

ARAB BANK GROUP

AMMAN - JORDAN

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(REVIEWED NOT AUDITED)

31 MARCH 2022



**Building a better
working world**

Ernst & Young Jordan
P.O. Box 1140
300 King Abdulla Street
Amman 11118
Jordan
Tel:00962 6 580 0777 /00962 6552 6111
Fax:00962 6 5538 300
www.ey.com

**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 2022, comprising of the interim condensed consolidated statement of financial position as of 31 March 2022 and the related interim condensed consolidated income statement, the interim condensed consolidated statement of comprehensive income, the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the three-months 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
28 April 2022

ERNST & YOUNG
Amman - Jordan

ARAB BANK GROUP
INTERIM CONDENSED CONSOLIDATED
STATEMENT OF FINANCIAL POSITION

	Notes	31 March 2022 (Reviewed not Audited)	31 December 2021 (Audited)
		USD '000	USD '000
<u>ASSETS</u>			
Cash and balances with central banks	4	11 604 195	12 006 994
Balances with banks and financial institutions	5	3 981 742	3 756 284
Deposits with banks and financial institutions	6	399 898	275 494
Financial assets at fair value through profit or loss	7	76 352	72 343
Financial derivatives - positive fair value		92 413	86 585
Direct credit facilities at amortized cost - Net	9	31 764 668	31 188 786
Financial assets at fair value through other comprehensive income	8	671 881	687 854
Other financial assets at amortized cost	10	10 168 646	10 561 173
Investments in associates		3 473 873	3 412 899
Fixed assets	11	528 900	531 955
Other assets	12	1 097 308	976 269
Deferred tax assets		255 447	248 498
Total Assets		64 115 323	63 805 134
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>			
Banks and financial institutions' deposits		4 005 570	3 992 699
Customers' deposits	13	44 648 367	44 485 511
Cash margin		2 690 310	2 607 131
Financial derivatives - negative fair value		81 078	95 809
Borrowed funds	14	590 695	622 460
Provision for income tax	15	219 613	202 477
Other provisions		214 716	217 629
Other liabilities	16	1 412 948	1 252 771
Deferred tax liabilities		8 037	7 295
Total Liabilities		53 871 334	53 483 782
<u>Equity</u>			
Share capital	17	926 615	926 615
Share premium		1 225 747	1 225 747
Statutory reserve	17	926 615	926 615
Voluntary reserve		977 315	977 315
General reserve		1 211 927	1 211 927
General banking risks reserve		153 057	154 171
Reserves with associates		1 540 896	1 540 896
Foreign currency translation reserve		(309 549)	(291 987)
Investments revaluation reserve		(284 496)	(312 553)
Retained earnings	19	2 955 335	2 967 984
Total Equity Attributable to the Shareholders of the Bank		9 323 462	9 326 730
Perpetual tier 1 capital bonds	18	360 527	438 449
Non-controlling interests		560 000	556 173
Total Shareholders' Equity		10 243 989	10 321 352
Total Liabilities and Shareholders' Equity		64 115 323	63 805 134

The accompanying notes from (1) to (35) 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)

	<u>Notes</u>	For The Three-Months Period Ended 31 March	
		2022	2021
		USD '000	USD '000
<u>REVENUE</u>			
Interest income	20	555 841	566 536
<u>Less:</u> interest expense	21	213 349	234 067
Net Interest Income		342 492	332 469
Net commission income	22	99 051	82 818
Net Interest and Commission Income		441 543	415 287
Foreign exchange differences		26 218	31 407
Gain from financial assets at fair value	23	321	1 324
Dividends from financial assets at fair value through other comprehensive income	8	4 933	2 680
Group's share of profits of associates		82 574	75 671
Other revenue / Net	24	18 657	15 610
Total Income		574 246	541 979
<u>EXPENSES</u>			
Employees' expenses		159 725	139 002
Other expenses		90 873	87 702
Depreciation and amortization		20 805	19 063
Provision for impairment - ECL		75 655	120 103
Other provisions		1 934	2 448
Total Expenses		348 992	368 318
Profit for the period before Income Tax		225 254	173 661
<u>Less:</u> Income tax expense	15	59 211	45 377
Profit for the period		166 043	128 284
<u>Attributable to :</u>			
- Bank's shareholders		158 866	122 982
- Non-controlling interests		7 177	5 302
Total		166 043	128 284
Earnings per share attributable to the Bank's shareholders			
- Basic and Diluted (US Dollars)	31	0.25	0.19

The accompanying notes from (1) to (35) 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	
	2022	2021
	USD '000	USD '000
Profit for the period	166 043	128 284
<u>Add:</u> Other comprehensive income items - after tax		
<u>Items that will be subsequently transferred to the statement of Income</u>		
Exchange differences arising from the translation of foreign operations	(18 893)	(75 647)
Revaluation Gain on financial assets at fair value through other comprehensive income	(3 988)	-
<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	30 367	(21 344)
Revaluation gain (loss) on equity instruments at fair value through other comprehensive income	30 367	(18 247)
Gain (loss) from sale of financial assets at fair value through other comprehensive income	-	(3 097)
Total Other Comprehensive Income Items - after Tax	7 486	(96 991)
Total Comprehensive Income for the period	173 529	31 293
Attributable to :		
- Bank's shareholders	169 361	30 305
- Non-controlling interests	4 168	988
Total	173 529	31 293

The accompanying notes from (1) to (35) 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
For The Three-Months Period Ended 31 March 2022														
	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
Balance at the beginning of the period	926 615	1 225 747	926 615	977 315	1 211 927	154 171	1 540 896	(291 987)	(312 553)	2 967 984	9 326 730	556 173	438 449	10 321 352
Profit for the period	-	-	-	-	-	-	-	-	-	158 866	158 866	7 177	-	166 043
Other comprehensive income for the period	-	-	-	-	-	-	-	(17 562)	28 057	-	10 495	(3 009)	-	7 486
Total Comprehensive Income for the period								(17 562)	28 057	158 866	169 361	4 168		173 529
Dividends	19	-	-	-	-	-	-	-	-	(180 706)	(180 706)	-	-	(180 706)
Issuance (Maturity) of Perpetual Bonds (Tier 1 Capital)	18	-	-	-	-	-	-	-	-	-	-	-	(77 922)	(77 922)
Transferred from general banking risk reserve	17	-	-	-	-	(1 114)	-	-	-	1 114	-	-	-	-
Adjustments during the period	19	-	-	-	-	-	-	-	-	8 077	8 077	(341)	-	7 736
Balance at the end of the period	926 615	1 225 747	926 615	977 315	1 211 927	153 057	1 540 896	(309 549)	(284 496)	2 955 335	9 323 462	560 000	360 527	10 243 989
For The Three-Months Period Ended 31 March 2021														
	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
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	9 282 915	105 848	-	9 388 763
Profit for the period	-	-	-	-	-	-	-	-	-	122 982	122 982	5 302	-	128 284
Other comprehensive income for the period	-	-	-	-	-	-	-	(72 810)	(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)	-	-	-	-
Dividends	19	-	-	-	-	-	-	-	-	(108 423)	(108 423)	-	-	(108 423)
Acquisition of Oman Arab Bank		-	-	-	-	-	-	-	-	-	-	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)	(314 146)	2 796 184	9 212 305	571 944	188 449	9 972 698

* The retained earnings include restricted deferred tax assets in the amount of USD 255.4 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 31 March 2022.

* The Bank cannot use a restricted amount of USD 284.5 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 31 March 2022.

The accompanying notes from (1) to (35) 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	
		2022	2021
		USD '000	USD '000
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit for the period before tax		225 254	173 661
Adjustments for:			
Group's share of profits of associates		(82 574)	(75 671)
Depreciation and amortization		20 805	19 063
Expected credit losses on financial assets		75 655	120 103
Net accrued interest		(39 978)	(51 051)
(Gain) from sale of fixed assets		(125)	(46)
Dividends on financial assets at fair value through other comprehensive income	8	(4 933)	(2 680)
Loss (gain) from revaluation of financial assets at fair value through profit or loss	23	69	(1 033)
Other provisions		1 934	2 448
Total		196 107	184 794
<u>(Increase) decrease in assets:</u>			
Deposits with banks and financial institutions (maturing after 3 months)		(124 423)	(51 262)
Direct credit facilities at amortized cost		(637 785)	153 735
Financial assets at fair value through profit or loss		(4 078)	(130 041)
Other assets and financial derivatives		(115 062)	15 797
<u>Increase (decrease) in liabilities:</u>			
Banks' and financial institutions' deposits (maturing after 3 months)		484 566	(339 595)
Customer's deposits		162 856	(142 323)
Cash margin		83 179	65 723
Other liabilities and financial derivatives		(45 832)	(126 799)
Net Cash Flows (used in) Operating Activities before Income Tax		(472)	(369 971)
Income tax paid	15	(47 208)	(124 081)
Net Cash Flows (used in) Operating Activities		(47 680)	(494 052)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Sale (Purchase) of financial assets at fair value through other comprehensive income		44 038	(84 917)
Maturity (Purchase) of other financial assets at amortized cost		386 009	(1 194 565)
(Increase) of investments in associates		(437)	(1 469)
Acquisition of Oman Arab Bank		-	689 119
Dividends received from associates		51 857	114 712
Dividends received from financial assets at fair value through other comprehensive income		4 933	2 680
(Increase) decrease in fixed assets - net		(17 625)	4 276
Net Cash Flows from (used in) Investing Activities		468 775	(470 164)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
(Decrease) in borrowed funds		(31 765)	(14 366)
(Decrease) in Perpetual Bonds	18	(77 922)	-
Dividends paid to shareholders		(485)	(152)
Net Cash Flows (used in) Financing Activities		(110 172)	(14 518)
Net Increase (decrease) in cash and cash equivalents		310 923	(978 734)
Exchange differences - change in foreign exchange rates		(17 562)	(72 810)
Cash and cash equivalents at the beginning of the period		12 260 052	12 412 068
Cash and Cash Equivalents at the end of the period	32	12 553 413	11 360 524
Operational Cash Flows form Interest			
Interest paid		209 799	160 794
Interest received		512 313	442 212

The accompanying notes from (1) to (35) form an integral part of these interim condensed consolidated financial statements and should be read with them.

ARAB BANK GROUP

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 MARCH 2022 (REVIEWED NOT AUDITED)

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 Bank operates worldwide through its 77 branches in Jordan and 130 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 (4) on 28 April 2022.

2 - BASIS OF PREPARATION AND CONSOLIDATION

2 - 1 BASIS OF PREPARATION

The accompanying condensed consolidated interim financial statements was prepared in accordance with the 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 Group consolidated financial statements as of 31 December 2021. In addition, the results of the Group's operations for the three-months period ended 31 March 2022 do not necessarily represent indications of the expected results for the year ending 31 December 2022, and do not contain the appropriation of the profit of the current period, which is usually performed at year end.

The consolidated financial statements are presented in US dollars (USD) which is the functional currency of the Group. For each entity in the Group, the Bank determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

ARAB BANK GROUP
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
31 MARCH 2022 (REVIEWED 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 in capital
	31 March 2022	31 December 2021				
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	100.00	100.00	2009	Brokerage and Financial Services	Palestine	JD 1.7m
Arab Tunisian Bank	64.24	64.24	1982	Banking	Tunisia	TND 128m
Oman Arab Bank	49.00	49.00	1984	Banking	Oman	OMR 166.9m
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.

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.

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 consolidated financial statements are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2021 except for the adoption of new amendments on the standards effective as of 1 January 2022 shown below:

Reference to the Conceptual Framework – Amendments to IFRS 3

In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements.

The Board also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising from liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately.

At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements.

These amendments had no material impact on the interim condensed consolidated financial statements of the Group.

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16

In May 2020, the IASB issued Property, Plant and Equipment — Proceeds before Intended Use, which prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

These amendments had no material impact on the interim condensed consolidated financial statements of the Group.

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.

The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter

As part of its 2018-2020 annual improvements to IFRS standards process, the IASB issued an amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards. The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to IFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.

The amendments is not applicable to the Group.

IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued amendment to IFRS 9. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received by the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

These amendments had no material impact on the interim condensed consolidated financial statements of the Group.

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 and downside scenarios will be set relative to our base case scenario based on reasonably possible alternative macroeconomic conditions.

The Group calculates ECLs based on a three probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to the Group in accordance with the contract and the cash flows that the entity expects to receive. During 2020 and due to the developments and the abnormal situation resulted from COVID-19 pandemic, an additional downside scenario was used by the management for calculating the ECL until 30 June 2021. During the third quarter of the year 2021 the management resolved to use three scenarios using probability weight for each scenario based on the management best estimate for their likelihood. For certain countries, management continued to use more than three scenarios based on their judgment and as a response for developments of COVID – 19 pandemic in these countries. Below are the weights for each scenario for the periods ended 31 March 2022 and 31 March 2021:

	Assigned weighted average 31 March 2022	Assigned weighted average 31 March 2021
Baseline scenario	45%	35%
Upside scenario	20%	15%
Worst-case scenario 1	35%	20%
Worst-case scenario 2	N/A	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.

4 - CASH AND BALANCES WITH CENTRAL BANKS

The details of this item are as follows:

	31 March 2022 (Reviewed not Audited)	31 December 2021 (Audited)
	USD '000	USD '000
Cash in vaults	872 919	774 302
Balances with central banks:		
Current accounts	4 406 719	4 868 254
Time and notice	5 114 606	5 082 189
Mandatory cash reserve	1 411 479	1 484 161
Less: Net ECL Charges	(201 528)	(201 912)
Total	11 604 195	12 006 994

- 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 31 March 2022 (USD 25 million as of 31 December 2021).

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

	31 March 2022 (Reviewed not Audited)			31 December 2021 (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	1 909	200 003	-	201 912	142 351
Net ECL Charges for the period/ year	(511)	214	-	(297)	60 200
Adjustments during the period and translation adjustments	(87)	-	-	(87)	(639)
Balance at the end of the period / year	1 311	200 217	-	201 528	201 912

5 - BALANCES WITH BANKS AND FINANCIAL INSTITUTIONS

The details of this item are as follows:

	31 March 2022 (Reviewed not Audited)	31 December 2021 (Audited)
	USD '000	USD '000
Local banks and financial institutions		
Current Accounts	3 040	3 561
Time deposits maturing within 3 months	189 577	163 197
Total	192 617	166 758
Banks and financial institutions abroad		
Current accounts	1 430 348	1 281 946
Time deposits maturing within 3 months	2 316 303	2 310 345
Certificates of deposit maturing within 3 months	44 630	-
Total	3 791 281	3 592 291
Less: Net ECL Charges	(2 156)	(2 765)
Total balances with banks and financial institutions local and abroad	3 981 742	3 756 284

- There are no non-interest bearing balances as of 31 March 2022 and 31 December 2021.

- There are no restricted balances as of 31 March 2022 and 31 December 2021.

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

	31 March 2022 (Reviewed not Audited)			31 December 2021 (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	2 765	-	-	2 765	2 893
Acquisition of Oman Arab Bank	-	-	-	-	106
Adjusted Balance at the beginning of the period / year	2 765	-	-	2 765	2 999
Net ECL Charges for the period / year	(608)	-	-	(608)	(151)
Adjustments during the period and translation adjustments	(1)	-	-	(1)	(83)
Balance at the end of the period / year	2 156	-	-	2 156	2 765

6 - DEPOSITS WITH BANKS AND FINANCIAL INSTITUTIONS

The details of this item are as follows:

Deposits with Local Banks and Financial Institutions:

	31 March 2022 (Reviewed not Audited)	31 December 2021 (Audited)
	USD '000	USD '000
Time deposits maturing after 3 months and before 6 months	21 150	-
Time deposits maturing after 6 months and before 9 months	-	21 150
Time deposits maturing after 9 months and before a year	-	6 161
Time deposits maturing after one year	47 610	47 610
Total	68 760	74 921

Deposits with Banks and Financial Institutions Abroad:

	31 March 2022 (Reviewed not Audited)	31 December 2021 (Audited)
	USD '000	USD '000
Time deposits maturing after 3 months and before 6 months	260 938	148 112
Time deposits maturing after 6 months and before 9 months	25 974	53 307
Time deposits maturing after 9 months and before a year	45 076	-
Total	331 988	201 419
<u>Less: Net ECL Charges</u>	<u>(850)</u>	<u>(846)</u>
Total deposits with banks and financial institutions Local and Abroad	399 898	275 494

- There are no restricted deposits as of 31 March 2022 and 31 December 2021.

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

	31 March 2022 (Reviewed not Audited)			31 December 2021 (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	846	-	-	846	2 743
Net ECL Charges for the period/ year	18	-	-	18	(1 810)
Adjustments during the period and translation adjustments	(14)	-	-	(14)	(87)
Balance at the end of the period / year	850	-	-	850	846

7 - FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The details of this item are as follows:

	31 March 2022 (Reviewed not Audited)	31 December 2021 (Audited)
	USD '000	USD '000
Treasury bills and Governmental bonds	24 273	4 727
Corporate bonds	25 141	35 390
Corporate shares	6 888	12 091
Mutual funds	20 050	20 135
Total	76 352	72 343

8 - FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

The details of this item are as follows:

	31 March 2022 (Reviewed not Audited)	31 December 2021 (Audited)
	USD '000	USD '000
Quoted shares	157 786	163 766
Unquoted shares	208 026	211 587
Governmental bonds and bonds guaranteed by the government	226 755	219 330
Corporate bonds through OCI	79 767	93 643
<u>Less:</u> Net ECL Charges	(453)	(472)
Total	671 881	687 854

- Cash dividends from the investments above amounted to USD 4.9 million for the three-months period ended 31 March 2022 (USD 2.7 millions for the three-months period ended 31 March 2021).

The movement of ECL charges on Financial Assets at OCI is as follows:

	31 March 2022 (Reviewed not Audited)			31 December 2021 (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	472	-	-	472	-
Acquisition of Oman Arab Bank	-	-	-	-	1 065
Adjusted Balance at the beginning of the period / year	472	-	-	472	1 065
Net ECL Charges for the period / year	(8)	-	-	(8)	(593)
Adjustments during the period and translation adjustments	(11)	-	-	(11)	-
Balance at the end of the period / year	453	-	-	453	472

9 - DIRECT CREDIT FACILITIES AT AMORTIZED COST

The details of this item are as follows:

	31 March 2022					
	(Reviewed not Audited)					
	Consumer Banking	Corporates		Banks and Financial Institutions	Government and Public Sector	Total
	USD '000	Small and Medium	Large	USD '000	USD '000	USD '000
Discounted bills *	50 932	90 916	658 683	245 643	22 483	1 068 657
Overdrafts *	95 533	1 205 979	3 715 188	3 540	377 462	5 397 702
Loans and advances *	5 195 470	2 362 417	13 614 758	30 502	2 152 453	23 355 600
Real-estate loans	4 140 116	483 061	473 266	-	-	5 096 443
Credit cards	239 035	-	-	-	5	239 040
Total	9 721 086	4 142 373	18 461 895	279 685	2 552 403	35 157 442
<u>Less:</u> Interest and commission in suspense	109 382	146 387	554 581	49	-	810 399
Provision for impairment - ECL	309 874	397 439	1 855 234	5 229	14 599	2 582 375
Total	419 256	543 826	2 409 815	5 278	14 599	3 392 774
Net Direct Credit Facilities At Amortized Cost	9 301 830	3 598 547	16 052 080	274 407	2 537 804	31 764 668

* Net of interest and commission received in advance which amounted to USD 116.9 million as of 31 March 2022.

- Rescheduled loans during the three-months period ended 31 March 2022 amounted to USD 92.3 million .

- Restructured loans (transferred from non performing to watch list loans) during the three-months period ended 31 March 2022 amounted to USD 5.2 million.

- Direct credit facilities granted to and guaranteed by the Government of Jordan as of 31 March 2022 amounted to USD 78.6 million, or 0.2% of total direct credit facilities.

- Non-performing direct credit facilities as of 31 March 2022 amounted to USD 2846.5 million, or 8.1% of total direct credit facilities.

- Non-performing direct credit facilities as of 31 March 2022 (net of interest and commission in suspense) amounted to USD 2080.3 million, or 6% of direct credit facilities (after deducting interest and commission in suspense).

31 December 2021
(Audited)

	Consumer Banking	Corporates		Banks and Financial Institutions	Government and Public Sector	Total
	USD '000	Small and Medium USD '000	Large USD '000	USD '000	USD '000	USD '000
Discounted bills *	50 829	103 133	645 780	336 437	22 442	1 158 621
Overdrafts *	93 379	1 486 085	3 480 308	4 274	408 225	5 472 271
Loans and advances *	4 943 584	2 286 684	13 357 152	37 537	2 068 640	22 693 597
Real-estate loans	4 022 728	479 256	492 740	-	-	4 994 724
Credit cards	231 250	-	-	-	-	231 250
Total	9 341 770	4 355 158	17 975 980	378 248	2 499 307	34 550 463
<u>Less:</u> Interest and commission in suspense	106 284	143 654	528 556	49	-	778 543
Provision for impairment - ECL	312 222	397 379	1 856 016	5 511	12 006	2 583 134
Total	418 506	541 033	2 384 572	5 560	12 006	3 361 677
Net Direct Credit Facilities at Amortized Cost	8 923 264	3 814 125	15 591 408	372 688	2 487 301	31 188 786

* Net of interest and commission received in advance, which amounted to USD 117.4 million as of 31 December 2021.

- Rescheduled loans during the year ended 31 December 2021 amounted to USD 1041.2 million.
- Restructured loans (transferred from non performing to watch list loans) during the year ended 31 December 2021 amounted to USD 1.3 million.
- Direct credit facilities granted to and guaranteed by the Government of Jordan as of 31 December 2021 amounted to USD 100.1 million, or 0.3% of total direct credit facilities.
- Non-performing direct credit facilities as of 31 December 2021 amounted to USD 2855.3 million, or 8.3% of total direct credit facilities.
- Non-performing direct credit facilities (net of interest and commission in suspense) as of 31 December 2021 amounted to USD 2117.4 million or 6.3% 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 31 March 2022 are as follows:

	31 March 2022 (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	101 833	655 000	1 826 301	2 583 134
Transferred to Stage 1	4 077	(4 012)	(65)	-
Transferred to Stage 2	(2 423)	4 208	(1 785)	-
Transferred to Stage 3	(89)	(11 935)	12 024	-
Net ECL Charges for the period	4 208	38 052	19 643	61 903
Written off balances or transferred to off statement of financial position	-	-	(11 127)	(11 127)
Adjustments during the period and translation adjustments	(3 014)	(4 359)	(44 162)	(51 535)
Balance at the end of the period	104 592	676 954	1 800 829	2 582 375

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

	31 December 2021 (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	25 386	76 070	137 314	238 770
Adjusted Balance at the beginning of the year	146 037	516 217	1 541 257	2 203 511
Transferred to Stage 1	5 827	(5 599)	(228)	-
Transferred to Stage 2	(12 148)	14 824	(2 676)	-
Transferred to Stage 3	(267)	(49 768)	50 035	-
Net ECL Charges for the year	(36 080)	185 065	307 208	456 193
Written off balances or transferred to off statement of financial position	-	(954)	(43 169)	(44 123)
Adjustments during the year and translation adjustments	(1 536)	(4 785)	(26 126)	(32 447)
Balance at the end of the year	101 833	655 000	1 826 301	2 583 134

- There are no provisions no longer required as a result of settlement or repayment, transferred to other non-performing direct credit facilities as of 31 March 2022 and as of 31 December 2021.

- Impairment is assessed based on individual customer accounts.

- Non-performing loans transferred to off interim condensed consolidated statement of financial position amounted to USD 2.7 million as of 31 March 2022 (USD 33.5 million as of 31 December 2021) 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 2022 (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	106 284	143 654	528 556	49	-	778 543
Interest and commissions suspended during the period	5 899	5 543	41 542	-	-	52 984
Interest and commission in suspense settled (written off or transferred to off consolidated statement of financial position)	(766)	(1 713)	(6 541)	-	-	(9 020)
Recoveries	(1 543)	(655)	(2 438)	-	-	(4 636)
Adjustments during the period	-	47	(47)	-	-	-
Translation adjustments	(492)	(489)	(6 491)	-	-	(7 472)
Balance at the end of the period	109 382	146 387	554 581	49	-	810 399

	31 December 2021 (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	92 524	115 426	411 265	53	-	619 268
Acquisition of Oman Arab Bank	5 499	9 795	15 774	-	-	31 068
Adjusted Balance at the beginning of the period	98 023	125 221	427 039	53	-	650 336
Interest and commissions suspended during the year	23 826	26 865	136 612	-	-	187 303
Interest and commission in suspense settled (written off or transferred to off consolidated statement of financial position)	(8 680)	(3 885)	(19 311)	-	-	(31 876)
Recoveries	(5 541)	(2 803)	(5 122)	-	-	(13 466)
Adjustment during the year	274	(920)	647	(2)	-	(1)
Translation adjustments	(1 618)	(824)	(11 309)	(2)	-	(13 753)
Balance at the end of the Year	106 284	143 654	528 556	49	-	778 543

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

	Inside Jordan	Outside Jordan	31 March 2022	31 December
			(Reviewed not Audited)	2021 (Audited)
	USD '000	USD '000	USD '000	USD '000
Economic Sector				
Consumer Banking	3 364 533	5 937 297	9 301 830	8 923 264
Industry and Mining	1 463 194	3 421 737	4 884 931	4 690 843
Constructions	464 536	1 906 935	2 371 471	2 291 070
Real Estate	311 185	1 569 932	1 881 117	1 836 345
Trade	1 353 575	2 931 681	4 285 256	4 088 670
Agriculture	199 647	551 738	751 385	716 434
Tourism and Hotels	253 894	777 323	1 031 217	1 013 506
Transportations	90 706	404 606	495 312	521 848
Shares	-	35 371	35 371	35 939
General Services	864 610	3 049 957	3 914 567	4 210 878
Banks and Financial Institutions	55 124	219 283	274 407	372 688
Government and Public Sector	175 484	2 362 320	2 537 804	2 487 301
Net Direct Credit Facilities at Amortized Cost	8 596 488	23 168 180	31 764 668	31 188 786

10 - OTHER FINANCIAL ASSETS AT AMOTIZED COST

The details of this item are as follows:

	31 March 2022 (Reviewed not Audited)	31 December 2021 (Audited)
	USD '000	USD '000
Treasury bills	2 247 702	2 229 828
Governmental bonds and bonds guaranteed by the government	6 562 366	6 954 163
Corporate bonds	1 395 476	1 411 547
<u>Less:</u> Net ECL Charges	(36 898)	(34 365)
Total	10 168 646	10 561 173

Analysis of bonds based on interest nature:

	31 March 2022 (Reviewed not Audited)	31 December 2021 (Audited)
	USD '000	USD '000
Floating interest rate	535 100	742 911
Fixed interest rate	9 670 444	9 852 627
<u>Less:</u> Net ECL Charges	(36 898)	(34 365)
Total	10 168 646	10 561 173

Analysis of financial assets based on market quotation:

	31 March 2022 (Reviewed not Audited)	31 December 2021 (Audited)
	USD '000	USD '000
Financial assets quoted in the market:		
Treasury bills	1 130 956	1 099 121
Governmental bonds and bonds guaranteed by the government	1 678 964	2 298 270
Corporate bonds	1 275 240	1 286 285
Total	4 085 160	4 683 676

	31 March 2022 (Reviewed not Audited)	31 December 2021 (Audited)
	USD '000	USD '000
Financial assets unquoted in the market:		
Treasury bills	1 116 746	1 130 707
Governmental bonds and bonds guaranteed by the government	4 883 402	4 655 893
Corporate bonds	120 236	125 262
Total	6 120 384	5 911 862

<u>Less:</u> Net ECL Charges	(36 898)	(34 365)
Grand Total	10 168 646	10 561 173

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

	31 March 2022 (Reviewed not Audited)			31 December 2021 (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	14 388	19 977	-	34 365	40 033
Acquisition of Oman Arab Bank	-	-	-	-	174
Adjusted Balance at the beginning of the period / year	14 388	19 977	-	34 365	40 207
Net ECL Charges for the period / year	6 993	(475)	-	6 518	(6 329)
Adjustments during the period and translation adjustments	(3 952)	(33)	-	(3 985)	487
Balance at the end of the period / year	17 429	19 469	-	36 898	34 365

During the three-months period ended 31 March 2022 certain financial assets at amortized cost with a total amount of USD 41 million were sold (USD 62 million during the year ended 31 December 2021).

11 - FIXED ASSETS

The additions to and disposals of fixed assets during the three-months period ended 31 March 2022 amounted to USD 15.9 million and USD 3.2 million respectively (USD 55.8 million and USD 3.3 million for the three-months period ended 31 March 2021).

The cost of fully depreciated fixed assets amounted to USD 383.7 million as of 31 March 2022 (USD 428.8 million as of 31 December 2021).

12 - OTHER ASSETS

The details of this item are as follows:

	31 March 2022 (Reviewed not Audited)	31 December 2021 (Audited)
	USD '000	USD '000
Accrued interest receivable	395 103	351 575
Prepaid expenses	97 652	56 352
Foreclosed assets *	178 134	163 793
Intangible assets	35 089	35 106
Right-of-use Assets	92 219	96 752
Other miscellaneous assets	299 111	272 691
Total	1 097 308	976 269

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

13 - CUSTOMERS' DEPOSITS

The details of this item are as follows:

	31 March 2022				Total
	(Reviewed not Audited)				
	Consumer Banking	Corporates		Government and Public Sector	
	Small & Medium	Large			
	USD '000	USD '000	USD '000	USD '000	USD '000
Current and demand	11 165 821	3 066 769	4 218 343	1 154 464	19 605 397
Savings	5 423 822	132 749	15 805	50 281	5 622 657
Time and notice	9 843 665	1 334 579	3 786 249	3 738 195	18 702 688
Certificates of deposit	537 760	38 044	93 077	48 744	717 625
Total	26 971 068	4 572 141	8 113 474	4 991 684	44 648 367

	31 December 2021				Total
	(Audited)				
	Consumer Banking	Corporates		Government and Public Sector	
	Small & Medium	Large			
	USD '000	USD '000	USD '000	USD '000	USD '000
Current and demand	10 978 690	2 979 364	3 819 526	1 309 225	19 086 805
Savings	5 372 418	134 073	18 919	51 751	5 577 161
Time and notice	9 732 761	1 340 172	3 983 992	4 017 431	19 074 356
Certificates of deposit	613 070	17 510	114 008	2 601	747 189
Total	26 696 939	4 471 119	7 936 445	5 381 008	44 485 511

- Total Government of Jordan and Jordanian public sector deposits amounted to USD 1145.6 millions, or 2.6% of total customers' deposits as of 31 March 2022 (USD 1197.7 million, or 2.7% of total customers' deposits as of 31 December 2021).
- Non-interest bearing deposits amounted to USD 16374.7 million, or 36.7% of total customers' deposits as of 31 March 2022 (USD 16012.4 million, or 36.0% of total customers' deposits as of 31 December 2021).
- Blocked deposits amounted to USD 144.9 million, or 0.3% of total customers' deposits as of 31 March 2022 (USD 131.5 million, or 0.3% of total customers' deposits as of 31 December 2021).
- Dormant deposits amounted to USD 412.5 million, or 0.9% of total customers' deposits as of 31 March 2022 (USD 418 million, or 0.9% of total customers' deposits as of 31 December 2021).

14 - BORROWED FUNDS

The details of this item are as follows:

	31 March 2022 (Reviewed not Audited)	31 December 2021 (Audited)
	USD '000	USD '000
From central banks	148 359	159 466
From banks and financial institutions	442 336	462 994
Total	590 695	622 460

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

	31 March 2022 (Reviewed not Audited)	31 December 2021 (Audited)
	USD '000	USD '000
Floating interest rate	312 939	351 975
Fixed interest rate	277 756	270 485
Total	590 695	622 460

15 - PROVISION FOR INCOME TAX

The details of this item are as follows:

	31 March 2022 (Reviewed not Audited)	31 December 2021 (Audited)
	USD '000	USD '000
Balance at the beginning of the period / year	202 477	275 406
Acquisition of Oman Arab Bank	-	11 706
Adjusted Balance at the beginning of the period / year	202 477	287 112
Income tax expense	64 344	199 725
Income tax paid	(47 208)	(284 360)
Balance at the end of the period / year	219 613	202 477

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

	For The Three-Months Period Ended 31 March	
	2022	2021
	USD '000	USD '000
Income tax expense for the period	64 344	58 654
Effect of deferred tax	(5 133)	(13 277)
Total	59 211	45 377

- 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 subsidiaries and branches ranges from zero to 38% as of 31 March 2022 and 31 December 2021. The effective tax rate for the Group is 26.3% as of 31 March 2022 and 26.1% as of 31 March 2021.
- The subsidiaries and branches of Arab Bank Group have reached recent tax settlements ranging between 2020 such as Arab Bank United Arab Emirates and Arab Sudanese Bank and 2019 such as Arab Bank Egypt and Arab Investment Group Jordan Co.

16 - OTHER LIABILITIES

The details of this item are as follows:

	31 March 2022 (Reviewed not Audited)	31 December 2021 (Audited)
	USD '000	USD '000
Accrued interest payable	192 581	189 031
Notes payable	183 241	189 180
Interest and commission received in advance	69 589	90 755
Accrued expenses	121 477	131 428
Dividends payable to shareholders	197 359	17 138
Provision for impairment - ECL of the indirect credit facilities*	183 558	145 511
Lease contracts liability	87 335	98 361
Other miscellaneous liabilities	377 808	391 367
Total	1 412 948	1 252 771

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

	31 March 2022 (Reviewed not Audited)			31 December 2021 (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	29 517	23 549	92 445	145 511	91 950
Acquisition of Oman Arab Bank	-	-	-	-	1 569
Balance at the beginning of the period / year	29 517	23 549	92 445	145 511	93 519
Transferred to Stage 1	39	(39)	-	-	-
Transferred to Stage 2	(259)	260	(1)	-	-
Transferred to Stage 3	-	-	-	-	-
Net ECL Charges for the period / year	1 237	2 855	4 037	8 129	52 583
Adjustments during the period and translation Adjustments	(550)	(135)	30 603	29 918	(591)
Balance at the end of the period / year	29 984	26 490	127 084	183 558	145 511

17 - SHARE CAPITAL AND RESERVES

A. Share Capital amounted to USD 926.6 million distributed to 640.8 million shares as of 31 March 2022 and 31 December 2021.

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

18 - 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 and treated as deduction from equity. 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 and treated as deduction from equity. Interest is non-cumulative and payable at Bank's discretion. The bonds are in pari-passu with earlier issue.

C. Additionally, on 4 June 2021, the Bank issued another series of unsecured perpetual Tier 1 bonds of USD 250 million. The bonds carry a fixed coupon rate of 7.625 per cent per annum payable semi-annually and treated as deduction from equity. Interest is non-cumulative and payable at Bank's discretion. The bonds are in pari-passu with earlier issue.

D. 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, the bank has recalled these bonds on 25 January 2022, bond under note (b) has First Call date on 17 October 2023 bond under note (c) has First Call date on 4 January 2026. These bonds may be recalled on any interest payment date thereafter subject to the prior consent of the regulatory authority.

19 - RETAINED EARNINGS

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

	31 March 2022 (Reviewed not Audited)	31 December 2021 (Audited)
	USD '000	USD '000
Balance at the beginning of the period / year	2 967 984	2 775 635
Profit for the period/year attributable to the shareholders of the bank	158 866	306 721
Transferred from investment revaluation reserve to retained earnings	-	(2 211)
Dividends paid *	(180 706)	(111 944)
Transferred from / to general banking risk reserve	1 114	-
Adjustment during the period / year	8 077	(217)
Balance at the end of the period / year	2 955 335	2 967 984

* The General Assembly of Arab Bank plc in its meeting held on 31 March 2022 approved the recommendation of the Bank's Board of Directors to distribute a 20% of USD 1.4 par value as cash dividend, equivalent to USD 180.7 million for the year 2021.

(The General Assembly of the Arab Bank plc in its meeting held on 25 March 2021 approved the recommendation of the Bank's Board of Directors to distribute 12% of par value as cash dividends for the year 2020 equivalent to USD 108.4 million).

20 - INTEREST INCOME

The details of this item are as follows:

	31 March 2022 (Reviewed not Audited)	31 March 2021 (Reviewed not Audited)
	USD '000	USD '000
Direct credit facilities at amortized cost	423 370	415 595
Balances with central banks	20 221	12 857
Balances and deposits with banks and financial institutions	5 255	4 374
Financial assets at fair value through profit or loss	2 480	4 246
Financial assets at fair value through OCI	5 055	-
Other financial assets at amortized cost	99 460	129 464
Total	555 841	566 536

21 - INTEREST EXPENSE

The details of this item are as follows:

	31 March 2022 (Reviewed not Audited)	31 March 2021 (Reviewed not Audited)
	USD '000	USD '000
Customers' deposits	188 305	209 820
Banks and financial institutions deposits	5 680	6 468
Cash margins	6 349	7 198
Borrowed funds	5 202	3 979
Deposit insurance fees	7 813	6 602
Total	213 349	234 067

22 - NET COMMISSION INCOME

The details of this item are as follows:

	31 March 2022 (Reviewed not Audited)	31 March 2021 (Reviewed not Audited)
	USD '000	USD '000
Commission income:		
Direct credit facilities at amortized cost	26 088	31 955
Indirect credit facilities	31 602	28 007
Assets under management	7 151	6 156
Other	51 454	32 137
<u>Less: commission expense</u>	<u>(17 244)</u>	<u>(15 437)</u>
Net Commission Income	<u>99 051</u>	<u>82 818</u>

23 - GAIN FROM FINANCIAL ASSETS AT FAIR VALUE

The details of this item are as follows:

	31 March 2022 (Reviewed not Audited)				31 March 2021 (Reviewed not Audited)	
	Realized gains FVTOCI	Realized gains	Unrealized gains	Dividends	Total	Total
	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000
Treasury bills and bonds	-	390	192	-	582	625
Corporate shares	-	-	44	-	44	-
Mutual funds	-	-	(305)	-	(305)	699
Total	-	390	(69)	-	321	1 324

24 - OTHER REVENUE

The details of this item are as follows:

	31 March 2022 (Reviewed not Audited)	31 March 2021 (Reviewed not Audited)
	USD '000	USD '000
Revenue from customer services	4 082	3 948
Safe box and other rentals	1 025	963
(Loss) gain from derivatives	(23)	88
Miscellaneous revenue	13 573	10 611
Total	<u>18 657</u>	<u>15 610</u>

25 - 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. In addition to various banking services, through its network of branches spread around the world, starting from commercial lending, commercial finance and cash management to complex financing facilities. Arab bank group also provides its customers from the private and public sectors, large companies, medium and small-sized institutions, in addition to financial institutions, advanced and specialized products, services and solutions, through banking channels to implement their transactions effectively, through different branches or electronic channels.

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 group 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 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
- 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 bank.

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 2022 (Reviewed not Audited)					31 March 2021 (Reviewed not Audited)	
	Corporate and Institutional Banking	Treasury	Consumer Banking		Other	Total	Total
			Elite	Retail Banking			
	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000
Total income	257 221	137 606	(18 613)	100 145	97 887	574 246	541 979
Net inter-segment interest income	(31 420)	(60 963)	64 325	28 058	-	-	-
Less :Provision for impairment - ECL	66 992	4 997	(181)	3 847	-	75 655	120 103
Less :Other provisions	818	180	120	816	-	1 934	2 448
Less :Direct administrative expenses	42 174	6 942	10 519	61 512	3 341	124 488	111 349
Result of Operations of Segments	115 817	64 524	35 254	62 028	94 546	372 169	308 079
Less :Indirect expenses on segments	60 420	19 734	12 236	53 965	560	146 915	134 418
Profit for the period before Income Tax	55 397	44 790	23 018	8 063	93 986	225 254	173 661
Less :Income tax expense	14 559	11 774	3 518	4 653	24 707	59 211	45 377
Profit for the period	40 838	33 016	19 500	3 410	69 279	166 043	128 284
Depreciation and amortization	6 770	1 603	1 833	10 599	-	20 805	19 063

	31 March 2022 (Reviewed not Audited)					31 December 2021 (Audited)	
Other Information	Corporate and Institutional Banking	Treasury	Consumer Banking		Other	Total	Total
			Elite	Retail Banking			
	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000
Segment assets	22 303 907	22 909 072	4 439 879	8 397 896	2 590 696	60 641 450	60 392 235
Inter-segment assets	-	-	12 895 589	3 539 967	6 341 630	-	-
Investments in associates	-	-	-	-	3 473 873	3 473 873	3 412 899
Total Assets	22 303 907	22 909 072	17 335 468	11 937 863	12 406 199	64 115 323	63 805 134
Segment liabilities	19 097 557	3 338 236	17 335 468	11 613 293	2 486 780	53 871 334	53 483 782
Shareholders' equity	-	-	-	324 570	9 919 419	10 243 989	10 321 352
Inter-segment liabilities	3 206 350	19 570 836	-	-	-	-	-
Total Liabilities and Shareholders' Equity	22 303 907	22 909 072	17 335 468	11 937 863	12 406 199	64 115 323	63 805 134

26 - MATURITY OF THE CONTINGENT ACCOUNTS

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

31 March 2022				
(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	2 889 726	186 919	-	3 076 645
Acceptances	915 708	19 173	-	934 881
Letters of guarantees:				
- Payment guarantees	896 837	136 797	233 813	1 267 447
- Performance guarantees	2 657 944	1 657 110	369 731	4 684 785
- Other guarantees	1 972 179	460 472	304 429	2 737 080
Unutilized credit facilities	5 226 624	188 003	31 004	5 445 631
Total	14 559 018	2 648 474	938 977	18 146 469
Construction projects contracts	3 360	-	-	3 360
Procurement contracts	13 889	1 588	1 760	17 237
Total	17 249	1 588	1 760	20 597
31 December 2021				
(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	2 663 930	131 063	-	2 794 993
Acceptances	900 903	21 616	-	922 519
Letters of guarantees:				
- Payment guarantees	1 014 941	90 828	170 167	1 275 936
- Performance guarantees	3 352 075	1 293 348	151 150	4 796 573
- Other guarantees	2 334 414	352 522	35 372	2 722 308
Unutilized credit facilities	5 363 722	110 777	30 692	5 505 191
Total	15 629 985	2 000 154	387 381	18 017 520
Construction projects contracts	3 385	-	-	3 385
Procurement contracts	16 336	1 673	2 262	20 271
Total	19 721	1 673	2 262	23 656

27 - CREDIT EXPOSURE FOR ASSETS CATEGORIZED BY GEOGRAPHICAL REGION:

The details for this items are as follows:

31 March 2022
(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	5 016 736	3 457 689	610	2 246 252	-	9 989	10 731 276
Balances and deposits with banks and financial institutions	261 257	983 590	341 429	2 092 847	624 519	77 998	4 381 640
Financial assets at fair value through profit or loss	-	24 274	-	19 301	-	5 839	49 414
Financial assets at fair value through OCI	-	226 180	8 624	71 265	-	-	306 069
Direct credit facilities at amortized cost	8 596 488	20 472 092	347 154	1 379 523	68 256	901 155	31 764 668
Consumer Banking	3 364 533	5 384 094	97	135 824	19 224	398 058	9 301 830
Small and Medium Corporates	864 652	1 875 199	107 322	483 646	10 281	257 447	3 598 547
Large Corporates	4 136 693	10 698 616	228 095	704 275	38 751	245 650	16 052 080
Banks and Financial Institutions	55 126	215 853	1 714	1 714	-	-	274 407
Government and Public Sector	175 484	2 298 330	9 926	54 064	-	-	2 537 804
Other financial assets at amortized cost	4 420 111	4 821 674	79 796	444 674	153 293	249 098	10 168 646
Other assets and financial derivatives - positive fair value	87 311	432 311	1 303	60 821	708	2 714	585 168
Total	18 381 903	30 417 810	778 916	6 314 683	846 776	1 246 793	57 986 881
Total as of 31 December 2021 (Audited)	17 900 675	31 321 263	766 947	5 882 506	736 768	1 253 400	57 861 559

* Excluding Arab Countries.

28 - CREDIT EXPOSURE FOR ASSETS CATEGORIZED BY ECONOMIC SECTOR

The details for this items are as follows:

31 March 2022
(Reviewed not Audited)

Consumer Banking	Corporations									Banks and Financial Institutions	Government and Public Sector	Total
	Industry and Mining	Constructions	Real Estate	Trade	Agriculture	Tourism and Hotels	Transportation	Shares	General Services			
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	-	-	-	-	-	-	-	-	-	-	10 731 276	10 731 276
Balances and deposits with banks and financial institutions	-	-	-	-	-	-	-	-	-	4 381 640	-	4 381 640
Financial assets at fair value through profit or loss	-	15 084	-	-	-	-	-	-	-	10 057	24 273	49 414
Financial assets at fair value through OCI	-	-	-	-	-	-	-	-	39 767	40 000	226 302	306 069
Direct credit facilities at amortized cost	9 301 830	4 884 931	2 371 471	1 881 117	4 285 256	751 385	1 031 217	495 312	35 371	3 914 567	274 407	31 764 668
Other financial assets at amortized cost	-	110 116	-	6 885	-	-	-	-	-	294 327	977 282	10 168 646
Other assets and Financial Derivatives - positive fair value	38 622	38 736	16 018	16 283	31 156	2 733	13 297	6 961	-	150 271	98 962	585 168
Total	9 340 452	5 048 867	2 387 489	1 904 285	4 316 412	754 118	1 044 514	502 273	35 371	4 398 932	5 855 515	57 986 881
Total as of 31 December 2021 (Audited)	8 955 660	4 834 247	2 314 507	1 857 365	4 124 590	719 082	1 021 411	529 243	35 939	4 695 798	23 183 177	57 861 559

29 - CAPITAL MANAGEMENT

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

	31 March 2022 (Reviewed not Audited)	31 December 2021 (Audited)
	USD '000	USD '000
Common Equity Tier 1	9 517 425	9 376 735
Regulatory Adjustments (Deductions from Common Equity Tier 1)	(2 949 436)	(2 894 909)
Additional Tier 1	236 881	273 411
Deductions from Additional Tier 1	(12 987)	(12 987)
Supplementary Capital	391 123	388 384
Regulatory Capital	7 183 006	7 130 634
Risk-weighted assets (RWA)	43 448 558	43 132 067
Common Equity Tier 1 Ratio	%15.12	%15.03
Tier 1 Capital Ratio	%15.63	%15.63
Capital Adequacy Ratio	%16.53	%16.53

- 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.

30 - 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 2022 (Reviewed not Audited)	31 December 2021 (Audited)				
	USD '000	USD '000				
Financial Assets at Fair Value						
Financial assets at fair value through profit or loss:						
Treasury bills and bonds	24 273	4 727	Level 1	Quoted Shares	Not Applicable	Not Applicable
Corporate bonds	25 141	35 390	Level 1	Quoted Shares	Not Applicable	Not Applicable
Shares and mutual funds	26 938	32 226	Level 1	Quoted Shares	Not Applicable	Not Applicable
Total Financial Assets at Fair Value through Profit or Loss	76 352	72 343				
Financial derivatives - positive fair value	92 413	86 585	Level 2	Through Comparison of similar financial instruments	Not Applicable	Not Applicable
Financial assets at fair value through other comprehensive income:						
Quoted shares	157 786	163 766	Level 1	Quoted Shares	Not Applicable	Not Applicable
Unquoted shares	208 026	211 587	Level 2	Through using the index sector in the market	Not Applicable	Not Applicable
Governmental and Corporate bonds through OCI	306 069	312 501	Level 2	Through using the index sector in the market	Not Applicable	Not Applicable
Total financial assets at fair value through other comprehensive income	671 881	687 854				
Total Financial Assets at Fair Value	840 646	846 782				
Financial Liabilities at Fair Value						
Financial derivatives - negative fair value	81 078	95 809	Level 2	Through Comparison of similar financial instruments	Not Applicable	Not Applicable
Total Financial Liabilities at Fair Value	81 078	95 809				

There were no transfers between Level 1 and 2 during the three-months period ended 31 March 2022 and the year 2021.

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 2022 (Reviewed not Audited)		31 December 2021 (Audited)		Fair Value Hierarchy
	Book value	Fair value	Book value	Fair value	
	USD '000	USD '000	USD '000	USD '000	
Financial assets not calculated at fair value					
Mandatory cash reserve, Time and notice balances and Certificates of deposit with central banks	6 324 557	6 325 557	6 364 438	6 366 814	Level 2
Balances and deposits with banks and financial institutions	4 381 640	4 386 943	4 031 778	4 035 980	Level 2
Direct credit facilities at amortized cost	31 764 668	31 986 816	31 188 786	31 405 827	Level 2
Other financial assets at amortized cost	10 168 646	10 265 627	10 561 173	10 675 565	Level 1 & 2
Total financial assets not calculated at fair value	52 639 511	52 964 943	52 146 175	52 484 186	
Financial liabilities not calculated at fair value					
Banks' and financial institutions' deposits	4 005 570	4 007 652	3 992 699	3 995 172	Level 2
Customer deposits	44 648 367	44 803 560	44 485 511	44 639 198	Level 2
Cash margin	2 690 310	2 696 282	2 607 131	2 613 711	Level 2
Borrowed funds	590 695	594 308	622 460	628 132	Level 2
Total financial liabilities not calculated at fair value	51 934 942	52 101 802	51 707 801	51 876 213	

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.

31 - 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	
	2022	2021
	USD '000	USD '000
Profit for the period attributable to the Bank's shareholders	158 866	122 982
	<u>Thousand / Shares</u>	
Average number of shares	640 800	640 800
	<u>USD / Share</u>	
Earnings Per Share for the period (Basic and diluted)	0.25	0.19

32 - CASH AND CASH EQUIVALENTS

The details of this item are as follows:

	For The Three-Months Period Ended 31 March (Reviewed not Audited)	
	2022	2021
	USD '000	USD '000
Cash and balances with central banks maturing within 3 months	11 780 723	11 149 260
<u>Add:</u> Balances with banks and financial institutions maturing within 3 months	3 983 898	3 868 363
<u>Less:</u> Banks and financial institutions deposits maturing within 3 months	3 211 208	3 657 099
Total	12 553 413	11 360 524

33 - RELATED PARTIES TRANSACTIONS

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

	31 March 2022 (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	113 373	-	10 575	27 345
Major Shareholders and Members of the Board of Directors	-	279 103	896 877	82 857
Total	113 373	279 103	907 452	110 202

	31 December 2021 (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	154 301	-	8 851	25 861
Major Shareholders and Members of the Board of Directors	-	291 628	975 382	43 875
Total	154 301	291 628	984 233	69 736

- 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 2022 (Reviewed not Audited)	
	Interest Income	Interest Expense
	USD '000	USD '000
Associated Companies	179	19

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

- Direct credit facilities granted to top management personnel amounted to USD 1.7 million and indirect credit facilities amounted to USD 5.6 thousand as of 31 March 2022 (USD 1.4 million direct credit facilities and USD 14.1 thousand indirect credit facilities as of 31 December 2021).

- 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 4.1 million as of 31 March 2022 (USD 4.2 million as of 31 December 2021).

- The salaries and other fringe benefits of the Group's top management personnel, inside and outside Jordan, amounted to USD 23 million for the three-months period ended 31 March 2022 (USD 18.2 million for the three-months period ended 31 March 2021).

34 - LEGAL CASES

There are lawsuits filed against the Bank totaling USD 289.9 million as of 31 March 2022 (USD 334.3 million as of 31 December 2021). In the opinion of the management and the lawyers representing the Bank in the litigation at issue, the provisions taken in connection with the lawsuits are adequate.

35 - COMPARATIVE FIGURES

Some the comparative figures for the year \ period 2021 have been reclassified to correspond with the three-months period ended 31 March 2022 presentation and it did not result in any change to last year's \ period's operating results.