan regulations unless local regulations in other countries are stricter, or the Group has to adopt the same by law.

The Group has set out the definition of default where a default is considered to have occurred when either or both of the two following events have taken place:

- The obligor is considered unlikely to pay its credit obligations in full
- The obligor is past due for 90 days or more on any material credit obligation.

- **Expected life**

When measuring ECL, the Group must consider the maximum contractual period over which the Group is exposed to credit risk. All contractual terms should be considered when determining the expected life, including prepayment options and extension and rollover options. For certain revolving credit facilities that do not have a fixed maturity, the expected life is estimated based on the period over which the Group is exposed to credit risk and where the credit losses would not be mitigated by management actions.

Governance of applying the requirements of IFRS 9:

To ensure compliance with the requirements of implementing the standard and to ensure the progress of the implementation, a special committee was established consisting of the manager of risk management, the manager of credit management, the financial manager of the Group in addition to the manager of the information systems department and the manager of project management. Where the committee takes the necessary decisions regarding implementation methodology, ensuring that the general policies, work procedures and regulations are updated in line with the requirements of the standard, and it also presents the results of calculating the expected credit losses based on the standard to the senior management and to the board of directors through the committees emanating from it.

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4. Business Combinations

2021 - Oman Arab Bank "OAB"

Arab Bank Group owns 49% of OAB and the investment was accounted for as an associate in prior years. Currently, Arab Bank has the power and the ability to appoint majority of OAB Board of Directors (five out of nine) as a result of the amendments on OAB's Article of Association. Accordingly, the Group has obtained control over OAB and was classified as a subsidiary.

The fair values of the identifiable assets and liabilities of OAB as at the date of control were:

Assets	USD '000
Cash and deposits with banks	763 005
Direct credit facilities at amortized cost	6 845 338
Financial assets at fair value through OCI	122 192
Other financial assets at amortized cost	501 751
Fixed assets	121 052
Other assets	299 296
Deferred tax assets	6 387
Total assets	8 659 021

Liabilities	USD '000
Banks and financial institutions deposits	89 405
Customers' deposits	7 156 649
Provision for income tax	11 706
Other liabilities	381 251
Total liabilities	7 639 011

	USD '000
Net assets at fair value	1 020 010
<u>Less: Non-controlling interests*</u>	<u>520 205</u>
Carrying amount of Assets acquired	456 940
Goodwill arising from the acquisition (Provisional)**	42 865

* Fair value of non-controlling interests is 520 205 thousands. Non-controlling interests share of the carrying amount of OAB is USD 466 817 thousands.

** The valuation of the assets and liabilities acquired had not been completed by the date the interim financial statements were approved for issue by the Board of Directors. Thus, the acquired assets may need to be subsequently adjusted, with a corresponding adjustment to goodwill prior to 1 January 2022 (one year after the transaction).

The investment in OAB of 49% held by the group directly before achieving control was re-measured at its control date fair value.

Analysis of cash flows resulted from the control:

	<u>USD '000</u>
Net cash acquired with Oman Arab Bank (included in cash flows from investing activities)	689,119
Cash paid	-
Net cash flows on acquisition	<u>689,119</u>

5. CASH AND BALANCES WITH CENTRAL BANKS

The details of this item are as follows:

	31 March 2021 (Reviewed not Audited)	31 December 2020 (Audited)
	USD '000	USD '000
Cash in vaults	778 878	673 453
Balances with central banks:		
Current accounts	4 724 616	4 614 615
Time and notice	4 072 189	3 749 222
Mandatory cash reserve	1 598 577	1 613 267
Certificates of deposit	-	299 421
<u>Less: Net ECL Charges</u>	<u>(143 490)</u>	<u>(142 351)</u>
Total	<u>11 030 770</u>	<u>10 807 627</u>

- Except for the mandatory cash reserve, there are no restricted balances at Central Banks.
- Balances and certificates of deposits maturing after three months amounted to USD 25 million as of March 31,2021 (USD 25 million as of December 31, 2020).

The movement of ECL charges on Balances with Central Banks is as follows:

	31 March 2021 (Reviewed not Audited)			31 December 2020 (Audited)	
	USD '000	USD '000	USD '000	USD '000	USD '000
	Stage 1	Stage 2	Stage 3	Total	Total
Balance at the beginning of the period \ year	2 797	139 554	-	142 351	8 808
Net ECL Charges for the period/ year	257	1 400	-	1 657	133 592
Adjustments during the period and translation adjustments	(518)	-	-	(518)	(49)
Balance at the end of the period \ Year	<u>2 536</u>	<u>140 954</u>	<u>-</u>	<u>143 490</u>	<u>142 351</u>

6. BALANCES WITH BANKS AND FINANCIAL INSTITUTIONS

The details of this item are as follows:

Local banks and financial institutions

	31 March 2021 (Reviewed not Audited)	31 December 2020 (Audited)
	USD '000	USD '000
Current Accounts	7 638	4 241
Time deposits maturing within 3 months	137 014	197 091
Total	<u>144 652</u>	<u>201 332</u>

Banks and financial institutions abroad

	31 March 2021 (Reviewed not Audited)	31 December 2020 (Audited)
	USD '000	USD '000
Current accounts	1 656 902	1 918 206
Time deposits maturing within 3 months	2 066 809	2 484 520
Total	<u>3 723 711</u>	<u>4 402 726</u>
<u>Less: Net ECL Charges</u>	<u>(2 653)</u>	<u>(2 893)</u>
Total balances with banks and financial institutions local and abroad	<u>3 865 710</u>	<u>4 601 165</u>

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

The movement of ECL charges on Balances with Banks & Financial Institutions is as follows:

	31 March 2021 (Reviewed not Audited)			31 December 2020 (Audited)	
	USD '000	USD '000	USD '000	USD '000	USD '000
	Stage 1	Stage 2	Stage 3	Total	Total
Balance at the beginning of the Period \ year	2 893	-	-	2 893	2 338
Adjustment due to reclassifying Oman Arab Bank from an associate to a subsidiary (note 4)	252	-	-	252	-
Amended balance at the beginning of the period / year	3 145	-	-	3 145	-
Net ECL Charges for the period / year	(375)	-	-	(375)	429
Adjustments during the period and translation adjustments	(117)	-	-	(117)	126
Balance at the end of the period \ year	2 653	-	-	2 653	2 893

7. DEPOSITS WITH BANKS AND FINANCIAL INSTITUTIONS

The details of this item are as follows:

Deposits with Local Banks and Financial Institutions:

	31 March 2021 (Reviewed not Audited)	31 December 2020 (Audited)
	USD '000	USD '000
Time deposits maturing after 3 months and before 6 months	20 552	-
Time deposits maturing after 6 months and before 9 months	27 323	20 552
Time deposits maturing after 9 months and before a year	-	33 280
Time deposits maturing after one year	21 150	21 150
Total	69 025	74 982

Deposits with Banks and Financial Institutions Abroad:

	31 March 2021 (Reviewed not Audited)	31 December 2020 (Audited)
	USD '000	USD '000
Time deposits maturing after 3 months and before 6 months	262 249	110 419
Time deposits maturing after 6 months and before 9 months	11 110	100 354
Time deposits maturing after 9 months and before a year	-	5 153
Time deposits maturing after one year	410	-
Total	273 769	215 926
Less: Net ECL Charges	(2 309)	(2 743)
Total deposits with banks and financial institutions Local and Abroad	340 485	288 165

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

The movement of ECL charges on Deposits with Banks & Financial Institutions is as follows:

	31 March 2021 (Reviewed not Audited)			31 December 2020 (Audited)	
	USD '000	USD '000	USD '000	USD '000	USD '000
	Stage 1	Stage 2	Stage 3	Total	Total
Balance at the beginning of the Period \ year	2 743	-	-	2 743	1 678
Net ECL Charges for the period/ year	(299)	-	-	(299)	1 021
Adjustments during the period and translation adjustments	(135)	-	-	(135)	44
Balance at the end of the period \ year	2 309	-	-	2 309	2 743

8- FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The details of this item are as follows:

	31 March 2021 (Reviewed not Audited)	31 December 2020 (Audited)
	USD '000	USD '000
Treasury bills and Governmental bonds	214 428	79 694
Corporate bonds	201 343	204 136
Corporate shares	2 954	2 532
Mutual funds	17 450	17 692
Total	436 175	304 054

9- FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

The details of this item are as follows:

	31 March 2021 (Reviewed not Audited)	31 December 2020 (Audited)
	USD '000	USD '000
Quoted shares	130 422	122 363
Unquoted shares	241 030	287 352
Governmental bonds and bonds guaranteed by the government	106 734	-
Corporate bonds through OCI	9 042	-
<u>Less: Net ECL Charges</u>	(1 065)	-
Total	486 163	409 715

- Cash dividends from the investments above amounted to USD 2.7 million for the three months period ended March 31,2021 (USD 3.5 millions for the nine months period ended March 31,2020).

The movement of ECL charges on financial assets at fair value through other comprehensive income is as follows:

	31 March 2021 (Reviewed not Audited)			
	USD '000	USD '000	USD '000	USD '000
	Stage 1	Stage 2	Stage 3	Total
Balance at the beginning of the Period \ year	-	-	-	-
Adjustment due to reclassifying Oman Arab Bank from an associate to a subsidiary (note 4)	26	-	1 039	1 065
Amended balance at the beginning of the period / year	26	-	1 039	1 065
Balance at the end of the period \ year	26	-	1 039	1 065

10- DIRECT CREDIT FACILITIES AT AMORTIZED COST

The details of this item are as follows:

	31 March 2021 (Reviewed not Audited)					Total
	Consumer Banking	Corporates		Banks and Financial Institutions	Government and Public Sector	
		Small and Medium	Large			
	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000
Discounted bills *	64 627	100 650	594 252	261 837	28 730	1 050 096
Overdrafts *	99 988	1 194 401	3 797 391	4 332	453 955	5 550 067
Loans and advances *	4 752 291	2 214 559	13 326 613	32 627	1 584 606	21 910 696
Real-estate loans	3 819 707	441 885	492 089	-	-	4 753 681
Credit cards	213 986	-	-	-	-	213 986
Total	8 950 599	3 951 495	18 210 345	298 796	2 067 291	33 478 526
Less: Interest and commission in suspense	101 057	128 291	463 977	53	-	693 378
Provision for impairment - ECL	298 646	344 695	1 623 858	5 497	12 678	2 285 374
Total	399 703	472 986	2 087 835	5 550	12 678	2 978 752
Net Direct Credit Facilities At Amortized Cost	8 550 896	3 478 509	16 122 510	293 246	2 054 613	30 499 774

* Net of interest and commission received in advance which amounted to USD 117.3 million as of March 31, 2021.

- Rescheduled loans during the three months period ended March 31, 2021 amounted to USD 67.4 million .
- Restructured loans (transferred from non performing to watch list loans) during the three months period ended March 31, 2021 amounted to USD 1.6 million.
- Direct credit facilities granted to and guaranteed by the Government of Jordan amounted to USD 57.8 million, or 0.2% of total direct credit facilities as of March 31, 2021.
- Non-performing direct credit facilities amounted to USD 2755.8 million, or 8.2% of total direct credit facilities as of March 31, 2021.
- Non-performing direct credit facilities net of interest and commission in suspense amounted to USD 2090.1 million, or 6.4.% of direct credit facilities after deducting interest and commission in suspense as of March 31, 2021.

31 December 2020
(Audited)

	Consumer Banking		Corporates		Banks and Financial Institutions	Government and Public Sector	Total
	USD '000	Small and Medium	Large	USD '000			
Discounted bills *	68 294	91 600	549 247	157 770	13 764	880 675	
Overdrafts *	92 404	1 136 980	3 359 056	5 662	442 991	5 037 093	
Loans and advances *	3 533 021	1 967 850	11 255 638	32 626	906 931	17 696 066	
Real-estate loans	2 336 319	145 412	210 500	-	-	2 692 231	
Credit cards	185 802	-	-	-	-	185 802	
Total	6 215 840	3 341 842	15 374 441	196 058	1 363 686	26 491 867	
<u>Less: Interest and commission in suspense</u>	92 524	115 426	411 265	53	-	619 268	
<u>Provision for impairment - ECL</u>	260 547	300 441	1 390 880	5 230	7 643	1 964 741	
Total	353 071	415 867	1 802 145	5 283	7 643	2 584 009	
Net Direct Credit Facilities at Amortized Cost	5 862 769	2 925 975	13 572 296	190 775	1 356 043	23 907 858	

* Net of interest and commission received in advance, which amounted to USD 123.5 million as of 31 December 2020.

- Rescheduled loans during the year ended December 31, 2020 amounted to USD 491.7 million.

- Restructured loans (transferred from non performing to watch list loans) during the year ended December 31, 2020 amounted to USD 8 million.

- Direct credit facilities granted to and guaranteed by the government of Jordan as of December 31, 2020 amounted to USD 77.9 million, or 0.3% of total direct credit facilities.

- Non-performing direct credit facilities as of December 31, 2020 amounted to USD 2358.4 million, or 8.9% of total direct credit facilities.

- Non-performing direct credit facilities net of interest and commission in suspense as of December 31, 2020 amounted to USD 1763.3 million, or 6.8% of direct credit facilities, after deducting interest and commission in suspense.

The details of movement on the provision for impairment of the ECL as of March 31, 2021 are as follows:

	31 March 2021 (Reviewed not Audited)			
	USD '000	USD '000	USD '000	USD '000
	Stage 1	Stage 2	Stage 3	Total
Balance at the beginning of the year	120 651	440 147	1 403 943	1 964 741
Acquisition of Oman Arab Bank (note 4)	25 559	76 753	137 314	239 626
Amended balance at the beginning of the period / year	146 210	516 900	1 541 257	2 204 367
Transferred to Stage 1	6 638	(6 583)	(55)	-
Transferred to Stage 2	(5 878)	7 514	(1 636)	-
Transferred to Stage 3	(60)	(7 981)	8 041	-
Net ECL Charges for the period	(19 625)	30 284	89 028	99 687
Used from provision (written off or transferred to off interim condensed consolidated statement of financial position)	-	-	(2 284)	(2 284)
Adjustments during the period and translation adjustments	1 048	(3 139)	(14 305)	(16 396)
Balance at the end of the period	128 333	536 995	1 620 046	2 285 374

The details of movement on the provision for impairment of the ECL as of December 31, 2020 are as follows:

	31 December 2020 (Audited)			
	USD '000	USD '000	USD '000	USD '000
	Stage 1	Stage 2	Stage 3	Total
Balance at the beginning of the year	94 539	319 979	1 218 644	1 633 162
Transferred to Stage 1	4 759	(4 487)	(272)	-
Transferred to Stage 2	(5 802)	6 750	(948)	-
Transferred to Stage 3	(2 033)	(38 049)	40 082	-
Net ECL Charges for the year	26 824	152 915	323 398	503 137
Used from provision (written off or transferred to off consolidated statement of financial position)	-	(571)	(155 758)	(156 329)
Adjustments during the period and translation adjustments	2 364	3 610	(21 203)	(15 229)
Balance at the end of the year	120 651	440 147	1 403 943	1 964 741

- There are no provisions no longer required as a result of settlement or repayment, transferred to other non-performing direct credit facilities as of March 31, 2021 and December 31, 2020.

- Impairment is assessed based on individual customer accounts.

* There were no non-performing loans transferred to off interim condensed consolidated statement of financial position as of March 31, 2021 (USD 175.3 million as of December 31, 2020) noting that these non-performing direct credit facilities are fully covered by set provisions and suspended interest.

The details of movement on interest and commission in suspense are as follows:

31 March 2021						
(Reviewed not Audited)						
Consumer Banking	Corporates		Banks and Financial Institutions	Government and Public Sector	Total	
	Small & Medium	Large				
USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	
Balance at the beginning of the period	92 524	115 426	411 265	53	-	619 268
Acquisition of Oman Arab Bank (note 4)	5 281	10 028	15 758	-	-	31 067
Amended balance at the beginning of the period / year	97 805	125 454	427 023	53	-	650 335
Interest and commissions suspended during the period	6 677	5 308	43 048	-	-	55 033
Interest and commissions in suspense settled / written off or transferred to off condensed consolidated interim statement of financial position	(1 075)	(1 028)	(231)	-	-	(2 334)
Recoveries	(1 493)	(439)	(432)	-	-	(2 364)
Adjustments during the period	-	(1 124)	1 122	-	-	(2)
Translation adjustments	(857)	120	(6 553)	-	-	(7 290)
Balance at the End of the Period	101 057	128 291	463 977	53	-	693 378

31 December 2020						
(Audited)						
Consumer Banking	Corporates		Banks and Financial Institutions	Government and Public Sector	Total	
	Small & Medium	Large				
USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	
Balance at the beginning of the year	71 191	110 022	359 718	59	-	540 990
Interest and commissions suspended during the year	20 019	20 317	100 421	-	-	140 757
Interest and commissions in suspense settled / written off or transferred to off consolidated statement of financial position	(4 259)	(4 148)	(26 905)	-	-	(35 312)
Recoveries	(3 855)	(1 857)	(15 733)	-	-	(21 445)
Adjustment during the year	8 941	(9 140)	199	-	-	-
Translation adjustments	487	232	(6 435)	(6)	-	(5 722)
Balance at the End of the Year	92 524	115 426	411 265	53	-	619 268

Classification of direct credit facilities at amortized cost based on the geographical and economic sectors as follows:

Economic Sector	Inside Jordan	Outside Jordan	31 March 2021	31 December 2020
			(Reviewed not Audited)	(Audited)
	USD '000	USD '000	USD '000	USD '000
Consumer Banking	3 025 193	5 525 703	8 550 896	5 862 769
Industry and mining	1 409 500	3 157 216	4 566 716	4 573 963
Constructions	479 779	1 885 070	2 364 849	1 864 976
Real - Estates	345 685	1 563 825	1 909 510	1 630 077
Trade	1 363 438	3 072 930	4 436 368	3 906 963
Agriculture	172 812	190 366	363 178	335 015
Tourism and Hotels	248 153	618 100	866 253	633 796
Transportations	105 558	220 048	325 606	353 413
Shares	-	8 989	8 989	11 985
General Services	801 520	3 958 030	4 759 550	3 188 083
Banks and Financial Institutions	28 448	264 798	293 246	190 775
Government and Public Sector	153 285	1 901 328	2 054 613	1 356 043
Net Direct Credit Facilities at amortized Cost	8 133 371	22 366 403	30 499 774	23 907 858

11- OTHER FINANCIAL ASSETS AT AMOTIZED COST

The details of this item are as follows:

	31 March 2021 (Reviewed not Audited)	31 December 2020 (Audited)
	USD '000	USD '000
Treasury bills	2 954 968	1 965 105
Governmental bonds and bonds guaranteed by the government	6 280 279	5 583 556
Corporate bonds	1 373 655	1 254 161
Less: Net ECL Charges	(37 405)	(40 033)
Total	10 571 497	8 762 789

Analysis of bonds based on interest nature:

	31 March 2021 (Reviewed not Audited)	31 December 2020 (Audited)
	USD '000	USD '000
Floating interest rate	467 168	491 348
Fixed interest rate	10 141 734	8 311 474
Less: Net ECL Charges	(37 405)	(40 033)
Total	10 571 497	8 762 789

Analysis of financial assets based on market quotation:

	31 March 2021 (Reviewed not Audited)	31 December 2020 (Audited)
	USD '000	USD '000
Financial assets quoted in the market:		
Treasury bills	1 080 198	216 465
Governmental bonds and bonds guaranteed by the government	1 694 216	1 131 354
Corporate bonds	1 264 311	1 149 860
Total	4 038 725	2 497 679

	31 March 2021 (Reviewed not Audited)	31 December 2020 (Audited)
	USD '000	USD '000
Financial assets unquoted in the market:		
Treasury bills	1 874 770	1 748 640
Governmental bonds and bonds guaranteed by the government	4 586 063	4 452 202
Corporate bonds	109 344	104 301
Total	6 570 177	6 305 143
Less: Net ECL Charges	(37 405)	(40 033)
Grand Total	10 571 497	8 762 789

The movement of ECL charges on Other Financial Assets at Amortized Cost is as follows:

	31 March 2021 (Reviewed not Audited)			31 December 2020 (Audited)	
	USD '000	USD '000	USD '000	USD '000	USD '000
	Stage 1	Stage 2	Stage 3	Total	Total
Balance at the beginning of the period / year	19 200	20 833	-	40 033	40 717
Adjustment due to reclassifying Oman Arab Bank from an associate to a subsidiary (note 4)	169	-	-	169	-
Amended balance at the beginning of the period / year	19 369	20 833	-	40 202	40 717
Transfer to Stage (1)	-	-	-	-	-
Transfer to Stage (2)	-	-	-	-	-
Transfer to Stage (3)	-	-	-	-	-
Net ECL Charges for the period / year	(2 183)	(464)	-	(2 647)	800
Investments written off	-	-	-	-	(4 374)
Adjustments during the period and translation adjustments	(133)	(17)	-	(150)	2 890
Balance at the end of the period \ Year	17 053	20 352	-	37 405	40 033

During the three months period ended March 31, 2021 certain financial assets at amortized cost with a total amount of USD 25.5 million were sold (USD 81.1 million during the year ended December 31, 2020).

12- FIXED ASSETS

The additions to and disposals of fixed assets during the three months period ended March 31, 2021 amounted to USD 55.9 million and USD 3.3 million respectively (USD 11.3 million and USD 0.9 million for the three months period ended March 31, 2020).

The cost of fully depreciated fixed assets amounted to USD 342.2 million as of March 31, 2021 (USD 335.2 million as of December 31, 2020)

13- OTHER ASSETS

The details of this item are as follows:

	31 March 2021 (Reviewed not Audited)	31 December 2020 (Audited)
	USD '000	USD '000
Accrued interest receivable	316 437	192 113
Prepaid expenses	111 338	71 568
Foreclosed assets *	159 658	152 401
Intangible assets	52 172	34 272
Right-of-use Assets	82 388	86 315
Other miscellaneous assets	352 269	226 468
Total	1 074 262	763 137

* Central Bank of Jordan instructions require disposal of these assets during a maximum period of two years from the date of foreclosure.

14- CUSTOMERS' DEPOSITS

The details of this item are as follows:

31 March 2021 (Reviewed not Audited)

	Consumer Banking	Corporates		Government and Public Sector	Total
		Small & Medium	Large		
	USD '000	USD '000	USD '000	USD '000	USD '000
Current and demand	11 840 149	2 552 155	2 696 104	465 714	17 554 122
Savings	5 105 671	119 945	16 356	71 249	5 313 221
Time and notice	11 670 227	1 495 127	3 326 837	3 177 956	19 670 147
Certificates of deposit	518 205	62 033	95 710	36 026	711 974
Total	29 134 252	4 229 260	6 135 007	3 750 945	43 249 464

31 December 2020 (Audited)

	Consumer Banking	Corporates		Government and Public Sector	Total
		Small & Medium	Large		
	USD '000	USD '000	USD '000	USD '000	USD '000
Current and demand	9 878 466	2 482 453	2 583 737	221 441	15 166 097
Savings	3 574 548	113 032	15 119	63 868	3 766 567
Time and notice	9 202 810	1 382 303	3 482 528	2 524 787	16 592 428
Certificates of deposit	507 979	69 222	94 423	38 422	710 046
Total	23 163 803	4 047 010	6 175 807	2 848 518	36 235 138

- Total Government of Jordan and Jordanian public sector deposits amounted to USD 1021.8 millions, or 2.4% of total customer's deposits as of March 31, 2021 (USD 1057.7 million, or 2.9% of total customer's deposits as of December 31, 2020).
- Non-interest bearing deposits amounted to USD 14737.1 million, or 34.1% of total customer's deposits as of March 31, 2021 (USD 13732.4 million, or 37.9% of total customer's deposits as of December 31, 2020).
- Blocked deposits amounted to USD 149.1 million, or 0.34% of total customer's deposits as of March 31, 2021 (USD 159.8 million, or 0.4% of total customer's deposits as of December 31, 2020).
- Dormant deposits amounted to USD 477 million, or 1.1% of total customer's deposits as of March 31, 2021 (USD 492.1 million, or 1.4% of total customer's deposits as of December 31, 2020).

15- BORROWED FUNDS

The details of this item are as follows:

	31 March 2021 (Reviewed not Audited)	31 December 2020 (Audited)
	USD '000	USD '000
From Central Banks	169 565	167 340
From banks and financial institutions	477 808	442 451
Total	647 373	609 791

Analysis of borrowed funds according to interest nature is as follows:

	31 March 2021 (Reviewed not Audited)	31 December 2020 (Audited)
	USD '000	USD '000
Floating interest rate	350 172	364 386
Fixed interest rate	297 201	245 405
Total	647 373	609 791

16- PROVISION FOR INCOME TAX

The details of this item are as follows:

	31 March 2021 (Reviewed not Audited)	31 December 2020 (Audited)
	USD '000	USD '000
Balance at the beginning of the period / year	275 406	345 054
Income tax expense	58 654	215 066
Income tax paid	(124 081)	(284 714)
Adjustment during the period	11 706	-
Balance at the End of the Period / Year	221 685	275 406

Income tax expense charged to the interim condensed consolidated statement of income consists of the following:

	For the three-Months	
	31 March 2021 (Reviewed not Audited)	31 March 2020 (Reviewed not Audited)
	USD '000	USD '000
Income tax expense for the period	58 654	50 753
Effect of deferred tax	(13 277)	(1 859)
Total	45 377	48 894

- The income tax rate for the banking sector in Jordan is 38% (35% income tax + 3% national contribution tax), while the income tax rate in the countries where the Group has investments and branches ranges from zero to 38% as of March 31, 2021 and December 31, 2020. The effective tax rate for the Group is 26.1% as March 31, 2021 and 24.9% as of March 31, 2020.
- The subsidiaries and branches of Arab Bank Group have reached recent tax settlements ranging between 2019 such as Arab Bank United Arab Emirates and 2018 such as Arab Bank Egypt and Arab Investment Group Jordan Co.

17- OTHER LIABILITIES

The details of this item are as follows:

	31 March 2021 (Reviewed not Audited)	31 December 2020 (Audited)
	USD '000	USD '000
Accrued interest payable	213 095	139 822
Notes payable	183 578	203 883
Interest and commission received in advance	80 981	61 133
Accrued expenses	85 817	90 349
Dividends payable to shareholders	127 676	19 405
Provision for impairment - ECL of the indirect credit facilities*	116 078	151 163
Lease Contracts Liability	80 623	84 245
Other miscellaneous liabilities	433 295	349 622
Total	1 321 143	1 099 622

*The details of movement on the provision for impairment of the ECL of the indirect credit facilities are as follows:

	31 March 2021 (Reviewed not Audited)				31 December 2020 (Audited)
	USD '000	USD '000	USD '000	USD '000	USD '000
	Stage 1	Stage 2	Stage 3	Total	Total
Balance at the beginning of the period \ year	36 363	27 457 #	28 130	91 950	59 213
Adjustment due to reclassifying Oman Arab Bank from an associate to a subsidiary (note 4)	528	465	1 309	2 302	-
Amended balance at the beginning of the period / year	36 891	27 922	29 439	94 252	59 213
Transferred to Stage 1	92	(92)	-	-	-
Transferred to Stage 2	(457)	549	(92)	-	-
Transferred to Stage 3	-	(1)	1	-	-
Net ECL Charges for the period / year	(2 209)	1 322	22 967	22 080	19 351
Adjustments during the period and translation Adjustments	166	(391)	(29)	(254)	13 386
Balance at the End of the Period \ Year	34 483	29 309	52 286	116 078	151 163

18- SHARE CAPITAL AND RESERVES

A. Share Capital amounted to USD 926.6 million distributed to 640.8 million shares as of March 31, 2021 and December 31, 2020.

B. The Group did not make any appropriation to the legal reserves, in accordance with companies law, in the interim financial information as such appropriations are performed at year end.

19- PERPETUAL TIER 1 CAPITAL BONDS

A. On 29 December 2016, Oman Arab Bank issued unsecured perpetual Tier 1 bonds of USD 77.9 million. The bonds are listed on the Muscat Securities Market and are transferable through trading. The bonds carry a fixed coupon rate of 7.75 per cent per annum payable semi-annually in arrears and treated as deduction from equity for capital adequacy. Interest is non-cumulative and payable at Bank's discretion. The bonds form part of Tier 1 Capital of the Bank and comply with Basel-III and Central Bank of Oman regulation.

B. Additionally, on 17 October 2018, the Bank issued another series of unsecured perpetual Tier 1 bonds of USD 110.5 million. The bonds carry a fixed coupon rate of 7.5 per cent per annum payable semi-annually in arrears and treated as deduction from equity for capital adequacy. Interest is non-cumulative and payable at Bank's discretion. The bonds are in pari-passu with earlier issue.

The Tier 1 bonds constitute direct, unconditional, subordinated and unsecured obligations of the Bank and are classified as equity in accordance with IAS 32: Financial Instruments – Classification. The Tier 1 bonds do not have a fixed or final maturity date and are redeemable by the Bank at its sole discretion. The Bond under note (a) has First Call Date on 29 January 2022 and bond under note (b) has First Call date on 17 October 2023 or on any interest payment date thereafter subject to the prior consent of the regulatory authority.

20- RETAINED EARNINGS

The details of movement on the retained earnings are as follows:

	31 March 2021 (Reviewed not Audited)	31 December 2020 (Audited)
	USD '000	USD '000
Balance at the beginning of the Period \ Year	2 775 635	2 584 537
Profit for the period/year attributable to the shareholders of the bank	122 982	192 791
Transferred from investment revaluation reserve to retained earnings	(1 518)	(2 575)
Dividends paid	(108 423)	-
Transferred from / to general banking risk reserve	-	14 678
Changes in associates equity	-	(5 504)
Adjustment during the period/ year	7 508	(8 292)
Balance at the End of the Period / Year	2 796 184	2 775 635

* The General Assembly of Arab Bank plc in its meeting held on March 25, 2021 approved the recommendation of the Bank's Board of Directors to distribute a 12 % of USD 1.4 par value as cash dividend, equivalent to USD 108.4 million, for the year 2020. (According to Central Bank of Jordan Memo no. 1/1/4693 dated 9 April 2020, Arab Bank did not distribute dividends for the year 2019).

21- INTEREST INCOME

The details of this item are as follows:

	31 March 2021 (Reviewed not Audited)	31 March 2020 (Reviewed not Audited)
	USD '000	USD '000
Direct credit facilities at amortized cost	415 595	406 461
Balances with central banks	12 857	18 563
Balances and deposits with banks and financial institutions	4 374	22 866
Financial assets at fair value through profit or loss	4 246	5 782
Other financial assets at amortized cost	129 464	129 800
Total	566 536	583 472

22- INTEREST EXPENSE

The details of this item are as follows:

	31 March 2021 (Reviewed not Audited)	31 March 2020 (Reviewed not Audited)
	USD '000	USD '000
Customers' deposits	209 820	201 684
Banks and financial institutions deposits	6 468	21 742
Cash margins	7 198	15 328
Borrowed funds	3 979	3 284
Deposit insurance fees	6 602	7 189
Total	234 067	249 227

23- **NET COMMISSION INCOME**

The details of this item are as follows:

	31 March 2021 (Reviewed not Audited)	31 March 2020 (Reviewed not Audited)
	USD '000	USD '000
Commission income:		
Direct credit facilities at amortized cost	31 955	20 052
Indirect credit facilities	28 007	28 423
Assets Under Management	6 156	5 670
Other	32 137	28 130
<u>Less: commission expense</u>	<u>(15 437)</u>	<u>(11 641)</u>
Net Commission Income	<u>82 818</u>	<u>70 634</u>

24- **GAIN FROM FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS**

The details of this item are as follows:

	31 March 2021 (Reviewed not Audited)				31 March 2020 (Reviewed not Audited)
	Realized Gains	Unrealized Gain	Dividends	Total	Total
	USD '000	USD '000	USD '000	USD '000	USD '000
Treasury bills and bonds	291	334	-	625	2 137
Corporate shares	-	-	-	-	42
Mutual funds	-	699	-	699	(1 186)
Total	<u>291</u>	<u>1 033</u>	<u>-</u>	<u>1 324</u>	<u>993</u>

25- **OTHER REVENUE**

The details of this item are as follows:

	31 March 2021 (Reviewed not Audited)	31 March 2020 (Reviewed not Audited)
	USD '000	USD '000
Revenue from customer services	3 948	3 505
Safe box and other rentals	963	1 053
Gain (Loss) from derivatives	88	(461)
Miscellaneous revenue	10 611	8 871
Total	<u>15 610</u>	<u>12 968</u>

(24) BUSINESS SEGMENTS

The Group has an integrated group of products and services dedicated to serve the Group's customers and constantly developed in response to the ongoing changes in the Grouping business environment, and related state-of-the-art tools used by the executive management in the group.

The following is a summary of these groups' activities stating their business nature and future plans:

(1) CORPORATE AND INSTITUTIONAL BANKING

This group provides banking services and finances with the following: corporate sector, private projects, foreign trading, small and medium sized projects, and banks and financial institutions.

(2) TREASURY

Treasury department at Arab Bank Group manages market and liquidity risks and provides advice and trading services to Arab Bank clients internationally.

Moreover, this department is responsible for the management of the Group's assets and liabilities within the frame set by the Assets and Liabilities Committee.

The Treasury Department at the Arab Bank Group has several responsibilities, the main responsibilities are:

- Liquidity management according to the highest standards of efficiency and within the established limits, while ensuring that liquidity is sufficiently available to business sectors at all times.
- Managing market risks within the established limits.
- Generate revenue by managing both liquidity and market risk.
- Limiting the use of financial derivatives.
- Executing operations related to buying and selling bonds and derivatives and exchanging foreign currencies with market experts. The treasury also carries out lending and borrowing operations for the money market with banks and other financial institutions.
- Selling foreign currencies, derivatives and other financial products to clients.
- Providing advice related to liquidity management and market risks to the relevant departments of the Group.

(3) CONSUMER BANKING

This group provides banking services to individuals and high-net worth elite customers, and endeavors to meet their financial service needs using the best methods, through effective distribution channels, and a variety of product services. Moreover, this group is in direct and close contact with the customers in order to provide them with timely and continuous services through different electronic channels such as direct phone calls, ATMs, the internet and text messaging via cellular phones.

Information about the Group's Business Segments

	31 March 2021 (Reviewed not Audited)					31 March 2020 (Reviewed not Audited)	
	Corporate and Institutional Banking	Treasury	Consumer Banking		Other	Total	Total
			Elite	Retail Banking			
			USD '000	USD '000			
Total income	244 596	164 305	(19 836)	84 870	68 044	541 979	559 637
Net inter-segment interest income	(8 554)	(96 252)	65 395	39 411	-	-	-
Less :Provision for impairment - ECL	114 694	173	(109)	5 345	-	120 103	140 493
Less :Other provisions	(426)	491	360	2 023	-	2 448	7 181
Less :Direct administrative expenses	34 251	5 481	9 655	53 041	8 921	111 349	95 181
Result of Operations of Segments	87 523	61 908	35 653	63 872	59 123	308 079	316 782
Less :Indirect expenses on segments	52 716	14 967	13 322	52 394	1 019	134 418	120 295
Profit for the Period before Income Tax	34 807	46 941	22 331	11 478	58 104	173 661	196 487
Less :Income tax expense	4 305	11 073	5 804	4 161	20 034	45 377	48 894
Profit for the Period	30 502	35 868	16 527	7 317	38 070	128 284	147 593
Depreciation and Amortization	6 090	1 591	1 201	10 181	-	19 063	14 729

Other Information	31 March 2021 (Reviewed not Audited)					31 December 2020 (Audited)	
	Corporate and Institutional Banking	Treasury	Consumer Banking		Other	Total	Total
			Elite	Retail Banking			
			USD '000	USD '000			
Segment assets	21 772 663	23 458 068	3 768 704	7 773 451	2 459 503	59 232 389	50 609 471
Inter-segment assets	-	-	12 619 113	3 631 938	6 861 792	-	-
Investments in associates	-	-	-	-	3 284 206	3 284 206	3 804 212
Total Assets	21 772 663	23 458 068	16 387 817	11 405 389	12 605 501	62 516 595	54 413 683
Segment liabilities	18 742 426	3 375 462	16 387 817	11 405 389	2 632 803	52 543 897	45 024 920
Shareholders' Equity	-	-	-	-	9 972 698	9 972 698	9 388 763
Inter-segment liabilities	3 030 237	20 082 606	-	-	-	-	-
Total Liabilities and Shareholders' Equity	21 772 663	23 458 068	16 387 817	11 405 389	12 605 501	62 516 595	54 413 683

27- MATURITY OF THE CONTINGENT ACCOUNTS

The table below details the maturity of expected liabilities and commitments on the basis of maturity:

31 March 2021				
(Reviewed not Audited)				
	Within 1 Year	From 1 Year and up to 5 Years	More than 5 Years	Total
	USD '000	USD '000	USD '000	USD '000
Letters of credit	1 964 144	156 420	-	2 120 564
Acceptances	719 412	3 458	-	722 870
Letters of guarantees:				
- Payment guarantees	920 348	170 741	69 858	1 160 947
- Performance guarantees	3 496 228	1 390 730	179 456	5 066 414
- Other guarantees	2 638 736	325 777	50 181	3 014 694
Unutilized credit facilities	3 944 923	470 993	31 945	4 447 861
Total	13 683 791	2 518 119	331 440	16 533 350
Construction projects contracts	2 655	-	-	2 655
Procurement contracts	5 823	1 708	2 528	10 059
Total	8 478	1 708	2 528	12 714
31 December 2020				
(Audited)				
	Within 1 Year	From 1 Year and up to 5 Years	More than 5 Years	Total
	USD '000	USD '000	USD '000	USD '000
Letters of credit	1 618 727	92 907	-	1 711 634
Acceptances	584 809	5 743	-	590 552
Letters of guarantees:				
- Payment guarantees	1 190 935	121 408	74 204	1 386 547
- Performance guarantees	3 319 003	1 228 769	183 237	4 731 009
- Other guarantees	2 615 665	316 772	34 233	2 966 670
Unutilized credit facilities	3 901 956	314 266	33 487	4 249 709
Total	13 231 095	2 079 865	325 161	15 636 121
Construction projects contracts	3 502	-	-	3 502
Procurement contracts	10 537	3 033	2 528	16 098
Total	14 039	3 033	2 528	19 600

28. CREDIT EXPOSURE FOR ASSETS CATEGORIZED BY GEOGRAPHICAL REGION:

The details for this items are as follows:

31 March 2021
(Reviewed not Audited)

	Jordan	Other Arab Countries	Asia *	Europe	America	Rest of the World	Total
	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000
Balances with central banks	4 137 295	4 171 515	234	1 929 776	-	13 072	10 251 892
Balances and deposits with banks and financial institutions	213 236	1 266 713	223 660	1 677 598	759 601	65 387	4 206 195
Financial assets at fair value through profit or loss	-	202 244	15 100	191 992	-	6 435	415 771
Direct credit facilities at amortized cost							
Consumer Banking	8 133 371	19 906 189	328 226	1 289 314	9 242	833 432	30 499 774
Small and Medium Corporates	3 025 193	5 037 814	9	130 044	-	357 836	8 550 896
Large Corporates	902 053	1 825 365	898	532 938	5 391	211 864	3 478 509
Banks and Financial Institutions	4 024 392	10 951 357	327 319	551 859	3 851	263 732	16 122 510
Government and Public Sector	28 448	264 449	-	349	-	-	293 246
Other financial assets at amortized cost	153 285	1 827 204	-	74 124	-	-	2 054 613
Other assets and financial derivatives - positive fair value	4 181 050	5 474 251	81 023	424 669	135 840	274 664	10 571 497
	88 116	366 584	1 280	111 348	2 242	2 629	572 199
Total	16 753 068	31 387 496	649 523	5 624 697	906 925	1 195 619	56 517 328
Total as of 31 December, 2020 (Audited)	16 418 323	22 638 240	881 341	6 373 923	845 506	1 175 839	48 333 172

* Excluding Arab Countries.

29. CREDIT EXPOSURE FOR ASSETS CATEGORIZED BY ECONOMIC SECTOR

The details for this items are as follows:

31 March 2021
(Reviewed not Audited)

	Corporations											Government and Public Sector	Total	
	Consumer Banking	Industry and Mining	Constructions	Real Estate	Trade	Agriculture	Tourism and Hotels	Transportation	Shares	General Services	Banks and Financial Institutions			
	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000
Balances with central banks	-	-	-	-	-	-	-	-	-	-	-	-	10 251 892	10 251 892
Balances and deposits with banks and financial institutions	-	-	-	-	-	-	-	-	-	-	4 206 195	-	-	4 206 195
Financial assets at fair value through profit or loss	-	16 055	-	10 589	-	-	-	-	-	1 201	173 498	214 428	-	415 771
Direct credit facilities at amortized cost	8 550 896	4 566 716	2 364 849	1 909 510	4 436 368	363 178	866 253	325 606	8 989	4 759 550	293 246	2 054 613	-	30 499 774
Other financial assets at amortized cost	-	67 071	-	14 013	-	-	-	-	-	308 032	964 691	9 217 690	-	10 571 497
Other assets & Financial Derivatives - positive fair value	78 427	51 071	22 918	6 791	32 927	1 610	3 321	5 330	-	62 870	162 170	144 764	-	572 199
Total	8 629 323	4 700 913	2 387 767	1 940 903	4 469 295	364 788	869 574	330 936	8 989	5 131 653	5 799 800	21 883 387	-	56 517 328
Total as of 31 December, 2020 (Audited)	5 883 353	4 700 198	1 872 257	1 643 625	3 926 238	336 602	636 983	358 558	11 985	3 510 756	6 259 677	19 192 940	-	48 333 172

30- CAPITAL MANAGEMENT

The Group manages its capital to safeguard its ability to continue its operating activities while maximizing the return to shareholders. The composition of the regulatory capital, as defined by Basel III standards is as follows:

	31 March 2021 (Reviewed not Audited)	31 December 2020 (Audited)
	USD '000	USD '000
Common Equity Tier 1	9 331 109	9 006 760
Regulatory Adjustments (Deductions from Common Equity Tier 1)	(2 826 123)	(3 356 130)
Additional Tier 1	149 210	439
Supplementary Capital	478 200	416 260
Regulatory Capital	7 132 396	6 067 329
Risk-weighted assets (RWA)	43 446 119	36 180 487
Common Equity Tier 1 Ratio	%14.97	%15.62
Tier 1 Capital Ratio	%15.32	%15.62
Capital Adequacy Ratio	%16.42	%16.77

- The Board of Directors performs an overall review of the capital structure of the Group on a quarterly basis. As part of this review, the Board takes into consideration matters such as cost and risks of capital as integral factors in managing capital through setting dividend policies and capitalization of reserves.

31. Fair Value Hierarchy

Financial Instruments are either financial assets or financial liabilities

The Group uses the following methods and alternatives of valuating and presenting the fair value of financial instruments:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

A. Fair Value of the Group financial assets and financial liabilities measured at fair value on a recurring basis.

Some financial assets and financial liabilities are measured at fair value at the end of each reporting period, the following note illustrates how the fair value is determined (Valuation techniques and key inputs)

Financial Assets /Financial Liabilities	Fair Value as at		Fair Value Hierarchy	Valuation techniques and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value
	31 March 2021 (Reviewed not Audited)	31 December 2020 (Audited)				
	USD '000	USD '000				
Financial Assets at Fair Value						
Financial assets at fair value through profit or loss:						
Treasury bills and Bonds	214 428	79 694	Level 1	Quoted Shares	Not Applicable	Not Applicable
Corporate Bonds	201 343	204 136	Level 1	Quoted Shares	Not Applicable	Not Applicable
Shares and mutual funds	20 404	20 224	Level 1	Quoted Shares	Not Applicable	Not Applicable
Total Financial Assets at Fair Value through Profit or Loss	436 175	304 054				
Financial derivatives - positive fair value	144 424	91 510	Level 2	Through Comparison of similar financial instruments	Not Applicable	Not Applicable
Financial assets at fair value through other comprehensive income:						
Quoted shares	130 422	122 363	Level 1	Quoted Shares	Not Applicable	Not Applicable
Unquoted shares	241 030	287 352	Level 2	Through using the index sector in the market	Not Applicable	Not Applicable
Government and corporate bonds through OCI	114 711	-				
Total financial assets at fair value through other comprehensive income	486 163	409 715				
Total Financial Assets at Fair Value	1 066 762	805 279				
Financial Liabilities at Fair Value						
Financial derivatives - negative fair value	96 517	170 956	Level 2	Through Comparison of similar financial instruments	Not Applicable	Not Applicable
Total Financial Liabilities at Fair Value	96 517	170 956				

There were no transfers between Level 1 and 2 during the three months period ended March 31, 2021 and the year 2020.

B. Fair value of the Group financial assets and financial liabilities that are not measured at fair value on a recurring basis.

Except as detailed in the following table, we believe that the carrying amounts of financial assets and financial liabilities recognized in the banks financial statements approximate their fair values:

	31 March 2021 (Reviewed not Audited)		31 December 2020 (Audited)		Fair Value Hierarchy
	Book value USD '000	Fair value USD '000	Book value USD '000	Fair value USD '000	
Financial assets not calculated at fair value					
Mandatory cash reserve, Time and notice balances and Certificates of deposit with central banks	5 527 276	5 528 499	5 519 559	5 520 337	Level 2
Balances and deposits with banks and financial institutions	4 206 195	4 208 190	4 889 330	4 890 794	Level 2
Direct credit facilities at amortized cost	30 499 774	30 711 006	23 907 858	23 985 577	Level 2
Other financial assets at amortized cost	10 571 497	10 656 267	8 762 789	8 859 096	Level 1 & 2
Total financial assets not calculated at fair value	50 804 742	51 103 962	43 079 536	43 255 804	
Financial liabilities not calculated at fair value					
Banks' and financial institutions' deposits	4 226 710	4 230 059	3 974 226	3 984 107	Level 2
Customer deposits	43 249 464	43 426 153	36 235 138	36 328 603	Level 2
Cash margin	2 548 976	2 555 525	2 483 253	2 491 389	Level 2
Borrowed funds	647 373	650 235	609 791	615 966	Level 2
Total financial liabilities not calculated at fair value	50 672 523	50 861 972	43 302 408	43 420 065	

The fair values of the financial assets and financial liabilities included in level 2 categories above have been determined in accordance with the generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

32- EARNINGS PER SHARE ATTRIBUTABLE TO THE BANK'S SHAREHOLDERS

The details of this item are as follows:

	For the three-Months Period Ended 31 March	
	2021	2020
	USD '000	USD '000
Profit for the period attributable to the Bank's shareholders	122 982	144 954
	Thousand / Shares	
Average number of shares	640 800	640 800
	USD / Share	
Earnings Per Share for the period (Basic and diluted)	0.19	0.23

33- CASH AND CASH EQUIVALENTS

The details of this item are as follows:

	31 March 2021 (Reviewed not Audited)	31 March 2020 (Reviewed not Audited)
	USD '000	USD '000
Cash and balances with central banks maturing within 3 months	11 149 260	7 437 442
<u>Add:</u> Balances with banks and financial institutions maturing within 3 months	3 868 363	3 521 349
<u>Less:</u> Banks and financial institutions deposits maturing within 3 months	3 657 099	3 087 702
Total	11 360 524	7 871 089

34. RELATED PARTIES TRANSACTIONS

The details of the balances with related parties are as follows:

	31 March 2021 (Reviewed not Audited)			
	Deposits owed from Related Parties	Direct Credit Facilities at Amortized Cost	Deposits owed to Related Parties	LCs, LGs, Unutilized Credit Facilities and Acceptances
	USD '000	USD '000	USD '000	USD '000
Associated Companies	212 550	-	16 036	60 869
Major Shareholders and Members of the Board of Directors	-	273 832	669 478	88 494
Total	212 550	273 832	685 514	149 363

	31 December 2020 (Audited)			
	Deposits owed from Related Parties	Direct Credit Facilities at Amortized Cost	Deposits owed to Related Parties	LCs, LGs, Unutilized Credit Facilities and Acceptances
	USD '000	USD '000	USD '000	USD '000
Associated Companies	197 484	-	20 940	71 161
Major Shareholders and Members of the Board of Directors	-	279 057	671 215	89 512
Total	197 484	279 057	692 155	160 673

- All facilities granted to related parties are performing loans in accordance with the internal credit rating of the Group.

The details of transactions with related parties are as follows:

	31 March 2021 (Reviewed not Audited)	
	Interest Income	Interest Expense
	USD '000	USD '000
Associated Companies	226	9

	31 March 2020 (Reviewed not Audited)	
	Interest Income	Interest Expense
	USD '000	USD '000
Associated Companies	1 424	50

- Direct credit facilities granted to top management personnel amounted to USD 1.1 million and indirect credit facilities amounted to USD 214 thousand as of March 31, 2021 (USD 1.8 million direct credit facilities and USD 217.1 thousand indirect credit facilities as of December 31, 2020).

- Interest on credit facilities granted to major shareholders and members of the Board of Directors is recorded at arm's length.

- Deposits of key management personnel amounted to USD 6 million as of March 31, 2021 (USD 5.4 million as of December 31, 2020).

- The salaries and other fringe benefits of the Group's top management personnel, inside and outside Jordan, amounted to USD 18.2 million for the three months period ended March 31, 2021 (USD 21.6 million for the three months period ended March 31, 2020).

(33) LEGAL CASES

There are lawsuits filed against the Group totaling USD 291.9 million as of 31 March 2021, (USD 289.1 million as of 31 December 2020). In the opinion of the management and the lawyers representing the Group in the litigations at issue, the provisions taken in connection with the lawsuits are adequate.

(34) COMPARATIVE FIGURES

Some of the comparative figures for the year 2020 have been reclassified to correspond with the period ended 31 March 2021 presentation, and it did not result in any change to the last year's operating results.