bankofjordan.com

بنك الاردن

Bank of Jordan

Annual Report 2021

Table of Contents

Bank of Jordan
Public Shareholding Limited Company, established in 1960,
Commercial Registration No. 13, Paid-up Capital JD 200,000,000
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His Majesty King Abdullah II Bin Al Hussein

His Royal Highness Crown Prince Hussein Bin Abdullah II

Our Vision

To be a pioneering bank that excels in providing products and services, offers comprehensive financial solutions and acquires an advanced position in the Arab region.

Our Mission

To build amicable relations with our customers, optimize the returns to shareholders and contribute to social advancement by providing comprehensive financial solutions through high-quality and efficient service channels and a modern business environment that comprises an excelling team of employees.

Board of Directors

Chairman of the Board/ Dedicated

Mr. Shaker Tawfiq Fakhouri

Vice Chairman

Mr. Walid Tawfiq Fakhouri

Members

Dr. Yanal Mawloud Zakaria/ Representative of Al-Ekbal for General Investment.

Mr. "Shadi Ramzi" Abd Al-Salam Al-Majali/ Representative of Al Tawfiq Investment House – Jordan

Mr. Haitham Mohammed Samih Barakat/ Representative of Al Lu'lu'a Trading & Investment Co.

Mr. Husam Rashed Manna'/ Representative of Al Yamama for General Investments Co.

Mr. Walid Mohammad Al-Jamal/ Representative of Al Pharaenah Int'l for Industrial Investments Co.

Mr. Walid Rafiq Anabtawi

Mr. "Mohammad Sa-ed" Ishaq Jarallah

Mr. Youssef Jan Chamoun

Mr. Emad Adeen Jihad Al-Massri

Chief Executive Officer

Mr. Saleh Rajab Hammad

Auditors

Kawasmy & Partners Co. (KPMG)

Chairman's Letter

Dear valued shareholders,

As the health challenges that have plagued the globe over the past two and half years are finally abating, there is a growing sense of cautious optimism in the air.

We do acknowledge that several economic challenges are lurking in the aftermath of the COVID-19 pandemic. Inflation, below-expectation growth, resource constraints, logistical challenges, lingering old geopolitical issues, and simmering new ones all represent serious challenges to the global economy. Nevertheless, as a bank with a legacy spanning more than 60 years, we have successfully navigated through similar issues in the past, and will continue to do so into the future.

Bank of Jordan has undertaken foundational work that we believe will act as a catalyst for both top-line and bottom-line growth. The selective nature and quality of the projects we have launched and completed are designed to allow the bank to approach the coming years with renewed vigor and determination. It is worth noting that, through our work in Electronic Content Management (ECM), we expect reductions in cost and enhancements to quality, with a focus on process reengineering and digital automation. Through the reevaluation of our Enterprise Risk Management framework, we have made changes to our credit policies and practices that are designed to manage risks across the organization more effectively. Likewise, the soon-to-be-completed revamp of our Enterprise Financial Performance Management system will provide us with better tools for managing business performance at a granular level.

The bank's digital strategy is already solidly on track. Our fully functional mobile banking offering for retail is one of the best in the market, and the impact of this offering on self-service has been significant. We are in the final stages of developing a fully functional online corporate banking offering, which is designed to achieve for corporates and SMEs what our mobile banking service achieved for retail.

To bring greater focus to our efforts and expedite the development of innovative tools and services, the bank has adopted the concept of internal "Innovation Labs.' This concept allows our team to work in a fully integrated manner, with business, IT, and operations all working in close physical proximity in order to exchange ideas, discuss issues, and find on-the-spot solutions to challenges. This approach is infusing renewed energy, vigor, and energy into new and existing projects alike. The bank also continues to make improvements to our technology infrastructure: in particular, we are far ahead of our competitors, both locally and regionally, when it comes to our cloud adoption journey, which began back in 2017.

On the business side, our regional expansion plans are nearing completion in Iraq, and we have submitted applications in other high-growth countries. While the bank is proud of its home country and its distinctive operations here in Jordan, we believe that regional expansion is an essential component of a strong, sustainable diversification and growth strategy. After all, our systems and processes have already proven to be scalable regionally, as evidenced by our presence in Palestine, Syria, and Bahrain, and we are in the process of capitalizing on our existing achievements and our recent system and infrastructure investments through such expansion.

A quick look at the performance of Bank of Jordan reveals a JOD36 million net profit in 2021, a number comparable to the previous year. That said, it is important to point out that the 2020 results included significant one-time equity gains related to unlisted securities totaling JOD18.8 million. This means that the bank's profits from ongoing business have effectively doubled between 2020 and 2021. We achieved these results by continuing to build healthy provisions, and to maintain our forward-looking vision. As such, our non-performing loan coverage ratio continues to be above 100%.

Thanks to our cautious and measured outlook, the bank continued to maintain strong capitalization numbers in 2021, with capital adequacy at 19.2% and legal liquidity at 128%. The bank's Liquidity Coverage Ratio (LCR) sits at 195%. All of these figures are well above regulatory and Basel-III requirements. Shareholder equity has grown by 4.1% year over year. For 2021, our return on assets was 1.3%, while return on equity was 7.8%, representing one of the best results in the sector.

Dear Shareholders,

Due to these healthy financial results, our Board of Directors is recommending a dividend distribution of JOD 0.18 per share, subject to the approval of the Central Bank of Jordan.

We would like to express our sincerest appreciation to you, our investors, for your continued support, and to the entire Bank of Jordan team across Jordan, Palestine, Syria, and Bahrain for their tireless contributions to the enduring success of our bank.

Yours truly,
Shaker Tawfiq Fakhouri
Chairman of the Board

Board of Directors' Report 2021

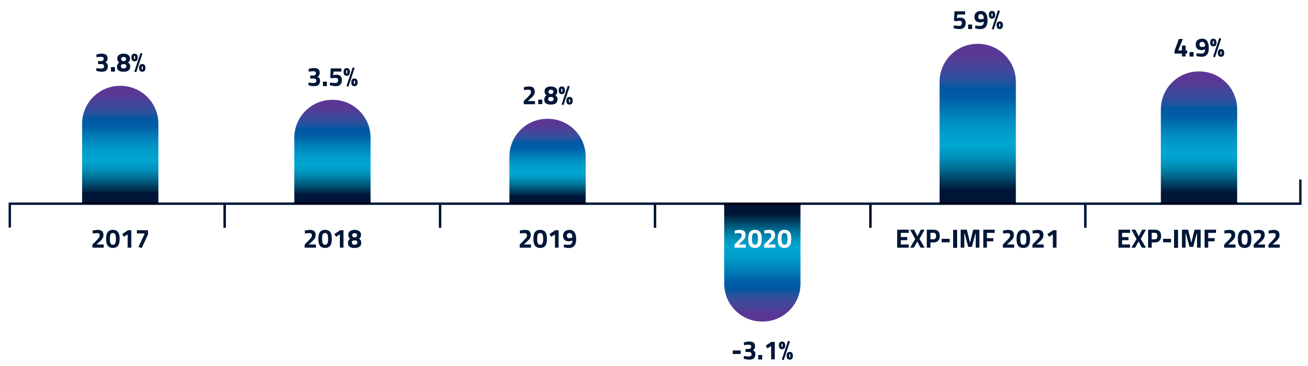
Economic performance 2021

During 2021, the global economy continued to be impacted by the high level of uncertainty that has prevailed since the beginning of the Corona pandemic, casting a shadow over various economic sectors, as primary commodity prices rose significantly faster than expected due to the supply chain instability and fluctuation. While most of the world's industrialized countries returned to work with increased production capacity, it was accompanied by the continuation of rising oil prices compared to the low prices at the start of the Corona pandemic, and it is also expected that the prices of non-oil primary commodities will continue to rise, as a result of the extremely rapid increase in the price of minerals and food supplies. Consequently, the high rates of inflation globally, regionally, and locally, will put pressure on central banks around the world to balance between inflation and growth in their decisions regarding interest rates and trends.

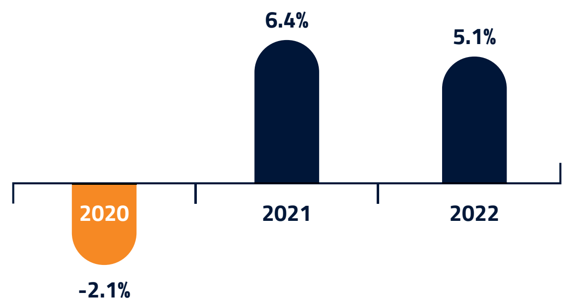
In terms of economic growth, the global economy is expected to grow 5.9% in 2021 and 4.9% in 2022. Forecasts for 2021 have been reduced to reflect the decline in advanced economies, which is due in part to supply chain disruptions, and the decline in low-income developing countries, which is also due in part to supply chain disruptions but is primarily due to the pandemic dynamic. While the global economic recovery continues, its previous momentum has weakened and the level of uncertainty has increased, all while the pandemic has seen new waves of infection. And the cracks caused by the Covid-19 pandemic appear to be lasting longer than expected.

At the local level, the repercussions of the Corona pandemic continued to affect most economic sectors, though it was less damaging than the previous year, the gross domestic product increased by 2.1% during the first three quarters of 2021, compared to a 1.5% decline in the same period 2020. It is expected that the Jordanian economy will grow by 2% until the end of 2021, rising to 2.7% in 2022.

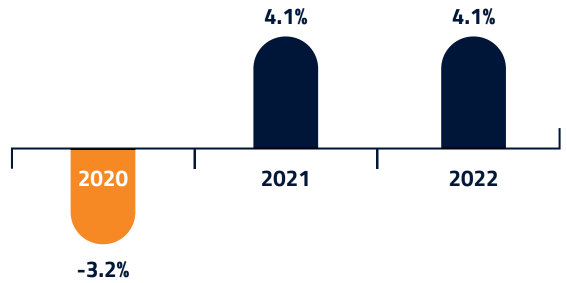
Global Economic Outlook 2021 -2022 - GDP %



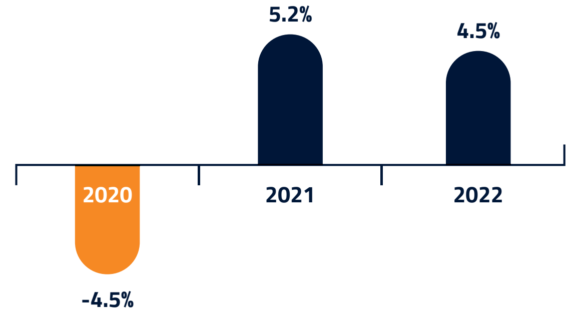
Emerging Market & Developing Economies - GDP % 2021-2022



Middle East & North Africa - GDP % 2021-2022



Advanced Economies - GDP % 2021-2022



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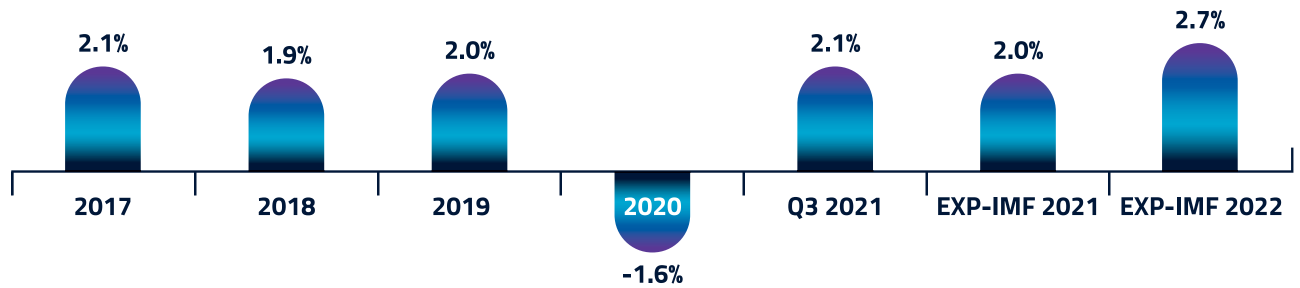
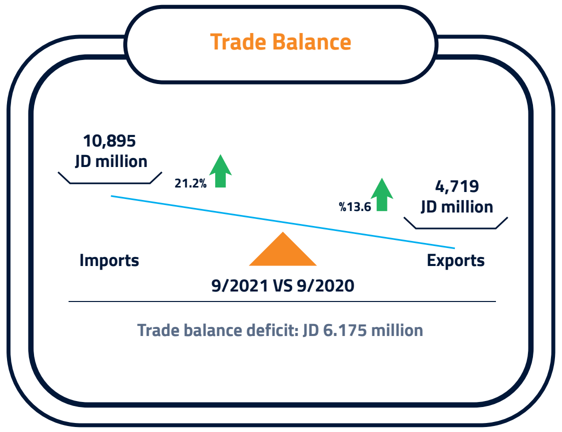
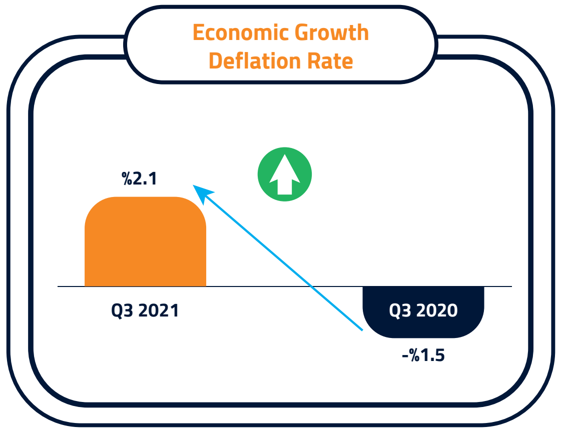
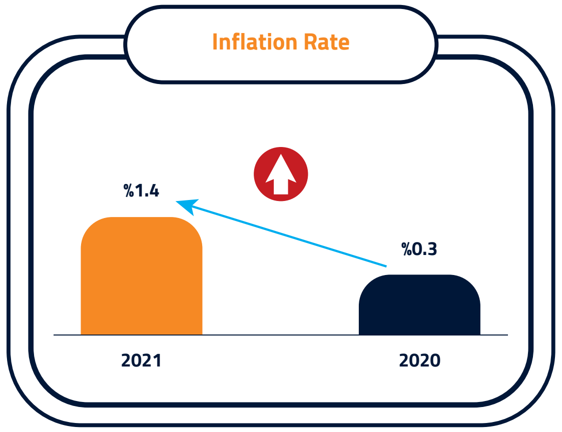
GDP Growth - Jordan

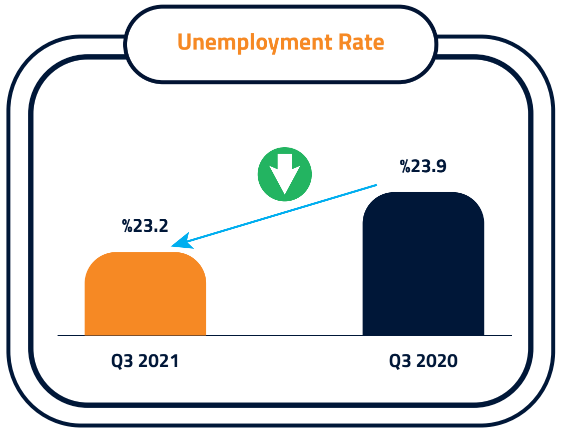


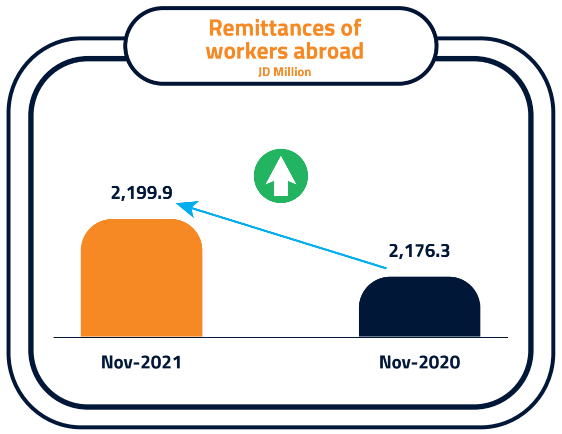
The following are the most important Jordanian economic indicators:

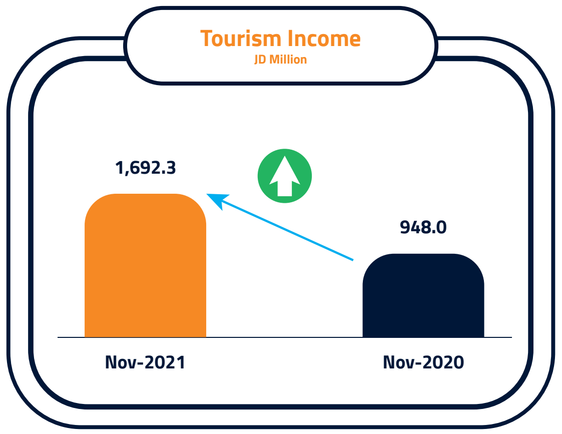




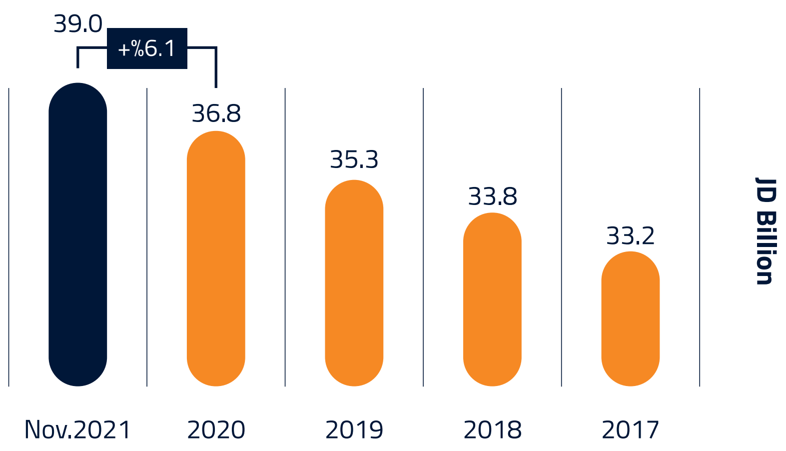




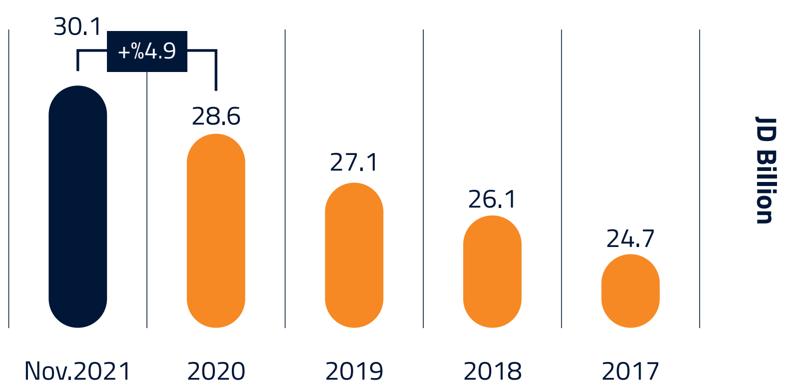




Banking Sector Total Deposits JD Billion

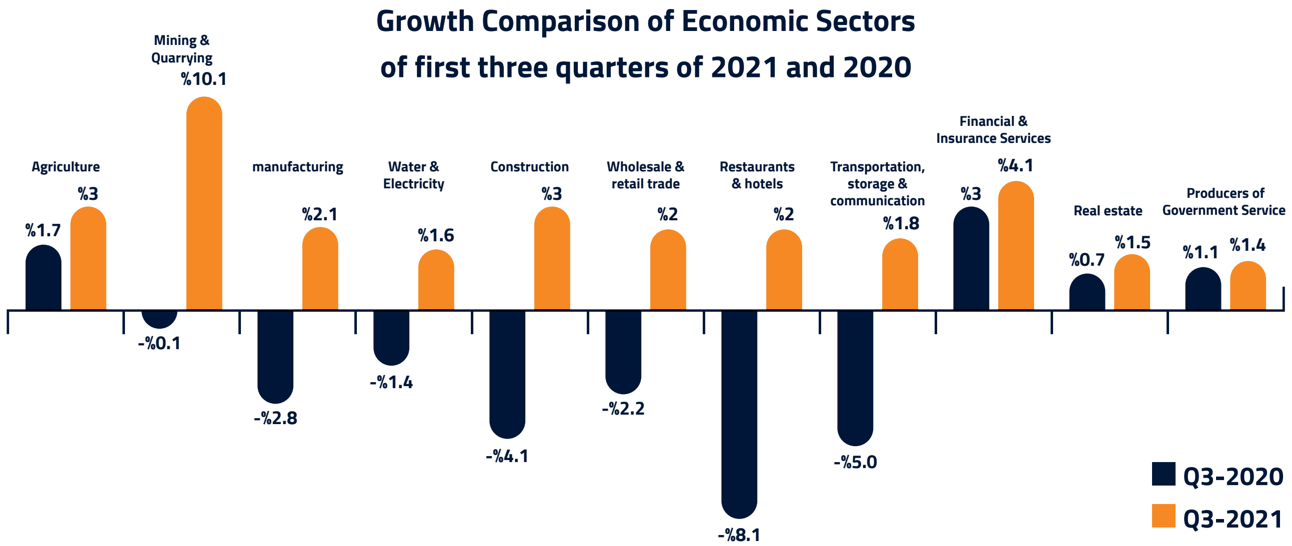


Banking Sector Total Facilities



Gross Domestic Product:

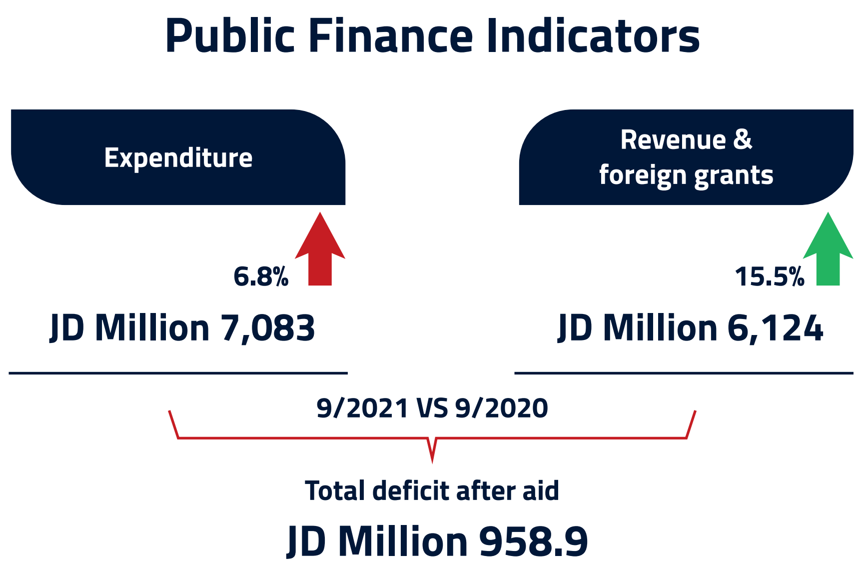
GDP at fixed prices increased by 2.1% in the first three quarters of 2021, compared to a 1.5% decline in the same period in 2020. This GDP increase resulted from the majority of economic sectors achieving positive growth in performance during the first three quarters of 2021. The Mining & Quarrying sector grew by 10.1%, and the financial and insurance services sector grew by 4.1%, while the agriculture and construction sectors grew by 3.0% each, as did the wholesale and retail trade sector, and the restaurants and hotels sector, which grew by 2.0% each, while the manufacturing sector grew by 2.1%, as did the transportation, storage, and communication sector grew by 1.8%. While the sector of government services grew by 1.4%.

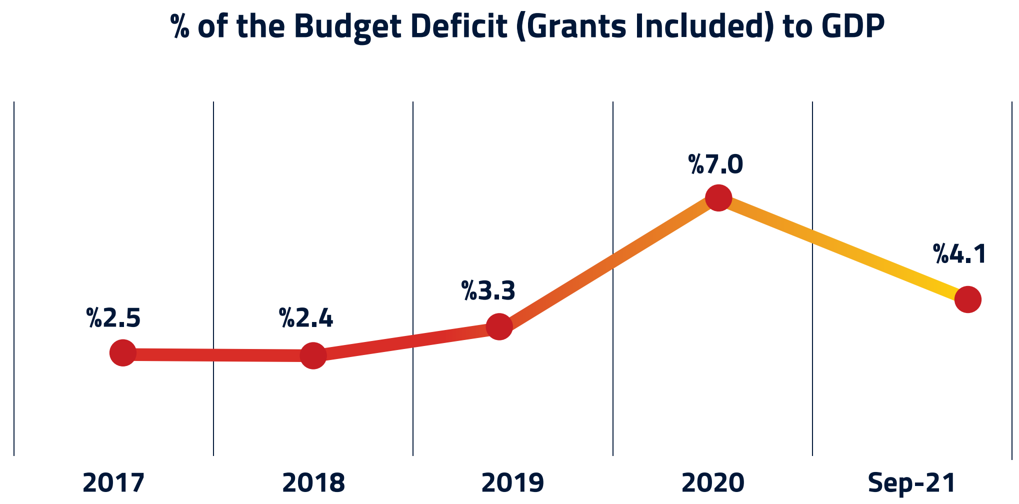


In 2021, the general level of prices (inflation rate) was 1.4%, up from 0.30% in 2020. Transportation, meat, poultry, tobacco, cigarettes, oils, and fats were among the most prominent commodity groups that contributed to this increase, while vegetables, dry and canned legumes, fruits and nuts, were among the most prominent commodity groups whose prices decreased.

Public Finance:

The central government's total domestic revenues and foreign grants increased by JD 822.4 million, or 15.5%, during the first nine months of 2021, to JD 6.1 billion, up from JD 5.3 billion during the same period in 2020. In the first nine months of 2021, foreign grants totaled JD 570.7 million, compared to JD 628.6 million in the same period of 2020. Domestic revenues in the first nine months of 2021 totaled JD 5.5 billion, up from JD 4.67 billion in the same period of 2020. This represents an increase of JD 880.3 million, or 18.8%, over the same period in 2020. Domestic revenues increased due to increase in tax proceeds by about JD 531.3 million, and increase in non-tax revenues of about JD 349 million. While total spending in the first nine months of 2021 was around JD 7.1 billion, up from JD 6.6 billion in the same period of 2020, an increase of JD 453.3 million, or 6.8%, was recorded. When compared to the same period in 2020, this increase in total spending was due to an increase in current expenditures of JD 247.8 million, or 4.0%, and an increase in capital expenditures of about JD 205.5 million, or 49.2%.





As a result of the preceding events, the public budget after aid recorded a financial deficit of JD 958.9 million in the first nine months of 2021, compared to a financial deficit of JD 1,328 million in the same period of 2020. The budget deficit before aid was JD 1,529.6 million at the end of the first nine months of 2021, compared to JD 1,956.6 million at the end of the same period in 2020. It's worth noting that at the end of September 2021, the coverage ratio of local revenues to total current expenditures was around 86%, compared to 75.2% at the same time in 2020.

In terms of internal and external debt, the total public debt at the end of September 2021 was around JD 34.4 billion, or 107.6% of estimated GDP, compared to JD 33.0 billion, or 106.5% of output GDP in 2020. At the end of September 2021, the National Electricity Company and the Water Authority had a combined debt of about JD 7.9 billion. After excluding the Social Security Investment Fund, the total public debt (internal and external) stood at JD 27.4 billion, or 86% of the estimated GDP at the end of September 2021, compared to about JD 26.5 billion, or 85.4% of the GDP in 2020.

Monetary and banking sector:

Jordan's banking sector worked efficiently, prudently, and collaboratively with the Central Bank of Jordan to alleviate economic sectors and assist customers in coping with the Corona pandemic, dealing with its negative consequences, and increasing the national economy's resilience, through a series of measures and initiatives launched by the Central Bank of Jordan, most notably: Establishment of a support program. Small and medium-sized businesses contributed JD 700 million to the private sector's sustainability by purchasing production inputs, paying employees' salaries through banking facilities with a 2% interest rate, deferring customer installments, and injecting liquidity into the banking sector by lowering the legal reserve ratio from 7% to 5% and amending the program for financing economic sectors by reducing financing costs. Simultaneously, the Jordanian banking sector established the Jordanian Capital and Investment Fund in 2021 with a capital of JD 275 million, making it the Kingdom's largest company in terms of capital, and it is wholly owned by Jordanian banks. This fund will invest in promising domestic companies and assist them in growing, expanding, and developing, focusing on critical sectors such as food, pharmaceutical, chemical, and information technology. The banking sector maintained a strong regulatory capital adequacy ratio of 18.3% at the end of the first half of 2021; profitability rates increased to near pre-Coronavirus levels, with the return on equity reaching 9.5% at the end of the first half of 2021, up from 5.1% at the end of 2020; and the return on assets increasing to 1.2% at the end of the first half of 2021, up from 0.6% at the end of 2020. As a result, Jordanian banks' substantial protective capital will continue to assist them in absorbing any additional credit losses. As the pandemic subsides, it is expected that banks competition will intensify, resulting in continued pressure on net interest margins, which will affect banks profitability as well as the high cost of risk.

The most critical indicators of a bank's financial strength in Jordan	End of 2020	As of June 2021
Capital adequacy ratio The percentage is considered to be higher than the regulatory authorities' requirements.	18.3%	18.3%
Legal Liquidity Ratio The minimum requirement from the Central Bank of Jordan is 100%.	136.5%	136.2%
Ratio of non-performing loans to total credit facilities The percentage is considered low and within safe levels	5.5%	5.3%

In light of all of the aforementioned data, the local liquidity level reached approximately JD 39.1 billion by the end of the first eleven months of 2021, an increase of 5.5% over the level reached at the end of 2020.

At the end of the first eleven months of 2021, the banking sector's balance of deposits increased by about JD 2.2 billion, or 6.1%, compared to the end of 2020, to reach JD 39.0 billion, with the majority of the increase in dinar deposits being about JD 1.97 billion, or 7.0%, to reach a value of about JD 30.2 billion. Deposits in foreign currency increased by JD 262.9 million, or 3.1%, to about JD 8.8 billion during the same period.

5.5% + in comparison to 2020	JD 60.2 billion	**Total assets of the banking sector**
6.1% + in comparison to the end of 2020	JD 39.0 billion	**Total deposits with the banking sector**
4.9% + in comparison to the end of 2020	JD 30.1 billion	**Total credit facilities in the banking sector**

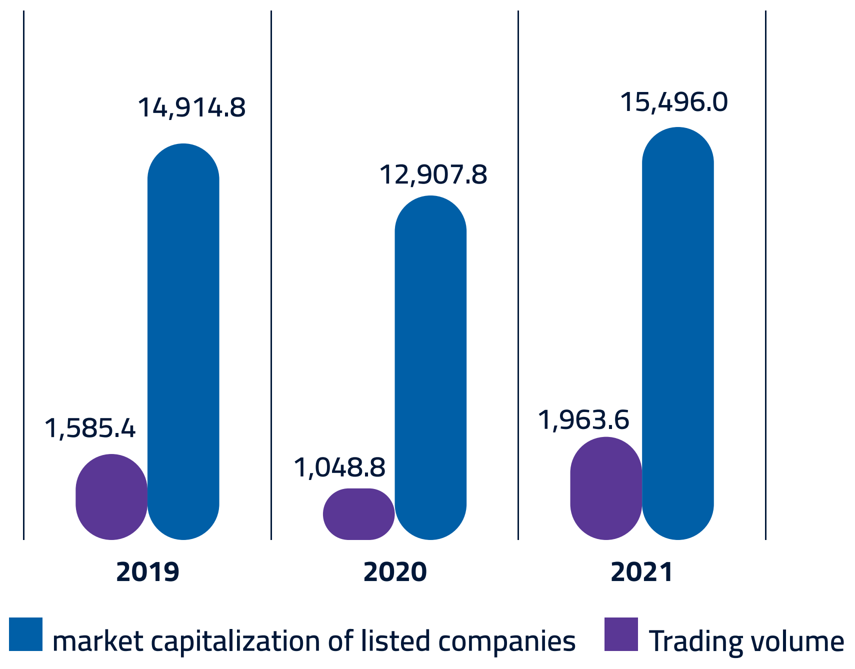
Credit facilities increased by JD 1.4 billion, or 4.9%, in the first eleven months of 2021, compared to their balance at the end of 2020, to reach around JD 30.1 billion. In terms of the most important sectors that contributed to the JD 1.4 billion in growth, the other sector (individuals) grew by JD 665.1 million, or 10.2%, compared to the end of 2020, followed by the construction sector, which grew by JD 553.8 million (7.6%), and then public Services and utilities increased by JD 363.9 million (8.3%). The banking sector's assets increased by about 5.5% to around JD 60.2 billion, compared to the balance at the end of 2020.

The weighted average of interest rates in the banking market fell during the first eleven months of 2021, with the weighted average rate of interest rates on term deposits falling to 3.45%, a reduction of 20 basis points for term deposits compared to their levels at the end of 2020. It also cut interest rates on loans and advances by 17 basis points, to 7.00%, from the end of 2020.

Amman Stock Exchange's (ASE):

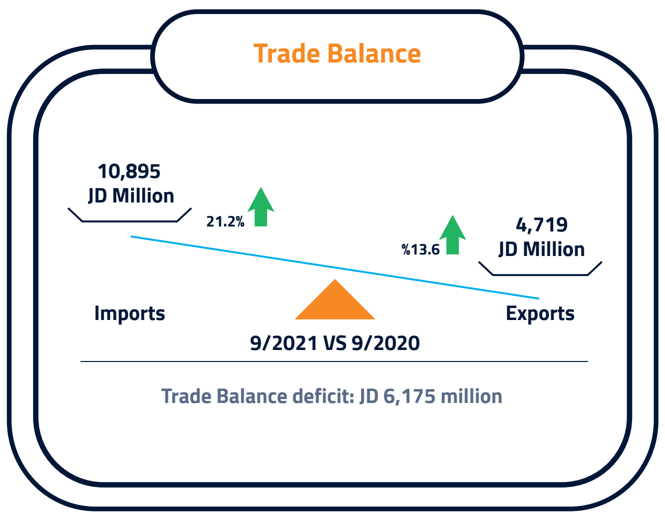
The Amman Stock Exchange's performance in the year 2021 was characterized by a corrective path compared to the year 2020, as trading volume increased by 87.2% at the end of the year 2021 compared to the end of the year 2020, and the market capitalization value of the shares listed on the stock exchange increased by 20.1% to JD 15.5 billion. In comparison to the value of the capital market in 2020. The general stock price index, which is weighted by market value, increased by 31.3% to 4,005.3 points in 2021, compared to 3,049.6 points in 2020. The Percent of non-Jordanians who contributed to companies listed on the stock exchange in 2021 was 48.1%, which was lower than the 51.1% recorded at the end of 2020.

The most important indicators of the Amman Stock Exchange (JD million)



External Trade:

Total foreign trade (national exports and imports) increased by JD 2.5 billion, or 19.7%, in the first nine months of 2021 compared to the same period at the previous year, reaching around JD 15.2 billion. National exports increased by about JD 583.8 million, or 15.8%, to reach approximately JD 4.3 billion during the same comparison period. The United States' market ranked first among the Importing countries from Jordan's exports accounted for 26.7% of total national exports, was followed by the Saudi market, which accounted for 13.2%, and the Indian market, which accounted for 12.7%. In the first nine months of 2021, the Kingdom's imports increased by JD 1.9 billion, or 21.2%, to around JD 10.9 billion.



The Kingdom of Saudi Arabia's market ranked first among the countries from which imports are made, accounting for 14.6% of total imports, followed by the Republic of China's market (14.5%) and the United States' market (6.6%). Crude oil and its derivatives accounted for 9.9% of total imports, followed by means of transportation and their parts with 7.8% of total imports, and textile threads and their products with 5.3% of total imports. It was because of the changes in international trade that in comparison to the same period in 2020, the trade balance deficit increased to JD 6.2 billion, or 19.7%.

2022 Economic performance Outlook:

Despite the continued negative impact of the Corona pandemic on the global economy in 2021, and the increased uncertainty brought about by the spread of new mutations, has made it more difficult for global economies to choose between monetary and fiscal party alternatives, given the numerous obstacles, most notably slow job growth, high inflation, and food insecurity as a result of supply chain disruptions. The International Monetary Fund forecasts that the global economy will expand at a rate of 4.9% in 2022, before settling at 3.3% in the medium term. According to that estimate, economies' performance varies between rise and fall because of the effectiveness of vaccination campaigns and the spread of vaccines, accelerating the pace of production and growth momentum in economies that have succeeded in spreading vaccines on a large scale, while referring to the bleakness of the scene in economies that are ineffective in spreading vaccines and the inability to return its economy to a growth trajectory.

At the local level, the Jordanian economy is expected to grow at fixed prices by 2.7% in 2022, 3.1% in 2023, and 3.3% in 2024, according to the draft general budget law, and the inflation rate will reach, as measured by the relative change in the price index. In 2022, the inflation rate will be around 2%, 2.5% in 2023, and 2.5% in 2024. It was also based on the assumption that national exports would increase by 7% in 2022, 5.4% in 2023, and 4.4% in 2024.

Public revenues were estimated at JD 9.8 billion, distributed among domestic revenues at JD 8.8 billion, and foreign grants were estimated at JD 943.1 million in the draft law on the public budget of the central government and independent units for the next fiscal year 2022. The draft public budget for the next fiscal year estimates a volume of JD 12.2 billion for public expenditures, with current expenditures accounting for the lion's share of total expenditures at JD 10.1 billion, and capital expenditures accounting for the other part of total expenditures at JD 2.1 billion, according to the draft public budget for the year 2022. The deficit was valued at JD 2.4 billion after grants. Fitch Ratings has raised its expectations for Jordan's credit rating from negative to stable, citing the Kingdom's progress in strengthening its financial situation and economic recovery following the pandemic.

Activities and Achievements of 2021

Throughout 2021, Bank of Jordan continued its efforts to strengthen its position as one of the leading banks in Jordan's banking sector by developing new products and services as well as improving existing services to ensure maximum customer benefit and satisfaction. Additionally, the bank also worked on simplifying its procedures and developing and automating the flow of operations to make banking transactions easier for customers. Bank of Jordan had established a reputation for technological innovation and digital transformation in order to improve operational efficiency and expand flexibly, so it was keen to stay current on technological advances in electronic applications and alternative channels. Furthermore, to maximize profit margins, the Bank continues to focus on efficiently managing sources and uses of funds.

In 2021, the bank continued to implement its strategy aimed at growing and expanding its business model, entering new markets, and improving electronic and digital services. Today, Bank of Jordan has a presence in Palestine, Syria, and Bahrain, and a branch will open in Iraq at the end of the first quarter of 2022. The Bank is also currently researching the opportunities for growth and expansion that exist in the Arab region, particularly in the region's rapidly growing economies. Furthermore, work on several strategic initiatives and projects related to risk management, system and database upgrades, and the adoption of the most recent electronic business models to improve digital services and accelerate the launch of new services for customers has continued. Especially considering the ongoing effects of the Corona pandemic, which has accelerated the completion of projects and initiatives related to the launch of digital solutions and advanced payment methods that keep pace with modern financial technology trends. Additionally, in 2021, the customer "Segmentation" project was completed, in which customer segments and value propositions were developed based on an understanding of customer expectations, their analysis, and transformation into needs and then desires, thereby defining a systematic mechanism for attracting and retaining customers, as well as working to develop relationships with them.

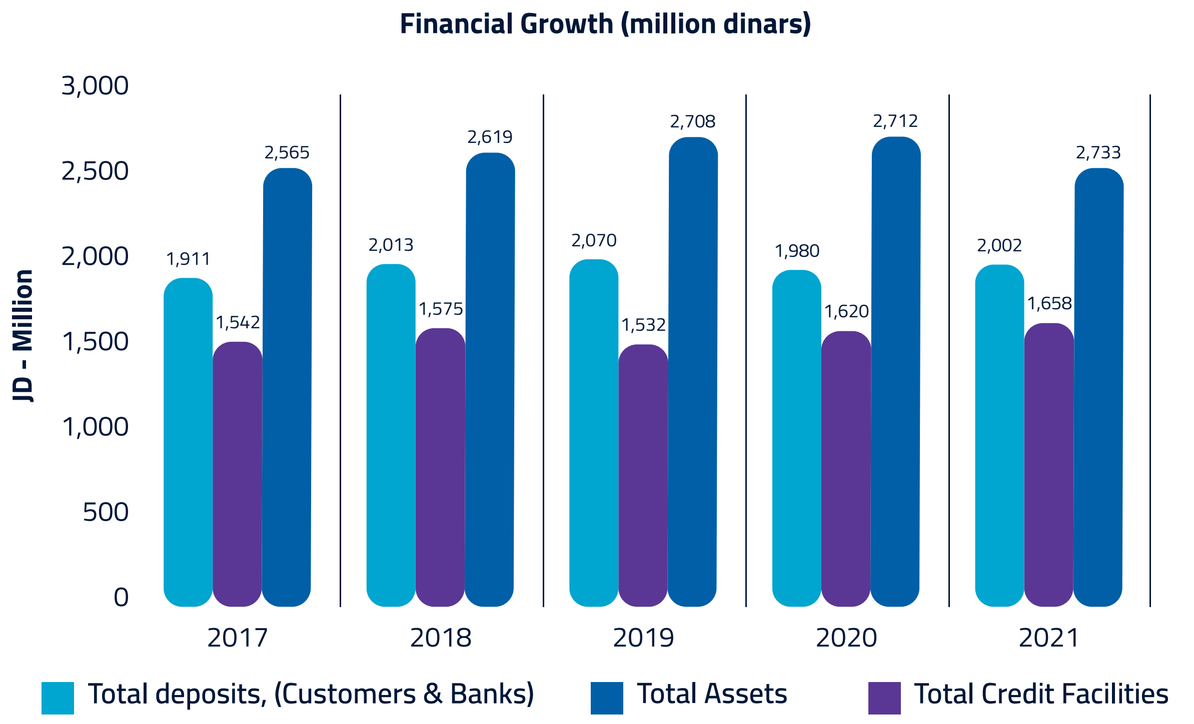
Due to the Covid-19 pandemic, economic challenges were faced in all markets, including those that the Bank operated in. Therefore, to complete their achievements for 2021, the Bank continued to apply the (short-term) operational planning approach through management by objectives, especially at the level of strategic and high-priority projects. This was an opportunity to work on reorganizing, rearranging, and addressing internal challenges. The requirements for completing strategic projects were analyzed, rescheduled, all concerned parties were included, and new action plans presented, resulting in the achievement of the projects' targeted progress.

Financial Results:

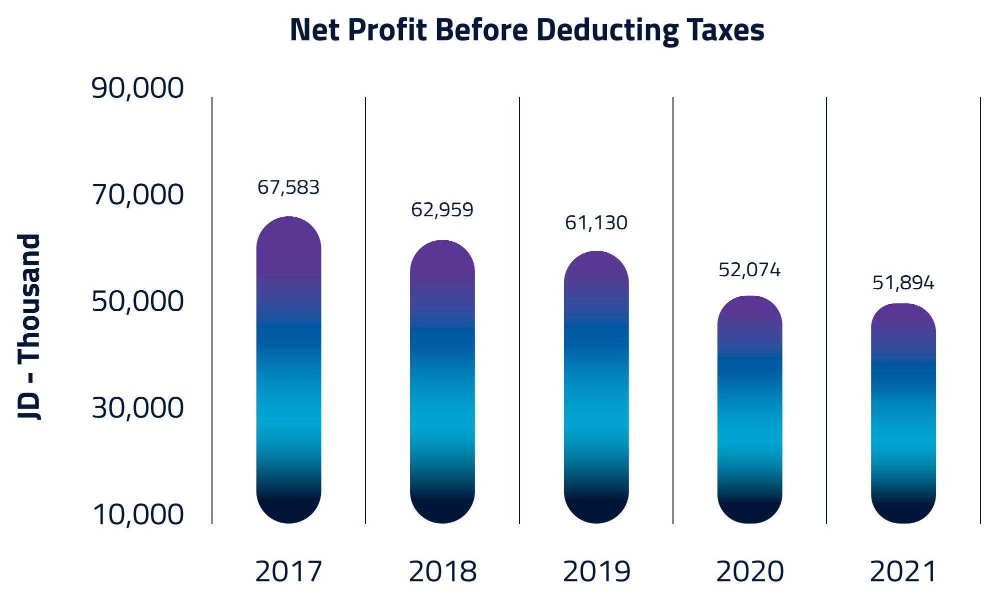
The Bank's performance in 2021 was consistent with its comprehensive strategic approach, which aims to achieve sustainable performance levels across the organization and to keep pace with changes and transformations in the business environment that is still grappling with the effects of the Corona pandemic. The Bank continued its pivotal role in promoting economic and social development in the markets in which it operates.

There were 2.7 billion dinars in assets, in 2021 up 1.0% from the end of 2020. The bank's shareholders' equity totaled 473.4 million dinars. In terms of investments and sources of funds, the bank's credit portfolio (at amortized cost) amounted to 1.49 billion dinars, up 1.3%from 2020, owing to the growth of facilities directed to the individual sector by 38.5 million dinars, or 6.9%, and facilities directed to the small and medium enterprises sector by about 13 million dinars, or 5.3%, while facilities directed to the large companies' sector decreased by 52 million dinars, or 13.8% from the end of 2020.

In terms of funding sources, customer deposits have remained nearly constant since 2020, reaching 1.9 billion dinars at the end of 2021, ensuring that the bank can meet its customers' financing and liquidity needs. Savings deposits increased to 915.4 million dinars, demand deposits to 575.1 million dinars, term deposits to 394.2 million dinars, and certificates of deposits to 23.4 million dinars, while term deposits decreased to 394.2 million dinars and certificates of deposits to 23.4 million dinars.



Additionally, the Bank increased its allocations and built them according to a model of future credit and economic expectations. The bank's expected credit losses on financial assets totaled 16.1 million dinars; as a result, the bank's net profit attributable to shareholders reached 36 million dinars at the end of 2021, up 0.6%from the end of 2020, and the bank's operating profit increased by 1.1% to 129.2 million dinars.



After deducting suspended interests and insurances, the coverage ratio of provisions for non-performing facilities reached approximately 96.5%, which is considered one of the best ratios in the banking industry. In terms of the liquidity index, the bank has comfortable liquidity levels that exceed the regulatory requirements in the countries where it operates. By the end of 2021, the legal liquidity ratio had risen to 128%. In terms of regulatory capital adequacy, it reached 19.20%, which is higher than the approved ratio of 14.50% set by Basel III and the regulatory authorities, and higher than the banking sector's average of 18.3% as of the end of the first half of 2021.

Competitive Position:

The Bank remained competitive in the markets in which it operates. Additionally, the Bank continued to implement its credit and investment policies and maintain the quality of its credit portfolio through investment and effective use of available funds in a variety of productive economic activities, in response to market conditions. Bank of Jordan - Jordan reached 3.75% in customer deposits at the end of November 2021, while holding a 4.04% in credit facilities. Bank of Jordan- Palestine's share in the Palestinian banking sector was 3.73% and 4.15%, respectively, for customer deposits and credit facilities, at the end of November 2021. At Bank of Jordan - Syria, the market share of conventional private banks on both sides of customer deposits and credit facilities was 1.92% and 3.52%, respectively, at the end of September 2020 (according to the most recent data released).

The Bank’s competitive position:

The Bank remained competitive in the markets in which it operates. Additionally, the Bank continued to implement its credit and investment policies and maintain the quality of its credit portfolio through investment and effective use of available funds in a variety of productive economic activities, in response to market conditions. Bank of Jordan - Jordan reached 3.75% in customer deposits at the end of November 2021, while holding a 4.04% in credit facilities. Bank of Jordan- Palestine's share in the Palestinian banking sector was 3.73% and 4.15%, respectively, for customer deposits and credit facilities, at the end of November 2021. At Bank of Jordan - Syria, the market share of conventional private banks on both sides of customer deposits and credit facilities was 4.98% and 4.06%, respectively, at the end of September 2021 (according to the most recent data released).

Business sectors:

Personal banking, digital services, and communication channels:

Personal Banking Services:

The Bank has continued its development activities in order to improve the products and services offered to the individual customer sector and to design them in a way that reflects their needs and aspirations. Similarly, in line with developments in the banking industry, the Bank has continued to provide modern digital solutions and improve the customer experience.

In 2021, the Bank focused on executing its strategy of launching a variety of products and services that meet the needs and requirements of its customers. The Bank launched the "Biggest Daily Prizes," savings account campaign, which included a daily reward of 9,999 dinars for one winner per day and a grand prize of 100,000 dinars. The Bank also launched the "Smart Saver" product, which provided customers with high monthly returns as well as many other great benefits, encouraging a savings culture among the Bank's customers by rewarding them for their loyalty and trust. This product was launched through the BOJ Mobile app. Additionally, as part of its efforts to increase the Bank's competitiveness in the banking sector and provide customers with a variety of savings products, the Bank reactivated certificates of deposit in dinar with varying maturity dates and competitive interest rates.

With the goal of instilling a financial culture in the next generation, Bank of Jordan has renewed the "Sanabel" savings account campaign, enabling parents to save for their children’s future quickly and easily. The campaign features unique and valuable prizes, as well as an opportunity to enter a draw to win additional savings account prizes.

As for car loans, Bank of Jordan launched the Kingdom's first "Eco-Friendly Car Loans" campaign. The campaign aimed to provide competitive financing and favorable terms for the purchase of electric and hybrid vehicles. The 70/30 campaign for new cars/dealers was renewed in 2021, in addition to several other campaigns with car dealerships, including (MG, Renault, Honda, and Kia).

Bank of Jordan continued to provide unique financial solutions to individuals by renewing and expanding the purchasing of competing bank housing loans and the housing loan refinancing program, enhancing the bank's competitiveness in this product, as well as renewing the "Beitna" program campaign, which allows customers to buy their dream home or renovate existing homes with competitive advantages.

Throughout 2021, Bank of Jordan remained committed to providing valuable and unique offers that fit their customers' lifestyles and meet their needs by expanding the points and installment programs for credit cards through the launch of over 40 campaigns, as well as growing the scope of the discount program for debit cards to over 90 participants.

As for the Palestine branches, the Bank continued to develop products and services to meet customer needs and expectations; among the most prominent achievements is the renewal of the personal loan campaign with new and competitive advantages. Additionally, an exclusive campaign was launched with Kerish International Motors - (Chevrolet dealerships) and a campaign with United Motors Company, both of which offered numerous benefits and were simple to implement. In terms of real estate loans, the Bank launched two campaigns: one in Rawabi city and another in collaboration with PRICO to finance apartments in Al-Ghadir suburb. Along with renewing the campaign to purchase real estate loans with unique benefits, the Bank also launched a series of promotional campaigns and programs on bank cards, as well as promotional campaigns to download and use the mobile banking application BOJ Mobile Palestine. To support Palestine's national financial inclusion strategy, the Bank established a financial inclusion account that enables individuals and freelancers to access banking services via a variety of traditional, electronic, and digital service delivery channels. Additionally, a data update campaign was launched to create an integrated database of the Bank's customers.

Digital services and communication channels:

Bank of Jordan continued to update its digital services, which include methods of use, and visual communication services, as part of the Bank's constant endeavor to continue improving the customer experience, simplifying banking operations, and upgrading a series of banking services towards new horizons of excellence.

The Bank continued to diversify the methods of use and digital services through:

- The BOJ Mobile application, which includes a broad range of digital banking solutions that enable the Bank's customers to conduct a variety of online banking transactions with the utmost ease and security through smartphones and tablets. Additionally, customers can open new accounts through the BOJ Mobile application without visiting a branch, saving them time and effort.
- SMS service, allows the customer to stay in direct contact with most of the financial transactions that occur on their accounts by sending short SMS messages to their cell phone.
- ITM services, allows customers to conduct a variety of transactions and banking services in an easy, advanced, and secure manner. Innovative interactive visual technology integrates voice and video communication and allows customers to communicate with customer service representatives at any time, even outside of official working hours.
- The Call Center and Automated Banking: Bank of Jordan provides the highest technical standards of automated banking and call center services to meet the banking needs of customers and clients, enabling them to conduct many banking operations around the clock, seven days a week without having to submit a request or visit a branch.
- Banking services through ZOOM: this service allows the customer to open a bank account by visiting the bank's website and choosing the feature to open the account via ZOOM, the customer then has the option to complete this process through the branch staff or the call center through the call recording feature and completing the requirements for opening the account without the need to visit the branch.
- Branches and ATMs: To better serve customers, the Bank is constantly looking for new ways to grow and expand by opening new branches and installing new ATMs in strategic and commercial locations.

Geographical presence of Bank of Jordan through its foreign branches and subsidiaries:

Bank of Jordan – Jordan Branches

83 Branches

183 ATMS

3 new branches opened
- Souq Bab Al Madinah Mall Branch / Zarqa
- Dabouq Branch - Ikram Street
- Dabouq Branch - Hijaz Street

Bank of Jordan – Palestine Branches

17 Branches

46 ATMs

1 new branch opened
- Al-Khidr Branch / Bethlehem

Bank of Jordan – Syria (Bank Subsidiary)

12 Branches

12 ATMS

Bank of Jordan – Bahrain

1 Branches

Bank of Jordan – Iraq (Branch operations are being prepared to launch services in Iraq)

Even before the outbreak of the Corona pandemic, digitization was one of the Bank's strategic priorities; customers' needs and requirements cannot be met quickly and securely without the use of digital developments. As a result, the Bank worked to upgrade and automate operations as well as the level of services provided, resulting in cost savings and improved risk management. The majority of services offered in the branches are delivered through digital channels. The number of customers subscribing to the BOJ Mobile application increased by 38% at the end of 2021 compared to 2020. They constitute 71% of the customers eligible to subscribe to BOJ Mobile.

It is worth noting that the Bank established an innovation lab, which aided in the advancement of digital services and the speed with which new services were launched to customers through the BOJ Mobile application and its various versions. Among the most prominent services that have been added and/or developed are: opening a Smart Saver account through BOJ Mobile, paying bills with a credit card, viewing the history of payments through CLIQ, confirming receiving payments through CLIQ, adding the BOJ Pay service icon to the login page, managing the beneficiaries of the CLIQ service, adding more than one pseudonym through CLIQ, displaying the available transfer ceiling (improving customer experience), opening deposits through the application, calculating deposits by default, showing the account balance when selecting a debit account for services such as bill payment, credit card payment, transfer via CLIQ, adding the ability to choose a dollar account as a dependent account on the ATM card, modifying the format of OTP messages, and omitting the registration number from the registration requirements in Bank of Jordan's BOJ Mobile application when registering through account information and identity data, in addition to general improvements to the application.

As for the BOJ Mobile Palestine application, several new features and enhancements have been added, including bill payment through PalPay, improvements to transfer services, addition of the billing registration feature, a daily limit of 100 Shekel for post-paid bills, and automatically debiting the commission for post-paid bills, in addition to general application improvements.

The Bank is also constantly developing and diversifying payment methods, most notably the BOJ Pay Sticker product for debit cards, which is attached to devices such as a mobile device or wallet and enables customers to make purchases at POS devices that support Contactless payment locally and internationally, as well as the Cardless cash withdrawal service through the BOJ Mobile application, and the CLIQ instant payment service through the BOJ Mobile application, which allows customers to transfer and receive money from participating local banks through multiple methods: IBAN number, alias, phone number, and contactless payment without a security pin on debit cards, prepaid cards and BOJ Sticker cards.

In line with the Bank's ongoing efforts to provide customers with cutting-edge services and to ensure public safety, a number of new services have been launched to be provided via the Zoom application through the Contact Center, including requests to open a Sanabel account, link a time deposit, terminate and close a term deposit, and update data for customers residing outside Jordan.

Corporate Services:

Bank of Jordan is committed to providing distinguished banking solutions to the corporate sector, including a comprehensive suite of financing programs and services tailored to corporate clients' requirements and needs. In 2021, the corporate sector was able to attract and develop extensive relationships with customers, while also strengthening existing relationships through a prudent credit policy. The most heavily funded sectors in 2021 are the trade, industry, services, and energy sectors (electricity and water).

The Bank is also concerned about Relationship Managers' readiness to face market challenges and develop their capabilities in all areas, as well as their marketing capabilities through the adoption of modern marketing methodology and means, in order to compete effectively and maintain the Bank's market share.

It is worth noting that through the Bahrain branch, Bank of Jordan's presence in the region - has strengthened, allowing for the formation of new partnerships and the expansion of the availability of a variety of financial solutions and commercial financing products to sovereign funds, companies, and financial institutions through participation in syndicated bank loans and securities investments in the Arab Gulf countries and Egypt. This in turn strengthens the Bank's position in the Middle East and North Africa region, as well as its ties with financial and banking institutions.

The Bank established the Banking Transactions Department in 2021 with the goal of expanding services to the corporate sector. This includes expanding cash management services, financing foreign trade operations, and expanding services provided through digital channels for corporate and SME clients in accordance with industry best practices. Along with providing banking products and services for cash management, finance, trade exchange, and securities, the Bank is developing an automated system for managing cash and international trade operations, an Online Platform for its corporate and commercial customers, which will enable them to request and obtain services without visiting the Bank's branches, thereby increasing business efficiency and lowering costs.

Small and Medium Enterprises Services:

Bank of Jordan recognizes the importance of financing small and medium-sized businesses, as it is an important sector in stimulating and developing economies, as well as a key driver of job creation in Jordan and Palestine. The Bank continued to meet the financing needs of medium and small businesses by providing integrated banking solutions tailored to customers' activities through its specialized centers, which are located in most of the Kingdom's governorates as well as the Palestinian governorates. Relationship managers in these centers maintain constant contact with customers and provide excellent service. The Bank has also developed a methodology for dealing with all sectors, particularly those affected by the Corona pandemic, while attempting to follow international best practices in credit granting. This is in addition to continuing to assist small and medium-sized businesses in combating the Corona pandemic through Jordan's Central Bank's programs.

A new strategy for small and medium-sized enterprises has been developed that adapts to rapid changes in the work environment while maintaining a high level of quality and reaches all sectors. Among the most prominent sectors funded in 2021 were real estate, trade, restaurants, agriculture, and transformative industries. In Palestine, credit services were provided to the manufacturing sector and the real estate sector.

Within the framework of the Bank's unwavering commitment to developing products that meet the needs and aspirations of new and existing customers, a new product called "fuel stations" was launched with the goal of financing the establishment of new stations or their acquisition, as well as the expenses associated with expansions and repairs. Additionally, the "Ejarty" product was introduced, which is aimed at new and existing customers from various economic sectors, where rental contracts (commercial and residential) for rental properties are financed for the benefit of target groups such as banks, government institutions and bodies, embassies and diplomatic missions, telecommunications companies, international companies operating in Jordan, and major public shareholding companies.

Financial leasing services:

The Bank continued to offer financial leasing services based on rent-to-own in order to serve customers who are averse to traditional financing methods. Financial leasing services have been able to broaden their scope of services to include all asset purchases, including production lines, trucks, buses, and various types of mechanisms, devices, and equipment. The bank provides real estate leasing services to individuals and businesses in all sectors through the Jordan Financial Leasing Company. Individuals, institutions, and businesses in a variety of sectors, including medical, industrial, real estate, transportation, education, tourism, contracting, and telecommunications, can also utilize the financial leasing service.

Organization, Operations and Technical Structure:

Bank of Jordan continued to develop its operational environment and technological systems to meet current and future needs, as well as those of its foreign branches and subsidiaries, with the goal of improving the level of service provided to customers and ensuring the flow of service at the branch and departmental levels. To expedite the completion of strategic and high-importance projects, the Bank has provided all necessary support from internal and external human resources.

Throughout 2021, work was conducted on the preparation of organizational studies, the development of several departments, and the establishment of departments that adhered to best administrative practices, enabling the Bank to improve its business and service environment. The most notable achievements in this field include upgrading and laying the foundations for managing Bank of Jordan group's treasury business sector, both of which are still being worked on. Additionally, the Bank is establishing a department for treasury and its products sales to supplement the work of the Bank's business sectors departments. The corporate business development sector has been reorganized within the Bank in order to increase market share and achieve the required growth in accordance with the bank's Risk Appetite. The corporate business development sector has been divided into the Business Development Department of Major Companies and the Corporate Business Development Department. Regulatory studies were also prepared for the Business Development Department, where a consultancy unit was formed based on the best international experiences in this field, in such a way that modern scientific concepts are achieved by transforming the traditional selling concept into what is known as consultative selling. The Contractors Unit was moved from the Corporate Business Development Department to the Business Development Department to better meet the Bank's objectives and business requirements. Due to the coverage of the Jabal Al-Hussein area by other nearby centers, including the Shmeisani Center, the SME center in Jabal Al-Hussein was canceled, and the department's organizational structure was modified to reflect these developments.

Numerous regulatory studies have been conducted for the Compliance Department, and the organizational structure has been modified to align with best practices to enhance the Bank's compliance department. Additionally, work has been done to develop the Automated Systems Department's organizational structure to stay current with international best practices, to meet the Bank's ambitions, to achieve strategic objectives, and to improve the speed and efficiency of services provided. An organizational study was conducted for the Information Security and Protection Unit to determine the best practices applicable to their role and to enhance them to better serve the Bank's objectives, as the unit was transferred to the Information Security and Protection Department and the associated organizational structures were modified. Work was also done to amend the regional administration's organizational structure for the Palestine branches and Bank of Jordan - Syria to reflect the development and change occurring in accordance with the studies implemented and the best practices in this field. In 2021, the Bank reviewed and amended all existing procedures and forms to conform to the Iraq branch's organizational structure and current scope of work and created a page on the IGRAFIX system for the Iraq branch to download the necessary procedures and forms. This is in addition to preparing the branch's technical infrastructure, systems, and programs, as well as the regional administration's headquarters and the Baghdad branch, as well as organizational matters related to staff appointment.

To improve the efficiency of its operations and service level, the Bank implemented the CX - Corporate & SME customer experience system. The system enables customers within a single credit group to access facilities, guarantees, and relationship management plans, as well as manage their accounts within that group. The Bank worked on developing a process for preparing and developing products (corporate and commercial), which clarifies all information required from all relevant departments to launch a product/ developer for corporate and commercial clients. Additionally, the anti-money laundering and counter-terrorist financing system has been updated through the use of the risk-based approach (RBA) and the Risk Score feature.

At the risk management system development and information security level, the Bank has maintained a commitment to best practices in risk management and control processes. In this context, the bank aimed to develop the Bank of Jordan's risk management system through the second phase of implementing the comprehensive ERM (Enterprise Risk Management Framework) project, which aims to upgrade all aspects of credit and risk management at the institutional level in collaboration with Moody's Corporation. Additionally, work has been completed on individual credit policies and the Bank of Jordan group's commercial credit policy.

To facilitate the upgrading of Bank of Jordan group's information security and protection system, cybersecurity policies have been developed that adhere to best global security and control practices, and cybersecurity risks have been assessed, with the goal of ensuring the implementation of regulatory and security controls that address and mitigate the bank's security risks. The Bank of Jordan has also implemented a cybersecurity management system in accordance with the PCI DSS and ISO27001 standards. In this regard, the requirements of the (SWIFT CSP) security controls were followed. The European Union's General Data Protection Regulation (GDPR) has been implemented in accordance with regulatory authorities' requirements. The Managed Security Services system, which includes the Security Operations Center (SOC), continues to monitor systems and servers at the level (databases, applications, and operating systems) on a periodic basis. Additionally, the business continuity and crisis management plans will be reviewed.

The institutional financial performance management project is currently being implemented. Its objectives include evaluating the currently applied model for managing and measuring the performance of the business sectors, designing business models that suit the bank's current and future requirements at the financial level, products, customers and various channels, maturing the pricing processes for the bank's assets and liabilities, and calculating the profitability of products and services at the group level, in a way that reflects the bank's vision of risks and actual costs, and the development of performance indicators.

Within this context, work is ongoing to complete the Electronic Content Management (ECM) project, which is a critical component of the operations sector and the Bank's strategy. It consists of several systems and practices and aims to achieve a qualitative leap in work mechanisms (BPM), document handling (EDM), process automation (RPAs), electronic document reading, and all other areas of the bank, including business, risk, and operations. To realize the Bank's vision of upgrading the electronic payment system, and to keep up with global development in electronic and digital payment systems, as well as to provide a highly efficient service that meets customers' expectations, the bank is implementing a credit card management system that will include new and innovative products, in addition to utilizing FAST technology.

To ensure that customers' observations and complaints are addressed, the Bank has continued to manage complaints received through the communication channels it provides; as these complaints are dealt with and resolved, the customer is informed by the competent unit in accordance with the approved policy. The ICAAP Internal Capital Adequacy Assessment Document (ICAAP) for the financial statements has been completed as of 12/31/2020 in accordance with instructions from the Central Bank of Jordan and the Basel Committee on Pillar I and II. The evaluation process determined that the Bank maintains an adequate capital base to cover all types of risks, not just those covered by Pillar I.

Based on the Bank's board of directors' commitment to best corporate governance practices, the Board has given all necessary attention to sound corporate governance practices and applications, in accordance with banking legislation, the Central Bank of Jordan's instructions, and international best practices included in the Basel Committee on Corporate Governance, and in accordance with the environment in which banks operate and the legislative and legal frameworks regulating the Bank's business.

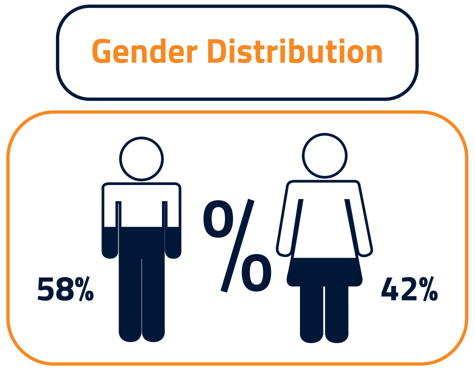
Human Resources:

Bank of Jordan is committed to human resource development as a critical component of success, recognizing that qualified and specialized banking capabilities and competencies are a critical pillar for enhancing performance and the quality of services provided to customers. Additionally, the Bank is committed to consolidating the excellence system and enhancing the competitive environment that encourages individuals and teams to perform at a high level of quality and creativity in order to realize the Bank's vision. The Bank developed an integrated action plan for human resource development in 2021 at the following levels: learning and development, business partnerships, procedures and policies, employee integration, and competency retention. The Bank continued to offer courses, training programs, and workshops that included both face-to-face and online instruction. Throughout the year, the Bank provided approximately 10,677 training opportunities.

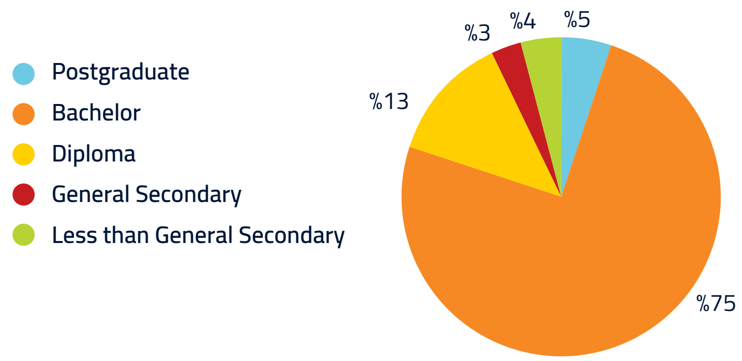
In October 2021, the Bank launched a breast cancer awareness campaign for employees, with the goal of educating them and safeguarding their health and safety. The bank participated in a variety of activities and events throughout the campaign, including a lecture on the importance of early detection of breast cancer, an early screening clinic in the General Administration building, an exhibition of the King Hussein Cancer Foundation's "Hope Shop," and the distribution of pink ribbons to employees. International Women's Day was also observed by giving gifts to female employees.

The Bank has continued to implement the My Career Program, which aims to educate university and high school students about the workplace and to ensure their readiness to enter the labor market. Additionally, the Bank maintained a healthy work environment by ensuring the implementation of public health and safety measures in the public administration and all of its branches, as well as by taking all precautionary measures necessary to contain the spread of the Corona epidemic within the workplace. Also, the Bank will continue to distribute awareness circulars emphasizing the importance of adhering to procedures to protect the health and safety of its employees and customers.

As part of the Bank's ongoing efforts to communicate with graduates and introduce them to available job opportunities that match their qualifications and aspirations, the Bank participated in the Jordan Spark Career Fair, which was held at the Landmark Hotel. The Bank also has a special employment window on its website where those interested in working for the Bank can apply.



Classification of Bank Employees According to Educational Qualifications for the Year 2021



Social Responsibility:

Bank of Jordan's management places an emphasis on social responsibility, which stems from the Bank's mission and goals of providing the necessary support to national institutions, charities, and civil society organizations to achieve the goal of societal development and progress in various educational, health, cultural, social, and sporting fields, all of which are derived from development goals. As a result, the Bank continued to support numerous initiatives, programs, and projects aimed at the development and prosperity of the local community in 2021.

509,254	**Donation Amount**
17,111 Beneficiary	**Number of beneficiaries**

Educational and cultural initiatives:
The Bank recognizes the importance of providing necessary support for educational initiatives, which are the foundation of societal progress, as well as cultural initiatives, by providing support for the following initiatives:

▪ Scholarship programs which include the following:
- Continuing to assist two outstanding students at King's Academy.
- Maintaining necessary support for university scholarships, which have been in place since 2020 in collaboration with the Elia Nuqul Association Foundation.

▪ The Chairman of the Board of Directors' initiative to provide four university scholarships annually to the children of employees with outstanding high school results.
▪ Contributing to the "Establishing the Company" program in collaboration with the Injaz Organization, with the goal of teaching university students how to establish and organize pioneering proajects in a hands-on manner.
▪ Continuing to provide financial support to the National Program for the Dissemination of Community Financial Culture, in cooperation with the Central Bank of Jordan.
▪ Renewing the partnership with the Queen Rania Foundation for Education and Development by contributing to the Children's Museum Jordan's "Educational Funds Development" program, which promotes the concepts of financial culture "investment, spending, and saving" through the design and preparation of a game that will be distributed to children in the Kingdom's governorates in 2022.
▪ Bronze sponsorship of the Royal Society of Fine Arts / Jordan National Gallery of Fine Arts.
▪ Renewing the bank's membership in the Palestine Cooperation Foundation, which is responsible for providing and implementing numerous programs and projects throughout the year in the fields of (education, culture, orphan care and the Jerusalem Program for the Reconstruction of Old Towns).

Community initiatives:
Bank of Jordan has continued to play a leading role in serving the local community through a variety of charitable initiatives, activities, and events that add value to the social responsibility concepts it offers. In this context, the Bank has financed the following initiatives:

▪ Initiatives for the blessed month of Ramadan:
- During the blessed month of Ramadan, the Bank of Jordan and Tkiyet Um Ali renewed their strategic partnership by sponsoring 20 families through the monthly food parcels program and distributing 2,200 breakfast meals with the assistance of a bank team.

- Distributing food parcels in Karak Governorate in collaboration with the Jordanian Society for Social Development and Productivity.

▪ Initiatives for back to school:
- Assistance was provided to the Steps Association to carry out the "Distribute 1000 School Bags" campaign among students in the Kingdom's various governorates.

▪ Initiatives to support national institutions:
To commemorate Jordan's centennial; and as part of Bank of Jordan's strategy to strengthen collaboration with public sector institutions in order to advance citizen services, the Bank of Jordan and the Public Security Directorate signed a memorandum of understanding with the aim of supporting a series of smart security centers and stations that the Directorate is implementing as part of a plan to develop Jordan, and to support the ideas of the Innovation and Creativity Center of the Public Security Directorate.

Initiatives to support charitable organizations:

- A project to maintain and modernize the Princess Taghreed Foundation for Development and Training in Irbid Governorate was completed, allowing women from the governorate to participate in the Foundation's various training workshops and courses.
- The Golden Age Home / Forum of Senior Pioneers received financial assistance to complete the project "Our Gallery is the Treasury of Our Beautiful Memory." Additionally, an event was held in honor and appreciation of the elderly residents of the Guest House for the Elderly on the occasion of the International Day for the Elderly with the participation of a team of employees from Bank of Jordan.
- To encourage children living in Jordanian Children's Villages SOS/Amman to adopt a healthy lifestyle and to provide them with opportunities for fun and entertainment within the village, the Bank of Jordan supported a project to modernize and maintain the village's football field.
- Throughout the year, support was provided to numerous charitable associations in order to enable them to accomplish their missions and advance the communities in which they operate, including the Association of Kafarana People, the National Forum for Awareness and Development, the Palestine International Association for Development, the Association for the Protection of Al-Quds Al-Sharif, and the Sons of the Jordan Valley Association for Orphans and Elderly Care.
- Several health-related organizations received support, including:
- Contributing to the King Hussein Cancer Foundation and Center's "naming and recognition" program by equipping the women's chemotherapy unit within the breast cancer clinics.
- Providing support for the cardiology clinic and medical laboratory supplies located within the Jordan Medical Aid Society for Palestinians clinics.

Sports initiatives and support for people with special needs:

In Bank of Jordan's interest of developing diverse sports talents and assisting the less fortunate with special needs, the Bank of Jordan provided necessary support for a variety of activities, including the following:

- Supporting players from the Jordan Boxing Federation, with the aim of enabling them to participate in the 2021 Olympics.
- Supporting the training workshop for deaf girls on making medical soap, which is held by the Jordanian Club for the Deaf, to enable girls to find a source of income for themselves and help their families.
- The Bank has financed numerous initiatives in Palestine benefiting people with disabilities, many of which have had a significant impact on the beneficiaries, including:
- Contributing to the operation of the Abd al-Rahman Naghneesh Center, which provides care and rehabilitation for children with autism in collaboration with the Palestinian Childhood Institute at Najah National University.
- Collaboration with the Ramallah Youth Club to carry out a campaign to distribute "Eid Al-Adha Clothing" to children with special needs.
- In collaboration with Ramallah and Al-Bireh Governorate, we purchased and distributed five electric chairs for people with special needs.

Environmental Initiatives:

Bank of Jordan seeks to support and preserve environmental organizations, in addition to following a set of internal policies and procedures designed to mitigate the environmental impact resulting from the Bank's operations, including:

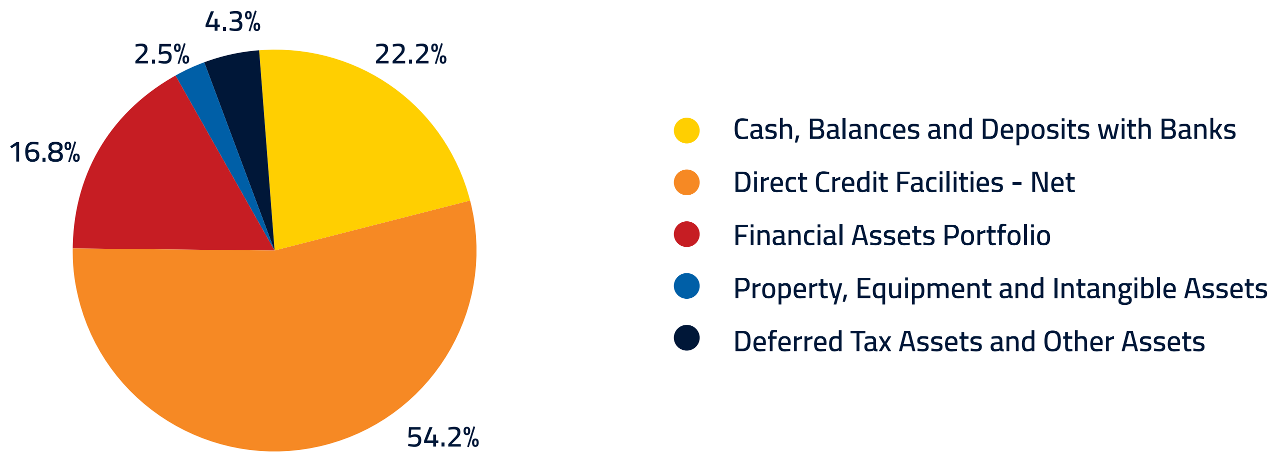
- In collaboration with the Arab Society for the Protection of Nature, 500 fruitful trees were planted in 2021 as part of the "Green Caravan" program with the goal of increasing green space and combating desertification, as well as achieving food security and providing an income source for chaste families.
- Providing necessary support for a project in collaboration with the Jordanian Friends of the Environment Association to train women in disadvantaged areas in beekeeping. The project, which will be implemented in 2022, aims to assist women in establishing a source of income for themselves and their families.

Analysis of Financial Position and Business Results for 2021

Assets of the bank rose to JD2.74 billion at the end of 2021, compared to JD2.71 billion at the end of 2020, with a growth rate of 1%. These results stemmed from efforts aimed at developing the rights of shareholders, maintaining the bank's ability to meet its financial commitments, and ensuring that available funds were used efficiently and effectively, in order to sustain a strong financial position and support the growth of the bank's revenue power.

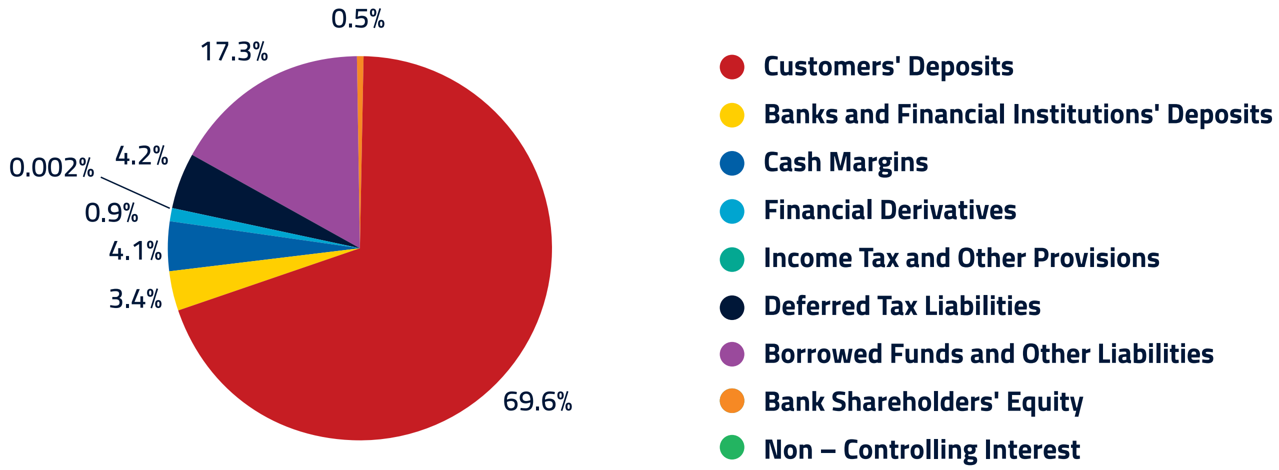
The Bank's Assets	JD (Millions)		Relative Significance %	
	2021	2020	2021	2020
Cash, Balances, and Deposits with Banks	607.3	629.8	22.2%	23.2%
Direct Credit Facilities (Net)	1,486.1	1,466.7	54.2%	54.1%
Financial Asset Portfolio	461.2	448.1	16.8%	16.5%
Property, Equipment, and Intangible Assets	67.7	60.9	2.5%	2.2%
Deferred Tax Assets and Other Assets	117.9	106.9	4.3%	3.9%
Total Assets	**2,740.2**	**2,712.4**	**100%**	**100%**

Relative Significance of the Bank's Assets, 2021



Liabilities and Owners' Equity	JD (Millions)		Relative Significance %	
	2021	2020	2021	2020
Customers' Deposits	1,908.0	1,909.2	69.6%	70.4%
Banks' and Financial Institutions' Deposits	93.8	70.8	3.4%	2.6%
Cash Margins	112.7	119.8	4.1%	4.4%
Income Tax and Other Provisions	25.2	25.2	0.9%	0.9%
Deferred Tax Liabilities	0.051	0.049	0.002%	0.002%
Borrowed Funds and Other Liabilities	114.4	125.0	4.2%	4.6%
Bank Shareholders' Equity	473.4	454.8	17.3%	16.8%
Non-controlling Interest	12.7	7.6	0.5%	0.3%
Total Liabilities and Owners' Equity	**2,740.2**	**2,712.4**	**100%**	**100%**

Relative Significance of the Bank's Liabilities and Owners' Equity 2021



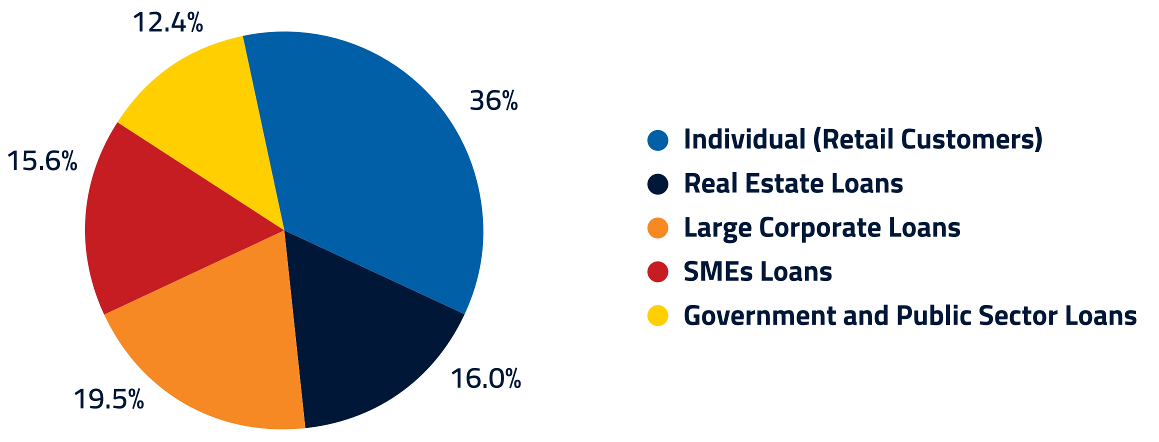
Direct Credit Facilities at Amortized Cost:

Total direct credit facilities at amortized cost increased by JD38.6 million 2.4% from 2020 to 2021, reaching JD1,658.2 billion, as the bank maintained a balanced credit policy under the executive committee's supervision. As a result of efforts to lower interest rates and expected returns on facilities, as well as an assessment of market and credit risks stemming from the COVID-19 pandemic, the ratio of non-performing assets (after deducting suspended interest) was 8% in 2021, up from 7.8% in 2020, which is well within the standard ratio of non-performing assets.

The bank has continued its work of financing productive, economically viable economic sectors that are less affected by the pandemic, and to finance individuals, small- to medium-sized businesses, and the public sector, with the goal of ensuring risk distribution continuity and the effective and efficient management of available funds.

Total of Credit Facilities Portfolio (After Deducting Interest and Commission Received in Advance)	JD (Millions)		Relative Significance %	
	2021	2020	2021	2020
Individual (Retail Customers)	596.2	557.7	36.0%	34.4%
Real Estate Loans	273.2	259.1	16.5%	16.0%
Large Corporate Loans	323.8	375.8	19.5%	23.2%
SME Loans	258.6	245.6	15.6%	15.2%
Government and Public-sector Loans	206.3	181.4	12.4%	11.2%
Total Direct Credit Facilities	**1,658.2**	**1,619.6**	**100%**	**100%**

Relative Significance of Credit Facilities Portfolio According to Type, 2021



Provision for Expected Credit Loss on Financial Assets

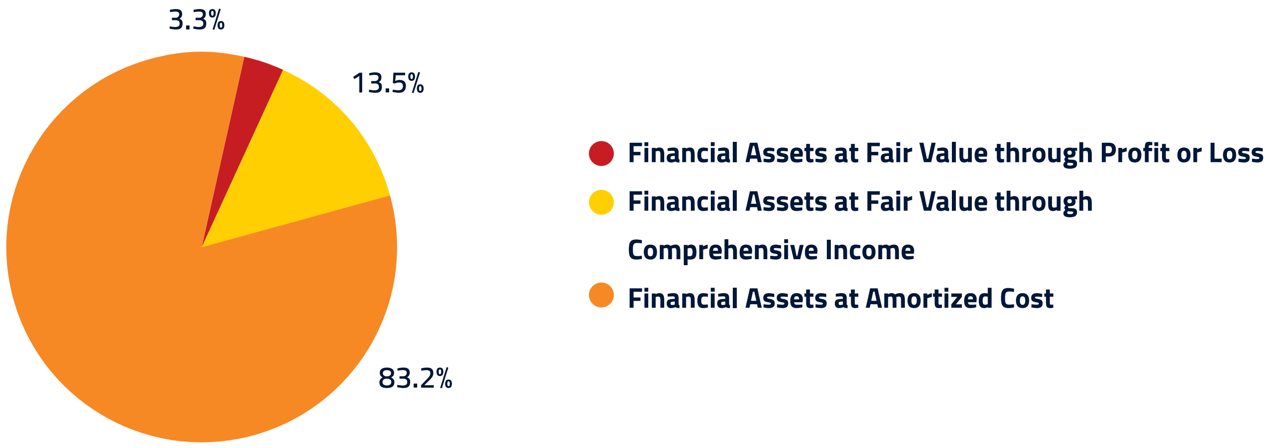
In accordance with the requirements of International Financial Reporting Standards (IFRS), regulatory authorities, and the recommendations of the bank's auditors, in 2021, the bank continued to follow a clear policy designed to hedge against expected loss, and to take on impairment provisions for non-performing debts, both individually, on each debt, and on the entire portfolio. After deducting suspended interests and cash insurances, non-performing facilities stood at 96.5% in 2021, compared to 95.6% in 2020. The fair value of guarantees provided against credit facilities was JD479 million, down from JD529 million the previous year.

Financial Assets Portfolios

In 2021, the bank's portfolio of financial assets increased by about JD13.1 million, or 2.9%, over the previous year 2020. Financial assets at fair value decreased by about JD22.4 million, or 26.5%, according to the comprehensive income statement. Financial assets increased by JD35.4 million, or 10.2%, at amortized cost; these include the bank's investments in government treasury bonds and their guarantees, corporate loan bonds, banks, and foreign government bonds. Meanwhile, financial assets on the profit and loss statement increased by JD0.1 million.

Financial Assets Portfolio	JD (Millions)		Relative Significance %	
	2021	2020	2021	2020
Financial Assets at Fair Value through Profit or Loss	15.2	15.2	3.3%	3.4%
Financial Assets at Fair Value through Comprehensive Income	62.2	84.5	13.5%	18.9%
Financial Assets at Amortized Cost	383.8	348.4	83.2%	77.8%
Total	**461.2**	**448.1**	**100%**	**100%**

Relative Significance of Financial Assets Portfolio According to Type 2021

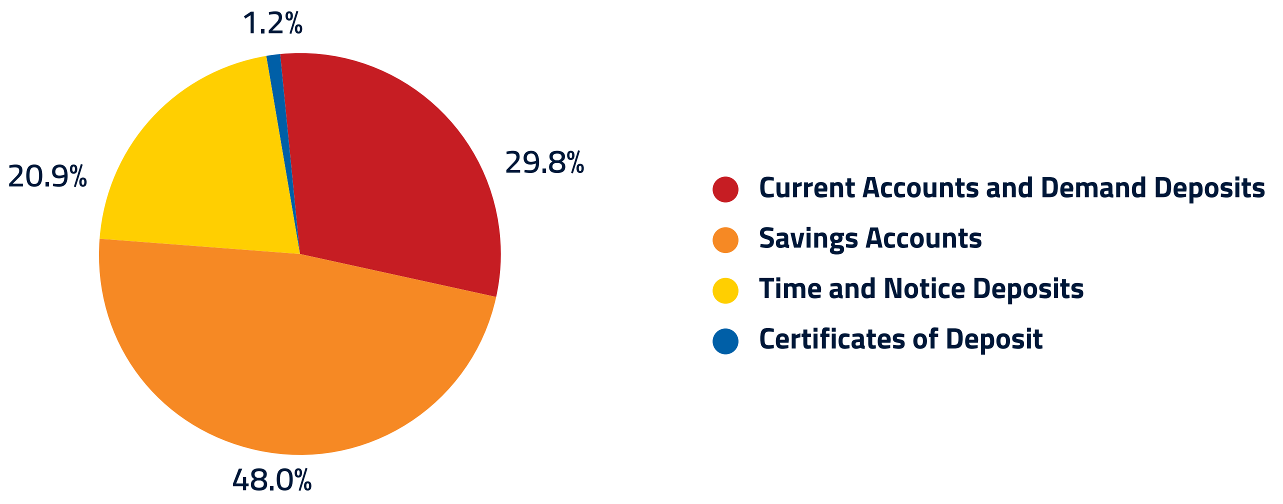


Customer Deposits:

At the end of 2021, the bank's customer deposits totaled JD1.908 billion, down from JD1,909.1 billion at the end of 2020, a decrease of JD 1.2 million (0.1%). Savings deposits increased by 7.1% in 2021 in comparison with 2020, as did current and demand accounts, while time deposits and certificates of deposit decreased. Non-interest deposits decreased by 16.3%, reaching JD767.1 million in 2021—up from JD702.4 million the previous year.

Customer Deposits According to Type	JD (Millions)		Relative Significance %	
	2021	2020	2021	2020
Current Accounts and Demand Deposits	569	549.1	29.8%	28.8%
Savings Accounts	916.4	855.3	48.0%	44.8%
Time and Notice Deposits	399.2	470.3	20.9%	24.6%
Certificates of Deposit	23.2	34.4	1.2%	1.8%
Total	1,908	1,909.2	100%	100%

Relative Significance of Customers' Deposits - 2021



Shareholders' Equity:

The bank's shareholder equity reached JD473.4 million in 2021, an increase of JD 18.6 million (4.1%) over the previous year, while the legal reserve reached JD104.7 million, a year-over-year increase of JD5.2 million (5.2%). Meanwhile, the net fair value reserve decreased by JD 2.1 million (34.7%) from the previous year. The Board of Directors decided to increase its recommendation to the General Assembly regarding the distribution of cash dividends to shareholders, at an annual rate of 18% of capital, with a proposed distribution of JD36 million and the remainder of profits to be rotated

Capital Adequacy:

The capital adequacy ratio rose to 19.20% in 2021, up from 19.08% in 2020 and once again exceeding the 14% minimum required by the Central Bank of Jordan, in accordance with Basel III Committee instructions. The basic capital ratio for ordinary shareholders (CET1) increased to 18.9%, up from 18.6% the previous year.

Financial Results:

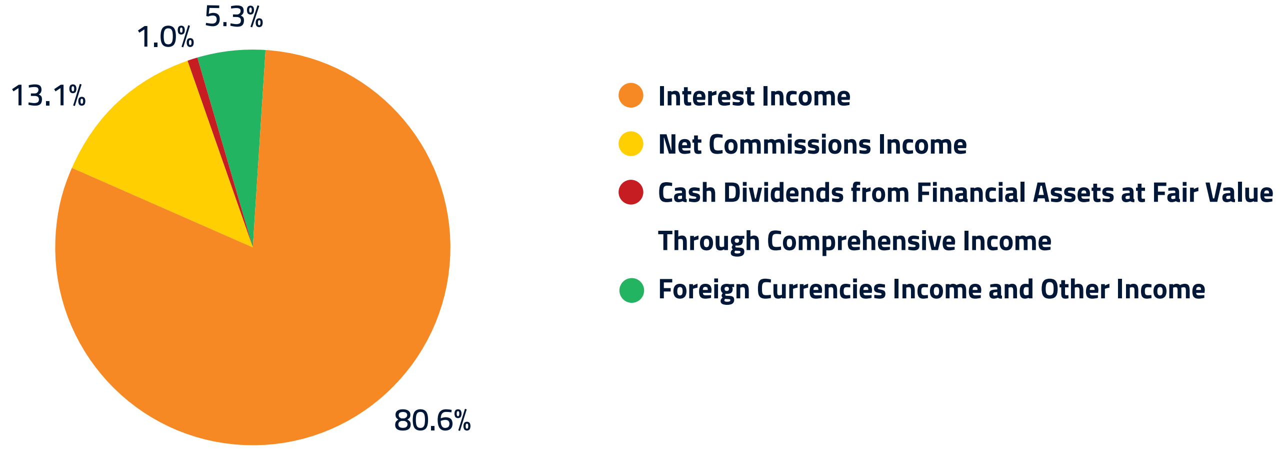
The bank's total revenues in 2021 stood at JD160 million, down from JD182.3 million in the previous year, representing a decrease of 12.2%. Total income was JD139.3 million in 2021, down from JD153.4 million in 2020, a decrease of 9.21%. Meanwhile, net interest and commission income totaled JD129.2 million, an increase of 1.15% compared to the previous year, This is mainly due to the presence of non-recurring revenues that contributed in 2020 revenue growth, amounted to JD 18.7 million.

In 2021, profits before tax and provisions were JD68.2 million, down from JD84.4 million in 2020. After deducting expected credit losses on financial assets, real estate expenses owned by the bank, miscellaneous provisions, and income tax, the bank's net profit for 2021 stands at JD36.3 million, up from JD35.4 million in 2020—a 2.4% increase.

Net Profit Before and After Taxes and Provisions	JD (Millions)		Difference
	2021	2020	
Net Profit Before Taxes and Provisions	68.2	84.4	(16.2)
Financial Assets Expected Credit Loss Provision	16.1	31.9	(15.8)
Provision for Assets Foreclosed by the Bank	-0.3	(0.4)	0.1
Other Provisions	0.5	0.8	(0.3)
Profit Before Income Tax	51.9	52.1	(0.2)
Income Tax Expenses	15.6	16.6	(1.2)
Net Profit	**36.3**	**35.5**	**0.8**

Total Realized Revenue	JD (Millions)		Relative Significance %	
	2021	2020	2021	2020
Interest Income	128.9	136.7	80.6%	75.0%
Net Commissions Income	21	19.8	13.1%	10.9%
Cash Dividends from Financial Assets at Fair Value Through Comprehensive Income	1.6	19.2	1.0%	10.5%
Foreign Currencies Income and Other Income	8.5	6.5	5.3%	3.6%
Total	**160**	**182.3**	**100%**	**100%**

Relative Significance of Total Revenues - 2021



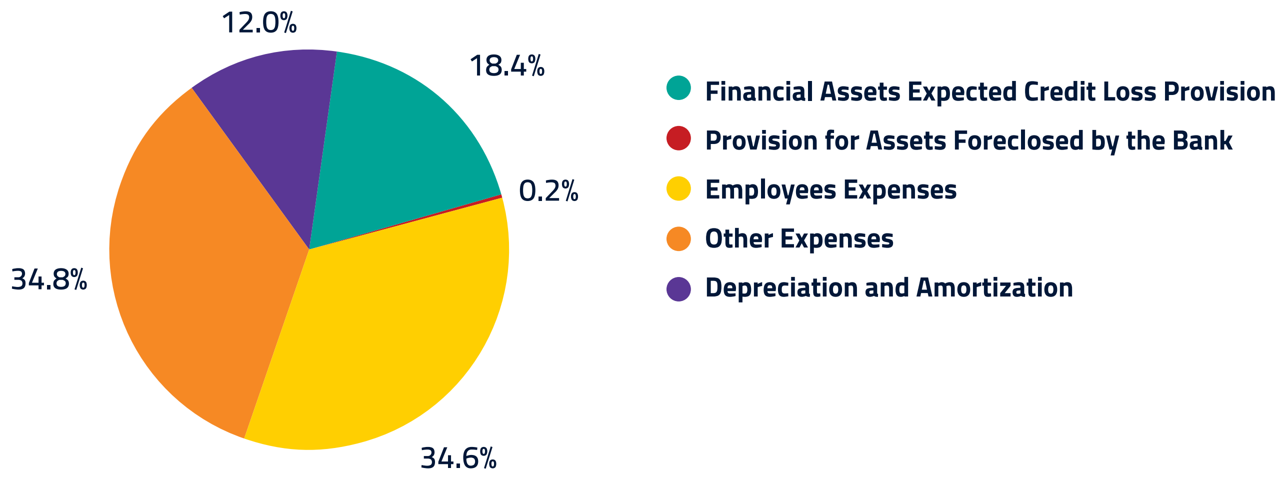
Expenses and Provisions:

Total expenses and provisions decreased by about 13.8% from 2020 to 2021, reaching JD 87.5 million. This was due to a JD15.8 million decrease in expected credit losses on financial assets, as well as a JD1.2 million increase in depreciation and amortization, with a rate of 13.5%. Employee costs were reduced by JD724,300. Due to an increase in donations, regulations, and their upkeep, other expenses increased by about JD1.54 million.

In 2021, the salaries and bonuses of the senior executive management team totaled around JD2.2 million, while the fees for Bank of Jordan's auditors were JD141,400; the audit fees for Bank of Jordan Syria were JD2,300, audit fees for the Excellence Company for Financial Investments were JD4,000, and the audit fees for the Jordan Company for Financial Leasing were JD4,500.

Expenses and Provisions	JD (Millions)		Relative Significance %	
	2021	2020	2021	2020
Financial Assets Expected Credit Loss Provision	16.1	31.9	18.4%	31.4%
Provision for Assets Foreclosed by the Bank	0.2	0.4	0.2%	0.4%
Employees Expenses	30.3	31.0	34.6%	30.5%
Other Expenses	30.4	28.9	34.8%	28.5%
Depreciation and Amortization	10.5	9.3	12.0%	9.1%
Total	**87.5**	**101.4**	**100%**	**100%**

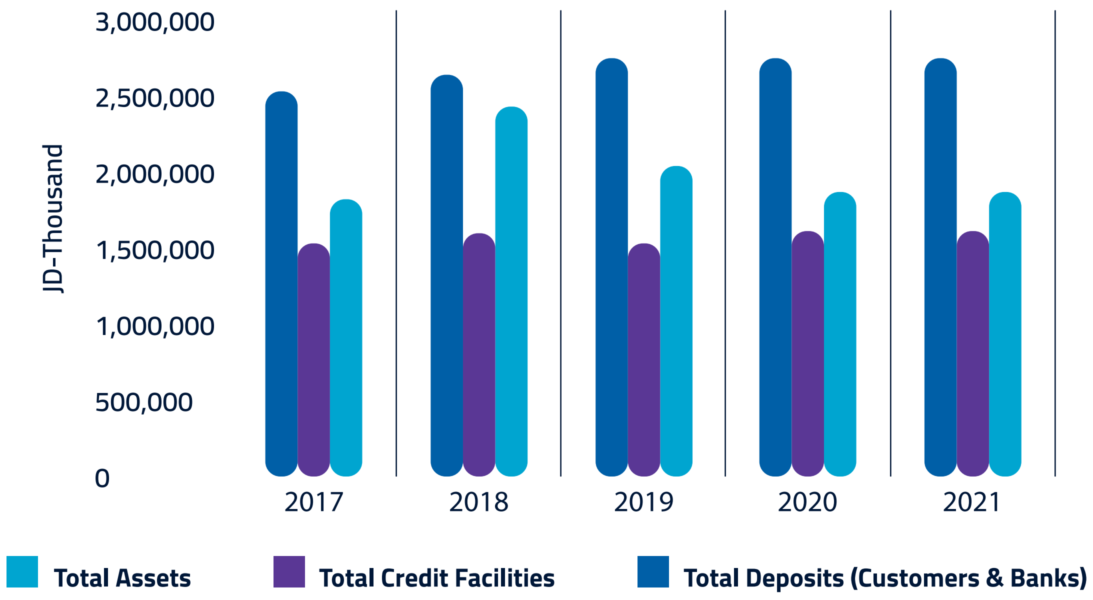
Relative Significance of Expenses and Provisions - 2021



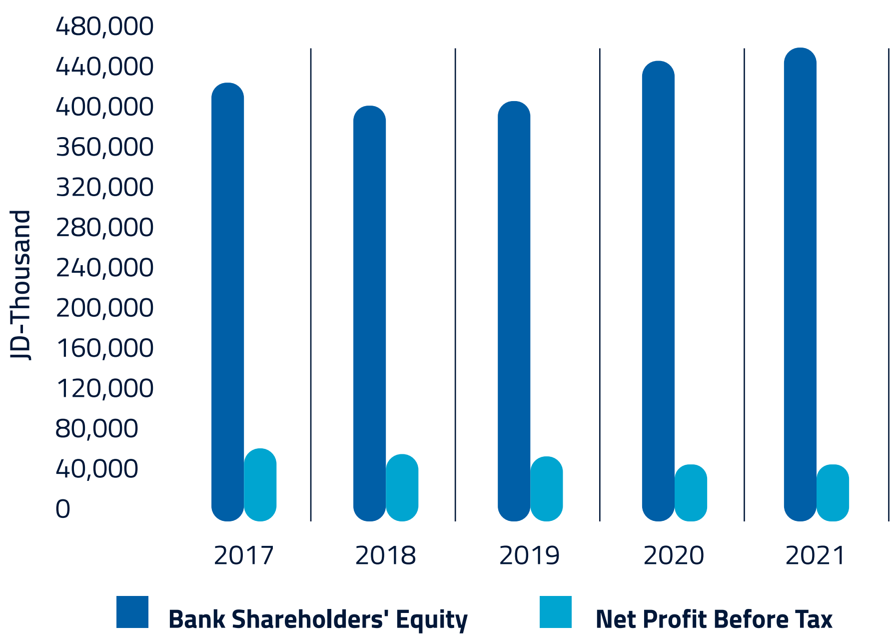
Main Financial Ratios	2021	2020
Return on Average Bank Shareholders' Equity	7.66%	8.24%
Return on Capital	18.2%	17.7%
Return on Average Assets	1.33%	1.31%
Profitability Per Employee (After Tax)	JD 17,728	JD17,134
Interest Income / Average Assets	4.73%	5.04%
Interest Expense / Average Assets	0.76%	0.71%
Interest Margin / Average Assets	3.97%	2.66%
Coverage Ratio of Provisions for Non-Performing Loans (Net)	96.5%	95.6%
Non-Performing Loans (After Deducting Interest in Suspense) / Total Credit Facilities	8.00%	7.80%

Financial Indicators: 2017– 2021	Amount in JD Thousand				
Financial Year	2017	2018	2019	2020	2021
Total Assets	2,565,132	2,619,080	2,708,102	2,712,413	2,740,204
Total Credit Facilities	1,541,582	1,575,119	1,531,540	1,619,616	1,658,186
Total Deposits (Customers and Banks)	1,910,697	2,013,035	2,070,343	1,979,950	2,001,826
Bank Shareholders' Equity	433,665	411,891	414,333	454,758	473,407
Non-Controllers' Interest	5,491	5,566	5,774	7,649	12,658
Net Profit Before Tax	67,583	62,959	61,130	52,074	51,894

The Development of Financial Position



The Development of Financial Position



Objectives of the future plan of the Bank of Jordan Group 2022

The Bank of Jordan Group plans to continue to provide innovative financial services and solutions in 2022, as well as to accelerate the provision of digital and electronic services by upgrading digital transformation plans that help customers save time and effort. And work to streamline the bank's operations and improve its technical readiness in order to achieve balanced and long-term results that maximize value for our shareholders and partners. While also keeping an eye on changes and developments in the markets on a local, regional, and global level.

▪ Strategic Pillar
- Bank's business growth and diversification through the Baghdad branch's completion and launch of operations in Iraq. In addition, we're looking at the potential for growth in the region, which is experiencing rapid economic expansion.
- Reorganizing the corporate business sector in order to increase the bank's market share and achieve the necessary growth in line with the Risk Appetite.
- Upscaling the treasury business sector and laying the foundations for managing treasury business at the group level of the Bank.

▪ Financial Pillar

Based on the anticipated business environment, economic growth rates, challenges in the foreseeable future, portfolio analysis, and the unique characteristics of each market in which the bank operates, the bank aims to strengthen its financial position by expanding its business at the source and use of funds, increasing revenues, and controlling costs, while maintaining the following ratios / indicators:
- Return on average assets (ROA) is 1.48% for 2022 compared to 1.33% for 2021.
- The return on average equity of the bank's shareholders (ROE) is 8.97%, compared to 7.76% in 2021.
- The legal liquidity ratio of not less than 100%.
- The group's capital adequacy ratio is not less than 14.5%.

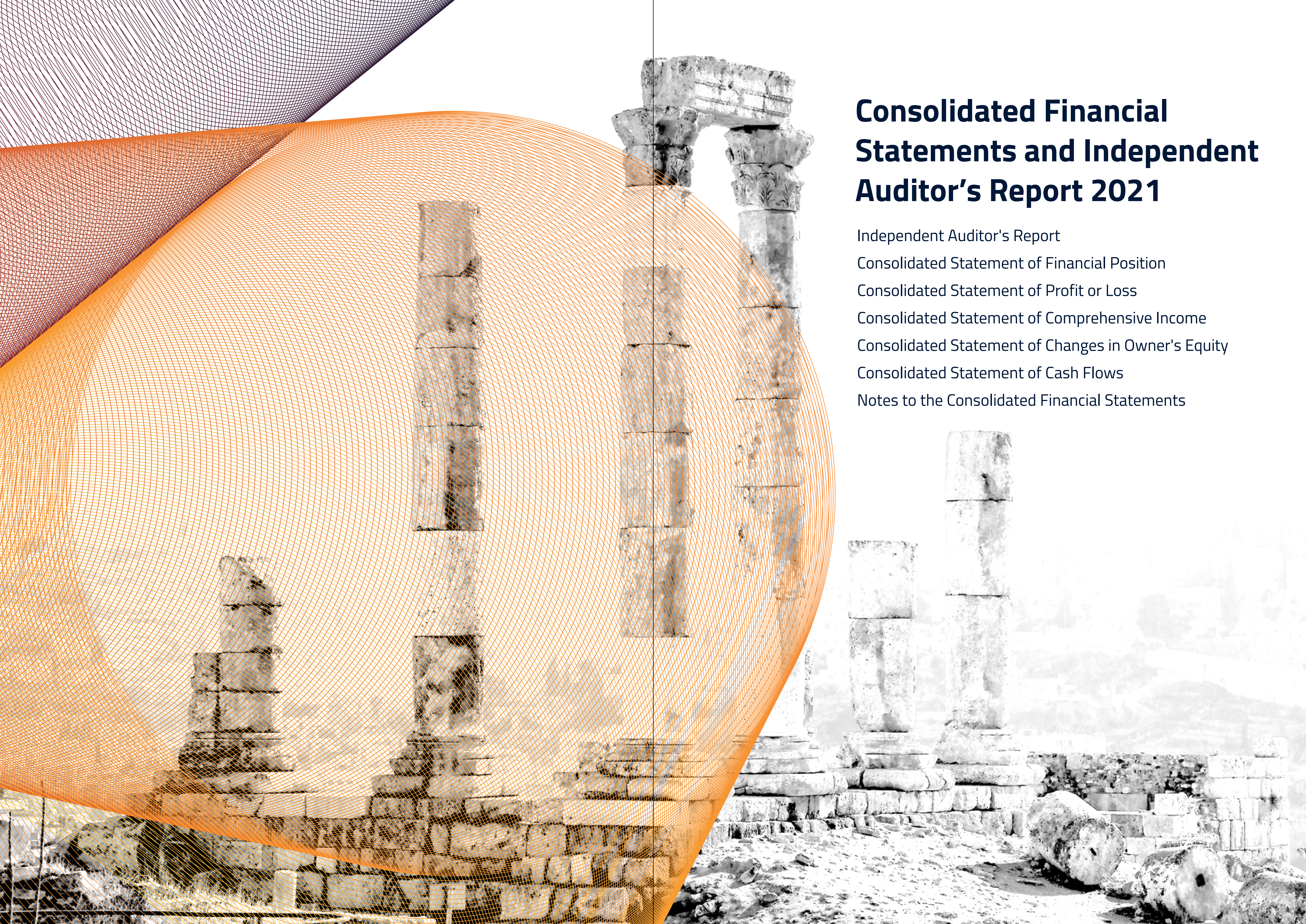
▪ Market and Customer Pillar
- Apply the market segmentation findings and incorporate them into the process of polarization, product development, and customer communication as part of an integrated business strategy.
- Enhancing and differentiating electronic and digital services for individuals and business sectors (corporate and commercial), as well as diversifying the services offered via electronic and digital channels. This is based on the bank's digital transformation plans.
- Launching and developing targeted products, programs, and campaigns that meet and exceed the objectives of customers, while coordinating all efforts with the operations, risk, and control departments.
- Strengthening the positive image of the Bank of Jordan group' by connecting the year's social responsibility initiatives to the sustainable development goals that will be prioritized in 2022.

▪ Internal Operations Pillar

- Completion of work on strategic projects during 2022, which will reflect on business development and enhance the bank's competitive position.
- Improving the operations sector's management, streamlining the bank's operations, increasing technical readiness, and developing systems in a way that reflects the bank's focus on digital and electronic services, and providing the necessary support for external branching plans.
- Preparing a group-level compliance plan to assist business sectors and bank departments in implementing product development plans, digital transformation, and strategic projects in the bank as well as meeting regulatory requirements.
- Developing risk sector management by completing and implementing the ERM project's methodologies and work mechanisms.
- Improving the bank's information security and risk management by developing an applicable methodology for managing the bank's cyber security risks in accordance with the Cyber Security Framework, international best practices, and in compliance with the Central Bank of Jordan's requirements.
- Developing a comprehensive control system (Risk Engine) to monitor banking activities and operations in accordance with best banking practices and within the framework of enterprise risk management by utilizing a set of risk indicators, including the following: (credit risk, market and liquidity risk, operational risk, cybersecurity risk, compliance risk, financial Risk).

▪ Learning and Development Pillar

- Continuing to improve the human resources management by focusing on introducing internal initiatives to improve employee-management communication in a way that promotes employee retention.
- Improving "learning and development" at the Bank of Jordan group level in accordance with the Bank's strategic directions and the objectives of sectors and departments, with a focus on internal capability building.
- Developing the bank's talent management process as part of a strategic approach to identify and develop talented employees through a variety of practices.



Consolidated Financial Statements and Independent Auditor’s Report 2021

KPMG

Independent Auditor's Report

To the Shareholders of
Bank of Jordan
Public Shareholding Company
Amman – The Hashemite Kingdom of Jordan

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of **Bank of Jordan and its subsidiaries "The Bank"** which comprise the consolidated statement of financial position as of December 31, 2021, and the consolidated statements of profit or loss, comprehensive income, changes in owner's equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Bank as of December 31, 2021 and its consolidated financial position and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the Central Bank of Jordan.

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Bank in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (including international independence standers) together with the other ethical requirements that are relevant to our audit of the Bank's consolidated financial statements in Jordan, and we have fulfilled our other ethical responsibilities.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that in our professional judgment, were of most significance in our audit for current year consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters:

KPMG

1. **Adequacy of Expected Credit Loss Provision against Credit Facilities**

Key Audit Matter description	How our audit addressed the key audit matter
Credit facilities are considered important assets of the Bank. The nature and characteristics of credit facilities granted to customers vary from sector to sector and from country to country due to the nature of the Bank's geographical spread. Therefore, the methodology for calculating the expected credit loss provision against direct credit facilities is different due to sectors differences and different risk assessment related to these countries and their legal and organizational requirements. The calculation and accuracy of expected credit losses requires the Bank's management to make assumptions and definitions, including "probability of default", "significant increase in credit risk"…etc. It also requires the use of estimates on the classification of direct credit facilities on different stages and the adequacy of the collaterals then the suspension of interest in the event of default in accordance with the instructions of the regulatory authorities, such matters makes expected credit loss provision against credit facilities a key audit matter. Net credit facilities granted by the Bank to customers amounted to JD 1,486 million, which represent 54% of the total assets as of December 31, 2021 (JD 1,467 million, which represent 54% of the total assets as of December 31, 2020). The expected credit loss provision against direct and indirect facilities amounted to JD 166 million as of December 31, 2021 (JD 151 million as of December 31, 2020).	The audit procedures performed included a review and understanding of the nature of credit facilities portfolio, evaluating the Bank's credit policy, internal control system adopted in granting and monitoring credit and evaluating the extent to which they comply with the requirements of IFRS and comparing the results with the instructions of the regulatory authorities. We completed our understanding of the Bank's methodology for calculating expected credit losses by using experts where appropriate and assessing the expected credit loss model, which includes the following: - Review of the methodology used by the Bank to calculate the expected credit losses and its conformity with the requirements of IFRS (9) and Central Bank requirements in this regard. - Review of the expected credit loss methodology preparation at the model's level. - Credit exposures stages classification of and their reasonableness and determining the significant increase in credit risk - Review of the validity and accuracy of the model used in the calculation process and its components (Probability of Default (PD), Loss Given Default (LGD), Exposure to Default (EAD), effective interest rate and related accruals). - Review the assumptions used for the forward looking and macroeconomic factors - Review of the of expected credit loss calculations. - Review of the completeness of information used in the calculation of expected credit losses and review of the related maker-checker process and it's related supporting documentation. - We have compared the expected credit losses provision calculated according to the International Financial Reporting Standard No. (9) as adopted by Central Bank Jordan with the expected credit loss provision calculated in accordance with the instructions of Central Bank of Jordan No. (47/2009) and that the group has recorded whichever is more strict according to each stage. - Review of the governance procedures related to the expected credit loss calculations. We also assessed the adequacy of the disclosures related to the credit facilities and the expected credit loss provision against credit facilities and related risks in the accompanying notes.

2. **Foreign Currency Translation and the Bank's Investment in Foreign Subsidiary operating in Hyperinflationary Economy**

Key Audit Matter description	How our audit addressed the key audit matter
Due to the deployment of the Bank's foreign branches and subsidiary in several countries and the dealing in various foreign currencies, the Bank may be exposed to fluctuation of exchange rates risks arising from some of those countries' prevailing conditions. Therefore, translating the assets and liabilities of foreign branches and subsidiaries from the local currency (the functional currency) to Jordanian Dinar is significant to our audit, in order to determine whether these companies operate in Hyperinflationary Economies which requires presenting their financial statements in the current unit of measurement and the required determination of the related significant accounting estimates and judgments.	The audit procedures included testing the system of internal control related to the Bank's evaluation of the economies, in which its foreign branches and subsidiaries operates, whether if it is a Hyperinflationary Economy, and the determination of foreign currency exchange rates adopted by management, in addition to review a sample of foreign currency exchange rates adopted by management and matching them with those set by the Central Bank of Jordan, re-calculating a sample of the differences arising from translating those currencies which is presented within other comprehensive income items. We also assessed the requirements of International Accounting Standard No. 29 "Financial Reporting in Hyperinflationary Economies" over the countries in which the Bank has branches and a subsidiary company, and where applicable, we have reviewed the procedures and estimates used by the management to determine the current unit of measurement based on the general index of prices and currency exchange rates, in addition, we reviewed the Bank's procedures performed to restate the financial statement of the subsidiary company using the current unit of measurement and its re-calculation, through involving of experts, where appropriate. We also assessed the adequacy of the disclosures related to International Accounting Standard No. 29 "Financial Reporting in Hyperinflationary Economies" in the accompanying notes.

Other Information

Management is responsible for the other information. This comprises the other information in the annual report excluding the consolidated financial statements and the independent auditor thereon, in which we expected to be made available to us after the date of our audit report. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International financial Reporting statement as adopted by Central Bank of Jordan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISA, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the Bank's effectiveness of the internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Bank to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards procedures.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law and regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

The Bank maintains proper accounting records duly organized and in line with the accompanying consolidated financial statements. We recommend that the General Assembly of Shareholders approve these consolidated financial statements.

The accompanying consolidated financial statements are a translation version of the statutory consolidated financial statements which are issued in the Arabic Language and to which reference should be made.

Kawasmy and Partners
KPMG

شركة القواسمي وشركاه
KPMG
Kawasmy & Partners Company

Hatem Kawasmy
License No. (656)

Amman – Jordan
February 10, 2022

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Statement (A)

BANK OF JORDAN (PUBLIC SHAREHOLDING LIMITED COMPANY)		December 31,	
Amman - Jordan	Note	2021	2020
Assets		JD	JD
Cash and balances with central banks	7	382,035,460	349,537,989
Balances with banks and financial institutions	8	136,002,180	190,722,330
Deposits with banks and financial institutions	9	89,249,477	89,525,567
Financial assets at fair value through profit or loss	10	15,234,423	15,157,042
Financial assets at fair value through comprehensive income	11	62,163,227	84,526,410
Direct credit facilities at amortized cost	12	1,486,114,693	1,466,739,098
Financial assets at amortized cost	13	383,830,120	348,454,969
Property and equipment – Net	14	59,663,986	53,993,594
Intangible assets	15	8,012,000	6,872,445
Deferred tax assets	21	24,556,699	21,808,399
Other assets	16	93,342,183	85,076,144
Total Assets		2,740,204,448	2,712,413,987
Liabilities and Owners' Equity			
Liabilities:			
Banks and financial institutions' deposits	17	93,795,838	70,762,354
Customers' deposits	18	1,908,030,640	1,909,187,576
Cash margins	19	112,659,076	119,819,309
Other provisions	20	5,156,233	5,302,150
Income tax provision	21	20,055,494	19,881,866
Deferred tax liabilities	21	51,871	48,946
Borrowed funds	22	72,139,327	84,582,326
Other liabilities	23	42,250,993	40,422,412
Total Liabilities		2,254,139,472	2,250,006,939
Owners' Equity:			
Equity Attributable to the Bank's Shareholders			
Paid-up capital	24	200,000,000	200,000,000
Statutory reserve	25	104,362,505	99,190,875
Voluntary reserve	25	49,406	46,537
General banking risks reserve	25	4,102,021	2,804,326
Special reserve	25	5,849,743	5,849,743
Foreign currency translation differences	26	(13,009,685)	(12,855,521)
Fair value reserve	27	(3,979,324)	(6,092,218)
Retained earnings	28	176,032,362	165,814,735
Total Equity Attributable to the Bank's Shareholders		473,407,028	454,758,477
Non-controlling interests		12,657,948	7,648,571
Total Owners' Equity		486,064,976	462,407,048
Total Liabilities and Owners' Equity		2,740,204,448	2,712,413,987

The accompanying notes from (1) to (48) constitute an integral part of these consolidated financial statements and should be read with them.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Statement (B)

BANK OF JORDAN (PUBLIC SHAREHOLDING LIMITED COMPANY)	Note	For the Year Ended December 31, 2021	2020
Amman - Jordan		JD	JD
Interest income	30	128,897,646	136,687,914
Less: Interest expense	31	20,671,112	28,779,524
Net Interest Income		108,226,534	107,908,390
Net – Commissions income	32	20,992,547	19,847,212
Net Interest and Commissions Income		129,219,081	127,755,602
Foreign currencies income	33	a3,299,358	2,642,709
Gain from financial assets at fair value through profit or loss	34	90,269	15,056,222
Cash dividends from financial assets at fair value through comprehensive income	11	548,236	510,741
Gain from recognition of financial assets	11	-	3,652,011
Gain from sale of financial assets – debt instruments		975,577	-
Other income	35	5,213,417	3,865,275
Total Income		139,345,938	153,482,560
Employees expenses	36	30,256,003	30,980,308
Depreciation and amortization	14,15	10,500,387	9,254,938
Other expenses	37	30,424,012	28,881,388
Financial assets expected credit loss expenses	38	16,058,119	31,868,913
(Recovered from) assets foreclosed by the Bank impairment provision	16	(269,856)	(357,796)
Other provisions	20	483,284	781,231
Total Expenses		87,451,949	101,408,982
Profit Before Income Tax		51,893,989	52,073,578
Less: Income tax expense	21	15,586,756	16,606,516
Profit for the Year Statements (C) and (D)		36,307,233	35,467,062
Attributable to:			
Bank's Shareholders		36,008,748	35,794,598
Non-controlling Interests		298,485	(327,536)
Profit for the Year		36,307,233	35,467,062
Earnings per share for the year attributable to the Banks' shareholders			
Basic/Diluted	39	0.180	.0179

The accompanying notes from (1) to (48) constitute an integral part of these consolidated financial statements and should be read with them.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Statement (C)

BANK OF JORDAN (PUBLIC SHAREHOLDING LIMITED COMPANY)	For the Year Ended December 31, 2021	2020
Amman - Jordan	JD	JD
Profit for the Year - Statement (B)	36,307,233	35,467,062
Other comprehensive income items:		
Items that may be reclassified subsequently to consolidated statement of profit or loss:		
Gain from sale of debt instruments classifed as financial assets at fair value through comprehensive income	(618,992)	-
Change in fair value reserve of debt instruments classfied as financial assets at fair value through comprehensive income	-	(397,243)
Foreign currencies translation differences	1,432,201	4,167,292
	813,209	3,770,049
Items that will not be reclassified subsequently to consolidated statement of profit or loss:		
Gain from sale of f equity instruments classfied as financial assets at fair value through comprehensive income - net after tax	-	2,337,257
Change in fair value reserve of equity instruments classfied as financial assets at fair value through comprehensive income - net of tax	2,731,886	725,655
	2,731,886	3,062,912
Total Consolidated Comprehensive Income-Statement (D)	39,852,328	42,300,023
Total Consolidated Comprehensive Income attributable to:		
Bank's Shareholders	38,823,806	40,502,256
Non-controlling Interests	1,028,522	1,797,767
	39,852,328	42,300,023

The accompanying notes from (1) to (48) constitute an integral part of these consolidated financial statements and should be read with them.

CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY

Statement (D)

BANK OF JORDAN (PUBLIC SHAREHOLDING LIMITED COMPANY)

Amman - Jordan

Description	Paid-Up Capital	Reserves: Statutory	Reserves: Voluntary	Reserves: General Banking Risks	Reserves: Special	Foreign Currency Translation Differences	Fair Value Reserve	Retained Earnings	Total Equity Attributable to the Banks' Shareholders Equity	Non-Controlling Interests	Total Owners' Equity
For the Year Ended December 31, 2021	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Beginning balance for the year before IAS (29) implementation	200,000,000	99,190,875	46,537	2,804,326	5,849,743	(12,855,521)	(6,092,218)	165,814,735	454,758,477	7,648,571	462,407,048
Impact of IAS (29) implementation- Note (2)	-	-	-	-	-	-	-	3,824,745	3,824,745	3,980,855	7,805,600
Adjusted beginning balance for the year after IAS (29) implementation	200,000,000	99,190,875	46,537	2,804,326	5,849,743	(12,855,521)	(6,092,218)	169,639,480	458,583,222	11,629,426	470,212,648
Foreign currency translation differences	-	(23,269)	(23,269)	-	-	(154,164)	-	902,866	702,164	730,037	1,432,201
Profit for the year – Statement (B)	-	-	-	-	-	-	-	36,008,748	36,008,748	298,485	36,307,233
Realized gain from sale of financial instruments classified as financial assets at fair value through comprehensive income - net of tax	-	-	-	-	-	-	(618,992)	-	(618,992)	-	(618,992)
Change in fair value reserve in equity instrument classfied as financial assets at fair value through comprehensive income - Net of tax	-	-	-	-	-	-	2,731,886	-	2,731,886	-	2,731,886
Total Comprehensive Income – Statement (C)	-	(23,269)	(23,269)	-	-	(154,164)	2,112,894	36,911,614	38,823,806	1,028,522	39,852,328
Transferred to reserves	-	5,194,899	26,138	1,297,695	-	-	-	(6,518,732)	-	-	-
Dividend	-	-	-	-	-	-	-	(24,000,000)	(24,000,000)	-	(24,000,000)
Balance – End of the Year	200,000,000	104,362,505	49,406	4,102,021	5,849,743	(13,009,685)	(3,979,324)	176,032,362	473,407,028	12,657,948	486,064,976
For the Year Ended December 31, 2020											
Beginning balance for the year	200,000,000	94,065,645	134,165	2,196,491	5,849,743	(12,268,120)	24,954,157	99,400,640	414,332,721	5,774,304	420,107,025
Foreign currency translation differences	-	(87,628)	(87,628)	(16,828)	-	(587,401)	-	2,821,474	2,041,989	2,125,303	4,167,292
Profit for the year – Statement (B)	-	-	-	-	-	-	-	35,794,598	35,794,598	(327,536)	35,467,062
Realized gain from sale of financial instruments classified as financial assets at fair value through comprehensive income - net of tax	-	-	-	-	-	-	(31,374,787)	33,712,044	2,337,257	-	2,337,257
Change in fair value reserve in debt instruments classfied as financial assets at fair value through comprehensive income	-	-	-	-	-	-	(397,243)	-	(397,243)	-	(397,243)
Change in fair value reserve in equity instrument classfied as financial assets at fair value through comprehensive income - Net of tax	-	-	-	-	-	-	725,655	-	725,655	-	725,655
Total Comprehensive Income – Statement (C)	-	(87,628)	(87,628)	(16,828)	-	(587,401)	(31,046,375)	72,328,116	40,502,256	1,797,767	42,300,023
Transferred to reserves	-	5,212,858	-	624,663	-	-	-	(5,914,021)	(76,500)	76,500	-
Balance – End of the Year	200,000,000	99,190,875	46,537	2,804,326	5,849,743	(12,855,521)	(6,092,218)	165,814,735	454,758,477	7,648,571	462,407,048

*According to the resolution of the Bank's General Assembly in its ordinary meeting held on April 19,2021 it was approved to distribute 12% dividends of the Bank's capital in cash to shareholders which is equivalent to JD 24,000,000.

** According to the instructions of the regulatory bodies:
- The general banking risks reserve and special reserve cannot be utilized without prior approval from the Palestine Monetary Authority.
- Retained earnings include a restricted amount of JD 24,556,699 against deferred tax benefits as of December 31, 2021 (JD 21,808,399 as of December 31, 2020). This restricted amount cannot be utilized through capitalization or distribution unless actually realized based on the Central Bank of Jordan's instructions.
- Retained earnings include an amount of JD 439,810 as of December 31, 2021 (JD 439,810 as of December 31, 2020) which are restricted amounts and represents the effect of early adoption of IFRS (9). These restricted amounts cannot be utilized unless realized through actual sale.
- The fair value reserve cannot be utilized including capitalization, distribution, losses write-off or any other commercial acts unless realized through actual sale as instructed by the Central Bank of Jordan and Jordan Securities Commission, retained earnings balance also includes JD 813,437 as of December 31 2021 (JD 813,437 as of December 31, 2020) that cannot be utilized through distribution or any other purposes unless there is a prior approval from the Central Bank of Jordan resulting from implementation of Central Bank of Jordan Circular no .10/1/1359 dated January 25, 2018 and Central Bank of Jordan Circular No. 13/2018 dated June 6, 2018.

The accompanying notes from (1) to (48) constitute an integral part of these consolidated financial statements and should be read with them.

CONSOLIDATED STATEMENT OF CASH FLOWS

Statement (E)

BANK OF JORDAN (PUBLIC SHAREHOLDING LIMITED COMPANY)		For the Year Ended December 31,	
Amman - Jordan	Note	2021	2020
Cash Flows from Operating Activities:		JD	JD
Profit before income tax – statement (13)		51,893,989	52,073,578
Adjustments for Non-Cash Items:			
Depreciation and amortization	14,15	10,500,387	9,254,938
Financial assets expected credit loss expenses	38	16,058,119	31,868,913
(Gain) from sale of property and equipment	35	(81,073)	(717,916)
Unrealized (Gain) from financial assets at fair value through profit or loss	34	(77,381)	(14,988,346)
Gain from recognition of financial assets	11	-	(3,652,011)
Effect of exchange rate fluctuations	33	(3,134,263)	(2,530,549)
Other provisions	20	483,284	781,231
(Recovered from) assets foreclosed by the bank impairment provision	16	(269,856)	(357,796)
Foreign currency exchange differences		(344,212)	3,808,660
Profit before changes in assets and liabilities		75,028,994	75,540,702
Changes in Assets and Liabilities:			
(Increase) decrease in restricted balances		(2,779,920)	10,617,369
Decrease in deposits with banks and financial institutions (maturing over 3 months)		282,000	118,685,314
Decrease in financial assets at fair value through profit or loss		-	460,020
(Increase) in direct credit facilities at amortized cost		(36,367,338)	(92,428,376)
(Increase) in other assets		(7,996,183)	(3,026,481)
Increase (Decrease) in deposits at banks and financial institutions (maturing over 3 months)		282,000	(80,000,000)
(Decrease) in customers' deposits		(1,156,936)	(9,910,531)
(Decrease) in cash margins		(7,160,233)	(774,612)
(Decrease) increase in borrowed funds		(12,498,535)	60,135,362
Increase (Decrease) in other liabilities		739,930	(3,013,214)
Net Change in Assets and Liabilities		(66,655,215)	744,851
Net Cash Flows from Operating Activities before paid, Taxes end-of-Service Indemnity Provision, and Lawsuits Provision		8,373,779	76,285,553
End-of-service indemnity and lawsuits provisions paid	20	(521,180)	(415,042)
Taxes paid	21	(18,161,428)	(22,692,105)
Net Cash Flows (Used in) from Operating Activities		**(10,308,829)**	**53,178,406**
Cash Flows from Investing Activities:			
(Purchase) of financial assets at amortized cost		(83,031,689)	(138,276,286)
Maturity of financial assets at amortized cost		47,879,329	61,855,877
(Purchase) Financial assets at fair value through comprehensive income		(270,626)	-
Proceeds from sale of financial assets at fair value through comprehensive income		24,937,771	2,900,734
Financial derivatives		(232,806)	276,515
(Purchase) of property and equipment and advance payments to acquire property and equipment		(4,357,171)	(6,877,093)
Proceeds from sale of property and equipment		194,744	900,708
(Purchase) of intangible assets	15	(2,623,664)	(2,124,672)
Net Cash Flows (Used in) Investing Activities		(17,504,112)	(81,344,217)
Cash Flows from Financing Activities:			
Foreign currency translation differences		1,432,201	4,167,292
Dividends paid to shareholders		(24,479,143)	(56,800)
Net Cash Flows (Used in) from Financing Activities		(23,046,942)	4,110,492
Effect of exchange rate fluctuations on cash and cash equivalents	33	3,134,263	2,530,549
Net (decrease) in cash and cash equivalents		(47,725,620)	(21,524,770)
Cash and cash equivalents - beginning of the year	40	412,918,196	434,442,966
Cash and Cash Equivalents - End of the Year	**40**	**365,192,576**	**412,918,196**

1.General

- Bank of Jordan was established in 1960 as a Public Shareholding Limited Company with headquarters in Amman – Jordan. The bank was registered on March 3, 1960 under number (1983) according to the Companies Law No. 33 for the year 1962 with an authorized capital of JD 350,000, represented by 70,000 shares at a par value of JD 5 per share. However, the Bank's authorized and paid-up capital was increased in several stages, the last of which took place in accordance to the general assembly's resolution at their extraordinary meeting held on April 9, 2016, for which, the Bank's capital was increased from JD 155-1 million to JD 200 million through the capitalization of JD 13,702,858 from voluntary reserve and JD 31,197,142 from retained earnings. The legal procedures related to the capital increase were completed on April 19, 2016.
- The Bank provides all financial and banking services within its scope of activities. Those services are offered at its (83) branches across Jordan, (17) branches across Palestine, Bahrain branch, and its subsidiaries in Jordan and Syria (Excel for Financial Investments Company, Jordan Leasing Company and Bank of Jordan – Syria).
- The Bank has obtained all necessary approvals from Central Bank of Jordan and the regulatory authorities in Iraq for the establishment of a branch in Iraq. The branch is still in establishment phase.
- The consolidated financial statements have been approved by the Board of Directors in its meeting No. (637) held on January 27, 2022, and still subject to the Central Bank of Jordan and the Bank's General Assembly approval.

2. Consolidated Financial Statements Basis of Preparation

- The consolidated financial statements for the Bank and its subsidiaries were prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board and the interpretations issued by International Financial Reporting Interpretation Committee affiliated with the International Accounting Standards Board as adopted by the Central Bank of Jordan.
- The main differences between International Financial Reporting Standards that should be applied and what was adopted by the Central Bank of Jordan are as follows:
- Expected credit losses allowances are calculated in accordance with the Central Bank of Jordan (CBJ) instructions No. (13/2018) "International Financial Reporting Standard No. (9) Implementation" dated June 6, 2018 and in accordance with the regulatory authorities instructions in the countries where the Bank operates whichever is more strict, the main significant differences are as follows:
  - Debt instruments issued or guaranteed by the Jordanian government are excluded, so that credit exposures issued or guaranteed by the Jordanian government are treated with no credit losses.
  - When calculating credit losses against credit exposures, the calculation results in accordance to International Financial Reporting Standards (9) are compared with the instructions of the Central Bank of Jordan No. (47/2009) dated December 10, 2009 for each stage separately and the greater results are recorded.
- In accordance with the instructions of the Central Bank of Jordan and the instructions of the supervisory authorities in the countries in which the bank operates, interest and commissions are suspended on non-performing credit facilities.
- Assets foreclosed by Bank are presented at the consolidated statement of financial position within other assets at the value that has been acquired by the Bank or the fair value, whichever is lower, and are reassessed individually on each consolidated financial statements date, and any impairment in their value is recorded as a loss in the consolidated statement of profit or loss but the increase is not recorded, to the extent that it does not exceed the value of the previously recorded impairment. Starting from the year 2015, the bank has started to calculate gradual provision against the assets foreclosed by the bank in exchange of credit facilities that have been in possession for more than 4 years in accordance with the Central Bank of Jordan Circular No. 15/1/4076 dated March 27, 2014 and Circular No. 10/1/2510 dated February 14, 2017. Subseqeuntly, Central Bank of Jordan has issued different circulars regarding postponing the provision calculations, the latest of which was Circular No. 10/3/13246 dated September 12, 2021 which require the bank to complete recognizing the required provisions starting from the year 2022 at 5% annually from their book value, to reach the required percentage of 50% from the book value of these foreclosed assets by the end of year 2030.
- Additional provisions booked as part of the expected credit losses in the consolidated financial statements against part of the Bank's foreign investments in a near countries within expected credit losses.
- The net outcome of the differences between the Central Bank of Jordan instructions and the International Financial Reporting Standards represented by having the Bank to book additional provisions to comply with these instructions.

- The consolidated financial statements were prepared on the historical cost basis except for the adjusted effects of inflation for the entities which operate in hyperinflationary economies and financial assets at fair value through profit or loss, financial assets at fair value through comprehensive income and financial derivatives measured at fair value at the date of the consolidated financial statements. Moreover, hedged financial assets and financial liabilities are stated at fair value.

The economy of the Syrian Arab Republic became hyperinflationary in 2021. Accordingly, the results, cash flows and financial position of the Group's subsidiary in the Syrian Arab Republic have been expressed in terms of the measuring unit current at the reporting date in accordance with IAS 29: Financial Reporting in Hyperinflationary Economies for the purpose of the Bank's consolidated financial statements. The methods used to measure the fair value and adjustments made to the account of the subsidiary entity that operate in the hyperinflationary economy are discussed further in the accounting policies and in the respective notes.

In 2021, the Bank noted that the economy of the Syrian Arab Republic, where the Bank has Subsidiary (Bank of Jordan – Syria), is hyperinflationary starting from the beginning of 2021. This was based on the general price index showing the cumulative three-year rate of inflation exceeding 100% at that time in addition to other factors, for which inflation rates related to the year 2020 were disclosed in the year 2021. However, International Accounting Standard, IAS 29: Financial Reporting in Hyperinflationary Economies, does not establish an absolute rate at which hyperinflation is deemed to arise and states that it is a matter of judgment. In addition, the Bank noted that the report issued by the official Syrian agencies for the year 2020 at the end of year 2021 shows that the inflation average rate to be around 114% for the year 2020, and the expected inflation average rate for the year 2021 calculated according to the USD exchange rates to be around 69%, in addition to the fact that the Syrian Arab Republic has been declared as hyperinflationary in 2022, and thus, applying IAS 29 in 2021 is confirmed to be applied for the year 2021.

Based on management estimates, the group's subsidiary in the Syrian Arab Republic has been accounted for as an enterprise operating in a hyperinflationary economy that has been experiencing high rates of inflation since 2021. The general prices indicators used to adjust the results, cash flows and financial position of the subsidiary – Bank of Jordan Syria shown below are based on Syrian consumer price index published by the Syrian Statistics Office as follows:

Year	Index	Coefficient factor
2021	3,251	1
2020	1,920	1.69
2019	896	3.63
2018	790	4.11
2017	783	4.15
2016	663	4.90
2015	449	7.24
2014	324	10.03
2013	265	12.29
2012	205	15.89
2011	149	21.84
2010	142	22.88
2009	136	23.88
2008	132	24.55

Based on the above, the Bank determined the net cash profit in local currency equivalent to JD 7,805,600 as of January 1, 2021, which was recorded on the opening balance of retained earnings as year 2021 is the first year of IAS 29 implementation, and there was no significant impact over the consolidated statement of profit or loss for the year ended December 31, 2021.

3. Functional and Presentation Currency

These financial statements are presented in Jordanian Dinar, which is the Bank's functional currency.

4. Significant Accounting Judgments and Key Sources of Uncertainty Estimates

Preparation of the consolidated financial statements and application of the accounting policies require management to make judgments, estimates, and assumptions that affect the amounts of financial assets and financial liabilities and to disclose potential liabilities. Moreover, these estimates and judgments affect revenues, expenses, provisions in general, expected credit losses, as well as changes in fair value that appear in the consolidated statement of comprehensive income and within shareholders' equity. In particular, the Bank's management requires judgments to be made to estimate the amounts and timing of future cash flows. These estimates are necessarily based on multiple hypotheses and factors with varying degrees of estimation and uncertainty. Meanwhile, the actual results may differ from estimates due to the changes arising from the conditions and circumstances of those estimates in the future.

Judgments, estimates, and assumptions are reviewed periodically. Moreover, the effect of the change in estimates is recognized in the financial period in which the change occurs if the change affects only the financial period. On the other hand, the effect of the change in estimates is recognized in the financial period in which the change occurs and in future periods if the change affects the financial period and future financial periods.

Management believes that its estimates in the consolidated financial statements are reasonable based on the following details:

Impairment of foreclosed assets

Impairment of foreclosed assets is recognised based on accredited and updated real-estate evaluations performed by certified appraisers for the purpose of asset impairment calculation, at which the impairment is reviewed periodically. Starting from the year 2015, the bank has started to calculate gradual provision against the assets foreclosed by the bank in exchange of credit facilities that have been in possession for more than 4 years in accordance with the Central Bank of Jordan Circular No. 15/1/4076 dated March 27, 2014 and Circular No. 10/1/2510 dated February 14, 2017. Subseqeuntly, Central Bank of Jordan has issued different circulars regarding postponing the provision calculations, the latest of which was Circular No. 10/3/13246 dated September 12, 2021 which require the bank to complete recognizing the required provisions starting from the year 2022 at 5% annually from their book value, to reach the required percentage of 50% from the book value of these foreclosed assets by the end of year 2030.

Tangible and intangible assets useful life

Management periodically reassesses the economic useful life of property, plant and equipment, intangible assets, based on the general condition of these assets and the expectation of their useful economic lives in the future. The impairment loss is recognized in the consolidated statement of profit or loss for the year.

Income tax

Management recognizes income tax expense deferred tax assets, deferred tax liabilities and required tax provision for the year based on management's estimate for taxable profit in accordance with the prevailing laws, regulations and IFRSs.

Litigation provision

A provision is made to meet any potential legal liabilities based on a legal study prepared by the Bank's legal counsel. This study identifies potential future risks and is reviewed periodically.

Provision for end-of-service indemnity

Recalculation and formation of end of service benefits for each employee for current and prior periods which are discounted to their present value.

Assets and liabilities at cost

Management periodically reviews assets and liabilities to assess and evaluate impairment, and any loss incurred is recognised within the consolidated statement of profit or loss for the year.

Allowance for expected credit losses

Management is required to use significant judgments and estimates to estimate the amounts and timing of future cash flows and assess the risks of a significant increase in credit risks for financial assets after initial recognition and future measurement information for the expected credit losses. The most important policies and estimates used by the Bank's management are detailed in note (43).

Evaluation of business model

The classification and measurement of financial assets depend on the results of the principal and interest payments test on the principal outstanding and the business model test. The Bank defines a business model at a level that reflects how the groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgment that reflects all relevant evidence, including how to assess the performance of the assets and measure their performance, the risks that affect the performance of assets and how they are managed, and how asset managers are compensated. The Bank monitors financial assets measured at amortized cost or fair value through other comprehensive income and derecognized before maturity to understand the reason for derecognition and whether the reasons are consistent with the objective of the business held. In this respect, control is part of the Bank's continuous assessment of whether the business model under which the remaining financial assets are retained is appropriate, and whether it is inappropriate if there is a change in the business model, and therefore, a future change is made in the classification of those assets.

Significant increase in credit risk

The expected credit loss is measured as an allowance equivalent to the expected credit loss of 12 months for the assets of the first stage, or the credit loss over the life of the assets of the second or third stage. The asset moves to the second stage if credit risk increases significantly since initial recognition. IFRS (9) does not specify what constitutes a significant increase in credit risk. In assessing whether the credit risk of any asset has increased significantly, the Bank takes into account reasonable and reliable quantitative and qualitative information. The estimates used by the Bank's management concerning the significant change in credit risk that result in a change in the classification within the three stages (1, 2 and 3) are shown in detail in note (43).

Establish groups of assets with similar credit risk characteristics

When expected credit losses are measured on a collective basis, financial instruments are grouped basing on credit risks shared qualities for example (instrument type, credit risk severity, guarantee type, initial recognition date, remaining period till due date, industry, geographical location for the lender, etc.). The bank continuously monitors the convenience of credit risks properties to assess whether it is still consistent. This is required to guarantee that in case there are any changes in credit risk properties the assets get redistributed accordingly. That may result in building up new portfolios of the transfer of existing assets to existing portfolios that better reflect credit risk properties for that group of assets.

Re-division of portfolios and movements between portfolios

The re-division of portfolios and movements between portfolios is more common when credit risk increases significantly (or when such a large increase is reflected). Therefore, assets are transferred from expected credit losses of between (12) months to another portfolio or vice versa. However, this may happen within the portfolios that continue to be measured on the same basis as expected credit losses for a 12-month period or a lifetime, but the amount of the expected credit loss changes due to the varying credit risk of portfolios.

Models and assumptions used

The Bank uses various models and assumptions in measuring the fair value of financial assets as well as in assessing the expected credit loss described in note (43). The judgment is applied when determining the best models for each type of asset as well as for the assumptions used in those models, which include assumptions regarding the main drivers of credit risk.

A. Classification and measurement of financial assets and liabilities

The Bank classifies financial instruments or components of financial assets at initial recognition either as a financial asset or a financial liability, or as an equity instrument in accordance with the substance of the contractual agreements and the definition of the instrument. The reclassification of a financial instrument is subject to the substance of the financial statements and not to its legal form. The Bank shall determine the classification at initial recognition and reassess such determination, if possible and appropriate, at each date of the consolidated statement of financial position. When measuring financial assets and liabilities, certain assets and liabilities of the Bank are re-measured at fair value for financial reporting purposes. In assessing the fair value of any assets or liabilities, the Bank uses available observable market data. In the absence of Tier 1 inputs, the Bank conducts evaluations using professionally qualified independent evaluators. The Bank works closely with qualified external evaluators to develop appropriate valuation and data valuation techniques.

B. Fair value measurement

If the fair values of financial assets and financial liabilities included in the consolidated statement of financial position cannot be obtained from active markets, these fair values are determined using a range of valuation techniques involving the use of mathmetical models. If possible, the entered data for those models will be extracted from the market data. In the absence of such market data, fair values are determined by making judgments. These provisions include liquidity considerations and model data such as derivative volatility, longer-term discount rates, pre-payment ratios and default rates on asset-backed securities. Management believes that the valuation techniques used are appropriate to determine the fair value of financial instruments.

C. Derivative financial instruments

- The fair values of derivative financial instruments measured at fair value are generally obtained by reference to quoted market prices, discounted cash flow models and, where appropriate, recognized pricing models. In the absence of prices, fair values are determined using valuation techniques that reflect observable market data. These techniques include comparison with similar instruments at observable market prices, discounted cash flow analysis, pricing option models and other valuation techniques commonly used by market participants. The main factors that management takes into consideration when applying the model are:
- The expected timing and probability of future cash flows on the instrument where such cash flows are generally subject to the terms of the instrument, although the management's judgment may be required, where the counterparty's ability to repay the instrument in accordance with contractual terms is in doubt.
- An appropriate discount rate for the instrument. Management determines the instrument discount rate at a rate higher than the non-risk rate. In assessing the instrument by reference to comparative instruments, Management considers the maturity, structure, and degree of classification of the instrument based on the system in which the existing position is compared. When evaluating tools on a model basis using the fair value of the main components, they also consider the need to adjust for a several factors, such as bid differences, credit status, portfolio service costs, and uncertainty about the model.

Leases

Some leases of office premises have extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. Where practical, the Group looks to include extension options in new leases to supply operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

Key Sources of Uncertainty Estimates

The principal estimates used by Management in applying the Bank's accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are as follows:

Determining the number and relative weight of scenarios, the outlook for each type of product / market, and the identification of future information relevant to each scenario

When measuring the expected credit loss, the Bank uses reasonable and supported future information based on the assumptions of the future movement of the various economic drivers and the manner in which they affect each other.

Probability of Default

The potential for default is a key input in measuring the expected credit loss. The probability of default is an estimate of the probability of default over a given period of time, which includes the calculation of historical data, assumptions, and expectations relating to future circumstances.

Loss Given Default
Loss given default is an estimate of the loss arising from default. It is based on the difference between the contractual cash flows due and those that the financer expects to collect, taking into account cash flows from collateral and integrated credit adjustments.

Fair Value Measurement and Valuation Procedures
When estimating the fair value of financial assets and financial liabilities, the Bank uses available observable market data. In the absence of level (1) inputs, the Bank conducts evaluations using appropriate valuation models to determine the fair value of financial instruments.

Lease Payments Discount
Lease payments are discounted using the implicit lease interest rate or the incremental borrowing rate.
Management have applied the judgments and estimates to determine additional borrowing rate on the start of the lease date.
Management believes that the estimates included in preparation of the consolidated financial statements are reasonable and identical with the estimates used in the consolidated financial statements preparation for the year ended on December 31, 2020.

Hyperinflation
The Bank exercises significant judgement in determining the onset of hyperinflation in countries in which it operates and whether the functional currency of its subsidiary is the currency of a hyperinflationary economy. The Bank also exercises some estimates in determining the inflation rates that are not published by official bodies using the USD currency exchange rates in accordance with the requirements of International Accounting Standard No. 29.

Various characteristics of the economic environment of each country are taken into account. These characteristics include, but are not limited to, whether:
- the general population prefers to keep its wealth in non-monetary assets or in a relatively stable foreign currency;
- prices are quoted in a relatively stable foreign currency;
- sales or purchase prices take expected losses of purchasing power during a short credit period into account;
- interest rates, wages and prices are linked to a price index; and
- the cumulative inflation rate over three years is approaching, or exceeds, 100%.

Management exercises judgement as to when a restatement of the financial statements of a Subsidiary entity becomes necessary.

5.Changes in the Accounting Policies
The Application of the New and Amended International Standards

A. Amendments that did not have a material impact on the banks consolidated financial statements:
The following new and revised International Financial Reporting Standards were adopted, effective starting from or after January 1, 2021, when preparing the consolidated financial statements for the Bank, which did not significantly affect the amounts and disclosures stated in the consolidated financial statements for the year and prior years, noting that they may have an impact on the accounting treatments of future transactions and arrangements:

New standard or amendments	Application date
Interest Rate Benchmark Reform-Phase 2 (Amendments to IFRS9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	1 January 2021
Prerogative lease contract that related to covid 19 after June 30, 2021-ammendment for IFRS 16	1 April 2021

The adoption of the above standards has not affected the amounts or disclosures in the consolidated financial statements.

B. New and revised IFRSs issued and not yet effective:
The Bank has not adopted the following new and amended IFRSs issued but not yet effective as of the date of the consolidated financial statements. The details are as follows:

New standard or amendments	Application date
Loss-making contracts (a contract in which the total cost required to fulfill the contract is higher than the economic benefit that can be obtained from it) - the cost of implementing the contract (amendments to IAS 37)	January 1, 2022
Annual amendments to IFRS 2018-2020	January 1, 2022
Property and equipment: obtained prior to the required or intended use of property and equipment (amendments to IAS 16)	January 1, 2022
The reference to the conceptual framework (amendments to IFRS 3)	January 1, 2022
Amendment for IFRS 1 finacial statement reporting and pplication for IFRS1 to prepare finacial stament and its disclousre.	January 1, 2023
Amendment for IFRS 8- accounting policies , chandes in accounting estimation and judjment, definition for accounting estimation	1,January,2023
Amendment for IFRS 12 , tax, defeered tax asset and liabilites	January 1, 2023
Classification of liabilities into current or non-current liabilities (Amendments to IAS 1)	January 1, 2023
IFRS 17 "Insurance Contracts" and Amendments to IFRS 17 "Insurance Contracts"	January 1, 2023
Sale or grant of assets between an investor and an affiliate company or a joint venture (amendments to IFRS 10 and IAS 28)	Available for optional application / application date postponed

Management expects to apply these new standards, interpretations, and amendments to the consolidated financial statements of the Bank when they are applicable. Moreover, the adoption of these new standards, interpretations, and amendments may have no material impact on the Bank's consolidated financial statements in the initial application period.

6. SIGNIFICANT ACCOUNTING POLICIES
The accounting policies applied by the Bank in these consolidated financial statements for the year ended December 31, 2021 are the same as those applied by the Bank in its consolidated financial statements for the year ended December 31, 2020, except for International Financial Reporting Standards amendments and improvements that became effective on and after January 1, 2021 disclosed in note (5-A).

Basis of Consolidation of Financial Statements
The Consolidated financial statements comprise of the financial statements of the Bank (and its subsidiaries which are subject to its control), the principle of control sets out the following three elements of control:
- Power over the investee.
- Exposure, or rights, to variable returns from its involvement with the investee.
- The ability to use power over the investee to affect the amount of the investor's returns.

The Bank reassess whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control at each reporting year.

If the voting rights for the Bank decreased below the majority voting rights at any of the subsidiaries, the Bank has control when its voting rights are sufficient to give the Bank the ability to direct the activities of the subsidiary facility from one side only.

And the Bank takes into consideration all facts and circumstances when estimating whether the Bank has sufficient voting rights that enable the Bank'scontrol. Among those facts and circumstances are:

- The size of the voting rights that the Bank possesses and the distribution of other voting rights.
- Possible voting rights that the Bank possesses and any other parties that possess voting rights as such.
- Emerging rights from other contractual arrangements.
- Any other facts and circumstances that indicate that the Bank may or may not become liable when it's required to make decisions, including voting mechanism in previous general assembly meetings.

Subsidiaries are consolidated when the Bank controls the entity and consolidation pauses when the Bank loses control over the subsidiary. Specifically, the acquired or disowned subsidiaries during the year their results are included in the consolidated profit and loss statement from the control till the loss of control date.

Profits and losses and every item from the comprehensive income items gets distributed to the owners in the entity and non-controllinginterests, the comprehensive income of subsidiaries is distributedto the owners at the entity and the non-controlling interests even if this distribution would lead to a deficit in the total balance of the non-controlling interests.

Adjustments on the subsidiaries financial statements are performed, on necessity to match the accounting policies of the Bank.

All assets, liabilities, owners' equity, income, intercompany transactions, and balances between the Bank and the subsidiaries are removed on consolidation.

NCIs in subsidiaries are determined separately from the Bank's equity in these subsidiaries. NCIs are measured initially at their proportionate share of the acquirer's identifiable net assets at the date of acquisition.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Intra-group balances and transactions, and any unrealized income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

When the Bank loses control over a subsidiary, resulting profit or loss from the disposal of the subsidiary is recognized in the profit and loss statement by calculating the difference between (A) total fair value of the received amount and the fair value of any remaining shares and (B) the current value of the assets (including good will) netted from it the liabilities of the subsidiaries and any non- controlling interests. All previously recognized amounts are stated in the statement of comprehensive income regarding that subsidiary as if the Bank had just disposed of the assets and liabilities relating to that subsidiary. The fair value of the investment held at the previous subsidiary at the loss of control date as a fair value on initial recognition of subsequent accounting according to the international financial reporting standard (9) "financial instruments" on application of the standard, or the initial recognition cost of the investment at an associate or in a joint project.

The Bank has the following subsidiary companies as of December 31, 2021:

Name of Subsidiary	Paid-up Capital	Bank's Ownership Percentage	Subsidiary's Nature of Business	Place of Operation	Acquisition Date
		%			
Excel for Financial Investments Company	3,5 Million Jordan Dinar	100	Financial brokerage	Amman	March 23, 2006
Bank of Jordan – Syria*	3,000 Million Syrian pound	49	Financial bank	Syria	May 17, 2008
Jordan Leasing Company	20 Million Jordan Dinar	100	Financing leases	Amman	October 24, 2011

The most important information of the subsidiaries for the years 2021 and 2020 is as follows:

Name of Subsidiary	December 31, 2021		For the Year 2021	
	Total Assets	Total Liabilities	Total Revenues	Total Expenses
	JD	JD	JD	JD
Excel for Financial Investments Company	7,085,780	1,366,254	300,505	228,000
Bank of Jordan – Syria*	69,137,668	52,123,757	2,171,596	1,586,327
Jordan Leasing Company	30,335,963	4,351,323	1,635,761	542,714

	December 31, 2021		For the Year 2021	
	JD	JD	JD	JD
Excel for Financial Investments Company	5,828,061	181,040	311,221	233,138
Bank of Jordan – Syria*	47,376.307	32,379,107	1,408,044	2,050,271
Jordan Leasing Company	29,359,260	4,467,660	1,877,867	464,067

* Since the bank has control over the financial and operational policies and the management of the bank in Syria, the accounts of the Bank of Jordan - Syria have been consolidated in the attached consolidated financial statements, noting that and for the purposes of the consolidated financial statements the total assets for the year 2021 have been adjusted at the consolidated financial statements level in the amount JD 7,805,600 according to the current unit of measurement at the end of the financial statements period following the adoption of International Accounting Standard No. (29).

Segmental Information

- Business is a group of assets and operations that jointly provide products or services subject to risks and returns different from those of other business segments, to the effect that it is measured according to the reports used by the Executive Directors and the main decision maker at the Bank.
- Geographical sector relates to providing products or services in an economic environment subject to specific risks and returns different from those operating in other sectors of other economic environments.

Net Interest Income
Interest income and expense for all financial instruments, except for those classified as held for trading, or those measured or designated as at fair value through profit or loss, are recognized in 'Net Interest Income' as 'Interest Income' and 'Interest Expense' in the statement of income using the effective interest method. Interest on financial instruments measured at fair value through the statement of income is included within the fair value movement during the year.

The effective interest rate is the rate that discounts the estimated future cash flows of the financial instrument through the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability. The future cash flows are estimated, taking into account all the contractual terms of the instrument.

Interest income / interest expense is calculated by applying the effective interest rate to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortized cost of the financial asset before adjusting for any expected credit loss allowance), or to the amortized cost of financial liabilities. For credit-impaired financial assets, the interest income is calculated by applying the effective interest rate to the amortized cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for expected credit losses). For financial assets originated or purchased credit-impaired, the effective interest rate reflects the expected credit losses in determining the future cash flows expected to be received from the financial asset.

Interest income and expense in the Bank's consolidated statement of income also includes the effective portion of fair value changes of derivatives designated as hedging instruments in cash flow hedges of interest rate risk. For fair value hedges of interest rate risk related to interest income and expense, the effective portion of the fair value changes of the designated derivatives, as well as the fair value changes of the designated risk of the hedged item, are also included in interest income and expense, interest expenses also include the interest expenses against the lease liabilities.

Net Fees and Commission Income
Fees and commission income and expense include fees other than those that are an integral part of the effective interest rate. The fees included in this part of the Bank's consolidated statement of income include, among other things, fees charged for servicing a loan, non-utilization fees relating to loan commitments when it is unlikely that these will result in a specific lending arrangement, and loan syndication fees.

Fee and commission expenses concerning services are accounted for as the services are received.

A contract with a customer that results in a recognized financial instrument in the Group's financial statements may be partially in the scope of IFRS 9 and partially in the scope of IFRS 15. If this is the case, then the Group first applies IFRS 9 to separate and measure the part of the contract that is in the scope of IFRS 9 and then applies IFRS 15 to the residual.

Net Trading Income
Net trading income includes all gains and losses from changes in the fair value of financial assets and financial liabilities held for trading. The Bank has elected to present the full fair value movement of trading assets and liabilities in trading income, including any related interest income, expense, and dividends.

Net Income from Other Financial Instruments at Fair Value through Profit or Loss
Net income from other financial instruments at fair value through profit or loss includes all gains and losses from changes in the fair value of financial assets and financial liabilities at fair value through profit or loss except those that are held for trading. The Bank has elected to present the full fair value movement of assets and liabilities at fair value through profit or loss in this line, including the related interest income, expense, and dividends.

The fair value movement on derivatives held for economic hedging where hedge accounting is not applied is presented in net income from other financial instruments at fair value through the statement of income. However, for designated and effective fair value hedge accounting relationships, the gains and losses on the hedging instrument are presented in the same line in the statement of

income as the hedged item. For designated and effective cash flow and net investment hedge accounting relationships, the gains and losses of the hedging instrument, including any hedging ineffectiveness included in the statement of income, are presented in the same line as the hedged item that affects the consolidated statement of income.

Dividend Income
Dividend income is recognized when the right to receive payment is established. This is the ex-dividend date for listed equity securities, and usually the date when shareholders approve the dividend for unlisted equity securities.

The presentation of dividend income in the consolidated statement of the statement of income depends on the classification and measurement of the equity investment, i.e.:
- For equity instruments which are held for trading, dividend income is presented as trading income.
- For equity instruments classified at fair value through other comprehensive income, dividend income is presented in dividends from financial assets at fair value through other comprehensive income line within the statement of income.
- For equity instruments not classified at fair value through other comprehensive income and not held for trading, dividend income is presented as net income from other instruments at fair value through the statement of income.

Financial Instruments
Initial Recognition and Measurement
Financial assets and financial liabilities are recognized in the Bank's consolidated statement of financial position when the Bank becomes a party to the contractual provisions of the instrument. Loans and customers overdrafts are recognized once booked on the customer's account.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributed to the acquisition or the issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities as appropriate on initial recognition. Transaction costs directly attributed to the acquisition of financial assets or financial liabilities at fair value through the statement of income are recognized immediately in the statement of income.

If the transaction price differs from fair value at initial recognition, the Bank will account for such difference as follows:
- If fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets, then the difference is recognized in the statement of income on initial recognition (i.e. day 1 the statement of income);
- In all other cases, the fair value will be adjusted to become in line with the transaction price (i.e. day 1 the statement of income will be deferred by including it in the initial carrying amount of the asset or liability).

After initial recognition, the deferred gain or loss will be recognized in the consolidated statement of profit or loss on a rational basis, only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability or when derecognizing the instruments.

Financial Assets
Initial Recognition
All financial assets are recognized on the trading date when the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned. They are initially measured at fair value, plus transaction costs, except for those financial assets classified as fair value through profit or loss. Transaction costs directly attributable to the acquisition of financial assets classified as fair value through profit or loss are recognized immediately in the consolidated profit or loss.

Subsequent Measurement

All recognized financial assets that are within the scope of IFRS 9 are required to be subsequently measured at amortized cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Specifically:

- Debt instruments held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI), are subsequently measured at amortized cost.
- Debt instruments held within a business model whose objective is both to collect the contractual cash flows and to sell the debt instruments, and that have contractual cash flows that are (SPPI), are subsequently measured at fair value through other comprehensive income.
- All other debt instruments (e.g. debt instruments managed on a fair value basis, or held for sale) and equity investments are subsequently measured at fair value through profit or loss.
- However, the Bank may irrevocably make the following selection / designation at initial recognition of a financial asset on an asset-by-asset basis.
- The Bank may irrevocably select to present subsequent changes in fair value of an equity investment that is neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies, in other comprehensive income.
- The Bank may irrevocably designate a debt instrument that meets the amortized cost or fair value through other comprehensive income criteria as measured at fair value through the statement of income, if doing so eliminates or significantly reduces an accounting mismatch (referred to as the fair value option).

Debt Instruments at Amortized Cost or at Fair Value through Other Comprehensive Income

The Bank assesses the classification and measurement of a financial asset based on the contractual cash flow characteristics of the asset and the Bank's business model for managing the asset.

For an asset to be classified and measured at amortized cost or at fair value through other comprehensive income, its contractual terms should give rise to cash flows that are solely payments of principal and interest on the principal outstanding (SPPI).

For the purpose of solely payments of principal and interest test, principal is the fair value of the financial asset at initial recognition. That principal amount may change over the life of the financial asset (e.g. if there are repayments of principal). Interest consists of the consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time, and for other basic lending risks and costs, as well as a profit margin. The solely payments of principal and interest assessment is made in the currency in which the financial asset is denominated.

Contractual cash flows that are SPPI are consistent with a basic lending arrangement. Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are solely payments of principal and interest. An originated or an acquired financial asset can be a basic lending arrangement irrespective of whether it is a loan in its legal form.

Assessment of Business Models

An assessment of business models for managing financial assets is fundamental to the classification of a financial asset. The Bank determines the business models at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. The Bank's business model does not depend on management's intentions for an individual instrument; therefore, the business model assessment is performed at a higher level of aggregation rather than on an instrument-by-instrument basis.

The Bank has more than one business model for managing its financial instruments, which reflect how the Bank manages its financial assets in order to generate cash flows. The Bank's business models determine whether cash flows will result from collecting contractual cash flows, selling financial assets, or both.

The Bank considers all relevant information available when making the business model assessment. However, this assessment is not performed based on scenarios that the Bank does not reasonably expect to occur, such as so-called 'worst case' or 'stress case' scenarios. The Bank takes into account all relevant evidence available such as:

- The stated policies and objectives of the portfolio and application of those policies whether the management strategy focuses on obtaining contractual revenues, maintaining specific profit rate matching the profit of financial assets with the period of financial liabilities that finance those assets.
- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel.
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way in which those risks are managed.
- How the business managers are compensated (e.g. whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

At initial recognition of a financial asset, the Bank determines whether newly recognized financial assets are part of an existing business model or whether they reflect the commencement of a new business model. The Bank reassess its business models each reporting period to determine whether the business models have changed since the preceding period.

When a debt instrument measured at fair value through other comprehensive income is derecognized, the cumulative gain/loss previously recognized in other comprehensive income is reclassified from equity to the statement of income. In contrast, for an equity investment designated as measured at fair value through other comprehensive income, the cumulative gain/loss previously recognized in other comprehensive income is not subsequently reclassified to the statement of income but transferred within equity.

Debt instruments that are subsequently measured at amortized cost or at fair value through other comprehensive income are subject to impairment.

Financial Assets - Assessment of whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as the profit margin.

In assessing whether the contractual cash flows are SPPI, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Group considers:

- Contingent events that would change the amount and timing of cash flows.
- Prepayment and extension terms.
- Terms that limit the Bank's claim to cash flows from specified assets (e.g. non-recourse loans).

Financial Assets at Fair Value through Profit or Loss

Financial assets at fair value through profit or loss are:

- Assets with contractual cash flows that are not solely payments of principal and interest; or/and
- Assets that are held in a business model other than held to collect contractual cash flows or held to collect and sell; or
- Assets designated at fair value through profit or loss using the fair value option.

These assets are measured at fair value, with any gains/losses arising on re-measurement recognized in the consolidated statement of profit or loss.

Reclassifications

If the business model under which the Bank holds financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model, which results in reclassifying the Bank's financial assets. The changes in the contractual cash flows are considered under the accounting policy on the modification and de-recognition of financial assets described below.

Foreign Exchange Gains and Losses

The carrying amount of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically:

- For financial assets measured at amortized cost that are not part of a designated hedging relationship, exchange differences are recognized in the statement of income.
- For debt instruments measured at fair value through other comprehensive income that are not part of a designated hedging relationship, exchange differences on the amortized cost of the debt instrument are recognized in the statement of income. Other exchange differences are recognized in other comprehensive income in the investment's revaluation reserve.
- For financial assets measured at fair value through profit or loss that are not part of a designated hedge accounting relationship, exchange differences are recognized in the statement of income either in 'net trading income', if the asset is held for trading, or in net income from other financial instruments at fair value through the statement of income, if otherwise held at fair value through the statement of income.
- For equity instruments measured at fair value through other comprehensive income, exchange differences are recognized in other comprehensive income in the investment's revaluation reserve.

Fair Value Option

A financial instrument with a fair value that can be reliably measured at fair value through profit or loss (fair value option), can be classified at initial recognition even if the financial instruments are not acquired or incurred principally for the purpose of selling or repurchasing. The fair value option may be used for financial assets if it significantly eliminates or significantly reduces the measurement or recognition inconsistency that would otherwise have resulted in the measurement of the asset or liability or recognized the related gain or loss on a different basis (accounting mismatch). The fair value option for financial liabilities can be chosen in the following cases:

- If the selection leads to a significant cancellation or reduction of the accounting mismatch.
- If the financial liabilities are part of a portfolio managed on a fair value basis, in accordance with a documented risk management or investment strategy.
- If a derivative is included in the underlying financial or non-financial contract, and the derivative is not closely related to the underlying contract.

These instruments cannot be reclassified from the fair value category through profit or loss while retained or issued. Financial assets at fair value through profit or loss are recognized at fair value with any unrealized gain or loss arising from changes in fair value recognized in investment income.

Impairment

The Bank recognizes loss allowances for expected credit losses on the following financial instruments that are not measured at fair value through the statement of income:

- Balances and deposits at banks and financial institutions.
- Direct credit facilities (Loans and advances to customers).
- Financial assets at amortized cost (Debt investment securities).
- Financial assets at fair value through other comprehensive income.
- Off balance sheet exposures subject to credit risk (Financial guarantee contracts issued).

No impairment loss is recognized on equity investments.

With the exception of purchased or originated credit-impaired (POCI), financial assets (which are considered separately below), expected credit losses are required to be measured through a loss allowance at an amount equal to:

- 12-month expected credit loss, i.e. lifetime expected credit loss that results from those default events on the financial instrument that are possible within 12 months after the reporting date, (referred to as Stage 1).
- Full lifetime expected credit loss, i.e. lifetime expected credit loss that results from all possible default events over the life of the financial instrument, (referred to as Stage 2 and Stage 3).

A loss allowance for full lifetime expected credit loss is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, expected credit losses are measured at an amount equal to the 12-month expected credit loss.

Expected credit losses are a probability-weighted estimate of the present value of credit losses. These are measured as the present value of the difference between the cash flows due to the Bank under the contract and the cash flows that the Bank expects to receive arising from the weighting of multiple future economic scenarios, discounted at the asset's effective interest rate.

For unutilized loan limits, the expected credit loss is the difference between the present value of the difference between the contractual cash flows that are due to the Bank if the holder of the commitment draws down the loan and the cash flows that the Bank expects to receive if the loan is utilized.

For financial guarantee contracts, the expected credit loss is the difference between the expected payments to reimburse the holder of the guaranteed debt instrument less any amounts that the Bank expects to receive from the holder, the client, or any other party.

The Bank measures expected credit loss on an individual basis, or on a collective basis for portfolios of loans that share similar economic risk characteristics. The measurement of the loss allowance is based on the present value of the asset's expected cash flows using the asset's original effective interest rate, regardless of whether it is measured on an individual basis or a collective basis.

Expected credit losses allowances are calculated in accordance with the Central Bank of Jordan (CBJ) instructions No. (13/2018) "International financial reporting standard No. (9) Implementation" dated June 6, 2018 and in accordance with the regulatory authorities instructions in the countries where the Bank operates whichever is more strict.

The main significant differences are as follows:

- Debt instruments issued or guaranteed by the Jordanian government are excluded, so that credit exposures issued or guaranteed by the Jordanian government are treated without credit losses.
- When calculating credit losses against credit exposures, the calculation results are compared according to the International Financial Reporting Standard No. (9) with the instructions of the Central Bank of Jordan No. (47/2009) dated December 10, 2009 for each stage separately and the strictest results are taken in the recognition.

Credit-Impaired Financial Assets

A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Credit-impaired financial assets are referred to as Stage 3 assets. Evidence of credit-impairment includes observable data about the following events:

- Significant financial difficulty of the borrower or issuer.
- A breach of contract such as a default or past due event.
- The lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider.
- The disappearance of an active market for a security because of financial difficulties.
- The purchase of a financial asset at a deep discount that reflects the incurred credit losses.

It may not be possible to identify a single discrete event. Instead, the combined effect of several events may have caused financial assets to become credit-impaired. The Bank assesses whether debt instruments that are financial assets measured at amortized cost or fair value through other comprehensive income are credit-impaired at each reporting date. To assess if sovereign and corporate debt instruments are credit impaired, the Bank considers factors such as bond yields, credit ratings, and the ability of the borrower to raise funding.

A loan is considered credit-impaired when a concession is granted to the borrower due to a deterioration in the borrower's financial condition, unless there is evidence that as a result of granting the concession, the risk of not receiving the contractual cash flows has reduced significantly, and there are no other indicators of impairment. For financial assets where concessions are contemplated but not granted, the asset is deemed credit-impaired when there is observable evidence of credit-impairment including meeting the definition of default. The definition of default includes unlikeliness to pay indicators and a back-stop if amounts are overdue for 90 days or more. However, in cases where the assets impairment is not recognized after 90 days overdue are supported by reasonable information.

Purchased or Originated Credit-Impaired (POCI) Financial Assets

Purchased or (Originated Credit-impaired) financial assets, are treated differently because the asset is credit-impaired at initial recognition. For these assets, the Bank recognizes all changes in lifetime expected credit loss since initial recognition as a loss allowance with any changes recognized in the statement of income. A favorable change for such assets creates an impairment gain.

Definition of Default

Critical to the determination of expected credit loss is the definition of default. The definition of default is used in measuring the amount of expected credit loss and in the determination of whether the loss allowance is based on 12-month or lifetime expected credit loss, as default is a component of the probability of default (PD) which affects both the measurement of expected credit losses and the identification of a significant increase in credit risk below.

The Bank considers the following as constituting an event of default:

- The borrower is past due more than 90 days on any material credit obligation to the Bank.
- The borrower is unlikely to pay its credit obligations to the Bank in full.

The definition of default is appropriately tailored to reflect different characteristics of different types of assets. Overdrafts are considered as being past due once the customer has breached an advised limit or has been advised of a limit smaller than the current amount outstanding.

When assessing if the borrower is unlikely to pay its credit obligation, the Bank takes into account both qualitative and quantitative indicators. The information assessed depends on the type of the asset. For example, in corporate lending, a qualitative indicator used is the breach of covenants, which is not relevant for retail lending. Quantitative indicators, such as overdue status and non-payment on another obligation of the same counterparty are key inputs in this analysis. The Bank uses a variety of sources of information to assess default that is either developed internally or obtained from external sources.

Significant Increase in Credit Risk

The Bank monitors all financial assets, issued loan commitments, and financial guarantee contracts that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk, the Bank measures the loss allowance based on lifetime rather than 12-month expected credit loss.

The Bank's accounting policy is not to use the practical expedient that financial assets with 'low' credit risk at the reporting date are deemed not to have had a significant increase in credit risk. As a result, the Bank monitors all financial assets, issued loan commitments, and financial guarantee contracts that are subject to impairment for significant increase in credit risk.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Bank compares the risk of a default occurring on the financial instrument at the reporting date, based on the remaining maturity of the instrument, with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognized. In making this assessment, the Bank considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, based on the Bank's historical experience and expert credit assessment including forward-looking information.

Multiple economic scenarios form the basis of determining the probability of default at initial recognition and at subsequent reporting dates. Different economic scenarios will lead to a different probability of default. It is the weighting of these different scenarios that forms the basis of a weighted average probability of default that is used to determine whether credit risk has significantly increased.

For corporate lending, forward-looking information includes the future prospects of the industries in which the Bank's counterparties operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organizations, as well as consideration of various internal and external sources of actual and forecast economic information. For retail lending, forward-looking information includes the same economic forecasts as corporate lending with additional forecasts of local economic indicators, particularly for regions with a concentration to certain industries, as well as internally generated information of customer payment behavior. The Bank allocates its counterparties to a relevant internal credit risk grade depending on their credit quality.

The quantitative information is a primary indicator of significant increase in credit risk and is based on the change in lifetime probability of default by comparing:

- The remaining lifetime probability of default at the reporting date.
- The remaining lifetime probability of default for this point in time that was estimated based on facts and circumstances at the time of initial recognition of the exposure.

The probability of default used is forward looking, and the Bank uses the same methodologies and data used to measure the loss allowance for expected credit loss.

The qualitative factors that indicate significant increase in credit risk are reflected in probability of default models on a timely basis. However, the Bank still considers separately some qualitative factors to assess if credit risk has increased significantly. For corporate lending, there is particular focus on assets that are included on a 'watch list'. An exposure is on a watch list once there is a concern that the creditworthiness of the specific counterparty has deteriorated. For retail lending, the Bank considers the expectation of forbearance and payment holidays, credit scores and events such as unemployment, bankruptcy, divorce, or death.

Given that a significant increase in credit risk since initial recognition is a relative measure, a given change, in absolute terms, in the probability of default will be more significant for a financial instrument with a lower initial probability of default than for a financial instrument with a higher probability of default.

As a backstop when an asset becomes more than 30 days past due, the Bank considers that a significant increase in credit risk has occurred, and the asset is in stage 2 of the impairment model, i.e. the loss allowance is measured as the lifetime expected credit loss.

Modification and Derecognition of Financial Assets

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date. In addition, the introduction or adjustment of existing covenants of an existing loan would constitute a modification even if these new or adjusted covenants do not yet affect the cash flows immediately but may affect the cash flows depending on whether the covenant is or is not met (e.g. a change to the increase in the interest rate that arises when covenants are breached).

The Bank renegotiates loans to customers in financial difficulty to maximize collection and minimize the risk of default. A loan forbearance is granted in cases where although the borrower made all reasonable efforts to pay under the original contractual terms, there is a high risk of default, or default has already happened, and the borrower is expected to be able to meet the revised terms. The revised terms in most of the cases include an extension of the maturity of the loan, changes to the timing of the cash flows of the loan (principal and interest repayment), reduction in the amount of cash flows due (principal and interest forgiveness) and amendments to covenants. The Bank has an established forbearance policy, which applies for corporate and retail lending.

When a financial asset is modified, the Bank assesses whether this modification results in derecognition. In accordance with the Bank's policy, a modification results in derecognition when it gives rise to substantially different terms. To determine if the modified terms are substantially different from the original contractual terms, the Bank considers the following:

- Qualitative factors, such as contractual cash flows after modification are no longer SPPI, change in currency or change of counterparty, the extent of change in interest rates, maturity, covenants. If these do not clearly indicate a substantial modification.
- A quantitative assessment is performed to compare the present value of the remaining contractual cash flows under the original terms with the contractual cash flows under the revised terms, both amounts discounted at the original effective interest.

In the case where the financial asset is derecognized, the loss allowance for expected credit loss is re-measured at the date of derecognition to determine the net carrying amount of the asset at that date.

The difference between this revised carrying amount and the fair value of the new financial asset with the new terms will lead to a gain or loss on derecognition. The new financial asset will have a loss allowance measured based on 12-month expected credit loss except in the rare occasions, where the new loan is considered to be originated-credit impaired. This applies only in the case where the fair value of the new loan is recognized at a significant discount to its revised par amount because there remains a high risk of default which has not been reduced by the modification. The Bank monitors credit risk of modified financial assets by evaluating qualitative and quantitative information, such as if the borrower is in past due status under the new terms.

When the contractual terms of a financial asset are modified, and the modification does not result in derecognition, the Bank determines if the financial asset's credit risk has increased significantly since initial recognition by comparing:

- The remaining lifetime probability of default estimated based on data at initial recognition and the original contractual terms; with
- The remaining lifetime probability of default at the reporting date based on the modified terms.

For financial assets modified as part of the Bank's forbearance policy, where modification did not result in derecognition, the estimate of probability of default reflects the Bank's ability to collect the modified cash flows taking into account the Bank's previous experience of similar forbearance action, as well as various behavioral indicators, including the borrower's payment performance against the modified contractual terms. If the credit risk remains significantly higher than what was expected at initial recognition, the loss allowance will continue to be measured at an amount equal to lifetime expected credit loss. The loss allowance on forborne loans will generally only be measured based on 12-month expected credit loss when there is evidence of the borrower's improved repayment behavior following modification leading to a reversal of the previous significant increase in credit risk.

Where a modification does not lead to derecognition, the Bank calculates the modification gain/loss comparing the gross carrying amount before and after the modification (excluding the provision for expected credit loss). Then the Bank measures expected credit loss for the modified asset, where the expected cash flows arising from the modified financial asset are included in calculating the expected cash shortfalls from the original asset.

The Bank derecognizes a financial asset only when the contractual rights to the asset's cash flows expire (including expiry arising from a modification with substantially different terms), or when the financial asset and substantially all the risks and rewards of ownership of the asset are transferred to another entity. If the Bank neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Bank recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Bank retains substantially all the risks and rewards of ownership of a transferred financial asset, the Bank continues to recognize the financial asset and recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain/loss that had been recognized in other comprehensive income and accumulated in equity is recognized in the statement of income, with the exception of equity investment designated as measured at fair value through other comprehensive income, where the cumulative gain/loss previously recognized in other comprehensive income is not subsequently reclassified to the statement of profit or loss.

Write-off

Financial assets are written off when the Bank has no reasonable expectations of recovering the financial asset. Then we classify the amounts that subject to write off after using all available collection method. In case of write off for account receivable or any financing, the bank complete its pressure to recover these amounts which will be reported in consolidated financial statement in case we recover it .

Presentation of Allowance for Expected Credit Loss in the Consolidation Statement of Financial Position

Loss allowances for expected credit loss are presented in the statement of financial position as follows:

- For financial assets measured at amortized cost: as a deduction from the gross carrying amount of the assets.
- For debt instruments measured at fair value through other comprehensive income: no loss allowance is recognized in the statement of financial position as the carrying amount is at fair value. However, the loss allowance is included as part of the revaluation amount in the investment's revaluation reserve.
- For loan commitments and financial guarantee contracts: as a provision.
- Where a financial instrument includes both a drawn and an undrawn component, and the Bank cannot identify the expected credit loss on the loan commitment component separately from those on the drawn component: the Bank presents a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn component is presented as a provision.

Financial Liabilities and Equity

Debt and equity instruments issued are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

A financial liability is a contractual obligation to deliver cash or another financial asset, or to exchange financial assets or financial liabilities with another entity under conditions potentially unfavorable to the Bank, or a contract that will or may be settled in the Bank's own equity instruments and is a non-derivative contract for which the Bank is or may be obliged to deliver a variable number of its own equity instruments, or a derivative contract over own equity that will or may be settled other than by the exchange of a fixed amount of cash (or another financial asset) for a fixed number of the Bank's own equity instruments.

Loans and Advances

'Loans and advances' captions in the consolidated statement of financial position include:

- loans and advances measured at amortized cost; they are initially measured at fair value plus incremental direct transaction costs, and subsequently at their amortized cost using the effective interest method.
- Loans and advances mandatorily measured at FVTPL or designated as at FVTPL; these are measured at fair value with changes recognized immediately in profit or loss.
- Lease receivables.
- Interests and commissions on non-operating credit facilities granted to customers are suspended in accordance with the Central Bank of Jordan instructions, the Regulatory authorities in Syria and the Palestinian Monetary Authority whichever is strict.
- Credit facilities and their related suspended interests are included in off-balance sheet provisions, and that is in accordance with the board of directors' decisions.
- Suspended interests for the accounts that have legal cases are included in off-balance sheet provisions, and that is in accordance with the board of directors' decisions.

When the Group purchases a financial asset and simultaneously enters into an agreement to resell the asset (or a substantially similar asset), at a fixed price on a future date (reverse repo or stock borrowing), the consideration paid is accounted for as a loan or advance, and the underlying asset is not recognized in the Group's financial statements.

Equity Instruments

Paid up Capital

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Bank are recognized at the proceeds received, net of direct issue costs.

Treasury Shares

Repurchase of the Bank's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in statement of income on the purchase, sale, issue or cancellation of the Bank own equity instruments.

Compound Instruments

The component parts of compound instruments (e.g. convertible notes) issued by the Bank are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Bank's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. In the case there are non-closed related embedded derivatives, these are separated first with the remainder of the financial liability being recorded on aortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

Financial Liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or 'other financial liabilities'.

Financial Liabilities at Fair Value Through the Statement of Profit or loss

Financial liabilities are classified as at fair value through the statement of income when the financial liability is (i) held for trading, or (ii) it is designated as at fair value through the statement of profit and loss. A financial liability is classified as held for trading if:

- It has been incurred principally for the purpose of repurchasing it in the near term.
- On initial recognition, it is part of a portfolio of identified financial instruments that the Bank manages together and has a recent actual pattern of short-term profit-taking.
- It is a derivative that is not designated and effective as a hedging instrument.

A financial liability, other than a financial liability held for trading, or contingent consideration that may be paid by an acquirer as part of a business combination, may be designated as at fair value through the statement of Profit or loss upon initial recognition if:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- The financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Bank's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- It forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire hybrid (combined) contract to be designated as at fair value through the consolidated statement of Profit or loss.

Financial liabilities at fair value through profit or loss are stated at fair value, with any gains/losses arising on re-measurement recognized in the statement of income to the extent that they are not part of a designated hedging relationship. The net gain/loss recognized in the consolidated statement of Profit and loss incorporates any interest paid on the financial liability and is included in the 'net income from other financial instruments at fair value through profit or loss line item in the consolidated statement of Profit and loss.

However, for non-derivative financial liabilities designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability attributable to changes in the credit risk of that liability is recognized in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive Profit or loss would create or enlarge an accounting mismatch in the consolidated statement of Profit or loss. The remaining amount of change in the fair value of liability is recognized in the consolidated statement of income. Changes in fair value attributable to a financial liability's credit risk that are recognized in other comprehensive income are not subsequently reclassified to the statement of Profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

For issued loan commitments and financial guarantee contracts designated as at fair value through profit or loss, all gains and losses are recognized in the consolidated statement of Profit or loss.

In making the determination of whether recognizing changes in the liability's credit risk in Profit or loss comprehensive income will create or enlarge an accounting mismatch in the consolidated statement of income, the Bank assesses whether it expects that the effects of changes in the liability's credit risk will be offset in the statement of income by a change in the fair value of another financial instrument measured at fair value through profit or loss.

Other Financial Liabilities

Other financial liabilities, including deposits and borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Derecognition of Financial Liabilities

The Bank derecognizes financial liabilities when, and only when, the Bank's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in the consolidated statement of income or loss.

when the Bank exchanges with the existing lender one debt instrument into another one with substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Bank accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate, is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability.

Derivative Financial Instruments

The Bank enters into a variety of derivative financial instruments some of which are held for trading while others are held to manage its exposure to interest rate risk; credit risk; and foreign exchange rate risk. Held derivatives include foreign exchange forward contracts, interest rate swaps, cross currency interest rate swaps, and credit default swaps.

Derivatives are initially recognized at fair value at the date a derivative contract is entered into and are subsequently re-measured to their fair value at each balance sheet date. The resulting gain/loss is recognized in the statement of income immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the statement of income depends on the nature of the hedge relationship. The Bank designates certain derivatives as either hedges of the fair value of recognized assets, liabilities or firm commitments (fair value hedges), hedges of highly probable forecast transactions, hedges of foreign currency risk of firm commitments (cash flow hedges), or hedges of net investments in foreign operations (net investment hedges).

A derivative with a positive fair value is recognized as a financial asset whereas a derivative with a negative fair value is recognized as a financial liability. A derivative is presented within other asset or other liability if the remaining maturity of the instrument is more than 12 months, and it is not expected to be realized or settled within 12 months. Other derivatives are presented within other assets or other liabilities.

Embedded Derivatives

Derivatives embedded in financial liabilities or other non-financial asset host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts, and the host contracts are not measured at fair value through profit or loss.

An embedded derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the hybrid instrument to which the embedded derivative relates is more than 12 months and is not expected to be realized or settled within 12 months. Other embedded derivatives are presented as other assets or other liabilities.

Financial Guarantee Contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.
Financial guarantee contracts issued by a group entity are initially measured at their fair values and, if not designated as at fair value through profit or loss and not arising from a transfer of a financial asset, are subsequently measured at the higher of:

- The amount of the loss allowance determined in accordance with IFRS 9.
- The amount initially recognized less, where appropriate, the cumulative amount of Profit or loss recognized in accordance with the Bank's revenue recognition policies.

Financial guarantee contracts not designated at fair value through the statement of Profit or loss are presented as provisions in the consolidated statement of financial position, and the re-measurement is presented in other revenue.

The Bank has not designated any financial guarantee contracts as at fair value through profit or loss.

Commitments to Provide a Loan at a Below-Market Interest Rate

Commitments to provide a loan at a below-market interest rate are initially measured at their fair values and, if not designated as at fair value through profit or loss, are subsequently measured at the higher of:

- The amount of the loss allowance determined in accordance with IFRS 9.
- The amount initially recognized less, where appropriate, the cumulative amount of income recognized in accordance with the Bank's revenue recognition policies.

Commitments to provide a loan below market rate not designated at fair value through profit or loss are presented as provisions in the consolidated statement of financial position and the re-measurement is presented in other revenue.

The Bank has not designated any commitments to provide a loan below market rate designated at fair value through the statement of Profit or loss.

Derivatives

Derivatives for Trading

The fair value of derivative financial instruments held for trading (such as forward foreign exchange contracts, future interest contracts, swaps, foreign exchange options rights) is recognized in the consolidated statement of financial position, and fair value is determined at the prevailing market rates. If this information is not available, the assessment methodology is disclosed, and the change in fair value is recognized in the consolidated statement of Profit or loss.

Hedge Accounting

The Bank designates certain derivatives as hedging instruments in respect of foreign currency risk and interest rate risk in fair value hedges, cash flow hedges, or hedges of net investments in foreign operations, as appropriate. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges. The Bank does not apply fair value hedge accounting of portfolio hedges of interest rate risk. In addition, the Bank does not use the exemption to continue using IAS 39 hedge accounting rules, i.e. the Bank applies IFRS 9 hedge accounting rules in full.

At the inception of the hedge relationship, the Bank documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Bank documents whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- There is an economic relationship between the hedged item and the hedging instrument.
- The effect of credit risk does not dominate the value changes that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Bank actually hedges, and the quantity of the hedging instrument that the Bank actually uses to hedge that quantity of the hedged item.

The Bank rebalances a hedging relationship in order to comply with the hedge ratio requirements when necessary. In such cases discontinuation may apply to only part of the hedging relationship. For example, the hedge ratio might be adjusted in such a way that some of the volume of the hedged item is no longer part of a hedging relationship, hence hedge accounting is discontinued only for the volume of the hedged item that is no longer part of the hedging relationship.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Bank adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again.

In some hedge relationships, the Bank designates only the intrinsic value of options. In this case, the fair value change of the time value component of the option contract is deferred in other comprehensive income, over the term of the hedge, to the extent that it relates to the hedged item and is reclassified from equity to the statement of income when the hedged item does not result in the recognition of a non-financial item. The Bank's risk management policy does not include hedges of items that result in the recognition of non-financial items, because the Bank's risk exposures relate to financial items only.

The hedged items designated by the Bank are time-period related hedged items, which means that the amount of the original time value of the option that relates to the hedged item is amortized from equity to the statement of income on a rational basis (e.g. straight-line) over the term of the hedging relationship.

In some hedge relationships, the Bank excludes from the designation the forward element of forward contracts or the currency basis spread of cross currency hedging instruments. In this case, a similar treatment is applied to the one applied for the time value of options. The treatment for the forward element of a forward contract and the currency basis element is optional, and the option is applied on a hedge-by-hedge basis, unlike the treatment for the time value of the options which is mandatory. For hedge relationships with forwards, or foreign currency derivatives such as cross currency interest rate swaps, where the forward element or the currency basis spread is excluded from the designation, the Bank generally recognizes the excluded element in other comprehensive income.
The fair values of the derivative instruments used for hedging purposes and movements in the hedging reserve are determined in equity.

Fair Value Hedges

The fair value change on qualifying hedging instruments is recognized in the statement of income except when the hedging instrument hedges an equity instrument designated at fair value through other comprehensive income in which case it is recognized in other comprehensive income. The Bank has not designated fair value hedge relationships where the hedging instrument hedges an equity instrument designated at fair value through other comprehensive income.

The carrying amount of a hedged item not already measured at fair value is adjusted for the fair value change attributable to the hedged risk with a corresponding entry in the statement of Profit or loss. For debt instruments measured at fair value through other comprehensive income, the carrying amount is not adjusted as it is already at fair value, but the part of the fair value gain or loss on the hedged item associated with the hedged risk is recognized in the statement of Profit or loss instead of other comprehensive income. When the hedged item is an equity instrument designated at fair value through other comprehensive income, the hedging gain/loss remains in other comprehensive income to match that of the hedging instrument.

Where hedging gains/losses are recognized in the statement of income, they are recognized in the same line as the hedged item.

The Bank discontinues hedge accounting only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. The discontinuation is accounted for prospectively. The fair value adjustment to the carrying amount of hedged items for which the effective interest rate method is used (i.e. debt instruments measured at amortized cost or at fair value through other comprehensive income) arising from the hedged risk is amortized to the statement of Profit or loss commencing no later than the date when hedge accounting is discontinued.

Cash Flow Hedges

The effective portion of changes in the fair value of derivatives and other qualifying hedging instruments that are designated and qualify as cash flow hedges is recognized in the cash flow hedging reserve, a separate component of other comprehensive income, limited to the cumulative change in fair value of the hedged item from inception of the hedge less any amounts recycled to the consolidated statement of profit or loss.

Amounts previously recognized in other comprehensive income and accumulated in equity are reclassified to the statement of income in the periods when the hedged item affects the statement of income, in the same line as the recognized hedged item. If the Bank no longer expects the transaction to occur, that amount is immediately reclassified to the consolidated statement of income or loss.

The Bank discontinues hedge accounting only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised, or where the occurrence of the designated hedged forecast transaction is no longer considered to be highly probable. The discontinuation is accounted for prospectively. Any gain/loss recognized in other comprehensive income and accumulated in equity at that time remains in equity and is recognized when the forecast transaction is ultimately recognized in the statement of income. When a forecast transaction is no longer expected to occur, the gain/loss accumulated in equity is reclassified and recognized immediately in the consolidated statement of Profit or loss.

Hedges of Net Investments in Foreign Operations

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain/loss on the hedging instrument relating to the effective portion of the hedge is recognized in other comprehensive income and accumulated in the foreign currency translation reserve.

Gains and losses on the hedging instrument relating to the effective portion of the hedge accumulated in the foreign currency translation reserve are reclassified to the statement of income in the same way as exchange differences relating to the foreign operation as described above.

Offsetting

Financial assets and financial liabilities are offset, and the net amount is reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognized amounts and the Bank intends to either settle them on a net basis or to realize the asset and settle the liability simultaneously.

Accounts Managed on Behalf of Customers

These represent the accounts managed by the Bank on behalf of its customers, but do not represent part of the Bank's assets, fees and commissions on such accounts are shown in the consolidated statement of profit or loss, a provision against the impairment in the capital-guaranteed portfolios managed on behalf of customers is taken.

Fair Value

Fair value is defined as the price at which an asset is to be sold or paid to convert any of the liabilities in a structured transaction between the market participants on the measurement date, irrespective of whether the price can be realized directly or whether it is estimated using another valuation technique. When estimating the fair value of an asset or liability, the Bank takes into consideration when determining the price of any asset or liability whether market participants are required to consider these factors at the measurement date. The fair value for measurement and / or disclosure purposes in these financial statements is determined on the same basis, except for measurement procedures that are similar to fair value procedures and are not fair value such as fair value as used in IAS 36.

In addition, fair value measurements are classified for the purposes of financial reporting to level (1), (2) or (3) based on the extent to which the inputs are clear concerning the fair value measurements and the importance of inputs to the full fair value measurements. These are as follows:

Level inputs (1):	inputs derived from quoted (unadjusted) prices of identical assets or liabilities in active markets that an enterprise can obtain on the measurement date.
Level inputs (2):	inputs derived from data other than quoted prices used at level 1 and observable for assets or liabilities, either directly or indirectly.
Level inputs (3):	are inputs to assets or liabilities that are not based on observable market prices

Provisions

Provisions are recognized when the Bank has an obligation on the date of the consolidated statement of financial position arising from a past event and the costs to settle the obligation are both probable and can be reliably measured.

Employees Benefits

Short term employee benefits

Employees short term benefits are recognized as expenses when delivering relevant services. Liability is recorded against the related commitment when the bank is legally obliged implicitly or explicitly to pay for past services rendered by the employee and the liability can be estimated reliably.

Other long-term employee benefits

The banks liabilities relating to employees'benefits are the future benefits amount that the employees received regardless of their prior and current service periods. There benefits are discounted to specify their current amount. Remeasurement is recognized in the consolidated statement for profit or loss in the period that they emerged.

Income Tax

- Income tax expenses represent accrued taxes and deferred taxes.
- Income tax expenses are accounted for on the basis of taxable income. Taxable income differs from declared income in the consolidated financial statements because the latter includes non-taxable revenues or disallowed taxable expenses in the current year but deductible in subsequent years, tax acceptable accumulated losses, and items not accepted for tax purposes or subject to tax.
- Taxes are calculated on the basis of the tax rates according to the prevailing laws, regulations, and instructions enforced in the countries where the Bank operates.
- Deferred taxes are taxes expected to be paid or recovered as a result of temporary timing differences between the value of assets and liabilities in the consolidated financial statements and the value of taxable amounts. Deferred tax is calculated on the basis of

- liability method in the consolidated statement of financial position according to the rates expected to be applied when the tax liability is settled, or deferred tax assets are recognized.
- Deferred tax assets and deferred tax liabilities are reviewed as of the date of the consolidated financial statements and reduced in case it is expected that no benefit or need will arise, partially or totally.

Foreclosed Assets

Assets foreclosed by Bank are presented at the consolidated statement of financial position within other assets at the value that has been acquired by the Bank or the fair value, whichever is lower, and are reassessed individually on each consolidated financial statements date, and any impairment in their value is recorded as a loss in the consolidated statement of profit or loss but the increase is not recorded, to the extent that it does not exceed the value of the previously recorded impairment. Starting the year 2015, the Bank has started to calculate gradual provision against the assets foreclosed by the bank in exchange of credit facilities that have been in possession for more than 4 years in accordance with the Central Bank of Jordan Circular No. 15/1/4076 dated March 27, 2014 and Circular No. 10/1/2510 dated February 14, 2017. Subsequently, Central Bank of Jordan has issued different circulars regarding postponing the provision calculations, the latest of which was Circular No. 10/3/13246 dated September 12, 2021, which require the bank to complete recognizing the required provisions starting from the year 2022 at 5% annually from their book value, to reach the required percentage of 50% from the book value of these foreclosed assets by the end of year 2030.

Mortgaged Financial Assets

These financial assets are mortgaged to third parties with the right to sell or re-mortgage. These financial assets are revalued according to the accounting policies at the date of initial classification.

Repurchase and Resale Agreements

Assets sold with a simultaneous commitment to repurchase at a specified future date (repos) will continue to be recognized in the Bank's consolidated financial statements. This is due to the Bank's continuing control of these assets and the fact that exposure to the risks and rewards of these assets remains with the Bank. These assets continue to be evaluated in accordance with the applied accounting policies (where the buyer has the right to use these assets (sell or re-lien), they are reclassified as liened financial assets). The proceeds of the sale are recorded under loans and borrowings. The difference between the sale and the repurchase price is recognized as an interest expense over the agreement term using the effective interest rate method.

Assets purchased with a corresponding commitment to resell at a specified future date (reverse repos) are not recognized in the Bank's consolidated financial statements since the Bank is not able to control these assets or the associated risks and benefits. The related payments are recognized as part of deposits at banks and financial institutions or direct credit facilities as applicable, and the difference between the purchase and resale price is recognized as interest income over the agreement term using the effective interest rate method.

Property and Equipment

- Property and equipment are stated at cost less accumulated depreciation and any impairment loss in its value. Moreover, depreciation is calculated (except for lands) when the assets are ready for use on the straight-line basis over the estimated useful lives of these assets as follows:

	%
Buildings	2 – 15
Equipment and Fixtures and Furniture	15-9
Vehicles	15
Computers	15
Improvements and Decorations	15

- When the carrying amounts of Property and Equipment exceed their recoverable values, assets are written down, and impairment losses are recorded in the consolidated statement of profit or loss.
- The useful lives of Property and Equipment are reviewed at the end of each year. In case the expected useful life is different from what was determined before, the change in estimate is recorded in the following years.
- Property and Equipment are derecognized when disposed of or when there is no expected future benefit from their use.
- Assets in hyperinflationary economies are restated by applying the change in general price indexes from the date of purchase to the date of the current reporting period. The depreciation calculation for these assets is based on the restated amounts.

Intangible Assets

Goodwill

- Goodwill is initially measured at cost, being the excess of the cost of acquisition or purchase of investment in an associate or subsidiary company over the Bank's share in the net fair value of the identifiable assets at the date of acquisition. Goodwill arising from the investment in subsidiaries will be separately shown under intangible assets, while that arising from the investment in associates will be shown as part of investment in associates and subsequently adjusted for any impairment losses.
- Goodwill is allocated to each of the Bank's cash-generating units, or groups of cash-generating units for the purpose of impairment testing.
- Goodwill is reviewed for impairment, at the date of the consolidated financial statements, if events or changes in circumstances indicate that the estimated recoverable amount of a cash-generating unit or group of cash-generating units is less than their carrying amount. Moreover, impairment losses are charged to the consolidated statement of Profit or loss.

Other Intangible Assets

- Intangible assets acquired through business combination are recorded at their fair value on that date. Other intangible assets are measured on initial recognition at cost.
- Intangible assets are classified based on the assessment of their useful life to definite and indefinite. Intangible assets with definite lives are amortized over their useful economic life, while intangible assets with indefinite useful lives are assessed for impairment at each reporting date, and impairment loss is charged to the consolidated statement of profit or loss.
- Internally generated intangible assets are not capitalized and are expensed in the consolidated statement of profit or loss.
- Indications of impairment of intangible assets are reviewed, and their useful economic lives are reassessed at each reporting date. Adjustments are reflected in the current and subsequent periods.

Computer Software's

Computer Software's are shown at cost at the time of purchase and amortized at an annual rate of 15% - 20%.

Impairment of Nonfinancial Assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets except for deferred tax assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.
An impairment loss is recognized if the carrying amount of an asset exceeds its recoverable amount.
The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell.
Impairment losses are recognized in profit or loss.
An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

Foreign Currencies

For the purpose of the consolidated financial statements, the results and financial position of each entity of the Group are presented in the functional currency unit of the Bank and the presentation currency of the consolidated financial statements.

The standalone financial statements of the Bank's subsidiaries are prepared. Moreover, the standalone financial statements of each entity of the Bank are presented in the functional currency in which it operates. Transactions in currencies other than the functional currency of the Bank are recorded at the rates of exchange prevailing at the dates of those transactions. At the balance sheet date, financial assets and liabilities denominated in foreign currencies are translated at the rates of exchange prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the exchange rates at the date when the fair value was determined. Non-monetary items measured at historical cost in a foreign currency are not reclassified.

Exchange differences are recognized in the consolidated statement of profit or loss in the period in which they arise except for:
- Foreign exchange differences on transactions made in order to hedge foreign exchange risk.
- Foreign exchange differences on monetary items required to / from a foreign operation that are not planned to be settled, are unlikely to be settled in the near future (and therefore, these differences form part of the net investment in the foreign operation), and are initially recognized in the comprehensive income statement and reclassified from equity to the income statement when selling or partially disposing of net investment.

In order to present the consolidated financial statements, the assets and liabilities of the Bank's foreign operations are translated at the rates of exchange prevailing at the statement of financial position date. Income is also converted to average exchange rates for the period, unless exchange rates change significantly during that period, in which case the exchange rates are used on the date of the transactions. Exchange differences arising, if any, are recognized in other consolidated statement of comprehensive income and collected in a separate line item of equity.
When foreign operations are disposed of (i.e. disposal of the Bank's entire share from foreign operations, or resulting from the loss of control of a subsidiary in foreign operations, or partial exclusion by its share in a joint arrangement, or an associate company of a foreign nature in which the share held is a financial asset), all foreign exchange differences accumulated in a separate item under equity in respect of that transaction attributable to the Bank owners are reclassified to the consolidated statement of profit or loss. In addition, in respect of the partial disposal of a subsidiary involving foreign operations that do not result in the Bank losing control of the subsidiary, its share of the accumulated exchange differences is credited to net comprehensive income at a rate that is derecognized and not recognized in the consolidated statement of Profit or loss. For all other partial liquidation (such as partial liquidation of associates or joint ventures that do not result in the Bank losing significant influence or joint Control), the share of accumulated exchange differences is reclassified to the consolidated statement of profit or loss.

Leases

Bank Acting as a Lessee

At commencement or on modification of a contract that contains a lease component, the Bank allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Bank has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.
The Bank recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.
The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Bank uses its incremental borrowing rate.

The Bank determines the borrowing rate by analyzing its loans from various external sources and making some adjustments to reflect the lease terms and the type of leased assets.

Lease payments included in the measurement of the lease liability comprise:
- Fixed lease payments (including in-substance fixed payments), less any lease incentives.
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date.
- The amount expected to be payable by the lessee under residual value guarantees.
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When lease liabilities are measured using this method, the adjustments are made to related right of use asset or in the consolidated statement of profit or loss if the net book value for the related right of use asset was not fully depreciated.
The right-of-use of assets are presented within property and equipment caption and the related lease liabilities are presented in other liabilities (Borrowed funds) in the consolidated statement of financial position.

Short-term leases and leases of low-value assets

The Bank has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets, the Bank recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The Bank as lessor

When the Group acts as a lessor, it determines at lease inception whether the lease is a finance lease or an operating lease.
To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Group applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease. The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

For contracts entered into before 1 January 2019, the Group determined whether the arrangement was or contained a lease based on the assessment of whether:
- Fulfilment of the arrangement was dependent on the use of a specific asset or assets; and
- The arrangement had conveyed a right to use the asset.

As a lessee

The group did not have any finance leases under IAS (17) leases.
Assets held under other leases were classified as operating leases and were not recognized in the Group's statement of financial position. Payments made under operating leases were recognized in profit or loss on a straight-line basis over the term of the lease. Lease incentives received were recognized as an integral part of the total lease expense, over the term of the lease.

As a lessor

When the Group acted as a lessor, it determined at lease inception whether each lease was a finance lease or an operating lease.
To classify each lease, the Group made an overall assessment of whether the lease transferred substantially all of the risks and rewards incidental to ownership of the underlying asset. If this was the case, then the lease was a finance lease; if not, then it was an operating lease. As part of this assessment, the Group considered certain indicators such as whether the lease was for the major part of the economic life of the asset.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances with central banks and balances with banks and financial institutions, less balances due to banks and financial institutions maturing within three months and restricted funds.

Earnings per Share

The Group presents basic and diluted EPS data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss that is attributable to ordinary shareholders of the Bank by the weighted-average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss that is attributable to ordinary shareholders and the weighted-average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

Financial reporting in hyperinflationary economies

The financial statements of the subsidiary whose functional currency is the currency of hyperinflationary economy is adjusted in terms of the measuring unit current at the end of the reporting period. In the first period of application, the adjustments determined at the beginning of the period are recognized directly in equity as an adjustment to opening retained earnings. In subsequent periods, the prior period adjustments related to components of owners' equity and differences arising on translation of comparative amounts are accounted for in other comprehensive income. Items in the consolidated statement of financial position not already expressed in terms of the measuring unit current at the reporting period, such as non-monetary items carried at cost or cost less depreciation, are restated by applying a general price index. The restated cost, or cost less depreciation, of each item is determined by applying to its historical cost and accumulated depreciation the change in a general price index from the date of acquisition to the end of the reporting period. An impairment loss is recognized in profit or loss if the restated amount of a non-monetary item exceeds its estimated recoverable amount. At the beginning of the first period of application, the components of owners' equity, except retained earnings, are restated by applying a general price index from the dates the components were contributed or otherwise arose. Restated retained earnings are derived from all other amounts in the restated consolidated statement of financial position. At the end of the first period and in subsequent periods, all components of owners' equity are restated by applying a general price index from the beginning of the period or the date of contribution, if later. All items recognized in the income statement are restated by applying the change in the general price index from the dates when the items of income and expenses were initially earned or incurred. Gains or losses on the net monetary position are recognized in profit or loss. All items in the consolidated statement of cash flows are expressed in terms of the general price index at the end of the reporting period.

Since the Bank has applied IAS No. (29) in the consolidated financial statements only, some items of equity in the subsidiary have not been re-presented as they are among the items to be eliminated when preparing the consolidated financial statements or they are items arising under the laws in force in the Syrian Arab Republic.

7. Cash and Balances with Central Banks

This item consists of the following:	December 31,	
	2021	2020
	JD	JD
Cash at Vaults	81, 776, 632	66, 521, 033
Balances at Central Banks:		
- Current accounts and demand deposits	108,725,417	78,251,193
- Term and notice deposits	97,867,760	112,910,906
- Certificates of deposit	-	282,000
- Statutory cash reserve	93,783,314	91,663,345
	382,153,123	349,628,477
Less: Expected credit loss	(117,663)	(90,488)
	382,035,460	**349,537,989**

- Balances at central banks amounted to 300,376,491 as of December 31, 2021 (JD 283,107,444 as of December 31, 2020), these balances are distributed to credit stages as follows:

Item	As of December 31, 2021				As of December 31, 2020
	Stage One	Stage Two	Stage Three	Total	Total
Balance at the beginning of the year	283,107,444	-	-	283,107,444	312,229,080
New balances during the year	66,767,233	-	-	66,767,233	50,576,970
Paid balances	(43,311,962)	-	-	(43,311,962)	(79,698,606)
	306,562,715	-	-	306,562,715	283,107,444
Transferred to stage one	-	-	-	-	-
Transferred to stage two	-	-	-	-	-
Transferred to stage three	-	-	-	-	-
Changes due to the adjustments	4,365,443	-	-	4,365,443	-
Adjustments due to exchange rates fluctuations	(10,551,667)	-	-	(10,551,667)	-
Balance at the End of the Year	**300,376,491**	**-**	**-**	**300,376,491**	**283,107,444**

Distribution of the total balances with central banks according to the banks internal credit rating categories was as follows:

Credit risk rating based on the Bank's internal credit rating system:	As of December 31, 2021						As of December 31, 2020
	Stage One		Stage Two		Stage Three		
Item	Individual Level	Collective Level	Individual Level	Collective Level		Total	Total
1	210,313,853	-	-	-	-	210,313,853	220,427,349
2	-	-	-	-	-	-	-
3	-	-	-	-	-	-	-
4	-	-	-	-	-	-	-
5	-	-	-	-	-	-	-
6	90,062,638	-	-	-	-	90,062,638	62,680,095
7	-	-	-	-	-	-	-
8	-	-	-	-	-	-	-
9	-	-	-	-	-	-	-
10	-	-	-	-	-	-	-
Total	**300,376,491**	**-**	**-**	**-**	**-**	**300,376,491**	**283,107,444**

The expected credit loss allowance movement summary was as follows:	As of December 31, 2021						As of December 31, 2020
	Stage One		Stage Two		Stage Three	Total	
Item	Individual Level	Collective Level	Individual Level	Collective Level			
Balance at the beginning of the year	90,488	-	-	-	-	90,488	256,615
Expected credit loss on new balances during the year	28,856	-	-	-	-	28,856	21,966
Expected credit loss reversal on Paid balances	-	-	-	-	-	-	(54,503)
	119,344	-	-	-	-	119,344	224,078
Transferred to stage one	-	-	-	-	-	-	-
Transferred to stage two	-	-	-	-	-	-	-
Transferred to stage three	-	-	-	-	-	-	-
Changes due to the adjustments	6,539	-	-	-	-	6,539	-
Adjustments due to exchange rates fluctuations	(8,220)	-	-	-	-	(8,220)	(133,590)
Balance at the End of the Year	**117,663**	**-**	**-**	**-**	**-**	**117,663**	**90,488**

- Statutory cash reserve, amounted to JD 93,783,314 as of December 31, 2021 (JD 91,663,345 as of December 31, 2020).
- Restricted balances other than cash reserve amounted to JD 2,232,760 as of December 31, 2021 (JD 2,275,906 as of December 31, 2020).
- Term and notice Deposit balance includes JD 10,635,000 as December 31, 2021 (JD 10,635,000 maturing within a period exceeding three months as of December 31, 2020).
- Expected credit losses allowance was not calculated in accordance with the requirements of the International Financial Reporting Standard (9) on the Central Bank of Jordan balances as at December 31, 2021 and 2020 that is in accordance with the Central Bank of Jordan Instructions No.13/2018 dated June 6, 2018, regarding the application of International Financial Reporting Standard No. (9).

8. Balances with Banks and Financial Institutions

This item consists of the following:	Local Banks and Financial Institutions		Foreign Banks and Financial Institutions		Total	
	As of December 31,					
	2021	2020	2021	2020	2021	2020
	JD	JD	JD	JD	JD	JD
Current accounts and demand deposits	-	-	132,426,724	172,137,756	132,426,724	172,137,756
Deposits maturing within 3 months or less	-	15,000,000	3,580,650	3,588,480	3,580,650	18,588,480
	-	15,000,000	136,007,374	175,726,236	136,007,374	190,726,236
Less: Expected credit loss	-	(69)	(5,194)	(3,837)	(5,194)	(3,906)
	-	**14,999,931**	**136,002,180**	**175,722,399**	**136,002,180**	**190,723,330**

Distribution of the total balances with banks and financial institutions according to the banks internal credit rating categories was as follows:	As of December 31, 2021						As of December 31, 2020
	Stage One		Stage Two		Stage Three		
Item	Individual Level	Collective Level	Individual Level	Collective Level		Total	Total
Credit risk rating based on the Bank›s internal credit rating system:							
1	-	-	-	-	-	-	-
2	76,760,495	-	-	-	-	76,760,495	121,274,657
3	29,184,586	-	-	-	-	29,184,586	60,366,896
4	24,736,477	-	-	-	-	24,736,477	5,464,250
5	97,219	-	-	-	-	97,219	69,967
6	5,128,417	-	-	-	-	5,128,417	3,448,318
7	-	-	-	-	-	-	-
8	-	-	-	-	99,315	99,315	101,097
9	-	-	-	-	-	-	-
10	-	-	-	-	865	865	1,051
Total	**135,907,194**	**-**	**-**	**-**	**100,180**	**136,007,374**	**190,726,236**

Balances at Banks' and financial institutions credit stages distribution was as follows:	As of December 31, 2021							As of December 31, 2020
	Stage One		Stage Two		Stage Three			
Item	Individual Level	Collective Level	Individual Level	Collective Level			Total	Total
Balance at the beginning of the year	190,624,088	-	-	-	102,148		190,726,236	188,326,285
Impairment loss for new balances during the year	43,932,398	-	-	-	339		43,932,737	70,375,920
Paid balances	(95,963,027)	-	-	-	(1,781)		(95,964,808)	(64,324,977)
	138,593,459	-	-	-	100,706		138,694,165	194,377,228
Transferred to Stage One	-	-	-	-	-		-	-
Transferred to Stage Two	-	-	-	-	-		-	-
Transferred to Stage Three	-	-	-	-	-		-	-
Impact on allowance - at year end due to adjustments among stages during the year	-	-	-	-	-		-	625
Changes due to the adjustments	(586,568)	-	-	-	-		(586,568)	(1,186,955)
Adjustment due to exchange rates fluctuations	(2,099,697)	-	-	-	(526)		(2,100,223)	(2,464,662)
Balance at the End of the Year	135,907,194	-	-	-	100,180	-	136,007,374	190,726,236

Item	As of December 31, 2021						As of December 31, 2020
	Stage One		Stage Two		Stage Three		
	Individual Level	Collective Level	Individual Level	Collective Level		Total	Total
Balance at the beginning of the year after IFRS (9) implementation	2,855	-	-	-	1,051	3,906	2,958
Credit loss on new balances during the year	2,625	-	-	-	339	2,964	702
Expected credit loss reversal- Paid balances	(68)	-	-	-	-	(68)	(282)
	5,412	-	-	-	1,390	6,802	3,378
Transferred to Stage One	-	-	-	-	-	-	-
Transferred to Stage Two	-	-	-	-	-	-	-
Transferred to Stage Three	-	-	-	-	-	-	-
Impact on allowance - at year end due to adjustments among stages during the year	-	-	-	-	-	-	678
Changes due to the adjustments	299	-	-	-	-	299	1,589
Adjustment due to exchange rates fluctuations	(1,381)	-	-	-	(526)	(1,907)	(1,739)
Balance at the End of the Year	**4,330**	**-**	**-**	**-**	**864**	**5,194**	**3,906**

Non-interest bearing balances at banks and financial institutions amounted to JD 60,085,908 as of December 31, 2021 (JD 50,413,347 as of December 31, 2020).
Restricted balances at banks and financial institutions amounted to JD 3,740,876 as of December 31, 2021 (JD 3,037,779 as of December 31, 2020).

9. Deposits with Banks and Financial Institutions	Local Banks and Financial Institutions		Foreign Banks and Financial Institutions		Total	
This item consists of the following:	As of December 31,		As of December 31,		As of December 31,	
	2021	2020	2021	2020	2021	2020
	JD	JD	JD	JD	JD	JD
Deposits maturing within 3 to 6 months	-	-	282,000	564,000	282,000	564,000
Deposits maturing within 6 to 9 months	-	-	-	-	-	-
Deposits maturing within 9 months to a year	45,000,000	-	-	-	45,000,000	-
Deposits maturing after 1 year	44,000,000	89,000,000	-	-	44,000,000	89,000,000
	89,000,000	89,000,000	282,000	564,000	89,282,000	89,564,000
Less: Expected credit loss	(32,507)	(38,428)	(16)	(5)	(32,523)	(38,433)
	88,967,493	**88,961,572**	**281,984**	**563,995**	**89,249,477**	**89,525,567**

Distribution of the total deposits with banks and financial institutions according to the banks internal credit rating categories was as follows:

Item	As of December 31, 2021						As of December 31, 2020
	Stage One		Stage Two		Stage Three		
	Individual Level	Collective Level	Individual Level	Collective Level		Total	Total
Credit rating categories based on the Bank›s rating system:							
1	-	-	-	-	-	-	-
2	282,000	-	-	-	-	282,000	-
3	74,000,000	-	-	-	-	74,000,000	74,000,000
4	15,000,000	-	-	-	-	15,000,000	15,000,000
5	-	-	-	-	-	-	-
6	-	-	-	-	-	-	564,000
7	-	-	-	-	-	-	-
8	-	-	-	-	-	-	-
9	-	-	-	-	-	-	-
10	-	-	-	-	-	-	-
Total	**89,282,000**	**-**	**-**	**-**	**-**	**89,282,000**	**89,564,000**

- Deposits with banks and financial institutions credit stages distribution was as follows:

Item	As of December 31, 2021						As of December 31, 2020
	Stage One		Stage Two		Stage Three		
	Individual Level	Collective Level	Individual Level	Collective Level		Total	Total
Balance at the beginning of the year	89,564,000	-	-	-	-	89,564,000	208,249,314
New balances during the year	-	-	-	-	-	-	564,000
Paid balances	-	-	-	-	-	-	(109,249,314)
	89,564,000	-	-	-	-	89,564,000	99,564,000
Transferred to Stage One	-	-	-	-	-	-	-
Transferred to Stage Two	-	-	-	-	-	-	-
Transferred to Stage Three	-	-	-	-	-	-	-
Changes due to the adjustments	-	-	-	-	-	-	(10,000,000)
Written off- Balances	-	-	-	-	-	-	-
Adjustment due to exchange rates fluctuations	(282,000)	-	-	-	-	(282,000)	-
Balance at the End of the Year	**89,282,000**	**-**	**-**	**-**	**-**	**89,282,000**	**89,564,000**

The movement on the expected credit loss provision was as follows:

Item	As of December 31, 2021						As of December 31, 2020
	Stage One		Stage Two		Stage Three		
	Individual Level	Collective Level	Individual Level	Collective Level		Total	Total
Balance at the beginning of the year	38,433	-	-	-	-	38,433	125,549
Credit loss on new balances during the year	-	-	-	-	-	-	6,103
Expected credit loss reversal- Paid balances	(2,489)	-	-	-	-	(2,489)	(106,995)
Transferred to Stage One	35,944	-	-	-	-	35,944	24,657
Transferred to Stage Two	-	-	-	-	-	-	-
Transferred to Stage Three	-	-	-	-	-	-	-
Changes due to the adjustments	-	-	-	-	-	-	-
Written off- Balances	(3,419)	-	-	-	-	(3,419)	13,776
Adjustment due to exchange rates fluctuations	(2)	-	-	-	-	(2)	-
Balance at the End of the Year	**32,523**	-	-	-	-	**32,523**	**38,433**

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

10. Financial Assets at Fair Value through Profit or Loss

This item consists of the following:	As of December 31, 2021	2020
	JD	JD
Shares listed in local active markets	100,384	32,883
Shares unlisted in local active markets*	134,039	124,159
Right to receive financial assets at fair value	15,000,000	15,000,000
	15,234,423	**15,157,042**

* The fair value for unlisted investments had been calculated in accordance with the Bank's share of the net assets of these Investments based on the latest audited financial statements for the Company in which the Bank invested.

**This item represents financial assets at fair value through profit or loss represented by a contingent right to receive financial assets that have been recognized by the bank in accordance with the requirements of International Accounting Standard no. (32) and to comply with the agreement signed on December 23, 2018 which is considered an integral part of it and related to the sale of capital assets, these assets have been evaluated at it's fair value on the date of the consolidated financial statements, which resulted in valuation profits with the same amount for the year 2020.

11. Financial Assets at Fair Value Through Comprehensive Income

This item consists of the following:	As of December 31, 2021	2020
	JD	JD
Shares listed in local active markets	5,072,478	4,587,610
Shares unlisted in local active markets*	2,615,116	2,455,669
Shares listed in foreign active markets	7,697,826	5,411,781
Shares unlisted in foreign active markets*	46,777,807	46,726,887
Total of equity instruments	62,163,227	59,181,947
Corporate bonds	-	25,344,463
Total of debt instruments	-	25,344,463
	62,163,227	84,526,410

- Total cash dividends from financial assets at fair value through comprehensive income amounted to JD548,236 for the year ended December 31, 2021 (JD 510,741 for the year ended December 31, 2020).

* The fair value calculations related to the unlisted investments was based on the following methods:

- The bank's share from the net assets value for the Company in which the Bank invested based on the latest Company's audited financial statements,
- The multiples method which is considered one of level three methods according to the requirements of International Financial Reporting Standard No. (13),
- The observable market inputs.

* During the year 2020, the Bank has invested in unlisted financial assets at foreign active markets which resulted in a gain from initial recognition with an amount of JD 3,652,011 in accordance with the requirements of International financial reporting standard No. (9).

Debt instruments included in the financial assets at fair value through comprehensive income distribution according to the bank's internal credit rating was as follows:

Item	As of December 31, 2021				As of December 31, 2020
Credit risk rating based on the Bank's internal credit rating system	Stage One Individual Level	Stage Two Individual Level	Stage Three	Total	Total
1	-	-	-	-	-
2	-	-	-	-	-
3	-	-	-	-	-
4	-	-	-	-	-
5	-	-	-	-	18,129,573
6	-	-	-	-	7,214,890
7	-	-	-	-	-
8	-	-	-	-	-
9	-	-	-	-	-
10	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**25,344,463**

The movement of debt instruments included in the financial assets at fair value through comprehensive income during the year was as follows:

	As of December 31, 2021				As of December 31, 2020
Item	Stage One	Stage Two	Stage Three	Total	Total
Fair value at the beginning of the year	25,344,463	-	-	25,344,463	25,909,988
New investments during the year		-	-		-
Matured investments during the year	(25,344,463)	-	-	(25,344,463)	-
	-	-	-	-	25,909,988
Transferred to stage one	-	-	-	-	-
Transferred to stage two	-	-	-	-	-
Transferred to stage three	-	-	-	-	-
Changes due to the adjustments	-	-	-	-	(565,525)
Balance at the End of the Year	**-**	**-**	**-**	**-**	**25,344,463**

The expected credit loss allowance movement summary against debt instruments included in the financial assets at fair value through comprehensive income during the year was as follows:

	As of December 31, 2021				As of December 31, 2020
Item	Stage One	Stage Two	Stage Three	Total	Total
Balance at the beginning of the Year	212,204	-	-	212,204	77,271
New investment during the year		-	-		-
Matured investments	(212,204)	-	-	(212,204)	-
	-	-	-	-	77,271
Transferred to stage one	-	-	-	-	-
Transferred to stage two	-	-	-	-	-
Transferred to stage three	-	-	-	-	-
Changes due to the adjustments	-	-	-	-	134,933
Adjustments due to exchange rates fluctuations	-	-	-	-	-
Balance at the End of the Year*	**-**	**-**	**-**	**-**	**212,204**

* Expected credit loss allowance above was not presented in the consolidated statement of financial position due to the fact that the book value of investments in bonds at fair value through comprehensive income represents its fair value.

12. Direct Credit Facilities at amortized cost	December 31,	
This item consists of the following:	2021	2020
	JD	JD
Individual (Retail Customers):	596,242,926	557,702,675
Overdraft accounts	15,491,270	13,786,902
Loans and discounted bills*	551,973,514	518,981,439
Credit cards	28,778,142	24,934,334
Real estate loans	**273,211,954**	**259,123,143**
Corporate:	**582,433,426**	**621,426,028**
Large corporate customers	323,849,300	375,831,841
Overdraft accounts	36,336,526	65,042,272
Loans and discounted bills*	287,512,774	310,789,569
SMEs	258,584,126	245,594,187
Overdraft accounts	51,616,408	50,666,441
Loans and discounted bills*	206,967,718	194,927,746
Government and public sector	**206,297,647**	**181,364,510**
Total	**1,658,185,953**	**1,619,616,356**
Less: expected credit loss provision	(158,630,986)	(141,725,555)
Less: Interest in suspense	(13,440,274)	(11,151,703)
Net Direct Credit Facilities at amortized cost	**1,486,114,693**	**1,466,739,098**

* Net of interest and commission received in advance amounting to JD 14,591,914 as of December 31, 2021 (JD 16,427,772 as of December 31, 2020).

- Non-performing credit facilities amounted to JD 144,312,640 representing (8/7%) of the direct credit facilities balance for the year (JD 137,962,291 representing (8/5%) for prior year).
- Non-performing credit facilities after deducting the suspended interest amounted to JD 130,872,366 representing (8/0%) of direct credit facilities after deducting the suspended interest for the year (JD 126,812,522 representing (7/8%) for prior year).
- Credit facilities granted to and guaranteed by the Jordanian Government amounted to JD 2,528,026 representing (0/15%) of total direct credit facilities for the year (JD 12,813,252 representing (0/79%) for the prior year). Moreover, credit facilities granted to the public sector in Palestine amounted to JD 62,344,097 (JD 57,511,269 for the prior year). In addition to credit facilities granted to foreign governments amounted to 24,785,586 JD (JD 20,158,288 for the prior year).

Total direct credit facilities credit stages distribution was as follows:

Item	As of December 31, 2021					
	Stage One		Stage Two		Stage Three	Total
	Individual Level	Collective Level	Individual Level	Collective Level		
Balance at the beginning of the year	672,800,674	725,428,348	67,873,963	15,551,080	137,962,291	1,619,616,356
New facilities during the year	95,341,420	143,732,744	9,430,824	1,295,474	4,987,841	254,788,303
Facilities paid	(121,818,018)	(63,597,600)	(4,040,451)	(1,871,645)	(10,264,194)	(201,591,908)
	646,324,076	**805,563,492**	**73,264,336**	**14,974,909**	**132,685,938**	**1,672,812,751**
Transferred to Stage One	16,844,763	8,769,045	(16,685,918)	(7,043,386)	(1,884,504)	-
Transferred to Stage Two	(82,030,638)	(24,632,687)	82,039,367	25,589,198	(965,240)	-
Transferred to Stage Three	(6,183,952)	(7,094,929)	(390,341)	(2,507,834)	16,177,056	-
Effect on the allowance at the end of the year as a result of classification changes between the three stages during the year	3,520,201	(917,496)	(14,018,397)	(816,590)	304,349	(11,927,933)
Changes due to the adjustments	36,089,222	(20,667,796)	(10,666,108)	(270,401)	(1,018,936)	3,465,981
Written-off Balances	-	-	-	-	(107,709)	(107,709)
Adjustment due to exchange rates fluctuations	(3,544,992)	(179,398)	(1,447,651)	(6,782)	(878,314)	(6,057,137)
Balance at the End of the Year	**611,018,680**	**760,840,231**	**112,095,288**	**29,919,114**	**144,312,640**	**1,658,185,953**

- The combined movement the total expected credit loss allowance was as follows:

Item	As of December 31, 2021					
	Stage One		Stage Two		Stage Three	Total
	Individual Level	Collective Level	Individual Level	Collective Level		
Balance at the beginning of the year	1,804,197	3,718,047	10,368,829	5,452,368	120,382,114	141,725,555
Credit loss on new balances during the year	136,948	200,729	12,588,339	13,322	5,709,598	18,648,936
Expected credit loss reversal of matured facilities	(249,684)	(306,114)	(251,787)	(2,213,907)	(9,428,982)	(12,450,474)
	1,691,461	3,612,662	22,705,381	3,251,783	116,662,730	147,924,017
Transferred to Stage One	199,284	1,132,147	(72,544)	(62,581)	(1,196,306)	-
Transferred to Stage Two	(289,167)	(128,354)	290,116	683,557	(556,152)	-
Transferred to Stage Three	(15,283)	(49,013)	(12,626)	(23,559)	100,481	-
Effect on the allowance at the end of the year as a result of classification changes between the three stages during the year	(185,956)	(1,120,994)	5,990,318	(509,293)	11,717,126	15,891,201
Changes due to the adjustments	(820,656)	(2,354,884)	(199,320)	(8,824)	(1,108,507)	(4,492,191)
Written off- Balances	-	-	-	-	(86,312)	(86,312)
Adjustment due to exchange rates fluctuations	(7,647)	(1,483)	(21,085)	(1,030)	(574,484)	(605,729)
Balance at the End of the Year	**572,036**	**1,090,081**	**28,680,240**	**3,330,053**	**124,958,576**	**158,630,986**

Total direct credit facilities credit stages distribution was as follows:

Item	As of December 31, 2020					
	Stage One		Stage Two		Stage Three	Total
	Individual Level	Collective Level	Individual Level	Collective Level		
Balance at the beginning of the year	663,999,644	619,153,135	100,655,921	33,100,561	114,630,680	1,531,539,941
New facilities during the year	77,492,024	133,583,810	900,782	1,312,784	2,851,410	216,140,810
Facilities paid	(32,342,669)	(45,279,106)	(4,719,654)	(1,753,602)	(4,952,378)	(89,047,409)
	709,148,999	707,457,839	96,837,049	32,659,743	112,529,712	1,658,633,342
Transferred to Stage One	61,429,998	21,017,814	(61,429,998)	(19,765,834)	(1,251,980)	-
Transferred to Stage Two	(46,520,996)	(9,287,954)	47,945,747	10,194,415	(2,331,212)	-
Transferred to Stage Three	(14,702,520)	(3,161,359)	(9,622,678)	(6,464,342)	33,950,899	-
Effect on the allowance at the end of the year as a result of classification changes between the three stages during the year	(11,668,629)	(630,614)	(5,285,853)	(985,622)	(1,006,282)	(19,577,000)
Changes due to the adjustments	(16,673,567)	10,134,796	3,296,048	(38,184)	1,817,435	(1,463,472)
Written-off Balances	-	-	-	-	(595,203)	(595,203)
Adjustment due to exchange rates fluctuations	(8,212,611)	(102,174)	(3,866,352)	(49,096)	(5,151,078)	(17,381,311)
Balance at the End of the Year	**672,800,674**	**725,428,348**	**67,873,963**	**15,551,080**	**137,962,291**	**1,619,616,356**

- The combined movement the total expected credit loss allowance was as follows:

Item	As of December 31, 2020					
	Stage One		Stage Two			
	Individual Level	Collective Level	Individual Level	Collective Level	Stage Three	Total
Balance at the beginning of the year	2,033,638	5,357,779	11,796,862	984,202	91,932,306	112,104,787
Credit loss on new balances during the year	302,216	660,668	214,720	5,331,446	6,378,560	12,887,610
Expected credit loss reversal of matured facilities	(120,274)	(346,518)	(1,631,171)	(18,841)	(2,750,512)	(4,867,316)
	2,215,580	5,671,929	10,380,411	6,296,807	95,560,354	120,125,081
Transferred to Stage One	556,325	829,225	(556,325)	(182,354)	(646,871)	-
Transferred to Stage Two	(104,643)	(68,643)	449,000	634,302	(910,016)	-
Transferred to Stage Three	(11,888)	(36,702)	(86,163)	(66,243)	200,996	-
Effect on the allowance at the end of the year as a result of classification changes between the three stages during the year	(400,893)	(728,991)	34,533	(555,607)	28,836,461	27,185,503
Changes due to the adjustments	(448,439)	(1,943,611)	186,924	(653,827)	386,866	(2,472,087)
Written off- Balances	-	-	-	-	(564,671)	(564,671)
Adjustment due to exchange rates fluctuations	(1,845)	(5,160)	(39,551)	(20,710)	(2,481,005)	(2,548,271)
Balance at the End of the Year	**1,804,197**	**3,718,047**	**10,368,829**	**5,452,368**	**120,382,114**	**141,725,555**

Expected credit loss allowance against credit facilities

	As of December 31, 2021					
			Corporates			
The following is the movement on the expected credit loss allowance againts direct credit facilities:	Individual (Retail Customers)	Real Estate Loans	Large Corporate Customers	SMEs	Government and Public sector	Total
	JD	JD	JD	JD	JD	JD
Balance – Beginning of the year	44,619,633	10,087,652	53,891,144	32,789,039	338,087	141,725,555
Impairment loss of new facilities during the year	2,623,381	1,324,385	7,052,057	7,610,359	38,754	18,648,936
Reversed from impairment loss of the (settled) balances	(4,516,000)	(2,116,416)	(1,511,840)	(4,232,206)	(74,012)	(12,450,474)
	42,727,014	9,295,621	59,431,361	36,167,192	302,829	147,924,017
Effect on the allowance at the end of the year as a result of classification changes between the three stages during the year	3,522,570	176,107	9,101,545	3,090,979	-	15,891,201
Changes due to the adjustments	(1,943,559)	(416,494)	(1,531,113)	(470,378)	(130,647)	(4,492,191)
Written-off facilities transferred to off balance sheet items	(84,036)	-	-	(2,276)	-	(86,312)
Adjustment due to exchange rates fluctuations	(15,686)	(17,256)	(555,432)	(17,355)	-	(605,729)
Balance at the End of the Year	44,206,303	9,037,978	66,446,361	38,768,162	172,182	158,630,986
Distributed as follow:						
Allowance on individual level	166,180	1,043,999	66,347,935	38,365,526	172,182	106,095,822
Allowance on collective level	44,040,123	7,993,979	98,426	402,636	-	52,535,164
Balance at the End of the Year	**44,206,303**	**9,037,978**	**66,446,361**	**38,768,162**	**172,182**	**158,630,986**

	As of December 31, 2020					
		Corporates				
	Individual (Retail Customers)	Real Estate Loans	Large Corporate Customers	SMEs	Government and Public sector	Total
	JD	JD	JD	JD	JD	JD
Balance – Beginning of the year	36,194,481	7,134,274	42,395,693	26,037,867	342,472	112,104,787
Impairment loss of new facilities during the year	8,480,250	2,105,683	1,367,495	897,315	36,867	12,887,610
Reversed from impairment loss of the (settled) balances	(1,724,671)	(680,587)	(2,325,393)	(136,665)	-	(4,867,316)
	42,950,060	8,559,370	41,437,795	26,798,517	379,339	120,125,081
Effect on the allowance at the end of the year as a result of classification changes between the three stages during the year	4,213,373	1,860,072	14,492,439	6,619,619	-	27,185,503
Changes due to the adjustments	(2,326,083)	(248,493)	119,475	24,266	(41,252)	(2,472,087)
Written-off facilities transferred to off balance sheet items	(82,971)	-	-	(481,700)	-	(564,671)
Adjustment due to exchange rates fluctuations	(134,746)	(83,297)	(2,158,565)	(171,663)	-	(2,548,271)
Balance at the End of the Year	44,619,633	10,087,652	53,891,144	32,789,039	338,087	141,725,555
Distributed as follow:						
Allowance on individual level	101,199	1,532,298	53,747,406	32,239,778	338,087	87,958,768
Allowance on collective level	44,518,434	8,555,354	143,738	549,261	-	53,766,787
Balance at the End of the Year	**44,619,633**	**10,087,652**	**53,891,144**	**32,789,039**	**338,087**	**141,725,555**

The following are the details for each business segment as of December 31:

A. Individual Portfolio (Retail)	As of December 31, 2021						As of December 31, 2020
	Stage One		Stage Two				
Item	Individual Level	Collective Level	Individual Level	Collective Level	Stage Three	Total	Total
Credit risk rating based on the Bank›s internal credit rating system:							
1	-	-	-	-	-	-	-
2	-	-	-	-	-	-	-
3	-	-	-	-	-	-	-
4	-	-	-	-	-	-	-
5	1,142,689	-	-	-	-	1,142,689	842,653
6	321,551	-	16,427	-	-	337,978	77,876
7	-	-	-	-	-	-	-
8	-	-	-	-	-	-	107,946
9	-	-	-	-	26,673	26,673	-
10	-	-	-	-	747,591	747,591	612,946
Unclassified	-	533,924,696	-	15,919,729	44,143,570	593,987,995	556,061,254
Total	**1,464,240**	**533,924,696**	**16,427**	**15,919,729**	**44,917,834**	**596,242,926**	**557,702,675**

Related Facilities Movement Disclosure:

Item	As of December 31, 2021						As of December 31, 2020
	Stage One		Stage Two		Stage Three	Total	Total
	Individual Level	Collective Level	Individual Level	Collective Level			
Balance at the beginning of the year	920,529	508,080,383	-	8,411,144	40,290,619	557,702,675	488,438,680
New facilities during the year	301,960	100,306,699	-	1,240,936	1,724,831	103,574,426	96,849,868
Facilities released	(51,484)	(49,879,286)	-	(1,174,227)	(2,348,012)	(53,453,009)	(41,326,719)
	1,171,005	558,507,796	-	8,477,853	39,667,438	607,824,092	543,961,829
Transferred to Stage One	-	4,921,607	-	(3,885,619)	(1,035,988)	-	-
Transferred to Stage Two	(16,861)	(12,983,259)	16,861	13,499,287	(516,028)	-	-
Transferred to Stage Three	-	(5,504,740)	-	(1,336,068)	6,840,808	-	-
The effect on the allowance as at the end of the year as a result of a change in classification between the three stages during the year	-	(662,749)	(434)	(635,019)	97,035	(1,201,167)	(1,139,319)
Changes due to the adjustments	310,096	(10,310,881)	-	(200,705)	(284)	(10,201,774)	15,241,237
Written-off facilities transferred to off balance sheet items	-	-	-	-	(105,433)	(105,433)	(90,472)
Adjustments due to changes in exchange rates	-	(43,078)	-	-	(29,714)	(72,792)	(270,600)
Total Balance at the End of the Year	**1,464,240**	**533,924,696**	**16,427**	**15,919,729**	**44,917,834**	**596,242,926**	**557,702,675**

Expected credit loss allowance movment:

Item	As of December 31, 2021						As of December 31, 2020
	Stage One		Stage Two				
	Individual Level	Collective Level	Individual Level	Collective Level	Stage Three	Total	Total
Balance at the beginning of the year	1,006	3,074,089	-	5,411,108	36,133,430	44,619,633	36,194,481
Impairment Loss of new balances during the year	1,548	166,032	-	12,953	2,442,848	2,623,381	8,480,250
Recoveries from impairment loss on facilities due	(175)	(261,190)	-	(2,208,161)	(2,046,474)	(4,516,000)	(1,724,671)
	2,379	2,978,931	-	3,215,900	36,529,804	42,727,014	42,950,060
Transferred to Stage One	-	821,170	-	(45,347)	(775,823)	-	-
Transferred to Stage Two	(90)	(93,095)	90	509,365	(416,270)	-	-
Transferred to Stage Three	-	(44,294)	-	(17,411)	61,705	-	-
The effect on the allowance as at the end of the year as a result of a change in classification between the three stages during the year	-	(812,764)	(42)	(401,024)	4,736,400	3,522,570	4,213,373
Changes due to the adjustments	189	(1,934,145)	-	(9,454)	(149)	(1,943,559)	(2,326,083)
Written-off facilities transferred to off balance sheet items	-	-	-	-	(84,036)	(84,036)	(82,971)
Adjustments due to changes in exchange rates	-	(404)	-	-	(15,282)	(15,686)	(134,746)
Total Balance at the End of the Year	**2,478**	**915,399**	**48**	**3,252,029**	**40,036,349**	**44,206,303**	**44,619,633**

B. Real Estate Loan Portfolio	As of December 31, 2021						As of December 31, 2020
	Stage One		Stage Two				
Item	Individual Level	Collective Level	Individual Level	Collective Level	Stage Three	Total	Total
Credit risk rating categories based on the Bank›s internal credit rating system:							
1	-	-	-	-	-	-	-
2	211,620	-	-	-	-	211,620	391,015
3	296,572	-	-	-	-	296,572	541,315
4	1,649,537	-	648,882	-	-	2,298,419	876,982
5	3,784,355	-	309,557	-	-	4,093,912	7,843,556
6	8,025,026	-	340,995	-	-	8,366,021	15,017,198
7	-	-	4,816,115	-	-	4,816,115	120,098
8	-	-	-	-	-	-	23,834
9	-	-	-	-	19,450	19,450	-
10	-	-	-	-	1,801,160	1,801,160	1,403,064
Unclassified	-	225,971,987	-	13,738,732	11,597,966	251,308,685	232,906,081
Total	**13,967,110**	**225,971,987**	**6,115,549**	**13,738,732**	**13,418,576**	**273,211,954**	**259,123,143**

Related facilities movement disclosure:

	As of December 31, 2021						As of December 31, 2020
	Stage One		Stage Two		Stage Three		
Item	Individual Level	Collective Level	Individual Level	Collective Level		Total	Total
Balance at the beginning of the year	21,819,429	213,536,822	2,970,735	6,758,473	14,037,684	259,123,143	238,577,717
New facilities during the year	1,614,206	43,187,734	695,673	54,538	209,812	45,761,963	39,424,642
Facilities Released	(1,357,881)	(10,896,362)	(120,098)	(379,312)	(2,527,728)	(15,281,381)	(11,649,388)
	22,075,754	245,828,194	3,546,310	6,433,699	11,719,768	289,603,725	266,352,971
Transferred to Stage One	260,809	3,784,081	(260,809)	(3,094,410)	(689,671)	-	-
Transferred to Stage Two	(2,946,557)	(11,347,593)	2,946,557	11,788,076	(440,483)	-	-
Transferred to Stage Three	-	(1,582,415)	-	(1,171,766)	2,754,181	-	-
The effect on the allowance as at the end of the year as a result of a change in classification between the three stages during the year	(65,465)	(239,716)	200,985	(140,389)	109,594	(134,991)	(317,981)
Changes due to the adjustments	(5,030,197)	(10,334,244)	(317,494)	(69,696)	(1,356)	(15,752,987)	(6,642,366)
Written-off facilities transferred to off balance sheet items	-	-	-	-	-	-	-
Adjustments due to changes in exchange rates	(327,234)	(136,320)	-	(6,782)	(33,457)	(503,793)	(269,481)
Total Balance at the End of the Year	**13,967,110**	**225,971,987**	**6,115,549**	**13,738,732**	**13,418,576**	**273,211,954**	**259,123,143**

Expected credit loss allowance movment:	As of December 31, 2021						As of December 31, 2020
Item	Stage One		Stage Two				
	Individual Level	Collective Level	Individual Level	Collective Level	Stage Three	Total	Total
Balance at the beginning of the year	58,890	619,956	206,981	37,698	9,164,127	10,087,652	7,134,274
Impairment Loss of new balances during the year	1,601	34,294	1,903	369	1,286,218	1,324,385	2,105,683
Recoveries from impairment loss on facilities due	(2,459)	(30,601)	(199,855)	(2,498)	(1,881,003)	(2,116,416)	(680,587)
	58,032	623,649	9,029	35,569	8,569,342	9,295,621	8,559,370
Transferred to Stage One	330	310,663	(330)	(16,920)	(293,743)	-	-
Transferred to Stage Two	(4,713)	(33,045)	4,713	171,978	(138,933)	-	-
Transferred to Stage Three	-	(4,709)	-	(6,148)	10,857	-	-
The effect on the allowance as at the end of the year as a result of a change in classification between the three stages during the year	211	(307,955)	46,089	(107,660)	545,422	176,107	1,860,072
Changes due to the adjustments	(27,806)	(415,098)	27,385	630	(1,605)	(416,494)	(248,493)
Written-off facilities transferred to off balance sheet items	-	-	-	-	-	-	-
Adjustments due to changes in exchange rates	(581)	(1,079)	-	(1,030)	(14,566)	(17,256)	(83,297)
Total Balance at the End of the Year	**25,473**	**172,426**	**86,886**	**76,419**	**8,676,774**	**9,037,978**	**10,087,652**

C. Facilities granted to corporates	As of December 31, 2021						As of December 31, 2020
	Stage One		Stage Two				
Item	Individual Level	Collective Level	Individual Level	Collective Level	Stage Three	Total	Total
Credit risk rating categories based on the Bank›s internal credit rating system:							
1	-	-	-	-	-	-	159
2	15,678,328	-	-	-	-	15,678,328	11,145,957
3	18,686,919	-	5,366,729	-	-	24,053,648	22,460,242
4	100,284,142	-	4,441	-	-	100,288,583	63,762,580
5	36,054,954	-	7,303,284	-	-	43,358,238	113,759,365
6	52,841,500	-	20,904,785	-	-	73,746,285	99,446,990
7	-	-	16,939,147	-	-	16,939,147	18,729,068
8	-	-	-	-	15,207,842	15,207,842	369,051
9	-	-	-	-	4,599,177	4,599,177	14,527,705
10	-	-	-	-	29,773,929	29,773,929	31,035,943
Unclassified	-	92,173	-	-	111,950	204,123	594,781
Total	**223,545,843**	**92,173**	**50,518,386**	**-**	**49,692,898**	**323,849,300**	**375,831,841**

Related facilities movement disclosure:	As of December 31, 2021						As of December 31, 2020
	Stage One		Stage Two				
Item	Individual Level	Collective Level	Individual Level	Collective Level	Stage Three	Total	Total
Balance at the beginning of the year	295,006,967	263,608	34,297,394	177,510	46,086,362	375,831,841	438,140,685
New facilities during the year	53,278,765	-	5,493,318	-	2,017,353	60,789,436	17,052,206
Facilities released	(70,813,672)	(127,767)	(1,644,291)	(177,510)	(1,352,642)	(74,115,882)	(23,844,529)
	277,472,060	135,841	38,146,421	-	46,751,073	362,505,395	431,348,362
Transferred to Stage One	8,759,447	-	(8,759,447)	-	-	-	-
Transferred to Stage Two	(40,720,696)	-	40,720,696	-	-	-	-
Transferred to Stage Three	(4,470,765)	-	(7,916)	-	4,478,681	-	-
The effect on the allowance as at the end of the year as a result of a change in classification between the three stages during the year	770,801	-	(9,602,140)	-	120,496	(8,710,843)	(16,703,258)
Changes due to the adjustments	(15,348,592)	(43,668)	(8,724,202)	-	(1,020,395)	(25,136,857)	(24,617,117)
Written-off facilities transferred to off balance sheet items	-	-	-	-	-	-	-
Adjustments due to changes in exchange rates	(2,916,412)	-	(1,255,026)	-	(636,957)	(4,808,395)	(14,196,146)
Total Balance at the End of the Year	**223,545,843**	**92,173**	**50,518,386**	**-**	**49,692,898**	**323,849,300**	**375,831,841**

Expected credit loss allowance movment:	As of December 31, 2021						As of December 31, 2020
	Stage One		Stage Two				
Item	Individual Level	Collective Level	Individual Level	Collective Level	Stage Three	Total	Total
Balance at the beginning of the year	845,976	1,920	9,580,819	2,085	43,460,344	53,891,144	42,395,693
Impairment Loss of new balances during the year	78,500	-	5,962,006	-	1,011,551	7,052,057	1,367,495
Recoveries from impairment loss on facilities due	(133,127)	(867)	(47,667)	(2,085)	(1,328,094)	(1,511,840)	(2,325,393)
	791,349	1,053	15,495,158	-	43,143,801	59,431,361	41,437,795
Transferred to Stage One	11,010	-	(11,010)	-	-	-	-
Transferred to Stage Two	(191,231)	-	191,231	-	-	-	-
Transferred to Stage Three	(1,925)	-	(203)	-	2,128	-	-
The effect on the allowance as at the end of the year as a result of a change in classification between the three stages during the year	(8,803)	-	4,528,115	-	4,582,233	9,101,545	14,492,439
Changes due to the adjustments	(367,218)	(881)	(56,256)	-	(1,106,758)	(1,531,113)	119,475
Written-off facilities transferred to off balance sheet items	-	-	-	-	-	-	-
Adjustments due to changes in exchange rates	(6,526)	-	(20,109)	-	(528,797)	(555,432)	(2,158,565)
Total Balance at the End of the Year	**226,656**	**172**	**20,126,926**	**-**	**46,092,607**	**66,446,361**	**53,891,144**

D. Facilities granted to SME's:

Item	As of December 31, 2021						As of December 31, 2020
	Stage One		Stage Two		Stage Three		
	Individual Level	Collective Level	Individual Level	Collective Level		Total	Total
Credit risk rating categories based on the Bank›s internal credit rating system:							
1	-	-	-	-	-	-	-
2	186,081	-	-	-	-	186,081	4,774,931
3	17,676,981	-	1,506,940	-	-	19,183,921	19,115,656
4	64,605,511	-	3,178,263	-	-	67,783,774	40,514,078
5	46,700,931	-	12,065,248	-	-	58,766,179	69,500,034
6	36,574,336	-	18,636,790	-	-	55,211,126	59,282,052
7	-	-	20,057,685	-	-	20,057,685	11,108,322
8	-	-	-	-	801,474	801,474	2,727,983
9	-	-	-	-	1,039,314	1,039,314	2,051,371
10	-	-	-	-	33,884,422	33,884,422	32,085,936
Unclassified	-	851,375	-	260,653	558,122	1,670,150	4,433,824
Total	**165,743,840**	**851,375**	**55,444,926**	**260,653**	**36,283,332**	**258,584,126**	**245,594,187**

Related facilities movement disclosure:

Item	As of December 31, 2021						As of December 31, 2020
	Stage One		Stage Two		Stage Three		
	Individual Level	Collective Level	Individual Level	Collective Level		Total	Total
Balance at the beginning of the year	173,689,239	3,547,535	30,605,834	203,953	37,547,626	245,594,187	243,691,603
New facilities during the year	15,360,903	238,311	3,241,833	-	1,035,845	19,876,892	12,655,806
Facilities Released	(9,936,693)	(2,694,185)	(2,276,062)	(140,596)	(4,035,812)	(19,083,348)	(12,226,773)
	179,113,449	1,091,661	31,571,605	63,357	34,547,659	246,387,731	244,120,636
Transferred to Stage One	7,824,507	63,357	(7,665,662)	(63,357)	(158,845)	-	-
Transferred to Stage Two	(38,346,524)	(301,835)	38,355,253	301,835	(8,729)	-	-
Transferred to Stage Three	(1,713,187)	(7,774)	(382,425)	-	2,103,386	-	-
The effect on the allowance as at the end of the year as a result of a change in classification between the three stages during the year	2,814,865	(15,031)	(4,616,808)	(41,182)	(22,776)	(1,880,932)	(1,416,442)
Changes due to the adjustments	16,352,076	20,997	(1,624,412)	-	3,099	14,751,760	6,039,808
Written-off facilities transferred to off balance sheet items	-	-	-	-	(2,276)	(2,276)	(504,731)
Adjustments due to changes in exchange rates	(301,346)	-	(192,625)	-	(178,186)	(672,157)	(2,645,084)
Total Balance at the End of the Year	**165,743,840**	**851,375**	**55,444,926**	**260,653**	**36,283,332**	**258,584,126**	**245,594,187**

Expected credit loss allowance movement:	As of December 31, 2021						As of December 31, 2020
	Stage One		Stage Two		Stage Three		
Item	Individual Level	Collective Level	Individual Level	Collective Level		Total	Total
Balance at the beginning of the year	560,236	22,082	581,029	1,477	31,624,215	32,789,039	26,037,867
Impairment Loss of new balances during the year	16,545	403	6,624,431	-	968,980	7,610,359	897,315
Recoveries from impairment loss on facilities due	(39,911)	(13,456)	(4,265)	(1,163)	(4,173,411)	(4,232,206)	(136,665)
	536,870	9,029	7,201,195	314	28,419,784	36,167,192	26,798,517
Transferred to Stage One	187,944	314	(61,204)	(314)	(126,740)	-	-
Transferred to Stage Two	(93,133)	(2,214)	94,082	2,214	(949)	-	-
Transferred to Stage Three	(13,358)	(10)	(12,423)	-	25,791	-	-
The effect on the allowance as at the end of the year as a result of a change in classification between the three stages during the year	(177,364)	(275)	1,416,156	(609)	1,853,071	3,090,979	6,619,619
Changes due to the adjustments	(295,174)	(4,760)	(170,449)	-	5	(470,378)	24,266
Written-off facilities transferred to off balance sheet items	-	-	-	-	(2,276)	(2,276)	(481,700)
Adjustments due to changes in exchange rates	(538)	-	(977)	-	(15,840)	(17,355)	(171,663)
Total Balance at the End of the Year	145,247	2,084	8,466,380	1,605	30,152,846	38,768,162	32,789,039

E. Facilities Granted to the Government and the Public Sector:	As of December 31, 2021						As of December 31, 2020
	Stage One		Stage Two				
Item	Individual Level	Collective Level	Individual Level	Collective Level	Stage Three	Total	Total
Credit risk rating categories based on the Bank›s internal credit rating system:							
1	119,167,964	-	-	-	-	119,167,964	93,694,953
2	-	-	-	-	-	-	-
3	-	-	-	-	-	-	-
4	-	-	-	-	-	-	-
5	24,785,586	-	-	-	-	24,785,586	13,068,288
6	62,344,097	-	-	-	-	62,344,097	74,601,269
7	-	-	-	-	-	-	-
8	-	-	-	-	-	-	-
9	-	-	-	-	-	-	-
10	-	-	-	-	-	-	-
Unclassified	-	-	-	-	-	-	-
Total	**206,297,647**	**-**	**-**	**-**	**-**	**206,297,647**	**181,364,510**

Related facilities movement disclosure:	As of December 31, 2021						As of December 31, 2020
Item	Stage One		Stage Two		Stage Three		
	Individual Level	Collective Level	Individual Level	Collective Level		Total	Total
Balance at the beginning of the year	181,364,510	-	-	-	-	181,364,510	122,691,256
New facilities during the year	24,785,586	-	-	-	-	24,785,586	50,158,288
Facilities Released	(39,658,288)	-	-	-	-	(39,658,288)	-
	166,491,808	-	-	-	-	166,491,808	172,849,544
Transferred to Stage One	-	-	-	-	-	-	-
Transferred to Stage Two	-	-	-	-	-	-	-
Transferred to Stage Three	-	-	-	-	-	-	-
The effect on the allowance as at the end of the year as a result of a change in classification between the three stages during the year	-	-	-	-	-	-	-
Changes due to the adjustments	39,805,839	-	-	-	-	39,805,839	8,514,966
Written-off facilities transferred to off balance sheet items	-	-	-	-	-	-	-
Adjustments due to changes in exchange rates	-	-	-	-	-	-	-
Total Balance at the End of the Year	**206,297,647**	**-**	**-**	**-**	**-**	**206,297,647**	**181,364,510**

Expected credit loss allowance movement:	As of December 31, 2021						As of December 31, 2020
Item	Stage One		Stage Two		Stage Three		
	Individual Level	Collective Level	Individual Level	Collective Level		Total	Total
Balance at the beginning of the year	338,087	-	-	-	-	338,087	342,472
Impairment Loss of new balances during the year	38,754	-	-	-	-	38,754	36,867
Recoveries from impairment loss on facilities due	(74,012)	-	-	-	-	(74,012)	-
	302,829	-	-	-	-	302,829	379,339
Transferred to Stage One	-	-	-	-	-	-	-
Transferred to Stage Two	-	-	-	-	-	-	-
Transferred to Stage Three	-	-	-	-	-	-	-
The effect on the allowance as at the end of the year as a result of a change in classification between the three stages during the year	-	-	-	-	-	-	-
Changes due to the adjustments	(130,647)	-	-	-	-	(130,647)	(41,252)
Written-off facilities transferred to off balance sheet items	-	-	-	-	-	-	-
Adjustments due to changes in exchange rates	-	-	-	-	-	-	-
Total Balance at the End of the Year	**172,182**	**-**	**-**	**-**	**-**	**172,182**	**338,087**

Interest in Suspense:

The following is the movement on the interest in suspense:	As of December 31, 2021				
			Corporates		
	Individual (Retail Customers)	Real Estate Loans	Large Corporate Customers	SMEs	Total
	JD	JD	JD	JD	JD
Balance at the Beginning of the Year	2,148,647	1,683,760	2,763,131	4,556,165	11,151,703
Add: Interest suspended during the year	336,330	604,005	1,140,854	1,178,531	3,259,720
Less: Interest in suspense reversed to revenues	(183,298)	(260,896)	(122,048)	(124,700)	(690,942)
Translation differences	791	(13,638)	(183,547)	(61,747)	(258,141)
Written off facilities transferaed to off balance sheet items	(22,066)	-	-	-	(22,066)
Balance at the End of the Year	**2,280,404**	**2,013,231**	**3,598,390**	**5,548,249**	**13,440,274**

	As of December 31, 2020				
			Corporates		
	Individual (Retail Customers)	Real Estate Loans	Large Corporate Customers	SMEs	Total
	JD	JD	JD	JD	JD
Balance at the Beginning of the Year	1,977,386	1,251,133	2,700,185	3,981,013	9,909,717
Add: Interest suspended during the year	328,944	621,957	762,920	950,655	2,664,476
Less: Interest in suspense reversed to revenues	(132,513)	(115,065)	(144,941)	(111,891)	(504,410)
Written off facilities transferaed to off balance sheet items	(17,670)	(74,265)	(555,033)	(240,282)	(887,250)
Balance at the End of the Year	(7,500)	-	-	(23,330)	(30,830)
	2,148,647	**1,683,760**	**2,763,131**	**4,556,165**	**11,151,703**

Direct credit facilities are distributed in accordance with geographical distribution and economic sectors as following:			Total	
			As of December 31,	
	Inside Kingdom	Outside Kingdom	2021	2020
	JD	JD	JD	JD
Financial	6,831,621	7,062,496	13,894,117	7,633,963
Industrial	78,928,255	54,140,327	133,068,582	149,510,727
Trading	211,030,032	70,683,690	281,713,722	297,250,035
Real estate	245,407,798	27,804,156	273,211,954	259,123,143
Constructions	23,318,508	14,371,655	37,690,163	40,524,981
Agriculture	8,142,755	1,216,621	9,359,376	6,511,496
Tourism, restaurants and public facilities	43,502,489	51,385,354	94,887,843	98,093,741
Shares	12,873,371	-	12,873,371	11,556,787
Individuals	471,373,046	123,816,132	595,189,178	568,046,973
Government and public sector	119,167,964	87,129,683	206,297,647	181,364,510
Total	**1,220,575,839**	**437,610,114**	**1,658,185,953**	**1,619,616,356**

13. Financial Assets at Amortized Cost

This item consists of the following:	December 31, 2021 JD	December 31, 2020 JD
Financial assets quoted ` in the market:		
Governmental bonds and bills guaranteed by the government	255,888,018	219,643,092
Corporate and banks bonds and debentures	37,752,732	30,290,562
Foreign governmental bonds	28,977,281	31,852,447
Total financial assets quoted in the market	**322,618,031**	**281,786,101**
Financial assets unquoted in the market:		
Corporate bonds and debentures	56,307,000	66,434,000
Foreign treasury bill on guaranteed by the government	5,382,169	934,739
Total financial assets unquoted in the market	61,689,169	67,368,739
Total Financial Assets at Amortized Cost	384,307,200	349,154,840
Less: Expected credit loss provision	(477,080)	(699,871)
Net financial assets at amortized cost	**383,830,120**	**348,454,969**

Analysis of bonds and bills:	December 31, 2021 JD	December 31, 2020 JD
Financial assets with fixed-interest rate	379,307,200	340,607,045
Financial assets with floating interest rate	5,000,000	8,547,795
	384,307,200	**349,154,840**

- Distribution of financial assets at amortized cost according to the Bank's internal credit rating categories as of December 31, 2021 and 2020 was as follows:

	As of December 31, 2021						As of December 31, 2020
	Stage One		Stage Two		Stage Three	Total	
Item	Individual Level	Collective Level	Individual Level	Collective Level			Total
1	230,889,380	-	-	-	-	230,889,380	219,643,092
2	720,417	-	-	-	-	720,417	724,151
3	719,417	-	-	-	-	719,417	5,688,967
4	4,988,203	-	-	-	-	4,988,203	5,007,406
5	80,525,496	-	-	-	-	80,525,496	80,320,242
6	66,464,287	-	-	-	-	66,464,287	37,770,982
7	-	-	-	-	-	-	-
8	-	-	-	-	-	-	-
9	-	-	-	-	-	-	-
10	-	-	-	-	-	-	-
Total	**384,307,200**	**-**	**-**	**-**	**-**	**384,307,200**	**349,154,840**

Financial assets at amortized cost credit stages distribution was as follows:

	As of December 31, 2021						As of December 31, 2020
	Stage One		Stage Two		Stage Three	Total	
Item	Individual Level	Collective Level	Individual Level	Collective Level			Total
Beginning balance	349,154,840	-	-	-	-	349,154,840	272,734,431
New investment during the year	83,011,881	-	-	-	-	83,011,881	137,857,159
Matured investments	(44,904,609)	-	-	-	-	(44,904,609)	(61,574,081)
	387,262,112	-	-	-	-	387,262,112	349,017,509
Transferred to stage one	-	-	-	-	-	-	-
Transferred to stage two	-	-	-	-	-	-	-
Transferred to stage three	-	-	-	-	-	-	-
Changes due to the adjustments	(2,954,912)	-	-	-	-	(2,954,912)	137,331
Ending balance	**384,307,200**	**-**	**-**	**-**	**-**	**384,307,200**	**349,154,840**

The movement on the expected credit loss provision was as follows:	As of December 31, 2021				As of December 31, 2020
Item	Stage One	Stage Two	Stage Three	Total	Total
Balance at the Beginning of the Year	699,871	-	-	699,871	198,632
Credit loss on new balances during the year	115,499	-	-	115,499	403,806
Expected credit loss reversal of matured investments	(17,034)	-	-	(17,034)	(17,407)
	798,336	-	-	798,336	585,031
Transferred to stage one	-	-	-	-	-
Transferred to stage two	-	-	-	-	-
Transferred to stage three	-	-	-	-	-
Effect on the provision at the end of the period– as a result of classification changes between the three stages during the year	-	-	-	-	-
Changes due to adjustments	(321,256)	-	-	(321,256)	114,840
Balance at the End of the Year	**477,080**	**-**	**-**	**477,080**	**699,871**

The maturities of these financial assets at amortized cost are as follows:

	Up to 1 Month	Over 1 Month and Up to 3 Months	Over 3 Months and Up to 6 Months	Over 6 Months and Up to 1 Year	Over 1 Year and Up to 3 Years	Over 3 Years	Total
	JD	JD	JD	JD	JD	JD	
December 31, 2021	3,600,403	87,118,970	59,640,595	82,410,888	106,241,506	45,294,838	384,307,200
December 31, 2020	6,000,640	18,070,528	20,610,042	15,598,000	247,403,862	41,471,768	349,154,840

14. Property and Equipment _ Net

The details of this item are as follows:

2021	Lands	Buildings	Equipment Furniture and Fixtures	Vehicles	Computers	Decorations and Improvements	Total
	JD	JD	JD	JD	JD	JD	JD
Cost:							
Beginning balance for the year before IAS (29) implementation	4,051,991	14,057,738	25,880,246	1,069,218	15,451,903	22,256,500	82,767,596
Impact of IAS (29) implementation- Note (2)	641,744	5,710,871	1,602,811	100,314	599,901	1,714,870	10,370,511
Adjusted beginning balance for the year after IAS (29) implementation	4,693,735	19,768,609	27,483,057	1,169,532	16,051,804	23,971,370	93,138,107
Additions	-	341,679	2,276,246	947	952,899	5,688,934	9,260,705
(Disposals)	-	(54,029)	(1,039,048)	(84,770)	(1,026,076)	(760,525)	(2,964,448)
Foreign currencies differences	(27,433)	(299,662)	(141,210)	(7,033)	(68,383)	(88,878)	(632,599)
End of year balance	4,666,302	19,756,597	28,579,045	1,078,676	15,910,244	28,810,901	98,801,765
Accumulated depreciation:							
Accumelated depriciation beginning balance before IAS (29) implementation	-	6,717,314	17,178,523	691,071	9,779,435	17,622,863	51,989,206
Impact of IAS (29) implementation- Note (2)	-	494,444	763,507	59,063	313,889	934,008	2,564,911
Accumulated depreciation beginning balance after IAS (29) implementation	-	7,211,758	17,942,030	750,134	10,093,324	18,556,871	54,554,117
Annual depreciation	-	245,939	1,738,387	114,424	1,551,288	2,008,946	5,658,984
(Disposals)	-	(42,719)	(1,030,984)	(74,492)	(971,192)	(731,390)	(2,850,777)
Foreign currencies differences	-	(62,293)	(95,663)	(5,084)	(35,680)	(84,413)	(283,133)
End of year balance	-	7,352,685	18,553,770	784,982	10,637,740	19,750,014	57,079,191
Net book value of property and equipment	4,666,302	12,403,912	10,025,275	293,694	5,272,504	9,060,887	41,722,574
Payments on acquisition of property and equipment*	-	645,197	321,457	-	155,109	359,945	1,481,708
Right of use of assets**	-	-	-	-	-	-	16,459,704
Net Property and Equipment at the End of the Year	**4,666,302**	**13,049,109**	**10,346,732**	**293,694**	**5,427,613**	**9,420,832**	**59,663,986**

Property and Equipment _ Net

The details of this item are as follows:

2020	Lands	Buildings	Equipment Furniture and Fixtures	Vehicles	Computers	Decorations and Improvements	Total
	JD	JD	JD	JD	JD	JD	JD
Cost:							
Beginning of year balance	4,159,152	14,427,159	26,170,961	1,093,021	13,281,679	21,870,623	81,002,595
Additions	-	764,088	985,558	1,043	3,230,589	1,238,969	6,220,247
(Disposals)	(3,855)	(5,000)	(796,993)	(113)	(870,722)	(511,611)	(2,188,294)
Foreign currencies differences	(103,306)	(1,128,509)	(479,280)	(24,733)	(189,643)	(341,481)	(2,266,952)
End of year balance	4,051,991	14,057,738	25,880,246	1,069,218	15,451,903	22,256,500	82,767,596
Accumulated depreciation:							
Beginning of year balance	-	6,656,806	16,541,978	587,078	9,308,093	17,037,422	50,131,377
Annual depreciation	-	253,447	1,657,414	121,933	1,390,855	1,385,473	4,809,122
(Disposals)	-	-	(705,383)	(90)	(808,652)	(491,377)	(2,005,502)
Foreign currencies differences	-	(192,939)	(315,486)	(17,850)	(110,861)	(308,655)	(945,791)
End of year balance	-	6,717,314	17,178,523	691,071	9,779,435	17,622,863	51,989,206
Net book value of property and equipment	4,051,991	7,340,424	8,701,723	378,147	5,672,468	4,633,637	30,778,390
Payments on acquisition of property and equipment*	-	829	809,982	-	740,285	4,834,146	6,385,242
Right of use of assets**	-	-	-	-	-	-	16,829,962
Net Property and Equipment at the End of the Year	4,051,991	7,341,253	9,511,705	378,147	6,412,753	9,467,783	53,993,594

* The financial obligations relating to the acquisition of property and equipment amounted to JD 440,636 for the year 2021, and will be settled in accordance with the contractual conditions on the purchase of these assets.

- Fully depreciated property and equipment cost amounted to JD 32,842,215 for the year 2021 (JD 32,061,238 for the year 2020).

** This item represents the effect of IFRS (16) implementation, movment summary as follows:

	2021	2020
	JD	JD
Beginning of year balance	16,829,962	16,202,973
Additions	3,155,328	4,995,647
(Disposals)	(148,965)	(1,069,422)
(Depreciation)	(3,370,516)	(3,243,015)
Foreign currencies differences	(6,105)	(56,221)
End of year balance	**16,459,704**	**16,829,962**

15. Intangible Assets

This item consists of computer software's which are amortized at an annual rate ranging from 15% to 20%, the details are as follows:

	December 31, 2021	December 31, 2020
	JD	JD
Balance at the Beginning of the Year	6,872,445	5,986,282
Additions during the year	2,623,664	2,124,672
Amortization for the year	(1,470,887)	(1,202,801)
Foreign currencies differences	(13,222)	(35,708)
Balance at the End of the Year	**8,012,000**	**6,872,445**

16. Other Assets

This item consists of the following:

	December 31, 2021	December 31, 2020
	JD	JD
Accrued interest and commission income	11,262,031	10,391,109
Prepaid expenses	3,374,186	3,616,227
Assets foreclosed by the Bank in repayment of non-performing debts*	63,410,703	58,067,461
Clearance cheques	994,110	2,427,148
Paid guarantees	2,094,650	1,692,367
Advanced payments on the acquisition of lands and real estates	244,132	255,912
Prepaid tax expenses	6,463,301	3,807,864
Accounts receivables and other debit balances	5, 499,070	4,818,056
	93,342,183	**85,076,144**

*The following is the movement on the assets foreclosed by the Bank in repayment of non-performing debts:	Foreclosed Assets	
	2021	2020
	JD	JD
Balance at the Beginning of the Year	68,067,305	64,202,177
Additions	7,641,983	7,516,737
Disposals	(2,568,597)	(3,651,609)
End of the year balance	73,140,691	68,067,305
Impairment provision of assets foreclosed by the Bank**	(9,729,988)	(9,999,844)
Balance at the End of the Year	**63,410,703**	**58,067,461**

According to the Jordanian Banks' Law, buildings and plots of lands foreclosed by the Bank in repayment of debts from clients should be sold within two years from the foreclosure date. However, the Central Bank of Jordan may extend this period for two more years in exceptional cases. Starting from the year 2015, the bank has started to calculate gradual provision against the assets foreclosed by the bank in exchange of credit facilities that have been in possession for more than 4 years in accordance with the Central Bank of Jordan Circular No. 15/1/4076 dated March 27, 2014 and Circular No. 10/1/2510 dated February 14, 2017. Subseqeuntly, Central Bank of Jordan has issued different circulars regarding postponing the provision calculations, the latest of which was Circular No. 10/3/13246 dated September 12, 2021 which require the bank to complete recognizing the required provisions starting from the year 2022 at 5% annually from their book value, to reach the required percentage of 50% from the book value of these foreclosed assets by the end of year 2030.

** The movement on the assets foreclosed by the Bank in repayment of non-performing debts provision loans was as follows:	2021	2020
	JD	JD
Balance at the Beginning of the Year	9,999,844	10,357,640
(Reversal on) Additions	(269,856)	(357,796)
Balance at the End of the Year	**9,729,988**	**9,999,844**

17. Banks and Financial Institutions' Deposits

This item consists of the following:	December 31, 2021			December 31, 2020		
	Inside the Kingdom of Jordan	Outside the Kingdom of Jordan	Total	Inside the Kingdom of Jordan	Outside the Kingdom of Jordan	Total
	JD	JD	JD	JD	JD	JD
Current accounts and demand deposits	-	8,496,971	8,496,971	-	9,945,487	9,945,487
Deposits maturing within 3 months	-	34,079,000	34,079,000	1,418,000	8,461,000	9,879,000
Deposits maturing within 3-6 months	-	282,000	282,000	-	-	-
Deposits maturing within 6-9 months	-	-	-	-	-	-
Deposits maturing within 9-12 months	-	-	-	-	-	-
Deposits maturity exceeds one year	-	50,937,867	50,937,867	-	50,937,867	50,937,867
	-					
	-	**93,795,838**	**93,795,838**	**1,418,000**	**69,344,354**	**70,762,354**

18. Customer Deposits

Details of this item are as follows:	December 31, 2021				
	Individuals	Corporations	SME's	Government and Public sector	Total
Description	JD	JD	JD	JD	JD
Current accounts	404,958,782	56,717,488	100,982,275	6,315,037	568,973,582
Saving deposits	914,524,455	776	1,893,438	13,023	916,431,692
Term deposits	328,349,107	19,921,209	36,568,898	14,347,823	399,187,037
Certificates of deposits	22,619,329	819,000	-	-	23,438,329
Total	**1,670,451,673**	**77,458,473**	**139,444,611**	**20,675,883**	**1,908,030,640**

	December 31, 2020				
	Individuals	Corporations	SME's	Government and Public sector	Total
Description	JD	JD	JD	JD	JD
Current accounts	355,874,393	103,252,081	80,310,197	9,688,230	549,124,901
Saving deposits	844,505,660	1,201,243	9,625,103	10,377	855,342,383
Term deposits	345,536,736	73,476,256	31,129,822	20,195,128	470,337,942
Certificates of deposits	21,508,350	11,565,000	1,309,000	-	34,282,350
Total	**1,567,425,139**	**189,494,580**	**122,374,122**	**29,893,735**	**1,909,187,576**

* Government and Public Sector deposits in Jordan amounted to JD 20,675,883 equivalent to 1/08% of total deposits for the year (JD 22,738,668 equivalent to 1/19% of total deposits for the previous year).
* Non-interest-bearing deposits amounted to JD 767,162,072 equivalent to 40/21% of total deposits for the year (JD 702,448,649 equivalent to 36/79% of total deposits for the previous year).
* Restricted deposits amounted to JD 21,150,044 equivalent to 1/11 % of total deposits for the year (JD 16,822,597 equivalent to 0/88 % of total deposits for the previous year).
* Dormant deposits amounted to JD73,684,908 for the year (JD 58,881,480 for the previous year).

19. Cash Margins

The details of this item are as follows:	December 31, 2021	2020
	JD	JD
Cash margins against direct credit facilities	92,734,104	95,468,703
Cash margins against indirect credit facilities	19,924,972	24,350,606
	112,659,076	**119,819,309**

20. Other Provisions

The details of this item are as follows:	Beginning Balance	Provision Created During the Year	Provision Used During the Year	Foreign Currencies Differences	Ending Balance
2021	JD	JD	JD	JD	JD
Provision for end-of-service indemnity	4,253,672	385,350	(256,042)	-	4,382,980
Provision for lawsuits raised against the Bank	832,435	97,767	(165,817)	-	764,385
Other provisions	216,043	167	(99,321)	(108,021)	8,868
	5,302,150	**483,284**	**(521,180)**	**(108,021)**	**5,156,233**
2020					
Provision for end-of-service indemnity	4,032,642	466,137	(245,107)	-	4,253,672
Provision for lawsuits raised against the Bank	863,478	73,678	(104,721)	-	832,435
Other provisions	115,091	241,416	(65,214)	(75,250)	216,043
	5,011,211	**781,231**	**(415,042)**	**(75,250)**	**5,302,150**

21. Income Tax

A. Income tax provision:	2021	2020
The movement on the income tax provision is as follows:	JD	JD
Balance at the Beginning of the Year	19,881,866	23,803,895
Income tax paid	(18,161,428)	(22,692,105)
Accrued Income tax	18,335,056	18,770,076
Balance at the end of the year	**20,055,494**	**19,881,866**

Income tax presented in the consolidated statement of profit or loss represents the following:	2021	2020
Income tax on current year's profit	18,335,056	15,231,242
Previous years income tax	-	379,375
Deferred tax assets for the year-addition	(4,797,947)	(1,567,870)
Amortization of deferred tax assets	2,049,647	2,563,769
	15,586,756	**16,606,516**

Income tax in the consolidated statement of comprehensive income represents the following:	2021	2020
Accrued income tax on profits from the sale of shares of financial assets through the statement of comprehensive income	-	3,538,834
	-	**3,538,834**

b. Deferred Tax Assets						
The details of this item are as follows:	As of December 31, 2021					As of December 31, 2020
Accounts Included	Balance at the Beginning of the Year	Amounts Released	Amounts Added	Balance at the End of the Year	Deferred Tax	Deferred Tax
Deferred Tax Assets:	JD	JD	JD	JD	JD	JD
Provisions for non-performing debts	14,713,283	-	10,373,779	25,087,062	9,533,084	5,591,048
Provision for non-performing debts previous periods	13,581,618	4,196,045	-	9,385,573	3,346,964	4,941,285
Provision for staff end-of-service indemnity	4,202,986	256,041	351,668	4,298,613	1,246,830	1,219,182
Interests in suspense	730,306	1,634	-	728,672	176,780	177,251
Provision for lawsuits raised against the Bank	832,435	165,818	97,768	764,385	274,538	294,596
Impairment of assets foreclosed by the Bank	9,999,844	269,856	-	9,729,988	3,454,647	3,557,192
Impairment of assets available for sale	62,831	-	-	62,831	23,876	23,876
Revaluation of assets foreclosed by Bank	837,287	-	-	837,287	318,169	318,169
Expected credit loss provision	15,382,982	768,994	1,887,654	16,501,642	6,181,811	5,685,800
	60,343,572	**5,658,388**	**12,710,869**	**67,396,053**	**24,556,699**	**21,808,399**
C. Deferred Tax Liabilities:						
Fair value reserve	**499,477**	**10,510**	**40,780**	**529,747**	**51,871**	**48,946**

The movement of deferred tax assets and liabilities as follows:

	Deferred Tax Assets		Deferred Tax Liabilities	
	JD	JD	JD	JD
Balance- beginning of the year	21,808,399	22,804,298	48,946	3,081,065
Additions during the year	4,797,947	1,567,870	3,930	2,252
Amortized during the year	(2,049,647)	(2,563,769)	(1,005)	(3,034,371)
Balance- ending of the year	24,556,699	21,808,399	51,871	48,946

The percentage of tax used in the calculation of deferred taxes is the applied rate in the countries where the bank is operating*

- The legal income tax rate in Jordan is 38% for banks, knowing that the legal income tax rate in Palestine in which the bank has investments and branches is 15%, and in Syria (a subsidiary company) 25% and subsidiaries in Jordan 28%.
- A final settlement was reached with the Income and Sales Tax Department in Jordan up to the end of year 2018, and the Bank submitted its annual tax returns for the years 2019 and 2020, and paid the required amounts according to the law, however no final settlement was reached with the Income and Sales Tax Department for those years yet. In the opinion of management and its tax advisor the bank will not have any obligations in excess of the current booked provisions in the consolidated financial statements.
- A final settlement was reached with the Income tax and VAT departments on the results of the Bank's operations in Palestine until the end of the year 2018 and the bank submitted its annual tax returns for the year 2019 and 2020 and paid the related required payments according to the law. In the opinion of management and its tax advisor the bank the current booked provisions are sufficient to settle the tax liabilities.
- A final settlement was reached with the Income and Sales Tax Department in Jordan with regard to Excel for Financial Investments Company (Subsidiary) until the end of year 2019 for which the company submitted its tax return for the years 2020 and paid related taxes but still not reviewed by the Income and Sales Tax Department yet. In the opinion of management and its tax advisor the bank the current booked provisions in the consolidated financial statements are sufficient to settle the tax liabilities.
- A final settlement was reached with the Income and Sales Tax Department in Jordan with regard to Jordan Leasing Company (Subsidiary) until the end of year 2019 except for the year 2018. The company submitted its tax returns for the years 2018 and 2020 and paid related taxes but still not reviewed by the Income and Sales Tax Department yet. In the opinion of management and its tax advisor the bank the current booked provisions in the consolidated financial statements are sufficient to settle the tax liabilities.
- Taxes due over the Bank, its subsidiaries and external branches has been calculated for the year ended December 31, 2021, and in the opinion of the management and its tax advisor the current booked provisions are sufficient to pay the tax obligations as of that date.

C. The following is a summary of the reconciliation between accounting profit and taxable profit:	2021	2020
	JD	JD
Accounting profit	51,893,989	52,073,578
Tax-exempt profits	(23,147,881)	(39,854,042)
Undetectable tax expenses	28,846,779	33,558,257
Taxable profit	**57,592,887**	**45,777,793**
Income tax rate	31,8%	%41
Income tax payable on the profits for the year	**18,335,056**	**18,770,076**

22. Borrowed Funds

The details of this item are as follows:

December 31, 2021	Amount	Number of Installments In Total	The Remaining	Periodic Installments Maturity	Collaterals	Price of Borrowing Interest
	JD				JD	
Borrowing from Central Banks*	41,560,368	24-108	3-66	Monthly	Treasury Bonds and bills	Zero -1%
Borrowing from Jordan Mortgage Refinance Company**	15,000,000	1	1	One payment	Assigning real estate loans mortgage certificates in favour of the company	4.15%
Lease obligations***	15,578,959	838	482	Annual	None	Average 5,75%
Total	**72,139,327**					

December 31, 2020	Amount	Number of Installments In Total	The Remaining	Periodic Installments Maturity	Collaterals	Price of Borrowing Interest
	JD				JD	
Borrowing from central banks*	46,968,903	24-108	15 – 76	Monthly	Treasury bonds and bills assigning real estate loans	Zero – 1%
Borrowing from Jordan Mortgage Refinance Company**	15,000,000	1	1	One payment	Assigning real estate loans mortgage certificates in favour of the company	4,15%
Borrowing from foreign banks	7,090,000	1	1	One payment	None	Average
Lease obligations***	15,523,423	791	491	Quarterly, semi-annual, annually	None	5,75%
Total	**84,582,326**					

* The above balances has been re-financed to the Bank's customers classified under small and medium entities and corporates with an interest rate ranging from 2% - 6.83%.

- This balance is borrowed at a fixed interest rate, and there is no borrowing at floating interest rates, zero interest borrowings related to loans issued by the Central Bank of Jordan amounted to JD 30,177,593 as of December 31, 2021.

** This item represents the amount borrowed from Jordan Mortgage Refinance Company which is due in one payment for three years.

*** Lease obligations – Against right of use of assets – leased:		
In Jordanian Dinar	December 31, 2021	December 31, 2020
Maturity analysis - undiscounted contractual cash flows		
Less than one year	3,424,483	3,131,027
Year to five years	10,700,014	10,518,639
More than five years	6,595,172	7,258,618
Total undiscounted lease obligations	20,719,669	20,908,284
Discounted lease obligations included in the consolidated statement of financial position	15,578,959	15,523,423
Within one year	2,615,263	2,081,138
More than one year	**12,963,696**	**13,442,285**

23. Other Liabilities	December 31,	
The details of this item are as follows:	2021	2020
	JD	JD
Accrued interest payable	3,181,123	5,469,474
Accepted deferred cheques	9,781,208	7,521,812
Temporary deposits	7,756,932	6,844,610
Dividends payable	2,605,617	2,126,474
Deposits on safe boxes	174,455	174,168
Margins against sold real estate	65,000	26,700
Financial derivatives Note (41)	5,448	238,254
Expected credit loss provision against indirect credit facilities **	7,694,926	8,845,153
Other liabilities*	10,986,284	9,175,767
	42,250,993	**40,422,412**

* The details of other liabilities are as follows:	December 31,	
	2021	2020
	JD	JD
Social security deposits	283,703	264,041
Income tax deposits	315,834	260,643
Accrued expenses	8,438,566	6,839,253
Incoming transfers	393,462	455,931
Board of Directors' members remuneration	55,000	55,000
Other credit balances	1,499,719	1,300,899
	10,986,284	**9,175,767**

*** Indirect credit facilities credit stages distribution was as follows:**

	Aa of December 31, 2021						As of December, 31, 2020
	Stage One		Stage Two		Stage Three	Total	Total
Item	Individual	Collective	Individual	Collective			
Balance at the Beginning of the Year	362,976,823	65,621,764	27,917,115	462,355	11,566,466	468,544,523	661,375,908
New exposures during the year	69,660,469	9,541,348	1,569,417	103,170	96,997	80,971,401	49,324,648
Accrued exposures	(45,653,756)	(1,916,939)	(3,997,145)	(22,573)	(713,228)	(52,303,641)	(174,321,589)
	386,983,536	73,246,173	25,489,387	542,952	10,950,235	497,212,283	536,378,967
Transferred to stage one	2,934,695	201,908	(2,932,695)	(201,908)	(2,000)	-	-
Transferred to stage two	(22,540,660)	(600,561)	22,550,660	600,561	(10,000)	-	-
Transferred to stage three	(219,442)	(274,355)	(68,372)	(46,231)	616,743	8,343	-
Effect as a result of classification changes between the three stages during the year	2,002,292	125,870	(1,147,833)	(131,478)	(573,765)	275,086	(14,809,135)
Changes due to the adjusments	(14,866,681)	(9,610,814)	(15,410,541)	(37,673)	-	(39,925,709)	(49,345,734)
Adjustments due to exchange rates fluctuations	(1,570,525)	-	(132,468)	-	(318)	(1,703,311)	(3,679,575)
Balance at the End of the Year	**352,723,215**	**63,088,221**	**28,348,138**	**726,223**	**10,980,895**	**455,866,692**	**468,544,523**

** Total expected credit loss provision distribution against indirect credit facilities was as follows:	Aa of December 31, 2021						As of December, 31, 2020
	Stage One		Stage Two		Stage Three	Total	Total
Item	Individual	Collective	Individual	Collective			
Balance at the Beginning of the Year	590,584	460,649	158,736	5,617	7,629,567	8,845,153	10,206,853
Credit loss on new exposures during the period	101,580	17,593	3,100	891	213,481	336,645	465,085
Impairment loss over accrued exposures	(69,369)	(13,901)	(46,063)	(267)	(839,091)	(968,691)	(1,132,273)
	622,795	464,341	115,773	6,241	7,003,957	8,213,107	9,539,665
Transferred to stage one	25,820	2,450	(24,482)	(2,450)	(1,338)	-	-
Transferred to stage two	(55,323)	(4,207)	62,196	4,207	(6,873)	-	-
Transferred to stage three	(512)	(1,912)	(2,150)	(562)	5,136	-	-
Effect as a result of classification changes between the three stages during the year	(18,947)	(1,845)	119,305	(158)	12,821	111,176	(36,899)
Changes due to the adjustments	(238,658)	(342,482)	(34,026)	(1,004)	-	(616,170)	(679,916)
Adjustments due to exchange rates fluctuations	(12,876)	-	(303)	-	(8)	(13,187)	22,303
Balance at the End of the Year	**322,299**	**116,345**	**236,313**	**6,274**	**7,013,695**	**7,694,926**	**8,845,153**

Indirect credit facilities distribution was as follows:

A. Letter of credit	As of December 31, 2021						As of December 31, 2020
	Stage One		Stage Two				
Item	Individual Level	Collective Level	Individual Level	Collective Level	Stage Three	Total	Total
Credit risk rating based on the Bank›s internal credit rating system:							
1	-	-	-	-	-	-	-
2	175,113	-	-	-	-	175,113	-
3	10,008,311	-	-	-	-	10,008,311	2,039,917
4	11,220,325	-	-	-	-	11,220,325	14,623,826
5	4,171,891	-	-	-	-	4,171,891	34,544,393
6	932,147	-	-	-	-	932,147	1,100,314
7	-	-	79,672	-	-	79,672	-
8	-	-	-	-	-	-	-
9	-	-	-	-	-	-	-
10	-	-	-	-	-	-	-
Total	**26,507,787**	**-**	**79,672**	**-**	**-**	**26,587,459**	**52,308,450**

Indirect facilities movement disclosure:

	As of December 31, 2021						As of December 31, 2020
	Stage One		Stage Two				
Item	Individual Level	Collective Level	Individual Level	Collective Level	Stage Three	Total	Total
Balance at the beginning of the year	52,238,875	-	69,575	-	-	52,308,450	69,214,211
New facilities during the year	2,590,726	-	-	-	-	2,590,726	18,855,351
Facilities paid	(2,254,195)	-	(5,752)	-	-	(2,259,947)	(27,315,317)
	52,575,406	-	63,823	-	-	52,639,229	60,754,245
Transferred to Stage One	-	-	-	-	-	-	-
Transferred to Stage Two	(41,950)	-	41,950	-	-	-	-
Transferred to Stage Three	-	-	-	-	-	-	-
The effect on the provision at the end of the year as a result of changes in classification between the three stages during the year	-	-	(23,677)	-	-	(23,677)	(10,083,269)
Changes due to the adjustments	(26,025,669)	-	(2,424)	-	-	(26,028,093)	1,637,474
Adjustments due to changes in exchange rates	-	-	-	-	-	-	-
Total Balance at the End of the Year	**26,507,787**	**-**	**79,672**	**-**	**-**	**26,587,459**	**52,308,450**

Impairment provision movement diclosure:

	As of December 31, 2021						As of December 31, 2020
	Stage One		Stage Two				
Item	Individual Level	Collective Level	Individual Level	Collective Level	Stage Three	Total	Total
Balance at the beginning of the year	92,753	-	139	-	-	92,892	168,490
Impairment Loss of new balances during the year	5,157	-	-	-	-	5,157	2,408
Recoveries from impairment loss on investments due	(1,811)	-	(12)	-	-	(1,823)	(78,686)
	96,099	-	127	-	-	96,226	92,212
Transferred to Stage One	-	-	-	-	-	-	-
Transferred to Stage Two	(57)	-	57	-	-	-	-
Transferred to Stage Three	-	-	-	-	-	-	-
The effect on the provision at the end of the year as a result of the reclassification between the three stages during the year	-	-	2,493	-	-	2,493	(55,357)
Changes due to the adjustments	(78,881)	-	937	-	-	(77,944)	56,037
Adjustments due to changes in exchange rates	-	-	-	-	-	-	-
Total Balance at the End of the Year	**17,161**	**-**	**3,614**	**-**	**-**	**20,775**	**92,892**

B. Acceptances	As of December 31, 2021						As of December 31, 2020
	Stage One		Stage Two		Stage Three	Total	Total
Item	Individual Level	Collective Level	Individual Level	Collective Level			
Credit risk rating based on the Bank›s internal credit rating system:							
1	-	-	-	-	-	-	-
2	-	-	-	-	-	-	-
3	1,119,185	-	-	-	-	1,119,185	1,385,571
4	6,513,789	-	-	-	-	6,513,789	10,828,403
5	3,970,116	-	404,981	-	-	4,375,097	2,320,947
6	1,933,933	-	-	-	-	1,933,933	4,092,529
7	-	-	-	-	-	-	-
8	-	-	-	-	-	-	-
9	-	-	-	-	-	-	-
10	-	-	-	-	-	-	-
Total	**13,537,023**	**-**	**404,981**	**-**	**-**	**13,942,004**	**18,627,450**

Indirect facilities movement disclosure:	As of December 31, 2021						As of December 31, 2020
	Stage One		Stage Two		Stage Three	Total	Total
Item	Individual Level	Collective Level	Individual Level	Collective Level			
Balance at the Beginning of the year	17,654,645	-	972,805	-	-	18,627,450	19,349,139
New facilities during the year	7,771,148	-	-	-	-	7,771,148	12,612,284
Facilities paid	(12,831,463)	-	(530,571)	-	-	(13,362,034)	(13,932,315)
	12,594,330	-	442,234	-	-	13,036,564	18,029,108
Transferred to Stage One	442,234	-	(442,234)	-	-	-	-
Transferred to Stage Two	(340,745)	-	340,745	-	-	-	-
Transferred to Stage Three	-	-	-	-	-	-	-
The effect on the provision at the end of the year as a result of reclassification between the three stages during the year	(189,539)	-	64,236	-	-	(125,303)	(971,154)
Changes due to the adjustments	1,030,743	-	-	-	-	1,030,743	1,569,496
Written off facilities	-	-	-	-	-	-	
Adjustments due to changes in exchange rates	-	-	-	-	-	-	-
Total Balance at the End of the Year	**13,537,023**	**-**	**404,981**	**-**	**-**	**13,942,004**	**18,627,450**

Impairment provision movement diclosure:	As of December 31, 2021						As of December 31, 2020
	Stage One		Stage Two		Stage Three	Total	Total
Item	Individual Level	Collective Level	Individual Level	Collective Level			
Balance at the Beginning of the year	33,581	-	4,281	-	-	37,862	75,674
Impairment Loss of new balances during the year	11,552	-	-	-	-	11,552	12,208
Recoveries from impairment loss on facilities due	(18,183)	-	(2,643)	-	-	(20,826)	(51,397)
	26,950	-	1,638	-	-	28,588	36,485
Transferred to Stage One	1,638	-	(1,638)	-	-	-	-
Transferred to Stage Two	(110)	-	110	-	-	-	-
Transferred to Stage Three	-	-	-	-	-	-	-
The effect on the provision at the end of the year as a result of reclassification between the three stages during the year	(1,506)	-	1,006	-	-	(500)	(6,764)
Changes due to the adjustments	(11,878)	-	-	-	-	(11,878)	8,141
Adjustments due to changes in exchange rates	-	-	-	-	-	-	-
Total Balance at the End of the Year	**15,094**	**-**	**1,116**	**-**	**-**	**16,210**	**37,862**

C. Letters of guarantee	As of December 31, 2021						As of December 31, 2020
	Stage One		Stage Two		Stage Three	Total	Total
Item	Individual Level	Collective Level	Individual Level	Collective Level			
Credit risk rating based on the Bank›s internal credit rating system:							
1	-	-	-	-	-	-	-
2	2,809,550	-	-	-	-	2,809,550	199,390
3	4,114,691	-	615,950	-	-	4,730,641	9,739,704
4	20,856,990	-	741,335	-	-	21,598,325	30,206,536
5	30,258,677	-	4,105,006	-	-	34,363,683	37,037,374
6	14,842,216	-	3,581,859	-	-	18,424,075	22,432,818
7	-	-	2,446,562	-	-	2,446,562	860,622
8	-	-	-	-	25,000	25,000	77,030
9	-	-	-	-	21,978	21,978	79,684
10	-	-	-	-	10,933,917	10,933,917	11,409,752
Total	**72,882,124**	**-**	**11,490,712**	**-**	**10,980,895**	**95,353,731**	**112,042,910**

Indirect facilities movement disclosure:	As of December 31, 2021						As of December 31, 2020
	Stage One		Stage Two		Stage Three	Total	Total
Item	Individual Level	Collective Level	Individual Level	Collective Level			
Balance at the beginning of the year	96,900,814	-	3,575,630	-	11,566,466	112,042,910	114,413,012
New facilities during the Year	4,019,976	-	1,138,030	-	96,997	5,255,003	2,704,853
Facilities paid	(3,106,562)	-	(442,121)	-	(713,228)	(4,261,911)	(5,354,268)
	97,814,228	-	4,271,539	-	10,950,235	113,036,002	111,763,597
Transferred to Stage One	852,092	-	(850,092)	-	(2,000)	-	-
Transferred to Stage Two	(8,535,460)	-	8,545,460	-	(10,000)	-	-
Transferred to Stage Three	(75,878)	-	(23,257)	-	107,478	8,343	-
The effect on the provision at the end of the year as a result of reclassification between the three stages during the year	41,614	-	(483,737)	-	(64,500)	(506,623)	(189,071)
Changes due to the adjustments	(16,019,867)	-	48,412	-	-	(15,971,455)	2,210,888
Adjustments due to changes in exchange rates	(1,194,605)	-	(17,613)	-	(318)	(1,212,536)	(1,742,504)
Total balance at the end of the year	**72,882,124**	**-**	**11,490,712**	**-**	**10,980,895**	**95,353,731**	**112,042,910**

Impairment provision movement diclosure:	As of December 31, 2021						As of December 31, 2020
	Stage One		Stage Two		Stage Three	Total	Total
Item	Individual Level	Collective Level	Individual Level	Collective Level			
Balance at the beginning of the year	273,591	-	50,199	-	7,629,567	7,953,357	8,467,806
Impairment Loss of new balances during the year	4,654	-	2,389	-	213,481	220,524	403,006
Recoveries from impairment loss on facilities due	(18,373)	-	(2,111)	-	(839,091)	(859,575)	(704,409)
	259,872	-	50,477	-	7,003,957	7,314,306	8,166,403
Transferred to Stage One	23,203	-	(21,865)	-	(1,338)	-	-
Transferred to Stage Two	(40,293)	-	47,166	-	(6,873)	-	-
Transferred to Stage Three	(60)	-	(442)	-	502	-	-
The effect on the provision at the end of the year as a result of reclassification between the three stages during the year	(18,820)	-	59,678	-	17,455	58,313	46,046
Changes due to the adjustments	(99,685)	-	(11,049)	-	-	(110,734)	(283,791)
Adjustments due to changes in exchange rates	(12,742)	-	(22)	-	(8)	(12,772)	24,699
Total balance at the end of the year	**111,475**	**-**	**123,943**	**-**	**7,013,695**	**7,249,113**	**7,953,357**

D. Unutilized facilities limits	As of December 31, 2021						As of December 31, 2020
	Stage One		Stage Two		Stage Three	Total	Total
Item	Individual Level	Collective Level	Individual Level	Collective Level			
Credit risk rating based on the Bank›s internal credit rating system:							
1	5,138	-	-	-	-	5,138	105,676
2	9,383,550	-	-	-	-	9,383,550	31,700,188
3	39,732,162	-	67,437	-	-	39,799,599	70,817,728
4	78,610,853	-	551,741	-	-	79,162,594	60,077,010
5	79,891,440	-	4,120,480	-	-	84,011,920	51,492,388
6	32,173,138	-	8,430,868	-	-	40,604,006	1,642,193
7	-	-	3,202,247	-	-	3,202,247	3,646,411
8	-	-	-	-	-	-	-
9	-	-	-	-	-	-	-
10	-	-	-	-	-	-	-
Unclassified	-	63,088,221	-	726,223	-	63,814,444	66,084,119
Total	**239,796,281**	**63,088,221**	**16,372,773**	**726,223**	**-**	**319,983,498**	**285,565,713**

Unutilized facilities movement disclosure:	As of December 31, 2021						As of December 31, 2020
	Stage One		Stage Two		Stage Three	Total	Total
Item	Individual Level	Collective Level	Individual Level	Collective Level			
Balance at the Beginning of the year	196,182,489	65,621,764	23,299,105	462,355	-	285,565,713	458,399,546
New facilities during the year	55,278,619	9,541,348	431,387	103,170	-	65,354,524	15,152,160
Facilities paid	(27,461,536)	(1,916,939)	(3,018,701)	(22,573)	-	(32,419,749)	(127,719,689)
	223,999,572	73,246,173	20,711,791	542,952	-	318,500,488	345,832,017
Transferred to Stage One	1,640,369	201,908	(1,640,369)	(201,908)	-	-	-
Transferred to Stage Two	(13,622,505)	(600,561)	13,622,505	600,561	-	-	-
Transferred to Stage Three	(143,564)	(274,355)	(45,115)	(46,231)	509,265	-	-
The effect on the provision at the end of the year as a result of reclassification between the three stages during the year	2,150,217	125,870	(704,655)	(131,478)	(509,265)	930,689	(3,565,641)
Changes due to the adjustments	26,148,112	(9,610,814)	(15,456,529)	(37,673)	-	1,043,096	(54,763,592)
Written off facilities	-	-	-	-	-	-	-
Adjustments due to changes in exchange rates	(375,920)	-	(114,855)	-	-	(490,775)	(1,937,071)
Total Balance at the End of the Year	**239,796,281**	**63,088,221**	**16,372,773**	**726,223**	**-**	**319,983,498**	**285,565,713**

Impairment provision movement disclosure:

Item	As of December 31, 2021						As of December 31, 2020
	Stage One		Stage Two		Stage Three	Total	Total
	Individual Level	Collective Level	Individual Level	Collective Level			
Balance at the Beginning of the year	190,659	460,649	104,117	5,617	-	761,042	1,494,883
Impairment Loss of new balances during the year	80,217	17,593	711	891	-	99,412	47,463
Recoveries from impairment loss on investments due	(31,002)	(13,901)	(41,297)	(267)	-	(86,467)	(297,781)
	239,874	464,341	63,531	6,241	-	773,987	1,244,565
Transferred to Stage One	979	2,450	(979)	(2,450)	-	-	-
Transferred to Stage Two	(14,863)	(4,207)	14,863	4,207	-	-	-
Transferred to Stage Three	(452)	(1,912)	(1,708)	(562)	4,634	-	-
The effect on the provision at the end of the year as a result of reclassification between the three stages during the year	1,379	(1,845)	56,128	(158)	(4,634)	50,870	(20,824)
Changes due to the adjustments	(48,214)	(342,482)	(23,914)	(1,004)	-	(415,614)	(460,303)
Written off facilities	-	-	-	-	-	-	-
Adjustments due to changes in exchange rates	(134)	-	(281)	-	-	(415)	(2,396)
Total Balance at the End of the Year	**178,569**	**116,345**	**107,640**	**6,274**	**-**	**408,828**	**761,042**

24. Paid_ Up Capital

- The authorized capital of the Bank is JD 200 million as of December 31, 2021 and 2020.
- The authorized capital of the Bank is JD 200 million by year end, divided into 200 million shares at a par value of JD 1 each.

25. Reserves

- Statutory Reserve

  The amount accumulated in this account is transferred at 10% from the annual net income before tax during the year and previous years according to the Banks Law and Companies Law. This reserve cannot be distributed to shareholders.

- Voluntary Reserve

  The amounts accumulated in this account are transferred at 10% from the annual net income before taxes during the previous years. This reserve will be used for the purposes approved by the Board of Directors. Moreover, the General Assembly of Shareholders has the right to capitalize or distribute the whole reserve or part thereof as dividends.

- General Banking Risks Reserve

  This item represents the general banking risks reserve in line with the instructions of the Central Bank of Jordan. The balance of the general bank risk reserve has been transferred to retained earnings as of January 1ST 2018 based on Central Bank of Jordan Circular No. 1359/1/10 dated January 25, 2018 and Central Bank Instructions No. 13/2018 dated June 6, 2018 and other regulatory authorities.

- Special Reserve

  This reserve represents the periodic fluctuation reserve calculated according to the instructions of the Palestinian Monetary Authority concerning the Bank's branches operating in Palestine.

The restricted reserves are as follows:

Reserve	Amount JD	Nature of Restriction
Legal reserve	104,362,505	Banking and corporate law
General banking risks reserve	4,102,021	Regulatory authorities
Special reserve	5,849,743	Regulatory authorities

26. Foreign Currency Translation Differences

This item represents the differences resulting from the translation of net investment in foreign subsidiary (Bank of Jordan – Syria) upon consolidating the financial statements.

The movement on this item during the year is as follows:	2021	2020
	JD	JD
Balance at the Beginning of the Year	(12,855,521)	(12,268,120)
Changes in the translation of net investment in the subsidiary Company during the year*	(154,164)	(587,401)
Balance at the End of the Year	**(13,009,685)**	**(12,855,521)**

* This item includes the Bank's net share of the structural position related to the investment in the capital of Bank of Jordan – Syria for the years 2021 and 2020.

27. Fair Value Reserve	2021	2020
The details of the fair value reserve are as follows:	JD	JD
Balance at the Beginnings of the Year	(6,092,218)	24,954,157
Unrealized gains – Equity instruments	2,734,811	722,343
Unrealized (losses) – debt instruments	-	(532,176)
Expected credit loss provision – debt instruments	(212,204)	134,933
Debt instruments at fair value through comprehensive income transferred to profit or loss due sale	(406,788)	-
Equity instruments at fair value through comprehensive income transferred to retained earnings as a result of the sale	-	(34,403,592)
Deferred Tax Liabilities	(2,925)	3,032,119
Balance at the End of the Year*	**(3,979,324)**	**(6,092,218)**

* Net after deferred tax amounted to JD 51,871.

28. Retained Earnings	2021	2020
The details of this item are as follows:	JD	JD
Balance at the Beginning of the Year	165,814,735	99,400,640
Impact of IAS (29) implementation- Note (2)	3,824,745	-
Adjusted beginning balance	169,639,480	99,400,640
Dividends distributed to shareholders	(24,000,000)	-
Profit for the year	36,008,748	35,794,598
Transferred (to) reserves	(6,518,732)	(5,914,021)
Profit transferred as a result of sale of financial assets through comprehensive income*	-	33,712,044
Foreign currency translation differences	902,866	2,821,474
Balance at the End of the Year	**176,032,362**	**165,814,735**

- Retained earnings include an amount of JD 24,556,699 restricted against deferred tax assets as of December 31, 2021 (JD 21,808,399 as of December 31, 2020).
- Retained earnings include an amount of JD 439,810 as of December 31, 2021, which represents the effect of early adoption of IFRS (9). These restricted amounts cannot be utilized unless realized as instructed by Jordan Securities Exchange Commission. Also retained earnings include an amount of JD 813,437 as of December 31, 2021 that cannot be utilized by distribution or any purpose unless there is a formal approval from Central Bank of Jordan resulting from the application of Central Bank of Jordan circular No. 10/1/1359 dated January 25, 2018.

* Presented net of Income tax.

29. Declared Dividends

The Bank's Board of Directors recommended in its meeting held during the year 2022 to distribute 18% of the Bank's capital as cash dividends to the shareholders, which is still subject to the General Assembly approval.

30. Interest Income		
The details of this item are as follows:	2021	2020
	JD	JD
Direct Credit Facilities at amortized cost:		
Individual (retail customers):	46,406,205	45,729,532
Overdraft accounts	1,405,377	1,335,160
Loans and discounted bills	40,559,790	39,983,762
Credit cards	4,441,038	4,410,610
Real estate loans	16,742,079	16,662,155
Corporate Entities:	36,722,111	44,053,951
Large corporate customers:	21,823,354	27,426,194
Overdraft accounts	4,495,271	5,091,169
Loans and discounted bills	17,328,083	22,335,025
SMEs:	14,898,757	16,627,757
Overdraft accounts	3,492,182	3,688,834
Loans and discounted bills	11,406,575	12,938,923
Government and Public Sector	8,548,868	7,667,306
Other items:		
Balances with central banks	1,661,143	2,446,563
Balances and deposits with banks and financial institutions	3,919,776	6,591,623
Financial assets at amortized cost	14,772,769	12,282,740
Financial assets at fair value through comprehensive income	124,695	1,254,044
Total	**128,897,646**	**136,687,914**

31. Interest Expense		
The details of this item are as follows:	2021	2020
	JD	JD
Banks and financial institution deposits	1,589,453	2,606,147
Customers' deposits		
Current and demand deposits	2,876	11,452
Saving accounts	2,391,408	2,188,283
Time and notice deposits	9,999,152	15,390,904
Certificates of deposit	971,771	3,166,341
Borrowed funds	751,527	247,236
Cash margins	1,687,643	1,728,108
Deposits insurance fees	2,351,034	2,597,671
Lease obligations interest	926,248	843,382
	20,671,112	**28,779,524**

32. Net – Commissions Income

The details of this item are as follows:	2021	2020
	JD	JD
Commission's Income:		
Direct credit facilities commissions	4,137,983	4,263,344
Indirect credit facilities commissions	2,503,111	2,810,037
Other commissions	15,546,421	13,888,986
Total	**22,187,515**	**20,962,367**
Less: Commissions Expense	1,194,968	1,115,155
Net Commissions Income	**20,992,547**	**19,847,212**

33. Foreign Currencies Income

The details of this item are as follows:	2021	2020
	JD	JD
From trading / dealing	165,095	112,160
From revaluation	3,134,263	2,530,549
	3,299,358	**2,642,709**

34. Gain from Financial Assets at Fair Value Through Profit or Loss

The details of this item are as follows:	Realized Gain	Unrealized Gain	Shares Dividends	Total
Year 2021	JD	JD	JD	JD
Local shares	-	77,381	12,888	90,269
	-	**77,381**	**12,888**	**90,269**
Year 2020	JD	JD	JD	JD
Local shares	63,580	(11,654)	4,296	56,222
Right to receive financial assets at fair value (Note 10)	-	15,000,000	-	15,000,000
	63,580	**14,988,346**	**4,296**	**15,056,222**

35. Other Income

The details of this item are as follows:	2021	2020
	JD	JD
Revenues recovered from prior years	1,603,670	626,233
Gain from the sale of assets foreclosed by the Bank	550,211	338,603
Revenue from telephone, post, and swift	466,990	572,822
Rent income received from the Bank's real estate	184,717	181,851
Gain from the sale of property and equipment	81,073	717,916
Interest in suspense reversed to income	690,942	504,410
Other revenues	1,635,814	923,440
	5,213,417	**3,865,275**

36. Employees Expenses

The details of this item are as follows:	2021	2020
	JD	JD
Salaries, bonuses, and employees' benefits	24,378,296	25,436,637
Bank's contribution to social security	2,227,512	2,089,018
Bank's contribution to provident fund	1,642,728	1,661,669
Medical expenses	1,088,465	1,117,072
Staff training expenses	365,151	246,455
Transportation and travel expenses	461,237	359,825
Life insurance	92,614	69,632
	30,256,003	**30,980,308**

37. Other Expenses

The details of this item are as follows:	2021	2020
	JD	JD
Rent	1,049,498	949,703
Printing and stationery	811,651	803,214
Telephone, post and swift	2,190,439	2,136,325
Maintenance, repairs, and cleaning	6,448,015	5,762,135
Fees, taxes, and licenses	3,958,710	3,569,617
Advertisements and subscriptions	6,909,743	6,584,749
Insurance expenses	4,717,389	3,402,643
Electricity and heating	561,935	608,593
Donations	509,254	1,602,697
Hospitality	213,561	198,647
Professional, consultancy and legal fees	1,857,303	1,918,133
Board of Directors members remunerations	55,000	55,000
Miscellaneous	1,141,514	1,289,932
	30,424,012	**28,881,388**

38. Financial Assets Expected Credit Losses Expenses

	For the year ended December 31,	
The details on this item are as follows:	2021	2020
	JD	JD
Central banks balances	35,395	(32,537)
Balances with banks and financial institutions	3,195	2,687
Deposits with banks and financial institutions	(5,908)	(87,116)
Financial assets at fair value through comprehensive income – debt securities	(212,204)	134,933
Direct credit facilities at amortized cost	17,597, 472	32,733,710
Financial assets at amortized cost	(222,791)	501,239
Off balance sheet items	(1,137,040)	(1,384,003)
	16,058,119	**31,868,913**

39. Earnings Per Share from Profit for the Year

The details of this item are as follows:	2021	2020
	JD	JD
Profit for the year (Bank's shareholders)	36,008,748	35,794,598
Weighted average number of shares	200,000,000	200,000,000
Net income for the year/share (Bank's shareholders)		
Basic	**0,180**	**0,179**
Diluted	**0,180**	**0,179**

40. Cash and Cash Equivalents

	December 31,	
The details of this item are as follows:	2021	2020
	JD	JD
Cash and balances with Central Banks maturing within 3 months	371,518,123	338,993,477
Add: Balances with banks and other financial institutions maturing within 3 months	136,007,374	190,726,236
Less: Banks and financial institutions' deposits maturing within 3 months	(42,575,971)	(19,824,487)
Restricted balances	(99,756,950)	(96,977,030)
	365,192,576	**412,918,196**

41. Financial Derivatives

The details of financial derivatives at year-end are as follows:	Positive Fair Value	Negative Fair Value	Total Nominal Value	Nominal Value Maturities: Within 3 Months	From 3 To 12 Months	Total
2021	JD	JD	JD	JD	JD	JD
Foreign currencies forward contracts (purchase)	79,538	(84,986)	41,788,998	37,276,712	4,512,286	41,788,998
Total	**79,538**	**(84,986)**	**41,788,998**	**37,276,712**	**4,512,286**	**41,788,998**
2020	JD	JD	JD	JD	JD	JD
Foreign currencies forward contracts (purchase)	58,931	(297,185)	16,057,213	15,056,023	1,001,190	16,057,213
Total	**58,931**	**(297,185)**	**16,057,213**	**15,056,023**	**1,001,190**	**16,057,213**

- Nominal value indicates the value of transactions at year-end and does not relate to market risk or credit risk.

42. Related parties Transactions

Within its normal activities, the Bank entered into transactions with its major shareholders, members of the Board of Directors, executive management and the associate Company at the commercial rates of interest and commission. Moreover, all loans and advances with related parties are performing, and no provision for probable credit losses has been taken thereon.

The following are summaries of balances and transactions with related parties:

Consolidated Statement of Financial Position Items:	Related party					Total	
						December 31,	
	Subsidiaries*	Board of Directors Members	Executives Management	Staff Provident Fund	Other Parties	2021	2020
	JD	JD	JD	JD	JD	JD	JD
Assets:							
Investments	45,415,294	-	-	-	-	45,415,294	45,415,294
Credit Facilities	-	2,323,724	1,388,855	-	1,891,970	5,604,549	4,730,412
Current accounts and Deposits	217,180	-	-	-	-	217,180	576,234
Cash Margins	3,982,000	-	-	-	-	3,982,000	3,982,000
Liabilities:							
Customer Deposits and Margins	19,129,912	520,770	3,246,190	150,003	14,557,619	37,604,494	55,317,831
Bank Deposits	7,753,511	-	-	-	-	7,753,511	8,659,272
Borrowed funds	3,434,659	-	-	-	-	3,434,659	3,561,616
Off-consolidated balance sheet items							
Letters of guarantee	770,546	10,000	50,000	-	103,390	933,936	5,820,436
Acceptances and credits	-	-	-	-	472,543	472,543	2,302,281
						Total for the year ended December 31,	
						2021	2020
						JD	JD
Consolidated Statement of Profit or Loss Items:							
Credit interest and commission	6,839	111,325	77,116	365	139,108	334,753	450,371
Debit interest and commission	772,826	20,377	99,888	33,766	128,853	1,055,710	3,349,129

Interest rates:

- Credit interest rates against facilities in JOD range from 1.5% (minimum price represent interest rate against cash margin amounted to 100%) to 10%.
- Foreign Credit interest amounted to 13.5%
- Debit interest rates for JOD range from 0.0025% to 3.227 %.
- Debit interest rates for foreign currency range from 0.17% to 0.20%.

* Balances and transacations with subsidiary companies are excluded from the consolidated financial statements, but presented for clarification purposes only.

- Investment in subsisidary - Syria is shown at cost, noting that the bank has hedged against the impairment of this investment in its records.
- Related parties number that have been granted facilities is 39 customers as of Dec 31, 2021.

Bank's Executive Management Salaries and Remunerations Summary is as follows:	2021	2020
	JD	JD
Salaries and executive benefits	2,182,594	2,587,570
Transportation and board secretary	36,033	36,032
Board of directors membership, transportation and bonuses	658,982	595,031
Total	**2,877,609**	**3,218,633**

43. Risk Management

First: Qualitative Disclosures:

The Bank manages banking risks through identifying the risks that it might be exposed to and methods of challenging and mitigating them. This is achieved through implementing a group of restructuring projects using best standards and banking acts that aim at separating risk management activities from those related to development of business and operations (execution).

* In this context, the Bank has formed a Risk Management Committee, derived from the Board of Directors to ensure the presence of an effective internal monitoring function in accordance with the policies and scope of work set for it by the Board of Directors.

* Risk management assumes the responsibility of managing the various types of risks through:

- Preparing policies and getting them approved by the Board of Directors.
- Analysing the risk types (credit, market, liquidity, operations information security).
- Developing measurement and control methodologies for each risk type.
- Providing the Board of Directors and executive management with reports and information about quantitative and qualitative measurements of the Bank risks.

* The Bank has established several systems to control and measure risks like capital adequacy, liquidity risk and ratios (LCR, NSFR) operating risks and events and market risk.

Credit Risks

Credit risks arise from the probable inability and/or lack of desire of the borrower or third party to fulfil its obligations in a timely manner. These risks include on-consolidated financial statements items such as loans and bonds, and off-consolidated financial statements items such as guarantees and/or documentary credits causing financial losses to the Bank.

In this regard, the Bank reinforces institutional frameworks that govern the management of credit through the following:

1. Setting up independent specialized departments for the credit management as follows:

- Companies Credit Risk Department (for the management of companies' credit risks).
- Small and Medium Size Enterprises (SMEs) Risk Management Department (for management of SMEs credit risks).
- Individuals Credit Risk Department (for management of individual's credit portfolios risks).
- Credit Portfolios Risk Management Department: the department focuses on maintaining the quality of credit granted to the Bank's clients (Corporate, SME & Individual). Studying the Key Risk Indicators (KRI) and Key Performance Indicators (KPI) through preparing studies and reports covering the performance of economic sectors and industries and comparing it with the performance of the Bank's credit portfolios and associated provisions. Utilizing the aforementioned reports to establish proper recommendations which in turn provide guidance for the business development units to target promising economic sectors/industries or to avert expansion in the deteriorating ones.
- In addition to the above, the department of Credit Portfolios Risk Management conducts periodical studies and reports to shed light on the below aspects:
  - The concentration of credit portfolio across economic activity levels.
  - The concentration of credit portfolio across product levels.
  - Reports covering the Bank's default ratios and coverage ratios compared to the banking sector.
  - Credit portfolios performance reports, conducted on segment basis (Corporate, SME, Government and Individuals) compared to the banking sector in terms of growth and profitability rates.
  - The preparation for the implementation of IFRS (9) through conducting scenarios and reports required to comply with the IFRS (9) implementation by the beginning of 2018.
  - Applying a risk rating system through which the clients will be classified under ten stages (ratings) and according to the below factors:
- Obligor Risk Rating (economic sector, management, financial standing, experience, etc).
- Facility Risk Rating (risk weight will be assigned according to the type and nature of the facility).
- Collateral Rating: (risk weight will be assigned according to the type and nature of the collateral), which will directly impact the Recovery Ratio, thus the calculation of Loss Given Default LGD.

2. Separating the Business Development Department from Credit Risk Departments.

3. Implementing a set of approved policies and procedures that outline principles for defining, measuring, and managing the type of risk.

4. Determining credit concentrations at the credit type level, economic sector, geographical distribution, and credit portfolios, etc. Credit risks are managed by departments according to their specialization.

5. Implementing an authorization and relationship management system:

Bank of Jordan adopts an authorization system that includes authority granting, delegation, monitoring and relationship management of the various credit activities.

6. Determining credit risk mitigation methods:

Bank of Jordan adopts various methods to mitigate credit risks such as the following:

- Providing the proper credit structure that matches its purpose and repayment period.
- Ensuring the completion of all control aspects relating to the utilization of credit and the sources of its payment.
- Obtaining proper guarantees to hedge against any risks in this regard.
- Analysing and evaluating credit transactions by credit risk departments.
- Periodically evaluating guarantees according to the nature, type, and degree of risks to reinforce guarantees and ensure their adequacy constantly.
- Setting up specialized committees for approving credit.

7. Controlling credit execution by the credit control department in addition to a unit concerned with documentation, completion of legal audit, and execution.

8. Applying credit management mechanisms (CREMS and E-loan).

9. Setting up a specialized department to follow up on the collection of dues and non-performing debts.

10. Setting up a committee for risk management at the Board of Directors level to review policies, credit strategies, investments and risks.

11. Determining the duties of the various credit risk departments concerning the mechanism and periodicity of controls and issuance/submission of reports to the Board of Directors and Executive Management.

12. Analysing economic fluctuations and changes in the structure and quality of credit portfolios.

13. Preparation and implementation of Stress Testing procedures.

14. Control Reports:

The credit risks departments, each according to its specialization, control and evaluate all credit operations through a set of control procedures:

- Daily control: Monitoring credit violations, un-renewed due credit ceilings, due accounts, and others.
- Controlling the quality and distribution of the credit portfolio.
- Rating credit risks, economic sector, credit type, guarantees, concentration, credit asset quality trends, and others.
- Monitoring credit exposure at the customer level (Total Exposure), geographic area, credit type, economic sector, maturity date, guarantee type, and others.

These reports are submitted monthly to the risk management committee at the Board of Directors level. Timely reports on daily operations are submitted to the General Manager.

Operational Risk

Operational risks arise from the inefficiency or failure of internal operations, employees, or systems or may stem from external events including legal risks. The Operational Risk Unit was established in 2003 under the Risk Management Department to manage the Operational Risks in the bank where qualified staff were appointed and automated systems were supplied since that date to empower the unit to perform its duties effectively.

The Bank manages operational risks through the following process:

1. Setting the operational risks policy, approving it by the Board of Directors, and implementing it across the bank and its affiliates. This includes the standards for defining and measuring risks in addition to the Risk Appetite accepted for these risks.
2. Implementing an operational risk management system (CAREWeb).
3. Creating risk profiles for all Bank entities which include all operational risks that may affect the entity, the related controls to mitigate them and the frequency of their testing to ensure effective and continuous implementation. Reports on risk profiles are submitted to the Risk Committee on the Board level for approval.
4. Internal Audit Department evaluates the validity of monthly self-assessment tests for the Bank's various units, classifies these units according to the approved classification standards and incorporates them into the internal audit reports it submits to the Audit Committee on a timely basis. The Operational Risk Unit incorporates self-assessment results in comparison with internal audit results for all of the Bank's entities and submits them to the Audit Committee on a quarterly basis.
5. Continuous evaluation of the Risk Profiles:
   In this regard, a self-assessment tool (Control & Risk Self-Assessment) has been applied to manage operational risks through continuous evaluation of risks to identify new risks, ensure the efficiency of control procedures to mitigate these risks, and update the risk profiles on a timely basis to reflect the actual internal control environment.

6. Setting up a database for operational incidents, analysing them and submitting reports on the concentration and type of these incidents to the Risk Committee/Board of Directors.
7. Applying rating standards and evaluating the Bank's entities according to international classification standards for internal control environment.
8. Setting up and determining key risk indicators (KRIs) at the Bank's level and provides the related departments within the Bank with the results of these indicators to be monitored as well as applying rating standards and the correction procedures to avoid the risk before its occurrence.
9. Preparation and implementation of Stress Testing procedures specialized for operation risks.
10. Providing the Risk committee on the Board of Directors level with periodic reports (monthly, quarterly) that reflect the actual internal control environment for the various units in the Bank.
11. Evaluating the policies and procedures in the Bank to identify any control gaps in these processes and arrange with concerned entities to rectify these gaps.
12. Conducting trainings and awareness sessions for the Bank's employees on Operational Risk Management to enhance the internal control environment at the Bank.
13. The entity's risk profile is updated in coordination with the Internal Audit Department to identify the risks to which the entity may be exposed and adversely affect the achievement of the objectives and strategy of the entity and its profits. Any amendments to the entity's risk profile shall be presented to the Risk Management Committee to be approved. The Internal Audit Department annually evaluates the entity's control procedures and presents the results of the examinations to the Risk Management Committee.
14. The Operational Risk profile is updated at the entity level for AML Risk in coordination with the compliance department at the bank level for identifying AML and CTF risks and controls that mitigate them. Any amendments to the entity's AML risk profile shall be presented to the risk management committee to be approved by them. The Internal Audit Department annually evaluates the entity's control procedures and presents the results of the examinations to the and the Risk Management Committee.

Liquidity and Market Risk

Liquidity Risk

Liquidity risk represents the Bank's inability to make the necessary funding available to meet its obligations on their maturity dates or to finance its activities without incurring high costs or losses. Moreover, liquidity risks are divided into two types:

- Funding Liquidity Risk
  This risk represents the Bank's inability to change assets into cash - such as the collection of receivables - or to obtain funding to meet its obligations.
- Market Liquidity Risk
  This risk represents the Bank's inability to sell the asset in the market or selling the asset at a huge financial loss due to weak liquidity or demand in the market.

Market Risk

Market risks: are the risks of exposure of the positions on and off the Bank's Consolidated Statement of Financial Position to losses as a result of price fluctuations in the market. This includes the risks arising from the volatility of interest rates and stock prices of investment portfolios, both for the purpose of trading or exchange and include the following:

- Interest rate risks.
- Currency exchange rate risks (dealing with foreign currency).
- Fluctuation in shares prices risks.
- Goods risks.

Market risks arise from:

- Changes that may occur in the political and economic conditions in markets.
- Fluctuations in interest rates.
- Fluctuations in the prices of financial instruments held for future buying and selling.
- Gaps in maturities of assets and liabilities and interest rate re-pricing.
- Holding of uncovered positions.

The substantial tools used to measure and manage markets risks are as follows:

- Basis Point Value
- Value at Risk
- Stress Testing

The Bank manages the market and liquidity risk through:

- A set of policies and procedures approved by the Board of Directors that define the principles for defining, measuring, monitoring, and managing market risks and liquidity risks.
- Asset and liability management system to adjust and measure liquidity risk and interest rates.
- Setting up a liquidity crisis management plan that includes the following:
  - Specialized procedures for the management of liquidity risk.
  - Specialized committee to manage liquidity risk.
  - A liquidity contingency plan.
- Developing measurement, management, and monitoring liquidity and market risk tools through:
  - Preparing liquidity risk reports according to the maturity scale.
  - Monitoring ceilings and quality of the investment portfolio.
  - Identifying sources of funds and classifying/analysing them according to their nature.
  - Monitor the application of liquidity coverage ratio (LCR) and compliance with the minimum ratio.
  - Controlling legal liquidity and daily cash liquidity. This means keeping an adequate amount of liquid assets (cash and cash equivalents) to meet obligations.
  - Matching maturities of assets and liabilities, taking into consideration all internal and external cash flows.
  - Performing stress testing.
  - The preparation of a periodic analysis about the developments in local and international markets.
  - Monitoring investment tools and analyzing the range of conformity with the issued investment limits in the investment policy and the allowed losses limits.
  - Analysing ceilings and limitations of the investments and providing a recommendation to adjust it according to improvements and circumstances of international and local markets, and diversifying investment with what achieves best returns and less risks.
  - Analysing the investment concentrations on the level of each tool.
  - Reviewing and assessing the portfolio's assets and liabilities.
  - Analysing credit rating for international and local banks according to the financial situation and how much it is affected by the economic crises and the spread of its range globally.
  - Monitor interest trends on the volume of deposits, maturity date and its suspended range.
  - The preparation of reports about the exceeding limit in investments tools.
  - Monitoring the changes on interest prices in international and local markets.
  - Monitoring the sensitivity of investment tools for changes in interest prices on each investment tool.
  - Monitoring the pricing process for borrowing and lending/investments ceiling.
  - Monitoring the concentration on markets/tool and geographical distribution.
- Submitting periodic reports to the Investment Committee and Risk Management Committee/Board of Directors.

Information Security Risk

Defined as any potential threat that may lead to a failure in confidentiality, availability, and integration of the Bank's information. Information security unit has been established to protect the Bank's information, users and assets by applying high level policies and procedures through specific definitions of mandatory baseline controls.

Bank of Jordan adopts the following principles to manage information security risks:

- Review Information Security Policies and update the policies to be in line with international standards.
- Comply with PCI-DSS Requirements.
- Monitor all systems, servers, and network components on a regular basis by using special tools to counter any threat.
- Review privileges based on job classification and function and restricted to least privileges necessary to perform job responsibilities.
- Identify threats and vulnerabilities and identify appropriate controls to mitigate any new risks.
- Review and update Business Contingency Plan periodically and periodically perform the necessary tests to check the effectiveness of the plan as well as the Disaster Recovery Plan.
- Review and evaluate the physical security controls on a regular basis.
- Coordinate or conduct security orientation and security awareness programs.
- Reporting information security/Communication Progress and related cases to upper management.
- Complying with SWIFT _ CSR requirements.
- Preparation of IT management governance guide and related technology and to be published on the Bank's website.
- Applying IT management governance and related technology COBIT 2019.

Compliance Risks

Compliance risks are the risks arising from the possibility of the Bank's non-compliance with the laws, regulations and instructions in force and the banking professional and ethical laws and regulations issued by the local and international regulatory authorities, including the Bank's internal policies.

The Bank of Jordan believes that complying to the official regulations and instructions are the most important aspects of the success of financial institutions, due to it protecting the institution of both being sanctioned as well as protecting the reputation of the institution , therefore protecting the interests of both the shareholders and the stakeholders. Furthermore, the Bank of Jordan considers compliance as a corporate culture and an all-inclusive responsibility starting from being a managerial responsibility and ending as being every employee`s responsibility based on the tasks of which the employee fulfils.

In this context, the Compliance Department was established as an independent Department affiliated to the Compliance board Committee. The Department is manned with qualified and trained staff and equipped with specialized operating systems. Also noting that designated compliance officers are placed in all of the bank`s subsidiaries and external branches and are supervised by the bank's headquarters' compliance department.

The Compliance Risks are managed according to the following principles:

Risks of non-compliance with the laws, regulations:

These risks are managed by the Compliance Unit as an independent unit affiliated to the Compliance Department. It manages the compliance risks at the Bank level according to the following basis:

- Setting up and developing the compliance policy at the Group level to be approved by the Bank`s Board of Directors (BOD) and to be circulated to all the Bank's employees and revised on a periodic basis.
- Applying a Risk Based Approach system to manage compliance risks.
- Working as advisory and consultant to both the BOD and executive departments on ways to successfully implement the regulations and instructions (Including internal policies and regulations).
- Developing compliance monitoring programs to provide the BOD with a reasonable confirmation that the main compliance risks are effectively managed by the concerned parties.
- Timely delivering any amendments related to the updated instructions, to achieve the mutual objectives with the business sector.
- Enhancing the compliance culture through giving advice, guidance, explaining the laws.
- The compliance department is the point of contact between regulatory authorities and the organization; therefore, it is responsible of managing the organization's managements` relationship with the regulatory authorities.
- Providing updated on-going training programs to educate employee`s at all levels with the requirements of compliance.
- Coordinating with other regulatory functions such as the Internal Audit Department and Risks Management Department and coordinating the work of these functions.

Risks of money laundering and terrorism financing:

These risks are managed by the Anti-money Laundering and Terrorism Financing unit as an independent unit within the Compliance Department. The unit's tasks include the following:

- Developing the policy of combating money laundering and terrorism financing at the Bank Group level, approving it by the Bank's BOD, circulating it to all Bank employees and review it on a periodic basis.
- Appointing a Money Laundering Reporting Officer (MLRO) and a Deputy Money Laundering Reporting Officer (DMLRO) to independently notify the Financial Investigation Unit (FIU) of any suspicious activities of money laundering, terrorism financing or tax evasion.
- Rating of customer risks in accordance with their risk grade (Risks-based approach (RBA).
- Applying Know Your Customer (KYC) program in line with the requirements of all regulatory parties. In addition to conducting the Customer Due Diligence in accordance with the RBA where the Enhanced Customer Due Diligence is carried out to natural or legal persons classified as high-risk rating according to the Bank's approved methodology of money laundering and terrorism financing risks. Such measures include prohibiting dealing with any international, black-listed parties, of the most important the UN resolutions. The measures also include not opening anonymous or digital accounts or dealing with fake banks.
- Adopting measures to help the Bank know the beneficial owner and ultimate beneficial owner (UBO`s) upon relationship establishment and/or creation of any financial transaction for the benefit of any customer through the Bank.
- Applying operating systems for on-going follow up and control of the customers' financial transactions and activities carried out through the Bank's different channels according to the Risk Based Approach (RBA) to detect and immediately report any suspicious activity of money laundering, terrorism financing or tax evasion in accordance with the laws and regulations in force applicable to the Bank, according to the jurisdiction where the Bank operates.
- Providing the Bank employees with reporting channels to enable them to confidentially report any suspicions of money laundering, terrorism financing or tax evasion, and encouraging them to report while protecting them in accordance with the Bank's whistle-blowing policy.
- Conducting periodic Self-Risk assessment of money laundering and financing terrorism risks which the Bank may face at the Bank Group level, whereby the customer risks, product risks, service channel risks, external branches risks and national risk assessment should be taken into consideration.
- Identifying and evaluating the risks of money laundering and terrorism financing that may occur in connection with the development of new products, or those that may arise from the use of new technologies within new business lines and taking appropriate measures to manage and reduce those risks.
- Developing measures to deal with foreign Banks, including Due Diligence measures according to their risk level, evaluating their compliance programs and money laundering and terrorism financing programs and obtaining the Chief Executive Officer's approval before establishing any relations with them while continuously following up the Bank's dealings with these banks.
- Preparing and continuously developing constant training programs for all Bank's employees of all administrative levels, including the Bank's BOD.
- Documenting and archiving records in accordance with the instructions of the regulatory authorities in the jurisdictions where the Bank operates and in line with the Bank's measures and mechanisms.
- Launching educational and awareness campaigns to all Bank's employees about the anti-money laundering and combating terrorism financing.

Risks of non-compliance with FATCA

After Jordan entered into an agreement with the USA regarding the cooperation to facilitate the application of the (foreign Account tax Compliance Act) (FATCA) and Jordan ratification of the FFI agreement approach, and as part of Bank of Jordan`s compliance program, the members of Bank of Jordan Group completed the registration procedures with the Internal Revenue Service (IRS)- US Department of the Treasury as a Participating Foreign Financial Institution (PFFI) within the framework of efforts to comply with the FATCA policies and requirements, enacted in 2010.

The Financial Crimes Unit / FATCA section takes all necessary measures to meet FATCA requirements for all members of Bank of Jordan Group level in accordance with the methodology and agreement signed with the internal revenue service (IRS)(FFI agreement approach), as Bank of Jordan/ Jordan is considered the Group leader, so it is responsible for the disclosure of the whole Group, except for "Bank of Jordan/ Bahrain" which is subject to **IGA model 1**.

Proceeding from FATCA Compliance Policy, approved by the BOD and reviewed periodically, therefore a compliance program was designed, including the following:

√ Due Diligence and documentation.
√ Reporting.
√ Certificate.
√ Withholding in line with the Agreement's requirements.

Fraud and Corruption Risks:

As part of the Bank's BOD's commitment to enhance the principles of probity, integrity and teamwork, a special Division within the Compliance Department was established to manage the fraud and corruption risks with highly qualified and skillful employees. The Division is entrusted with the following tasks:

- Approving unified policies, approved by the Bank`s BOD at Bank of Jordan`s Group level in order to combat fraud and corruption.
- Providing continuously updated automated systems and authorities to the compliance department to manage fraud and corruption risks.
- Implementing KYE (Know your employee) policies that include studying and monitoring candidate`s integrity and behavioral manners, as well as monitoring existing employees` in the same aspects.
- Approving monitoring policies for suppliers before and after the contracting process.
- Approving a policy for managing conflicts of interests and continuously monitoring the compliance to the policy.
- Approving a code of conduct and circulating it to all employees to raise their awareness of the code`s most important principles.
- Providing a whistle-blowing channel to report any violations or suspicions to all stakeholders (employees/ customers/ shareholders/ suppliers)to be available around the clock on the Bank's official website.
- escalate any violations made by employees depending on the case`s variables ( to be escalated to either of : The compliance department / The Human recourses department / The internal audit department / The BOD`s audit committee) .
- Approving early warning policies (Whistleblowing) that provide protection and anonymity to the reporters while enabling them to report any violations or breaches made.
- Transparently reporting any violations or breaches dealt with to the Central Bank of Jordan and any relevant authority

The customer complaints management and handling:

The Bank of Jordan attaches a special importance to handling the customer complaints in a transparent and equitable manner. This is clearly reflected in the Bank's daily operations, starting from approving, launching, and pricing the products and formulating contracts and forms. In addition to the advertisements and promotional campaigns. Therefore, the Customer Complaints Handling unit was established to handle customer`s complaints in line with Instructions No. (56/2012) issued by the Central Bank of Jordan (CBJ) on 31/10/2012. The Unit is administratively affiliated to the Compliance Department as a control department indicating the high attention paid by the Bank as regards to its dealings with the customers fairly and transparently .As the Bank believes that customers complaints could be a very important tool to monitor any violations to the Bank's general policies and procedures, and is considered as a tool for development by receiving and analyzing the complaints, specifying their causes, and addressing any deficiency that caused the customer to raise a complaint, without neglecting the role of the customers complaints in improving the quality of service provided to the customers through the coordination between the Customers Complaints Unit and the Service Quality Unit.

The Division is entrusted with the following tasks:

- Setting up and developing the customer complaints management policy to be approved by the BOD and circulated to all of the bank`s employees, as well as periodically revising the policy.
- Setting up and implementing a transparent and fair customer handling policy to be approved by the BOD and circulated to all of the bank`s employees, as well as periodically revising the policy.
- Providing around the clock available channels to successfully receive any customer complaints.
- Approving and applying a customer complaints work mechanism to be implemented.
- Managing customer complaints through provided automated functions using the CX automated system.
- Studying and processing the causes of any customer complaints concerning the Bank of Jordan or any subsidiaries or external branches , while handling the cause of the complaint and making sure it doesn't cause any future complains within the certified time frame of handling customer complains due to the banking operational service level agreements ()
- Keeping records of any customer complaints through recorded calls for as long as the regulations state.
- Providing the BOD with periodic reports of the customer complaints and the actions taken to handle the complaint's causes.
- Providing the Central Bank of Jordan with quarterly reports and studies of the quarters` customers complaints.

Risks of non-compliance with the international sanctions (Sanction compliance):

Proceeding from the Bank's faith in its role within the local and the international economic system, the Bank is keen to comply with the UN Security Council Resolutions ratified by the Hashemite Kingdom of Jordan regarding the sanction lists related to counterterrorism and the banning of weapons of mass destruction. Furthermore, the Bank complies with any resolutions issued by international bodies ratified by the Hashemite Kingdom of Jordan and the countries where the Bank operates .As well as the sanctions and restrictions imposed by countries in which the Bank of Jordan has dealings with correspondent Banks in the jurisdictions where they operate, within the working limits of dealing with the correspondent Bank.

The Bank of Jordan established an independent function within the organizational chart of the Compliance Department to monitor the application of the Bank's compliance program with the international sanctions, following up and reflecting any international updates within the international sanctions' compliance program.

Bank of Jordan applies the international sanctions compliance program at the Bank Group level, including the following:

- Implementing a Sanction Compliance Group Policy, approved by the BOD and circulated to all Bank's employees of all functional positions and levels, Noting the Bank of Jordan has adopted a Zero tolerance approach policy to deal with any non-compliance to international sanctions.
- Due to Bank of Jordan adopting the Zero tolerance approach policy, the bank of Jordan complies with the following:
  - The Bank refuses to make any financial dealing with any sanctioned / listed individuals or entities
  - The Bank freezes any available assets owned by any governments, entities or individuals that are listed or sanctioned by the security council.
  - The Bank does not allow any incoming or outgoing commercial or financial dealings with sanctioned countries and governments.
  - The Bank does not allow any incoming or outgoing commercial or financial dealings listed as prohibited with sanctioned countries and governments, due to the bank's responsibility in the matter.
  - The Bank of Jordan complies with the sanctions listed by the OFAC.
  - The Bank of Jordan complies with the sanctions listed by the EU.
- Implementing automated systems that provide an up-to-date database that includes all the international lists of individuals and entities listed on embargo lists.
- Ensuring that none of the entities and individuals in the Bank's Customer on-boarding list is subject to sanctions by automatically integrating the costumers` name and the UBO`s name to international embargo lists as a process of the new account opening process before establishing the relationship.
- Continuously verifying that non pre-existing clients have been listed through implementing periodical screening processes pursuant to the RBA approach.
- The implemented automated systems automatically gives alerts incase the names of any preexisting or costumer on-boarding listed clients , UBO`s or entities are matched with the names of any sanctioned entities or individuals to be further investigated by the compliance department.
- Clear Work procedures clarify the actions to be taken in case of any clients becoming listed on embargo lists, including the escalating and reporting process.
- Verifying the parties involved in any financial operations before the execution process.
- Implementing the Online Safe-Watch system, which is an automated system that is fully integrated with the SWIFT transactions system. The Online Safe-Watch automatically scans all the swift message brackets for any listed individuals or entities, which ensures no financial transactions are made with sanctioned entities.
- Periodical lists are provided to the employees at the group level with a list of all high risk rated countries (based on the listings of the security council and international sanction programs) in-order to notify employees to take enhanced due diligence measures before conducting any dealings with the listed countries.
- Continuously checking the employee's compliance to the international sanctions through the periodical investigations conducted by the compliance department.

- Internal audit investigations are taken to ensure that the compliance department are taking enough suitable measures to comply with the international sanctions.
- Continuous updated training programs are conducted to educate the employees of all administrative levels (as well as the BOD) about international sanctions.

Further noting that all of the work activities of the Compliance department are investigated by the internal audit department as an independent body, and the internal audit department escalates its reports to the BOD`s audit committee to be reviewed .

IFRS (9) implementation related disclosures

First: Qualitative Disclosures

On July 24th, 2014, the International Accounting Standards Board issued the final version of IFRS 9 related to Financial Instruments and Provisions, which will replace IAS 39 and will be mandatory effective from 1 January 2018. The standard includes the below:
- Classification and measurement of financial instruments.
- Determination of expected credit loss allowance.
- Hedge accounting.

The standard came in response to the lessons learned from the global financial crisis, since one of the reasons for the crisis was the delay in recognition of debt losses whereas Losses are recognized when realized. The new standard requires establishing provisions for credit facilities based on the expectations of borrower default or inability to meet financial commitments.

This standard introduced radical amendments to the methods used to calculate bank provisions as the current concept of assigning provisions is based on losses resulted from non-performing loans while the new standard works in proactive basis by assigning provision against current performing credit facilities assuming the occurrence of future default for such credit facilities. Based on the expectations of the future of the working debt Proactive as expected credit loss provision.

Bank of Jordan carried out IFRS 9 implementation works in cooperation with Moody's where the historical data of Bank of Jordan Groups were used to measure the expected credit losses weighted by the impact of economic scenarios.

The Central Bank of Jordan instructions as well as the Bank's business Model, risk departments (risk framework) and supervisory departments were all taken into consideration when forming Bank of Jordan IFRS (9) methodology. The Bank's management ensured that the methodology emulate the Bank's business model and apply the best practices, quantitative methods and statistical models to produce the components of the expected credit loss formula in:

Expected Credit Loss = Probability of Default x Exposure at Default x Loss Given Default

IFRS (9) Scope of Implementation:

Bank of Jordan IFRS (9) methodology catered for applying the standard on group level (foreign branches) and its subsidiaries and in line with the host country laws and regulations. The model of Expected Credit Loss calculation covers the following:
- Loans and credit facilities (direct and indirect).
- Debt instruments carried at amortized cost.
- Financial guarantees (as per the standards requirements).
- Credit claims on banks and financial institutions (excluding current accounts used to cover the bank operations such as remittances, Letters of Guarantee and Letters of Credit) which falls within a short period of time (days).

The following are the main information and definitions used by the Bank to implement this standard:

- Definition of Default:
  The occurrence of 90 days or more past due where such event indicates the obligor inability to meet the contractual obligations in full with the Bank.

- Definition of Probability of Default PD:
  Probability of Default represent the risk of the customer's inability to meet its obligations toward the bank.
  Determination of PD for Corporate and SME Portfolios: through mapping the obligors ratings generated by the internal risk rating system with it's equivalent Probability of Default at this level of risk, taking into account that each risk rate reflects a certain level of risk and weighted by the portfolios historical default events (Corporates and SMEs).

- Determination of PD for Retail Portfolio: these PDs were established based on the historical product default data (collective level) for each product, where the Observed Default Rate is calculated by applying a statistical model (Autoregressive Model) for evaluating the default rate for each product.
- Definition of Exposure at Default EAD: represent the borrower outstanding indebtedness toward the bank when default takes place.

The calculation of exposure at default were carried out in line with the historical utilization for the credit facilities and according to its nature (direct, indirect, revolving and\or amortizing) thus the basis for calculating the exposure at default was set based on the facility nature and age.

- Loss Given Default LGD: represent the bank loss resulted from non-performing credit loss impairment, in other terms (1- Recovery Ratio).

- At the level of corporate and SME portfolios: The Bank determine LGDs for credit instruments under Corporate and SME portfolios through using Moody's RiskCalc the LGD model, the model depends on the availability of several input such as obligor PD, business sector in addition to credit facility nature (revolving\amortizing) and takes into consideration the availability of tangible collaterals (secured or unsecured) and the collateral type and value. In addition to the above, the risk calculation LGD model avails LGD results according to credit maturity and its stage (12 months LGDs and the lifetime LGDs) accompanied with recovery ratios for each credit instrument.
- At the level of the collective portfolio: the rate of loss was determined at the product level based on industry- standards and observed magnitudes in the region, in addition to business input from the Bank of Jordan.
- Zero LGDs was assigned for 100% cash collateralized facilities (dominated in the same currency) and for facilities availed for the Government of Jordan and\or backed by the Government of Jordan (regardless of credit facilities currency).

- Calculating the Expected Credit Loss ECL for Time Deposits Held with Other Banks:
  Using the Banks Risk Calculation model, the probability of default and default due to default has been reached. Through Banks Risk Calculation, the called Expected Default Frequency EDF is produced, which is equivalent to the probability of default for the banks with which deposits are held. The risk of default in the inputs of the Risk Calculation LGD model Loss due to default and then the balance is calculated at default on the assumption of the entire deposit value without any modification to the possibility of default as the deposits can be subject to the calculation of the possibility of default for a period of time adjustment.

- Calculating the Expected Credit Loss ECL for Bonds:
  - The largest share of the bond portfolio is bonds guaranteed by the Government of Jordan and are not subject to the expected credit loss.
  - The PDs calculated by using Banks Risk Calculation model to cater for banks bonds while PDs for corporate bonds generated by mapping the Internal Risk Rate for the subject companies with the equivalent PDs. LGDs determination by using the Risk Calculation LGD model (same as other assets subject to ECL). Bond value at reporting date represent EAD. Once the ECL formula components defined, the Bank executes the calculations to define the ECL for bonds.

- Internal Credit Risk Rating:
  - Bank of Jordan applies an internal risk rating system to classify the risks of corporate and small and medium-sized companies (SMEs) on a scale of 1-10, so each degree reflects the risk of default, thus identifying the possibility of the customer's failure through its risk rating.
  - The customer risk rating process includes the study and analysis of the customer's quantitative data so that the financial performance of the client is evaluated, the financial performance of the client, the business activity and its relationship with the Bank as well as industry risks.

The risk rating table consists of 10 grades, each of which internally reflects the degree of risk associated with the customer. The higher the level of the customer's risk, the greater the risk of default. Consequently, more control is imposed on the client's account and more stringent procedures are followed. The grades from 1 to 6 generally reflect relatively acceptable risks (hence credit is included in the first stage), Grade 7 reflects a significant increase in the degree of risk to the client (therefore included in the second stage/watchlist), finally grades 8-10 reflects the customer's entry in the default case, accordingly to be classified within stage as a non-performing classification.

The table below shows the internal credit risk rating against customer risks and the probability of default corresponding to each rating:

Internal credit Risk Rating	Credit Stage	Propability of Default
1-16	Stage One – performing	From 0,008% to 4,2%
7	Stage Two - watchlist	From 6,5% to 15%
8-10	Stage Three – Non performing	100%

- **Calculating Obligors Risk Rating and the Expected Credit Loss on Collective Basis:**
  Retail portfolio: Based on the historical product default data (collective level) for each product, where the Observed Default Rate calculated by applying a statistical model (Autoregressive Model) for evaluating the default rate for each product. Retail products categorized in 4 groups: housing loans, personal loans, auto loans and revolving loans including credit cards knowing that these products share the same characteristics in terms of: credit risk, collateral type, interest rate and maturity.

- **Calculating Obligors Risk Rating and the Expected Credit Loss on Individual Basis:**
  - At the level of the portfolio of corporates and SMEs: By determining the classification of the client by the business segment (Business Segment), whether companies or small and medium enterprises and then study the historical default rate of the portfolio Historical Default Data (for the previous five years) and therefore give the customer degree of risk commensurate The Segment Level Risk Rating is the historical default rate of the portfolio.
  - After determining the probability of default for the client at the portfolio level, the expected credit loss for the customer is calculated on an individual basis, depending on the nature of the facilities granted to the customer/age of credit and guarantees (as applicable to all SME customers).

IFRS (9) Implementation Governance:

- Bank of Jordan IFRS (9) methodology covers the Governance procedures followed in applying the IFRS (9) which summarize the roles and responsibilities for all parties involved in implementation works in addition to data checking mechanisms applied in checking the data used in IFRS (9) implementation.
- Governance procedures covers audit role and the validation of expected credit loss adequacy allocated by the Bank. In addition to the above Audit is also responsible for conducting periodic review to ensure data accuracy used in applying the IFRS9 in order to meet the regulator requirements. Furthermore, Audit are in charge of monitoring involved units and evaluate the IFRS 9 implementation by generating periodic reports to the board who in turn approve the results and role responsible for applying effective monitoring through defining committees and unit roles in the Bank to unit roles in the Bank to provide the proper infrastructure and ensure work integration between these units ensure work integration between these units.

Changes in Credit Risk and Determinants Followed by the Bank's in Calculation of Expected Credit Loss:

Adopting the Internal Credit Rating System adopted by the Bank of Jordan in addition to the decisions of the Credit Committee. For the purpose of determining a significant change in the classification of a customer's risk rating, the rating of the customer five years ago is compared with their current rating or (due appearance) for 30 days or more, which requires the transfer of the customer from Stage 1 to Stage 2 while a decline in customer rating (two notches) indicates a substantial change in the credit type.

For the purpose of transfer of credit claims between the stages, the following controls have been set:

- Adoption of a standard (30-day due period) since the inception of the application as an indication of an increase in credit risk.
- If there is a maturity of more than 30 days and up to 59 days at the account level, all the facilities granted to the customer are classified as Stage 2.
- Client classified under watch list, all it's products granted shall remain within Stage 2 until the customer is obliged to pay (3) monthly instalments, two quarterly instalments or one semi-annual premium. In the case of a customer's commitment and the transfer of its classification to a regular transaction, the customer is treated according to the base number of days due only.
- If the classified client is not performing all the products granted to him remain within Stage 3. If the account is settled, the client is transferred to Stage 2, the classification of the customer will be under watch list transferred from non performing and the client will stay under this classification until point 3 is met.

Applying Macroeconomic Scenarios on the Expected Credit Loss (ECL) Results:

The ECL result is a weighted average of 3 scenarios (40% of baseline scenario + 30% of downside scenario + 30% of upside scenario) on the final result of the expected credit loss at the facility/instrument level and the expected credit loss is the result of the maturity of each facility and the stage at which the customer is classified (Stage 1, Stage2 & Stage3).

Several factors were used to predict the expected future events and to use more than one scenario (basic, negative and positive). These factors were summarized in the adoption of the impact of change in GNP, the performance of the financial market (for the corporate portfolio and SMEs) and the change in the consumer price index and the performance of the financial market (For the collective portfolio).

Employing the impact of economic scenarios in calculating the expected credit loss:

Corporates and SMEs Portfolio	The most statistically relevant model is one that includes the performance of the financial market Equity and GDP as independent variables having an impact on credit quality (dependent variable). Whenever one of these variables changes, it will affect the quality of credit (negatively or positively). Based on the results of the statistical test (t-statistics), the economic variables (the performance of the financial market and the GDP) were adopted as they were considered the most appropriate to determine the change in the credit quality of the customer.
Collective Portfolio	The economic indicators adopted in the calculation of the credit loss are the Consumer Price Index (CPI) and the Stock Prices Proxies Index (SPI) as an indicator that reflects the position of the labor market.These indicators were selected after studying the extent of their correlation with default rates according to historical data.
Bonds	The propability of default PD and the loss given default: financial data were entered for the Banks bonds purchased as this process produces Expected Default Frequency which is equivalent to the probability of default. Then LGD is generated after that exposure at default EAD is calculated assuming the full bond value. The expected ECL loss is calculated using the Moody's Impairment calculation model.
Jordan Leasing Company	- EAD for Leasing Loan is calculated based on (Net Investment + unutilized portion of limit for stage1 and 2. - LGD (loss given default) for Wholesale is calculated using RiskCalc system taking into consideration the value of collateral/real estate for Wholesale Portfolio. - LGD for Retail was applied on Product level. - Linking customers propability of default (PD) with point in time propability of default (PIT PD) to be subject to economic scenarios. Accordingly, the expected credit loss results have been produced at customer's level by classifying them within the Wholesale or individval portfolios.
Excel for Financial invesmnet	EAD is calculated on the gross limits although the utilization is tied to the deposit of shares (it is not possible to utilize without a contribution from the customer) which represents the most conservative balance. Calculation of the LGD based on the percentage of the customer's contribution (1-percentage of the customer's contribution). Linking the customer's portfolio propability of default with the point in time propability of default PIT PD to be subject to the economic scenarios and will therefore produce the expected credit loss at the client and portfolio levels.
Bank's Deposits	Calculating the probability of default and the loss given default LGD for the production of Expected Default Frequency EDF, which is equivalent to the probability of default for the banks whose deposits are held. The LGD is then generated and then EAD is calculated assuming the full deposit value then ECL is calculated using the Moody's ImpairmentCalc model.

- As a result of the COVID 19 pandemic and the developments resulting from it, the Bank has taken a set of measures since the start of the pandemic and during the year 2020, and the Bank has resumed work on measuring the impact of the pandemic also during the current year 2021, as follows:

- Restructuring and postponing the credit facilities instalments in accordance with the Central Bank of Jordan instructions for taking appropriate measures to face the pandemic.
- Measuring the expected risks of the economic sectors for all customers at the level of Bank of Jordan Group, as this was done through the Central Bank of Jordan issued instructions measuring the impact of the COVID 19 pandemic on the bank's portfolios to assess the expected impact of the pandemic by classifying the degrees of customers / sectors affected into three degrees as follows:
  1. Highly impacted: customers/ sectors expected to be classified under non-performing debts (stage 3) after 2-3 months.
  2. Medium impact: customers/ sectors expected to be classified under non-performing debts (stage 3) after 6 months.
  3. Low impact: customers/ sectors expected to be classified under non-performing debts (stage 3) after 9 Months.

In light of above, business units have studied their corporate, commercial / individual portfolios in terms of a set of indicators as shown below:

1) Corporate and Commercial Portfolio:

The business units of both Corporate and commercial clients have studied a set of indicators, including cash flows, the client's financial position and related economic activity to provide the degrees of client's impact degrees. The Credit Risk Department included this category of clients in the third stage, and raised its risk rating to (8) and its probability of default to (100%), leading to the calculation of expected credit losses for each sector / customer.

2) Retail Portfolio:

The Retail Banking Services Department studied the affected customers and sectors, and the Credit Risk Department included this category of customers within the third phase, and raised the probability of its default to (100%), leading to the calculation of the expected credit losses for each customer.

- At the same time, the impact of the COVID 19 pandemic on clients has reassessed by Bank of Jordan team for the whole year of 2021 on quarterly basis, the current results were compared with the results of the end of last year 2020 and the results of the beginning of the pandemic, accordingly the size of the expected credit losses impact were reflected on the financial statements.
- Expected credit losses were estimated based on a set of expected economic conditions as at that date and in view of the rapid development of the current situation, the bank took into consideration the impact of high volatility on future macroeconomic factors when determining the severity and likelihood of economic scenarios to determine expected credit losses. This volatility was reflected through the modification in the scenarios building methods, and determining the future factors used from the statistical distribution of the factors of the credit cycle index, which can be derived from a number of observable historical factors such as risk returns, credit growth, margins or credit assumptions, as well as the forward looking.
- The bank has updated the macroeconomic factors used in calculating the probability of default to reflect the development resulting from the COVID 19 pandemic in coordination with Moody's, which were determined from the statistical distributions of the credit cycle index factors. The bank conducts the study and periodic review of these factors and scenarios on an ongoing basis.
- In addition to that, Bank of Jordan management has paid special attention to the impact of COVID 19 pandemic on qualitative and quantitative factors when determining the large increase in credit risk and assessing indicators of impairment risk in the sectors likely to be affected. This led to a downgrade of some credit exposures and recognition of expected credit losses and impairment provisions, as set out in the notes to the consolidated financial statements.

Second: Quantitative Disclosures:

(43/A) Credit Risk

Exposure to credit risk (after expected credit losses provisions and interest in suspense and before collateral held or other mitigation factors):	2021	2020
Consolidated Statement of Financial Position items	JD	JD
Balances with central banks	300,258,828	283,016,956
Balances with banks and financial institutions	136,002,180	190,722,330
Deposits with banks and financial institutions	89,249,477	89,525,567
Financial assets through comprehensive income – debt instruments at fair value	-	25,344,463
Credit facilities:	1,486,114,693	1,466,739,098
Individuals (retail customers)	549,756,219	510,934,395
Real estate loans	262,160,745	247,351,731
Corporates	468,072,264	527,426,549
Large corporate customers	253,804,549	319,177,566
SMEs	214,267,715	208,248,983
Government and public sector	206,125,465	181,026,423
Financial assets at amortized cost (Bonds & Treasury Bills)	383,830,120	348,454,969
	2,395,455,298	2,403,803,383
Off-Balance Sheet		
Letters of guarantee	88,104,618	104,089,553
Letters of credit	26,566,684	52,145,558
Acceptances	13,925,794	18,589,588
Un-utilized direct and indirect facilities limits	319,574,670	284,804,671
Total	**2,843,627,064**	**2,863,502,753**

The guarantees and mitigating credit risk factors against credit exposure mentioned above include the following:

- Obtaining suitable guarantees and recording them correctly against any potential risks. These guarantees represent cash guarantees, and non-cash guarantees such as real estate, vehicles, equipment and stock mortgages in addition to guarantees and credit derivatives binding to all parties involved and legally exercisable at all competent courts.
- Having a credit rating system for the Bank's customers and relying on the credit ratings issued by international credit agencies for banks and companies.
- Performing periodic evaluations of guarantees according to the nature, type and degree of risk to regularly ensure their adequacy against the credit granted.
- Conducting a legal audit of all contracts and documents their applicability according to the Bank's system, laws and regulations.
- Having financial derivatives that mitigate market risks.

Table below illustrates credit exposures distributution according to the risk grades:

				December 31, 2021			
Credit risk Rating Based on the Bank›s internal risk Rating System:	Category Classification according to Instructions (47/2009)	Total Exposure	Expected Credit Losses (ECL)	Probability of Default (PD)	Classifications by External Classification Institutions	Exposure at Default (EAD) in Million Dinars	Average Loss given Default (LGD)%
1	Performing	560,376,335	-	0.010%	Aaa	560,464,555	0.000%
2	Performing	106,207,154	10,069	0.010% - 0.028%	Aa1 - Aa3	104,411,637	32.25%
3	Performing	203,095,880	29,578	0.02% - .1%	A1 - A3	184,653,285	39.66%
4	Performing	333,590,489	102,953	0.90% - 0.150%	Baa1 - Baa3	330,737,384	37.42%
5	Performing	339,691,910	623,186	0.310% - 1.300%	Ba1 - Ba3	332,464,684	45.30%
6	Performing	423,555,010	1,021,119	0.880% - 4.200%	B1 - B3	418,120,497	42.11%
7	Performing	47,541,428	28,655,601	2.790% - 35.270%	Caa1 - Caa3	46,831,193	47.85%
Unclassified	Performing	854,573,789	4,542,753	4.84%	-	824,739,493	65.22%
Non - Performing exposure							
8	Non-performing	921,010	738,833	100%	Default	920,810	59.78%
Unclassified	Non-performing	3,082,927	1,004,903	100%	Default	3,082,916	62.92%
9	Non-performing	19,915,675	19,836,046	100%	Default	20,735,119	63.15%
Unclassified	Non-performing	4,220,746	2,706,739	100%	Default	4,247,379	62.26%
10	Non-performing	67,937,736	63,283,226	100%	Default	67,941,492	71.24%
Unclassified	Non-performing	45,875,347	44,403,366	100%	Default	45,960,246	63.93%
Total		**3,010,585,436**	**166,958,372**			**2,945,310,690**	

				December 31, 2020			
Credit risk Rating Based on the Bank›s internal risk Rating System:	Category Classification according to Instructions (47/2009)	Total Exposure	Expected Credit Losses (ECL)	Probability of Default (PD)	Classifications by External Classification Institutions	Exposure at Default (EAD) in Million Dinars	Average Loss given Default (LGD)%
1	Performing	533,765,553	-	0.015%	Aaa	525,929,770	0.000%
2	Performing	138,603,545	9,251	0.010% - 0.028%	Aa1 - Aa3	139,221,673	24.27%
3	Performing	226,346,688	59,384	0.03% - .150%	A1 - A3	214,469,335	37.96%
4	Performing	288,116,609	190,167	0.150% - 1.00%	Baa1 - Baa3	296,655,807	32.16%
5	Performing	431,973,868	875,921	0.50% - 2.5%	Ba1 - Ba3	417,211,164	27.55%
6	Performing	433,022,067	2,571,402	1.90% - 12%	B1 - B3	465,375,729	20.51%
7	Performing	17,311,294	10,062,047	6.50% - 33%	Caa1 - Caa3	17,928,950	23.19%
Unclassified	Performing	807,285,399	9,834,704	2.65%	-	776,489,125	31.32%
Non - Performing exposure							
8	Non-performing	3,221,118	2,460,301	100%	Default	3,218,653	75.47%
Unclassified	Non-performing	2,386,907	1,322,020	100%	Default	2,573,549	33.02%
9	Non-performing	16,395,506	16,297,187	100%	Default	16,627,868	55.60%
Unclassified	Non-performing	2,311,056	1,865,358	100%	Default	2,312,113	21.51%
10	Non-performing	69,367,115	64,661,270	100%	Default	69,368,191	60.38%
Unclassified	Non-performing	44,799,434	41,406,598	100%	Default	44,763,396	56.46%
Total		**3,014,906,159**	**151,615,610**			**2,992,145,323**	

- Exposure includes direct credit facilities, balances and deposit with banks and financial institutions, Treasury bonds and any assets with credit exposures.

Distribution of collaterals fair value against total credit exposures:

Item	Total Exposure Value	Cash Collaterals	Quoted Stocks	Accepted Letter of Guaranteed	Real Estate	Cars and Mechanics	Others	Total Value of Collaterals	Net Exposure after Collaterals	Expected Credit Loss (ECL)
	December 31, 2021									
		Fair value of collaterals								
Balances with central banks	300,376,491	-	-	-	-	-	-	-	300,376,491	117,663
Balances with banks and financial institutions	136,007,374	-	-	-	-	-	-	-	136,007,374	5,194
Deposits with banks and financial institutions	89,282,000	-	-	-	-	-	-	-	89,282,000	32,523
Credit facilities at amortized cost:										
Individuals	593,962,522	18,180,857	16	-	39,505,118	42,048,679	-	99,734,670	494,227,852	44,206,303
Real estate loans	271,198,723	340,775	-	-	210,315,534	11,252,213	-	221,908,522	49,290,201	9,037,978
Corporate:										
Large corporate customers	320,250,910	15,220,666	10,433,606	66,420	35,861,431	1,871,172	-	63,453,295	256,797,615	66,446,361
SMEs	253,035,877	11,209,495	427,379	2,194	75,785,733	6,540,765	-	93,965,566	159,070,311	38,768,162
Government and Public Sector	206,297,647	-	-	-	-	-	-	-	206,297,647	172,182
Bonds and Treasury Bills:					-					
Within financial assets at amortized cost	384,307,200	-	-	-	-	-	-	-	384,307,200	477,080
Total	2,554,718,744	44,951,793	10,861,001	68,614	361,467,816	61,712,829	-	479,062,053	2,075,656,691	159,263,446
Financial Guarantees	95,353,731	4,100,450	18,464	-	5,620,874	35,886	-	9,775,674	85,578,057	7,249,113
Letters of Credit and acceptances	40,529,463	334,011	-	-	80,659	-	-	414,670	40,114,793	36,985
Other Liabilities	319,983,498	-	-	-	-	-	-	-	319,983,498	408,828
Gross total	**3,010,585,436**	**49,386,254**	**10,879,465**	**68,614**	**367,169,349**	**61,748,715**	**-**	**489,252,397**	**2,521,333,039**	**166,958,372**

Distribution of collaterals fair value against total credit exposures:

Item	Total Exposure Value	Cash Collaterals	Quoted Stocks	Accepted Letter of Guaranteed	Real Estate	Cars and Mechanics	Others	Total Value of Collaterals	Net Exposure after Collaterals	Expected Credit Loss (ECL)
	December 31, 2020									
		Fair value of collaterals								
Balances with central banks	283,107,444	-	-	-	-	-	-	-	283,107,444	90,488
Balances with banks and financial institutions	190,726,236	-	-	-	-	-	-	-	190,726,236	3,906
Deposits with banks and financial institutions	89,564,000	-	-	-	-	-	-	-	89,564,000	38,433
Financial assets at fair value through comprehensive income - debt instruments	25,344,463	-	-	-	-	-	-	-	25,344,463	212,204
Credit facilities at amortized cost:									-	
Individuals	555,554,028	16,580,898	3,210,091	-	28,430,088	46,347,333	-	94,568,410	460,985,618	44,619,633
Real estate loans	257,439,383	650,309	-	-	218,732,552	14,339,686	-	233,722,547	23,716,836	10,087,652
Corporate:										
Large corporate customers	373,068,710	15,980,636	10,477,275	66,420	46,154,072	2,403,061	-	75,081,464	297,987,246	53,891,144
SMEs	241,038,022	10,034,324	703,497	2,194	95,385,725	9,694,254	9,500,000	125,319,994	115,718,028	32,789,039
Government and Public Sector	181,364,510	266,315	-	-	-	-	-	266,315	181,098,195	338,087
Bonds and Treasury Bills:									-	
Within financial assets at amortized cost	349,154,840	-	-	-	-	-	-	-	349,154,840	699,871
Total	2,546,361,636	43,512,482	14,390,863	68,614	388,702,437	72,784,334	9,500,000	528,958,730	2,017,402,906	142,770,457
Financial Guarantees	112,042,910	4,393,313	8,500	-	6,723,285	84,162	-	11,209,260	100,833,650	7,953,357
Letters of Credit and acceptances	70,935,900	933,201	-	-	174,913	-	-	1,108,114	69,827,786	130,754
Other Liabilities	285,565,713	9,139	-	-	1,073,643	-	-	1,082,782	284,482,931	761,042
Gross total	**3,014,906,159**	**48, 848, 135**	**14, 399, 363**	**68,614**	**396,674,278**	**72, 868, 496**	**9,500,000**	**542,358,886**	**2,472,547,273**	**151,615,610**

Exposure under stage 3:

Item	December 31, 2021									
		Fair value of collaterals								
	Total Exposure Value	Cash Collaterals	Quoted Stocks	Accepted Letter of Guarantees	Real Estate	Cars and Mechanics	Others	Total Value of Collaterals	Net Exposure after Collaterals	Expected Credit Loss (ECL)
Direct credit facilities at amortized cost:										
Individual (retail customers)	42,637,430	73,078	-	-	5,843,117	78,114	-	5,994,309	36,643,121	40,036,349
Real estate Loans	11,405,345	-	-	-	721,308	-	-	721,308	10,684,037	8,676,774
Corporate:				-						
Large corporate customers	46,094,508	-	-	66,420	3,669,374	42,505	-	3,778,299	42,316,209	46,092,607
SMEs	30,735,083	366,314	-	2,194	9,484,702	744,659	-	10,597,869	20,137,214	30,152,846
Government and Public Sector	-	-	-	-	-	-	-	-	-	-
Total	**130,872,366**	**439,392**	**-**	**68,614**	**19,718,501**	**865,278**	**-**	**21,091,785**	**109,780,581**	**124,958,576**
Financial Guarantees	10,980,895	-	-	-	156,685	11,309	-	167,994	10,812,901	7,013,695
Gross total	**141,853,261**	**439,392**	**-**	**68,614**	**19,875,186**	**876,587**	**-**	**21,259,779**	**120,593,482**	**131,972,271**

Exposure under stage 3:

Item	December 31, 2020									
		Fair value of collaterals								
	Total Exposure Value	Cash Collaterals	Quoted Stocks	Accepted Letter of Guarantees	Real Estate	Cars and Mechanics	Others	Total Value of Collaterals	Net Exposure after Collaterals	Expected Credit Loss (ECL)
Direct credit facilities at amortized cost:										
Individual (retail customers)	38,141,972	60,626	-	-	6,396,094	74,165	-	6,530,885	31,611,087	36,133,430
Real estate Loans	12,353,924	-	-	-	238,220	-	-	238,220	12,115,704	9,164,127
Corporate:										
Large corporate customers	43,323,231	-	-	66,420	4,389,320	41,245	-	4,496,985	38,826,246	43,460,344
SMEs	32,993,395	448,691	3,026	2,194	17,519,434	1,180,787	-	19,154,132	13,839,263	31,624,215
Government and Public Sector	-	-	-	-	-	-	-	-	-	-
Total	**126,812,522**	**509,317**	**3,026**	**68,614**	**28,543,068**	**1,296,197**	**-**	**30,420,222**	**96,392,300**	**120,382,116**
Financial Guarantees	11,566,466	-	-	-	620	-	-	620	11,565,846	7,629,567
Gross total	**138,378,988**	**509,317**	**3,026**	**68,614**	**28,543,688**	**1,296,197**	**-**	**30,420,842**	**107,958,146**	**128,011,683**

1.Rescheduled Loans

- These represent loans classified previously as non-performing, removed from non-performing credit facilities according to proper scheduling, and reclassified as debts under watch list.
- Total rescheduled loans amounted to JD 5,258,263 as of December 31, 2021 (JD 8,069,952) as of December 31, 2020).
- This balance represents the rescheduled loans either classified as watch list or returned to performing loans.

2.Restructured Loans

Restructuring means to rearrange facilities installments by increasing their duration, postponing some installments or increasing their grace period, and classifying them as debts under
watch list. Total restructured loans amounted to JD 126,192,464 as of December 31, 2021 (JD 74,075,951 as of December 31, 2020).

3.Bonds, Debentures and Treasury Bills

The schedule below shows the distribution of bonds, debentures and bills according to the international agencies' classification:

Rating Grade	Rating Agency	Classification	Included within financial assets at fair value through OCI	Within Financial Assets at Amortized Cost	Total
			JD	JD	JD
Foreign Bank Bonds	Moody›s	A3	-	7,834,967	7,834,967
Foreign Bank Bonds	Moody›s	Aa3	-	720,417	720,417
Foreign Corporate Bonds	Moody›s	Ba3	-	22,091,150	22,091,150
Jordanian Government Bonds	Moody›s	B1	-	235,228,007	235,228,007
Jordanian Government Bills	Moody›s	B1	-	20,660,011	20,660,011
Foreign Bank Bonds	Moody›s	B2	-	7,106,199	7,106,199
Foreign Government Bonds	Moody›s	B2	-	28,977,281	28,977,281
Unrated Bonds	Moody›s	NR	-	61,689,168	61,689,168
Total			**-**	**384,307,200**	**384,307,200**

4. Concentration in credit exposure according to geographical distribution was as follows:

A.Gross Distribution Exposures Based on Geographic Areas:

Item	December 31, 2021								December 31, 2020
	Inside Jordan	Other Middle East Countries	Europe	Asia	Africa	America	Other Countries	Total	Total
Balances with central banks	169,196,761	131,062,067	-	-	-	-	-	300,258,828	283,016,956
Balances with banks and financial institutions	-	16,354,608	43,003,682	2,362,260	-	74,281,630	-	136,002,180	190,722,330
Deposits with banks and financial institutions	88,967,493	281,984	-	-	-	-	-	89,249,477	89,525,567
Credit facilities	1,076,724,382	384,401,882	17,967,611	-	7,020,818	-	-	1,486,114,693	1,466,739,098
Bonds and Treasury Bills:									
Within financial assets at amortized cost	295,811,648	88,018,472	-	-	-	-	-	383,830,120	348,454,969
Within financial assets at fair value through comprehensive income - fair value	-	-	-	-	-	-	-	-	25,344,463
Total/Current year	**1,630,700,284**	**620,119,013**	**60,971,293**	**2,362,260**	**7,020,818**	**74,281,630**	**-**	**2,395,455,298**	**2,403,803,383**
Financial Guarantees	61,208,575	14,253,062	6,010,673	6,452,787	73,183	106,338	-	88,104,618	104,089,553
Letters of Credit	17,156,167	9,333,865	-	-	76,652	-	-	26,566,684	52,215,558
Acceptances	13,924,355	1,439	-	-	-	-	-	13,925,794	18,589,588
Un-utilized balances	241,682,070	63,131,990	14,760,610	-	-	-	-	319,574,670	284,804,671
Total	**1,964,671,451**	**706,839,369**	**81,742,576**	**8,815,047**	**7,170,653**	**74,387,968**	**-**	**2,843,627,064**	**2,863,502,753**

B. Exposure Distribution According to Stages Classification as Per IFRS (9)

Item	December 31, 2021						December 31, 2020
	Stage One		Stage two		Stage Three	Total	Total
	Individual Level	Collective Level	Individual Level	Collective Level			
Inside Jordan	1,153,920,700	671,392,620	104,052,489	26,155,810	9,149,832	1,964,671,451	2,057,763,117
Other middle east countries	546,051,905	151,329,406	7,474,384	1,153,200	830,474	706,839,369	644,106,652
Europe	81,742,576	-	-	-	-	81,742,576	17,537,415
Asia	8,815,047	-	-	-	-	8,815,047	12,872,544
Africa	7,170,653	-	-	-	-	7,170,653	73,584
America	74,387,968	-	-	-	-	74,387,968	131,149,441
Other Countries	-	-	-	-	-	-	-
Total	**1,872,088,849**	**822,722,026**	**111,526,873**	**27,309,010**	**9,980,306**	**2,843,627,064**	**2,863,502,753**

5. Concentration in credit exposure according to the economic sector as follows:

A. Gross distribution exposures based on financial instruments:

Item	December 31, 2021										As of December 2020
	Financial	Industrial	Trading	Real Estate	Agriculture	Touristic Hotels Restaurants Public Facilities	Stock	Individuals	Government and Public Sector	Total	Total
Balances with central banks	300,258,828	-	-	-	-	-	-	-	-	300,258,828	283,016,956
Balances with banks and financial institutions	136,002,180	-	-	-	-	-	-	-	-	136,002,180	190,722,330
Deposits with banks and financial institutions	89,249,477	-	-	-	-	-	-	-	-	89,249,477	89,525,567
Financial assets at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	-	25,344,463
Credit facilities	13,736,755	124,011,104	205,109,803	284,830,757	8,198,309	82,557,403	12,868,126	548,676,971	206,125,465	1,486,114,693	1,466,739,098
Bonds and Treasury Bills:											
Within financial assets at amortized cost	77,437,985	13,409,230	2,833,826	-	-	24,998,637	-	-	265,150,442	383,830,120	348,454,969
Total current year	**616,685,225**	**137,420,334**	**207,943,629**	**284,830,757**	**8,198,309**	**107,556,040**	**12,868,126**	**548,676,971**	**471,275,907**	**2,395,455,298**	**2,403,803,383**
Financial Guarantees	18,308,662	7,606,643	29,998,316	16,329,019	153,263	12,376,095	46,988	3,285,632	-	88,104,618	104,089,553
Letters of Credit	2,738,198	16,844,752	4,504,685	11,289	-	2,467,760	-	-	-	26,566,684	52,215,558
Acceptances	1,439	2,197,327	7,400,539	51,195	4,275,294	-	-	-	-	13,925,794	18,589,588
Un-utilized balances	50,723,726	51,110,187	113,806,340	10,701,120	864,873	25,687,244	857,391	65,818,651	5,138	319,574,670	284,804,671
Gross Total	**688,457,250**	**215,179,243**	**363,653,509**	**311,923,380**	**13,491,739**	**148,087,139**	**13,772,505**	**617,781,254**	**471,281,045**	**2,843,627,064**	**2,863,502,753**

B. Exposure distribution according to stages classification as per IFRS (9)

Item	As of December 2021						As of December 2020
	Stage One		Stage Two		Stage Three	Total	Total
	Individual Level	Collective Level	Individual Level	Collective Level			
Financial	687,172,609	-	1,135,090	-	149,551	688,457,250	681,505,427
Industrial	188,528,751	351,001	26,065,760	-	233,731	215,179,243	248,654,365
Trade	313,551,095	359,855	46,657,573	245,790	2,839,196	363,653,509	433,832,925
Real estates	49,587,066	225,965,752	19,179,477	13,664,777	3,526,308	311,923,380	313,905,034
Agriculture	10,351,537	68,595	3,045,608	10,790	15,209	13,491,739	10,496,278
Tourism, restaurants and public facilities	132,366,400	21,065	15,202,701	-	496,973	148,087,139	144,583,758
Stocks	13,772,505	-	-	-	-	13,772,505	12,641,058
Individuals	5,477,841	595,955,758	240,664	13,387,653	2,719,338	617,781,254	590,935,187
Government and Public Sector	471,281,045	-	-	-	-	471,281,045	426,948,721
Total	**1,872,088,849**	**822,722,026**	**111,526,873**	**27,309,010**	**9,980,306**	**2,843,627,064**	**2,863,502,753**

6. Re-classified credit exposures

A. Total re-classified credit exposure:

Item	December 31, 2021					
	Stage Two		Stage Three		Total reclassified exposures	Percentage of Reclassified Exposures
	Total Exposure Value	Reclassified exposures	Total Exposure Value	Reclassified exposures		
Cash and balances with central banks	-	-	-	-	-	0.00%
Balances with banks and financial institutions	-	-	-	-	-	0.00%
Deposits with banks and financial institutions	-	-	-	-	-	0.00%
Financial assets through comprehensive income - debt instruments	-	-	-	-	-	0.00%
Direct credit facilities at amortized cost	142,014,402	66,166,099	144,312,640	13,631,661	79,797,760	27.87%
Bonds and Treasury Bills within financial assets at amortized cost	-	-	-	-	-	0.00%
Total	**142,014,402**	**66,166,099**	**144,312,640**	**13,631,661**	**79,797,760**	**27.87%**
Letters of guarantees	11,490,712	7,188,374	10,980,895	30,978	7,219,352	32.13%
Letters of credit	79,672	18,273	-	-	18,273	22.94%
Acceptances	404,981	(37,253)	-	-	(37,253)	-9.20%
Un-utilized balances	17,098,996	11,453,310	-	-	11,453,310	66.98%
Gross total	**171,088,763**	**84,788,803**	**155,293,535**	**13,662,639**	**98,451,442**	**30.16%**

B. Expected credit loss against reclassified exposures:

Item	December 31, 2021							
	Reclassified exposures			Expected credit loss for reclassified exposures				
				Stage Two		Stage Three		
	Gross Reclassified Exposure from Stage Two	Gross Reclassified Exposure from Stage Three	Gross Reclassified Eexposure	Individual Level	Collective Level	Individual Level	Collective Level	Total
Cash and balances with central banks	-	-	-	-	-	-	-	-
Balances with banks and financial institutions	-	-	-	-	-	-	-	-
Deposits with banks and financial institutions	-	-	-	-	-	-	-	-
Financial assets through comprehensive income - debt instruments	-	-	-	-	-	-	-	-
Direct credit facilities at amortized cost	6,283,388	10,065,149	16,348,537	28,680,240	3,330,053	124,958,576	-	156,968,869
Bonds and Treasury Bills within financial assets at amortized cost	-	-	-	-	-	-	-	-
Total	**6,283,388**	**10,065,149**	**16,348,537**	**28,680,240**	**3,330,053**	**124,958,576**	**-**	**156,968,869**
Letters of guarantees	84,537	9,746	94,283	123,943	-	7,013,695	-	7,137,638
Letters of credit	2,550	-	2,550	3,614	-	-	-	3,614
Acceptances	(522)	-	(522)	1,116	-	-	-	1,116
Un-utilized balances	69,341	-	69,341	107,640	6,274	-	-	113,914
Gross total	**6,439,294**	**10,074,895**	**16,514,189**	**28,916,553**	**3,336,327**	**131,972,271**	**-**	**164,225,151**

6. Re-classified credit exposures

A. Total re-classified credit exposure:

Item	December 31, 2020					
	Stage Two		Stage Three			
	Total Exposure Value	Reclassified exposures	Total Exposure Value	Reclassified exposures	Total reclassified exposures	Percentage of Reclassified Exposures
Cash and balances with central banks	-	-	-	-	-	0.00%
Balances with banks and financial institutions	-	(101,581)	102,148	102,851	1,270	1.24%
Deposits with banks and financial institutions	-	-	-	-	-	0.00%
Financial assets through comprehensive income - debt instruments	-	-	-	-	-	0.00%
Direct credit facilities at amortized cost	83,425,043	(45,414,165)	137,962,291	29,361,425	(16,052,740)	-7.25%
Bonds and Treasury Bills within financial assets at amortized cost	-	-	-	-	-	0.00%
Total	**83,425,043**	**(45,515,746)**	**138,064,439**	**29,464,276**	**(16,051,470)**	**-7.25%**
Letters of guarantees	3,575,630	(3,644,115)	11,566,466	208,863	(3,435,252)	-22.69%
Letters of credit	69,575	(3,446,433)	-	-	(3,446,433)	- 4953.55%
Acceptances	972,805	(804,014)	-	-	(804,014)	-82,65%
Un-utilized balances	23,761,460	2,546,809	-	-	2,546,809	10,72%
Gross total	**111,804,513**	**(50,863,499)**	**149,630,905**	**29,673,139**	**(21,190,360)**	**-8,11%**

B. Expected credit loss against reclassified exposures:

Item	December 31, 2020							
	Reclassified exposures			Expected credit loss for reclassified exposures				
				Stage Two		Stage Three		
	Gross Reclassified Exposure from Stage Two	Gross Reclassified Exposure from Stage Three	Gross Reclassified Eexposure	Individual Level	Collective Level	Individual Level	Collective Level	Total
Cash and balances with central banks	-	-		-	-	-	-	-
Balances with banks and financial institutions	(431)	1,754	1,323	-	-	1,051	-	1,051
Deposits with banks and financial institutions	-	-	-	-	-	-	-	-
Financial assets through comprehensive income - debt instruments	-	-	-	-	-	-	-	-
Direct credit facilities at amortized cost	(328,857)	27,480,570	27,151,713	10,368,829	5,452,368	120,382,114	-	136,203,311
Bonds and Treasury Bills within financial assets at amortized cost	-	-	-	-	-	-	-	-
Total	**(329,288)**	**27,482,324**	**27,153,036**	**10,368,829**	**5,452,368**	**120,383,165**	**-**	**136,204,362**
Letters of guarantees	(64,033)	123997	59,964	50,199	-	7,629,567	-	7,679,766
Letters of credit	(40,390)	-	(40,390)	139	-	-	-	139
Acceptances	(5,735)	-	(5,735)	4,232	-	-	-	4,232
Un-utilized balances	(866)	-	-866	104,166	5,617	-	-	109,783
Gross total	**(440,312)**	**27,606,321**	**27,166,009**	**10,527,565**	**5,457,985**	**128,012,732**	**-**	**143,998,282**

43/B Market Risks:

Qualitative Disclosure:

These risks arise from the fluctuations in the fair values or the future cash flows of financial instruments due to the changes in market prices such as (interest rate, currency exchange rate, and shares prices). Moreover, market risks arise from the existence of open positions in interest rates, currency exchange rates, and investments in shares. These risks are monitored according to specific policies and procedures through special committees and associated work centres and include the following:

- Interest rate risks.
- Currency exchange rate risks.
- Fluctuation in share prices risks.
- Market risks: are the risks of exposure of the positions on and off the Bank's Consolidated Statement of Financial Position to losses as a result of price fluctuations in the market. This includes the risks arising from the volatility of interest rates and stock prices of investment portfolios, both for the purpose of trading or exchange.

Market risks arise from:

- Changes that may occur in the political and economic conditions in markets.
- Fluctuations in interest rates.
- Fluctuations in the prices of financial instruments held for future buying and selling.
- Foreign currency fluctuations.
- Gaps in maturities of assets and liabilities and interest rate re-pricing.
- Creation of uncovered positions.

Interest Rate Risks

Interest rate risks arise from the probable impact of changes in interest rates on the value of other financial assets. The Bank is exposed to the risk of interest rates due to a mismatch or a gap in the amounts of assets and liabilities, according to the various time limits or review of interest rates in a certain period. Moreover, the Bank manages these risks through reviewing the interest rates on assets and liabilities based on the risk management strategy undertaken by the Asset and Liability Management Committee. The Bank follows a policy of hedging all financial assets and financial liabilities whenever the need arises. Hedging is against anticipated future risks.

The Bank has developed analysis scenarios to measure the sensitivity of interest rate risk in addition to providing a system for controlling the difference in the history of re-pricing. This ensures control, reduces risk, and takes into account acceptable risk and balancing maturities of assets with liabilities, as well as the gaps and benefits of hedging their prices.

Foreign Currency Risks

Foreign currency risks are the risks arising from changes in the values of financial instruments as a result of fluctuations in the prices of foreign currencies.

The Bank's investment policy includes a set of controls that limit this type of risk monitored by a market risk unit such as follows:

- Exceeding limits is not allowed, and any currency excess is settled immediately.
- Any dealer should close the position immediately when the loss reaches the allowed maximum limit.
- The Treasury and Investment Department analyses and controls open positions daily. It closes the positions in case of excesses of ceiling, loss limits or heightened risks due to market fluctuations.

The following is the net foreign currency positions at the Bank:	December 31,	
Currency Type	2021	2020
	JD	JD
USD	(28,738,450)	9,602,601
GBP	16,758,864	(463,644)
Euro	968,048	953,644
JPY	1,250	4,417
Other currencies	(16,305,115)	(36,530,118)
	(27,315,403)	**(26,433,100)**

Share Prices Risks

Share prices risks result from the changes in the fair values of investments in shares. The Bank manages these risks through diversifying investments across various geographical areas and economic sectors. Most of the shares investments held by the Bank are listed in Amman Stock Exchange.

Market Risk Management

The Bank follows financial and investment policies for risk management within a specified strategy. Moreover, the Bank has an Asset and Liability Management Committee that supervises, and controls risks and performs the optimal strategic distribution of assets and liabilities both on and off the Consolidated Statement of Financial Position. Moreover, a market risk unit was established, staffed with qualified human resources, and equipped with electronic systems. These risk management procedures include the following:

- Preparation and implementation of an investment policy approved by the Board of Directors and the Central Bank of Jordan.
- Preparation and application of a market risk management policy approved by the Board of Directors including the criteria for the definition, measurement, and monitoring of this type of risk.
- Implementation of (Reuters) Application to monitor continuity risk in the global capital market, cash markets and currency exchange.
- Preparation of a mechanism for management of ceilings of local and foreign investments.
- Development of market risk measurement, management, and monitoring tools through:
  - Value at risk (VAR).
  - Basis point analysis.
  - Stress testing.
  - Defining stop loss limit.
  - Preparation of investment concentration reports (geographical distribution, economic sector, currency, tool, etc.).
  - Controlling investment ceilings.
  - Controlling investment operations (based on financial positions, local and international stocks and bonds).
- Preparation of periodic reports, to be presented to the Investment Committee and Risk Management Committee /Board of Directors.

Quantitative Disclosures:

1. Interest Rate Risks		December 31, 2021	
Currency	Increase in Interest Rate (%)	Sensitivity of Interest Revenue Analysis (Profits and Losses)	Sensitivity of Equity
		JD	JD
USD	2%	(574,769)	-
GBP	2%	335,177	-
Euro	2%	19,361	-
JPY	2%	25	-
Other Currencies	2%	(326,102)	-
Currency	Decrease in Interest Rate (%)	Sensitivity of Interest Revenue Analysis (Profits and Losses)	Sensitivity of Equity Analysis
		JD	JD
USD	2%	574,769	-
GBP	2%	(335,177)	-
Euro	2%	(19,361)	-
JPY	2%	(25)	-
Other Currencies	2%	326,102	-
		December 31, 2020	
Currency	Increase in Interest Rate (%)	Sensitivity of Interest Revenue Analysis (Profits and Losses)	Sensitivity of Equity
		JD	JD
USD	2%	192,052	-
GBP	2%	(9,273)	-
Euro	2%	19,073	-
JPY	2%	88	-
Other Currencies	2%	(730,602)	-
Currency	Decrease in Interest Rate (%)	Sensitivity of Interest Revenue Analysis (Profits and Losses)	Sensitivity of Equity Analysis
		JD	JD
USD	2%	(192,052)	-
GBP	2%	9,273	-
Euro	2%	(19,073)	-
JPY	2%	(88)	-
Other Currencies	2%	730,602	-

2. Foreign Currency Risks		December 31, 2021	
Currency	Increase in Currency Exchange Rate (%)	Effect on Profits or Losses	Effect on Equity
		JD	JD
USD	5%	(1,436,923)	-
GBP	5%	837,943	-
Euro	5%	48,402	-
JPY	5%	63	-
Other Currencies	5%	(815,256)	-
		December 31, 2020	
Currency	Increase in Currency Exchange Rate (%)	Effect on Profits or Losses	Effect on Equity
		JD	JD
USD	5%	480,130	-
GBP	5%	(23,182)	-
Euro	5%	47,682	-
JPY	5%	221	-
Other Currencies	5%	(1,826,506)	-

3. Fluctuation in Share Prices Risks		December 31, 2021	
Indicator	Increase in Index	Effect on Profits or Losses	Effect on Equity
		JD	JD
Amman Stock Exchange	5%	5,019	253,624
Palestine Stock Exchange	5%	-	384,891
		December 31, 2020	
Indicator	Increase in Index	Effect on Profits or Losses	Effect on Equity
		JD	JD
Amman Stock Exchange	5%	1,644	229,381
Palestine Stock Exchange	5%	-	270,589

Concentration of Foreign Currency Risk

	December 31, 2021					
Currency	USD	GBP	Euro	JPY	Other	Total
Item	JD	JD	JD	JD	JD	JD
Assets:						
Cash and balances with Central Banks	117,431,884	966,916	5,193,313	-	57,030,702	180,622,815
Balances with banks and financial institutions	83,554,338	26,050,349	17,062,030	29,896	9,586,869	136,283,482
Financial assets through comprehensive income	2,764,461	-	-	-	60,162	2,824,623
Direct credit facilities at amortized cost	256,369,937	1,051,304	43,534	-	175,493,408	432,958,183
Financial assets (at amortized cost and at fair value and associates)	128,488,315	-	3,726,664	-	4,905,080	137,120,059
Other assets	6,971,553	4,054	151,192	40	9,367,511	16,494,350
Total assets	595,580,488	28,072,623	26,176,733	29,936	256,443,732	906,303,512
Liabilities:						
Banks and financial institutions' deposits	27,482,124	3,466	1,935,525	-	3,071,384	32,492,499
Customers' deposits	433,956,241	11,023,659	20,814,868	28,012	215,429,502	681,252,282
Cash margins	20,449,353	264,551	2,480,077	674	6,701,060	29,895,715
Other liabilities	142,431,220	22,083	(21,785)	-	47,546,901	189,978,419
Total Liabilities	624,318,938	11,313,759	25,208,685	28,686	272,748,847	933,618,915
Net concentration in the consolidated statement of financial position for the year 2021	(28,738,450)	16,758,864	968,048	1,250	(16,305,115)	(27,315,403)
Commitments and contingent liabilities off balance sheet for the year 2021	46,952,386	-	9,716,128	13,484	5,248,466	61,930,464
Currency	December 31, 2020					
	USD	GBP	Euro	JPY	Other	Total
Item	JD	JD	JD	JD	JD	JD
Total Assets	577,067,363	10,954,577	48,516,300	35,822	236,419,094	872,993,156
Total Liabilities	567,464,762	11,418,221	47,562,656	31,405	272,949,212	899,426,256
Net concentration in the consolidated statement of financial position for the year 2020	9,602,601	(463,644)	953,644	4,417	(36,530,118)	(26,433,100)
Commitments and contingent liabilities off Balance Sheet for the year 2020	75,607,462	-	8,335,657	420,719	5,746,200	90,110,038

Interest Re-pricing Gap

Classification is based on periods of interest re-pricing or maturity	Less Than 1 Month	From 1 to 3 Months	From 3 to 6 Months	From 6 Months to 1 Year	From 1 to 3 Years	More Than 3 Years	Items Without Interests	Total
Year 2021	JD	JD	JD	JD	JD	JD	JD	JD
Assets								
Cash and balances with Central Banks	85,000,000	-	-	-	-	10,635,000	286,400,460	382,035,460
Balances and deposit with banks and financial institutions	75,639,325	281,984	281,984	44,991,844	43,975,649	-	60,080,871	225,251,657
Financial assets at fair value	-	-	-	-	-	-	77,397,650	77,397,650
Direct credit facilities at amortized cost	305,007,696	545,010,312	127,140,035	240,636,794	129,331,686	138,988,170	-	1,486,114,693
Financial assets at amortized cost	3,599,020	87,116,130	59,632,009	82,375,884	105,963,670	45,143,407	-	383,830,120
Property and equipment – Net	-	-	-	-	-	-	59,663,986	59,663,986
Intangible assets	-	-	-	-	-	-	8,012,000	8,012,000
Deferred tax assets	-	-	-	-	-	-	24,556,699	24,556,699
Other assets	-	-	-	-	-	-	93,342,183	93,342,183
Total Assets	469,246,041	632,408,426	187,054,028	368,004,522	279,271,005	194,766,577	609,453,849	2,740,204,448
Liabilities								
Banks and financial institutions' deposits	30,197,000	3,882,000	282,000	-	50,937,867	-	8,496,971	93,795,838
Customers' deposits	710,409,166	94,077,844	77,069,113	146,113,100	68,772,770	44,426,575	767,162,072	1,908,030,640
Cash margins	59,331,680	1,904,563	350,093	2,115,009	7,245	1,258,420	47,692,066	112,659,076
Sundry provisions	-	-	-	-	-	-	5,156,233	5,156,233
Income tax provision	-	-	-	-	-	-	20,055,494	20,055,494
Borrowed funds	385,109	1,638,882	1,690,410	3,202,649	26,161,237	8,883,447	30,177,593	72,139,327
Deferred tax liabilities	-	-	-	-	-	-	51,871	51,871
Other liabilities	-	-	-	-	-	-	42,250,993	42,250,993
Total liabilities	800,322,955	101,503,289	79,391,616	151,430,758	145,879,119	54,568,442	921,043,293	2,254,139,472
Interest Re-pricing Gap	**(331,076,914)**	**530,905,137**	**107,662,412**	**216,573,764**	**133,391,886**	**140,198,135**	**(311,589,444)**	**486,064,976**
Year 2020								
Total Assets	669,198,304	535,558,118	158,678,119	220,731,251	409,248,500	187,859,346	531,140,349	2,712,413,987
Total Liabilities	371,861,860	51,009,093	114,200,655	204,786,535	316,130,306	333,522,664	858,495,826	2,250,006,939
Interest Re-Pricing Gap	**297,336,444**	**484,549,025**	**44,477,464**	**15,944,716**	**93,118,194**	**(145,663,318)**	**(327,355,477)**	**462,407,048**

Liquidity Risk

First: this table summarizes the (undiscounted) liabilities on the remaining period for contractual maturities at the date of consolidated financial statements:	Within 1 Month	From 1 to 3 Months	From 3 to 6 Months	From 6 Months to 1 Year	From 1 to 3 Years	Over 3 Years	Without Maturity	Total
December 31, 2021	JD	JD	JD	JD	JD	JD	JD	JD
Liabilities								
Banks and financial institutions' deposits	30,197,000	3,882,000	282,000	-	50,937,867	-	8,496,971	93,795,838
Customers' deposits	475,348,513	210,237,417	187,933,365	261,398,815	353,072,412	420,040,118	-	1,908,030,640
Cash margins	107,023,746	1,904,563	350,093	2,115,009	7,245	1,258,420	-	112,659,076
Borrowed funds	1,937,085	4,427,749	5,910,379	11,300,419	38,745,895	9,817,800	-	72,139,327
Sundry provisions	-	-	-	-	-	-	5,156,233	5,156,233
Income tax provision	6,515,900	-	9,056,449	858,114	-	-	3,625,031	20,055,494
Deferred tax liabilities	-	-	-	-	-	-	51,871	51,871
Other liabilities	5,171,681	1,163,263	2,781,848	2,238,884	145,670	-	30,749,647	42,250,993
Total liabilities	**626,193,925**	**221,614,992**	**206,314,134**	**277,911,241**	**442,909,089**	**431,116,338**	**48,079,753**	**2,254,139,472**
Total Assets (According to expected maturity)	**650,186,792**	**239,159,042**	**209,990,088**	**283,097,802**	**512,042,446**	**657,035,824**	**188,692,454**	**2,740,204,448**
December 31, 2020	JD	JD	JD	JD	JD	JD	JD	JD
Liabilities								
Banks and financial institutions' deposits	6,918,000	2,961,000	-	-	50,937,867	-	9,945,487	70,762,354
Customers' deposits	334,696,745	197,249,930	136,346,351	304,065,201	244,690,809	642,583,156	49,555,384	1,909,187,576
Cash margins	108,968,324	255,647	514,331	8,381,339	1,677,147	22,521	-	119,819,309
Borrowed funds	231,458	10,222,954	4,263,560	11,991,390	54,152,423	3,720,541	-	84,582,326
Sundry provisions	-	-	-	-	-	-	5,302,150	5,302,150
Income tax provision	3,531,792	1,470,000	11,970,796	1,155,637	-	-	1,753,641	19,881,866
Deferred tax liabilities	-	-	-	-	-	-	48,946	48,946
Other liabilities	3,412,002	2,294,150	2,117,974	2,896,248	707,820	1,858,807	27,135,411	40,422,412
Total liabilities	**457,758,321**	**214,453,681**	**155,213,012**	**328,489,815**	**352,166,066**	**648,185,025**	**93,741,019**	**2,250,006,939**
Total Assets (According to expected maturity)	**807,298,966**	**166,114,399**	**188,319,570**	**146,722,910**	**669,046,986**	**552,553,266**	**182,357,890**	**2,712,413,987**

Second: this table summarizes the financial derivatives maturities on the remaining period of contractual maturity from the date of the consolidated financial statements.

- Financial derivatives/liabilities which have been totally reconciled include:

Trading Derivatives	December 31, 2021			December 31, 2020		
	Up to 3 Months	from 3 Months to One Year	Total	Up to 3 Months	from 3 Months to One Year	Total
Currency Derivatives:	JD	JD	JD	JD	JD	JD
Outflow	(37,276,712)	(4,512,286)	(41,788,998)	(15,056,025)	(1,001,190)	(16,057,213)
Inflow	37,225,011	4,558,539	41,783,550	14,809,032	1,009,927	15,818,959
Total	(51,701)	46,253	(5,448)	(246,993)	8,737	(238,254)

Third: liquidity ratio

The average liquidity coverage ratio is 196.7% as of December 31,2021, and the liquidity coverage ratio was 195.1% as of December 31, 2021 (196.8% as of December 31,2020)

Off-consolidated statement of financial position Items:	As of December 2021			
	Up to 1 Year	1 to 5 Years	Over 5 Years	Total
	JD	JD	JD	JD
Letters of credit and acceptances	40,529,463	-	-	40,529,463
Un-utilized balances	319,983,498	-	-	319,983,498
Letters of guarantee	85,761,415	9,592,316	-	95,353,731
Operational lease contracts	2,615,263	7,863,567	5,100,129	15,578,959
Capital commitments	440,636	-	-	440,636
Total	**449,330,275**	**17,455,883**	**5,100,129**	**471,886,287**
	As of December 2020			
	Up to 1 Year	1 to 5 Years	Over 5 Years	Total
	JD	JD	JD	JD
Letters of credit and acceptances	70,935,900	-	-	70,935,900
Un-utilized balances	285,565,713	-	-	285,565,713
Letters of guarantee	111,150,378	892,532	-	112,042,910
Operational lease contracts	2,081,138	7,652,316	5,789,969	15,523,423
Capital commitments	1,125,912	-	-	1,125,912
Total	**470,859,041**	**8,544,848**	**5,789,969**	**485,193,858**

44. Bank's Business Segments

1. Information about the Bank's business segments:

The Bank is organized for management purposes in a manner that allows measurement of its segments according to reports used by its Chief Executive Officer and main decision-makers through the following main segments:

- Retail Banking (individual): includes following up on individual customers' accounts, granting them loans, credit, credit cards, and other services.
- Corporate Banking: includes following up on deposits, credit facilities, and other banking services pertinent to corporate customers.
- Treasury: includes providing dealing and treasury services and management of the Bank's funds.
- Financial Brokerage Services: includes providing purchase services and sale of customers' portfolios on their behalf, custody of investments, financial consultations, custody service, and management of initial public offerings.

Following is the information about Bank business segments distributed according to the activities:

	Individual (Retail Customers)	Corporation	Treasury	Financial Brokerage	Other	Total 2021	Total 2020
	JD	JD	JD	JD	JD	JD	JD
Total Revenues	61,625,680	51,372,133	24,146,600	281,176	1,920,349	139,345,938	153,482,560
Expected credit loss allowance	(964,235)	(15,113,032)	19,793	(645)	-	(16,058,119)	(31,868,913)
Segments operations results	60,661,445	36,259,101	24,166,393	280,531	1,920,349	123,287,819	121,613,647
Other expenses	(42,666,498)	(17,517,296)	(2,216,006)	(214,435)	(8,779,595)	(71,393,830)	(69,540,069)
Profit before tax	17,994,947	18,741,805	21,950,387	66,096	(6,859,246)	51,893,989	52,073,578
Income tax	(5,790,119)	(4,509,482)	(5,907,862)	(27,820)	648,527	(15,586,756)	(16,606,516)
Net profit for the Year	**12,204,828**	**14,232,323**	**16,042,525**	**38,276**	**(6,210,719)**	**36,307,233**	**35,467,062**
Other information							
Capital Expenditures	2,541,050	271,997	-	-	1,544,124	4,357,171	6,877,093
Depreciation and amortization	6,110,994	234,422	18,493	17,391	4,119,087	10,500,387	9,254,938
Total Assets	**802,793,367**	**705,218,660**	**1,069,761,737**	**1,271,476**	**161,159,208**	**2,740,204,448**	**2,712,413,987**
Total Liabilities	**1,721,803,313**	**342,640,396**	**135,669,937**	**1,283,927**	**52,741,899**	**2,254,139,472**	**2,250,006,939**

2. Information about geographical distribution

This disclosure represents the geographical distribution for Bank›s business. The Bank performs its main business activities in Jordan which represents the local business and also performs international business through its branches in Palestine and its subsidiary companies.

Following is the distribution of Revenues, Assets and Capital Expenditure according the geographical sector:

	In the country		Overseas		Total	
	2021	2020	2021	2020	2021	2020
	JD	JD	JD	JD	JD	JD
Total Revenues	128,242,715	149,665,584	32,969,303	33,711,656	161,212,018	183,377,240
Total Assets	1,854,549,551	1,874,618,417	885,654,897	837,795,570	2,740,204,448	2,712,413,987
Capital expenditures	**2,979,154**	**5,779,323**	**1,378,017**	**1,097,770**	**4,357,171**	**6,877,093**

45. Analysis of Assets and Liabilities Maturities:

The following table provides analysis of assets and liabilities according to the expected period of its recovery or settlement:	December 31, 2021		
	Up to 1 Year	Over 1 Year	Total
	JD	JD	JD
Assets			
Cash and balances with Central Banks	371,400,460	10,635,000	382,035,460
Balances with banks and financial institutions	136,002,180	-	136,002,180
Deposits with banks and financial institutions	45,273,828	43,975,649	89,249,477
Financial assets at fair value through profit or loss	15,234,423	-	15,234,423
Financial assets at fair value through comprehensive income	-	62,163,227	62,163,227
Direct credit facilities at amortized cost	590,858,127	895,256,566	1,486,114,693
Financial assets at amortized cost	232,723,043	151,107,077	383,830,120
Property and equipment – Net	-	59,663,986	59,663,986
Intangible assets	-	8,012,000	8,012,000
Deferred tax assets	-	24,556,699	24,556,699
Other Assets	25,238,206	68,103,977	93,342,183
Total Assets	1,416,730,267	1,323,474,181	2,740,204,448
Liabilities			
Banks and financial institutions' deposits	42,857,971	50,937,867	93,795,838
Customers' deposits	1,134,918,110	773,112,530	1,908,030,640
Cash margins	111,393,412	1,265,664	112,659,076
Other provisions	-	5,156,233	5,156,233
Income tax provision	16,430,463	3,625,031	20,055,494
Borrowed funds	23,575,632	48,563,695	72,139,327
Deferred tax liabilities	-	51,871	51,871
Other liabilities	11,355,676	30,895,317	42,250,993
Total Liabilities	1,340,531,264	913,608,208	2,254,139,472
Net	76,199,003	409,865,973	486,064,976

Analysis of Assets and Liabilities Maturities:

The following table provides analysis of assets and liabilities according to the expected period of its recovery or settlement:	December 31, 2020		
	Up to 1 Year	Over 1 Year	Total
	JD	JD	JD
Assets			
Cash and balances with Central Banks	338,902,989	10,635,000	349,537,989
Balances with banks and financial institutions	190,722,330	-	190,722,330
Deposits with banks and financial institutions	563,995	88,961,572	89,525,567
Financial assets at fair value through profit or loss	15,157,042	-	15,157,042
Financial assets at fair value through comprehensive income	-	84,526,410	84,526,410
Direct credit facilities at amortized cost	706,401,800	760,337,298	1,466,739,098
Financial assets at amortized cost	60,235,360	288,219,609	348,454,969
Property and equipment – Net	-	53,993,594	53,993,594
Intangible assets	-	6,872,445	6,872,445
Deferred tax assets	-	21,808,399	21,808,399
Other Assets	11,629,371	73,446,773	85,076,144
Total Assetsa	1,323,612,887	1,388,801,100	2,712,413,987
Liabilities			
Banks and financial institutions' deposits	9,879,000	60,883,354	70,762,354
Customers' deposits	972,358,227	936,829,349	1,909,187,576
Cash margins	118,119,641	1,699,668	119,819,309
Other provisions	-	5,302,150	5,302,150
Income tax provision	18,128,225	1,753,641	19,881,866
Borrowed funds	26,709,362	57,872,964	84,582,326
Deferred tax liabilities	-	48,946	48,946
Other liabilities	10,720,374	29,702,038	40,422,412
Total Liabilities	1,155,914,829	1,094,092,110	2,250,006,939
Net	167,698,058	294,708,990	462,407,048

46. Fair Value Hierarchy

A. The Fair Value of Financial Assets and Financial Liabilities of the Bank Specified at Fair Value on an Ongoing Basis:
Some financial assets and liabilities of the Bank are evaluated at fair value at the end of each fiscal period, the following table shows the information about how to determine the fair value of these financial assets and liabilities (evaluation methods and inputs used).

Financial Assets/Financial Liabilities	Fair Value		The Level of Fair Value	Evaluation Method and Inputs Used	Important Intangible Inputs	Fair Value and the Important Intangible Inputs
	December 31, 2021	December 31, 2020				
	JD	JD				
Financial Assets at Fair Value						
Financial Assets at Fair Value Through Income Statement						
Shares that have an available market price	100,384	32,883	Level One	Stated Rates in financial markets	Not applicable	Not applicable
Shares that do not have an available market price	134,039	124,159	Level Two	Financial Statements issued by companies		
Right to receive financial assets at fair value	15,000,000	15,000,000	Level One	Determined price	Not applicable	Not applicable
Total	15,234,423	15,157,042				
Financial Assets at Fair Value through Comprehensive Income						
Shares that have available market price	12,770,304	9,999,391	Level One	Stated Rates in financial markets	Applicable	Not applicable
Shares that do not have available market price	3,740,266	49,182,556	Level Two	Financial Statements issued by companies or observable market input	Applicable	Not applicable
Shares that do not have available market price	45,652,657	-	Level Three	Evaluation methods using inputs that are not dependent on available market information	Applicable	Applicable
Total	62,163,227	59,181,947				
Bonds that have available market price	-	25,344,463	Level One	Stated Rates in financial markets	Not applicable	Not applicable
Total	-	25,344,463				
Forward contracts foreign currency	-	-	Level One	Stated Rates in financial markets	Not applicable	Not applicable
Total Financial Assets at Fair Value	77,397,650	99,683,452				
Financial Liabilities at Fair Value:						
Forward contracts foreign currency	5,448	238,254	Level One	Stated Rates in financial markets	Not applicable	Not applicable
Total	5,448	238,254				

There were no transfers between level 1 and level 2 during the year of 2021.
The multipliers method was used to evaluate the bank's investment in foreign shares that do not have available market price classified within level three, by comparing them with the results of similar companies operating in the same field as the investee company.

B. The Fair Value of Financial Assets and Financial Liabilities of the Bank (Non-Specific Fair Value on an Ongoing Basis):
Except as detailed in the table below, we believe that the carrying amount of financial assets and liabilities shown in the consolidated financial statements of the Bank approximate their fair value, because the Bank management believes that the carrying value of the items is equivalent to the fair value, and this is due to either its short-term maturity or having interest rates that have been repriced during the year.

	December 31, 2021		December 31, 2020		The Level of
	Book Value	Fair Value	Book Value	Fair Value	Fair Value
	JD	JD	JD	JD	JD
Financial Assets of Non-Specified Fair Value					
Balances at central banks	300,376,491	300,394,025	283,107,444	283,121,142	Level Two
Balances at banks and financial institutions	136,007,374	136,023,062	190,726,236	190,748,749	Level Two
Deposits at banks and financial institutions	89,282,000	91,248,723	89,564,000	90,818,151	Level Two
Loans, bills and other	1,525,963,607	1,530,179,712	1,465,186,407	1,469,103,909	Level Two
Financial assets at amortized cost	384,307,200	389,041,218	349,154,840	353,782,663	Level Two
Total Financial Assets of non-specified Fair Value	**2,435,936,672**	**2,446,886,740**	**2,377,738,927**	**2,387,574,614**	
Financial Liabilities of Non-Specified Fair Value					
Deposits at banks and financial institutions	93,795,838	93,936,470	70,762,354	70,906,640	Level Two
Customers› deposits	1,908,030,640	1,911,068,332	1,909,187,576	1,914,526,143	Level Two
Cash insurance	112,659,076	112,656,644	119,819,309	119,821,325	Level Two
Total Financial Liabilities of Non-Specified Fair Value	**2,114,485,554**	**2,117,661,446**	**2,099,769,239**	**2,105,254,108**	

The fair value for the financial assets and liabilities that are in level 2 and level 3 were determined in accordance to agreed pricing models, which reflect the credit risk of the parties dealing with it.

C. Non-Financial Assets and Liabilities not Measured at Fair Value but its in fair Value disclosed in the Consolidated Financial Statements:

	December 31, 2021		December 31, 2020		The Level of
	Book Value	Fair Value	Book Value	Fair Value	Fair Value
	JD	JD	JD	JD	JD
Other assets	73,140,691	117,944,684	68,067,305	114,485,914	Level Two
	73,140,691	117,944,684	68,067,305	114,485,914	

The above items set out the fair value of non-financial assets that are determined on the basis of prices of similar instruments in an inactive market.

47. Capital Management and liquidity

Capital Components:

- Paid-Up Capital:
  The paid-up capital of Bank of Jordan consists of (200/1) million ordinary shares at a nominal value of JD 1 per share. The Bank maintains capital, statutory reserves, and retained earnings to meet the growth in its operations and the requirements of local and regional expansion.

- Regulatory Capital:
  Regulatory capital is considered a control tool according to the requirements of regulatory authorities and Basel (III) for the purposes of achieving control over the adequacy of capital and the ratio of regulatory capital to risky and weighted assets and market risk. Regulatory capital according to Basel (III) consists of:

- Ordinary shares, retained earnings, accumulated comprehensive income items, declared reserves, minority interest and profit after tax and expected distributions and regulatory adjustments.

- Regulatory Authorities' Requirements:
  The regulatory authorities' instructions entail that the minimum capital shall be JD 100 million. Moreover, banks have been requested to increase their capital adequacy ratio to not be less than 14 % according to the Central Bank of Jordan instructions, and the ratio of owners' equity to total assets financial leverage ratios must not be less than 4%.

- Achieving the Objectives of Capital Management:
  The Bank's management aims at achieving the capital management objectives through developing (enhancing) the Bank's activities, achieving a surplus in operating profits and revenues, and optimally investing available funds. All of this is geared towards reaching the targeted growth in owners' equity, reflected in the increase in the legal reserves by (10)% and retained earning by (20%).

The regulatory capital adequacy ratios according to the standard approach are as follows:

Primary Capital Items for Ordinary Shareholders (CET 1):	In Thousands of JD 2021	In Thousands of JD 2020
	JD	JD
Paid-up capital	200,000	200,000
Statutory reserve	104,363	99,191
Voluntary reserve	49	47
Other reserves	5,850	5,850
Fair value reserve	(3,979)	(6,092)
Retained earnings	138,779	140,561
Non-controlling interest in the capital of subsidiaries	4,491	3,236
Less: Regulatory capital adjustments	(45,579)	(41,536)
Total Primary Capital Ordinary Shareholder (CET 1)	403,974	401,257
Additional Capital Items		
Stage one provision balance against debt instruments not exceeding 1.25% of the total risk weighted assets	2,441	7,405
General banking risk reserve	4,102	2,804
Total additional capital	6,543	10,209
Total regulatory capital	410,517	411,466
Total risk weighted assets	2,137,711	2,156,718
Capital adequacy ratio (%)	19.20%	19,08%
Primary capital for ordinary shareholders (CET 1) %	18.90%	18,60%
Capital adequacy Tier 1 (%)	**18.90%**	**18,60%**

48. Commitments and Contingent Liabilities

a. Contingent Liabilities:	2021	2020
	JD	JD
Letters of credit include:	26,587,459	52,308,450
Acceptances	13,942,004	18,627,450
Letters of guarantee:		
Payment	31,586,467	35,257,524
Performance	39,616,438	46,805,604
Other	24,150,826	29,979,782
Un-utilized direct and indirect credit facilities limits	319,983,498	285,565,713
Total	**455,866,692**	**468,544,523**

Expected credit loss provision based on IFRS (9) requirements on the off – balance sheet items (unfunded) amounted to JD 7,694,926 for the year ended December 31, 2021 (JD 8,845,153 for the year ended December 31, 2020).

b. Contractual Obligations:	2021	2020
	JD	JD
Contracts for purchasing of property and equipment*	440,636	1,125,912
Contracts for operating and financing lease**	15,578,959	15,523,423
Total	**16,019,595**	**16,649,335**

* These commitments mature in less than 1 year.

** These commitments mature between 1 year to 10 years

C. Lawsuits against the Bank

The Bank is a defendant in lawsuits demanding cancellation of the Bank's claims against others, lifting of real estate mortgages, compensation for damages, and non-cashing of cheques. These lawsuits amounted to JD 8,993,404 as of December 31, 2021 (JD 7,910,297 for prior year). In the opinion of the management and legal counsel, no material financial liability is likely to be incurred as a result of these lawsuits in excess of provision recorded which amounted to JD 764,385 as of December 31, 2021 (JD 832,435 prior year). However, amounts that will probably be paid by the Bank as a result of dismissal or amicable settlement of these lawsuits will be taken to the consolidated Statement of Profit or Loss or against the recorded provision when paid.

Additional Information as Required by the Jordan Securities Commission 2021

Names and Brief Résumés of Board of Directors and Executive Managers

Major Shareholders' Equity

Board of Directors' Equity

Executive Managers' Equity

Addresses of Bank of Jordan Branches

Organizational Structure

Additional Information as Required by the Jordan Securities Commission 2021

A. Chairman's Letter

B. Board of Directors Report

1. a- Description of Main Activities:

The Bank provides a comprehensive range of banking products and services. These include accepting all types of deposits (demand, savings, and time deposits), and issuing certificates of deposit, letters of credit, as well as letters of guarantee to all clients in the various economic sectors locally and abroad. The Bank also provides financial leasing services and custody services.

1. b- Location of Branches and Number of Employees:

The Bank has (83) branches and (3) exchange offices in Jordan, in addition to (17) branches and one office in Palestine and one branch in Bahrain. The address of each branch and office is listed at the end of the report under the section "Addresses of Bank of Jordan branches".

The total number of the Bank's employees has reached (1,807). The table below illustrates the number of employees in each branch and office.

Branch	No. of Employees	Branch	No. of Employees	Branch	No. of Employees	Branch	No. of Employees
Head Office	876	Faisal St./Zarqa	4	Zarqa	5	Medical City St.	5
Regional Management	137	New Zarqa	5	Al Jeezah	4	Hay Al-Zaytouna	4
Al Shmeisani	12	North Shuneh	4	Al Sweifieh	6	Dabouq	3
Amman/ Downtown	2	Kufranjah	3	Al Wehdat	5	Dabouq/ Al Hijaz Street	3
Karak	4	Al Qweismeh	6	Al Jabal Al Shamali	4	Souq Bab Al Madinah Mall	8
Irbid	7	Third Circle	3	Durret Khalda	7	Ramallah	26
Al Hussun St.	4	Mecca St.	7	Al Ruseifa	4	Hebron	17
Eidoun St./Irbid	4	University of Jordan	4	Al Madina Al Monawara St./Tla'a Al Ali	5	Jenin	19
Ma'an	4	Thirty St. /Irbid	4	Abu Alanda	4	Nablus	21
Rumtha	4	Al Nuzha	4	Khalda	7	Gaza	16
Al Turrah	3	Al Hassan Industrial city	4	City Mall	7	Al Ram/Ramallah	8
Salt	5	Al Gardens	13	Um Uthaina	5	Al Eizaryeh/Jerusalem	8
Jerash	5	Al Madina Al Monawara St.	4	Al Rabiyeh	4	Industrial Area/Ramallah	9
Al Mahatta	4	Aqaba	6	Abdoun	7	Bethlehem	10
Al Yarmouk St./Al Nasser	4	Al Bayader	5	Al Hurrieh St./Mogablain	4	Tulkarm	10
Marka	5	Industrial Area/Al Bayader	4	Al Rawnaq	5	Qabatiya	9
Ajloun	5	Al Mafraq	6	Sport City	4	Rafidia	7
Jabal Al Hussein	6	North Azraq	4	Taj Mall	7	Al Naser	9
Al Khalidi	4	Jabal Al Weibdeh	4	Abu Nsair	3	Al Eersal	5
Al Jubaiha	6	Deir Abi Saeed	4	North Hashmi	4	Al Braid Suburb / Jerusalem	8
Commercial Market	4	Sweileh	5	Sahab	4	Al Tirah / Ramallah	7
Wadi Al Seer	3	Al Fuheis	4	Al Abdali Mall	5	Al-Khader/ Bethlehem	6
Airport	3	Tareq	5	Madaba	5	Bahrain	9
Free Zone / QAIA	2	Zarqa Free Zone	4	First Circle	7		
Hakama St./Irbid	5	Marj Al Hamam	5	Al Hurrieh Mall	5		
Radio and Television St.	4	Dahyet Al Yasmeen	5	Dahyet El Nakheel	4		

1. c- Capital Investment Volume:

The Capital investment amounted to JD 6,980,835 at the end of 2021 compared to JD 9,001,765 at the end of 2020.

2. Subsidiaries:

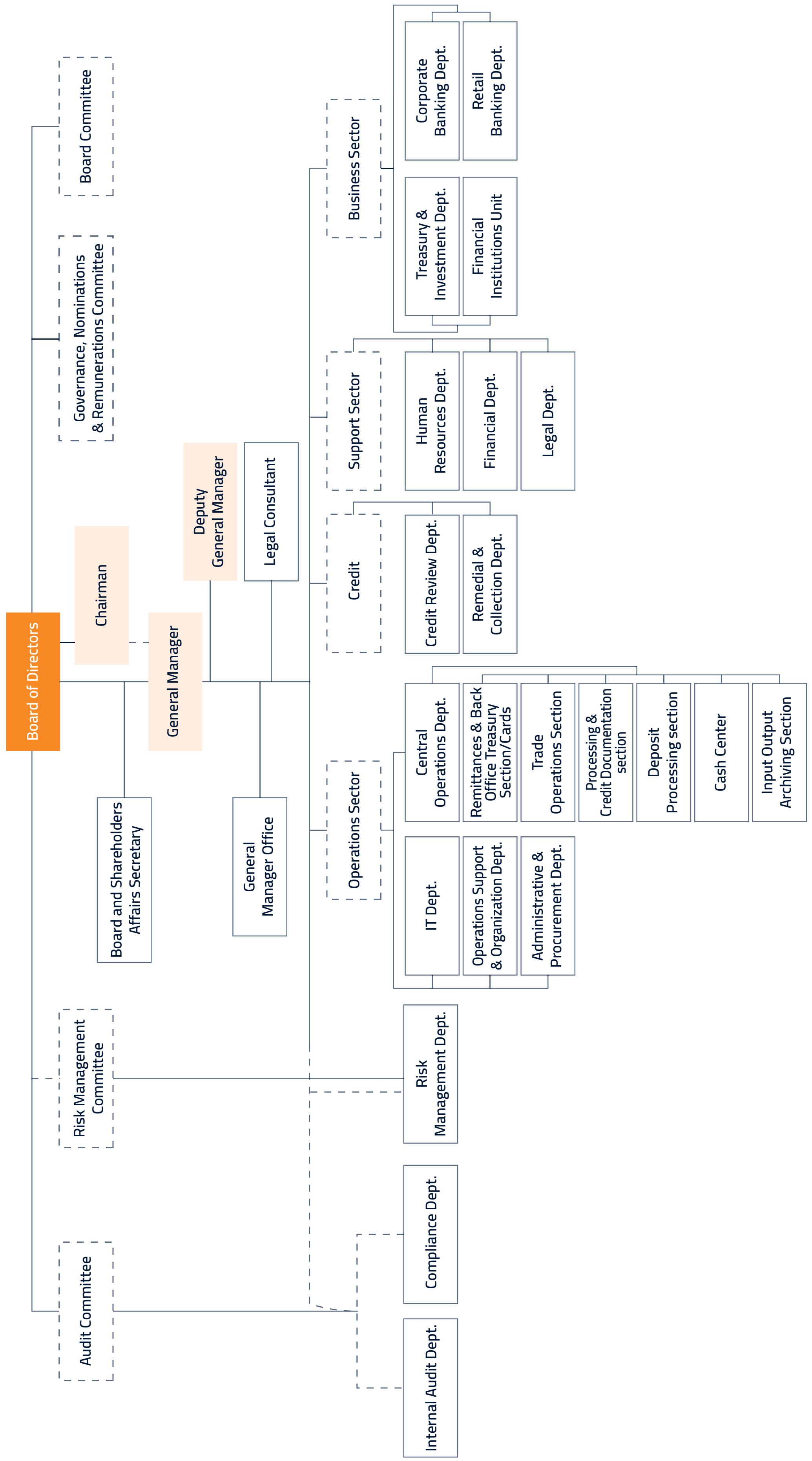
a. Bank of Jordan - Syria / Syrian Arab Republic

Name of Company	Bank of Jordan - Syria
Type of Company	Joint Stock Company Syria
Date of Association	28/5/2008
Core Business	All Banking Operations
Paid-up Capital	SYP 3,000,000,000
Bank's Ownership Percentage	49%
Address	Sabaa Bahrat Square – Baghdad St. – Damascus P.O. Box 8058 Damascus – Syria Tel.: 00963-11-22900000 Fax: 00963-11-2313568
Number of Employees	208 employees
Projects Owned by the Bank and their Capitals	There are no projects owned

Branch Location and Number of Employees

Branch	Address	Tel.	Fax	P.O. Box	Number of Employees
Baghdad St. Branch	Damascus - Sabaa Bahrat Square	00963-11-22900100	00963-11-2317730	P.O. Box 8058 Damascus, Syria	8
Abu Rumaneh Branch	Damascus – Abu Rumaneh- Arab League Square	00963-11-3354500	00963-11-3354506	P.O. Box 8058 Damascus, Syria	8
Abaseen Branch	Damascus - Abaseen Square	00963-11-4438261	00963-11-4438267	P.O. Box 8058 Damascus, Syria	5
Jarmana Branch	Damascus Suburban – Jarmana – Al Raees Square	00963-11-5694868	00963-11-5694869	P.O. Box 8058 Damascus, Syria	6
Harasta Branch (Temporarily closed)	Damascus Suburban – Harasta	00963-11-5376711	00963-11-5376717	P.O. Box 8058 Damascus, Syria	None
Al Faisal St. Branch / Aleppo	Aleppo – Al Malek Faisal St.	00963-21-2228071	00963-21-2228071	P.O. Box 8058 Aleppo, Syria	8
Hamdanieh Branch / Aleppo (Temporarily closed)	Aleppo – Almartini Hotel – Hamdanieh	-	-	P.O. Box 8058 Aleppo, Syria	None
Homs Branch	Homs – Square 94 – Abou Tammam St.	00963-31-2220603/605	00963-31-2222306	P.O. Box 3058 Homs, Syria	8
Lattakia Branch	Lattakia - Al-Korneish Al-Gharbee St.	00963-41-2557623	00963-41-2556768	P.O. Box 58 Lattakia, Syria	10
Tartous Branch	Tartous – Al Thawra St.	00963-43-2313733	00963-43-2313793	P.O. Box 8058 Damascus, Syria	7
Al-Swaidaa Branch	Swaidaa – Qanawat St.	00963-16-324188	00963-16-324288	P.O. Box 88 Swaidaa, Syria	8
Adra branch	Industrial City - Administrative Sector - Management and Banking	00963-11-5850206 7/8/9/10/11	00963-11-5850216	P.O Box 8058 Damascus, Syria	4

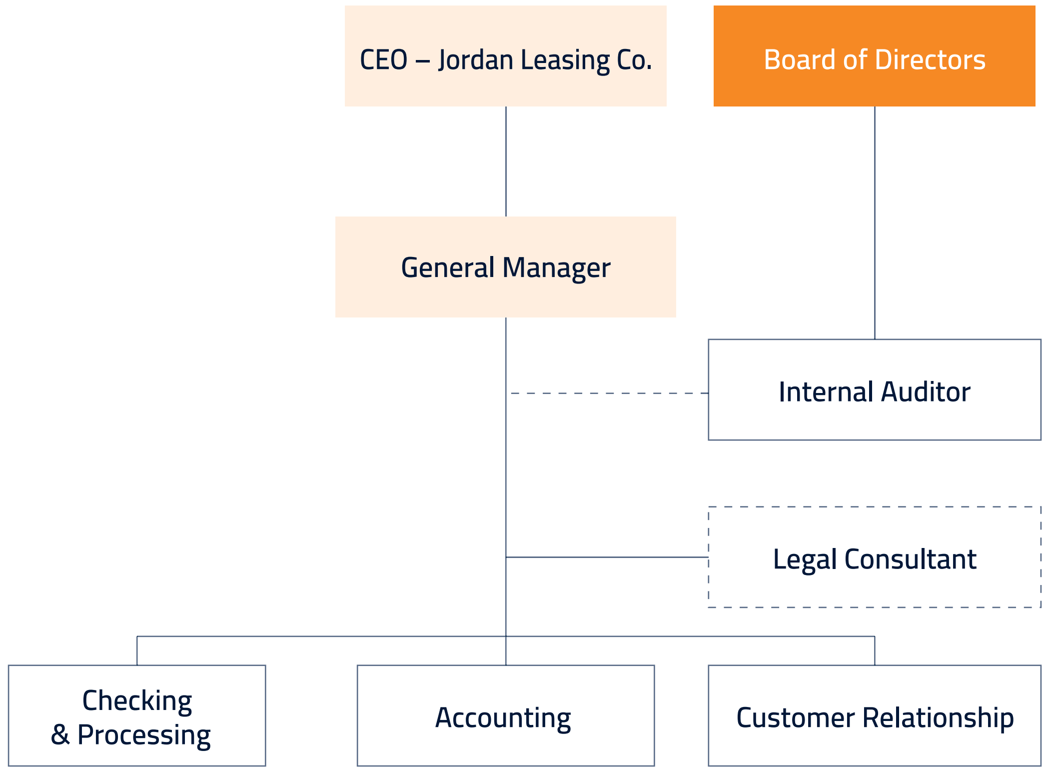
Organizational Structure / Bank of Jordan – Syria



b. Jordan Leasing Company - Limited Private Shareholding Company/ Hashemite Kingdom of Jordan

Name of Company	Jordan Leasing Company
Type of Company	Limited Private Shareholding Company
Date of Association	24/10/2011
Core Business	Financial Leasing
Paid-up Capital	JD 20,000,000
Bank's Ownership Percentage	100%
Address	Amman - Mecca St. - Al-Husseini Complex - Bldg. No.164 P.O. Box 2140 Amman 11181 Jordan Tel.: +962 6 5542697 Fax: +962 6 5542698
Number of Employees	4 employees
Branches	None
Projects Owned by Company and their Capitals	There are no projects owned

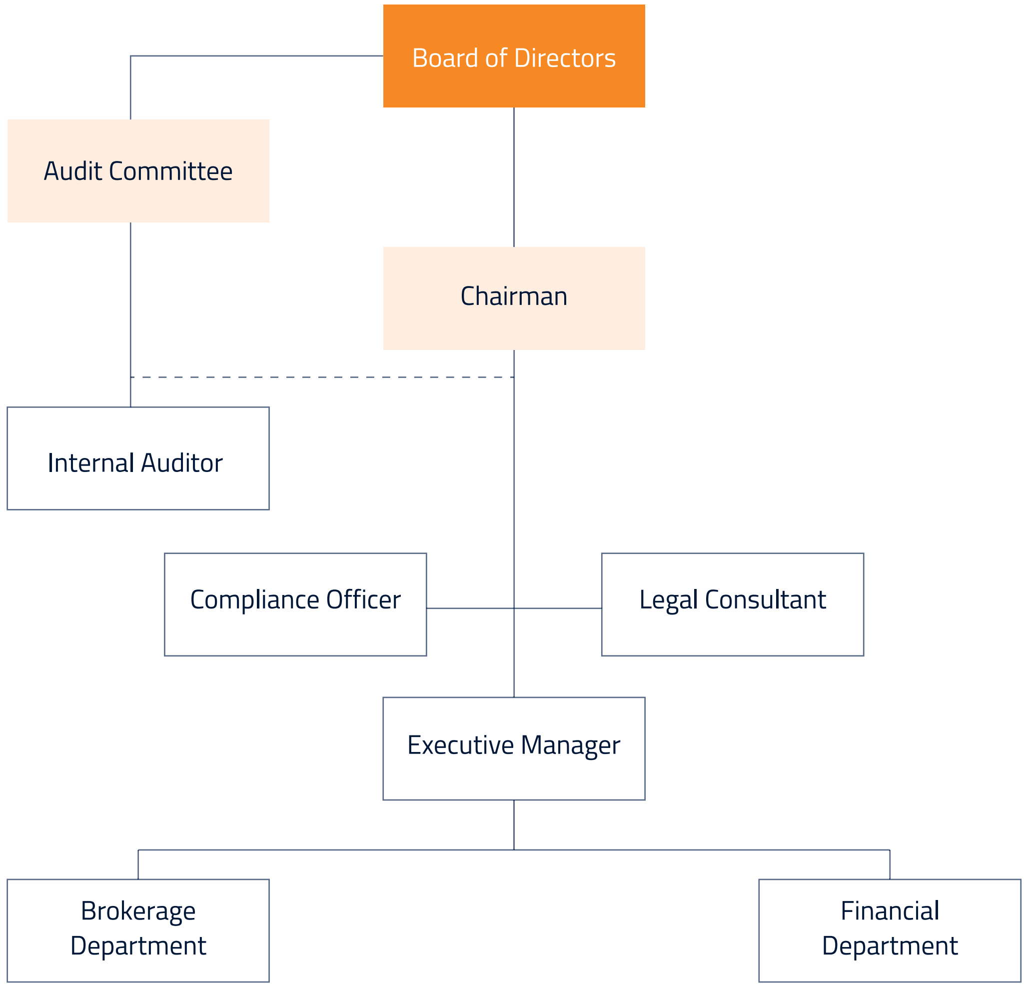
Organizational Structure / Jordan Leasing Company



C. Excel for Financial Investments Company - Limited Private Shareholding Company / Hashemite Kingdom of Jordan

Name of Company	Excel for Financial Investments Company
Type of Company	Limited Private Shareholding Company
Date of Association	23/3/2006
Core Business	Brokerage services (Buying and Selling Securities)
Paid-up Capital	JD 3,500,000
Bank's Ownership Percentage	100%
Address	Amman - Mecca St. - Al-Husseini Complex - Bldg. No. 164 P.O. Box 942453 – Amman 11194 – Jordan Tel.: +962 6 5519309 +962 6 5516809 Fax: +962 6 5519567
Number of Employees	6 employees
Branches	None
Projects Owned by Company and their Capitals	There are no projects owned

Organizational Structure / Excel for Financial Investments Company



3.a - Names and Resumes of Board of Directors:

Mr. Shaker Tawfiq Fakhouri
Chairman of the Board/Dedicated

Date of Birth: 14/11/1969 **Date of Membership:** 14/6/2001
Nature of Membership: Non-Executive/ Non-Independent

Educational Background:
– M.A. in Business Administration and Professional Accounting from Canisius College, Buffalo/ USA, 1995.
– B.A. in Economics from the University of Southern California/ USA, 1990.

Professional Experience:
- Chairman of the Board of Bank of Jordan, as of August 2007 to date.
- Chairman of the Board of Bank of Jordan - Syria from July 2015 until August 2019.
- Chairman & CEO of Bank of Jordan, as of August 2007 until January 2017.
- CEO of Bank of Jordan, as of August 2003 until January 2017.
- Deputy General Manager of Bank of Jordan, from December 1996 until August 2003.
- Executive Assistant to the General Manager of Bank of Jordan, from January 1995 until December 1996.
- Attended several advanced banking and leadership seminars and courses, including:
  - The "Comprehensive Banking Operations" training program at Bank of Jordan branches, from February 1991 until January 1993.
  - A specialized credit training course at the Headquarters of Manufacturers/ Hanover Bank, USA, from September 1990 until February 1991.

Other Current Board Memberships:
- Chairman of the Board of Directors of Excel for Financial Investments Co.
- Member of the Board of Trustees – King Abdullah II Center for Excellence.
- Board Member of the Middle East Company for Insurance.

Mr. Walid Tawfiq Fakhouri
Vice Chairman

Date of Birth: 12/2/1972 **Date of Membership:** 18/4/2017
Nature of Membership: Non-Executive/ Non-Independent

Educational Background:
– M.A. in Business Administration from City University/ UK, 2000.
– B.A. in Science Marketing from Western International University/ UK, 1992.

Professional Experience:
- Chairman of the Board of Al-Tawfiq Investment House/ Jordan, as of 2007.
- Board member of Bank of Jordan from 17/02/2005 until 14/06/2015.
- Chairman of Petroeuropa/ Spain, as of 2014.
- Chief Executive Officer of JABA Inversiones Inmobiliarias / Spain, as of 2014.
- Chairman of the Board of the Arab Islamic Bank/ Palestine, from 2001 until 04/2016.
- Vice Chairman of Al-Ekbal Investment Company from 2009 until 08/2017.
- Vice Chairman of Excel for Financial Investments Company, from 23/03/2006 until 15/10/2014 and from 19/11/2014 until 18/04/2016.
- Member of the Executive Committee of the Islamic Corporation for Development of the Private Sector - Islamic Development Bank/ Jeddah, from 9/2009 until 2013.
- Assistant General Manager of Bank of Jordan, from 9/2003 until 4/2004.
- Managing Director of Arab Islamic Bank/ Palestine, from 9/1999 until 6/2001.
- Assistant General Manager of Bank of Jordan, from 4/1999 until 9/1999.
- Executive Manager of Bank of Jordan, from 7/1995 until 4/1999.

Former Board Memberships:
- The International Tobacco and Cigarettes Company.
- Zahrat Al Urdon Real Estate & Hotels Investments Company.
- Trust International Transport Company.
- Board Member of Jordan Express Tourist Transportation Company (JETT).
- Al-Yarmouk Insurance Company.
- Arab Union International Insurance Company.
- Industrial Development Bank.
- Al-Ekbal Printing and Packaging Company.
- Board member of Al-Ekbal Investment Company.

Professional Experience Gained Through Work in Private Business:
– A total of 17 years of experience in financial and investment services, including 10 years in the field of Islamic financial and investment services.

Dr. Yanal Mawloud Zakaria
Board Member/ Representative of Al Eqbal for General Investments Co.

Date of Birth: 13/12 /1956 **Date of Membership:** 22/10/2008
Nature of Membership: Non-Executive/ Non-Independent

Educational Background:
– B.A. in Literature/ Philosophy and Social Studies from Beirut Arab University/ Lebanon, 1986.
– B.Sc. in Medicine and Surgery from Alexandria University/ Egypt, 1987.

Mr. "Shadi Ramzi" Abd Al-Salam Al-Majali
Board Member/ Representative of Al-Tawfiq Investment House - Jordan

Date of Birth: 6/7/1962 **Date of Membership:** 7/3/2009
Nature of Membership: Non-Executive/ Non-Independent

Educational Background:
– M.Sc. in Software Engineering (Computer Science/ Systems Analysis) from George Washington University, Washington D.C./ USA, 1985.
– B.Sc. in Mathematics & Military Sciences from The Citadel USA – The Military College of South Carolina/ USA, 1983.

Professional Experience:
- CEO of New Vision for Electronics as of 3/2015 until 10/2019.
- CEO of King Abdullah II Design and Development Bureau, from 7/2010 until 5/2014.
- CEO of Aqaba Development Corporation, from 1/2010 until 7/2010.
- General Manager of Saraya Aqaba, from 2/2007 until 12/2009.
- Revenues and Customs Commissioner in Aqaba Special Economic Zone Authority (ASEZA), from 1/2004 until 2/2007.
- Gulf Area Manager of Qatar for the Middle East Contracting Company, from 9/2002 until 12/2003.
- Tala Bay CEO, from 10/2000 until 9/2002.
- General Manager of Trans Jordan for Communications Services Company, from 5/1997 until 9/2000.
- General Manager of Al-Nisr for Advanced Telecommunications Company, from 2/1997 until 11/2003.
- Vast military experience, serving in the military, from 1985 until 1996.

Other Current Board Memberships:
- Chairman of Daman Company for Investments and Agricultural Industries as of September 2020.
- Chairman of the Jordanian Oil Terminals Company as of July 2019.
- Chairman of Jordan Investment Trust, as of October 2017.
- Member of the Board of Social Security Investment Fund, as of 4/2017.

Former Board Memberships:
- Chairman of the board of the King Abdullah II Design & Development Bureau (KADDB) from 12/2010 until 5/2014.
- Member of the Board of Injaz from 2016 until 2018.
- Member of the Board of Trustees - Mutah University from 2009 until 2018.
- Board Member of Jordan Investment Trust, as of July 2014 until October 2017.
- Member of the Board of Trustees - The Royal Tank Museum.
- Member of the Board of Trustees - Jordan University for Science and Technology (JUST).
- Member of the Board of Aqaba Water Company, from 1/2010 until 8/2010.
- Member of the Board of the Aqaba port and Containers Company, from 1/2010 until 8/2010.
- Member of the Board of Directors of Aqaba Airports Company, from 1/2010 until 8/2010.
- Member of the Board of Trustees - Applied Sciences University, from 1/2006 until 10/2009.
- ASEZA Commissioner, from 1/2004 until 2/2007.
- Board Member of Jordan Electricity Distribution Company, from 6/2006 until 3/2007.
- Board Chairman of Aqaba International School, from 6/2006 until 2/2007.
- Board Member of the Yemeni Payphone Company, from 9/1998 until 9/2000.
- Board Member of the Middle East Defense and Security Agency, from 8/1997 until 11/2003.
- Vice Chairman of the King Abdullah Special Operation Training Center (KASOTC), from 12/2010 until 2/2013.
- Member of Greater Amman Municipality Council, from 8/2010 until 8/2013.

Mr. Haitham Mohammed Samih Barakat
Board Member/ Representative of Al Lu'lu'a Trading & Investments Co.

Date of Birth: 1/5/1960 **Date of Membership:** 30/7/2015
Nature of Membership: Non-Executive/ Non-Independent

Educational Background:
– B.Sc. in Electrical Engineering from the Portland State University/ USA, 1984.

Professional Experience:
- Founder and partner of the Advanced Electrical Engineering Company/ Qatar, as of 2001 to date.
- CEO of Kuwait Electrical Poles & Lighting Industries Company WLL (KEPLIC)/ Kuwait, as of 1999 to date.
- General Manager of the Advanced Engineering Group/ Jordan, from 2007 until March 2018.
- Founder and CEO of the Qatar Electromechanical Company/ Qatar, from 1998 until September 2017.
- Deputy General Manager of the National Industries Company/ Jordan, from 1/2004 until 7/2004.
- Founder and CEO of Faddan Electromechanical Contracting Company/ Jordan, from 1994 until 1997.
- Deputy General Manager of Faddan for Trading and Contracting Company/ Kuwait, from 1984 until 1990.

Former Board Memberships:
- Board Member of the Arab Islamic Bank/ Palestine.
- Board Member of Al-Saqr Insurance Company.
- Founding Member of the Clean Energy Company/ Jordan.
- Board Member of the United Cable Industries Company/ Jordan.

Professional Experience Acquired from Private Business:
– Over 30 years of experience in Jordan, the Gulf, and the USA including founding and managing various engineering companies in several countries.

Other Professional Experience:
- Experience in project management and development.

Mr. Husam Rashed Manna'
Board Member/ Representative of Al-Yamama for General Investments Co.

Date of Birth: 6/9/1963 **Date of Membership:** 30/7/2015
Nature of Membership: Non-Executive/ Non-independent

Educational Background:
-Master of Business Administration (MBA) from California State University, Chico 1989.
-Bachelor of Science, Business Administration from California State University, Chico 1987.

Professional Experience:
- Portfolio Manager/ Private business, as of 5/2004 to date.
- Chief Commercial officer of Shams Ma'an Power Generation Co. from 10/2015 until 9/2017.
- General Manager of Aqaba Manufacturing & Refining Vegetable Oils CO. (AMRV), from 5/2011 until 5/2013.
- Member of the Auditing Committee of Al Janoub Filter Manufacturing Company (AJFM), from 5/2008 until 10/2010.
- Portfolio Manager at Arab Banking Corporation/ Investment Department, from 3/2002 until 4/2004.
- Corporate Head/ Manager at Arab Banking Corporation/ Credit Facilities Department, from 9/2000 until 2/2002.
- Senior International Credit Officer/ Supervisor at Arab Bank Plc./ Credit Facilities Division – Int'l Branches & Assoc. Co.'s, from 7/1994 until 5/2000.
- Credit Officer/ Section Head at Arab Bank Plc. – Mahatta Branch/ Credit Facilities Dept., from 6/1991 until 6/1994.
- Account Executive at Metropolitan Life - San Francisco/ California, USA, from 6/1989 until 6/1990.

Former Board Memberships:
- Member of the Board of Directors of Al Janoub Filter Manufacturing Company (AJFM) from 5/2008 until 10/2010.
- Member of the Board of Directors of Real Estate Investment Compound Company from 3/2002 until 4/2004.

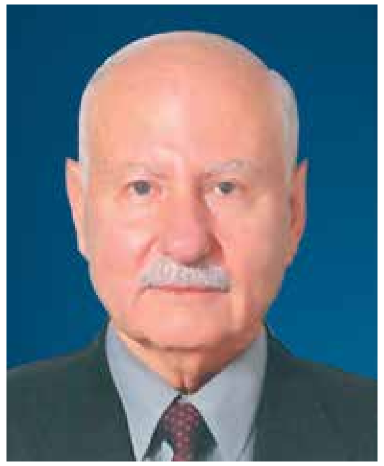
Mr. Walid Mohammad Al-Jamal
Board Member/ Representative of Al Pharaenah Int'l for Industrial Investments Co.

Date of Birth: 9/4/1971 **Date of Membership:** 12/1/2017
Nature of Membership: Non-Executive/ Non-Independent

Educational Background:
- Master of Business Administration in Professional Accounting, from Canisius College, Buffalo/ USA, 1995.
- B.A. in Accounting from the University of Jordan/ Jordan, 1992.

Professional Experience:
- CEO of Jordan Decapolis Properties Company, as of 9/2014 to date.
- Director of Finance and Administration, First Jordan Investment Company, from 2011 until 2013.
- Deputy CEO for Finance and Administration/ MGC/ Saudi Arabia, from 2007 until 2011.
- Financial Controller and HR Director, Dar Al-Dawa Group, from 2001 until 2007.

Other Current Board Memberships:
- Chairman of the Board of Directors of Jordan Dubai Properties for Land Development Company.
- Chairman of the Board of Directors of Jordan Eye for Tourist Resorts Company.
- Chairman of the Board of Directors of Jordan Dubai for Specialized Tourist Resorts Company.
- Chairman of the Board of Directors of Aman Jordan Decapolis for Tourism Investments Company.
- Chairman of the Board of Directors of South Dead Sea Development for Specialized Resorts Company.
- Chairman of the Board of Directors of Ahyaa Amman for Hotel Investments Company.
- Chairman of the Board of Directors of Ahyaa Al Asimah for Tourist Investments Company.
- Chairman of the Board of Directors of Ahyaa Al Asimah for Real Estate Investments Company.
- Chairman of the Board of Directors of Ahyaa Al Asimah for Specialized Investments Company.
- Chairman of the Board of Directors of Eagle Group International Investment.
- Vice Chairman of the Board of Directors of Jordan Decapolis Properties Company.
- Chairman of the Board of Directors of Ahyaa Amman Real Estate Development Company.
- Chairman of the Board of Directors of Al Rashad Industrial Investments Company.
- Board Member of Al Daman Al-Mumayaz Tourism Investments Company.
- Board Member of Ma'in Hot Springs Resort Company.
- Board member of Medgulf for Insurance.



Mr. Walid Rafiq Anabtawi
Board Member

Date of Birth: 30/3/1944 **Date of Membership:** 17/4/2017
Nature of Membership: Non-Executive/ Independent

Educational Background:
- B.A. in Accounting, from Alexandria University/ Egypt, 1968.

Professional Experience:
- Assistant General Manager - Investment and Branches Management/ Bank of Jordan/ Jordan, from Apr 2004 until Oct 2005.
- Assistant General Manager/ Bank of Jordan/ Jordan - Organization, Operations, and Automation Management, from Oct 2001 until Jun 2003.
- Executive Manager/ Bank of Jordan/ Jordan - Organization, Operations, and Automation Management, from Jan 1992 until Oct 2001.
- Manager of Internal Audit/ Bank of Jordan/ Jordan, from Mar 1990 until Jan 1992.
- Department Head Assistant – Banks Supervision Department – Central Bank of Jordan/ Jordan, from Jul 1986 until Mar 1990.
- Senior Assistant Manager – Internal Audit Department/ Arab National Bank – Saudi Arabia, from Feb 1983 until Jun 1986.
- Supervisor/ Banking Supervision Department, Central Bank of Jordan/ Jordan, from Jul 1976 until Feb 1983.
- Division Assistant Head/ Arab Bank/ Amman Branch/ Jordan, from May 1969 until Jul 1976.
- Accountant – Accounting Department/ Royal Jordanian/ Jordan, from Oct 1968 until May 1969.
- Took part in and helped organize over 50 training workshops inside and outside Jordan.

Other professional Experience:
Extensive administrative experience in leading financial institutions including:
- Developing work procedures and control measures to ensure competence and effectiveness.
- Supervising the development and application of E-banking systems.
- Diverse experience in internal audit and internal control systems.

Mr. "Mohammad Sa-ed" Ishaq Jarallah
Board Member

Date of Birth: 16/02/1953 **Date of Membership:** 18/10/2020
Nature of Membership: Non-Executive- Independent

Educational Background:
B.A. in Accounting & English from the University of Jordan, 1977.

Professional Experience:
- CEO of Jarallah Enterprise (FZE) / UAE as of 2016 to date.
- EVP & Head of Credit Restructuring at First Gulf Bank / Abu Dhabi / UAE, from 2011 until 2015.
- SVP & Country Manager at Arab Bank / Abu Dhabi / UAE, from 2006 until 2011.
- Area Manager at Arab Bank / Abu Dhabi / UAE, from 2002 until 2006.
- Branch Manager at Arab Bank / Abu Dhabi / UAE, from 1999 until 2002.
- Worked in several positions with Citibank / Bahrain, Jordan, UAE, from 10/1976 until 9/1999.
- Attended many training courses specialized in banking, including:
  - Specialized training course in negotiations and rescheduling of troubled facilities at London Business School of Economy in 2012.

Former Board Memberships:
- Member of the Board of Oman Arab Bank.
- Member of the Board of AB Capital / UAE.
- Member of the Board of Arab Company for Shared Services / UAE.
- Member of the Board of Arab Gulf Technology / UAE.

Mr. Yousef Jan Shamoun
Board Member

Date of Birth: 23/11/1979 **Date of Membership:** 19/4/2021
Nature of Membership: Non-Executive - Independent

Educational Background:
- MBA with a focus on Finance and Entrepreneurship from Georgetown University, 2006.
- B.A. in Mechanical Engineering from McGill University, 2002.

Professional Experience:
- Co-founder & CEO at ZenHR Co. as of 1/2017 to date.
- Co-founder & Board Member at Jawaker Co. as of 10/2008 to date.
- Co-founder & CEO at Akhtaboot Co. as of 6/2007 to date.
- Certified SaaStr Annual / San Francisco / USA.
- Certified Elevating Finance, Operations/ Wharton School of Business/ USA.
- Certified EO Growth Forum/ London Business School/ UK.
- Certified Georgetown Leadership Seminar (GLS)/ Georgetown University/ USA
- Certified Endeavor Leadership Program/ Stanford University / USA.
- Certified Bank Rotation/ Bank of Jordan.

Other Current Board Memberships:
- ZenHR Co. as of 1/2017 to date.
- Akhtaboot Co. as of 6/2007 to date.

Former Board Memberships
- Entrepreneurs Organization (EO) Jordan chapter as of 09/2016 to 09/2020.
- Jawaker Co. from 10/2008 until 9/2021.

Mr. Emad Adeen Jihad Al- Massri
Board Member

Date of Birth: 14/3/1976 **Date of Membership:** 19/4/2021
Nature of Membership: Non-Executive - Independent

Educational Background:
– MBA in Accounting and Finance from the Hashemite University, 2007.
– B.A. in Accounting from An-Najah National University, 1998.

Professional Experience:
- Chief Executive Officer at Zahran Operation and Maintenance Co. /Riyadh/ KSA, as of 9/2018 to date.
- Group Chief Financial Officer at Zahran Holding Co./ Riyadh/ KSA, from 2016-2018.
- Group Financial Controller at Zahran Holding Co./ Riyadh/ KSA, from 2012-2016.
- Treasury Manager at Zahran Holding Co./ Riyadh/ KSA, from 2011-2012.
- Finance Manager at Zahran Operation and Maintenance Co./ Riyadh/ KSA, from 2009-2011.
- Head of Treasury Department at Zahran Holding Co./ Riyadh/ KSA, from 2008-2009.
- Financial Controller at Arab Bank Plc./ Amman/ Jordan, from 2005-2008.
- Senior Relationship Officer at Arab Bank Plc./ Amman/ Jordan from 1998-2005.

Mr. Mohammad Anwar Hamdan
Board Member until 18/4/2021

Date of Birth: 5/12/1949 **Date of Membership:** 30/7/2015
Nature of Membership: Non-Executive/ Independent

Educational Background:
– MBA in International Management from Thunderbird University/ USA, 1979.
– B.A. in Accounting from the University of Jordan, 1973.

Professional Experience:
- Deputy General Manager of Bank of Jordan from 1/2007 until 6/2012.
- Assistant General Manager/ Credit Management/ Bank of Jordan, from 11/1994 until 1/2007.
- Assistant General Manager/ Credit Management/ Cairo Amman Bank, from 1/1990 until 11/1994.
- Senior Manager/ Credit Management/ Bank of Jordan, from 8/1985 until 12/1990.
- Assistant Manager for Investment & Branches/ Jordan Kuwait Bank, from 7/1979 until 8/1985.
- Senior Financial Analyst/ Central Bank of Kuwait, from 5/1976 until 5/1978.
- Financial Analyst/ Central Bank of Jordan, from 8/1973 until 5/1976.

Former Board Memberships:
- Board Member in Ready Mix Concrete & Construction Supplies Company - representing Bank of Jordan.
- Board Member in Baton for Concrete Blocks and Interlocking Tiles Company - representing Bank of Jordan.

Other Current Board Memberships:
- Membership of Investment Committee of the University of Jordan Fund.

Mr. Wissam Rabee' Saab
Board Member until 18/4/2021

Date of Birth: 1/8/1981 **Date of Membership:** 17/4/2017
Nature of Membership: Non-Executive/ Independent

Educational Background:
- B.A. in Business Computer (Minor Mathematics), from Lebanese American University (L.A.U.)/ Beirut, Lebanon, 2005.

Professional Experience:
- Group Chief Financial Officer, Zahran Group, Riyadh/ KSA, Finance and Investment Management Dept., from Jan 2019 to date.
- Investment Manager, Zahran Group, Riyadh/KSA, Investment Management Dept., from Jan 2012 to Dec 2018.
- Investment Advisor, DARFIN CAPITAL, Riyadh KSA, International Markets, Asset Management Dept. from Jun 2009 until Dec 2011.
- Investment Advisor, Abu Dhabi Commercial Bank (ADCB), Dubai, Private Banking & Wealth Management, from Jan 2008 until Oct 2008.
- Senior Relationship Manager, Abu Dhabi Commercial Bank (ADCB) Abu Dubai/ UAE, Private Banking & Wealth Management, From Apr 2007 until Dec 2007.
- Relationship Manager, Abu Dhabi Commercial Bank (ADCB), Dubai, private Banking & Wealth Management from Mar 2005 until Mar 2007.
- Sales Agent, American Life Insurance Company (ALICO), Lebanon, from Jul 1999 until Jan 2005.
- Insurance Broker, Fidelity General Insurance Co. – Beirut, Lebanon, from Jan 2001 until Dec 2003.
- Investment Agent, Investa Co. (Agents for Zurich Financial Services) - Beirut, Lebanon, from Jul 2001 until Dec 2001.
- Computer Assistant, LAU - Beirut, Lebanon, from Oct 1999 until Jun 2000.

b- Names and Resumes of Senior Executive Managers

Mr. Saleh Rajab Hammad
Chief Executive Officer

Date of Birth: 27/7/1962 **Date of Appointment:** 27/7/2015

Educational Background:
– B.Sc. in Computer Science from University of Jordan, 1985.

Professional Experience:
- Chief Executive Officer as of 22/03/2018 to date.
- Acting General Manager/CEO from 13/1/2017 until 21/03/2018.
- AGM/ Chief Risk Officer, and Board Secretary, at Bank of Jordan from 27/7/2015 until 12/1/2017.
- AGM/ Chief Risk Officer, and Board Secretary at Bank of Jordan, from 12/2014 until 5/2015.
- Executive Manager/ Compliance and Risk Department, and Board Secretary, at Bank of Jordan, from 1/2009 until 12/2014.
- Manager of Compliance and Operational Risk Department at Bank of Jordan, from 12/1994 until 12/2008.
- Long-standing experience in auditing and operations.
- Attended several courses on risk management and the Basel requirements organized in Jordan and abroad.
- Holds several professional certificates including CCO, and CORE certificates.

Other Current Board Memberships:
- Chairman of the Bank of Jordan – Syria.
- Chairman of the Jordan Leasing Company.
- Vice Chairman of Excel for Financial Investments Company.
- Board Member of Jordan Payment and Clearing Co. (Jo - PACC).
- Board Member of United Brands of Shisha Bidco Limited.
- Board Member of the Association of Banks in Jordan

Dr. Nasser Mustafa Khraishi
AGM/ Chief Operating Officer

Date of Birth: 25/4/1962 **Date of Appointment:** 9/4/2014

Educational Background:
- PhD in Electrical Engineering/ Control Theory/ Stanford University/ USA, 1990.
- M.Sc. in Engineering Economic systems/ Stanford University/ USA, 1985.
- B.Sc. in Electrical Engineering/ Kuwait University/ Kuwait, 1984.

Professional Experience:
- AGM/ Chief Operating Officer/ Bank of Jordan, as of December 2014 to date.
- Executive Manager/ Capital Markets Department/ Bank of Jordan, from April 2014 until December 2014
- General Manager/ Monere LLC/ California, from 2011 until 2014.
- Assistant General Manager/ Operations and Information Systems/ Bank Al Etihad, from 2009 until 2011.
- Assistant General Manager/ Information Systems/ Jordan Kuwait Bank, from 2004 until 2009.
- Held several executive senior positions in several research and consulting firms offering services in Information Systems/ USA, from 1988 until 2004.

Other Current Board Memberships:
- Board Member of Excel for Financial Investments Company.

Former Board Memberships
- Board Member of Al-Ekbal Investment Co. (PLC).

Mr. Osama Samih Sukkari
Legal Advisor

Date of Birth: 27/4/1955 **Date of Appointment as a Legal Advisor:** 28/4/2015

Educational Background:
– B.A. in Law from Beirut Arab University/ Lebanon, 1977.

Professional Experience:
- Legal Advisor of Bank of Jordan as of April 2015 to date.
- Legal Advisor & Head of legal Department, Bank of Jordan as of April 1994 to April 2015.
- Extensive experience in legal consultations and lawsuits, as of 1981.

Other Current Board Memberships:
- Board Member of Axantia Company – UAE.

Former Board Memberships:
- Board Member of Bank of Jordan – Syria.
- Vice Chairman of the Board of Directors of Jordan Leasing Company.
- Member of the Insurance Council of the Social Security Corporation.
- Board Member of Excel for Financial Investments Company.
- Board Member of Al-Mowahadah for Transportation Company.
- Board Member of the National Industries Company.
- Board Member of Al-Takamolyeh Investments Company.
- Board Member of Al-Shamikha for Real Estate Investments Company.
- Board Member of Pharma International Company, where this membership is now associated with the owning company (Axantia Company - UAE).

Mr. Nader Mohammad Sarhan
Executive Manager/ Chief Risk Officer
Board Secretary

Date of Birth: 7/10/1967 **Date of Appointment:** 2/4/2017

Educational Background:
- M.A. in Accounting from the Arab Academy for Banking and Financial Sciences/Jordan, 2002.
- B.A. in Accounting from Mansoura University/Egypt, 1990.

Professional Experience:
- Executive Manager/ Chief Risk Officer at Bank of Jordan, as of 26/9/2019 to date.
- Executive Manager/Chief Risk Officer at Bank of Jordan, from 24/4/2017 until 25/9/2019.
- Certified Board of Directors Certified program, 2018 from International Finance Corporation (IFC).
- FATCA Responsible Officer as of 7/2017 until 30/11/2020.
- Board Secretary as of 18/4/2017 to date.
- Executive Manager/ Credit Review Management / Bank of Jordan, from 2 /4/2017 Until 23/4/2017.
- Executive Manager/ Credit Review Management / Bank of Jordan, from 15/12/2014 until 28/1/2017.
- Manager/ Credit Department (Corporate, commercial, branches abroad)/ Bank of Jordan, from 21/4/2013 until 14/12/2014.
- Manager/ Credit Department (Corporate and branches abroad)/ Bank of Jordan, from 27/4/2009 until 20/4/2013.
- Manager/ Corporate Credit Risk Department / Bank of Jordan, from 28/10/2007 until 26/4/2009.
- Manager/ specialized finance/ Housing Bank for Trade and Finance, from 7/9/2003 until 28/10/2007.
- Head of the Corporate Accounts/ Jordan Commercial Bank, from13/10/2002 until 6/9/2003.
- Commercial Credit Officer in the Housing Bank from 28/5/1998 until 12/10/2002.
- Loan Officer in the Housing Bank from 3/5/1992 until 27/5/1998.

Other Current Board Memberships:
- Board member of Bank of Jordan - Syria.

Mr. Khaled Atef Abu Jawid
Executive Manager/ Retail Banking Management

Date of Birth: 23/2/1970 Date of Appointment: 1/12/2015

Educational Background:
-Master Business Administration from Al Zaytonah University/ Jordan, 2011.
-Bachelor Financial management from Amman Al Ahliya University / Jordan, 1994.

Professional Experience:
- Executive Director/ Retail Banking Department at Bank of Jordan as of 2015 to date.
- Head of Retail Banking/ Arab Bank from 2012 until 2015.
- District Manager at the Arab Bank from 2010 until 2012.
- Manager/ employee of several positions in the Arab Bank from 1994 until 2010.

Other Current Board Memberships:
- Financial solution for mobile payments Company.
- MEPS - Palestine Company.

Mrs. Rania Faisal Saied
Executive Manager / Human Resources Department as of 1/2/2021

Date of Birth: 16/2/1972 Date of Appointment: 1/2/2021

Educational Background:
- B.A. in International Business Administration/ University of Denver - USA ,1994.

Professional Experience:
- Executive Manager/ HR Department at Bank of Jordan as of 1/2/2021 to date.
- VP/ Head of Human Resources and Admin at the National Investor/ UAE from 7/2017 until 3/2020.
- HR Consultant and Entrepreneur at Consultancy and Entrepreneurship/ UAE from 1/2012 until 6/2017.
- Corporate Human Resources Manager at Masdar Corporate/ UAE from 6/2007 until 4/2010.
- Manager of Human Resources at the BNY Mellon /USA from 4/2003 until 8/2006.
- Manager of Human Resources at One World Software Solutions from 11/1999 until 2/2002.
- SHRM-SCP certified from SHRM / USA.
- SPHRI certified from HRCI / USA.
- HR Analytics certified from Cornell University.

Mr. Hatem Nafi' Foqahaa
Regional Manager/ Palestine Branches Management

Date of Birth: 4/5/1965 Date of Appointment: 28/1/1992

Educational Background:
-M.A. in Accounting/ University of Jordan/ Jordan, 1993.
-B.A. in Accounting/ Birzeit University/ Palestine, 1989.

Professional Experience:
- Regional Manager/ Palestine Branches Management/ Bank of Jordan, as of 14/1/2015 to date.
- Acting Regional Manager/ Palestine Branches Management/ Bank of Jordan, from 3/2014 until 1/2015.
- Assistant Regional Manager/ Palestine Branches Management/ Bank of Jordan, from 7/2012 until 3/2014.
- Credit Manager/ Palestine Branches/ Bank of Jordan, from 8/2010 until 7/2012.
- Manager/ Ramallah Branch/ Bank of Jordan, from 9/2001 until 8/2010.
- Assistant Manager/ Ramallah Branch/ Bank of Jordan, from 5/1999 until 9/2001.
- Supervisor of the Letters of Credit and Guarantee Department/ Bank of Jordan, from 10/1996 until 5/1999.
- Letters of Credit and Guarantee Officer/ Bank of Jordan, from 1/1992 until 10/1996.

Mr. Turki Yousef Al-Jabour
Executive Manager/ Internal Audit Department

Date of Birth: 9/10/1952 Date of Appointment: 1/11/1994

Educational Background:
– B.A. in Accounting from the University of Jordan, 1976.

Professional Experience:
– Vast experience in auditing and banking, including:
- Executive Manager/ Internal Audit Department, Bank of Jordan as of January 2012 to date.
- Manager of Internal Audit Department at Bank of Jordan, from January 2009 until December 2011.
- Manager of Internal Audit Department at Bank of Jordan, from December 2007 until January 2009.
- Manager of Amman Branch at Bank of Jordan, from April 2006 until December 2007.
- Manager of Internal Audit Department at Bank of Jordan, from November 1994 until April 2006.
- Senior Inspector at Cairo Amman Bank, from July 1987 until November 1994.
- Huge experience in auditing and accounting gained through years of work with major auditing firms, including :
  - Auditor at Shair and Partners Company from December 1985 until June 1987
  - Auditor at Mohammed Fares Saleh Office from January 1984 until April 1985
  - Head of department at the National Bakeries Company from May 1980 until March 1983
  - Head of department at Steel Fabrication Company from May 1977 until May 1980
- Lecturer on Banking Operations and Auditing at training courses organized by Bank of Jordan.
- Attended several advanced courses and seminars on administration and banking.

Mr. Omar Ahmad Mustafa
Executive Manager/Corporate Business Development Department

Date of Birth: 18/5/1969 Date of Appointment: 24/7/2011

Educational Background:
- M.A. in International Trade, from Jordan Institute of Diplomacy/University of Jordan/ Jordan, 2003
- B.A. in Business Administration, Mutah University/Jordan, 1990.

Professional Experience:
- Executive Manager – Corporate Business Development Department at Bank of Jordan as of 24/7/2011 to date.
- Executive Manager – Corporate Business Development Department at Bank of Jordan from 2/11/2008 until 3/5/2009.
- Held senior positions in credit management at Arab Bank Group from 1992 until November 2008.
- Experience in Trade Finance and Credit at Arab Bank Group
- Participated in specialized training courses in banking Majors.
- Earned the Certified Lender Business Banker (CLBB) certification in 2005 from the Institute of Certified Bankers/the Arab Academy for Banking and Financial Sciences.

Mr. Salam Salameh Gamoah
Chief Executive Officer - Bahrain Branch

Date of Birth: 5/4/1965 Date of Appointment: 27/4/2014

Educational Background:
- Master's degree of Business Administration (MBA) - Finance, from Louisiana Tech University, USA, 1993.
- Bachelor's degree of Business Management, from Louisiana Tech University, USA, 1991.

Professional Experience:
- CEO at Bank of Jordan / Bahrain Branch as of January 2018 to date.
- Executive Vice President at Bank of Jordan / Foreign Branches, from 4/2014 until 12/2017.
- Senior Vice President - Head of Global and Regional Client Coverage at Arab Bank PLC – Jordan from 8/2007 until 6/2011.
- Vice President - Head of Contracting & Real Estate Finance, Corporate & Institutional Banking at Arab Bank PLC, Wholesale Banking Unit – Bahrain, as well as other posts in the Business Development Department from 9/1997 until 8/2007.
- Country Credit Officer, International Credit Facilities Division at Arab Bank PLC – Jordan from 7/1993 until 8/1997.

Other Professional Experiences:
- Attended many advanced banking and leadership courses specialized in developing international banking and credit and risk management with prestigious educational institutions, such as IIR Middle East, Euro Money Training, and Citibank School of Banking.

Mr. Rami Jamal Mahmood
Executive Manager/Commercial Business Development Dept.

Date of Birth: : 20/12/1977 **Date of Appointment:** 21/11/2019

Educational Background:
- M.A. in Business Administration (Specialization: Strategic Management), from York University, Canada, 2017.
- M.A. in financial management from Arab Academy for Banking and Financial Sciences, Jordan 2001.
- B.A. in Business Administration from the Hashemite University, Jordan,1999.

Professional Experience:
- Executive Manager/Commercial Business Development Dept. at Bank of Jordan as of 11/2019 to date.
- Manager/ Commercial Financial Services at the Royal Bank of Canada from 29/ 5/2017 until 01/11/2019.
- Senior Executive Manager / Head of Large Corporate Banking at Qatar International Islamic Bank / Qatar from 2011-2015.
- Deputy Head of Corporate Banking at Qatar International Islamic Bank / Qatar from 2006-2011.
- Senior Corporate Relationship Manager at Qatar International Islamic Bank / Qatar from 2003-2005.
- Section Head / Credit Facilities Department, at Bank of Jordan from 1/5/1999 – 24/11/2003.
- Credit Analyst / Credit Facilities Department, at Bank of Jordan from 25/10/1998 - 30/4/1999.
- Certified Lender Business Banker from American Bankers Association/The Institute of Certified Bankers, 2005

Other Current Board Memberships:
- Vice Chairman of Jordan Leasing Company.
- Board Member of Excel for Financial Investments Company.

Mr. Samer Khalil Mirai
Executive Manager /Corporate Business Development Department as of 21/11/2021

Date of Birth: 15/3/1979 **Date of Appointment:** 1/08/2019

Educational Background:
– Master's degree in Accounting and Finance from Birmingham University / UK, 2002.
– Bachelor's degree in Accounting from the Hashemite University, 2001.

Professional Experience:
- Executive/ Corporate Business Development Department at Bank of Jordan as 21/11/2021 to date.
- Executive Manager / Bank of Jordan - Iraq branch (Under establishment), from 14/10/2019 until 31/10/2021.
- Project Manager / Bank of Jordan - Iraq branch, from 1/08/2019 until 13/10/2019.
- Head of Commercial Banking - Standard Chartered Bank, from 01/09/2009 until 07/12/2018.
- Middle Market Manager - HSBC Bank, from 01/06/2009 until 27/08/2009.
- Business Banking Unit Relationship Manager - HSBC Bank, from 01/01/2006 until 31/05/2009.
- Financial Analyst - HSBC Bank, from 11/05/2005 until 31/12/2005.
- Personal Banking Representative - HSBC Bank, from 01/06/2003 until 24/01/2005.

Mr. Yasser "Mohd Suhail" Tahboub
Executive Manager/ Transaction Banking Department.

Date of Birth: 28/1/1975 **Date of Appointment:** 4/11/2019

Educational Background:
- Postgraduate diploma in International Banking & Financial Studies, Heriot Watt University / Edinburgh, UK, 2001.
- Bachelor's degree in Business Administration, Al-Ahliyya Amman University/ Jordan, 1999.

Professional Experience:
- Executive Manager/ Transaction Banking Department at Bank of Jordan as 28/5/2020 to date.
- Manager / Transaction Banking Department at Bank of Jordan from Nov 2019 until May 2020.
- Vice President, Head of Cash Management & Trade Finance at Arab Bank – Bahrain & OBU between Aug 2016 - Mar 2018.
- Executive Director - Country Head of Transaction Banking at Standard Chartered Bank Bahrain, Oman, Jordan & Lebanon between June 2013 - Apr 2016.
- Director – Country Head of Transaction Banking at Standard Chartered Bank – Jordan between Aug 2009 - June 2013.
- Senior Relationship Manager – Corporate & Institutional Banking at Standard Chartered Bank – Jordan, between Oct 2006 – Jul 2009.
- Credit Manager, Credit Department, at National Bank of Kuwait - Jordan, between Oct 2003 - Oct 2006.
- Senior Clerk, Corporate & Institutional Banking, at Jordan Kuwait Bank, between Oct 1999 - Sep 2003.

Ms. Lana Fayez Al-Barrishi
Executive Manager/
Compliance Department.

Date of Birth: 30/7/1980 **Date of Appointment:** 29/11/2015

Educational Background:
- B.A. in Business Administration /University of Jordan/Jordan, 2002.

Professional Experience:
- Executive Manager/ Compliance Department/ Bank of Jordan, as of September 2020 to date.
- FATCA Responsible Officer / Bank of Jordan as of 12/2020 to date.
- Manager / Compliance Department/Bank of Jordan, as of November 2015 until August 2020.
- Manager / Compliance Department/Bank of Jordan, from January 2015 until September 2015.
- Manager /Compliance and Operational Risk Department /Bank of Jordan, from June 2014 until December 2014.
- Officer/ Corporate Governance / Bank of Jordan.
- Head of the Anti-Money Laundering and Combating Financing Terrorism Unit/Bank of Jordan, from 2011 until June 2014.
- Officer/the Anti-Money Laundering and Terror Financing Unit/Cairo-Amman Bank, from 2006 until 2011.
- Customer Service Officer/Cairo Amman Bank, from 2002 until 2006.
- Certified Anti – Money Laundering specialist CAMS.
- Certified Anti- Corruption Manager CACM.
- ICA certified from International Compliance Association.
- Board of Directors Certified program, 2019 from International Finance Corporation (IFC).

Mr. Yousef Mousa Abu Humaid
Executive Manager/ Central Operations Management as of 15/3/2021

Date of Birth: 15/1/1980 **Date of Appointment:** 4/10/2015

Educational Background:
- M.A. in Accounting / Arab Academy for Management Banking and Financial Sciences/Jordan, 2004.
- B.A. in Accounting/ Bethlehem University/ Palestine, 2002.

Professional Experience:
- Executive Manager/ Central Operations Management/ Bank of Jordan as of 15/3/2021 to date.
- Manager /Central Operations Management/ Bank of Jordan as of 11/ 2019 to date.
- Manager / Organization Dept. / Bank of Jordan from 10/ 2015 until 11/ 2019.
- Manager / Organization Dept. / Bank of Jordan from 3/ 2013 until 7/ 2015.
- Unit Manager Operations Engineering Department/ Central Operations Dept. /Bank of Jordan, from 1/ 2009 until 3/2013.
- Unit Head Operations Engineering Department/ Central Operations Dept. /Bank of Jordan, from 7/ 2005 until 12/2008.
- Deposit Officer / Customer Service/ Bank of Jordan, from 5/ 2004 until 7/2005.
- Accounting Officer/ Bank of Jordan, from 3/ 2003 until 5/2004.

Mr. Hani Hasan Mansi
Manager/ Financial Control Management

Date of Birth: 30/6/1981 Date of Appointment: 1/2/2015

Educational Background:
– Bachelor's degree in Accounting, Applied Sciences University, 2005, Amman, Jordan.

Professional Experience:
- Manager/ Financial Control Management/ Bank of Jordan as of March 2016 to date.
- Acting Manager/ Financial Control Department/ Bank of Jordan as of February 2015 to February 2016.
- Manager – External Audit Division – Deloitte & Touche M.E, Amman/ Jordan from June 2012 until 2014.
- Assistant manager - External Audit Division - Deloitte & Touche M.E, Amman/ Jordan from December 2011 until May 2012.
- Supervisor - External Audit Division - Deloitte & Touche M.E, Amman/ Jordan from December 2010 until November 2011.
- Senior 2 - External Audit Division - Deloitte & Touche M.E, Amman/ Jordan from June 2010 until November 2010.
- Senior 1 Auditor - External Audit Division - Deloitte & Touche M.E, Amman/ Jordan from June 2009 until May 2010.
- Acting Senior Auditor - External Audit Division - Deloitte & Touche M.E, Amman/ Jordan from June 2008 until May 2009.
- Semi Senior Auditor - External Audit Division - Deloitte & Touche M.E, Amman/ Jordan from June 2007 until May 2008.
- Junior level - External Audit Division - Deloitte & Touche M.E, Amman/ Jordan from December 2005 until May 2007.

Other Professional Experience:
- Financial Consultant – Binladin Holding Company, Jeddah/ Saudi Arabia from 2014 until 2015.

Other Current Board Memberships:
- Board Member of Jordan Leasing Company.
- Board Member of Excel for Financial Investments Company.

Ms. Basmeh Bahjat Al Hartani
Executive Manager/ Strategy Project Management (Acting) As of 28/6/2021

Date of Birth: 5/1/1978 Date of Appointment: 12/7/2015

Educational Background:
– B.A. in Accounting from the Applied Science University, Jordan, 2000.

Professional Experience:
- Executive Manager/ Strategic Planning & Projects Management (Acting) at Bank of Jordan as of 28/6/2021 to date.
- Head of Strategic Planning and Research Department at Bank of Jordan from 3/2016 until 6/2021.
- Head of Research Unit/ Strategic Planning & Research Department at Bank of Jordan from 10/2010 until 5/2015, and from 7/2015 until 2/2016.
- Research & Studies Officer/ Strategic Planning & Research Department at Bank of Jordan from 2/2001 until 10/2010.
- Certified Balanced Scorecard Management System Professional Certification 2019 from KPI Institute.
- EFQM certified Assessor 2018 from KACE (King Abdulla II Center for Excellence).

Mr. Ayman Ahmad Al Oqaily
Manager/ Treasury & Investment Department (Acting) as of 29/6/2021

Date of Birth: 9/12/1984 Date of Appointment: 16/9/2007

Educational Background:
- B.A. in Finance and Banking/ Al Albayt University - Jordan, 2006.

Professional Experience:
- Manager/ Treasury and Investment Department (Acting) at Bank of Jordan as of 29/6/2021 to date.
- Head of the Money Market and Currency-trading unit/ Treasury and Investment Department, at Bank of Jordan, from 1/12/2017 until 28/6/2021.
- Senior Dealer / Treasury and Investment Department, at Bank of Jordan, from 26/10/2015 until 30/11/2017.
- Employee of several positions at the Treasury and Investment Department at Bank of Jordan, from 16/9/2007 until 31/8/2015.
- Teller at Abu Sheikha Exchange Company, from 1/12/2006 until 16/9/2007.

Mr. Nader Essa Al-Khawaja
Executive Manager/ Strategic Planning & Projects Management until 27/5/2021.

Date of Birth: 14/8/1982 Date of Appointment: 25/10/2020

Educational Background:
-B.A. in Industrial Engineering from the Hashemite University, Jordan, 2005.

Professional Experience:
- Executive Manager/ Strategic Planning & Projects Management at Bank of Jordan from 25/12021 until 27\5\2021.
- Chief Transformation Officer (CTO) at Saudi Investment Bank/ Saudi Arabia from 2017 until 9/2020.
- AGM – Personal Banking at Saudi Investment Bank/ Saudi Arabia from 2014 until 2018.
- Head of Personal Banking Transformation at Saudi Investment Bank/ Saudi Arabia from 2011 until 2015.
- Senior Project Manager - Strategic Planning Transformation and Restructuring Dept., seconded by Arab Bank to Wahda Bank in Libya from 6/2010 until 11/2011.
- Worked in several position at Arab Bank from 9/2005 until 6/2010.

Mr. Mousa Yousef Mousa
Treasurer/ Treasury & Investment Department until 28/5/2021

Date of Birth: 13/2/1980 Date of Appointment: 31/3/2016

Educational Background:
– B.A. in Accounting/ Al Zaytoonah University/ Jordan, 2002.

Professional Experience:
- Treasurer/ Treasury and Investment Department/ Bank of Jordan, from 25/10/2020 until 28/5/2021
- Treasurer/ Treasury and Investment Department/ Bank of Jordan, as of 3/2014 to 1/2016.
- Chief Dealer/ Treasury and Investment Department/ Bank of Jordan, from 2009 until 2014.
- Dealer/ Treasury And Investment Department, Bank of Jordan from 2007 until 2009.
- Dealer/ Treasury and Investment Department/ Cairo Amman Bank, from 2002 until 2006.

4. Shareholders who own 1% or more of the Bank's shares (2021 & 2020):

Name	Nationality	No. of Shares 2021	Percentage 2021	No. of Shares 2020	Percentage 2020	The ultimate beneficiary of shares 2021	No. of Shares mortgaged 2021	Percentage Shares mortgage 2021	mortgage lenders 2021
Mr. Hussni Jalal AlKurdi	Jordanian	-	-	3,914,653	1.957%	-	-	-	-
Mr. Michelle Fayiq Al- Sayegh	Jordanian	3,528,054	1.746%	3,528,054	1.746%	Himself	3,527,785	99.9%	Jordan Commercial Bank/ Main branch , Societe General Bank (Jordan) Head office
Mr. Shaker Tawfiq Fakhouri	Jordanian	5,391,490	2.695%	5,391,490	2.695%	Himself	-	-	-
Mr. Graeme Allah bin Raddad Al-Zahrani	Saudi Arabia	8,033,561	4.016%	8,033,561	4.016%	Himself	-	-	-
Libyan Foreign Bank	Libyan	9,090,909	4.545%	9,090,909	4.545%	The capital is fully owned by the central bank of Libya	-	-	-
Mrs. Awatef Mohammed Almasri	Jordanian	9,518,491	4.759%	5,603,838	2.802%	Herself	-	-	-
ALARRAKKA FOR GENERAL INVESTMENTS	Cayman Islands	12,231,424	6.115%	12,231,424	6.115%	- Mrs. Nimet Deeb Kamel Al-Aljam - Mr. Shaker Tawfiq Shaker Fakhouri - Mr. Samer Tawfiq Shaker Fakhouri - Mr. Walid Tawfiq Shaker Fakhouri - Mrs. Amal Tawfiq Shaker Fakhouri - Mrs. Iqbal Tawfiq Shaker Fakhouri	-	-	-
AL EQBAL FOR GENERAL INVESTMENTS	Cayman Islands	16,000,000	8%	16,000,000	8%	- Mrs. Nimet Deeb Kamel Al-Aljam - Mr. Shaker Tawfiq Shaker Fakhouri - Mr. Samer Tawfiq Shaker Fakhouri - Mr. Walid Tawfiq Shaker Fakhouri - Mrs. Amal Tawfiq Shaker Fakhouri - Mrs. Iqbal Tawfiq Shaker Fakhouri	-	-	-
ALYAMAMA FOR GENERAL INVESTMENTS	Cayman Islands	17,371,178	8.685%	17,371,178	8.685%	- Mrs. Nimet Deeb Kamel Al-Aljam - Mr. Shaker Tawfiq Shaker Fakhouri - Mr. Samer Tawfiq Shaker Fakhouri - Mr. Walid Tawfiq Shaker Fakhouri - Mrs. Amal Tawfiq Shaker Fakhouri - Mrs. Iqbal Tawfiq Shaker Fakhouri	-	-	-
AL LOLOUA FOR GENERAL INVESTMENTS	Cayman Islands	18,000,000	9%	18,000,000	9%	- Mrs. Nimet Deeb Kamel Al-Aljam - Mr. Shaker Tawfiq Shaker Fakhouri - Mr. Samer Tawfiq Shaker Fakhouri - Mr. Walid Tawfiq Shaker Fakhouri - Mrs. Amal Tawfiq Shaker Fakhouri - Mrs. Iqbal Tawfiq Shaker Fakhouri	12,150,000	67.5%	Housing Bank
ARAB GULF FOR GENERAL INVESTMENTS	Cayman Islands	18,000,000	9%	18,000,000	9%	- Mrs. Nimet Deeb Kamel Al-Aljam - Mr. Shaker Tawfiq Shaker Fakhouri - Mr. Samer Tawfiq Shaker Fakhouri - Mr. Walid Tawfiq Shaker Fakhouri - Mrs. Amal Tawfiq Shaker Fakhouri - Mrs. Iqbal Tawfiq Shaker Fakhouri	12,150,000	67.5%	Housing Bank
Al Pharaenah Int'l for Industrial Investments Co.	Jordanian	19,765,863	9.882%	19,765,863	%9.882	- Dima bint Ghaith bin Rashad Pharaon - Hala bint Abdelrahman bin Pharaon - Wael bin Ghaith bin Rashad Pharaon	1,251,153	6.329%	Jordan Commercial Bank / Main Branch

5. Competitive Position of the Bank and its Market Share:
Mentioned within the Bank's achievements in 2021 (page 25).

6. There is no depedence on specific suppliers or key clients (wether locally or aboard), who account for 10% or more of the Bank's total purchases and/or sales.

7. The Bank does not have any governmental protection, or any privileges, nor do any of its products or services, as stated by laws and regulations or others.
- The Bank has not obtained any patents or concession rights.

8. There are no decisions issued by the government or international organizations or any other entity that would have any material effect on the Bank's operations, products, or competitive capabilities.
- The Bank adheres to all laws, regulations, and international standards that are related to its business.
- International Quality Standards do not apply to the Bank.

9. A- An Organizational Structure of the Bank and its Subsidiaries:
- Bank of Jordan Organizational Structure can be found on the last page, number (270).
- Bank of Jordan – Syria Organizational Structure can be found on (page 217).
- Jordan Leasing Company Organizational Structure can be found on (page 218).
- Excel for Financial Investments Company Organizational Structure can be found on (page 219).

B. Number of Employees and Educational Qualifications:

Academic Qualification	No. of Employees/ Bank of Jordan	No. of Employees/ Bank of Jordan–Syria	No. of Employees/ Jordan Leasing Co.	No. of Employees/ Excel for Financial Investments Co.
PhD	5	1	-	-
Master's Degree	112	8	1	-
Higher Diploma	3	1	-	-
Bachelor's Degree	1,392	151	2	5
Diploma	187	26	-	-
General Secondary Education	47	9	-	-
Pre-Secondary Education	61	12	1	1
Total	**1,807**	**208**	**4**	**6**

C. Details of training programs in 2021 at the level of Bank of Jordan Group:

Description	No. of Courses	No. of Participants
In-house Courses (organized by the Bank's Training Department)	80	10,248
External Courses	163	429
Total	**243**	**10,677**

Areas of training at the level of Bank of Jordan Group:

Topic	No. of Courses	No. of Participants
Comprehensive Banking Training	27	771
Credit	14	266
Banking	70	3,572
Computer	16	35
Compliance & Risk Management	52	5,691
Administrative Skills	10	44
Marketing and Sales Skills	6	184
Professional Skills	14	21
Finance & Auditing	8	13
Legal	7	17
Others	19	63
Total	**243**	**10,677**

10. Description of Risks:

Mentioned within the corporate governance on (page 261). These risks include:

Credit Risk:

This risk arises from the probable inability and/or lack of desire of the borrower or third party to fulfill its obligations in a timely manner. These risks include on-consolidated financial statements items such as loans and bonds, and off-consolidated financial statements items such as guarantees and/or documentary credits causing financial losses to the Bank.

Operational Risk:

This risk arises from the inefficiency or failure of internal operations, employees, or systems or may stem from external events including legal risks.

Liquidity Risk:

Represents the Bank's inability to make the necessary funding available to meet its obligations on their maturity dates or to finance its activities without incurring high costs or losses. Moreover, liquidity risks are divided into two types:

- **Funding Liquidity Risk**

This risk represents the Bank's inability to change assets into cash – such as the collection of receivables – or to obtain funding to meet its obligations.

- **Market Liquidity Risk**

This risk represents the Bank's inability to sell the asset in the market or selling the asset at a huge financial loss due to weak liquidity or demand in the market.

Market risks:

These risks represent the exposure of the positions on and off the Bank's Consolidated Statement of Financial Position to losses as a result of price fluctuations in the market. This includes the risks arising from the volatility of interest rates and stock prices of investment portfolios, both for the purpose of trading or exchange and include the following:

- Interest rate risks
- Currency exchange rate risks (Dealing with Foreign Currency)
- Fluctuation in share price risks
- Goods Risks

Market risks arise from:

- Changes that may occur in the political and economic conditions in the markets.
- Fluctuations in interest rates.
- Fluctuations in the prices of financial instruments, held for future buying and selling.
- Gaps in the maturities of assets and liabilities and interest rate re-pricing.
- Holding of uncovered positions.

Interest Rate Risk:

This risk arises from the probable impact of changes in interest rates on the value of other financial assets. The Bank is exposed to the interest rates due to a mismatch or a gap in the amounts of assets and liabilities, according to the various time limits or review of interest rates in a certain period.

Foreign Currency Risks:

These risks arise from changes in the values of financial instruments as a result of fluctuations in the prices of foreign currencies using good policy to manage its foreign currency positions.

Share Price Risks:

These risks result from the changes in the fair values of investments in shares.

Information Security Risk:

Defined as any potential threat that may lead to failure in confidentiality, availability, and integration of the Bank's information.

Compliance Risk:

This arises from the probable failure of the Bank to comply with (violate/transgress) the prevailing laws, regulations, instructions, banking laws and code of ethics issued by the international and local regulatory bodies, including the Bank's internal policies.

11. Bank Achievements in 2021:

Mentioned in the Board of Directors' Report under a separate section (page 23), supported with figures and a description of the Bank's main events in 2021.

12. There is no financial impact of non-recurring operations during 2021 and no intervention in the Bank's main activities.

13. Realized Profits/Losses, Dividends, Bank Shareholders' Equity, and the Closing Price of Shares 2017-2021:

Financial Indicators for the past five years (2017-2021)									In JD (Thousand)
Fiscal Year	Bank Shareholders' Equity	Non-Controllers' Interest	Net Profit Before Tax	Cash Dividends Distributed		Proposed Cash Dividends Distribution		Distribution of Bonus Shares	Closing Price of Share (JD)
				Amount	%	Amount	%		
2017	433,665	5,491	67,583	36,000	18%	36,000	18%	-	3
2018	411,891	5,566	62,959	36,000	18%	36,000	18%	-	2.45
2019*	414,333	5,774	61,130	-	-	36,000	18%	-	2.10
2020**	454,758	7,649	52,074	-	-	24,000	12%	-	1.93
2021	473,407	12,658	51,894	24,000	12%	36,000	18%	-	2.07

* According to the circular of the Central Bank of Jordan No. 1/1/4693 in 9/4/2020, the distribution of the dividends for the year 2019 was postponed.
** According to the circular of the Central Bank of Jordan No. 10/3/1228 in 20/1/2021, the distribution of cash dividends should not exceed 12% of the Bank's Paid-Up Capital.

14. Analysis of Bank's Financial Position and Business Results for the Year 2021:

Mentioned in the Board of Directors' Report, under a separate section (page37). Below are the main financial ratios:

No.	Financial Ratios	2021	2020
1	**Return on Average Bank Shareholders' Equity**	7.66%	8.24%
2	**Return on Capital**	18.2%	17.7%
3	**Return on Average Assets**	1.33%	1.31%
4	**Profitability per Employee (After tax)**	JD 17,728	JD 17,134
5	**Interest Income to Average Assets**	4.73%	5.04%
6	**Interest Expense to Average Assets**	0.76%	0.71%
7	**Interest Margin to Average Assets**	3.97%	2.66%
8	**Non-Performing Loans (after deducting interest in suspense) to Total Credit Facilities**	8%	7.80%

15. The Bank's Future Plans

The Bank's strategic future plans, projects, and the Board of Directors' projections, are all mentioned within Bank of Jordan's Goals for 2022, listed under a separate section (page 46).

16. Auditors' Remuneration (for Bank of Jordan and its Subsidiaries):

Statement	Auditors' Remuneration (JD)
Bank of Jordan	141,360
Bank of Jordan – Syria	2,256
Excel For Financial Investments Company	4,002
Jordan Leasing Company	4,495
Total	**152,113**

Auditors were paid an amount of (JD10,440) in 2021 against Tax consulting services and other consulting (JD 9,280).

17. Statement of the Number of Financial Securities Issued by the Bank:

A. Number of Shares Owned by Members of the Board of Directors and/or their Relatives until 18/4/2021.

Name	Status	Nationality	No. of Shares	
			2021	2020
Al-Ekbal Jordanian General Trading (LLC)	Board Member	Jordanian	5000	5000
Mr. Shaker Tawfiq Fakhouri	Chairman Of The Board/ Dedicated/ Representative of the company	Jordanian	5,391,490	5,391,490
Mrs. Suha Faisal Sroor	Wife	Jordanian	105,350	105,350
Sarah Shaker Fakhouri	Daughter	Jordanian	21,396	16,396
Salma Shaker Fakhouri	Daughter	Jordanian	15,018	10,018
Tamara Shaker Fakhouri	Daughter	Jordanian	15,018	10,018
Tawfiq Shaker Fakhouri	Son	Jordanian	372,000	352,000
Al Tawfiq Investment House - Jordan	Board Member	Jordanian	5,000	5,000
Mr. Walid Tawfiq Fakhouri	Vice Chairman of the Board/ Representative of the Company	Jordanian	156,517	156,517
Mrs. Shatha Abdel-majid Al-Dabbas	Wife	Jordanian	368	368
Rakan Walid Fakhouri	Son	Jordanian	51,332	51,332
A`esha Walid Fakhouri	Daughter	Jordanian	27,570	27,570
Ahmad Walid Fakhouri	Son	Jordanian	24,679	24,679
Al Yamama for General Investments Co. (Limited liability)	Board Member	Jordanian	5,000	5,000
Dr.Yanal Mawloud Zakaria	Board Member/ Representative of the Company	Jordanian	46,736	6,447
Mrs. Dana Kayd Sagha	Wife	Jordanian	1,104,000	927,796
Al Araka for Investments Co.	Board Member	Jordanian	5,000	5,000
Mr. "Shadi Ramzi" Abd Al-Salam Al-Majali	Board Member/ Representative of the Company	Jordanian	8,290	12,290
Al Lu'lu'a Trading & Investment Co.	Board Member	Jordanian	12,131	12,131
Mr. Haitham Mohammed Samih Barakat	Board Member/ Representative of the Company	Jordanian	59,898	59,898
Mr. Mohammed Anwar Hamdan	Board member		-	6,447
Mr. Husam Rashed Manna'	Board Member	Jordanian	6,447	6,447
Al Pharaenah Int'l for Industrial Investments Co.	Board Member	Jordanian	19,765,863	19,765,863
Mr. Walid Mohammad Al-Jamal	Board Member/ Representative of the Company	Jordanian	-	-
Mr. Walid Rafiq Anabtawi	Board Member	Jordanian	20,000	15,000
Mr. Wissam Rabee' Saab	Board Member until 18/04/2021	Lebanese	5,000	5,000
Mr. "Mohammad Sa-ed" Ishaq Jarallah	Board Member	Jordanian	5,000	5,000

Number of Shares Owned by Members of the Board of Directors and/or their Relatives as of 19/4/2021.

Name	Status	Nationality	No. of Shares	
			2021	2020
Mr. Shaker Tawfiq Fakhouri	Chairman Of The Board/ Dedicated	Jordanian	5,391,490	5,391,490
Mrs. Suha Faisal Sroor	Wife	Jordanian	105,350	105,350
Sarah Shaker Fakhouri	Daughter	Jordanian	21,396	16,396
Salma Shaker Fakhouri	Daughter	Jordanian	15,018	10,018
Tamara Shaker Fakhouri	Daughter	Jordanian	15,018	10,018
Tawfiq Shaker Fakhouri	Son	Jordanian	372,000	352,000
Mr. Walid Tawfiq Fakhouri	Vice Chairman of the Board	Jordanian	156,517	156,517
Mrs. Shatha Abdel-majid Al-Dabbas	Wife	Jordanian	368	368
Rakan Walid Fakhouri	Son	Jordanian	51,332	51,332
A`esha Walid Fakhouri	Daughter	Jordanian	27,570	27,570
Ahmad Walid Fakhouri	Son	Jordanian	24,679	24,679
AL EQBAL FOR GENERAL INVESTMENTS	Board member	Jordanian	16,000,000	16,000,000
Dr.Yanal Mawloud Zakaria	Board Member/ Representative of the Company	Jordanian	46,736	6,447
Mrs. Dana Kayd Sagha	Wife	Jordanian	1,104,000	927,796
Al Tawfiq Investment House - Jordan	Board Member	Jordanian	5,000	5,000
Mr. "Shadi Ramzi" Abd Al-Salam Al-Majali	Board Member/ Representative of the Company	Jordanian	8,290	12,290
Al Lu'lu'a Trading & Investment Co.	Board Member	Jordanian	12,131	12,131
Mr. Haitham Mohammed Samih Barakat	Board Member/ Representative of the Company	Jordanian	59,898	59,898
Al Yamama for General Investments Co. (Limited liability)	Board Member	Jordanian	5,000	5,000
Mr. Husam Rashed Manna'	Board Member/ Representative of the Company	Jordanian	6,447	6,447
Al Pharaenah Int'l for Industrial Investments Co.	Board Member	Jordanian	19,765,863	19,765,863
Mr. Walid Mohammad Al-Jamal	Board Member/ Representative of the Company	Jordanian	-	-
Mr. Walid Rafiq Anabtawi	Board Member	Jordanian	20,000	15,000
Mr. "Mohammad Sa-ed" Ishaq Jarallah	Board Member	Jordanian	5,000	5,000
Mr. Yousef Jan Shamoun	Board Member	Jordanian	220,000	220,000
Mr. Emad Adeen Jihad Al-Massri	Board member	Jordanian	5,000	-

B. Number of Shares Owned by the Executive Managers and/or their Relatives:

Name	Position	Nationality	No. of Shares	
			2021	2020
Mr. Saleh Rajab Hammad	Chief Executive Officer	Jordanian	42,079	42,079
Dr. Nasser Mustafa Khraishi	AGM / Chief Operating Officer	Jordanian	-	18,000
Mrs. Shereen Yousef Khraishi	Wife	Jordanian	25,613	31,113
Mr. Osama Samih Sukkari	Legal Advisor	Jordanian	200,950	188,379
Mrs. Najwa Mohammad Manku	Wife	Jordanian	128,971	128,971
Mr. Nader Mohammad Sarhan	Executive Manager / Chief Risk Officer /Board Secretary	Jordanian	35,500	35,500
Mrs. Nida'a Hasan Abu Zahra	Wife	Jordanian	650	650
Shaker Nader Sarhan	Son	Jordanian	5,000	5,000
Mr. Khaled Atef Abu Jawid	Executive Manager / Retail Banking Management	Jordanian	-	-
Mrs. Rania Faisal Saied	Executive Manager / Human Resources Department as of 1/2/2021	Jordanian	-	-
Mr. Hatem Nafi' Foqahaa	Regional Manager / Palestine Branches Management	Palestinian	-	-
Mr. Turki Yousef Al-Jabour	Executive Manager / Internal Audit Department	Jordanian	115,000	114,000
Mr. Omar Ahmad Mustafa	Executive Manager/Corporate Business Development Department	Jordanian	37,000	37,000
Mr. Salam Salameh Gamoah	Chief Executive Officer - Bahrain Branch	Jordanian	-	-
Mr. Rami Jamal Mahmood	Executive Manager/Commercial Business Development Department	Jordanian	-	-
Mr. Samer Khalil Mirai	Executive Manager - Corporate Business Development Department as of 21/11/2021	Jordanian	-	-
Mr. Yasser "Mohd Suhail" Tahboub	Executive Manager / Transaction Banking Department	Jordanian	-	-
Ms. Lana Fayez Al-Barrishi	Executive Manager / Compliance Department	Jordanian	-	-
Mr. Yousef Mousa Abu Humaid	Manager/Central Operations Management as of 15/03/2021	Jordanian	-	-
Mrs. May Abdelrrahman Jeitem	Wife	Jordanian	273	273
Mr. Hani Hasan Mansi	Manager / Financial Control Management	Jordanian	-	-
Ms. Basmeh Bahjat Al Hartani	Executive Manager/ Strategy & Project Management (Acting) as of 28/6/2021	Jordanian	-	-
Mr. Ayman Ahmad Al Oqaily	Manager / Treasury & Investment Department (Acting) as of 29/6/2021	Jordanian	-	-
Mr. Nader Essa Al-Khawaja	Executive Manager / Strategic Planning & Projects Management until 27/05/2021	Jordanian	-	-
Mr. Mousa Yousef Mousa	Treasurer / Treasury & Investment Department until 28/05/2021	Jordanian	-	-

C. Companies Controlled by the Chairman, Board Members, the Executive Managers and/or their Relatives, and the Number of Shares held by those companies in Bank of Jordan for the Years 2021 and 2020:

Name	Position	Company	Equity Share in Bank of Jordan 2021	Equity Share in Bank of Jordan 2020
Mr. Shaker Tawfiq Fakhouri	Chairman of the Board/ Dedicated	Shaker Fakhouri & Associates Co.	-	-
Mr. "Shadi Ramzi" Abd Al-Salam Al-Majali	Board Member	Apollo Trading Industrial Co.	-	-
		Jordan Investment Trust	7,360	7,360
		El-Ettjahat for Commercial Investment	-	-
		Daman Company for Investments and Agricultural Industries	-	-
		Jordanian Oil Terminals Company	-	-
Mr. Osama Samih Sukkari	Legal Advisor	Osama Sukkari & Associates / Attorneys at Law	-	-

There are no companies controlled by other Board Members and/or their relatives nor by the Executive Managers and/or their relatives.

18. The Benefits and Remuneration of the Board Chairman, Board Members, and Executive Managers:

A. Benefits and Remuneration of the Chairman and Board Members for the Year 2021:

Name	Position	Annual Transport Allowance And attend Committees	Allowance membership	Annual Remuneration	Annual Expenses Travel	Total
Mr. Shaker Tawfiq Fakhour	Chairman of the Board/ Dedicated	51,060	43,749.6	5,000	-	99,809.6
Mr. Walid Tawfiq Fakhouri	Vice Chairman of the Board	9,450	24,999.6	5,000	-	39,449.6
Dr. Yanal Mawloud Zakaria	Board Member/ Representative of AL EQBAL FOR GENERAL INVESTMENTS	34,530	24,999.6	5,000	-	64,529.6
Mr. "Shadi Ramzi" Abd Al-Salam Al-Majali	Board Member / Representative of AL Tawfiq Investment House - Jordan	40,800	24,999.6	5,000	-	70,799.6
Mr. Haitham Mohammed Samih Barakat	Board Member / Representative of Al Lu'lu'a Trading & Investment Co.	35,100	24,999.6	5,000	-	65,099.6
Mr. Husam Rashed Manna'	Board Member Representative of Al Yamama for General Investments Co. (Limited liability)	43,080	24,999.6	5,000	-	73,079.6
Mr. Walid Mohammad Al-Jamal	Board Member/ Representative of Al Pharaenah Int'l for Industrial Investments Co.	9,450	24,999.6	5,000	-	39,449.6
Mr. Walid Rafiq Anabtawi	Board Member	20,850	24,999.6	5,000	-	50,849.6
Mr. "Mohammad Sa-ed" Ishaq Jarallah	Board Member	40,020	24,999.6	1,027.4	-	66,047.0
Mr. Yousef Jan Shamoun	Board Member as of 19/4/2021	14,370	17,499.7	-	-	31,869.7
Mr. Emad Adeen Jihad Al-Massri	Board Member as of 19/4/2021	10,380	17,499.7	-	-	27,879.7
Mr. Mohammad Anwar Hamdan	Board Member until 18/4/2021	3,060	7,569.3	5,000	-	15,629.3
Mr. Wissam Rabee' Saab	Board Member until 18/4/2021	1,920	7,569.3	5,000	-	14,489.3
Total		**314.070.0**	**293.884.4**	**51,027.4**	**-**	**658,981.8**

B. Benefits and Remuneration of the Executive Managers for the Year 2021:

Name	Position	Annual Salary	Annual Remuneration	Annual Allowance for Transportation & Assuming Board Secretary Position	Other Benefits (Housing Allowance, School, Phone)	Total Annual Benefits
Mr. Saleh Rajab Hammad	Chief Executive Officer	264,800	-	-	-	264,800
Dr. Nasser Mustafa Khraishi	AGM/ Chief Operating Officer	179,424	-	-	-	179,424
Mr. Osama Samih Sukkari	Legal Advisor	233,328	-	-	-	233,328
Mr. Nader Mohammad Sarhan	Executive Manager/ Chief Risk Officer/ Board Sectretary	121,372	-	18,000	-	139,372
Mr. Khaled Atef Abu Jawid	Executive Manager/ Retail Banking Management	135,072	-	-	-	135,072
Mrs. Rania Faisal Saied	Executive Manager / Human Resources Department as of 01/02/2021	102,589	-	-	-	102,589
Mr. Hatem Nafi' Foqahaa	Regional Manager/ Palestine Branches Management	122,285	18,085	9,000	0	149,370
Mr. Turki Yousef Al-Jabour	Executive Manager/ Internal Audit Department	88,864	-	-	-	88,864
Mr. Omar Ahmad Mustafa	Executive Manager/ Corporate Business Development Department	103,792	-	-	-	103,792
Mr. Salam Salameh Gamoah	Chief Executive Officer - Bahrain Branch	191,942	-	9,033	41,281	242,256
Mr. Rami Jamal Mahmood	Executive Manager/ Commercial Business Development Dept.	83,520	-	-	-	83,520
Mr. Samer Khalil Mirai	Executive Manager / Corporate Business Development Department	99,275	-	-	-	99,275
Mr. Yasser "Mohd Suhail' Tahboub	Executive Manager/ Transaction Bankin Department.	81,543	-	-	-	81,543
Ms. Lana Fayez Al-Barrishi	Executive Manager/ Compliance Department	64,512	-	-	-	64,512
Mr. Yousef Mousa Abu Humaid	Manager /Central Operations Management as of 15/03/2021	58,626	-	-	-	58,626
Mr. Hani Hasan Mansi	Manager/ Financial Control Management	61,904	-	-	-	61,904
Ms. Basmeh Bahjat Al Hartani	Executive Manager/ Strategy & Project Management (Acting) as of 28/06/2021	28,560	-	-	-	28,560
Mr. Ayman Ahmad Al Oqaily	Manager / Treasury & Investment Department (Acting) as of 29/06/2021	22,512	-	-	-	22,512
Mr. Nader Essa Al-Khawaja	Executive Manager/ Strategic Planning & Projects Management until 27/05/2021	50,499	-	-	-	50,499
Mr. Mousa Yousef Mousa	Treasurer/ Treasury & Investment Department until 28/05/2021	28,809	-	-	-	28,809
Total		**2,123,228**	**18,085**	**36,033**	**41,281**	**2,218,627**

19. Summary of the Recruitment and Talent Acquisition Policy

The recruitment and talent acquisition policy aims to organize the process of attracting the best talents with the highest capabilities, experiences, and qualified individuals, both externally and internally, to follow clear work methods and procedures to ensure the continuity of attracting the best talents in a clear and effective manner, ensuring transparency in appointment, and applying the principle of equal opportunities free of personal considerations and conflicts of interest. Taking into account the technical and behavioral competencies of candidates to fill existing vacancies and according to the work need, as well as the skills and institutional culture that the candidate possesses to complete the work requirements. In turn, this makes the Bank a preferred employer (Employer of Choice) and enhances the Bank's image and reputation as the best institution to work for (Employment Branding). To ensure that the bank's human resource needs are met, that long and short-term strategic goals are met, and that the bank's vision in providing products and services, as well as comprehensive financial solutions, are achieved.

20. Summary of Performance Management Policies and Annual Bonuses

The philosophy of performance management, annual increases and bonuses at Bank of Jordan is based on an assessment of the employee's performance, the level of skills they possess, identifying strengths weaknesses as well as setting development plans to raise the productivity level of their employees. It's also important to link annual evaluations to the bank's overall performance, so that employees at all levels are motivated to improve the bank's overall efficiency and productivity, as well as to motivate each employee in their own department to improve their productivity and the bank's overall efficiency and productivity. The following are the most important goals of these operations:

Aligning individual and organizational goals: Individual and organizational goals are aligned with the bank's strategic vision.
Building a culture centered on increasing performance: The goal of this process is to objectively distinguish between different levels of performance in order to create a culture based on human resource management based on performance and productivity.
Strengthening the correlation between performance and rewards: This system supports rewarding individuals based on the results of their individual performance and linking them directly with the performance results of the bank as a whole.

21. Donations, Grants, and Contributions to the Local Community:

The Bank's donations and support of activities related to the protection of the environment and the local community stood at JD 509.2 thousand, as detailed below:

Activity	Amount (JD)
Supporting the National Financial Literacy Program	123,199
Two student scholarships in the King's Academy	79,763
Support PSD / Smart Security Centers	60,000
supporting the project to spread the information center at the Ministry of Communications and Information Technology / Palestine	32,720
Supporting the Queen Rania Foundation - Children's Museum Jordan	25,000
Supporting Social and Charitable Organizations and Activities	70,770
Supporting Educational Activities	25,425
Supporting Cultural Activities	5,000
Supporting Environmental Activities	8,415
Supporting Sports Activities	33,274
Supporting Medical Activities	28,674
Miscellaneous	17,008
Total	**509,254**

22. Contracts, Projects and Commitments Signed Between the Bank and its Subsidiaries, Affiliates, Chairman, Board Members, the General Manager, Employees in the Bank or their Relatives:

No contracts have been signed between the Bank and any of its subsidiaries or affiliates or with the Board Chairman or General Manager or board members or with any bank employee or their relatives. This is with the exception of the normal banking transactions - disclosed in note No. (42) on the financial statements - to which commercial interest and commission rates apply.

23. The Bank's Contribution to Environmental Protection and Community Service:

a. The Bank's contribution to the environment:

The Bank of Jordan supported the Arab Group for the Protection of Nature by planting 500 trees as part of the Green Caravan program SOS children's villages Jordan / Amman, which aims to increase the green area and combat desertification while also providing food security and a source of income for underprivileged families. The Bank also contributed to the "Beekeeping" project, which was developed in collaboration with the Jordanian Friends of the Environment Association with the goal of enabling women from underserved areas to earn a living for themselves and their families.

b. The Bank's Contribution to Local Community Service:

Believing in Bank of Jordan's vision and direction to support national institutions and contribute to the development and progress of society in various educational, health, cultural, social, and sporting fields, the Bank has continued to support many initiatives concerned with the development and prosperity of the local community by providing support to charitable societies and voluntary associations. Given the importance of education and its role in empowering local communities, the Bank has renewed its strategic partnership with the Queen Rania Foundation for Education and Development Association by supporting the "Educational Funds" program, which aims to instill financial inclusion concepts in children through entertaining group games.

The Bank was also eager to continue implementing scholarships for two students at King's Academy and two undergraduate students in collaboration with the Elia Nuqul Foundation Association. In order to equip undergraduate students with entrepreneurial skills, support was provided to the Injaz Foundation by sponsoring the "Company Establishment" program as well as providing necessary support for the final stage of the Central Bank's national project for financial literacy, which was launched in collaboration with the Ministry of Education and the Injaz Foundation. In Palestine, the Bank of Jordan has been eager to renew its membership with Al-Taawon Foundation for seven years in order to support the Foundation's year-round programs.

Additionally, the Bank continued to support numerous charitable initiatives, activities, and events, including assisting the White Beds Golden Association in completing the "Our Gallery Museum, the Treasury of Our Beautiful Memory" project. Furthermore, the Bank supported Tkiyet Um Ali by sponsoring 20 families for a year through the monthly food parcels program, as well as organizing numerous food parcel distribution activities during Ramadan in collaboration with the Tekiya and the Jordanian Society for Social Development and Productivity. During Ramadan and Eid al-Adha, the Bank in Palestine partnered with the Givie Palestine Charitable Association and the Ramallah Youth Club to distribute food parcels to underprivileged families and Eid clothing to children with special needs.

To commemorate Jordan's centennial, the Bank of Jordan and the Public Security Directorate signed a memorandum of understanding to support a series of smart security centers and stations that the Directorate is working to implement as part of a plan to develop security centers in Jordan, as well as to support the ideas of the Public Security Directorate's Innovation and Creativity Center. This is based on Bank of Jordan's strategy of enhancing cooperation with public sector institutions in order to advance the services provided to citizens within an initiative that is the first of its kind in Jordan.

In addition to providing support to several associations and civil society institutions in 2021 to assist them in achieving their objectives and assisting various segments of society, including (the National Forum for Awareness and Development, Princess Taghreed Foundation for Development and Training, Jordan Club for the Deaf, Palestine International Association for Development and Steps Association).

24. Customer Complaints

Fairness and transparency in dealing with customers is a top priority for Bank of Jordan from product, pricing, contracting, drafting, and advertising perspectives. This is evident in all aspects of the Bank's day-to-day operations. The importance the bank places on dealing with customers is demonstrated by the creation of a unit within the Compliance Department specifically tasked with handling customer complaints. In the Bank's view, customer complaints are a valuable tool for ensuring that general policies and procedures are being properly implemented and a means of identifying areas for improvement. Receiving and analyzing complaints, determining the root causes, and correcting any flaws that led to the customer's complaint, the Customer Complaints Unit and the Daily Service Quality Unit work together to address customer complaints to improve customer service quality.

- The policy of Bank of Jordan is to deal with customers fairly and transparently. Moreover, Customer Complaint Handling policy has been approved by the board and has been circulated accordingly.
- The customer complaints management and handling procedures are circulated to all the Bank employees.
- The provision of different communication channels for receiving customer complaints via the following channels:
  - Direct call by dialing 0096265692572 or by calling the toll-free number (080022335) which is available 24/7.
  - Email complainthandling@bankofjordan.com.jo
  - Allocated telephones for customer complaints at all the Bank branches.
  - Physical visit to Bank of Jordan headquarters.
  - Fax to 0096265600918.
- Approved Service Level Agreement (SLA) and Escalation procedures in case of any delay responding to customer complaints by our various units is to meet the customers' requirements within the agreed turnaround time.
- Investigate and evaluate customer complaints to find out the causes, classifications, and impacts of those complaints.
- Provide the Board of Directors and Senior management members with periodic disclosures. It includes a summary of complaints by the degree of risk concentration, classified according to the degree of risk and the actions taken to reduce their recurrence in the future.
- Provide the Central Bank of Jordan with quarterly statistics of the complaints received by the unit.

Following is the statistical report of complaints that were received from customers in 2021 through various channels distributed according to the nature and type of complaint which are based on the instructions of internal procedures to deal with client complaints regarding the provided financial and banking services issued by the Central Bank of Jordan No. (1/2017) dated 28/8/2017.

Payment Cards	Contracts, Terms and Conditions	Interest rates/ returns	Services and Products Marketing	Remittances	Work Environment	Commissions, and Fees	E-Services	Professional Behavior	Credit Inquiry	Guarantees & guarantors	Account Classification	Others	Total
17	32	15	8	6	40	17	10	152	2	2	3	31	335

These complaints were resolved within the agreed turnaround time:

- Complaints were given a reference number for follow-up purposes.
- Complaints were studied, analyzed, and responded to within the agreed turnaround time and specified by the degree and nature of complaints classification.
- Recommendation of the following proposed actions to reduce the recurrence of such complaints in the future:
  - Modify work procedures, if necessary.
  - Take disciplinary measures against underperforming employees.
  - Develop or train staff on working procedures, products, communication skills with customers, etc.
  - Develop the Bank's various sites to receive customers and improve the service provided to them.

C. Annual Financial Statements - 2021

The Bank's annual financial statements, audited by the Bank's auditors Kawasmy & Partners Co. (KPMG) Jordan and a comparison with the previous year (2019), can be found in the second part of the report (Page 50).

D. Report of the Bank's Auditors

The report from the Bank's auditors, KPMG Jordan, which includes the Bank's annual financial statements, reveals that the audit process was conducted in accordance with international auditing standards. It can be found at the beginning of the 2020 annual financial statements (Page 51).

E. Acknowledgment

As per paragraph (E)/ Article (4) of Disclosure and Accounting Standards Instructions issued by the Jordan Securities Commission Board of Commissioners:

1. The Board of Directors of Bank of Jordan acknowledges, in accordance with its knowledge and belief, that there are no material matters that may affect the continuity of the Bank's operations during the financial year 2021.
2. The Board of Directors of Bank of Jordan acknowledges its responsibility for the preparation of the financial statements for 2020 and that the Bank has an effective control system.
3. The Chairman of the Board, General Manager and the Financial Control Manager acknowledge that the information and data mentioned in the Bank of Jordan 2020 Annual Report are true, accurate and complete.
4. The Board of Directors acknowledge that they do not obtain in person or any of those related to them financial or in-kind benefits or rewards for the year 2020 other than those disclosed in Section No.18/A.

Corporate Governance

BANK OF JORDAN'S COMMITMENT TO THE CORPORATE GOVERNANCE GUIDE

Believing that good corporate governance practices are key to fairness, improved transparency, and accountability to all stakeholders. Realizing that good corporate governance is a key to success, the Bank's Board of Directors is keen on applying corporate governance practices that comply with the regulations issued by the Central Bank of Jordan and for banks in Jordan. These practices, which have been incorporated into the Bank of Jordan Corporate Governance Guide, also comply with the best international practices recommended by the Basel Committee. It is worth noting that Bank of Jordan also adheres to regulatory requirements and guidelines in other countries where it operates. The bank has published the Corporate Governance Report on its website bankofjordan.com.

COMPONENT ONE (BOARD OF DIRECTORS)

- Chairman of the Board:

The board shall elect chairman from among its members. This should be done based on separating the Board Chairman and the Director General. The Board Chairman must not be related to the director general within the fourth degree of consanguinity.

- Board of Directors:

While the Executive Management is responsible for running the daily operations of the Bank, the Board is in charge of drawing up strategies that best serve the interests of the Bank, and its shareholders and clients, in accordance with respective laws and regulations.

The board shall consist of 11 members who will be elected by the general assembly to a four-year term. The members shall have the expertise and qualifications that shall enable each of them to voice his/her opinion independently during board discussions. The suitability of board members has been assessed against the policy related to board members' suitability in line with the requirements of the Corporate Governance Guide, and adjustments/corrections have been made accordingly. The Board Chairman shall be elected by the board members.

The Board convened (7) times during 2021. The Board has a specific agenda in each meeting, and the minutes of meetings and decisions are officially documented by the Board Secretary.

Names of the Board Members:

Name	Status	Nature of Membership	No. Of Attendance	Loan Balance for the Board Member JD
Mr. Shaker Tawfiq Fakhouri	Chairman of the Board/Dedicated	Non-Executive/Non-Independent	7	1,178,186
Mr. Walid Tawfiq Fakhouri	Vice Chairman	Non-Executive/ Non-Independent	7	1,105,003
Dr. Yanal Mawloud Zakaria	Board Member/Representative of Al-Ekbal for General Investment	Non-Executive/ Non-Independent	7	-
Mr. "Shadi Ramzi' Abd Al-Salam Al-Majali	Board Member/Representative Al Tawfiq Investment House – Jordan.	Non-Executive/ Non-Independent	7	2,972
Mr. Haitham Mohammed Samih Barakat	Board Member/Representative of Al Lu'lu'a Trading & Investment Co.	Non-Executive/ Non-Independent	7	3,824
Mr. Husam Rashed Manna'	Board Member/ Representative of Al Yamama for General Investments Co.	Non-Executive/ Non Independent	7	15,772
Mr. Walid Mohammad Al-Jamal	Board Member/Representative of Al Pharaenah Int'l for Industrial Investments Co.	Non-Executive/ Non-Independent	7	15,108
Mr. Walid Rafiq Anabtawi	Board Member	Non-Executive/ Independent	7	1,141
Mr. "Mohammad Sa-ed' Ishaq Jarallah	Board Member	Non-Executive/ Independent	6	-
Mr. Youssef Jan Chamoun	Board Member as of 19/4/2021	Non-Executive/ Independent	6	1,719
Mr. Emad Adeen Jihad Al-Massri	Board Member as of 19/4/2021	Non-Executive/ Independent	6	-
Mr. Mohammad Anwar Hamdan	Board Member until 18/4/2021	Non-Executive/ Independent	1	-
Mr. Wissam Rabee' Saab	Board Member until 18/4/2021	Non-Executive/ Independent	1	-
Mr. Nader Mohammad Sarhan	Executive Manager/ Chief Risk Officer/Board Secretary	-	6	Not Applicable

The Board of Directors was elected at the general assembly meeting held on 19/4/2021.

Memberships of the Board of Directors Held by a Member of the Board of Directors of Public Shareholding Companies:

Name	Membership in the Boards of Public Shareholding Companies
Mr. Shaker Tawfiq Fakhouri Chairman of the Board	Board Member of the Middle East Company for Insurance
Mr. Walid Tawfiq Fakhouri Vice Chairman	None
Dr. Yanal Mawloud Zakaria Representative of Al-Ekbal Jordanian General Trading (LLC)	None
Mr. "Shadi Ramzi" Abd Al-Salam Al-Majali Representative Al Tawfiq Investment House – Jordan	Chairman of Jordan Investment Trust, as of October 2017
Mr. Haitham Mohammed Samih Barakat Representative of Al Lu'lu'a Trading & Investment Co.	None
Mr. Husam Rashed Manna' Representative of Al Yamama for General Investments Co.	None
Mr. Walid Mohammad Al-Jamal Representative of Al Pharaenah Int'l for Industrial Investments Co.	Vice Chairman of the Board of Directors of Jordan Decapolis Properties Company
Mr. Walid Rafiq Anabtawi Board Member	None
Mr. "Mohammad Sa-ed" Ishaq Jarallah Board Member	None
Mr. Youssef Jan Chamoun Board Member as of 19/4/2021	None
Mr. Emad Adeen Jihad Al-Massri Board Member as of 19/4/2021	None
Mr. Mohammad Anwar Hamdan Board Member until 18/04/2021	None
Mr. Wissam Rabee' Saab Board Member until 18/04/2021	None

Name of the Bank's Corporate Governance Officer:

The Bank's Corporate Governance Officer/ Mrs. Lana Fayez Al-Barrishi/ Executive Manager / Compliance Dept.

- The Committees of the Board:

As per the Corporate Governance Guide, seven committees stem from the Board of Directors to ease implementation of responsibilities. The committees are as follows: the Audit Committee, the Corporate Governance and Strategy Committee, the Nominations and Remunerations Committee, the Risk Management Committee, the Executive Committee, the Compliance Committee, and Information Technology Governance Committee.

- The Audit Committee:

The audit committee comprises three qualified board members who enjoy adequate experience in accounting, finance, or any other relevant field. The majority of the Committee members, including the head, must be independent.

Names, Qualifications, Financial and Accounting Expertise of the Members of the Audit Committee:

The Audit Committee consists of the following:	No. of Attendance	Qualifications	Professional Experience
Mr. Emad Al-Din Jihad Al-Masry Head of the Committee (Independent)	4	- MBA in Accounting and Finance from the Hashemite University, 2007. - B.A. In Accounting from An-Najah National University, 1998.	▪ Chief Executive Officer at Zahran Operation and Maintenance Co. /Riyadh/ KSA, as of 9/2018 to date. ▪ Group Chief Financial Officer at Zahran Holding Co. /Riyadh/ KSA, from 2016-2018. ▪ Group Financial Controller at Zahran Holding Co. /Riyadh/ KSA, from 2012-2016. ▪ Treasury Manager at Zahran Holding Co. /Riyadh/ KSA, from 2011-2012. ▪ Finance Manager at Zahran Operation and Maintenance Co. /Riyadh/ KSA, from 2009-2011. ▪ Head of Treasury Department at Zahran Holding Co. /Riyadh/ KSA, from 2008-2009. ▪ Financial Controller at Arab Bank Plc. / Amman /Jordan, from 2005-2008. ▪ Senior Relationship Officer at Arab Bank Plc. / Amman /Jordan from 1998-2005.
Mr. Walid Rafiq Anabtawi Member of the Committee (Independent)	5	– B.A. in Accounting, from Alexandria University/ Egypt, 1968.	▪ Assistant General Manager - Investment and Branches Management/Bank of Jordan/ Jordan, from Apr 2004 until Oct 2005. ▪ Assistant General Manager/Bank of Jordan/Jordan - Organization, Operations, and Automation Management, from Oct 2001 until Jun 2003. ▪ Executive Manager/Bank of Jordan/Jordan - Organization, Operations, and Automation Management, from Jan 1992 until Oct 2001. ▪ Manager of Internal Audit/ Bank of Jordan/Jordan, from Mar 1990 until Jan 1992. ▪ Assistant Head at A department – Banks Supervision Department – Central Bank of Jordan/ Jordan, from Jul 1986 until Mar 1990. ▪ Senior Assistant Manager – Internal Audit Department/Arab National Bank – Saudi Arabia, from Feb 1983 until Jun 1986. ▪ Supervisor/Banking Supervision Department, Central Bank of Jordan/ Jordan, from Jul 1976 until Feb 1983. ▪ Division Assistant Head/Arab Bank/Amman Branch/Jordan, from May 1969 until Jul 1976. ▪ Accountant – Accounting Department/ Royal Jordanian/Jordan, from Oct 1968 until May 1969. ▪ Took part in and helped organize over 50 training workshops inside and outside Jordan
Mr. Youssef Jan Chamoun Member of the Committee (Independent)	4	- MBA with a focus on Finance and Entrepreneurship from Georgetown University, 2006. - B.A. in Mechanical Engineering from McGill University, 2002.	▪ Co-founder & CEO at ZenHR Co. as of 1/2017 to date. ▪ Co-founder & Board Member at Jawaker Co. as of 10/2008 to date. ▪ Co-founder & CEO at Akhtaboot Co. as of 6/2007 to date. ▪ Certified SaaStr annual / San Francisco / USA. ▪ Certified Elevating Finance, Operations / Wharton School of Business / USA. ▪ Certified EO Growth Forum / London Business School / UK. ▪ Certified Georgetown Leadership Seminar (GLS) / Georgetown University / USA ▪ Certified Endeavor Leadership Program / Stanford University / USA. ▪ Certified Bank Rotation / Bank of Jordan.
Mr. Mohammad Anwar Hamdan Head of the Committee (Independent) until 18/04/202	1	- MBA in International Management from Thunderbird University/ USA, 1979. - B.A. in Accounting from the University of Jordan, 1973.	▪ Deputy General Manager of Bank of Jordan from 1/2007 until 6/2012. ▪ Assistant General Manager/Credit Management/Bank of Jordan, from 11/1994 until 1/2007. ▪ Assistant General Manager/Credit Management/Cairo Amman Bank, from 1/1990 until 11/1994. ▪ Senior Manager/Credit Management/Bank of Jordan, from 8/1985 until 12/1990. ▪ Assistant Manager for Investment & Branches/Jordan Kuwait Bank, from 7/1979 until 8/1985. ▪ Senior Financial Analyst/Central Bank of Kuwait, from 5/1976 until 5/1978. ▪ Financial Analyst/Central Bank of Jordan, from 8/1973 until 5/1976
Mr. Wissam Rabee' Saab Member of the Committee until 18/04/2021	1	– B.A. in Business Computer (Minor Mathematics), from the Lebanese American University (L.A.U.)/ Beirut, Lebanon, 2005.	▪ Group Chief Financial Officer, Zahran Group – Riyadh/ KSA, Finance and Investment Management Dept., from Jan 2019 till date. ▪ Investment Manager, Zahran Group - Riyadh/ KSA, Investment Management Dept., from Jan 2012 until Dec 2018. ▪ Investment Advisor, DARFIN CAPITAL, Riyadh KSA International Markets, Asset Management Dept., from Jun 2009 until Dec 2011. ▪ Investment Advisor, Abu Dhabi Commercial Bank (ADCB), Dubai Private Banking & Wealth Management, from Jan 2008 until Oct 2008. ▪ Senior Relationship Manager, Abu Dhabi Commercial Bank (ADCB) - Abu Dubai/UAE, Private Banking & Wealth Management, from April 2007 until December 2007. ▪ Relationship Manager, Abu Dhabi Commercial Bank (ADCB), Dubai Private Banking & Wealth Management, from Mar 2005 until Mar 2007. ▪ Sales Agent, American Life Insurance Company (ALICO) - Lebanon, from Jul 1999 until Jan 2005. ▪ Insurance Broker, Fidelity General Insurance Co. – Beirut, Lebanon, from Jan 2001 until Dec 2003. ▪ Investment Agent, Investa Co. (Agents for Zurich Financial Services) - Beirut, Lebanon, from Jul 2001 until Dec 2001. ▪ Computer Assistant, LAU - Beirut, Lebanon, from Oct 1999 until Jun 2000.
Mr. Nader Mohammad Sarhan Executive Manager Chief Risk Officer Board Secretary Attended all meetings as Board Secretary	5	-	-

- The Audit Committee held (5) meetings in 2021.
- The Audit Committee does not substitute the responsibilities of the Board of Directors or the Bank's Executive Management for the supervision and adequacy of the Bank's internal control system.
- The Audit Committee met with the External Auditor (4) times during 2021.
- The Committee was restructured in the Board of Directors meeting No. 630 on 19/04/2021.

- The Corporate Governance and Strategy Committee:

The Board Chairman and two independent members as a minimum were elected to the corporate governance and strategies committee. The committee provides guidance and feedback on the development of the Corporate Governance Guide. It also ensures the guide is updated and properly implemented.

The Corporate Governance and Strategy Committee consists of the following:	Status	No. of Attendance
Mr. Walid Rafiq Anabtawi	- Head of the Committee (Independent)	4
Mr. Shaker Tawfiq Fakhouri	- Member (Non-Independent)	4
Mr. Youssef Jan Chamoun	- Member (Independent)	3
Mr. Husam Rashed Manna’	- Head of the Committee (Non-Independent) until 18/04/2021	-
Mr. Nader Mohammad Sarhan Executive Manager/Chief Risk Officer	Board Secretary/ Committee Rapporteur	4

The Corporate Governance and Strategy Committee held (4) meetings during 2021.
The Committee was restructured in the Board of Directors meeting No. 630 on 19/04/2021.

- The Risk Management Committee:

The Risk Management Committee comprises three board members, one of whom is independent. Members of the senior executive management can also join the committee. The committee deals with all types of risks facing the bank.

The Risk Management Committee consists of the following:	Status	No. of Attendance
Mr. Shaker Tawfiq Fakhouri	Head of the Committee(Non-Independent)	5
Mr. "Shadi Ramzi" Abd Al-Salam Al-Majali	Member (Non-Independent)	5
Mr. "Mohammad Sa-ed" Ishaq Jarallah	Member (Independent)	4
Mr. Mohammad Anwar Hamdan	Member (Independent) until 18/04/2021	1
Mr. Saleh Rajab Hammad/Chief Executive Officer	Member	5
Dr. Nasser Mustafa Khraishi/ AGM / Chief Operating Officer	Member	5
Mr. Nader Mohammad Sarhan Executive Manager/Chief Risk Officer	Member / Board Secretary / Committee Rapporteur	5

The Risk Management Committee held (5) meetings during 2021
The Committee was restructured in the Board of Directors meeting No. 630 on 19/04/2021.

- The Executive Committee:

Six board members were elected to the Executive Committee, other members of the senior executive management may join the Committee is meeting to present their recommendations.

The Executive Committee consists of the following:	Status	No. of Attendance
Mr. Shaker Tawfiq Fakhouri	Head of the Committee (Non-independent)	44
Dr. Yanal Mawloud Zakaria	Member (Non-independent)	44
Mr. Haitham Mohammed Samih Barakat	Member (Non-independent)	45
Mr. Husam Rashed Manna’	Member (Independent)	49
Mr. "Shadi Ramzi" Abd Al-Salam Al-Majali	Member (Non-Independent)	47
Mr. "Mohammad Sa-ed" Ishaq Jarallah	Member (Independent)	49
Facilities Committee’s Rapporteur/ Committee’s Rapporteur		49

- The Executive Committee held (49) meetings in 2021.
- The Committee was restructured in the Board of Directors meeting No. 630 on 19/4/2021.

- The Nominations and Remunerations Committee:

The Nominations and Remunerations committee were elected and consists of three members.

The Nominations and Remunerations Committee consists of:	Status	No. of Attendance
Mr. Youssef Jan Chamoun	Head of the Committee (Independent) as of 7/10/2021 Member (Independent) until 6/10/2021	2
Mr. Shaker Tawfiq Fakhouri	Member (Non-independent)	5
Mr. Walid Rafiq Anabtawi	Member(Independent) as of 7/10/2021 Head of the Committee (Independent) until 6/10/2021	5
Mr. Mohammad Anwar Hamdan	Member (Independent) until 18/04/2021	2
Mr. Nader Mohammad Sarhan Executive Manager/Chief Risk Officer	Board Secretary/ Committee Rapporteur	5

The Nominations and Remunerations Committee held (5) meetings in 2021
The Committee was restructured in the Board of Directors meeting No. 630 on 19/4/2021
The Committee was restructured in the Board of Directors meeting No. 634/2021 on 7/10/2021

- Information Technology Governance Committee:

Four board members were elected to the IT Governance committee who enjoy vast experience and/or knowledge in IT.

The Information Technology Governance committee consists of the following:	Status	No. of Attendance
Mr. "Shadi Ramzi" Abd Al-Salam Al-Majali	Head of the Committee (Non-independent)	3
Mr. Shaker Tawfiq Fakhouri	Member (Non-independent)	3
Mr. Walid Rafiq Anabtawi	Member (Independent)	3
Mr. Youssef Jan Chamoun	Member (Independent)	2
Mr. Husam Rashed Manna’	Member (Independent) until 18/04/2021	1
Mr. Nader Mohammad Sarhan Executive Manager/Chief Risk Officer	Board Secretary/ Committee Rapporteur	3

-The Information Technology Governance committee was held (3) times in 2020.
- The Committee was restructured in the Board of Directors meeting No. 630 on 19/4/2021.

- Compliance Committee:

The compliance Committee Comprises of three board members. The committee meets regularly and upon need.

The Compliance Committee consists of the following:	Status	No. of Attendance
Mr. "Mohammad Sa-ed" Ishaq Jarallah	Head of the Committee (Independent)	3
Mr. Shaker Tawfiq Fakhouri	Member (Non-independent)	4
Mr. Walid Rafiq Anabtawi	Member (Independent)	4
Mr. Husam Rashed Manna’	Head of the Committee (Non-Independent) until 18/04/2021	1
Mr. Nader Mohammad Sarhan Executive Manager/Chief Risk Officer	Board Secretary/ Committee Rapporteur	4

- The Compliance Committee held (4) meetings in 2021.
- The Committee was restructured in the Board of Directors meeting No. 630 on 19/4/2021.

- The Board Secretary:

Minutes of meetings are significant for the Bank, shareholders, and supervisory agencies because they are a permanent register that demonstrate the Board's activities and deliverables, Board of Director's decisions and any other decisions made by committees operating under the Board. Given the vital role of the Board Secretary, it has been decided to appoint Mr. Nader Mohammad Sarhan Executive Manager/ Chief Risk Officer, as Board Secretary. Duties and responsibilities of the Board Secretary are incorporated in the Corporate Governance Guide of the Bank.

- The Senior Executive Management

Members of the senior executive management, including the general manager, must have the attributes and qualifications stated in the Bank's Corporate Governance Guide.

The following are the names of Senior Executive Management and their Executive Positions:

Name	Position
Mr. Saleh Rajab Hammad	Chief Executive Officer
Dr. Nasser Mustafa Khraishi	AGM/Chief Operating Officer
Mr. Osama Samih Sukkari	Legal Advisor
Mr. Nader Mohammad Sarhan	Executive Manager/Chief Risk Officer
Mr. Khaled Atef Abu Jawid	Executive Manager/Retail Banking Management
Mrs. Rania Faisal Saied	Executive Manager / Human Resources Department as of 1/2/2021
Mr. Hatem Nafi' Foqahaa	Regional Manager/Palestine Branches Management
Mr. Turki Yousef Al-Jabour	Executive Manager/Internal Audit Dept.
Mr. Omar Ahmad Mustafa	Executive Manager/Corporate Business Development Dept.
Mr. Salam Salameh Gamoah	Chief Executive Officer - Bahrain Branch
Mr. Rami Jamal Mahmood	Executive Manager/ Commercial Business Development Department
Mr. Samer Khalil Mirai	Executive Manager/ Corporate Business Development Dept.as of 21/11/2021
Mr. Yasser "Mohd Suhail" Tahboub	Executive Manager / Transaction Banking Dept.
Ms. Lana Fayez Al-Barrishi	Executive Manager / Compliance Dept.
Mr. Yousef Mousa Abu Humaid	Executive Manager /Central Operations Management as of 15/3/2021
Mr. Hani Hasan Mansi	Manager/Financial Control Management
Ms. Basmeh Bahjat Al Hartani	Executive Manager/ Strategy & Project Management (Acting) as of 28/6/2021.
Mr. Ayman Ahmad Al Oqaily	Manager / Treasury & Investment Department (Acting) as of 29/6/2021
Mr. Nader Essa Al-Khawaja	Executive Manager / Strategic Planning & Projects Management until 27/05/2021
Mr. Mousa Yousef Mousa	Treasurer/Treasury & Investment Dept. until 28/05/2021

- Conflict of Interests:

The Board of Directors emphasized in the Bank's Corporate Governance Guide that all members of the Board must specify their relationships with the Bank, disclose the nature of this connection, avoid conflicts of interest, and abide by the substance of the Code of Conduct in this regard. A written disclosure must be given on an annual basis or in case of any development that so requires.

Component Two (Planning and Policy Formulation)

The Board of Directors undertakes responsibility for devising the Bank's general strategy and its strategic course of action as well as defining the general objectives for the executive management and supervising their achievements.

Component Three (Control Environment)

The Board of Directors undertakes responsibility to adopt a general framework for internal control in order to achieve the following:
- Effectiveness and efficiency of operations.
- Credibility of financial reports.
- Adherence to laws and regulations in force.

The Board hereby affirms the existence of a general framework for internal control that enables it to follow up on its tasks and take whatever measures are necessary within the following framework:

1. Internal Audit:

The Bank realizes that having an effective internal audit department would fundamentally enhance the internal control systems and the general framework for managing risks related to the Bank is various activities. The internal audit administration performs its tasks within the following specifics:

a. Preparing the Internal Audit Charter and sanctioning it by the Board of Directors. The charter details the functions of the audit administration including its responsibilities, authorities, and work methodology.
b. Preparing internal auditing procedures that conform to the new organization of the Bank.
c. Ensuring the preparation of an annual audit plan to be approved by the Audit Committee. The plan should cover most of the Bank's activities as well as organizational units based on risks associated with its activities.
d. Preparing an annual report about the adequacy of internal control and audit systems in order to eliminate risks and provide suitable recommendations to remove weaknesses.
e. Ensuring the recruitment and appointment of employees possessing high academic qualifications and appropriate practical experience to audit all activities and operations. This process should include qualified staff to assess data security and IT risks.
f. Following up on violations and remarks stated in the reports of supervisory agencies and the external auditor; ensuring that they are addressed and that the executive management has adequate controls to ensure such violations are not repeated.
g. Ensuring that necessary procedures are in place to receive, process, and keep customer complaints as well as remarks related to the accounting system, internal control, and audit processes. Periodic reports concerning these matters must be submitted.
h. Keeping audit reports and sheets in a safe and organized manner for a period that conforms to applicable laws and regulations so that they can be examined by the regulatory authorities and the external auditor.
i. Reviewing the reporting procedures in the Bank to ensure key information about financial, administrative, and operational matters are accurate, reliable and timely.
j. Ensuring compliance with the Bank's internal policies, the international standards as well as related laws and regulations.
k. Submitting reports to the Head of the Audit Committee.

2. External Audit:

The External Auditor represents another level of control on the credibility of financial data issued by the Bank's accounting and information systems. This entails expressing clear and honest opinions about the fairness of these statements and the extent to which they mirror actual reality during a certain period. When dealing with external audit firms, the Board of Directors must consider the Bank's interest and professionalism of the auditing firms, keeping in mind the importance of regular audit rotations and previous experiences with such offices.

3. Risk Management:

The management of Bank of Jordan paid special attention to Basel III requirements as a framework to reinforce and enhance the Bank's capability to upgrade the control environment and challenge various types of risks. To implement these requirements, practical steps were taken such as establishing administrations in the Bank specialized in managing different risks (credit, operations, and market) and manning them with qualified staff and systems.

The Bank has also worked on enhancing credit risk management practices through setting up specialized departments (including Corporate Credit Review Department, SME Credit Review Department, Retail Credit Review Department, Credit Review Department for branches in Palestine), and Credit Portfolios Risk department. Furthermore, the Bank has updated, and developed policies and procedures related to risk management aimed at ensuring credit quality. In addition, the Bank implemented the "Reveleus System" for calculating the capital adequacy ratio.

As for operational risks, the Bank has been implementing the CAREweb system since 2003 and a Risk Profile has been created for each of the Bank's departments in addition to a database for operational errors. As for market risks, the Bank has set up a risk management unit comprised of qualified employees.

The Risk Management functions in line with the following general framework:

A. The Risk Management Department shall submit its reports to the Risk Management Committee on regular basis. As for daily operations, the Department shall report directly to the General Manager.

B. The Risk Management undertakes the following responsibilities:
- Preparing risk policies for all types of risks and sanctioning them from the Board of Directors.
- Analyzing all risks including credit, market, liquidity and operational risks.
- Developing methodologies for measuring and controlling all types of risks.
- The Department shall recommend to the Risk Management Committee risk ceilings and related approvals. It shall also submit reports and record any exceptions from the risk management policy.
- Providing the Board and the Executive Management with information about risk assessment and risk profile at the Bank. The Board regularly reviews the Bank's qualitative and quantitative risk statistics.
- Approving the means that help risk management, such as:
  - Self-assessment of risks and setting risk indicators.
  - Preparation of a historical database of the losses in terms of their sources and classification according to type of risk.
  - Provision of the necessary systems suitable for risk management at the Bank.

C. Committees such as Credit, Assets, and Liabilities' Management/ Treasury, in performing their tasks, help the Risk Management to implement its duties, in accordance with the authorizations defined for these committees.

D. Incorporating information about risk management in terms of its structure, nature of operations, and progress in the Bank's annual report.

E. Conducting stress tests regularly in order to assess the Bank's ability to deal with risks and financial stressors. The Board plays a significant role in deciding on the assumptions and scenarios used in this simulation technique. The test results are later examined and thoroughly discussed by the board. Considering these results, the Risk Management Committee approves measures needed to manage potential risks and mitigate losses.

F. Conducting Internal Capital Adequacy Assessment Process (ICAAP), which helps identify all potential risks through an effective methodology that considers the Bank's strategy and capital adequacy. The methodology is regularly reviewed to ensure that the Bank keeps enough capital buffers to shield it against potential losses.

G. Providing information about risks facing the Bank for the purposes of disclosure and publication to the public.

4. Compliance:

In accordance with the Bank's commitment with the Regulators' requirements, the Compliance Department was established to ensure compliance with laws, ethical regulations, legislation, and standards, defined by different supervisory bodies and the Bank's internal policies. Qualified human resources and automatic systems were provided to the Department.
On the Compliance Department level, all laws and regulations regulating the Bank's operations were gathered, and compliance awareness was spread among employees through booklets and training courses. An anti-money laundering policy was developed to comply with the instruction of Anti-Money Laundering and Terrorist Finance No. (51/2010) date 23/11/2010. An independent Financial Crime Unit responsible for carrying out financial and tax audit. The unit, to which FATCA is affiliated, Customer complaints are handled by an independent unit affiliated with the Compliance Department.

The Compliance Department has the following responsibilities:

a. Drawing up the compliance policy as well as improving and reviewing it regularly (at least once a year) and whenever necessary.
b. Applying the compliance policy at the Bank.
c. Preparing an efficient methodology to ensure the Bank's compliance with effective laws and legislation in addition to any related regulations.
d. Submitting its periodic reports on its work and on the compliance of the Bank's departments and employees to Compliance Management Committee/ Board of Directors.
e. Special policies pertaining to anti money laundering and terrorism financing were drafted and implemented. Other policies related to implementing financial and tax audit, FATCA requirements, and to managing customer complaints were also formulated and implemented.

5. Financial Reports

The Executive Management of the Bank shall undertake the following tasks:
a. Preparing financial reports according to International Accounting Standards.
b. Presenting the reports to the Board members at each regular meeting.
c. Publishing financial data every three months.
d. Sending financial reports and full reports to the shareholders annually.

6. Code of Conduct:

The Bank has a Code of Conduct that was approved by the Board and circulated to all employees. Several training courses were organized to educate the Bank's employees on the concept of the Code. The compliance department ensures compliance with these concepts.

Component Four (Treatment of Shareholders)

Under the law, each shareholder has the right to vote during the General Assembly meetings and the right to discuss issues placed on the General Assembly's ordinary and extraordinary agendas. Added to that, shareholders enjoy the right to suggest any other topics to be added for discussion on the General Assembly's ordinary agenda, after obtaining the approval of several shareholders (representing at least 10% of stocks recorded) in the meeting. In order to foster this relationship, the Bank works on encouraging shareholders, mainly minority shareholders, to attend the annual General Assembly meetings and to vote in person or in their absence by proxy.

The Board shall provide shareholders with the following:
- A copy of the Annual Report mailed to their respective mailing addresses.
- An invitation to the General Assembly meeting and its agenda.
- All the information and publicity items addressed to the shareholders in general.

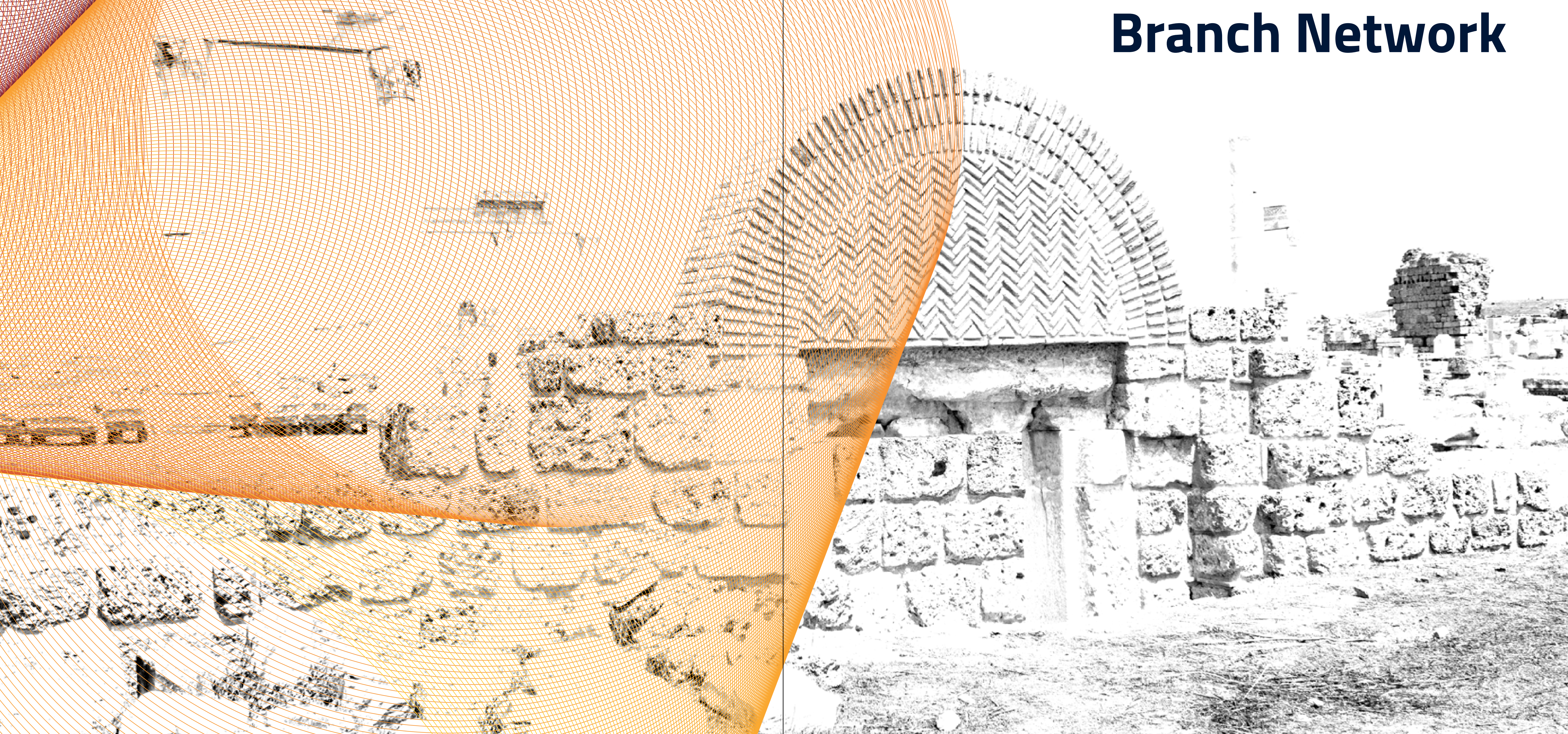
Furthermore, each shareholder has the right to get acquainted with the shareholders' register to get to know his/her own share. The Board shall be keen on the fair distribution of profits, which should be based on the number of stocks held by each shareholder.

Component Five (Transparency and Disclosure)

Bank of Jordan Corporate Governance Guidelines are based on the principles of integrity, objectivity, transparency, disclosure, openness, and accountability for decisions adopted by the Bank. This stems from the Bank's belief that disclosure offers the only means to provide transparent, accurate, comprehensive, and timely information. This helps users assess the Bank's financial position, its achievements, activities, as well as risks facing the Bank and the risk management policies. The Bank disclosed all required information from different regulatory institutions. It also published the Corporate Governance Guide to the public and the extent of the management adheres to it. In accordance with the instructions of dealing with customers fairly and transparently No. (56/2012) date 31/10/2012 the Bank established a dedicated unit to manage and address customers' complaints. The unit was equipped with qualified human resources and automated systems and all necessary means available to accommodate and resolve complaints. This unit was administratively subordinated to the compliance department in the Bank.

Shaker Tawfiq Fakhouri
Chairman of the Board

Addresses of Bank of Jordan Branch Network



Addresses of Bank of Jordan Branches
Jordan Branch Network

Head Office – Al Shmeisani
bankofjordan.com
Tel.: 5609200 Fax: 5696291 P.O.Box 2140 Amman 11181 Jordan

Amman Area

Al Shmeisani - Main Branch
Tel.: 5609200 Fax: 5696092 P.O.Box 2140 Amman 11181 Jordan

Amman – Downtown Branch
Tel.: 4624340 Fax: 4657431 P.O.Box 2140 Amman 11181 Jordan

Commercial Market Branch
Tel.: 4617005 Fax: 4624498 P.O.Box 2140 Amman 11181 Jordan

Al Mahatta Branch
Tel.: 4616212 Fax: 4651728 P.O.Box 2140 Amman 11181 Jordan

Al Yarmouk St.- Al Nasser Branch
Tel.: 4910331 Fax: 4910038 P.O.Box 2140 Amman 11181 Jordan

First Circle Branch
Tel.: 4653915 Fax: 4653914 P.O.Box 2140 Amman 11181 Jordan

Third Circle Branch
Tel.: 4614748 Fax: 4656632 P.O.Box 2140 Amman 11181 Jordan

Al Khalidi Branch
Tel.: 4680026 Fax: 4680028 P.O.Box 2140 Amman 11181 Jordan

Jabal Al Hussein Branch
Tel.: 4655808 Fax: 4653403 P.O.Box 2140 Amman 11181 Jordan

Al Gardens Branch
Tel.: 5696810 Fax: 5688416 P.O.Box 2140 Amman 11181 Jordan

Al Madina Al Monawara St. Branch
Tel.: 5514864 Fax: 5514938 P.O.Box 2140 Amman 11181 Jordan

Jabal Al Weibdeh Branch
Tel.: 4646981 Fax: 4615605 P.O.Box 2140 Amman 11181 Jordan

Tareq Branch
Tel.: 5061758 Fax: 5053908 P.O.Box 2140 Amman 11181 Jordan

Marka Branch
Tel.: 4891980 Fax: 4894341 P.O.Box 2140 Amman 11181 Jordan

Al Qweismeh Branch
Tel.: 4765237 Fax: 4745301 P.O.Box 2140 Amman 11181 Jordan

Al Rabiyeh Branch
Tel.: 5520746 Fax: 5521653 P.O.Box 2140 Amman 11181 Jordan

Abu Alanda Branch
Tel.: 4166385 Fax: 4162697 P.O.Box 2140 Amman 11181 Jordan

Al Bayader Branch
Tel.: 5812780 Fax: 5815391 P.O.Box 2140 Amman 11181 Jordan

Industrial Area – Al Bayader Branch
Tel.: 5852969 Fax: 5813642 P.O.Box 2140 Amman 11181 Jordan

Sweileh Branch
Tel.: 5356895 Fax: 5342318 P.O.Box 2140 Amman 11181 Jordan

Al Fuheis Branch
Tel.: 4720833 Fax: 4720831 P.O.Box 2140 Amman 11181 Jordan

Abu Nsair Branch
Tel.: 5235573 Fax: 5249080 P.O.Box 2140 Amman 11181 Jordan

Jabal Al Nuzha Branch
Tel.: 4649026 Fax: 4645934 P.O.Box 2140 Amman 11181 Jordan

Wadi Al Seer Branch
Tel.: 5856045 Fax: 5816552 P.O.Box 2140 Amman 11181 Jordan

Dahyet Al Yasmeen Branch
Tel.: 4387574 Fax: 4391242 P.O.Box 2140 Amman 11181 Jordan

Marj Al Hamam Branch
Tel.: 5712825 Fax: 5713569 P.O.Box 2140 Amman 11181 Jordan

Al Sweifieh Branch
Tel.: 5866714 Fax: 5861237 P.O.Box 2140 Amman 11181 Jordan

Al Wehdat Branch
Tel.: 4735717 Fax: 4778982 P.O.Box 2140 Amman 11181 Jordan

Mecca St. Branch
Tel.: 5542609 Fax: 5542389 P.O.Box 2140 Amman 11181 Jordan

Khalda Branch
Tel.: 5534706 Fax: 5534593 P.O.Box 2140 Amman 11181 Jordan

Al Jubaiha Branch
Tel.: 5347937 Fax: 5354739 P.O.Box 2140 Amman 11181 Jordan

University of Jordan Branch
Tel.: 5355971 Fax: 5355974 P.O.Box 2140 Amman 11181 Jordan

City Mall Branch
Tel.: 5829970 Fax: 5857684 P.O.Box 2140 Amman 11181 Jordan

Abdoun Branch
Tel.: 5929871 Fax: 5929872 P.O.Box 2140 Amman 11181 Jordan

Al Rawnaq Branch
Tel.: 5829216 Fax: 5829042 P.O.Box 2140 Amman 11181 Jordan

Al Hurrieh St.- Mogablain Branch
Tel.: 4203289 Fax: 4203376 P.O.Box 2140 Amman 11181 Jordan

Sport City Branch
Tel.: 5159271 Fax: 5159304 P.O.Box 2140 Amman 11181 Jordan

Taj Mall Branch
Tel.: 5930485 Fax: 5930517 P.O.Box 2140 Amman 11181 Jordan

North Hashmi Branch
Tel.: 5051591 Fax: 5051648 P.O.Box 2140 Amman 11181 Jordan

Durret Khalda Branch
Tel.: 5510948 Fax: 5511416 P.O.Box 2140 Amman 11181 Jordan

Al Madina Al Monawara - Tla'a Al Ali Branch
Tel.: 5513129 Fax: 5513029 P.O.Box 2140 Amman 11181 Jordan

Sahab Branch
Tel.: 4025704 Fax: 4025693 P.O.Box 2140 Amman 11181 Jordan

Al Abdali Mall Branch
Tel.: 0796888561/508001 Fax: 5696291 P.O.Box 2140 Amman 11181 Jordan

Um Uthaina Branch
Tel.: 5543950 Fax: 5560258 P.O.Box 2140 Amman 11181 Jordan

Al Hurrieh Mall Branch
Tel.: 5609220 Fax: 4202104 P.O.Box 2140 Amman 11181 Jordan

Dahyet El Nakheel Branch
Tel.: 4791112 Fax: 5737128 P.O.Box 2140 Amman 11181 Jordan

Radio and Television St. Branch
Tel.: 5600904 Fax: 4011425 P.O.Box 2140 Amman 11181 Jordan

Medical City St. Branch
Tel.: 5600910 Fax: 5412471 P.O.Box 2140 Amman 11181 Jordan

Hay Al-Zaytouna Branch
Tel.: 5600907 Fax: 5349825 P.O.Box 2140 Amman 11181 Jordan

Al-Ameer Rashid District Branch
Tel.: 5600925 Fax: 5825726 P.O.Box 2140 Amman 11181 Jordan

Dahyet Al-Rasheed Branch
Tel.: 5600917 Fax: 5162557 P.O.Box 2140 Amman 11181 Jordan

Dabouq Branch
Tel: 5600928 Fax: 5411587 P.O Box 2140 Amman 11181 Jordan

Dabouq Al Hijaz Street Branch
Tel: 5600902 Fax: 5411585 P.O. Box 2140 Amman 11181 Jordan

Central Jordan

Salt Branch
Tel.: 05-3554925 Fax: 05-3554902 P.O.Box 2140 Amman 11181 Jordan

Zarqa Branch
Tel.: 05-3935740 Fax: 05-3984741 P.O.Box 2140 Amman 11181 Jordan

Faisal St. Branch – Zarqa
Tel.: 05-3932481 Fax: 05-3936728 P.O.Box 2140 Amman 11181 Jordan

New Zarqa Branch
Tel.: 05-3862582 Fax: 05-3862583 P.O.Box 2140 Amman 11181 Jordan

Zarqa Free Zone Branch
Tel.: 05-3826192 Fax: 05-3826194 P.O.Box 2140 Amman 11181 Jordan

Al Ruseifa Branch
Tel.: 05-3746912 Fax: 05-3746913 P.O.Box 2140 Amman 11181 Jordan

Airport Branch
Tel.: 4451310 Fax: 4451156 P.O.Box 2140 Amman 11181 Jordan

Free Zone / QAIA Branch
Tel.: 5600915 Fax: 5600920 P.O.Box 2140 Amman 11181 Jordan

Al Jeezah Branch
Tel.: 4460180 Fax: 4460133 P.O.Box 2140 Amman 11181 Jordan

Madaba Branch
Tel.: 05-3245080 Fax: 05-3244723 P.O.Box 2140 Amman 11181 Jordan

Al Jabal Al Shamali Branch
Tel.: 05-3744043Fax: 05-3744029 P.O.Box 2140 Amman 11181 Jordan

North Azraq Branch
Tel.: 05-3834310 Fax: 05-3834307 P.O.Box 2140 Amman 11181 Jordan

Souq Bab Al Madinah Mall
Tel.: 05/3850674 Fax: 05/3850675 P.O. Box 2140 Amman 11181 Jordan

North Jordan

Irbid Branch
Tel.: 02-7279704 Fax: 02-7276760 P.O.Box 2140 Amman 11181 Jordan

Al Hussun St. Branch
Tel.: 02-7270495 Fax: 02-7270496 P.O.Box 2140 Amman 11181 Jordan

Eidoun St. Branch
Tel.: 02-7258707 Fax: 02-7276504 P.O.Box 2140 Amman 11181 Jordan

Thirty St. Branch
Tel.: 02-7260120 Fax: 02-7248772 P.O.Box 2140 Amman 11181 Jordan

Hakama St. Branch
Tel.: 02-7408039 Fax: 02-7406375 P.O.Box 2140 Amman 11181 Jordan

Deir Abi Saeed Branch
Tel.: 02-5621619 Fax: 02-6521350 P.O.Box 2140 Amman 11181 Jordan

Al Hassan Industrial City Branch
Tel.: 06-7395396 Fax: 02-7395445 P.O.Box 2140 Amman 11181 Jordan

Rumtha Branch
Tel.: 02-7382535 Fax: 02-7381388 P.O.Box 2140 Amman 11181 Jordan

Ajloun Branch
Tel.: 02-6420842 Fax: 02-6420841 P.O.Box 2140 Amman 11181 Jordan

Al Turrah Branch
Tel.: 02-7360011 Fax: 02-7360200 P.O.Box 2140 Amman 11181 Jordan

Kufranjah Branch
Tel.: 02-6454350 Fax: 02-6454053 P.O.Box 2140 Amman 11181 Jordan

Jerash Branch
Tel.: 02-6352034 Fax: 02-6351433 P.O.Box 2140 Amman 11181 Jordan

Al Mafraq Branch
Tel.: 02-6230390 Fax: 02-6233316 P.O.Box 2140 Amman 11181 Jordan

North Shuneh Branch
Tel.: 02-6587588 Fax: 02-6587377 P.O.Box 2140 Amman 11181 Jordan

South Jordan

Karak Branch
Tel.: 03-2354107 Fax: 03-2353451 P.O.Box 2140 Amman 11181 Jordan

Ma'an Branch
Tel.: 03-2131590 Fax: 03-2131855 P.O.Box 2140 Amman 11181 Jordan

Aqaba Branch
Tel.: 03-2016542 Fax: 03-2014733 P.O.Box 2140 Amman 11181 Jordan

Exchange Offices

King Hussein Bridge - Arrivals Office
Tel.: 05-3581146 Fax: 05-3581147

King Hussein Bridge - Departures Office
Tel.: 05-3581099 Fax: 05-3581147

King Hussein Bridge - Arab Departures Office
Tel.: 05-5609200/ Ext. 59900 Fax: 05-3581147

Palestine Branch Network

Regional Management
Tel.: +97022411466 Fax: +970 22952705 P.O.Box 1328

Ramallah Branch
Tel.: +970 22411475 Fax: +970 22958684 P.O.Box 1328

Nablus Branch
Tel.: +970 92381120 Fax: +970 92381129 P.O.Box 1328

Jenin Branch
Tel.: +970 42505403 Fax: +970 42505402 P.O.Box 1328

Jenin Municipality Office
Tel.: +970 42505234 Fax: +970 42505231 P.O.Box 1328

Qabatiya Branch
Tel.: +970 42512482 Fax: +970 42512483 P.O.Box 1328

Gaza Branch
Tel.: +970 82865281 Fax: +970 82824341 P.O.Box 1328

Al Naser Branch
Tel.: +970 82857230 Fax: +97082859258 P.O.Box 1328

Hebron Branch
Tel.: +970 22224351 Fax: +970 22224350 P.O.Box 1328

Al Ram Branch
Tel.: +970 22343840 Fax: +970 22343842 P.O.Box 1328

Al Eizaryeh Branch
Tel.: +970 22790243 Fax: +970 22790245 P.O.Box 1328

Industrial Area Branch/ Ramallah
Tel.: +970 22963785 Fax: +970 22963788 P.O.Box 1328

Tulkarm Branch
Tel.: +970 92687882 Fax: +970 92687884 P.O.Box 1328

Bethlehem Branch
Tel.: +970 22749940 Fax: +970 22749941 P.O.Box 1328

Rafidia Branch
Tel.: +970 92343647 Fax: +970 92343747 P.O.Box 1328

Al Eersal Branch
Tel.: +970 22976315 Fax: +970 22976320 P.O.Box 1328

Albraid Suburb / Jerusalem Branch
Tel.: +970 22347482 Fax: +970 22347484 P.O.Box 1328

Al Tirah / Ramallah Branch
Tel.: +97022956211 Fax: +97022956232 P.O.Box 1328

Al-Khader Branch
Tel: +9702727430 Fax: 009702727427 P.O Box 1328

Bahrain Branch

Bahrain Financial Harbour/ West Tower
Tel.: +97316676767 Fax: +97316676768
P.O.Box 60676 Manama - Bahrain

Organizational Structure / Bank of Jordan - Head Office