bankofjordan.com

بنك الأردن
Bank of Jordan

Annual Report 2020

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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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2020

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/ Representative of Al-Ekbal Jordanian General Trading (LLC)

Vice Chairman

Mr. Walid Tawfiq Fakhouri/ Representative of Al Tawfiq Investment House - Jordan

Members

Dr. Yanal Mawloud Zakaria/ Representative of Al Yamama for General Investments Co. (Limited liability)

Mr. "Shadi Ramzi" Abd Al-Salam Al-Majali/ Representative of Al Araka for Investments Co.

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

Mr. Mohammad Anwar Hamdan

Mr. Husam Rashed Manna'

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

Mr. Walid Rafiq Anabtawi

Mr. Wissam Rabee' Saab

Mr. "Mohammad Sa-ed" Ishaq Jarallah (as of 18/10/2020)

Dr. Mazen Mohammad Al-Bashier / Representative of Arab Gulf General Investments & Transport Co. until 4/3/2020 (Deceased)

Chief Executive Officer

Mr. Saleh Rajab Hammad

Auditors

Kawasmy & Partners Co. (KPMG)

Chairman's Letter

Dear Shareholders,

March 3rd, 2020 marked the 60th anniversary of Bank of Jordan. Unfortunately, it was only the night before when the first COVID-19 case was detected in Jordan.

Needless to say, it was a challenging year!

We started the year 2020 with the news of the pandemic, and we ended it with the loss of our beloved founder and Honorary Chairman, Mr. Tawfiq Fakhouri. We vow to continue in his steps and to carry forward his vision of "Excel', individually and collectively.

In these times of global uncertainty and hardship, it is the Board of Director's duty to assure you that we can stand to the challenge. And yes, we fared well, and will continue to do so.

The Bank's business continuity planning prior to the onset of the crisis enabled us to run our operations remotely and to serve our clients fully during the multi-week full curfew earlier in the year. In several towns in Jordan, there were times when the only functioning ATMs, serving the larger community, were those of Bank of Jordan. Our contact center continued to fully serve our retail customers from day one. Our corporate and SME clients, who could not travel to our sites, received documents and cash at their locations. Our trade services did not stop, nor did any of our other operations.

Unfortunately, there was a significant toll on the larger economy. The prediction is that the global economy dropped by 3.5% in 2020. Similar numbers apply to the Jordanian economy. For the banking industry, curfews, boarder and sector closures, and the deteriorating retail and business environments, magnified the Expected Credit Loss (ECL) provisions that banks needed to book. This took a serious toll on banking sector profitability across the board.

Dear Valued Shareholders,

Our numbers in Year 2020 reflected these challenging local, regional, and global environments. Our net profit dropped to JOD 35.8 million, a 10.9% drop from a year earlier. The major culprit was the larger ECL provisions, which grew from 18.6 million in the year prior to 31.9 million in 2020. ECL accounts for expected credit losses in view of the challenging environment facing business and retail clients alike. We continue to maintain non-performing loan provisions (NPLs) above 107.2%, one of the highest ratios in the industry.

There were other significant pressures that affected our margins in 2020, mainly due to the Central Bank of Jordan's programs and initiatives. These included lowering interest rates across the board, with the CBJ overnight rate dropping by 150 basis points. Bank of Jordan also participated in CBJ business-support programs, offering loans at subsidized rates. As such, our return on assets (ROA) ratio dropped to 1.31%, with an 8.24% return on equity (ROE).

It is our judgment that a "New Norm' has emerged and that it is here to stay. We expect pressured margins to continue for the coming short years, and we expect an elevated risk environment, in business and retail, to continue for that period. We forecast unusual operational costs to persist beyond. We also see consumer behavioral changes lingering for the foreseeable future.
As such, we believe that improved risk management, enhanced operational efficiency, and functional digital mobility, combined with enhanced self-service capabilities, are the key for the Bank to thrive in the future.

In response to our expectations for such systemic changes and challenges, and aligned with our view of what is needed, the Bank took the decision to push ahead with certain strategic projects and initiatives. In particular, efforts to revamp our Enterprise Risk Management (ERM) framework moved full ahead and were actually expanded. Also, in 2020, we launched a program to redesign our Financial Performance management framework to better quantify costs and opportunities, and hence better manage them.

Further, we continued enhancing our mobility customer experience through improving the mobile banking platform and the Contact Center experience, such as by introducing Zoom-based services, including onboarding.

Also, we continue to drive other back-office initiatives for operations and finance that touch upon our operational model, including back-office automation and process and content reengineering. We are in the process of reflecting these operational model changes organizationally. And we continue to invest in the technical infrastructure, such as Cloud-based computing and information security. We have also launched an information architecture design program to revamp our data infrastructure to allow us to better utilize the wealth of data available, internally and externally, to better conduct our business and serve our clients.

In conclusion, we are hopeful for the future. We do remain confident that we are addressing the needs of this new and changed environment. As importantly, we are seeing signs that the world, as a whole, continues to adapt to this new norm. Between the plethora of vaccines made available in very short order, combined with the better understanding of the disease and its management, on one hand, and the huge fund-injections carried out by most central banks on the other, the expectations for global growth in 2021 has risen to 5.5%, with the expectations for Jordan standing at 2.5%. As such, macroeconomic models and related ECL forecasts have improved significantly from the Q2 bottom to reflect a much better overall outlook in Q4. We expect the picture to continue to improve due to these drivers, even in the face of the multiple variants of the COVID-19 disease currently circulating.

Dear Esteemed Shareholders,

Your bank continues to command a strong financial standing. Shareholder equity grew by 9.8% to reach JOD 454.8 million, with our loan portfolio growing to JOD 1.5 billion (a 4.1% rise) and our customer deposit base staying rather steady at JOD 1.9 billion. Our capital adequacy ratio stands at 19.08% and our legal liquidity ratio at 130.7%.

This strong standing allows the Board of Directors to recommend distributing 0.12 JOD/share as dividends, the maximum allowed by Central Bank of Jordan mandate.

Our continuing appreciation extends to you, our investors, for your support and continued patronship of the Bank. We extend special thanks to the team in Jordan, Palestine, Syria, and Bahrain, for their hard work to keep the Bank and its customers running during this difficult environment. Their drive to excel is well noted and appreciated.

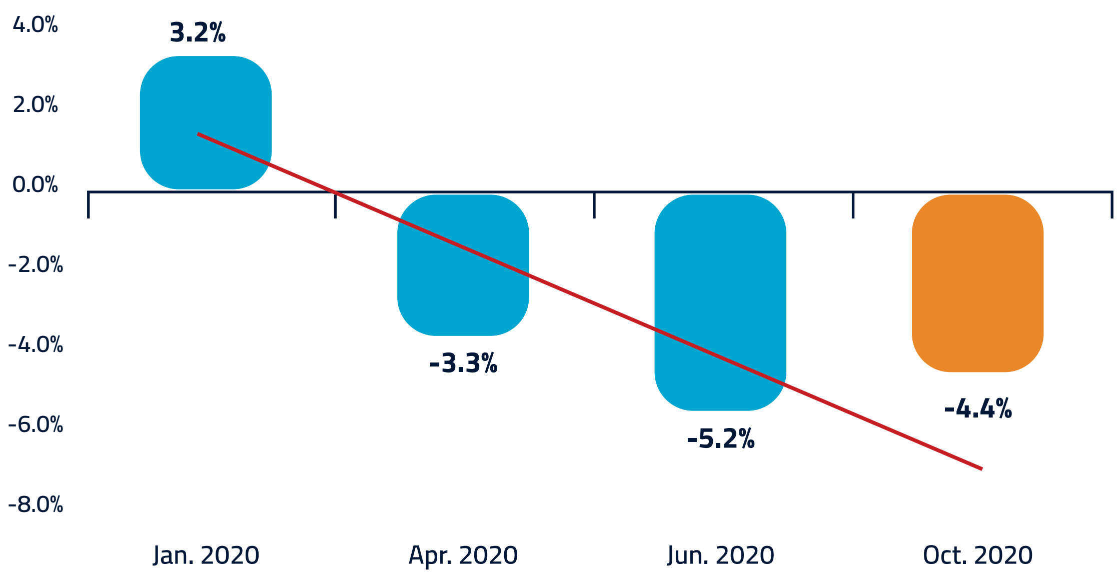
Yours very truly,
Shaker Tawfiq Fakhouri
Chairman of the Board

Board of Directors' Report 2020

Economic Performance 2020

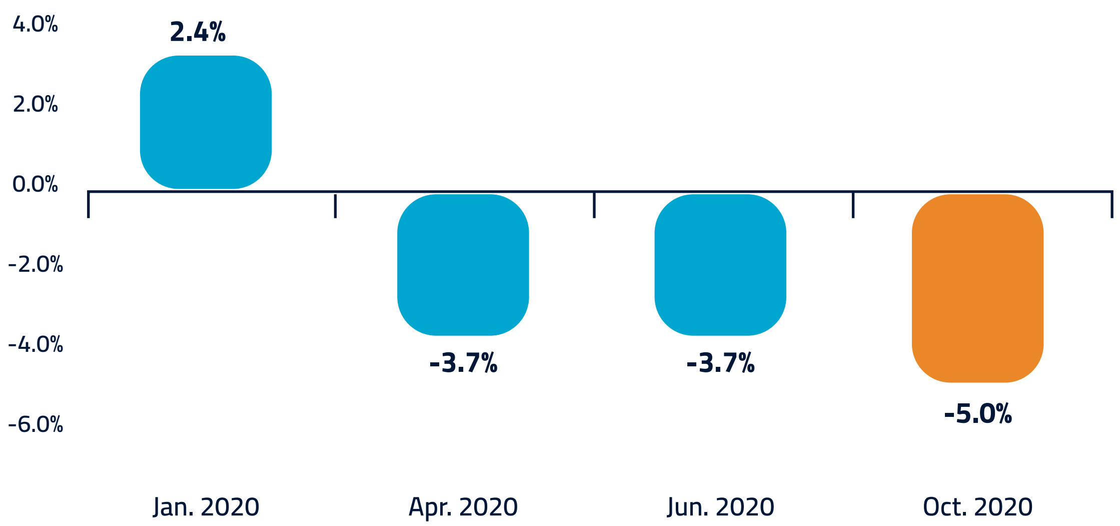
A state of uncertainty dominated the economic performance around the world during 2020 as a consequence of the COVID-19 pandemic, described as the worst since the Great Depression. The International Monetary Fund (IMF) projected a 4.4% decline in the global economy for 2020, with 85% of the global economy entering a public shutdown for several weeks. To explain, the service-oriented economies and the oil-exporting countries would be more vulnerable to weak recovery levels than the manufacturing economies. Regionally, growth in the Middle East and Central Asia was expected to drop by an average of 4.1% in 2020, as growth prospects were revised sharply downwards this year, especially for economies depending on service activities or mainly on oil imports.

Global Economic Outlook Comparison -IMF



Domestically, COVID-19 pandemic had a negative impact on the Jordanian economy, as internationally and domestically expected. The Jordanian economy recorded a turndown for the first time in its history, where the GDP at constant prices declined in the second quarter of 2020 by 3.6%, compared to a growth of 1.7% in the same quarter of 2019. During the first half of 2020, the GDP at current prices recorded about JD 14.6 billion, a 1% decline compared to the first half of 2019. The growth rate at constant prices also recorded a 1.2% decline during the first half of 2020, compared to a 1.9% rise in the same period in 2019. According to the latest IMF forecasts, the Jordanian economy is expected to shrink by 5% in 2020.

Jordan Economic Outlook Comparison – IMF



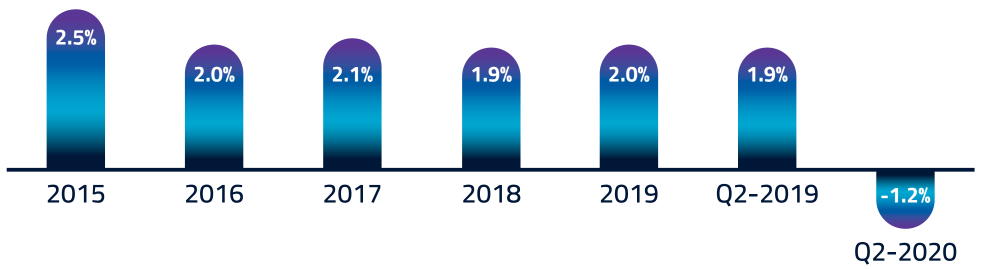
Key Jordanian macroeconomic indicators, in light of the COVID-19 impact on economy, are as follows:

1. Tourism Income, Worker Remittances, and Real Estate Trading: The CBJ's figures showed a decrease in travel receipts income by 70% in the first eight months of 2020 to record JD 839 million, as well as a decrease in workers' remittances by 10% in the same time span to record JD 1.6 billion. The figures of the Department of Land showed a decline in the real estate market in Jordan during the first ten months of 2020 to record a value of JD 2.6 billion, a decrease of 28% compared to the same period in 2019.
2. External Trade: Total exports dropped by 5.5% in the first nine months of 2020 compared to the same period in 2019, recording around JD 4.2 billion, and imports also decreased by 13.8% to record about JD 8.8 billion. This led to a decrease in the trade balance deficit by 20% to reach about JD 4.7 billion by the end of September 2020 compared to the same period in 2019.
3. Public Finance: Total domestic revenues and foreign grants saw a decrease in the first eight months of 2020 to record JD 4.74 billion, a decrease of JD 131.2 million (2.7%). Expenditure, in the meantime, edged up during the same period to record about JD 5.77 billion, marking an increase of JD 11.6 million (0.2%). This left the budget with a deficit, grants included, of JD 1.035 billion during the first eight months of 2020, compared to JD 892.3 million for the same period in 2019.
4. Public Debt: The total public debt (external and internal) increased at the end of the first eight months of 2020 to record JD 33.2 billion, or 106.4% of GDP estimated for the end of August 2020, an increase of 10.4%, JD 3.1 billion, compared to the end of 2019.
5. Unemployment Rate: Figures showed an increase in 2020 Q3, hitting 23.9% of total workforce compared to 19.1% in 2019 Q3. This is an alarming sign as local and international estimates indicated that the unemployment rate might rise to 35% if the COVID-19 repercussions continued to reverberate.
6. Amman Stock Exchange: Given the slowdown in business activity in general and trading in the ASE in particular, the cumulative trading value reached JD 867.6 million at the end of the first eleven months of 2020, compared to JD 1,427.0 million at the end of November 2019, recording a drop by 39.2%, JD 559.4 million. Market capitalization fell to about JD 12,372.0 million, or 16.2%, at the end of November 2020, compared to the same period in 2019.
7. Deposits and Credit Facilities: Customer deposits with the Jordanian banking sector increased to record JD 36.3 billion at the end of October 2020, a rise of 2.7% compared to the end of 2019. Dinar deposits rose by 2.8%, recording JD 766.4 million, while foreign currency deposits grew by 2.5%, reaching JD 204.2 million. Credit facilities also rose to record JD 28.7 billion at the end of October 2020, a rise of 6% compared to the end of 2019. Total foreign currency reserves at the Central Bank of Jordan at the end of October 2020 reached USD 12.1 billion, recording a slight decrease of 0.9% compared to the end of 2019.

Gross Domestic Product:

GDP at constant prices shrank during the first half of 2020 due to the Jordanian economy being affected by the negative repercussions of COVID-19, recording a 1.2% decline compared to the same period in 2019. This came as a result of the decline in performance suffered by most economic sectors during the first half of 2020: a decline of 4.4% in the transport and communications sector, 4% in the construction sector, 2.6% in the manufacturing sector and trade, hotel and restaurant sector, 1.8% in the mining and quarrying sector, and 1.2% in the water and electricity sector.
Other economic sectors saw a growth in their performance during the first half of 2020 compared to the same period in 2019: a growth of 1.9% in the financial, insurance, real estate, and business services, 1.6% in agriculture and 1.4% in government services.

Gross Domestic Product (%) 2015 - Q2-2020



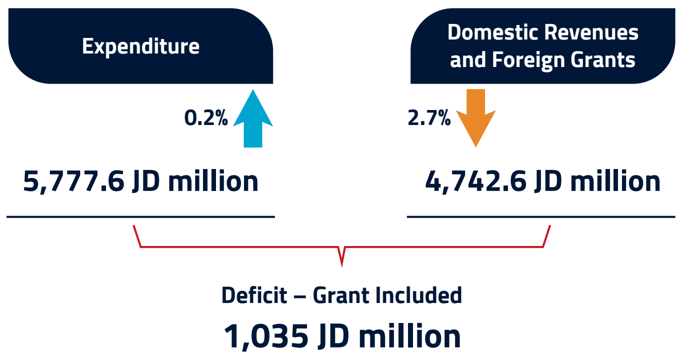
Inflation during the first ten months of 2020 recorded a rate of 0.43% compared to 0.30% for the same period in 2019. Among the key commodity groups that contributed to such increase were dairy products, vegetables, dry and canned cereals, fruits and nuts, tobacco and cigarettes, while the key commodity groups that saw a drop in prices were fuel, lighting, rent and clothing.

Public Finance:

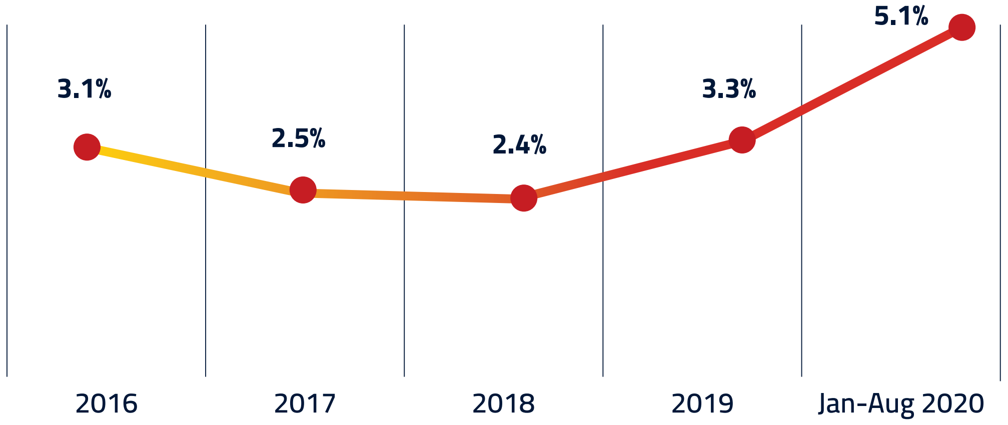
The public financial indicators for 2020 were impacted by the complete and partial shutdown as a result of the COVID-19 pandemic and the measures taken to contain its spread. Total domestic revenues and foreign grants dropped in the first eight months of 2020 to record JD 4.74 billion compared to JD 4.9 billion for the same period in 2019, a decrease of JD 131.2 million (2.7%). Foreign grants amounted to JD 623.3 million during the first eight months of 2020, compared to JD 151.8 million for the same period in 2019. Domestic revenues reached JD 4.12 billion during the first eight months of 2020 compared to JD 4.72 billion for the same period in 2019, a decrease of JD 602.7 million (12.8%) compared to the same period in 2019.

The drop in domestic revenues came as a result of the decrease in non-tax revenues by around JD 852.9 million and the increase in tax revenues by around JD 250.2 million. Expenditure reached JD 5.77 billion during the first eight months of 2020 compared to JD 5.76 billion for the same period in 2019, an increase of JD 11.6 million (0.2%). The rise in total expenditure was attributable to the increase in current expenditure by JD 136.7 million (2.6%), while capital expenditure decreased by JD 125.1 million (26.7%) for the same comparison period.

This left the budget with a deficit, grants included, of JD 1,035 million during the first eight months of 2020, compared to JD 892.3 million for the same period in 2019. Excluding grants, the budget deficit hit JD 1,658.3 million at the end of the first eight months of 2020, compared to a deficit of JD 1,044 million for the same period in 2019. Domestic revenues financed 75.8% of current expenditure at the end of August 2020, compared to 89.1% for the same period in 2019.



% of the Budget Deficit (Grants Included) to GDP



Accordingly, the total public debt amounted to JD 33.2 billion at the end of August 2020, or 106.4% of the GDP projected for the end of August 2020, compared to JD 30.1 billion, or 95.2% of GDP for 2019. It is worth noting that the accumulated debt of the National Electric Power Company (NEPCO) and Water Authority reached around JD 7.6 billion at the end of August 2020. The net public debt (internal and external) amounted to JD 30.4 billion, or 97.7% of GDP projected for the end of August 2020 against around JD 28.8 billion, or 91.1% of GDP for 2019.

The Monetary and Banking Sector:

The Jordanian banking sector demonstrated high resilience and strong performance during the year 2020. Despite the negative impacts of COVID-19 pandemic on national economy with all its various sectors, indicators confirmed the strength of the banking sector and its ability to absorb the repercussions of COVID-19 without any significant impact on these indicators.

The banking sector was supported by a package of precautionary measures launched by the Central Bank of Jordan with the aim of containing the negative repercussions of COVID-19 on domestic economic performance. The most prominent of those measures was the one allowing banks to restructure loans for individuals and corporates, especially the SMEs affected by the pandemic, by postponing the payment of loan installments without commissions and delay interests. Another measure allowed the rescheduling of credit facilities for the affected companies without undermining their CRIF credit score. Moreover, the CBJ injected additional liquidity of JD 1,050 million into national economy through reducing the legal reserve from 7% to 5%, reducing financing costs, and increasing the terms of existing and future credit facilities for economic sectors, including SMEs, through the CBJ's program to finance and support economic sectors with an amount of JD 500 million.

The Jordan Loan Guarantee Company's procedures were also supported by reducing the Company's program commissions and increasing the insurance coverage for the local sales guarantee program. Interest rates on monetary policy instruments were reduced by a total of 150 basis points, with the aim of reducing financing costs and debt servicing for all economic activities. The CBJ also reduced the financing costs for its program to support the development of the economic sectors.

Key financial soundness indicators of banks operating in Jordan	End of 2019	First half of 2020
Capital adequacy ratio Well above regulatory requirements	18.28%	17.93%
Liquidity ratio The minimum required by the Central Bank of Jordan is 100%	133.8%	129.9%
Ratio of non-performing loans to total credit facilities (Low and within safe levels)	5.0%	5.4%

As regards the performance of the banking sector in 2020, in light of all the aforementioned data, domestic liquidity until the end of the first ten months of 2020 surged by 4.7%, hitting around JD 36.6 billion, compared to the liquidity levels at the end of 2019.
Customer deposits with the banking sector rose by 2.7% (around JD 970.6 million) at the end of the first ten months of 2020, compared to the end of 2019, settling at JD 36.3 billion. The largest increase was in dinar-denominated deposits, which grew by 2.8% (around JD 766.4 million), reaching about JD 27.9 billion. Foreign currency deposits rose by 2.5% (JD 204.2 million) for the same period to reach about JD 8.4 billion.

Total assets of the banking sector	JD 55.9 billion	%4.3+ Compared to the end of 2019
Total deposits with the banking sector	JD 36.3 billion	%2.7+ Compared to the end of 2019
Total credit facilities in the banking sector	JD 28.7 billion	%6.0+ Compared to the end of 2019

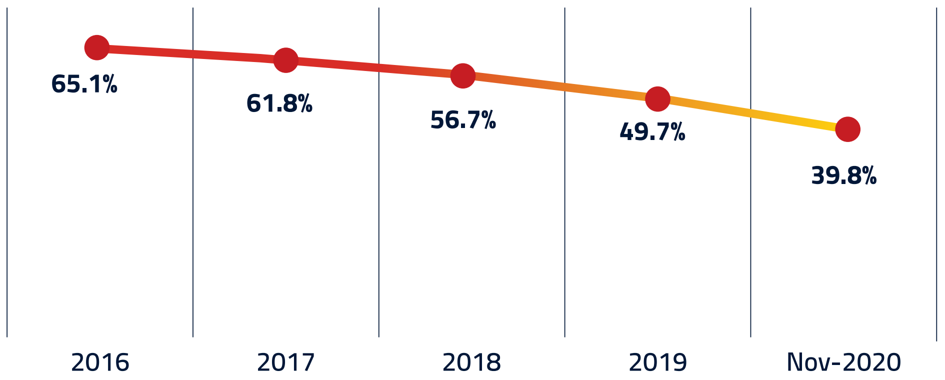
Credit facilities grew by 6% (JD 1.6 billion), compared to their balance at the end of 2019, reaching JD 28.7 billion. In terms of the growth of credit facilities by economic activity compared to the end of 2019, the credit facilities granted to the Agriculture sector recorded the highest growth rate, reaching 22.3% (JD 75 million), followed by the Tourism, Hotels and Restaurants sector, with a growth rate of 11.9% (JD 76 million). The credit facilities granted to the Transport sector also rose by about 8.5% (JD 29 million). As for the key sectors that contributed to the achieved growth of JD 1.6 billion, the "Others" sector (retail) contributed by 29.4% of the achieved growth, General Trade by 19.1%, and then the Construction by 16.3%. The banking sector assets grew to about JD 56 billion, recording an increase of about 4.3% compared to their balance at the end of 2019.

The weighted average interest on deposits and credit facilities in the banking market suffered a decrease during the first ten months of 2020, averaging 0.25% on demand deposits, 0.33% on savings deposits, and 3.69% on time deposits at the end of October 2020. This represents a drop of 19 basis points for demand deposits, 33 basis points for savings deposits, and 115 basis points for time deposits compared to their levels at the end of 2019. For overdraft, the weighted average interest on facilities at the end of October 2020 reached 7.27%, a drop of 122 basis points from its level at the end of 2019. On loans and advances, it dropped by 133 basis points, reaching 7.16%. On discounted bills, it also recorded a drop of 90 basis points, averaging 8.65% compared to its level at the end of 2019.

Amman Stock Exchange (ASE):

In light of the slowdown in business activity during 2020, Amman Stock Exchange took a significant downward trend, with the trading value dropping by 39.2% at the end of the first eleven months of 2020 compared to the same period of 2019. Market capitalization of listed stocks plummeted by 16.2% to JD 12.4 billion, compared to the same period in 2019. The Share Price Index weighted by market capitalization also fell by 16.7% to 2,898.8 points compared to 3,479.5 points for the same period in 2019. The contribution of non-Jordanian investments in listed companies during the first eleven months of 2020 stood at 51.3%, the same as their share for the same period in 2019.

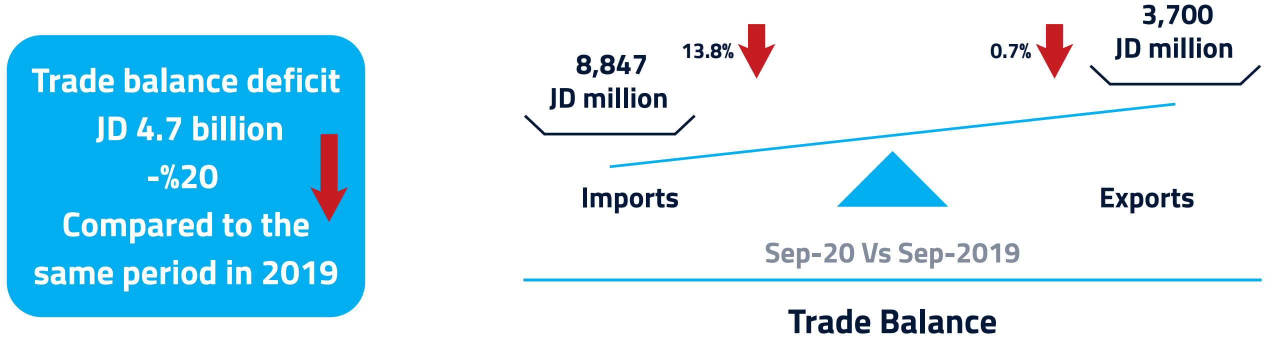
Market Capitalization to GDP %



External Trade:

External trade (national exports and imports) dropped by 10.3% (JD 1.4 billion) in the first nine months of 2020, compared to the same period last year, bringing its volume to about JD 12.5 billion. National exports dropped by 0.7% (around JD 27.5 million) in the same comparison period, reaching nearly JD 3.7 billion. The US market ranked first among the importing countries from Jordan with 25.2% of national exports, followed by the Saudi market by 11.7% and the Indian market by 9.8%.

As for the Kingdom's imports during the first nine months of 2020, they dropped by 13.8% (JD 1.4 billion), reaching around JD 8.8 billion. China came in first place among the exporting countries to Jordan with 15.9% of national imports, followed by Saudi Arabia by 12.7% and the US by 7.9%. With regard to the commodity composition of imports, crude oil and its derivatives accounted for 8.2%, followed by transport vehicles and spare parts by 7.6%, and textile yarns and their products by 5.3% of total imports. As a result of developments in external trade, the trade balance deficit narrowed by 20% to JD 4.7 billion, compared to the same period in 2019.



Trade Balance

2021 Economic Performance Outlook:

The global economy suffered an unprecedented decline in 2020 due to the COVID-19 repercussions. The pandemic prompted most countries of the world to take uncommon measures, including restrictions on activities and businesses, social distancing policies, and comprehensive and partial curfews that extended for several months in a large number of countries. In light of these data, the IMF projected a 4.4% decline in the global economy in 2020. It, however, predicted an unprecedented growth of 5.2% in 2021 thanks to the glimmers of light seen at the end of 2020 with the announcement of promising vaccines by a number of international pharmaceutical companies. In this context, the IMF projected a growth rate of 8%, the highest global growth rate, for the Emerging and Developing Asian economies, 5.2% for the Eurozone, and 3.1% for the US economy in 2021.

Given this situation, economic growth in Jordan headed towards a slowdown in 2020 due to the COVID-19 pandemic. As internationally projected, the Jordanian economy would contract by 5% in 2020 (October 2020 World Economic Outlook, IMF) compared to the previous forecast of a 3.7% decline (June 2020 World Economic Outlook, IMF). According to the IMF, Jordan's economy is predicted to grow in the coming year by 3.4%, a rate higher than that projected in the draft State Budget for 2021, assuming a growth rate at constant prices of 2.5% in 2021. Inflation, measured by the relative change in consumer prices, is expected to be about 1.3% in 2021. National exports are estimated to grow by 6.5% while commodity imports are expected to increase by 7.1% in 2021. Despite expectations that the pandemic will start to recede in 2021, the economic growth outlook will be precarious until seeing the results of the sectors' performance and their response to the vaccination campaigns locally and regionally, as well as actual recovery and gradual return to normal life.

As for Jordan's draft budget for 2021, public revenues are estimated at JD 7.9 billion. Expenditure is projected at JD 9.9 billion, JD 565.4 million higher from the revised estimates for 2020. Accordingly, the deficit, including foreign aid, is estimated at JD 2.05 billion, or 6.5% of the estimated GDP, against JD 2.16 billion re-estimated for 2020 or 7.1% of GDP. Excluding foreign aid, the deficit is forecast at JD 2.6 billion, or 8.3% of estimated GDP, against JD 3.01 billion re-estimated for 2020 or 9.8% of GDP.

The IMF Executive Board concluded the first review of Jordan's performance under the program supported by the Extended Fund Facility (EFF). Jordan's four-year EFF of USD 1.3 billion was approved by the IMF's Board in March 2020, as the first program launched by the IMF in the wake of the COVID-19 pandemic. The Board commended the Jordanian government for the measures taken to contain the health and economic fallout of COVID-19, noting that the pandemic had impacted the Jordanian economy significantly, but the authorities responded to it in a timely manner. It also commended the Ministry of Finance for managing to pay all its financial obligations and dues on time. Despite the serious challenges brought on by the pandemic, the government reaffirmed its commitment to gradually rebuild buffers through reforms and stop the increase in public debt. This is due to the fact that the program is based on the priorities set by the government and involves many structural reforms aimed at reducing the cost of doing business, improving government transparency, and increasing public revenues by combating tax evasion and tax avoidance without introducing any new taxes or raising any existing taxes.

Achievements 2020

In 2020, Bank of Jordan's financial performance was impacted by the regional and domestic economic downturn due to COVID-19 repercussions on the business sectors – corporate, retail and SMEs – and the lowering of interest rates in the banking market as well as the high uncertainty that prevailed in the business environment. In light of these economic changes and challenges, BOJ took it upon itself to conduct its business efficiently and competently and adopt a hedging strategy that would ensure business sustainability and maintain sustainable growth and stability with the highest risk management standards. Concurrently, the Bank continued its quest for excellence by launching new banking services and products and developing existing ones in an effort to further improve customer experience and meet their aspirations.

To become the best choice for customers, BOJ adopted and implemented projects and work programs aimed at streamlining, developing, and automating its operations, thus facilitating banking transactions for customers. It was also keen to keep abreast of the latest technological developments in electronic applications and alternative channels, and was able to make its mark on technology and digital transformation towards operational efficiency and scalability. Furthermore, BOJ continued its focus on adopting efficient resource management.

Bank of Jordan's Vision for 2020 aimed to make a quantum leap in the performance of retail banking and operations by implementing a set of projects to develop the Bank's technological and service infrastructure and improve products by keeping pace with the latest technologies in the banking industry. This would attract new segments of customers and strengthen relationships with existing ones. The business sectors built their operational plans for 2018 and 2019 based on the Bank's Vision to ensure alignment with the Bank's overall and sectoral levels, guided by the balanced scoreboard tool to bridge the gap between the strategy building process and the implementation process. During the first and second phases, the Bank's Vision resulted in a set of achievements in terms of developing the technological infrastructure and electronic and digital distribution channels, being among the most important competitive pillars in the Jordanian banking sector. As for 2020, a set of strategic projects, such as electronic content management, risk management, and database system improvement, were continued, and a new project to improve corporate financial performance was launched. The COVID-19 pandemic also accelerated the completion of digital solutions and modern payment methods to keep pace with the latest financial technology trends.

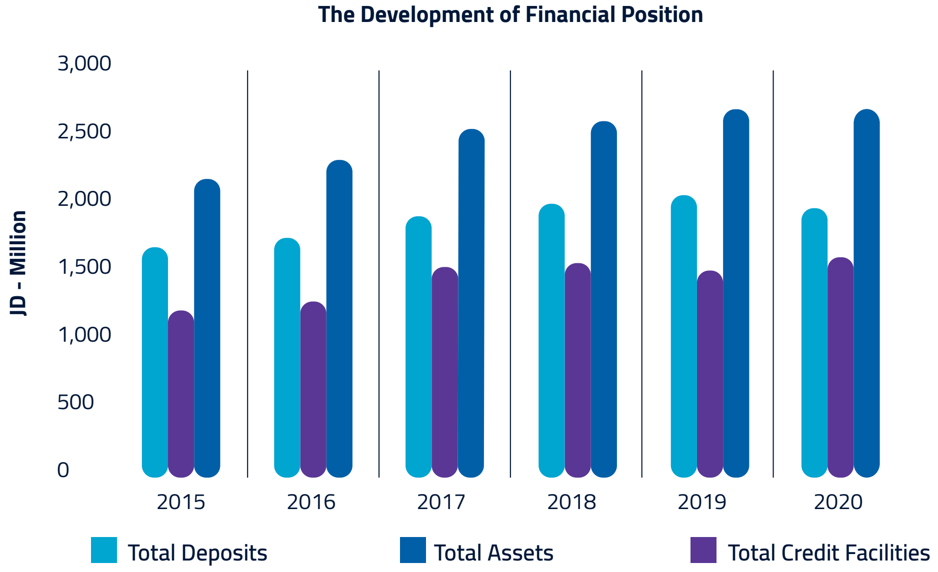
The COVID-19 crisis posed major economic challenges that overshadowed the markets in which BOJ operated. This led to a state of uncertainty about the extent of the continuity and depth of the actual repercussions of the crisis, in its whole picture, on the economic sectors. Consequently, it was decided to shift to short-term operational planning through "management by objectives" by adopting the estimated budget and approving the next year 2021 as an extension of the previous strategy (2018-2020) to be able to complete achievements, especially at the level of high-priority projects, and read the actual impact of the crisis. The Bank, however, viewed these challenges as an opportunity to work to reorganize business operations and address internal challenges.

Financial Results:

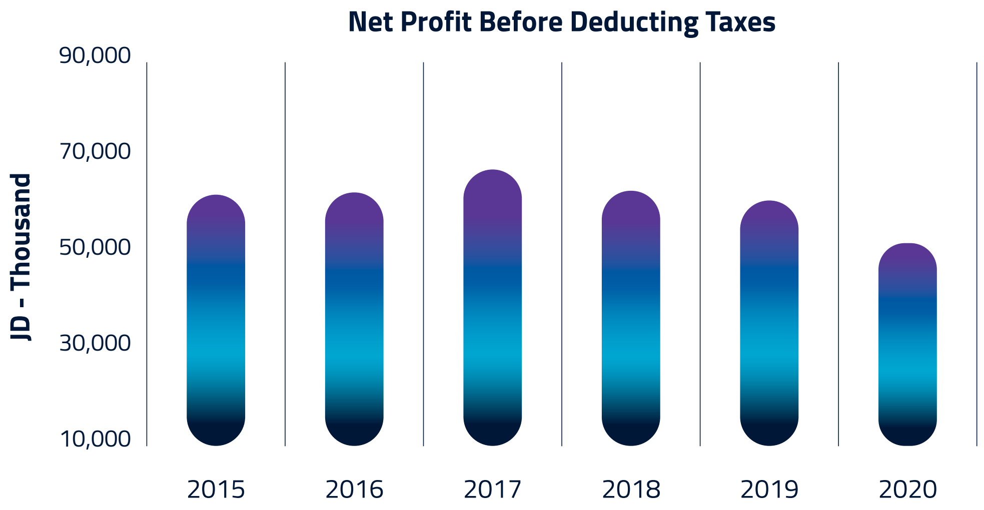
In light of the economic changes and challenges posed by the coronavirus pandemic and the accompanying economic downturn in the countries in which the Bank operates and disruption of businesses and most sectors of the economy due to the enforcement of partial and comprehensive curfews and social distancing policies, the Bank felt compelled to be more prudent and cautious in directing credit facilities to the affected sectors. The Bank also found it an opportunity to expand financing to the sectors that would witness a boom as a consequence of the crisis.

Accordingly, BOJ took it upon itself to conduct its business efficiently and competently and adopt a hedging strategy that would ensure business sustainability and maintain sustainable growth and stability with the highest risk management standards. Total assets recorded JD 2.7 billion at the end of 2020, an increase of 0.2% compared to the end of 2019. Shareholders' equity also reached JD 454.8 million. In terms of fund investments, the Bank's credit portfolio (at amortized cost) grew to JD 1.47 billion, recording an increase of 4.1% compared to 2019, as credit facilities extended to the retail sector rose by 14.2%, JD 69.3 million, and those extended to SMEs increased by 0.8%, JD 1.9 million. Credit facilities to the corporate sector dropped by 14.2%, JD 62.3 million, compared to the end of 2019.

As for the sources of funding, figures show that customer deposits slid down by 0.5% to JD 1.9 billion, which had no effect on customers' financing requirements and the Bank's liquidity needs. Saving accounts and demand deposits rose to JD 855.3 million and JD 549.1 million respectively, while time deposits and CDs fell to JD 470.3 million and JD 34.4 million respectively.



In view of the foregoing, the Bank allocated more provisions to address any current or potential circumstances associated with the coronavirus pandemic and the state of uncertainty as to the future course of events, and to further strengthen its investment and credit portfolios to face any present or future damage to its retail, corporate and SME customers. Financial assets expected credit loss provision increased by JD 13.2 million, causing a decrease in the net profits to the Bank's shareholders to record JD 35.8 million at the end of 2020, coupled with a drop in the Bank's operating profit by 8.8% to record JD 127.8 million. This was a direct result of the CBJ's lowering of interest rates on its monetary instruments and consequently their decrease in the banking market and the decline in the utilized assets of the corporate sector due to the weak import and export activity.



The coverage ratio of provisions for non-performing loans (net interest in suspense and cash margin) reached approximately 107.2%, one of the best ratios in the banking sector. As for liquidity ratios, the Bank enjoyed comfortable liquidity levels exceeding the requirements of regulatory authorities in the countries in which it operates, with legal liquidity reaching 130.7% at the end of 2020. The regulatory capital adequacy ratio reached 19.08% higher than the ratio of 14.50% set according to the requirements of Basel III and the regulatory authorities, and higher than the average of the banking sector of 17.93% as at the end of the first half of 2020.

Competitive Position:

Bank of Jordan maintained its position as a market leader. It also continued to implement its prudent credit and investment policies to maintain a quality credit portfolio through the efficient investment of funds in various productive economic activities according to market variables. BOJ - Jordan held a market share of 4.12% of customer deposits and 4.27% of credit facilities at the end of November 2020. Its market share of the Palestinian banking sector was 3.67% of customer deposits and 3.83% of credit facilities by the end of November 2020. In Syria, BOJ claimed a market share of 1.92% of deposits of private banks and 3.52% of credit facilities provided by private banks at the end of September 2020 (according to the most recent data) compared to the end of the previous year.

Products and Services:

Bank of Jordan continued to provide various products and services to its retail, corporate and SME customers and investment activities. In 2020, BOJ launched a number of campaigns and programs for its retail customers and worked on meeting the financing needs of its corporate and SME customers. A team of efficient and professional employees of the Bank took up to provide the best level of service to customers.

Retail Services and Communication Channels:

The Bank continued its developmental process to enrich the products and services provided to retail customers, and design them in a way that would reflect the customers' needs and aspirations. It also pressed ahead with introducing modern digital solutions and improving customer experience in line with the developments in the banking industry.

To keep up with modern payment systems, BOJ launched the BOJ Smart Sticker product for debit cards. The sticker is affixed to devices, such as mobile phones, to enable customers to make purchases through POS devices locally and internationally, using the contactless feature. Through the BOJ Mobile app, a new withdrawal service was launched, enabling BOJ customers to make cardless withdrawals from BOJ's ATMs. In this regard, the ceiling for contactless purchases made without using a PIN number via Debit and Prepaid Cards and BOJ Smart Sticker was modified, becoming JD 150 per day, without weekly or daily limits for the number of transactions. Basira app was launched for visually impaired and elderly customers, with the aim of facilitating the delivery of information to all BOJ customers through modern and advanced technologies. The application converts the Braille alphabet, which is usually printed on embossed brochures, into a spoken and audible language in Arabic, therefore giving all segments of society access to banking services, especially the visually impaired and those with reading difficulties. CliQ, an instant payment service, was also launched through BOJ Mobile app, allowing customers to transfer and receive money from local banks using the service through multiple options (e.g. IBAN number, alias, phone number). Reflecting the Bank's constant endeavor to provide the best and latest services to its customers and to preserve public safety, it launched the account opening service for retail customers through ZOOM platform. Through this service, customers would be able to open a bank account by visiting the Bank's website and choosing the "Open Your Account with ZOOM" service with the option of completing the process either through the branch employees or via the contact center using the call recording feature and satisfying the conditions for opening the account without the need to visit the branch.

In 2020, the Bank began implementing a gradual branch digital transformation plan by transforming the old operating system into a new one in line with the Bank's strategy to promote readiness and customer focus and provide all products and services to customers anytime, anywhere and through various channels. The new branch operating model was applied to a group of branches. The Dynamic Voice of Customer system was also launched to measure customer experience through conventional, electronic, and digital distribution channels, by sending text messages to customers immediately after each transaction. The system was deployed in a number of branches (28 branches in the first phase) to get feedback from customers regarding the services provided through those branches.

In line with its strategy to promote customer focus and service delivery, and develop digital and electronic channels to serve current and future customers, the Bank continued to introduce new services and improvements to the BOJ Mobile application. Being an ongoing project developed to provide a main channel for modern banking services, BOJ Mobile was designed with a view to eventually directing retail customers to use it as an alternative to the branch. BOJ Mobile was also made available for Huawei phone users via Huawei AppGallery. In this context, the Bank's website was re-designed to fit the new brand identity and take advantage of the latest available technologies.

As for the ATM network, a set of ATMs in Jordan were replaced by more advanced ones in terms of the features and services provided, and new ATMs were installed across Amman Municipality, bringing the total number of ATMs in Jordan to 176. New branches were opened (e.g. Free Zone - Airport, Dahiyat Prince Rashid, and Dahiyat Al-Rasheed), and Kufranjah branch was relocated. In Palestine, modernization works for the Al-Eizaryeh and Tulkarm branches were completed. The number of ATMs reached 45.

With the aim of providing distinct and flexible financing solutions to customers, the Bank launched a campaign targeting salaried customers (earning JD 700 or more), allowing them to receive new personal loans of JD 20,000 or more. Customers would be awarded a cash prize according to the net value of the new loans granted to them. A loan buyout campaign was also launched to promote the Bank's competitiveness in the housing loan product. The housing loan "Beitna" campaign was relaunched in its new look with many advantages.

Under the adverse health circumstances arising from the COVID-19 pandemic and given customers' desire to have cash to pay their monthly expenses, a personal loan campaign "6 installments" was launched to encourage a selected segment of customers to top-up their existing loans with the lowest requirements. Top-up applications were amended in terms of the incoming application processing mechanism regarding pricing, commissions charged, and course of operations.
The Auto 70/30 campaign was also renewed in 2020 for new cars/agencies. Bank of Jordan subscribed to Tamweelna, a smart business portal, to be able to reach customers through Tamweelna's network of merchants and companies. As for credit cards, BOJ launched a number of promotional and cashback campaigns in 2020. Moreover, it issued checkbooks on credit cards, enabling customers to obtain a five-page checkbook once a year under certain conditions and determinants. Customers would receive discounts and offers when using BOJ credit and debit cards.

For Palestine branches, the Bank continued to develop products and services to meet customer needs and expectations. Among the most prominent achievements in this field was the launch of a personal loan campaign with competitive advantages. A Top-Up campaign was also kicked off for public and private sector payroll customers. The Bank also launched a mortgage-backed personal loan campaign along with a personal loan campaign for medical professionals, a group of self-employed, and military people. Additionally, the Bank introduced a series of promotional campaigns and card discounts in Palestine branches. A number of VIP lounges were dedicated for Visa Platinum cardholders. Moreover, auto loan campaigns were launched with multiple advantages and easy procedures. A data update campaign was introduced to provide customers with appropriate products and complete customer database. The Bank allowed loan installments to be postponed in order to meet customer needs according to the degree of their vulnerability to the COVID-19 pandemic, as per the Bank's policy and in line with government efforts in this regard.

Corporate Services:

Despite the challenges that faced the corporate sector due to COVID-19, Bank of Jordan continued to promote its activities to serve large businesses. In order to compete strongly and maintain its market share, the Bank focused on the process of preparing relationship managers to address market challenges and enhancing their capabilities in all aspects. Key sectors financed during 2020 were the trade, industry, services, electricity, and water sectors.

To promote marketing capabilities, distinct marketing methods and approaches were adopted to enable relationship managers to identify and attract companies operating in the market. Mechanisms were developed to track marketing activities, including: an automated system for managing marketing opportunities (KINZ), sector studies prepared by the Studies Department on the corporate banking and commercial banking sectors, lists of the best corporate customers, and visit reports. Productivity was also linked to marketing activities, and relationship managers' achievements were monitored.

It is worth noting that the presence of BOJ, through the Bahrain branch, contributed to strengthening the Bank's regional presence and allowed building new partnerships and expanding the provision of a range of financial solutions and trade financing products to sovereign funds, companies and financial institutions, through syndicated loan arrangements and securities investments in the Gulf and Egypt. This step would enhance the Bank's position in the MENA region and strengthen relations with financial and banking institutions alike.

A new banking transaction management function was created and tasked with improving cash management, external trade financing and upgrading digital services for corporate and SME customers in line with the best practices in this area. Accordingly, the organizational process was completed, and the said function was established to manage product goals and banking transactions for cash management, finance, trade exchange and securities services. It would also study the needs and desires of customers, and then develop and sell tailored banking products and services to them.

SMEs Services:

Bank of Jordan attached great importance to financing SMEs, seen as engines of economic development and major providers of jobs in both Jordan and Palestine. The Bank continued to meet the financing needs of SMEs by offering long- and short-term financing for the trade, industrial and service sectors, through specialized centers across the Kingdom and Palestinian governorates. Relationship managers in these centers were keen to maintain continuous communication with customers and provide high quality services. Key sectors financed in 2020 were the real estate, trade, restaurants and canteens, agriculture, and manufacturing sectors. In Palestine, credit services were provided to the manufacturing and real estate sectors.

In order to promote relationships with SME customers, a Customer Value Index (CVI) was created to be part of relationship and effort management. A new strategy and the associated phased action plan were developed for the SME sector to strengthen the Bank's competitive position within the SME sector.

Within the framework of the Bank's relentless pursuit of designing products that would meet customer needs and aspirations, a new product "Ijarati" was launched, targeting new and existing customers from different economic sectors. Through the new product, financing would be granted on (commercial and residential) lease contracts for properties leased to: banks, governmental institutions and bodies, embassies and diplomatic missions, telecommunications companies, international companies operating in Jordan, and large public shareholding companies, with a ceiling of JD 500,000 per customer and according to the customer's credit score. Furthermore, BOJ took part in supporting SMEs to face COVID-19 pandemic by joining the CBJ's initiative. Loans granted within this initiative reached JD 34.4 million for 2020 benefitting 248 customers. These loans accounted for about 7.6% of the total loans approved under the initiative.

Financial Leasing:

Bank of Jordan offered its customers a wide variety of financial leasing options. It continued to provide financial leasing services (lease ending with ownership) to meet the needs of customers opting for alternative financing methods. The range of financial leasing services was expanded to include all asset purchases such as production lines, trucks, buses, and various types of machinery, devices and equipment. Through its subsidiary, Jordan Leasing Company, the Bank provided real estate financial leasing services to retail and corporate customers from all sectors. Financial leasing services were made accessible to individuals, institutions and companies in several sectors, including medical, industrial, real estate, transportation, education, tourism, contracting, communications and other sectors.

Organization, Operations, and IT Infrastructure:

During 2020, Bank of Jordan moved ahead with implementing a set of projects and business models in relation to organization, operations, and automated systems. It continued to develop its operating environment and technological systems, fulfill its current and future requirements, and upgrade its foreign branches and subsidiaries, with the aim of enhancing service quality and ensuring smooth workflow across its branches and departments.

Regarding the projects related to customer relationship management, the Bank completed the CX system, a transformational project helping enhance customer experience by providing an integrated environment to serve them through various interactive channels. A database was also created to provide the Bank with a comprehensive 360-degree view of customers and thus a better understanding of their needs and banking experience. The Bank began working on the CX-Service Module application, involving the launch of a set of debit and prepaid card services for customers on the CX system. The Bank also worked on developing the card payment system via mobile phones (Tokenization) to enable customers to make payments using the mobile application by creating an e-wallet connecting the mobile phone to their card. The service is still in the development stage.

To increase data dependability, the Bank was keen to continue working on strategic projects and speed up on-the-ground implementation, especially Big Data projects aimed to effectively and efficiently automate data extraction, collection, processing and presentation to support decision-makers. Within this context, a banking business analysis and performance measurement system was implemented to evaluate banking products and services provided to retail customers and in Palestine branches. The system would also contribute to making strategic decisions supported by analytical data available within the Bank's systems on a daily basis. Additionally, many banking services were automated in order to enhance the quality of services provided and meet customer expectations. Most importantly, these electronic services would meet customer needs at any time and place and minimize the negative impact on the Bank's financial position under the difficult health circumstances arising from COVID-19 pandemic. To improve process efficiency, the Bank worked on developing an electronic content management system, viewed as one of the most important projects at the level of the Bank's operations and strategy. The new system would fulfill the Bank's historical need for managing paper content and reducing paper usage while observing regulatory and document retention requirements. Some iterative processes were also automated, in addition to the reliance upon cloud computing for several major and innovative systems.

At the organizational level, several studies were made, new departments were established, and others were merged in line with the best management practices, with a view to enabling the Bank to upgrade its systems and operations and develop its service environment. Some organizational changes were made to address the local, regional, and global developments and changes constituting a clear challenge to the Bank of Jordan Group in its strategic quest to achieve the highest position in the banking sector. The Project Management Department and the Strategic Planning and Studies Department would now report to the newly established "Strategic Planning and Projects Management Department", and the organizational structure was changed and approved accordingly. The Transaction Banking Department was also established in accordance with international best practices in this regard.

As for Palestine branches, an organizational study was conducted to develop the organizational structure of the Sales Department in the Regional Management. Regional Management Departments, namely the Financial Control, HR, Administration and Procurement, IT, and Central Operations, were restructured to directly report to the Regional Manager instead of the Assistant Regional Manager after the exclusion of the job role. The management structure of the Palestine branches was modified to reflect actual reality and all changes made to the regional management structures, and it was duly approved. With regard to Bahrain branch, the position/ job role of Financial Control Officer was created with the aim of implementing succession plans according to the Central Bank of Bahrain's requirements, and bilateral control was adopted, thus reducing risks, and protecting the Bank's interests. Additionally, an organizational study was conducted for the Bahrain branch and a number of functions were added to keep pace with the expansion of the branch's business, notably the Data Analyst function. Specialized data analysis jobs were proposed at the Head Office to handle credit portfolio risks and contribute to improving credit decisions at the level of business development departments. The Economist position/job role was also introduced.

To develop compliance, risk management and information security, the Bank continued to adopt best practices in risk control and management. In this connection, the Bank, in cooperation with Moody's, worked on developing the risk management system at the Bank of Jordan Group level by completing the comprehensive Enterprise Risk Management Framework (ERM), with the aim of improving all elements of credit and risk management at the institutional level. Additionally, a project for improving the credit process was implemented.

Within this context, a unified credit policy at the Group level was drafted, revised, and amended. The Bank also proceeded with drafting a new and updated policy of guarantees and risk mitigations at the Bank of Jordan Group level. Dealing agreements and work procedures were established to control the process of registering auditors' names and to examine and verify the list of accredited auditors annually. Phase two of the Corporate Credit Management (CCM) was completed, where a set of amendments were made to the system, notably the addition of the Customer Value Index (CVI) in the CR and showing all details of a customer's credit facilities with other banks in the CR. Additionally, Early Warning Signals (EWS) were developed for corporate and commercial customers, for the purpose of taking the required action in a timely manner to avoid customers defaulting on debts and/or over drafting their accounts, and classify their accounts among the accounts under watch or doubtful debts, thus protecting the Bank's best interests. The Performance Management Framework project was started with the aim of measuring the actual performance of business sectors in terms of financial indicators, products, customers, and various channels. The first phase of the project was completed.

The Bank continued the implementation of the Managed Security Services (MSS) project, in cooperation with ScanWave, enabling information systems and information security teams to focus on reaching the highest information security management levels. The project was implemented at the Bank of Jordan Group level, including SIEM, cybersecurity and GDPR directives, as well as the completion of the COBIT 2019 version. The Complaint Handling Unit, under the Compliance Department, was organizationally restructured in accordance with international best practices in the banking industry. This was done by adding a Payment Fraud Officer function and moving the Compliance Coordinator/Operations Departments to function under the Compliance Department.

In accordance with the CBJ and Basel I and Basel II regulations, the ICAAP Document was prepared for the financial statements as on December 31, 2019. The outcome of the assessment showed that the Bank maintained an adequate capital base to cover all types of risks, not just those accounted for under Pillar I. It is worth mentioning that the Board remains committed to the implementation of the best governance practices and principles in conformity with the banking environment and the legislation governing the Bank's operations. As for compliance management, the Bank maintains its commitment to and compliance with the laws, instructions, procedures, and regulations in all the countries in which it operates.

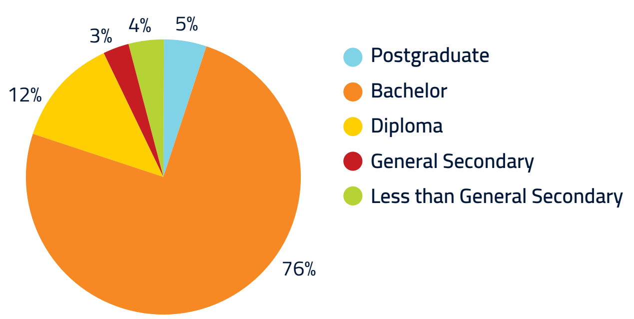
Human Resources

Fully cognizant of the importance of qualified and specialized banking competencies and cadres as a fundamental pillar for upgrading its position and improving service delivery, the Bank designed its training plan for 2020 to address employees' training needs and enhance their professional performance in line with the Bank's vision and the best banking practices in the area of learning and development.

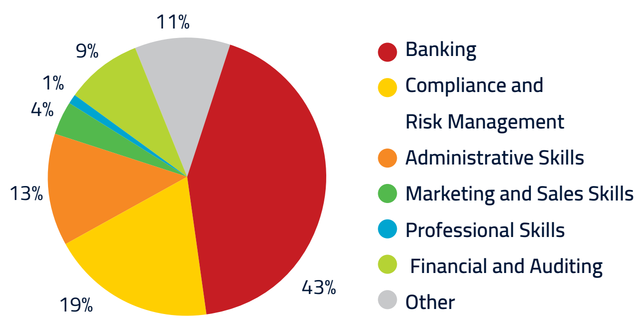
Training needs were analyzed at all levels of the Bank and in line with the departmental strategy and individual development plans. In this regard, the Bank organized the Consultative Selling and Professional Selling training courses under the Sales Academy program, in addition to other internal and external training programs.

Given the difficult circumstances faced in 2020 due to COVID-19 pandemic, the Bank implemented distance training courses and expanded the implementation of e-training programs, by designing and converting regular training courses into educational videos by the Learning and Development Department. "My Job" internship program continued during 2020 Q1 due to COVID-19 repercussions. University and school students were oriented about the business environment, getting them ready to join workforce after graduation.

Classification of Bank Employees According to Educational Qualifications for the Year 2020



Training Courses Distribution During 2020



The Bank adopted the best management practices in work, by making flexible work arrangements during and after the lockdown periods imposed due to COVID-19. This enabled the Bank to maintain business continuity and provide its services with the highest degree of efficiency, even under complete economic shutdown, as it allowed work flexibility in different degrees according to the nature of a department's work.

The Bank also provided a healthy work environment by implementing public health and safety measures at the Head Office and all of its branches, and took all the precautionary measures that would limit the spread of COVID-19 in workplaces. To preserve the health and safety of the Bank's employees and customers, awareness-raising circulars were disseminated to stress the need for adherence to the measures taken. Right from the start of the crisis, the Bank made a protocol to minimize infections, by reducing the workforce in the Head Office and branches and allowing remote work for 70% of the staff. Additionally, surgical masks were provided in abundance and employees were instructed to wear them at all times. Some tasks were transferred to be managed from the Training Center, and all external meetings and most internal meetings were held via Teams or Zoom platform.

Corporate Social Responsibility:

Consistent with its vision and directions to support national institutions and contribute to the advancement of society in various educational, health, cultural, social and sports fields, the Bank of Jordan continued to support charitable societies and volunteer bodies in implementing initiatives concerned with the development and prosperity of local communities, as detailed below.

Education and Culture

Recognizing the importance of supporting education as a tool for empowering local communities, the Bank renewed its agreement with the Queen Rania Foundation for Education and Development by supporting the "Museum for All" initiative at the Children's Museum. Under the initiative, children and their families would enjoy free entry to the museum on the first Saturday of every month. The Bank also supported the Center for Jerusalem Studies and the Royal Institute for Inter-Faith Studies (RIIFS). Additionally, the Bank sponsored several scholarships for students in the King's Academy, and the theatre play titled "Except You - Jerusalem" by Modern Theater Band.

The Bank was also the golden sponsor of Injaz's School Adoption Program (SAP), through which the buildings of Shmeisani Elementary School were completely renovated. Female students benefitted from 4 professional programs, of which two were delivered through distance learning. Those programs aimed at building student capabilities and providing them with the necessary personal, social, and professional skills that would enable them to make important decisions in their lives, especially in determining their future career paths.

Added to that, the Bank extended the necessary support for completing the implementation of the National Financial Literacy Program launched by the CBJ in cooperation with the Ministry of Education and Injaz (2015-2021). A financial literacy curriculum was developed to provide students from grade 7 to grade 12 with the necessary knowledge to keep pace with the ongoing changes in the financial sphere and promote their skills and sound behaviors in relation to financial business. This is hoped to enable them to make effective and sound financial decisions in their daily lives and future careers.

The Bank recently renewed its strategic partnership with the Elia Nuqul Foundation, whereby financial support would be provided to two students for 4 academic years, giving them the opportunity to learn and develop their skills to become productive, creative, and effective members in their societies.

In Palestine, Bank of Jordan renewed its membership, for the sixth year, with the Taawon (Welfare Association), an organization concerned with delivering many programs and projects throughout the year in education, culture and orphan support, as well as the Old City of Jerusalem Revitalization Program.

Community Initiatives

In an effort to achieve an added value for its CSR services, the Bank continued to sponsor many charitable initiatives, activities, and events. In this regard, the Bank extended financial support to the Himmat Watan Fund, which was established to assist official efforts in combating the COVID-19 pandemic and protecting the health and safety of people in Jordan. In Palestine, the Bank provided support to the Waqfet Izz Fund to back its efforts in combating the pandemic. The Bank also supported Tkiyet Um Ali by sponsoring 15 families for a year under the Monthly Food Parcels program. Additionally, the Bank supported Al-Najat Charity and Ramallah and Al-Bireh Governorate in distributing food parcels and meat of sacrificed animals to needy families in Palestine during the holy month of Ramadan and Eid Al-Adha.

In its endeavor to assist in implementing charitable initiatives and goals to serve community, the Bank extended support to several charities, including the National Forum for Awareness and Development, Princess Taghrid Institute for Development and Training, Aloun Humanitarian Club, the Jordanian Club for the Deaf, Sakeena, Young Muslim Women Association, the Mental Health Association (Badwa Center for Special Education), Ibdaa, Kafr 'Ana People Association, and the Association for Islamic Cemetery Affairs. During the holy month of Ramadan, the Bank, in partnership with Haya Cultural Center, distributed Iftar meals to the less fortunate families and those affected by the COVID-19 pandemic.

In the area of health, the Bank supported health institutions, such as King Hussein Cancer Foundation by sponsoring the Seven Mountains initiative and the Goal for Life initiative, where a team of BOJ employees participated and ranked first in the FIFA 2020 online tournament. The Medical Aid for Palestinians was also assisted through supporting the Cardiovascular Clinic in Jerash camp and the project to establish a radiology department in the new building of Hattin camp clinics. Not only that, but the Bank also supported the Jordanian Healing and Health Bank.

Out of its keenness to support and empower women in the local community, the Bank offered its support for establishing the Women's Innovation Lab, the first of its kind in the Kingdom, in cooperation with ReThinkers.

Believing in the importance of providing care and accommodation services for the elderly, increasing their social engagement and giving them the opportunity to participate in cultural, recreational, fitness and other activities that would bring them joy and pleasure, the Bank extended support to the White Beds Society - Senior Citizens Forum, a charitable society hosting old men and women with limited financial resources and allowing them to join the Forum and enjoy its various programs.

With a view to spreading Bank of Jordan's corporate culture focusing on solidarity and giving, and emphasizing the need to provide a decent life for children without families and ensure a bright future for them in a way closer to a normal family life, the Bank sponsored, for the third year in a row, a house for orphaned and abandoned children at the SOS Villages/Irbid.

In Palestine, the Bank provided financial support to the Jasmine Charitable Society with the aim of establishing a model inclusion kindergarten and educational classes for children with special needs. This would have a positive impact on those children and help them receive professional educational and therapeutic services, by sharing the same environment with healthy children.

Environmental and Sports Initiatives

Seeking to be at the forefront of supporters of environmental activities, the Bank supported the Green Caravan Program organized by the Arab Group for the Protection of Nature, which involved planting 360 trees with an eye to increase green areas, combat desertification, achieve food security and provide a source of income for families. Moreover, the Bank supported a project to build a garden at the Preparatory School for Girls at the UNRWA-Gaza/Jerash Refugee Camp.

To strengthen its role in supporting various sports activities by helping the less fortunate and those with special needs, the Bank provided financial support to the Jordan Paralympic Committee.

The financial support provided to CSR activities by the end of 2020 amounted to JD 1.6 million.

Highlights of the Bank's Measures to Combat COVID-19 Pandemic

Based on accumulated experiences and pre-established plans for responding to exceptional circumstances, the Bank of Jordan was able provide services to its clients under the extraordinary circumstances of the COVID-19 pandemic, especially during the lockdown periods as it was in the lead within banks with the highest level of readiness to provide its services to its clients during the crisis. Besides, the Bank's advanced technological infrastructure had a vital role in enabling it to provide its banking services electronically without the need for clients to visit branches. All this was bolstered by effective risk management at the institutional level, enhanced information security, activated emergency and crisis plans, and flexible work arrangements.

The Bank's rapid response to the pandemic could be seen through a set of measures and initiatives, notably the following:

1. Providing the Bank's services through electronic and digital channels without the need for clients to visit branches. Clients could also contact the Bank and access its services through the Contact Center. Not only that, but awareness messages were published on the Bank's social media websites, conveying messages to clients and urging them to download and use the BOJ Mobile application for executing their banking transactions and services.
2. Ensuring continuous communication between relationship managers and large corporate and SME clients in order to check on them and identify and respond to their needs, especially at the outset of the crisis.

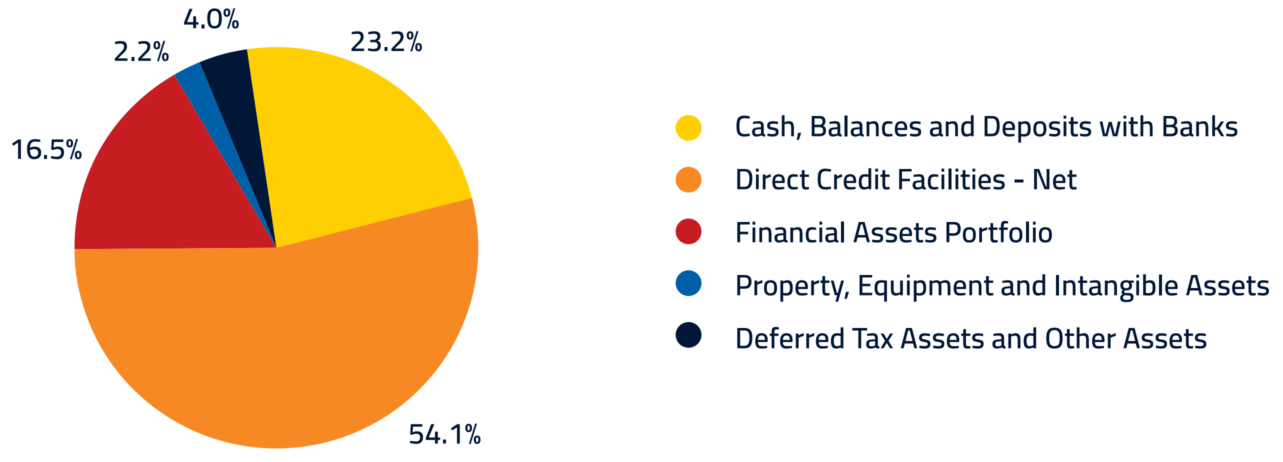
3. Implementing measures to alleviate the economic impacts on corporate and retail clients, including restructuring, rescheduling or deferring debt payments, or reducing debt service burdens by lowering interest rates. Given clients' desire to have cash to pay their monthly expenses, a personal loan campaign "6 installments" was launched to encourage a selected segment of clients to top-up their existing loans with the lowest requirements.
4. Participating in financing programs targeting the sectors most affected by the crisis, especially the program launched by the Central Bank of Jordan to support SMEs. This enabled clients to obtain the necessary financing to face the negative effects of COVID-19 on their businesses and retain their workforces. The volume of loans granted under this initiative reached JD 34.4 million in 2020, of which 248 clients benefited.
5. Supporting community initiatives launched in Jordan and Palestine to address the effects of the pandemic, and alleviate the concerns and burdens, especially on the shoulders of the most affected groups. The Bank contributed more than JD 1.15 million to Himmat Watan Fund in Jordan and Waqfet Izz Fund in Palestine, constituting about 72% of the total CSR contributions paid in 2020.
6. Working on projects and initiatives aimed to launch digital solutions and modern payment methods to keep pace with the latest financial technologies. The Bank also continued to improve the services provided to clients through digital and electronic channels by continuously upgrading the service delivery channels to meet clients' needs and expectations. Additionally, the Bank proactively developed new alternative service delivery channels in the banking market, including the following:
   - Continuous upgrading of the BOJ Mobile app, by launching recent versions with new services and improvements. The number of subscribers to the BOJ Mobile app increased by 74% at the end of 2020 compared to 2019, constituting 47% of the clients eligible to subscribe to BOJ Mobile app. A version of BOJ Mobile app was also made available for Huawei phone users via Huawei AppGallery.
   - Launch of the BOJ Pay Sticker product for debit cards. The sticker is affixed to devices, such as mobile phones or wallets, to enable clients to make purchases on POS devices locally and internationally using the contactless feature.
   - Launch of the cardless cash withdrawal service through the BOJ Mobile app in an effort by the Bank to provide the best and latest services to its clients and improve client experience.
   - Launch of CliQ, an instant payment service, through BOJ Mobile app, allowing clients to transfer and receive money from local banks using the service through multiple options (e.g. IBAN number, alias, and phone number).
   - Modification of the ceiling of contactless purchases without using a PIN number via debit and prepaid cards and BOJ Sticker cards, becoming JD 150 per day, without weekly or daily limits for the number of transactions.
   - Launch of Basira app for visually impaired and elderly clients, with the aim of facilitating the delivery of information to all BOJ clients through modern and advanced technologies. The application gives all segments of society access to banking services, especially the visually impaired and those with reading difficulties.
   - Launch of the account opening service through ZOOM platform. Through this service, clients would be able to open a bank account by visiting the Bank's website and choosing the "Open Your Account with ZOOM" service with the option of completing the process either through the branch employees or via the Contact Center, using the call recording feature and satisfying the conditions for opening the account without the need to visit branches.
   - Launch of the account opening service through BOJ Mobile application at the end of 2020. This came to reflect the Bank's constant endeavor to provide the latest services, therefore improving and developing client experience, saving time and effort for both clients and employees, and reducing paperwork. Through this service, clients would be able to open new accounts easily and without the need to visit the branch, through the BOJ Mobile app.
7. Providing a healthy work environment by promoting public health and safety measures at the Head Office and all branches, and taking all precautionary measures that would limit the spread of COVID-19 in workplaces to protect employees and clients alike. Right from the start of the crisis, the Bank adopted a protocol to minimize infections by reducing the workforce in the Head Office and branches, and allowing remote work for 70% of the staff. Additionally, surgical masks were provided in abundance and employees were advised to wear them at all times. Some tasks were transferred to be managed from the Training Center, and all external meetings and most internal meetings were held via Microsoft Teams or Zoom platform.

Analysis of Financial Position and Business Results of 2020

The Bank's assets slightly rose by 0.2% at the end of 2020, hitting JD 2,712.4 million compared to JD 2,708.1 million at the end of 2019. The Bank continued its efforts to grow shareholder equity, maintain a balance between profitability and safe investment, avoid high-risk investments, provide the necessary liquidity to honor financial obligations of different terms, and use available funds effectively and efficiently to leverage a strong financial position and will.

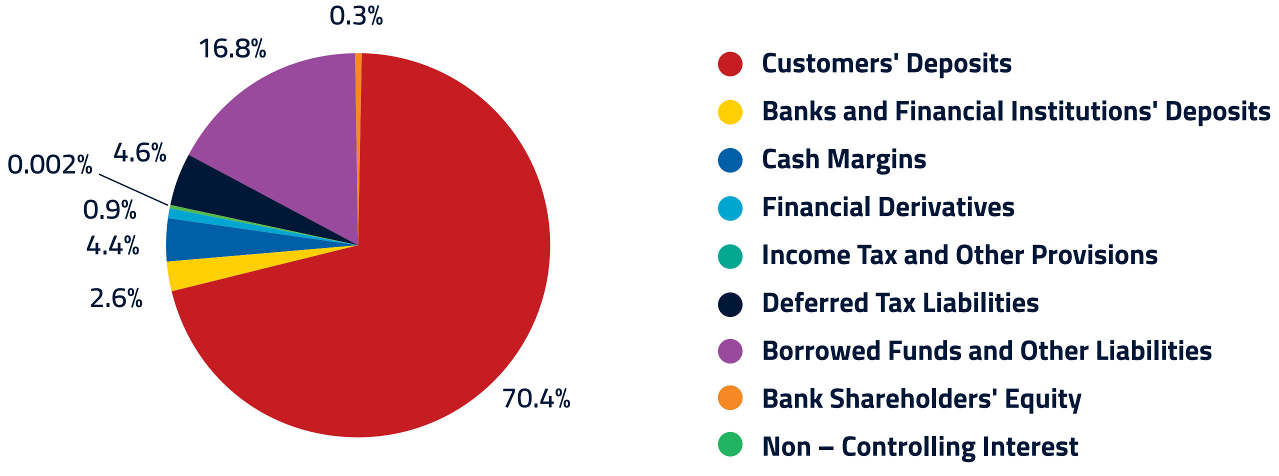
The Bank's Assets	JD (Millions)		Relative Significance %	
	2020	2019	2020	2019
Cash, Balances and Deposits with Banks	629.8	780.8	23.2%	28.8%
Direct Credit Facilities - Net	1,466.7	1,409.5	54.1%	52.0%
Financial Assets Portfolio	448.1	354.0	16.5%	13.1%
Property, Equipment and Intangible Assets	60.9	58.8	2.2%	2.2%
Deferred Tax Assets and Other Assets	106.9	105.0	4.0%	3.9%
Total Assets	**2,712.4**	**2,708.1**	**100%**	**100%**

Relative Significance of the Bank's Assets 2020



Liabilities and Owners' Equity	JD (Millions)		Relative Significance %	
	2020	2019	2020	2019
Customers' Deposits	1,909.2	1,919.1	70.4%	70.9%
Banks and Financial Institutions' Deposits	70.8	151.2	2.6%	5.6%
Cash Margins	119.8	120.6	4.4%	4.5%
Income Tax and Other Provisions	25.2	28.8	0.9%	1.1%
Deferred Tax Liabilities	0.049	3.1	0.002%	0.1%
Borrowed Funds and Other Liabilities	125.0	65.2	4.6%	2.4%
Bank Shareholders' Equity	454.8	414.3	16.8%	15.3%
Non–Controlling Interest	7.6	5.8	0.3%	0.2%
Total Liabilities and Owners' Equity	**2,712.4**	**2,708.1**	**100%**	**100%**

Relative Significance of the Bank's Liabilities and Owners' Equity 2020



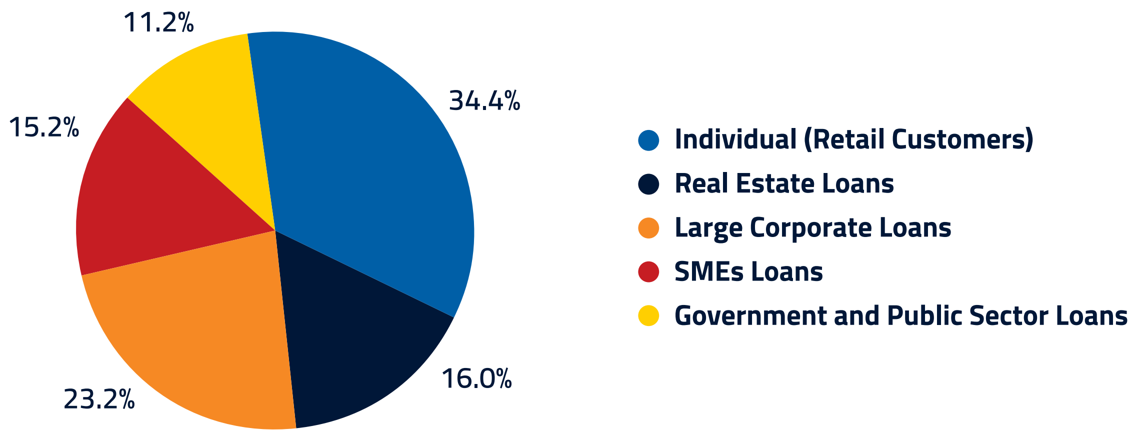
Direct Credit Facilities at Amortized Cost:

Total direct credit facilities at amortized cost grew by JD 88.1 million in 2020 to reach JD 1,619.6 million, recording a growth rate of 5.8% compared to 2019. The Bank adopted a balanced credit policy under the supervision of the Executive Committee, in light of the reduction in interest rates and expected loan yield, and after studying market and credit risks under the challenging circumstances of the COVID-19 pandemic. It also kept the quality of the credit portfolio in check and continued to collect outstanding loans. The ratio of non-performing credit facilities to total credit facilities (net of interest in suspense) reached 7.8% against 6.9% for 2019, still within the benchmark ratios.

The Bank continued to finance productive economic sectors less affected by the pandemic, as well as retail customers, SMEs and the public sector entities to ensure optimal risk allocation and effective and efficient fund management.

Total of Credit Facilities Portfolio (After Deducting Interest and Commission Received in Advance)	JD (Millions)		Relative Significance %	
	2020	2019	2020	2019
Individual (Retail Customers)	557.7	488.4	34.4%	31.9%
Real Estate Loans	259.1	238.6	16.0%	15.6%
Large Corporate Loans	375.8	438.1	23.2%	28.6%
SMEs Loans	245.6	243.7	15.2%	15.9%
Government and Public Sector Loans	181.4	122.7	11.2%	8.0%
Total Direct Credit Facilities	**1,619.6**	**1,531.5**	**100%**	**100%**

Relative Significance of Credit Facilities Portfolio According to Type 2020



Provision for Expected Credit Loss on Financial Assets

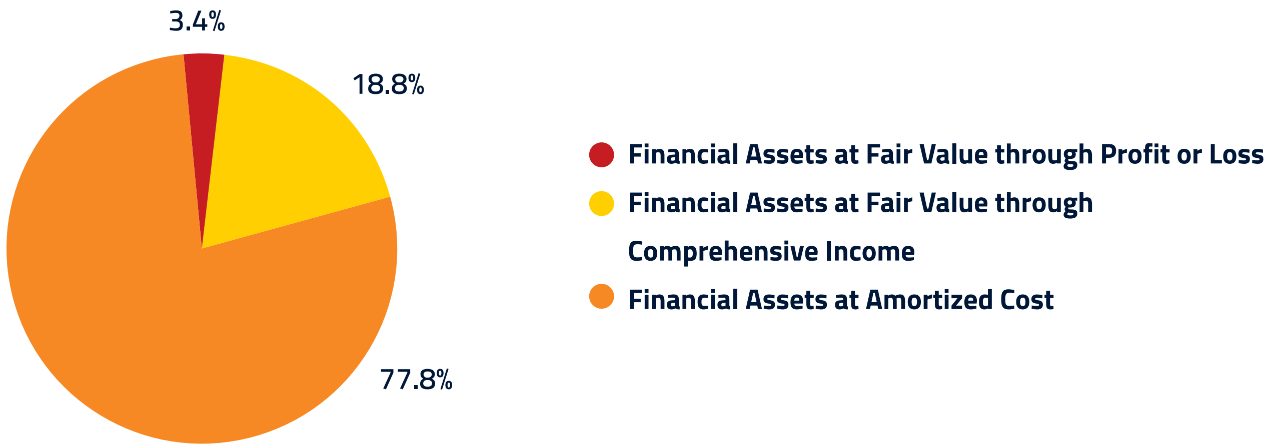
In order to strengthen its financial position and in line with the regulatory and IFRS requirements and audit recommendations, the Bank continued to hedge against potential losses, setting aside a provision for uncollected debts, for the loan portfolio and for each loan separately. The coverage ratio of provisions for non-performing loans (net of interest in suspense and cash margins) rose to 107.2% in 2020 against 100% in 2019. The fair value of collateral against loans rose to JD 529 million from JD 526.2 million the year before.

Financial Assets Portfolios

The financial assets portfolio grew by 26.6% (JD 94.1 million) year-on-year. Financial assets at fair value through comprehensive income surged by 4.5% (JD 3.6 million). Likewise, financial assets at amortized cost soared by 27.9% (JD 76 million), representing the Bank's investments in bonds and treasury bills issued and guaranteed by the government, as well as other bonds and corporate debentures. At the same time, financial assets through profit and loss edged up by JD 14.6 million.

Financial Assets Portfolio	JD (Millions)		Relative Significance %	
	2020	2019	2020	2019
Financial Assets at Fair Value through Profit or Loss	15.2	0.6	3.4%	0.2%
Financial Assets at Fair Value through Comprehensive Income	84.5	80.9	18.8%	22.9%
Financial Assets at Amortized Cost	348.4	272.5	77.8%	77.0%
Total	**448.1**	**354**	**100%**	**100%**

Relative Significance of Financial Assets Portfolio According to Type 2020

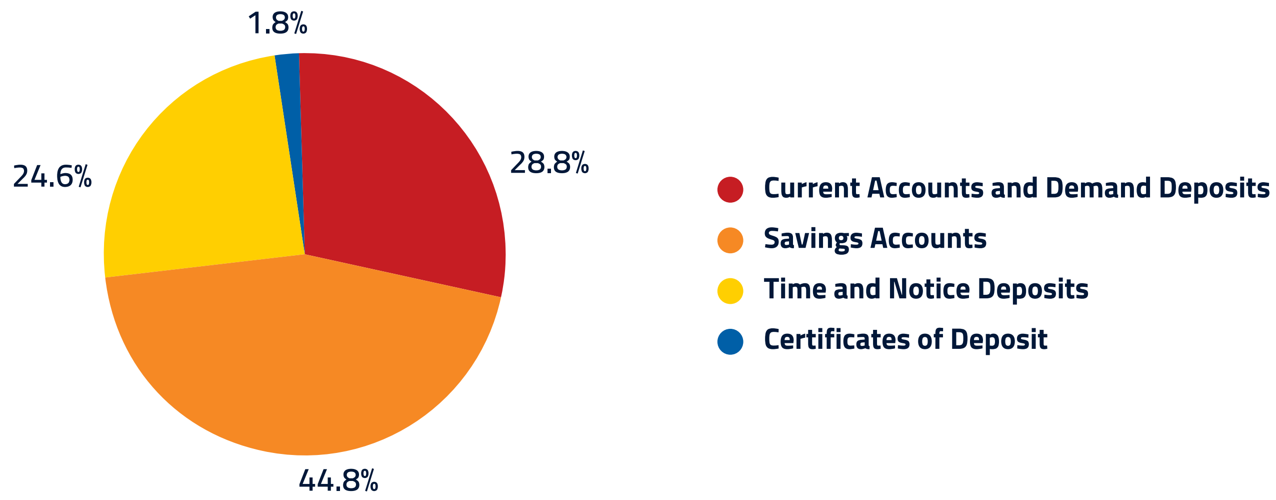


Customer Deposits:

Customer deposits declined by 0.5% (JD 9.9 million) to JD 1,909.2 million at the end of 2020 against JD 1,919.1 million at the end of 2019. The Bank continued to attract fixed and low-cost deposits and to expand its client base. In 2020, savings accounts rose by 8.2%, and current accounts and demand deposits by 17.5%. Time deposits and CDs, on the other hand, dropped by 23.6%, while non-interest-bearing deposits amounted to JD 702.4 million against JD 641.8 million the year before.

Customer Deposits According to Type	JD (Millions)		Relative Significance %	
	2020	2019	2020	2019
Current Accounts and Demand Deposits	549.1	467.4	28.8%	24.4%
Savings Accounts	855.3	790.7	44.8%	41.2%
Time and Notice Deposits	470.3	554.8	24.6%	28.9%
Certificates of Deposit	34.4	106.2	1.8%	5.5%
Total	1,909.2	1,919.1	100%	100%

Relative Significance of Customers' Deposits - 2020



Shareholders' Equity:

In 2020, shareholders' equity inched up by 9.8% (JD 40.4 million) to JD 454.8 million. Legal reserve grew by 5.4% (JD 5.1 million) in 2020 to JD 99.2 million, while the net fair value reserve went down by 124.4% (JD 31.1 million) compared to 2019. The Board recommended to the General Assembly to distribute cash dividends of 12% of capital, equivalent to JD 24 million, and retain the remaining profits.

Capital Adequacy:

The capital adequacy ratio grew to 19.08% in 2020 compared to 18.31% in 2019, higher than the CBJ minimum ratio of 14.125% set in accordance with Basel III guidelines. The Common Equity Tier 1 (CET1) ratio also rose to 18.6% in 2020 against 17.75% in 2019.

Financial Results:

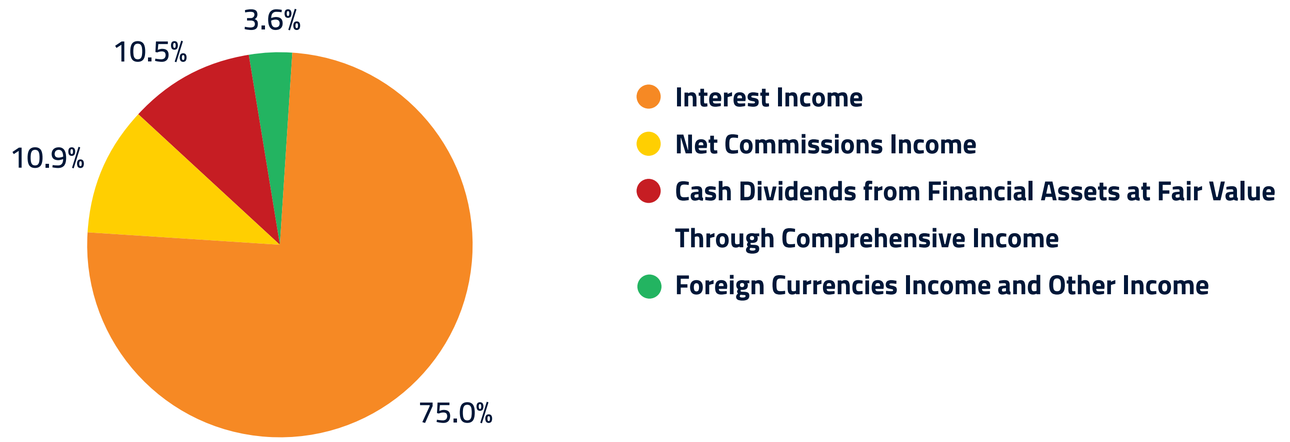
Total revenues dropped by 5.5% to JD 182.3 million in 2020 from JD 192.8 million in 2019. Total income reached JD 153.5 million against JD 149.4 million in 2019, recording an increase of 2.7%. Net interest and commission income reached JD 127.8 million, a decline of 8.8% compared to 2019.

Profits before tax and provisions, in the meantime, amounted to JD 84.4 million in 2020 against JD 80.7 million in 2019. Net profit - after deducting provisions for expected credit loss on financial assets, provisions for property seized by the Bank, other provisions, and income tax - dropped by 12% to JD 35.5 million in 2020 against JD 40.4 million in 2019.

Net Profit Before and After Taxes and Provisions	JD (Millions)		Difference
	2020	2019	
Net Profit Before Taxes and Provisions	84.4	80.7	3.7
Financial Assets Expected Credit Loss Provision	31.9	18.6	13.2
Provision for Assets Foreclosed by the Bank	(0.4)	0.4	(0.8)
Other Provisions	0.8	0.5	0.3
Profit Before Income Tax	52.1	61.1	(9.0)
Income Tax Expenses	16.6	20.7	(4.1)
Net Profit	**35.5**	**40.4**	**(4.9)**

Total Realized Revenue	JD (Millions)		Relative Significance %	
	2020	2019	2020	2019
Interest Income	136.7	159.8	75.0%	82.9%
Net Commissions Income	19.9	23.7	10.9%	12.3%
Cash Dividends from Financial Assets at Fair Value Through Comprehensive Income	19.2	0.7	10.5%	0.4%
Foreign Currencies Income and Other Income	6.5	8.6	3.6%	4.5%
Total	**182.3**	**192.8**	**100%**	**100%**

Relative Significance of Total Revenues - 2020

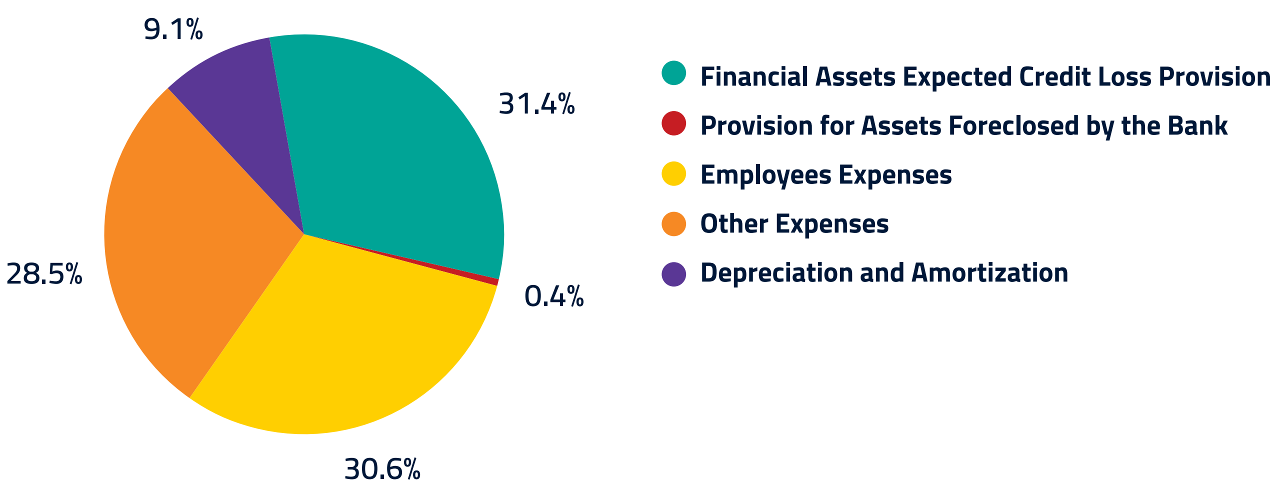


Expenses and Provisions:

Total expenses and provisions amounted to JD 101.4 million in 2020, recording a 14.9% increase compared to 2019. Higher expenses were blamed on the JD 13.2 million rise in the provision for expected credit loss on financial assets, as well as the rise of 6.1% (JD 528.1 thousand) in the depreciation and amortization item. On a positive note, employee expenses went down by JD 2.5 million. Other expenses rose by JD 2.4 million due to the increase in the donations and systems and their maintenance items.
In 2020, the compensation package of the senior executive management amounted to JD 2.6 million, while audit fees totaled JD 135.2 thousand and JD 5.6 thousand for Bank of Jordan and Bank of Jordan-Syria, respectively. Excel for Financial Investments and Jordan Leasing Company paid audit fees of JD 4.6 thousand and JD 4.5 thousand, respectively.

Expenses and Provisions	JD (Millions)		Relative Significance %	
	2020	2019	2020	2019
Financial Assets Expected Credit Loss Provision	31.9	18.6	31.4%	21.1%
Provision for Assets Foreclosed by the Bank	0.4	0.9	0.4%	1.0%
Employees Expenses	31.0	33.5	30.6%	38.0%
Other Expenses	28.9	26.5	28.5%	30.0%
Depreciation and Amortization	9.2	8.7	9.1%	9.9%
Total	**101.4**	**88.2**	**100%**	**100%**

Relative Significance of Expenses and Provisions - 2020

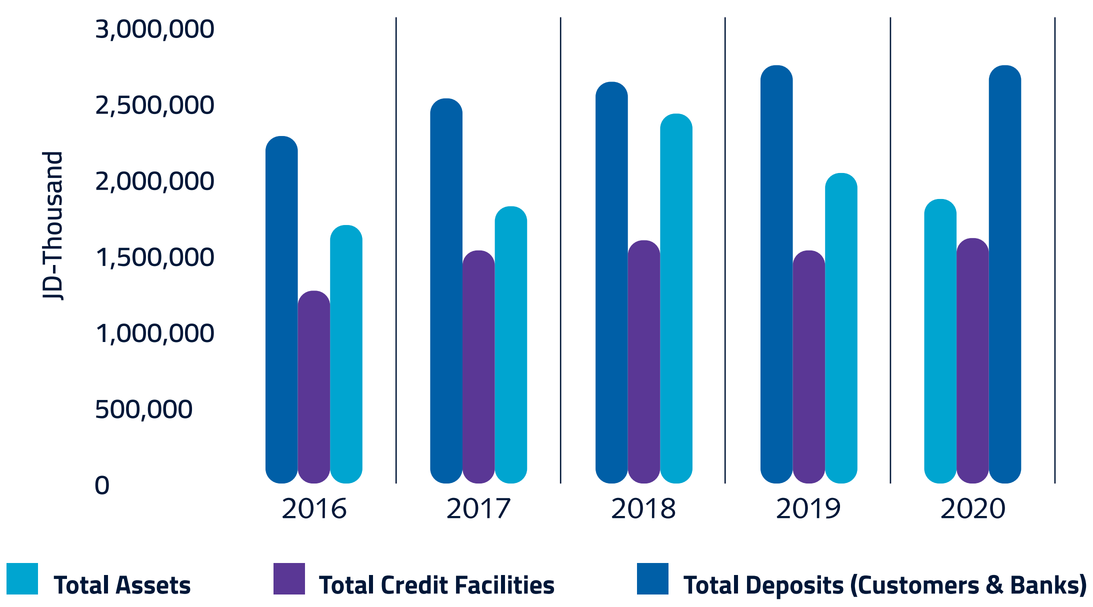


Main Financial Ratios	2020	2019
Return on Average Bank Shareholders' Equity	8.24%	9.72%
Return on Capital	17.7%	20.2%
Return on Average Assets	1.31%	1.52%
Profitability Per Employee (After Tax)	JD 17,134	JD 18,886
Interest Income / Average Assets	5.04%	6.00%
Interest Expense / Average Assets	0.71%	1.63%
Interest Margin / Average Assets	2.66%	4.37%
Coverage Ratio of Provisions for Non-Performing Loans (Net)	107.20%	99.05%
Non-Performing Loans (After Deducting Interest in Suspense) / Total Credit Facilities	7.80%	6.90%

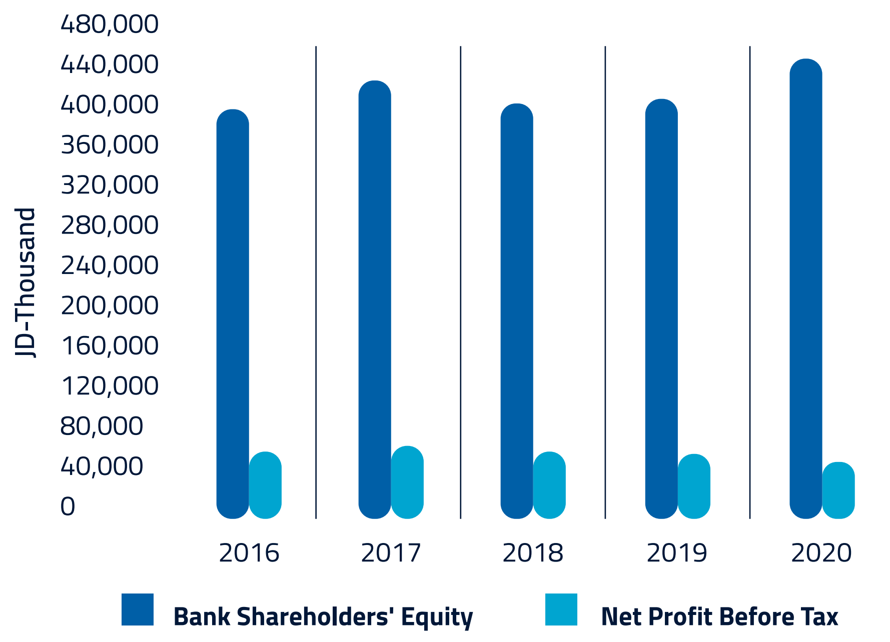
Financial Indicators for the Years (2016 – 2020)

	Amount in JD Thousand				
Financial Year	2016	2017	2018	2019	2020
Total Assets	2,338,839	2,565,132	2,619,080	2,708,102	2,712,413
Total Credit Facilities	1,297,832	1,541,582	1,575,119	1,531,540	1,619,616
Total Deposits (Customers and Banks)	1,752,603	1,910,697	2,013,035	2,070,343	1,979,950
Bank Shareholders' Equity	405,447	433,665	411,891	414,333	454,758
Non-Controllers' Interest	6,989	5,491	5,566	5,774	7,649
Net Profit Before Tax	62,315	67,583	62,959	61,130	52,074

The Development of Financial Position



The Development of Financial Position



Bank of Jordan Group; Objectives of the Future Plan 2021

The Strategic Direction

With an eye to becoming the customers' first choice, Bank of Jordan works on streamlining its operations, developing its products and services, and upgrading its conventional, electronic, and digital channels, to deliver balanced and sustainable outcomes to maximize value for our shareholders and partners, empower our staff, and serve our communities in the countries where the Group operates. To that end, the Bank plans to:

1. **Focus on developing and investing in banking services for retail and SME sectors,** as well as attracting the best creditworthy corporate customers. This will contribute to managing and diversifying risks and targeting promising economic sectors in the countries where the Group operates.

2. **Simplify our business** by developing the service delivery ecosystem, all the way from the front office and middle office to the back office. This ecosystem will be the backbone for upgrading our services and providing them to our customers effectively and efficiently through various channels.

3. **Become the best in digital banking;** by developing our electronic and digital services in a way that enhances the banking experience for customers of all segments, and scales up the concept of self-service, thus enabling the Bank to easily provide services that fulfill the customers' needs and aspirations at all times.

To achieve its goals, the Bank seeks to enhance its capabilities and competencies in the following areas:

- **Innovation and entrepreneurshi**p in several areas, including e-payments, by developing specialized products to meet the needs of high-net-worth customers, including multi-currency products, virtual cards, corporate cards, and e-wallets. The Bank also continues to develop its Mobile Banking application by launching new versions and expanding and diversifying the services provided through the BOJ Mobile App to meet the needs of all customer segments. Additionally, the Bank seeks to attract new customers electronically and develop an online banking platform for corporate and commercial SMEs customers. It also plans to turn the electronic services into communication platforms for customers by deepening and developing the Advisory and Engagement concepts through these platforms.
- **Effective Risk Assessment:** By successfully implementing the Enterprise Risk Management project (ERM) at the level of the Bank of Jordan Group, and the credit process development projects, in addition to upgrading the information security and risk management ecosystem in line with the best international practices to face cybersecurity challenges.
- **Data Management and Analytics:** With an aim to develop the information and data systems infrastructure at the Group level by completing the implementation of the Big Data project for effectively analyzing and presenting data to support decision-making processes and developing various aspects of the Bank's operations to be based on information and analytics.
- **Performance Management Framework:** By re-evaluating the Bank's current performance management and measurement model, identifying opportunities for performance improvement, and then designing models that meet the Bank's requirements in terms of financial results, products, customers, and various channels, leading to the development of the products and the service pricing and profit calculation processes at the Group level.
- **Expense Rationalization and Control:** Mainly by completing the implementation of the e-content management system project at the Group level, since it is viewed as the strategic base for a number of important projects associated with it, which will develop the Bank's infrastructure in terms of streamlining operations and reducing their cost. The Bank is also exerting efforts to control administrative and general expenses and rationalize expenditures in all areas of work, to face the pressures resulting from low margins. It also works to increase income from commissions and other non-interest incomes.
- **Staff Empowerment:** The training plan was developed in line with the Bank's strategic directions, especially the implementation of the ERM project, the Big Data Project, and the Performance Management Framework project. The Bank plans to continue providing the necessary training opportunities that match the actual needs, thus improving performance levels. It will also continue to promote its work environment by improving and automating human resource services and processes and building and developing flexible and remote work systems and policies.

Consolidated Financial Statements and Independent Auditor's Report 2020

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, 2020, 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, 2020 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:

Independent Auditor's Report

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

Key Audit Matters description	How our audit addressed the key audit matters
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 direct credit facilities a key audit matter. Net credit facilities granted by the Bank to customers amounted to JD 1,467 million, which represent 54% of the total assets as of December 31, 2020 (JD 1,410 million, which represent 52% of the total assets as of December 31, 2019). The expected credit loss provision against direct and indirect facilities amounted to JD 151 million as of December 31, 2020 (JD 122 million as of December 31, 2019).	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). - 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 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) and 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.

KPMG

Independent Auditor's Report

2. Foreign Currency Translation Reserve / Investments in Foreign Subsidiaries

Key Audit Matters description	How our audit addressed the key audit matters
Due to the deployment of the Bank's foreign branches 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. Moreover, the exchange differences arising from evaluating the net investment in foreign branches and subsidiaries are shown within other comprehensive income items.	The audit procedures included testing the internal control system relating to the evaluation of International Accounting Standard No. 29 "Financial Reporting in Hyperinflationary Economies" and the determination of foreign currency exchange rates adopted by management. In addition, the audit procedures included reviewing 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 presented within other comprehensive income items and obtaining the subsidiary's financial statements, verifying management's exchange rates, and matching them with the exchange rates of the Central Bank of Jordan.

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.

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Independent Auditor's Report

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

Hatem Kawasmy
License No. (656)

Amman – Jordan
February 10, 2021

KPMG
Kawasmy & Partners Co.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Statement (A)

BANK OF JORDAN (PUBLIC SHAREHOLDING LIMITED COMPANY)		December 31,	
Amman - Jordan	Note	2020	2019
Assets		JD	JD
Cash and balances with central banks	7	349,537,989	384,396,176
Balances with banks and financial institutions	8	190,722,330	188,323,327
Deposits with banks and financial institutions	9	89,525,567	208,123,765
Financial derivatives	41	-	38,261
Financial assets at fair value through profit or loss	10	15,157,042	628,716
Financial assets at fair value through comprehensive income	11	84,526,410	80,865,636
Direct credit facilities at amortized cost	12	1,466,739,098	1,409,525,437
Financial assets at amortized cost	13	348,454,969	272,535,799
Property and equipment – Net	14	53,993,594	52,802,587
Intangible assets	15	6,872,445	5,986,282
Deferred tax assets	21	21,808,399	22,804,298
Other assets	16	85,076,144	82,071,242
Total Assets		2,712,413,987	2,708,101,526
Liabilities and Owners' Equity			
Liabilities:			
Banks and financial institutions' deposits	17	70,762,354	151,244,578
Customers' deposits	18	1,909,187,576	1,919,098,107
Cash margins	19	119,819,309	120,593,921
Other provisions	20	5,302,150	5,011,211
Income tax provision	21	19,881,866	23,803,895
Deferred tax liabilities	21	48,946	3,081,065
Borrowed funds	22	84,582,326	23,667,921
Other liabilities	23	40,422,412	41,493,803
Total Liabilities		2,250,006,939	2,287,994,501
Owners' Equity:			
Equity Attributable to the Bank's Shareholders			
Paid-up capital	24	200,000,000	200,000,000
Statutory reserve	25	99,190,875	94,065,645
Voluntary reserve	25	46,537	134,165
General banking risks reserve	25	2,804,326	2,196,491
Special reserve	25	5,849,743	5,849,743
Foreign currency translation differences	26	(12,855,521)	(12,268,120)
Fair value reserve	27	(6,092,218)	24,954,157
Retained earnings	28	165,814,735	99,400,640
Total Equity Attributable to the Bank's Shareholders		454,758,477	414,332,721
Non-controlling interests		7,648,571	5,774,304
Total Owners' Equity		462,407,048	420,107,025
Total Liabilities and Owners' Equity		2,712,413,987	2,708,101,526

The accompanying notes from (1) to (49) 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, 2020	2019
Amman - Jordan		JD	JD
Interest income	30	136,687,914	159,814,954
Less: Interest expense	31	28,779,524	43,447,831
Net Interest Income		107,908,390	116,367,123
Net – Commissions income	32	19,747,212	23,743,185
Net Interest and Commissions Income		127,755,602	140,110,308
Foreign currencies income	33	2,642,709	3,233,546
Gain (loss) from financial assets at fair value through profit or loss	34	222,650,51	(032,51)
Cash dividends from financial assets at fair value through comprehensive income	11	510,741	547,272
Gain from recognition of financial assets	11	3,652,011	-
Gain on sale of financial assets – Debt instruments	11,13	-	191,679
Other income	35	3,865,275	5,336,976
Total Income		153,482,560	149,404,551
Employees expenses	36	30,980,308	33,497,668
Depreciation and amortization	14,15	9,254,938	8,726,851
Other expenses	37	28,881,388	26,492,603
Financial assets expected credit loss provision	38	31,868,913	18,629,356
(Recovered from) expense of assets foreclosed by the Bank provision	16	(357,796)	429,848
Other provisions	20	781,231	498,064
Total Expenses		101,408,982	88,274,390
Profit Before Income Tax		52,073,578	61,130,161
Less: Income tax expense	21	16,606,516	20,752,116
Profit for the Year Statements (C) and (D)		35,467,062	40,378,045
Attributable to:			
Bank's Shareholders		35,794,598	40,163,256
Non-controlling Interests		(327,536)	214,789
Profit for the Year		35,467,062	40,378,045
Earnings per share for the year attributable to the Banks' shareholders			
Basic/Diluted	39	0.179	0.201

The accompanying notes from (1) to (49) 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, 2020	2019
Amman - Jordan	JD	JD
Profit for the Year - Statement (B)	35,467,062	40,378,045
Other comprehensive income items:		
Items that may be reclassified subsequently to consolidated statement of profit or loss:		
Change in fair value reserve of debt instruments classified as financial assets at fair value through comprehensive income	(397,243)	1,016,235
Foreign currencies translation differences	4,167,292	(14,208)
	3,770,049	1,002,027
Items that will not be reclassified subsequently to consolidated statement of profit or loss:		
(Loss) from sale of financial assets at fair value through comprehensive income - net after tax	2,337,257	-
Change in fair value reserve of equity instruments classified as financial assets at fair value through comprehensive income - net of tax	725,655	(2,730,094)
	3,062,912	(2,730,094)
Total Consolidated Comprehensive Income-Statement (D)	42,300,023	38,649,978
Total Consolidated Comprehensive Income attributable to:		
Bank's Shareholders	40,502,256	38,442,114
Non-controlling Interests	1,797,767	207,864
	42,300,023	38,649,978

The accompanying notes from (1) to (49) 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				Foreign Currency Translation Differences	Fair Value Reserve	Retained Earnings	Total Equity Attributable to the Banks' Shareholders Equity	Non-Controlling Interests	Total Owners' Equity
		Statutory	Voluntary	General Banking Risks	Special						
For the year ended December 31, 2020	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Balance - Beginning of 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 classified as financial assets at fair value through comprehensive income	-	-	-	-	-	-	(397,243)	-	(397,243)	-	(397,243)
Change in fair value reserve in equity instrument classified 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	-	-	-	(5,914,032)	(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
For the year ended December 31, 2019											
Balance - Beginning of the Year	200,000,000	87,947,294	134,330	2,258,450	5,849,039	(12,256,254)	26,668,016	101,289,732	411,890,607	5,566,440	417,457,047
Foreign currency translation differences	-	(165)	(165)	(31)	-	(11,866)	-	4,944	(7,283)	(6,925)	(14,208)
Profit for the year – Statement (B)	-	-	-	-	-	-	-	40,163,256	40,163,256	214,789	40,378,045
Change in fair value reserve in debt instruments classified as financial assets at fair value through comprehensive income	-	-	-	-	-	-	1,016,235	-	1,016,235	-	1,016,235
Change in fair value reserve in equity instrument classified as financial assets at fair value through comprehensive income - Net of tax	-	-	-	-	-	-	(2,730,094)	-	(2,730,094)	-	(2,730,094)
Total Comprehensive Income – Statement (C)	-	(165)	(165)	(31)	-	(11,866)	(1,713,859)	40,168,200	38,442,114	207,864	38,649,978
Transferred to reserves	-	6,118,516	-	(61,928)	704	-	-	(6,057,292)	-	-	-
Dividends paid*	-	-	-	-	-	-	-	(36,000,000)	(36,000,000)	-	(36,000,000)
Balance – End of 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

* According to the resolution of the Bank's General Assembly in its ordinary meeting held on May 4, 2019, it was approved to distribute 18% of the Bank's capital in cash to shareholders which is equivalent to JD 36,000,000.

** 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 21,808,399 against deferred tax benefits 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, 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 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 (49) 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	2020	2019
Cash Flows from Operating Activities:		JD	JD
Profit before income tax – Statement (B)		52,073,578	61,130,161
Adjustments for Non-Cash Items:			
Depreciation and amortization	14,15	9,254,938	8,726,851
Financial assets expected credit loss expenses	38	31,868,913	18,629,356
(Gain) from sale of property and equipment	35	(717,916)	6,692
(Gain) Unrealized loss from financial assets at fair value through profit or loss	34	(14,988,346)	22,192
Gain from recognition of financial assets	11	(3,652,011)	-
Effect of exchange rate fluctuations	33	(2,530,549)	(3,246,156)
Other provisions	20	781,231	498,064
(Recovered from) expense of assets foreclosed by the bank provision	16	(357,796)	429,848
Assets foreclosed by the bank revaluation loss	35	-	326,702
Foreign currency exchange differences		3,808,660	3,232
Profit before changes in assets and liabilities		75,540,702	86,526,942
Changes in Assets and Liabilities:			
Decrease (increase) in restricted balances		10,617,369	(1,464,875)
Decrease in deposits with banks and financial institutions (maturing over 3 months)		118,685,314	27,202,911
Decrease (increase) in financial assets at fair value through profit or loss		460,020	(481,231)
(Increase) decrease in direct credit facilities at amortized cost		(92,428,376)	43,539,293
(Increase) in other assets		(3,026,481)	(4,561,114)
(Decrease) in deposits at banks and financial institutions (maturing over 3 months)		(80,000,000)	-
(Decrease) increase in customers' deposits		(9,910,531)	51,305,621
(Decrease) increase in cash margins		(774,612)	3,325,004
Increase in borrowed funds		60,135,362	4,365,730
(Decrease) increase in other liabilities		(3,013,214)	2,332,182
Net Change in Assets and Liabilities		744,851	125,563,521
Net Cash Flows from Operating Activities Before Paid Taxes, End-of-Service Indemnity Provision, and Lawsuits Provision		76,285,553	212,090,463
End-of-service indemnity and lawsuits provisions paid	20	(415,042)	(681,001)
Taxes paid	21	(22,692,105)	(23,151,663)
Net Cash Flows from Operating Activities		53,178,406	188,257,799
Cash Flows from Investing Activities:			
(Purchase) of financial assets at amortized cost		(138,276,286)	(132,384,857)
Maturity of financial assets at amortized cost		61,855,877	63,646,459
Financial assets at fair value through comprehensive income		-	(42,479,888)
Proceeds from sale of financial assets at fair value through comprehensive income		2,900,734	17,488,194
Financial derivatives		276,515	(27,660)
(Purchase) of property and equipment and advance payments to acquire property and equipment		(6,877,093)	(7,036,457)
Proceeds from sale of property and equipment		900,708	82,830
(Purchase) of intangible assets	10	(2,124,672)	(1,986,497)
Net Cash Flows (Used in) Investing Activities		(81,344,217)	(102,697,876)
Cash Flows from Financing Activities:			
Foreign currency translation differences		4,167,292	(14,208)
Dividends paid to shareholders		(56,800)	(35,738,306)
Net Cash Flows from (used in) Financing Activities		4,110,492	(35,752,514)
Effect of exchange rate fluctuations on cash and cash equivalents	33	2,530,549	3,246,156
Net (decrease) Increase in Cash and Cash Equivalents		(21,524,770)	53,053,565
Cash and cash equivalents - beginning of the year	40	434,442,966	381,389,401
Cash and Cash Equivalents - End of the Year	40	412,918,196	434,442,966

The accompanying notes from (1) to (49) constitute an integral part of these consolidated financial statements and should be read with them.

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 (80) branches across Jordan, (16) 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. (629) held on January 28, 2021, and subject to The Central Bank of Jordan 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 as 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 that 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 the year 2015, and in accordance with the Central Bank of Jordan Circular No. 10/1/4076 dated March 27, 2014 and Circular No. 10/1/2510 dated February 14, 2017, 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. Central Bank of Jordan issued Circular No. 10/1/16239 dated November 21, 2019 approving the extension of Circular No. 10/1/2150 dated February 14, 2017, confirming to postpone the provision calculation until the end of year 2020 and amending the second clause of it. In accordance with the Central Bank of Jordan circular No.10/3/16628 dated January 27/2020, circular No 15/10/2510 was extended till December 31, 2021.
- Additional provisions are calculated in the consolidated financial statements against some of the Bank's foreign investments in some neighbouring countries.

- 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 allocations to comply with these instructions.
- The consolidated financial statements were prepared on the historical cost basis except for 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.

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 and in accordance with the Central Bank of Jordan Circular No. 10/1/4076 dated March 27, 2014 and Circular No. 10/1/2510 dated February 14, 2017 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. Central Bank of Jordan issued Circular No. 10/1/16239 dated November 21, 2019 approving the extension of Circular No. 10/1/2150 dated February 14, 2017, in which it confirmed postponing the provision calculation until the end of year 2020 and amending the second clause of it in accordance with the Central Bank of Jordan circular No.10/3/16628 dated January 27/2020, circular No 15/10/2510 was extended till December 31, 2021.

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 accounting 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.

We believe that the estimates and judgments adopted in the preparation of the consolidated financial statements are consistent with the estimates and judgments adopted in the preparation of the consolidated financial statement for the year ended December 31, 2019 except for the following:

The Corona Virus (COVID-19) pandemic has spread across different geographical regions of the world, disrupting business and economic, activities and caused doubts globally. For which financial and monetary authorities, both domestic and international, declared various support measures in all parts of the world to face the potential negative effects, as at the present time there is a significant increase of uncertainty in determining the economic impact that is manifested, for example, in the volume of liquidity and volatility in asset prices, foreign currency exchange rates, a noticeable decrease in long-term interest rates, an assessment of the significant increase in credit risk and different macroeconomic factors. Accordingly, Bank of Jordan management has closely monitored the situation and has activated its business continuity plan and other risk management practices to manage any potential disruptions that the Corona Virus (COVID -19) outbreak may cause to the Bank's business, operations and financial performance.

Bank of Jordan's management has also performed a study over the potential impacts of the current economic fluctuations in determining the amounts recognized for the financial and non-financial assets of the Bank, which represents the management's best estimates based on the information available, given the current situation, As a result, the markets remain volatile and the recorded amounts continue to be sensitive to fluctuations.

- Provision for expected credit losses:

The uncertainties caused by the outbreak of the Corona virus (Covid-19) require updating the inputs and assumptions used to determine "expected credit losses" as of December 31, 2020. The expected credit losses were estimated based on a set of expected economic conditions as of that date given the rapid development for the situation, The Bank took into account the effect 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 by modifying the basic scenarios building methods and weights specific to these scenarios. Future factors used are determined from the statistical distribution of credit cycle index factors, which can be derived from a number of observable historical factors such as risk returns, credit growth, credit margins or assumptions as well as forward looking.

The Bank has updated the macroeconomic factors used in calculating the probability of default to reflect the Corona Virus (COVID-19) pandemic impacts in coordination with Moody's, which was identified from the statistical distributions of credit cycle index factors. The Bank performs continuous studies and reviews over these factors and scenarios. In addition, Bank of Jordan management has paid particular attention to the impact of the Corona virus (COVID-19) on the qualitative and quantitative factors when determining the significant increase in credit risk and assessing indicators of impairment of risk in potential sectors affected. This has resulted in a decrease in the classification of some credit exposures, recognition of expected credit losses and provisions for impairment as shown in the stated disclosure No. (43) to the consolidated financial statements.

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, 2020, 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 transaction and arrangements:

New and revised standards	Amendments to new and revised IFRSs
Amendments to IAS (1) "Presentation of Financial Statements" (Effective January 1, 2020)	These amendments are mainly related to the significance definition. These amendments clarify the definition of business as the international accounting standards board published the revised financial reposting framework. This includes revised definitions on measurement, derecognition, presentation, and disclosure. In addition to amended conceptual framework, the IASB issued amendments to the guidelines on the conceptual framework in the IFRS standards, which contain amendments to IFRS (2, 3, 6 and 14) and IAS (1,8,34,37 and 38) and IFRIC (12,19) and (20,22), and interpretations of standing committee for the interpretation of standards number (32), in order to update those statements with regard to references and quotaions from the framework or to refer to a differenct version of the conceptual framework.
Amendments to IFRS 3 "Business combinations" (Effective January 1, 2020)	These amendments clarify the definition of a business, in accordance with instructions received by the IASB, the application of the current guidance is complicated and result in many transactions to be classified as business mergers.
Amendments to International Financial Reporting Standard (9), International Accounting Standards (39) and International Financial Reporting Standard (7) "Interest Rate Benchmark Reform". (Effective January 1, 2020)	"Interest Rate Benchmark Reform" – these amendments provide some exemptions regarding fixing the interest rate between Banks (LIBOR) which should not cause to end hedge accounting in general. Even though ineffective hedging should continue to be recorded in the statement of comprehensive income. Due to the general nature of hedge instruments that are based on LIBOR prices, these exemptions will affect companies in all industries.
COVID-19-Related Rent Concessions (Amendment to IFRS 16) (Effective June 1, 2020)	Amendments to IFRS 16. Lease benefits related to Corona virus (Amendments to IFRS 16).

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 and revised standards	Effective
Interest Rate Benchmark Reform-Phase 2 (Amendments to IFRS9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	1 January 2021
Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)	1 January 2022
Annual improvements to IFRS Standards 2018-2020	1 January 2022
Property, Plant and Equipmet: Proceeds before intended Use (Amendments to IAS 16)	1 January 2022
Reference to the Conceptual Framework (Amendments to IFRS 3)	1 January 2022
Classification of liabilities as Current or Non-current (Amendments to IAS 1)	1 January 2023
IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts	1 January 2023
Sale or Contribution of Assets between an incvestor and its associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	Available for optional adoption/ effective date referred indefinitely

Management expects to apply these new standards, interpritations , and amendments to the consolidated financial statmenst of the Bank when they are applicable. Moreover, the adoption of these new standards, interpritations , 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, 2020 are the same as those applied by the Bank in its consolidated financial statements for the year ended December 31, 2019, except for International Financial Reporting Standards amendments and improvements that become effective on and after January 1, 2020 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; and
- 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 consediration all facts and circumstances when estimating whether the Bank has sufficient voting rights that enables the Banks control. Among those facts and circumstances are:

- The size of the voting rights that the Bank posesses and the distribution of other voting rights.
- Possible voting rights that the Bank posessess and any other parties that posess voting rights as such.
- Emerging rights from other contractual arrangements; and,
- Any other facts and circumstances that indicates that the Bank may or may not become liable when its 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 aquired 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-controling interests, the comprehensive income of subsidiaries are distrbuted to 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 stetments 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.

NCI in subsidiaries are determined separately from the Bank's equity in these subsidiaries. NCI 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 recognised in the profit and loss statement by calculating the difference between (A) total fair value of the reveiced amount and the fair value of any ramaining shares and (B) the current value of the assets (including good will) netted from it the liabilities of the subsirdiaries are and any non-controling interests. All previously recognised amounts are staed 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, 2020:

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	JD 3.5 Million	100	Financial Brokerage	Amman	March 23, 2006
Bank of Jordan – Syria*	3,000 Million (Syrian – Lira)	49	Banking Activities	Syria	May 17, 2008
Jordan Leasing Company	JD 20 Million	100	Finance Lease	Amman	October 24, 2011

The most important information of the subsidiaries for the years 2020 and 2019 is as follows:

Name of Subsidiary	December 31, 2020		For the Year 2020	
	Total Assets	Total Liabilities	Total Revenues	Total Expenses
	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

Name of Subsidiary	December 31, 2019		For the Year 2019	
	Total Assets	Total Liabilities	Total Revenues	Total Expenses
	JD	JD	JD	JD
Excel for Financial Investments Company	5,780,304	211,366	540,816	328,947
Bank of Jordan – Syria*	53,849,233	42,377,741	3.690,478	3,269,415
Jordan Leasing Company	28,262,123	4,784,310	2,016,553	59,949

* The results of Bank of Jordan – Syria has been consolidated in the accompanying consolidated financial statements due to the Bank's power to govern the financial and operating policies of the subsidiary Company.

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 are 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 it 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 statement of income 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; and
- 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 statement of financial position 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); or
- 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; with
- 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. This is the case when the Bank determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Bank may apply enforcement activities to financial assets written off. Recoveries resulting from the Bank's enforcement activities will result in impairment gains.

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 a mortised 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 the Bank are presented at the consolidated statement of financial position within other assets at fair value or at the value of their ownership by the Bank whichever is less, at the date of the consolidated financial statements these assets gets re-evaluated individually, 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 as revenue. Subsequent value increase is taken to the consolidated statement of profit or loss to the extent that it does not exceed the previously recorded impairment amount. Starting from the year 2015 and in accordance with the Central Bank of Jordan Circular No. 10/1/4076 dated March 27, 2014 and Circular No. 10/1/2510 dated February 14, 2017 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. Central Bank of Jordan issued Circular No. 10/1/16239 dated November 21, 2019 approving the extension of Circular No. 10/1/2150 dated February 14, 2017, in which it confirmed postponing the provision calculation until the end of year 2020 and amending the second clause of it. In accordance with the Central Bank of Jordan circular No.10/3/16628 dated January 27/2020, circular No 15/10/2510 was extended till December 31, 2021.

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	15
Furniture	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.

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 Softwares

Computer Softwares 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 co ntrol), the share of accumulated exchange differences is reclassified to the consolidated statement of profit or loss.

Leases

The Bank has adopted IFRS 16, "Leases", which supersedes the existing guidelines on leases, including IAS 17 "Leases" and International Interpretation (4) "Determining whether an arrangement contains a lease and SIC Interpretation (15) "Operating leases - incentives" and SIC interpretation (27) "evaluating the substance of transactions involving the legal form of a lease".

The Bank has adopted the second option of the modified retrospective approach of accounting - which allows comparative figures presented under IAS 17 "Leases" not to be restated – which is permitted under IFRS 16 at the first-time adoption of IFRS 16 over the individual operating leases (for each lease separately), the right to use leased assets is generally measured at the amount of the lease obligation using the interest rate at initial application.

The Bank determines whether a contract is, or contains, a lease. A contract is considered or contains. a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration as the definition of a lease in the standard.

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 remeasurements 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.
- The arrangement had conveyed a right to use the asset.

As a lessee

The group did not have any finance leases under IAS (17).

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.

7. Cash and Balances with Central Banks

This item consists of the following:	December 31,	
	2020	2019
	JD	JD
Cash at vaults	66,521,033	72,423,711
Balances at Central Banks:	-	-
- Current accounts and demand deposits	78,251,193	45,510,029
- Term and notice deposits	112,910,906	95,075,098
- Certificates of deposit	282,000	69,513,000
- Statutory cash reserve	91,663,345	102,130,953
	349,628,477	384,652,791
Less: Expected credit loss	(90,488)	(256,615)
	349,537,989	**384,396,176**

- Balances at central banks amounted to JD 283,107,444 as of December 31, 2020 (JD 312,229,080 as of December 31, 2019), these balances are distributed to credit stages as follows:

Item	As of December 31, 2020				As of December 31, 2019
	Stage One	Stage Two	Stage Three	Total	Total
Balance at the beginning of the year	312,229,080	-	-	312,229,080	286,177,151
New balances during the year	50,576,970	-	-	50,576,970	63,185,504
Paid balances	(79,698,606)	-	-	(79,698,606)	(37,133,575)
	283,107,444			283,107,444	312,229,080
Transferred to stage one	-	-	-	-	-
Transferred to stage two	-	-	-	-	-
Transferred to stage three	-	-	-	-	-
Changes due to the adjustments	-	-	-	-	-
adjustments due to exchange rates fluctuations	-	-	-	-	-
Balance at the End of the Year	**283,107,444**	**-**	**-**	**283,107,444**	**312,229,080**

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

Item	As of December 31, 2020						As of December 31, 2019
Credit risk rating based on the Bank's internal credit rating system:	Stage One		Stage Two		Stage Three		
	Individual Level	Collective Level	Individual Level	Collective Level		Total	Total
1	220,427,349	-	-	-	-	220,427,349	247,706,557
2	-	-	-	-	-	-	-
3	-	-	-	-	-	-	-
4	-	-	-	-	-	-	-
5	-	-	-	-	-	-	-
6	62,680,095	-	-	-	-	62,680,095	64,522,523
7	-	-	-	-	-	-	-
8	-	-	-	-	-	-	-
9	-	-	-	-	-	-	-
10	-	-	-	-	-	-	-
Total	**283,107,444**	**-**	**-**	**-**	**-**	**283,107,444**	**312,229,080**

The expected credit loss allowance movement summary was as follows:	As of December 31, 2020						As of December 31, 2019
	Stage One		Stage Two		Stage Three	Total	
Item	Individual Level	Collective Level	Individual Level	Collective Level			
Balance at the beginning of the year	256,615	-	-	-	-	256,615	194,054
Expected credit loss on new balances during the year	21,966	-	-	-	-	21,966	172,243
Expected credit loss reversal on Paid balances	(54,503)	-	-	-	-	(54,503)	(109,642)
	224,078	-	-	-	-	224,078	256,655
Transferred to stage one	-	-	-	-	-	-	-
Transferred to stage two	-	-	-	-	-	-	-
Transferred to stage three	-	-	-	-	-	-	-
Changes due to the adjustments	-	-	-	-	-	-	-
Adjustments due to exchange rates fluctuations	(133,590)	-	-	-	-	(133,590)	(40)
Balance at the End of the Year	**90,488**	**-**	**-**	**-**	**-**	**90,488**	**256,615**

- Statutory cash reserve, amounted to JD 91,663,345 as of December 31, 2020 (JD 102,130,953 as of December 31, 2019).
- Restricted balances other than cash reserve amounted to JD 2,275,906 as of December 31, 2020 (JD 2,440,098 as of 31 December 2019).
- Term and notice Deposit balance includes JD 10,635,000 maturing within a period exceeding three months as of December 31, 2020 (JD 10,635,000 as of December 31, 2019).
- 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, 2020 and 2019 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	Local Banks and Financial Institutions		Foreign Banks and Financial Institutions		Total	
	As of December 31,					
This item consists of the following:	2020	2019	2020	2019	2020	2019
	JD	JD	JD	JD	JD	JD
Current accounts and demand deposits	-	-	172,137,756	121,074,922	172,137,756	121,074,922
Deposits maturing within 3 months or less	15,000,000	48,376,500	3,588,480	18,874,863	18,588,480	67,251,363
	15,000,000	48,376,500	175,726,236	139,949,785	190,726,236	188,326,285
Less: Expected credit loss	(69)	(263)	(3,837)	(2,695)	(3,906)	(2,958)
	14,999,931	**48,376,237**	**175,722,399**	**139,947,090**	**190,722,330**	**188,323,327**

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, 2020						As of December 31, 2019
	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	121,274,657	-	-	-	-	121,274,657	119,503,328
3	60,366,896	-	-	-	-	60,366,896	13,534,979
4	5,464,250	-	-	-	-	5,464,250	17,968,927
5	69,967	-	-	-	-	69,967	2,742,570
6	3,448,318	-	-	-	-	3,448,318	34,474,900
7	-	-	-	-	-	-	101,581
8	-	-	-	-	101,097	101,097	-
9	-	-	-	-	-	-	-
10	-	-	-	-	1,051	1,051	-
Total	**190,624,088**	**-**	**-**	**-**	**102,148**	**190,726,236**	**188,326,285**

Balances at Banks' and financial institutions credit stages distribution was as follows:	As of December 31, 2020						As of December 31, 2019
	Stage One		Stage Two		Stage Three		
Item	Individual Level	Collective Level	Individual Level	Collective Level		Total	Total
Balance at the beginning of the year	188,224,704	-	101,581	-	-	188,326,285	152,122,328
Impairment loss for new balances during the year	70,375,920	-	-	-	-	70,375,920	111,274,189
Paid balances	(64,324,977)	-	-	-	-	(64,324,977)	(66,390,142)
	194,275,647	-	-	-	-	194,377,228	197,006,375
Transferred to Stage One	-	-		-	-	-	-
Transferred to Stage Two	-	-		-	-	-	-
Transferred to Stage Three	(645)	-	(101,581)	-	102,226	-	-
Impact on allowance - at year end due to adjustments among stages during the year	-	-	-	-	625	625	50,019
Changes due to the adjustments	1,186,955	-	-	-	-	(1,186,955)	(8,730,109)
Adjustment due to exchange rates fluctuations	(2,463,959)	-	-	-	(703)	(2,464,662)	-
Balance at the End of the Year	**190,624,088**	**-**	**-**	**-**	**102,148**	**190,726,236**	**188,326,285**

The movement on the expected credit loss provision was as follows:	As of December 31, 2020						As of December 31, 2019
	Stage One		Stage Two		Stage Three		
Item	Individual Level	Collective Level	Individual Level	Collective Level		Total	Total
Balance at the beginning of the year after IFRS (9) implementation	2,527	-	431	-	-	2,958	3,634
Credit loss on new balances during the year	702	-	-	-	-	702	58
Expected credit loss reversal- Paid balances	(282)	-	-	-	-	(282)	(1,138)
	2,947	-	-	-	-	3,378	2,554
Transferred to Stage One	-	-	-	-	-	-	-
Transferred to Stage Two	-	-	-	-	-	-	-
Transferred to Stage Three	(645)	-	(431)	-	1,076	-	-
Impact on allowance - at year end due to adjustments among stages during the year	-	-	-	-	678	678	431
Changes due to the adjustments	1,589	-	-	-	-	1,589	(25)
Adjustment due to exchange rates fluctuations	(1,036)	-	-	-	(703)	(1,739)	(2)
Balance at the End of the Year	**2,855**	**-**	**-**	**-**	**1,051**	**3,906**	**2,958**

- Non-interest bearing balances at banks and financial institutions amounted to JD 50,413,347 as of December 31, 2020 (JD 20,497,643 as of December 31, 2019).
- Restricted balances at banks and financial institutions amounted to JD 3,037,779 as of December 31, 2020 (JD 3,023,348 as of December 31, 2019).

9. Deposits with Banks and Financial Institutions	Local Banks and Financial Institutions		Foreign Banks and Financial Institutions		Total	
	As of December 31,		As of December 31,		As of December 31,	
This item consists of the following:	2020	2019	2020	2019	2020	2019
	JD	JD	JD	JD	JD	JD
Deposits maturing within 3 to 6 months	-	25,000,000	564,000	11,007,225	564,000	36,007,225
Deposits maturing within 6 to 9 months	-	-	-	-	-	-
Deposits maturing within 9 months to a year	-	-	-	2,051,089	-	2,051,089
Deposits maturing after 1 year	89,000,000	146,085,000	-	24,106,000	89,000,000	170,191,000
	89,000,000	171,085,000	564,000	37,164,314	89,564,000	208,249,314
Less: Expected credit loss	(38,428)	(88,612)	(5)	(36,937)	(38,433)	(125,549)
	88,961,572	**170,996,388**	**563,995**	**37,127,377**	**89,525,567**	**208,123,765**

Distribution of the total deposits with banks and financial institutions according to the banks internal credit rating categories was as follows:	As of December 31, 2020						As of December 31, 2019
	Stage One		Stage Two				
Item	Individual Level	Collective Level	Individual Level	Collective Level	Stage Three	Total	Total
Credit rating categories based on the Bank's rating system:							
1	-	-	-	-	-	-	-
2	-	-	-	-	-	-	11,007,225
3	74,000,000	-	-	-	-	74,000,000	100,000,000
4	15,000,000	-	-	-	-	15,000,000	27,051,089
5	-	-	-	-	-	-	70,191,000
6	564,000	-	-	-	-	564,000	-
7	-	-	-	-	-	-	-
8	-	-	-	-	-	-	-
9	-	-	-	-	-	-	-
10	-	-	-	-	-	-	-
Total	**89,564,000**	**-**	**-**	**-**	**-**	**89,564,000**	**208,249,314**

- Deposits with banks and financial institutions credit stages distribution was as follows:	As of December 31, 2020						As of December 31, 2019
	Stage One		Stage Two		Stage Three		
Item	Individual Level	Collective Level	Individual Level	Collective Level		Total	Total
Balance at the beginning of the year	208,249,314	-	-	-	-	208,249,314	235,452,225
New balances during the year	564,000	-	-	-	-	564,000	2,051,089
Paid balances	(109,249,314)	-	-	-	-	(109,249,314)	(29,254,000)
	99,564,000	-	-	-	-	99,564,000	208,249,314
Transferred to Stage One	-	-	-	-	-	-	-
Transferred to Stage Two	-	-	-	-	-	-	-
Transferred to Stage Three	-	-	-	-	-	-	-
Changes due to the adjustments	(10,000,000)	-	-	-	-	(10,000,000)	-
Written off- Balances	-	-	-	-	-	-	-
Adjustment due to exchange rates fluctuations	-	-	-	-	-	-	-
Balance at the End of the Year	**89,564,000**	**-**	**-**	**-**	**-**	**89,564,000**	**208,249,314**

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

Item	As of December 31, 2020						As of December 31, 2019
	Stage One		Stage Two				
	Individual Level	Collective Level	Individual Level	Collective Level	Stage Three	Total	Total
Balance at the beginning of the year	125,549	-	-	-	-	125,549	16,998
Credit loss on new balances during the year	6,103	-	-	-	-	6,103	112,242
Expected credit loss reversal of matured balances	(106,995)	-	-	-	-	(106,995)	(3,691)
	24,657	-	-	-	-	24,657	125,549
Transferred to Stage One	-	-	-	-	-	-	-
Transferred to Stage Two	-	-	-	-	-	-	-
Transferred to Stage Three	-	-	-	-	-	-	-
Changes due to the adjustments	13,776	-	-	-	-	13,776	-
Written off- Balances	-	-	-	-	-	-	-
Adjustment due to exchange rates fluctuations	-	-	-	-	-	-	-
Balance at the End of the Year	**38,433**	**-**	**-**	**-**	**-**	**38,433**	**125,549**

There are no restricted deposits as of December 31, 2019 and 2018.

10. Financial Assets at Fair Value through Profit or Loss	As of December 31,	
This item consists of the following:	2020	2019
	JD	JD
Shares listed in local active markets	32,883	512,720
Shares unlisted in local active markets*	124,159	115,996
Right to receive financial assets at fair value	15,000,000	-
	15,157,042	**628,716**

* 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.

11. Financial Assets at Fair Value Through Comprehensive Income	As of December 31,	
This item consists of the following:	2020	2019
	JD	JD
Shares listed in local active markets	4,587,610	45,214,112
Shares unlisted in local active markets*	2,455,669	2,941,952
Shares listed in foreign active markets	5,411,781	5,580,083
Shares unlisted in foreign active markets*	46,726,887	1,219,501
Total of equity instruments	59,181,947	54,955,648
Corporate bonds	25,344,463	25,909,988
Total of debt instruments	25,344,463	25,909,988
	84,526,410	**80,865,636**

- Total cash dividends from financial assets at fair value through comprehensive income amounted to JD 510,741 for the year ended December 31, 2020 (JD 547,272 for the year ended December 31, 2019).

* 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 or 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, 2020				As of December 31, 2019
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	-	-	18,129,573	14,875,218
6	7,214,890	-	-	7,214,890	11,034,770
7	-			-	-
8	-	-	-	-	-
9	-	-	-	-	-
10	-	-	-	-	-
Total	**25,344,463**	**-**	**-**	**25,344,463**	**25,909,988**

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, 2020				As of December 31, 2019
Item	Stage One	Stage Two	Stage Three	Total	Total
Fair value at the beginning of the year	25,909,988	-	-	25,909,988	-
New investments during the year	-	-	-	-	25,909,988
Matured investments during the year	-	-	-	-	-
	25,909,988	-	-	25,909,988	25,909,988
Transferred to stage one	-	-	-	-	-
Transferred to stage two	-	-	-	-	-
Transferred to stage three	-	-	-	-	-
Changes due to the adjustments	(565,525)	-	-	(565,525)	-
Balance at the End of the Year	**25,344,463**	**-**	**-**	**25,344,463**	**25,909,988**

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:

Item	As of December 31, 2020				As of December 31, 2019
	Stage One	Stage Two	Stage Three	Total	Total
Balance at the beginning of the Year	77,271	-	-	77,271	-
New investmentduring the year	-	-	-	-	77,271
Matured iinvestment	-	-	-	-	-
	77,271	-	-	77,271	77,271
Transferred to stage one	-	-	-	-	-
Transferred to stage two	-	-	-	-	-
Transferred to stage three	-	-	-	-	-
Changes due to the adjustments	134,933	-	-	134,933	-
Adjustments due to exchange rates fluctuations	-	-	-	-	-
Balance at the End of the Year*	**212,204**	**-**	**-**	**212,204**	**77,271**

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

12. Direct Credit Facilities at amortized cost	December 31,	
This item consists of the following:	2020	2019
	JD	JD
Individual (Retail Customers):	557,702,675	488,438,680
Overdraft accounts	13,786,902	12,835,949
Loans and discounted bills*	518,981,439	451,086,250
Credit cards	24,934,334	24,516,481
Real estate loans	259,123,143	238,577,717
Corporate:	621,426,028	681,832,288
Large corporate customers	375,831,841	438,140,685
Overdraft accounts	65,042,272	74,961,948
Loans and discounted bills*	310,789,569	363,178,737
SMEs	245,594,187	243,691,603
Overdraft accounts	50,666,441	55,061,893
Loans and discounted bills*	194,927,746	188,629,710
Government and public sector	181,364,510	122,691,256
Total	1,619,616,356	1,531,539,941
Less: expected credit loss provision	(141,725,555)	(112,104,787)
Less: Interest in suspense	(11,151,703)	(9,909,717)
Net Direct Credit Facilities at amortized cost	**1,466,739,098**	**1,409,525,437**

* Net of interest and commission received in advance amounting to JD 16,427,772 as of December 31, 2020 (JD 17,143,660 as of December 31, 2019).

- Non-performing credit facilities amounted to JD 137,962,291 representing (8/5%) of the direct credit facilities balance for the year (JD 114,630,680 representing (7/5%) for prior year).
- Non-performing credit facilities after deducting the suspended interest amounted to JD 126,812,522 representing (7/8%) of direct credit facilities after deducting the suspended interest for the year (JD 104,723,259 representing (6/9%) for prior year).
- Credit facilities granted to and guaranteed by the Jordanian Government amounted to JD 12,813,252 representing (0/79%) of total direct credit facilities for the year (JD 32,598,476 representing (2/13%) for the prior year). Moreover, credit facilities granted to the public sector in Palestine amounted to JD 57,511,269 (JD 46,734,985 for the prior year). In addition to credit facilities granted to foreign governments amounted to JD 20,158,288.

Total direct credit facilities credit stages distribution was as follows:	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	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)	(19,765,843)	(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	-	-	-	-	(595,302)	(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 on the total expected credit loss allowance was as follows:	As of December 31, 2020					
	Stage One		Stage Two			Total
Item	Individual Level	Collective Level	Individual Level	Collective Level	Stage Three	
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**

Total direct credit facilities credit stages distribution was as follows:	As of December 31, 2019					
	Stage One		Stage Two			Total
Item	Individual Level	Collective Level	Individual Level	Collective Level	Stage Three	
Balance at the beginning of the year	820,264,824	591,291,301	43,835,749	27,975,928	91,750,968	1,575,118,770
New facilities during the year	68,770,402	116,221,082	3,055,428	2,970,455	3,209,553	194,226,920
Facilities paid	(30,476,769)	(53,502,298)	(2,810,105)	(1,822,183)	(8,723,295)	(97,334,650)
	858,558,457	654,010,085	44,081,072	29,124,200	86,237,226	1,672,011,040
Transferred to Stage One	23,345,623	10,772,363	(23,345,623)	(9,724,840)	(1,047,523)	-
Transferred to Stage Two	(103,952,073)	(20,996,081)	104,496,747	22,978,514	(2,527,107)	-
Transferred to Stage Three	(19,079,422)	(7,322,366)	(6,191,098)	(7,864,391)	40,457,277	-
Effect on the allowance at the end of the year as a result of classification changes between the three stages during the year	10,372,676	(1,000,688)	(17,211,679)	(936,607)	(4,888,808)	(13,665,106)
Changes due to the adjustments	(105,236,383)	(16,309,974)	(1,165,024)	(473,819)	(1,731,953)	(124,917,153)
Written off – Balances	-	-	-	-	(1,861,964)	(1,861,964)
Adjustment due to exchange rates fluctuations	(9,234)	(204)	(8,474)	(2,496)	(6,468)	(26,876)
Balance at the End of the Year	**663,999,644**	**619,153,135**	**100,655,921**	**33,100,561**	**114,630,680**	**1,531,539,941**

- The combined movement on the total expected credit loss allowance was as follows:	As of December 31, 2019					
	Stage One		Stage Two		Stage Three	Total
Item	Individual Level	Collective Level	Individual Level	Collective Level		
Balance at the beginning of the year after adopting IFRS (9)	1,745,391	4,086,242	14,672,544	1,114,957	75,385,510	97,004,644
Credit loss on new balances during the year	314,666	1,023,407	169,370	814,799	12,096,632	14,418,874
Expected credit loss reversal of matured facilities	(97,125)	(323,776)	(3,655,207)	(445,454)	(14,537,099)	(19,058,661)
	1,962,932	4,785,873	11,186,707	1,484,302	72,945,043	92,364,857
Transferred to Stage One	108,131	1,072,667	(108,131)	(267,918)	(804,749)	-
Transferred to Stage Two	(238,181)	(138,858)	564,872	1,666,490	(1,854,323)	-
Transferred to Stage Three	(37,908)	(54,344)	(86,832)	(285,474)	464,558	-
Effect on the allowance at the end of the year as a result of classification changes between the three stages during the year	(56,276)	(987,629)	207,575	(1,461,077)	23,890,590	21,593,183
Changes due to the adjustments	294,991	680,074	32,894	(152,121)	(1,634,305)	(778,467)
Written off- Balances	-	-	-	-	(1,555,947)	(1,555,947)
Adjustment due to exchange rates fluctuations	(51)	(4)	(223)	-	481,439	481,161
Balance at the End of the Year	**2,033,638**	**5,357,779**	**11,796,862**	**984,202**	**91,932,306**	**112,104,787**

Expected credit loss allowance against credit facilities	As of December 31, 2020					
			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	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 balances	(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**

	As of December 31, 2019					
			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	29,508,935	6,150,599	39,872,490	21,268,030	204,590	97,004,644
Impairment loss of new facilities during the year	9,626,128	1,125,767	2,539,558	1,116,262	11,159	14,418,874
Reversed from impairment loss of the (settled) balances	(7,598,587)	(1,383,027)	(7,575,493)	(2,501,554)	-	(19,058,661)
	31,536,476	5,893,339	34,836,555	19,882,738	215,749	92,364,857
Transferred to Stage One	-	-	-	-	-	-
Transferred to Stage Two	-	-	-	-	-	-
Transferred to Stage Three	-	-	-	-	-	-
Effect on the allowance at the end of the year as a result of classification changes between the three stages during the year	4,370,096	1,062,844	6,819,728	9,340,515	-	21,593,183
Changes due to the adjustments	241,454	178,180	611,314	(1,936,138)	126,723	(778,467)
Written-off balances	(87,682)	-	-	(1,468,265)	-	(1,555,947)
Adjustment due to exchange rates fluctuations	134,137	(89)	128,096	219,017	-	481,161
Balance at the End of the Year	36,194,481	7,134,274	42,395,693	26,037,867	342,472	112,104,787
Distributed as follows:						
Allowance on individual level	168,410	1,456,259	42,249,329	25,544,883	342,472	69,761,353
Allowance on collective level	36,026,071	5,678,015	146,364	492,984	-	42,343,434
Balance at the End of the Year	**36,194,481**	**7,134,274**	**42,395,693**	**26,037,867**	**342,472**	**112,104,787**

The following are the details for each business segment as of December 31, 2020:

A. Individual Portfolio (Retail)	As of December 31, 2020						As of December 31, 2019
	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	-	-	-	-	-	-	-
4	-	-	-	-	-	-	-
5	842,653	-	-	-	-	842,653	56,894
6	77,876	-	-	-	-	77,876	626,042
7	-	-	-	-	-	-	51,656
8	-	-	-	-	107,946	107,946	-
9	-	-	-	-	-	-	90,319
10	-	-	-	-	612,946	612,946	599,969
Unclassified	-	508,080,383	-	8,411,144	39,569,727	556,061,254	487,013,800
Total	**920,529**	**508,080,383**	**-**	**8,411,144**	**40,290,619**	**557,702,675**	**488,438,680**

Related Facilities Movement Disclosure:	As of December 31, 2020						As of December 31, 2019
	Stage One		Stage Two		Stage Three	Total	
Item	Individual Level	Collective Level	Individual Level	Collective Level			Total
Balance at the beginning of the year	682,936	434,486,858	51,656	17,493,817	35,723,413	488,438,680	447,634,876
New facilities during the year	422,689	94,290,500	-	1,154,703	981,976	96,849,868	92,429,199
Facilities paid	(31,700)	(37,850,550)	(7,216)	(1,567,723)	(1,869,530)	(41,326,719)	(44,337,373)
	1,073,925	490,626,808	44,440	17,080,797	34,835,859	543,961,829	495,726,702
Transferred to Stage One	-	10,221,134	-	(9,467,819)	(753,315)	-	-
Transferred to Stage Two	-	(5,069,110)	-	557,065	(487,955)	-	-
Transferred to Stage Three	(96,382)	(2,757,967)	-	(3,890,213)	6,744,562	-	-
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	-	(596,330)	-	(788,740)	245,751	(1,139,319)	(1,294,648)
Changes due to the adjustments	(19,854)	15,372,204	(15,415)	(71,624)	(24,074)	15,241,237	(5,872,190)
Written off-Balances	-	-	-	-	(90,472)	(90,472)	(120,884)
Adjustments due to exchange rates Fluctuations	(37,160)	(16,356)	(29,025)	(8,322)	(179,737)	(270,600)	(300)
Total Balance at the End of the Year	**920,529**	**508,080,383**	**-**	**8,411,144**	**40,290,619**	**557,702,675**	**488,438,680**

Expected credit loss allowance movment:	As of December 31, 2020						As of December 31, 2019
	Stage One		Stage Two		Stage Three	Total	
Item	Individual Level	Collective Level	Individual Level	Collective Level			Total
Balance at the beginning of the year	2,691	4,450,098	31	943,516	30,798,145	36,194,481	29,508,935
Impairment Loss of new balances during the year	8	538,651	-	5,330,615	2,610,976	8,480,250	9,626,129
Recoveries from impairment loss on facilities due	(494)	(311,995)	(15)	(16,572)	(1,395,595)	(1,724,671)	(7,598,587)
	2,205	4,676,754	16	6,257,559	32,013,526	42,950,060	31,536,477
Transferred to Stage One	-	657,598	-	(127,932)	(529,666)	-	-
Transferred to Stage Two	-	(45,197)	-	442,517	(397,320)	-	-
Transferred to Stage Three	(38)	(34,868)	-	(53,130)	88,036	-	-
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	-	(589,289)	-	(388,999)	5,191,661	4,213,373	4,370,096
Changes due to the adjustments	(1,026)	(1,590,036)	(6)	(713,419)	(21,596)	(2,326,083)	241,454
Written off-Balances	-	-	-	-	(82,971)	(82,971)	(87,682)
Adjustments due to changes in exchange rates	(135)	(873)	(10)	(5,488)	(128,240)	(134,746)	134,136
Total Balance at the End of the Year	**1,006**	**3,074,089**	**-**	**5,411,108**	**36,133,430**	**44,619,633**	**36,194,481**

B. Real Estate Loan Portfolio	As of December 31, 2019						As of December 31, 2018
	Stage One		Stage Two		Stage Three	Total	
Item	Individual Level	Collective Level	Individual Level	Collective Level			Total
Credit risk rating categories based on the Bank's internal credit rating system:							
1	-	-	-	-	-	-	-
2	391,015	-	-	-	-	391,015	-
3	541,315	-	-	-	-	541,315	187,877
4	876,982	-	-	-	-	876,982	135,577
5	7,636,921	-	206,635	-	-	7,843,556	5,510,847
6	12,373,196	-	2,644,002	-	-	15,017,198	14,005,718
7	-	-	120,098	-	-	120,098	9,046,500
8	-	-	-	-	23,834	23,834	1,246,376
9	-	-	-	-	-	-	219,057
10	-	-	-	-	1,403,064	1,403,064	941,805
Unclassified	-	213,536,822	-	6,758,473	12,610,876	232,906,081	207,283,960
Total	**21,819,429**	**213,536,822**	**2,970,735**	**6,758,473**	**14,037,684**	**259,123,143**	**238,577,717**

Related facilities movement disclosure:	As of December 31, 2020						As of December 31, 2019
	Stage One		Stage Two		Stage Three	Total	
Item	Individual Level	Collective Level	Individual Level	Collective Level			Total
Balance at the beginning of the year	19,840,019	180,947,729	9,046,500	15,232,595	13,500,874	238,577,717	248,820,243
New facilities during the year	1,442,888	37,823,673	-	158,081	-	39,424,642	30,805,176
Facilities Paid	(2,641,569)	(6,950,462)	(496,128)	(152,363)	(1,408,866)	(11,649,388)	(21,653,378)
	18,641,338	211,830,940	8,550,372	15,238,313	12,092,008	266,352,971	257,972,041
Transferred to Stage One	5,758,288	10,650,172	(5,758,288)	(10,151,507)	(498,665)	-	-
Transferred to Stage Two	(54,551)	(3,891,223)	442,936	4,290,949	(788,111)	-	-
Transferred to Stage Three	-	(389,896)	(420,380)	(2,487,860)	3,298,136	-	-
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	(136,943)	(23,304)	(4,005)	(123,847)	(29,882)	(317,981)	(1,407,966)
Changes due to adjustments	(2,388,703)	(4,554,049)	160,100	33,199	107,087	(6,642,366)	(17,985,855)
Written-off facilities	-	-	-	-	-	-	-
Adjustments due to changes in exchange rates	-	(85,818)	-	(40,774)	(142,889)	269,481	(503)
Total Balance at the End of the Year	**21,819,429**	**213,536,822**	**2,970,735**	**6,758,473**	**14,037,684**	**259,123,143**	**238,577,717**

Expected credit loss allowance movment:	As of December 31, 2020						As of December 31, 2019
	Stage One		Stage Two		Stage Three	Total	
Item	Individual Level	Collective Level	Individual Level	Collective Level			Total
Balance at the beginning of the year	36,076	865,727	77,000	36,648	6,118,823	7,134,274	6,150,599
Credit loss of new balances during the year	3,957	112,956	199,250	831	1,788,689	2,105,683	1,125,767
Expected credit loss reversal of matured facilities	(4,491)	(29,702)	(4,275)	(2,025)	(640,094)	(680,587)	(1,383,027)
	35,542	948,981	271,975	35,454	7,267,418	8,559,370	5,893,339
Transferred to Stage One	62,952	170,138	(62,952)	(52,933)	(177,205)	-	-
Transferred to Stage Two	(89)	(19,254)	79,193	169,476	(29,326)	-	-
Transferred to Stage Three	-	(1,770)	(5,774)	(12,018)	19,562	-	-
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	(54,996)	(138,800)	(79,139)	(146,987)	2,279,994	1,860,072	1,062,844
Changes due to adjustments	15,481	(335,051)	3,678	59,928	7,471	(248,493)	178,180
Written-off facilities	-	-	-	-	-	-	-
Adjustments due to changes in exchange rates	-	(4,288)	-	(15,222)	(63,787)	(83,297)	(89)
Total Balance at the End of the Year	**58,890**	**619,956**	**206,981**	**37,698**	**9,164,127**	**10,087,652**	**7,134,274**

C. Facilities granted to corporates

	As of December 31, 2020						As of December 31, 2019
	Stage One		Stage Two		Stage Three	Total	
Item	Individual Level	Collective Level	Individual Level	Collective Level			Total
Credit risk rating categories based on the Bank's internal credit rating system:							
1	159	-	-	-	-	159	-
2	11,145,957	-	-	-	-	11,145,957	7,619,500
3	22,460,242	-	-	-	-	22,460,242	-
4	57,414,311	-	6,348,269	-	-	63,762,580	71,595,239
5	99,001,549	-	14,757,816	-	-	113,759,365	67,964,921
6	88,677,749	-	10,769,241	-	-	99,446,990	199,728,805
7	16,307,000	-	2,422,068	-	-	18,729,068	57,712,298
8	-	-	-	-	369,051	369,051	5,811,592
9	-	-	-	-	14,527,705	14,527,705	5,923,227
10	-	-	-	-	31,035,943	31,035,943	20,867,405
Unclassified	-	263,608	-	177,510	153,663	594,781	917,698
Total	**295,006,967**	**263,608**	**34,297,394**	**177,510**	**46,086,362**	**375,831,841**	**438,140,685**

Related facilities movement disclosure:	As of December 31, 2020						As of December 31, 2019
	Stage One		Stage Two		Stage Three	Total	
Item	Individual Level	Collective Level	Individual Level	Collective Level			Total
Balance at the beginning of the year	346,908,465	739,170	57,712,298	28,817	32,751,935	438,140,685	485,610,545
New facilities during the year	14,951,795	53,282	463,448	-	1,583,681	17,052,206	44,075,339
Facilities paid	(20,997,249)	(267,223)	(1,816,063)	-	(763,994)	(23,844,529)	(11,240,397)
	340,863,011	525,229	56,359,683	28,817	33,571,622	431,348,362	518,445,487
Transferred to Stage One	40,572,957	-	(40,572,957)	-	-	-	-
Transferred to Stage Two	(27,000,812)	(183,099)	27,000,812	183,099	-	-	-
Transferred to Stage Three	(13,955,483)	-	(2,494,129)	-	16,449,612	-	-
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	(10,291,853)	-	(4,866,251)	(36,181)	(1,508,973)	(16,703,258)	(6,692,334)
Changes due to adjustments	(28,785,023)	(78,522)	2,532,674	1,775	1,711,979	(24,617,117)	(73,589,909)
Written off facilities	-	-	-	-	-	-	-
Adjustments due to changes in exchange rates	(6,395,830)	-	(3,662,438)	-	(4,137,878)	(14,196,146)	(22,559)
Total Balance at the End of the Year	**295,006,967**	**263,608**	**34,297,394**	**177,510**	**46,086,362**	**375,831,841**	**438,140,685**

Expected credit loss allowance movment:	As of December 31, 2020						As of December 31, 2019
	Stage One		Stage Two		Stage Three	Total	
Item	Individual Level	Collective Level	Individual Level	Collective Level			Total
Balance at the beginning of the year	978,778	7,908	11,502,371	425	29,906,211	42,395,693	39,872,490
Credit loss on new balances during the year	145,983	456	3,870	-	1,217,186	1,367,495	2,539,558
Expected credit loss reversal of matured facilities	(79,012)	(1,808)	(1,617,747)	-	(626,826)	(2,325,393)	(7,575,493)
	1,045,749	6,556	9,888,494	425	30,496,571	41,437,795	34,836,555
Transferred to Stage One	307,979	-	(307,979)	-	-	-	-
Transferred to Stage Two	(44,224)	(2,544)	44,224	2,544	-	-	-
Transferred to Stage Three	(10,467)	-	(7,706)	-	18,173	-	-
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	(128,091)	-	13,428	(812)	14,677,914	14,492,439	6,819,728
Changes due to adjustments	(253,294)	(2,092)	10,393	(72)	385,326	119,475	611,314
Written off facilities	-	-	-	-	-	-	-
Adjustments due to changes in exchange rates	(1,676)	-	(39,249)	-	(2,117,640)	(2,158,565)	128,096
Total Balance at the End of the Year	**845,976**	**1,920**	**9,580,819**	**2,085**	**43,460,344**	**53,891,144**	**42,395,693**

D. Facilities granted to SME's	As of December 31, 2020						As of December 31, 2019
	Stage One		Stage Two		Stage Three	Total	
Item	Individual Level	Collective Level	Individual Level	Collective Level			Total
Credit risk rating categories based on the Bank's internal credit rating system:							
1	-	-	-	-	-	-	-
2	4,774,931	-	-	-	-	4,774,931	-
3	18,093,131	-	1,022,525	-	-	19,115,656	1,320,597
4	39,853,505	-	660,573	-	-	40,514,078	1,835,262
5	59,196,225	-	10,303,809	-	-	69,500,034	42,237,593
6	51,771,447	-	7,510,605	-	-	59,282,052	128,483,516
7	-	-	11,108,322	-	-	11,108,322	33,845,467
8	-	-	-	-	2,727,983	2,727,983	286,695
9	-	-	-	-	2,051,371	2,051,371	11,508,303
10	-	-	-	-	32,085,936	32,085,936	20,234,405
Unclassified	-	3,547,535	-	203,953	682,336	4,433,824	3,939,765
Total	**173,689,239**	**3,547,535**	**30,605,834**	**203,953**	**37,547,626**	**245,594,187**	**243,691,603**

Related facilities movement disclosure:	As of December 31, 2020						As of December 31, 2019
	Stage One		Stage Two		Stage Three	Total	
Item	Individual Level	Collective Level	Individual Level	Collective Level			Total
Balance at the beginning of the year	173,876,968	2,969,378	33,845,467	345,332	32,654,458	243,691,603	258,358,659
New facilities during the year	10,516,364	1,416,355	437,334	-	285,753	12,655,806	16,953,385
Facilities Paid	(8,672,151)	(210,871)	(2,400,247)	(33,516)	(909,988)	(12,226,773)	(20,103,502)
	175,721,181	4,174,862	31,882,554	311,816	32,030,223	244,120,636	255,208,542
Transferred to Stage One	15,098,753	146,508	(15,098,753)	(146,508)	-	-	-
Transferred to Stage Two	(19,465,633)	(144,522)	20,501,999	163,302	(1,055,146)	-	-
Transferred to Stage Three	(650,655)	(13,496)	(6,708,169)	(86,269)	7,458,589	-	-
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	(1,239,833)	(10,980)	(415,597)	(36,854)	286,822	(1,416,442)	(4,270,158)
Changes due to adjustments	6,005,047	(604,837)	618,689	(1,534)	22,443	6,039,808	(5,502,187)
Written off-facilities	-	-	-	-	(504,731)	(504,731)	(1,741,080)
Adjustments due to changes in exchange rates	(1,779,621)	-	(174,889)	-	(690,574)	(2,645,084)	(3,514)
Total Balance at the End of the Year	**173,689,239**	**3,547,535**	**30,605,834**	**203,953**	**37,547,626**	**245,594,187**	**243,691,603**

Expected credit loss allowance movement:	As of December 31, 2020						As of December 31, 2019
	Stage One		Stage Two		Stage Three	Total	
Item	Individual Level	Collective Level	Individual Level	Collective Level			Total
Balance at the beginning of the year	673,620	34,047	217,460	3,613	25,109,127	26,037,867	21,268,030
Impairment Loss of new balances during the year	115,401	8,605	11,600	-	761,709	897,315	1,116,262
Recoveries from impairment loss on facilities due	(36,277)	(3,013)	(9,134)	(244)	(87,997)	(136,665)	(2,501,554)
	752,744	39,639	219,926	3,369	25,782,839	26,798,517	19,882,738
Transferred to Stage One	185,394	1,489	(185,394)	(1,489)	-	-	-
Transferred to Stage Two	(60,330)	(1,648)	325,583	19,765	(283,370)	-	-
Transferred to Stage Three	(1,383)	(64)	(72,683)	(1,095)	75,225	-	-
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	(147,806)	(902)	100,244	(18,809)	6,686,892	6,619,619	9,340,515
Changes resulting from modification	(168,348)	(16,432)	193,645	(264)	15,665	24,266	(1,936,138)
Written off facilities	-	-	-	-	(481,700)	(481,700)	(1,468,265)
Adjustments due to changes in exchange rates	(35)	-	(292)	-	(171,336)	(171,663)	219,017
Total Balance at the End of the Year	**560,236**	**22,082**	**581,029**	**1,477**	**31,624,215**	**32,789,039**	**26,037,867**

E. Facilities Granted to the Government and the Public Sector:	As of December 31, 2020						As of December 31, 2019
	Stage One		Stage Two		Stage Three	Total	
Item	Individual Level	Collective Level	Individual Level	Collective Level			Total
Credit risk rating categories based on the Bank's internal credit rating system:							
1	93,694,953	-	-	-	-	93,694,953	32,598,476
2	-	-	-	-	-	-	-
3	-	-	-	-	-	-	-
4	-	-	-	-	-	-	-
5	13,068,288	-	-	-	-	13,068,288	-
6	74,601,269	-	-	-	-	74,601,269	90,092,780
7	-	-	-	-	-	-	-
8	-	-	-	-	-	-	-
9	-	-	-	-	-	-	-
10	-	-	-	-	-	-	-
Unclassified	-	-	-		-	-	-
Total	**181,364,510**	**-**	**-**	**-**	**-**	**181,364,510**	**122,691,256**

Related facilities movement disclosure:	As of December 31, 2020						As of December 31, 2019
	Stage One		Stage Two		Stage Three	Total	
Item	Individual Level	Collective Level	Individual Level	Collective Level			Total
Balance at the beginning of the year	122,691,256	-	-	-	-	122,691,256	134,694,447
New facilities during the year	50,158,288	-	-	-	-	50,158,288	9,963,821
Facilities Paid	-	-	-	-	-	-	-
Transferred to Stage One	172,849,544	-	-	-	-	172,849,544	144,658,268
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 adjustments	8,514,966	-	-	-	-	8,514,966	(21,967,012)
Written off-facilities	-	-	-	-	-	-	-
Adjustments due to changes in exchange rates	-	-	-	-	-	-	-
Total Balance at the End of the Year	**181,364,510**	**-**	**-**	**-**	**-**	**181,364,510**	**122,691,256**

Expected credit loss allowance movement:	As of December 31, 2020						As of December 31, 2019
	Stage One		Stage Two		Stage Three	Total	
Item	Individual Level	Collective Level	Individual Level	Collective Level			Total
Balance at the beginning of the year	342,472	-	-	-	-	342,472	204,590
Credit loss on new balances during the year	36,867	-	-	-	-	36,867	11,159
Expected credit loss reversal of matured facilities	-	-	-	-	-	-	-
	379,339	-	-	-	-	379,339	215,749
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 adjustments	(41,252)	-	-	-	-	(41,252)	126,723
Written off-facilities	-	-	-	-	-	-	-
Adjustments due to changes in exchange rates	-	-	-	-	-	-	-
Total Balance at the End of the Year	**338,087**	**-**	**-**	**-**	**-**	**338,087**	**342,472**

Interest in Suspense:	As of December 31, 2020				
The following is the movement on the interest in suspense:			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)
Translation differences	(17,670)	(74,265)	555,033	(240,282)	(887,250)
Written off facilities transferaed to off balance sheet items	(7,500)	-	-	(23,330)	(30,830)
Balance at the End of the Year	**2,148,647**	**1,683,760**	**2,763,131**	**4,556,165**	**11,151,703**

	As of December 31, 2019				
			Corporates		
	Individual (Retail Customers)	Real Estate Loans	Large Corporate Customers	SMEs	Total
	JD	JD	JD	JD	JD
Balance at the Beginning of the Year	1,955,428	966,577	2,286,197	3,666,265	8,874,467
Add: Interest suspended during the year	207,268	541,503	602,034	861,393	2,212,198
Less: Interest in suspense reversed to revenues	(149,508)	(256,947)	(188,046)	(276,430)	(870,931)
Written off facilities transferaed to off balance sheet items	(35,802)	-	-	(270,215)	(306,017)
Balance at the End of the Year	**1,977,386**	**1,251,133**	**2,700,185**	**3,981,013**	**9,909,717**

Direct credit facilities are distributed in accordance with geographical distribution and economic sectors as following:	Inside Kingdom	Outside Kingdom	Total	
			As of December 31,	
			2020	2019
	JD	JD	JD	JD
Financial	7,633,963	-	7,633,963	8,648,647
Industrial	87,772,946	61,737,781	149,510,727	171,263,974
Trading	240,703,965	56,546,070	297,250,035	331,362,025
Real estate	343,283,048	15,840,095	259,123,143	238,003,898
Constructions	25,441,236	15,083,745	40,524,981	40,945,442
Agriculture	5,852,154	659,342	6,511,496	4,863,462
Tourism, restaurants and public facilities	63,068,128	35,025,613	98,093,741	102,410,297
Shares	11,556,787	-	11,556,787	11,322,220
Individuals	454,667,535	113,379,438	568,046,973	500,028,720
Government and public sector	103,694,953	77,669,557	181,364,510	122,691,256
Total	**1,243,674,715**	**375,941,641**	**1,619,616,356**	**1,531,539,941**

13. Financial Assets at Amortized Cost	December 31,	
This item consists of the following:	2020	2019
	JD	JD
Financial assets quoted in the market:		
Governmental bonds guaranteed by the government	219,643,092	206,307,665
Corporate bonds and debentures	30,290,562	27,218,660
Foreign governmental bonds	31,852,447	9,405,766
Total financial assets quoted in the market	281,786,101	242,932,091
Financial assets unquoted in the market:		
Corporate bonds and debentures	66,434,000	28,192,320
Treasury bills or guaranteed by the government	934,739	1,610,020
Total financial assets unquoted in the market	67,368,739	29,802,340
Total Financial Assets at Amortized Cost	349,154,840	272,734,431
Less: Expected credit loss provision	(699,871)	(198,632)
Net financial assets at amortized cost	**384,454,969**	**272,535,799**

Analysis of bonds and bills:	December 31,	
	2020	2019
	JD	JD
Financial assets with fixed-interest rate	340,607,045	264,177,929
Financial assets with floating interest rate	8,547,795	8,556,502
	349,154,840	272,734,431

Distribution of financial assets at amortized cost according to the Bank's internal credit rating categories as of December 31, 2020 & 2019 was as follows:

	As of December 31, 2020						As of December 31, 2019
	Stage One		Stage Two		Stage Three	Total	
Item	Individual Level	Collective Level	Individual Level	Collective Level			Total
1	219,643,092	-	-	-	-	219,643,092	206,307,665
2	724,151	-	-	-	-	724,151	-
3	5,688,967	-	-	-	-	5,688,967	10,716,223
4	5,007,406	-	-	-	-	5,007,406	6,725,912
5	80,320,242	-	-	-	-	80,320,242	32,981,368
6	37,770,982	-	-	-	-	37,770,982	16,003,263
7	-	-	-	-	-	-	-
8	-	-	-	-	-	-	-
9	-	-	-	-	-	-	-
10	-	-	-	-	-	-	-
Total	**349,154,840**	**-**	**-**	**-**	**-**	**349,154,840**	**272,734,431**

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

	As of December 31, 2020						As of December 31, 2019
	Stage One		Stage Two		Stage Three	Total	
Item	Individual Level	Collective Level	Individual Level	Collective Level			Total
Balance at the Beginning of the Year	272,734,431	-	-	-	-	272,734,431	203,996,033
New investment during the year	137,857,159	-	-	-	-	137,857,159	132,367,120
Matured investment	(61,574,081)	-	-	-	-	(61,574,081)	(63,669,630)
	349,017,509	-	-	-	-	349,017,509	272,693,523
Transferred to stage one	-	-	-	-	-	-	-
Transferred to stage two	-	-	-	-	-	-	-
Transferred to stage three	-	-	-	-	-	-	-
Changes due to the adjustments	137,331	-	-		-	137,331	40,908
Balance at the End of the Year	**349,154,840**	**-**	**-**	**-**	**-**	**349,154,840**	**272,734,431**

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

	As of December 31, 2020				As of December 31, 2019
Item	Stage One	Stage Two	Stage Three	Total	Total
Balance at the Beginning of the Year	198,632	-	-	198,632	600,349
Credit loss on new balances during the year	403,806	-	-	403,806	109,782
Expected credit loss reversal of matured investments	(17,407)	-	-	(17,407)	(477,395)
	585,031	-	-	585,031	232,736
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 adjusments	114,840	-	-	114,840	(34,104)
Balance at the End of the Year	**699,871**	**-**	**-**	**699,871**	**198,632**

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	
December 31, 2020	6,000,640	18,070,528	20,610,042	15,598,000	247,403,862	41,471,768	349,154,840
December 31, 2019	-	8,750,010	47,369,743	860,009	156,383,614	59,371,055	272,734,431

14. 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**

Property and Equipment - Net

The details of this item are as follows:

2019	Lands	Buildings	Equipment Furniture and Fixtures	Vehicles	Computers	Decorations and Improvements	Total
	JD	JD	JD	JD	JD	JD	JD
Cost:							
Beginning of year balance	4,159,347	14,532,229	22,007,949	909,014	12,355,467	21,360,681	75,324,687
Additions	-	20,672	5,926,447	184,053	1,263,797	1,664,165	14,703,426
(Disposals)	-	(123,617)	(1,763,117)	-	(337,323)	(1,153,091)	(3,377,148)
Foreign currencies differences	(195)	(2,125)	(318)	(46)	(262)	(1,132)	(4,078)
End of year balance	4,159,152	14,427,159	26,170,961	1,093,021	13,281,679	21,870,623	81,002,595
Accumulated depreciation:							
Beginning of year balance	-	6,517,318	16,258,673	475,283	8,616,670	16,863,796	48,731,740
Annual depreciation	-	253,836	2,000,766	111,826	1,027,044	1,295,423	4,688,895
(Disposals)	-	(114,022)	(1,716,945)	-	(335,438)	(1,121,221)	(3,287,626)
Foreign currencies differences	-	(326)	(516)	(31)	(183)	(576)	(1,632)
End of year balance	-	6,656,806	16,541,978	587,078	9,308,093	17,037,422	50,131,377
Net book value of property and equipment	4,159,152	7,770,353	9,628,983	505,943	3,973,586	4,833,201	30,871,218
Payments on acquisition of property and equipment*	-	43,556	620,808	-	2,256,266	2,807,766	5,728,396
Right of use of assets**	-	-	-	-	-	-	16,202,973
Net Property and Equipment at the End of the Year	4,159,152	7,813,909	10,249,791	505,943	6,229,852	7,640,967	52,802,587

* The financial obligations relating to the acquisition of property and equipment amounted to JD 1,125,912 for the year 2020, 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 32,061,238 for the year 2020 (JD 32,518,441 for the year 2019).

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

	2020 JD	2019 JD
Beginning of year balance	16,202,973	-
IFRS (16) adjustment	-	13,771,577
Adjusted balance beginning of year	16,202,973	13,771,577
Additions	4,995,647	5,644,292
(Disposals)	(1,069,422)	(173,934)
(Depreciation)	(3,243,015)	(3,038,962)
Foreign currencies differences	(56,221)	-
End of year balance	16,829,962	16,202,973

15. Intangible Assets	December 31,	
This item consists of computer software's which are amortized at an annual rate ranging from 15% to 20%, the details are as follows:	2020	2019
	JD	JD
Balance at the Beginning of the Year	5,986,282	4,998,823
Additions during the year	2,124,672	1,986,497
Amortization for the year	(1,202,801)	(998,994)
Foreign currencies differences	(35,708)	(44)
Balance at the End of the Year	**6,872,445**	**5,986,282**

16. Other Assets	December 31,	
This item consists of the following:	2020	2019
	JD	JD
Accrued interest income	10,391,109	13,059,915
Prepaid expenses	3,616,227	3,408,442
Assets foreclosed by the Bank in repayment of non-performing debts*	58,067,461	53,844,537
Clearance cheques	2,427,148	3,697,797
Advanced payments on the acquisition of lands and real estates	1,692,367	1,049,107
Paid guarantees	255,912	-
Prepaid tax expenses	3,807,864	1,619,294
Accounts receivables and other debit balances	4,818,056	5,392,150
	85,076,144	**82,071,242**

*** The following is the movement on the assets foreclosed by the Bank in repayment of non-performing debts:**	Foreclosed Assets	
	2020	2019
	JD	JD
Balance at the Beginning of the Year	64,202,177	59,991,327
Additions	7,516,737	4,993,591
Disposals	(3,651,609)	(782,741)
End of the year balance	68,067,305	64,202,177
Impairment provision of assets foreclosed by the Bank**	(9,999,844)	(10,357,640)
Balance at the End of the Year	**58,067,461**	**53,844,537**

- 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 and in accordance with the Central Bank of Jordan Circular No. 10/1/4076 dated March 27, 2014 and Circular No. 10/1/2510 dated February 14, 2017 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. Central Bank of Jordan issued Circular No. 10/1/16239 dated November 21, 2019 approving the extension of Circular No. 10/1/2150 dated February 14, 2017, in which it confirmed postponing the provision calculation until the end of year 2020 and amending the second clause of it. In accordance with Central Bank of Jordan circular no 10/3/16628 dated December 27, 2020, circular no 10/1/2510 was extended till December 31, 2021.

**** The movement on the assets foreclosed by the Bank in repayment of non-performing debts provision loans was as follows:**	2020	2019
	JD	JD
Balance at the Beginning of the Year	10,357,640	9,927,792
Additions	(357,796)	429,848
Balance at the End of the Year	**9,999,844**	**10,357,640**

17. Banks and Financial Institutions' Deposits

This item consists of the following:

	December 31, 2020			December 31, 2019		
	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	-	9,945,487	9,945,487	-	5,766,667	5,766,667
Deposits maturing within 3 months	1,418,000	8,461,000	9,879,000	-	14,540,044	14,540,044
Deposits maturing within 3-6 months	-	-	-	-	10,000,000	10,000,000
Deposits maturing within 6-9 months	-	-	-	-	-	-
Deposits maturing within 9-12 months	-	-	-	-	-	-
Deposits maturity exceeds one year	-	50,937,867	50,937,867	70,000,000	50,937,867	120,937,867
	1,418,000	**69,344,354**	**70,762,354**	**70,000,000**	**81,244,578**	**151,244,578**

18. Customer Deposits

Details of this item are as follows:

	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

	December 31, 2019				
	Individuals	Corporations	SME's	Government and Public sector	Total
Description	JD	JD	JD	JD	JD
Current accounts	316,215,766	64,341,378	73,812,652	13,011,528	467,381,324
Saving deposits	778,203,103	3,862,479	8,564,196	35,637	790,665,415
Term deposits	332,015,600	162,669,545	39,039,074	21,141,600	554,865,819
Certificates of deposits	93,066,189	11,359,000	1,760,360	-	106,185,549
Total	1,519,500,658	242,232,402	123,176,282	34,188,765	1,919,098,107

* Government and Public Sector deposits in Jordan amounted to JD 22,738,668 equivalent to 1/19% of total deposits for 2020 (JD 26,131,415 equivalent to 1/40% of total deposits for 2019).
* Non-interest-bearing deposits amounted to JD 702,448,649 equivalent to 36/79% of total deposits for 2020 (JD 641,780,616 equivalent to 33/44% of total deposits for 2019).
* Restricted deposits amounted to JD 16,822,597 equivalent to 0/88 % of total deposits for 2020 (JD 15,885,523 equivalent to 0/83% of total deposits for 2019).
* Dormant deposits amounted to JD 58,881,480 for 2020 (JD 68,696,918 for 2019).

19. Cash Margins

The details of this item are as follows:	December 31, 2020	2019
	JD	JD
Cash margins against direct credit facilities at amortized cost	95,468,703	96,998,394
Cash margins against indirect credit facilities	24,350,606	23,595,527
	119,819,309	**120,593,921**

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
2020	JD	JD	JD	JD	JD
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
2019					
Provision for end-of-service indemnity	3,904,765	424,311	(296,434)	-	4,032,642
Provision for lawsuits raised against the Bank	1,032,570	74,742	(243,834)	-	863,478
Other provisions	256,905	(989)	(140,733)	(92)	115,091
	5,194,240	**498,064**	**(681,001)**	**(92)**	**5,011,211**

21. Income Tax

A. Income tax provision:	2020	2019
The movement on the income tax provision is as follows:	JD	JD
Balance at the Beginning of the Year	23,803,895	21,978,685
Income tax paid	(22,692,105)	(23,151,663)
Accrued Income tax	18,770,076	24,976,873
Balance at the end of the year	**19,881,866**	**23,803,895**

Income tax in the consolidated statement of profit or loss represents the following:	2020	2019
Income tax on current year's profit	15,231,242	24,000,873
Previous years income tax	379,375	976,000
Deferred tax assets for the year-addition	(1,567,870)	(6,573,042)
Amortization of deferred tax assets	2,563,769	2,348,285
	16,606,516	**20,752,116**

- Income tax in the consolidated statement of comprehensive income represents the following:	2020	2019
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:

Accounts Included	As of December 31, 2020					As of December 31, 2019
	Balance at the Beginning of the Year	Amounts Released	Amounts Added	Balance at the End of the Year	Deferred Tax	Deferred Tax
	JD	JD	JD	JD	JD	JD
Deferred Tax Assets:						
Provisions for non-performing debts	10,995,348	-	3,717,935	14,713,283	5,591,048	4,178,232
Provision for non-performing debts previous periods	14,727,506	1,145,888	-	13,581,618	4,941,285	5,344,197
Provision for staff end-of-service indemnity	4,000,512	243,886	446,360	4,202,986	1,219,182	1,159,834
Interests in suspense	730,661	355	-	730,306	177,251	177,353
Provision for lawsuits raised against the Bank	863,478	104,721	73,678	832,435	294,596	309,708
Impairment of assets foreclosed by the Bank	10,357,640	357,796	-	9,999,844	3,557,192	3,693,155
Impairment of assets available for sale	62,831	-	-	62,831	23,876	23,876
Revaluation of assets foreclosed by Bank	1,815,262	977,975	-	837,287	318,169	689,800
Expected credit loss allowance	19,619,395	4,236,413	-	15,382,982	5,685,800	7,228,143
	63,172,633	**7,067,034**	**4,237,973**	**60,343,572**	**21,808,399**	**22,804,298**
C. Deferred Tax Liabilities:						
Fair value reserve	**32,416,772**	**34,506,370**	**2,589,075**	**499,477**	**48,946**	**3,081,065**

The movement of deferred tax assets and liabilities as follows:	Deferred Tax Assets		Deferred Tax Liabilities	
	2020	2019	2020	2019
	JD	JD	JD	JD
Balance- beginning of the year	22,804,298	18,580,246	3,081,065	3,296,665
Additions	1,567,870	6,573,042	2,252	6,595
Amortized	(2,563,769)	(2,348,285)	(3,034,371)	(222,195)
Foreign currency difference	-	(705)	-	-
Balance- Ending of the year	**21,808,399**	**22,804,298**	**48,946**	**3,081,065**

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 2017, and the Bank submitted its annual tax returns for the years 2018 and 2019, 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. current booked provisions are sufficient to pay the tax obligations.
- 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 retour for the year 2019 which is still not audited. In the opinion of management and its tax advisor the current booked provisions are sufficient to pay the tax obligations.
- 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 2018 except for year 2016 for which the company submitted its tax return for the years 2016 and 2019 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 current booked provisions are sufficient to pay the tax obligations.
- 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 2017. The company submitted its tax return for the years 2018 and 2019 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 current booked provisions are sufficient to pay the tax obligations.
- Taxes due over the Bank, its subsidiaries and external branches has been calculated for the year ended December 31, 2020, 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.

D. The following is a summary of the reconciliation between accounting profit and taxable profit:	2020	2019
	JD	JD
Accounting profit	52,073,578	61,130,161
Tax-exempt profits	(39,854,042)	(22,855,536)
Undetectable tax expenses	33,558,257	33,948,836
Taxable profit	**45,777,793**	**72,223,461**
Income tax rate	%41	%33,2
	18,770,076	**24,000,783**

22. Borrowed Funds

The details of this item are as follows:

December 31, 2020	Amount	Number of Installments In Total	Number of Installments The Remaining	Periodic Installments Maturity	Collaterals	Price of Borrowing Interest
	JD				JD	
Borrowing from the Central Bank of Jordan*	46,968,903	24 - 108	15 - 76	Monthly	Treasury Bonds and bills	Zero - 1 %
Borrowing from Jordan mortgage refinance company**	15,000,000	1	1	One payment	Assigning mortgage bounds for the company	4,15%
Borrowing from external bank***	7,090,000	1	1	One payment	None	Average
Rent lease obligations****	15,523,423	791	491	Quarterly, semi-annual, annually	None	5,75%
Total	**84,582,326**					

December 31, 2019	Amount	Number of Installments In Total	Number of Installments The Remaining	Periodic Installments Maturity	Collaterals	Price of Borrowing Interest
	JD				JD	
Borrowing from the Central Bank of Jordan*	8,923,541	24 - 113	4 – 83	Monthly	Treasury Bonds and bills	1%-1.75%
Lease obligations**	14,744,380	685	530	Quarterly, semi-annually, annually	None	5,75% Average
Total	**23,667,921**					

* The above balances has been re-financed to the Bank's customers listed under small and medium entities and corporates with an interest rate ranging from 2% - 5%.
- 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 33,128,585 as of December 31, 2020. (no zero-interest borrowings for the year ended 2019).

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

*** This item represents borrowing from a foreign bank which is paid in one payment due on February 18, 2021subject to interest (Libor+ 3 months).

**** Lease obligations – Against right of use of assets – leased: In Jordanian Dinar	December 31, 2020	December 31, 2019
Less than one year	3,131,027	3,282,125
Year to five years	10,518,639	9,617,803
More than five years	7,258,618	6,220,674
Total undiscounted lease obligations	20,908,284	19,120,602
Discounted lease obligations included in the consolidated statement of financial position	15,523,423	14,744,380
Within one year	2,081,138	2,535,281
More than one year	**13,442,285**	**12,209,099**

23. Other Liabilities

The details of this item are as follows:	December 31, 2020	December 31, 2019
	JD	JD
Accrued interest payable	5,469,474	10,391,002
Accepted deferred cheques	7,521,812	7,250,887
Temporary deposits	6,844,610	4,198,390
Dividends payable	2,126,474	2,183,274
Deposits on safe boxes	174,168	175,355
Margins against sold real estate	26,700	37,000
Financial derivatives Note (41)	238,254	-
Expected credit loss provision against indirect credit facilities **	8,845,153	10,206,853
Other liabilities*	9,175,767	7,051,042
	40,422,412	**41,493,803**

* The details of other liabilities are as follows:	December 31, 2020	December 31, 2019
	JD	JD
Social security deposits	264,041	287,036
Income tax deposits	260,643	307,919
Accrued expenses	6,839,253	5,486,915
Incoming transfers	455,931	272,766
Board of Directors' members remuneration	55,000	55,000
Other credit balances	1,300,899	641,406
	9,175,767	**7,051,042**

* Indirect credit facilities credit stages distribution was as follows:	As of December 31, 2020						As of December 31, 2019
	Stage One		Stage Two		Stage Three		
Item	Individual Level	Collective Level	Individual Level	Collective Level		Total	Total
Balance at the Beginning of the Year	546,467,533	48,633,570	53,033,126	637,617	12,604,062	661,375,908	624,852,756
New exposures during the year	43,318,143	5,166,342	831,531	8,632	-	49,324,648	136,209,253
Accrued exposures	(149,449,044)	(5,164,839)	(18,396,150)	(66,295)	(1,245,261)	(174,321,589)	(105,902,457)
	440,336,632	48,635,073	35,468,507	579,954	11,358,801	536,378,967	655,159,552
Transferred to stage one	26,886,685	407,648	(26,886,685)	(407,648)	-	-	-
Transferred to stage two	(28,802,500)	(261,573)	28,803,370	261,573	(870)	-	-
Transferred to stage three	(53,740)	(111,897)	(985,925)	(55,324)	1,206,886	-	-
Effect as a result of classification changes between the three stages during the year	(8,110,801)	375,933	(6,154,212)	77,098	(997,153)	(14,809,135)	(15,870,303)
Changes due to the djustments	(65,007,809)	16,576,580	(921,207)	6,702	-	(49,345,734)	22,092,749
Adjustments due to exchange rates fluctuations	(2,271,644)	-	(1,406,733)	-	(1,198)	(3,679,575)	(6,090)
Balance at the End of the Year	**326,976,823**	**65,261,764**	**27,917,115**	**462,355**	**11,566,466**	**468,544,523**	**661,375,908**

** Total expected credit loss provision distribution against indirect credit facilities was as follows:	As of December 31, 2020						As of December 31, 2019
	Stage One		Stage Two		Stage Three		
Item	Individual Level	Collective Level	Individual Level	Collective Level		Total	Total
Balance at the Beginning of the Year	1,259,826	635,663	465,483	7,912	7,837,969	10,206,853	7,598,485
Credit loss on new exposures during the period	35,774	36,129	6,445	106	386,631	465,085	1,163,920
Impairment loss over accrued exposures	(160,064)	(67,915)	(184,755)	(832)	(718,807)	(1,132,273)	(242,825)
	1,135,536	603,877	287,173	7,186	7,505,893	9,539,665	8,519,580
Transferred to stage one	179,988	5,077	(179,988)	(5,077)	-	-	-
Transferred to stage two	(57,124)	(3,447)	57,692	3,447	(568)	-	-
Transferred to stage three	(990)	(1,630)	(18,324)	(242)	21,186	-	-
Effect as a result of classification changes between the three stages during the year	(172,592)	846	31,249	219	103,379	(36,899)	1,337,372
Changes due to the adjustments	(518,521)	(144,303)	(17,303)	84	(102)	(679,916)	349,928
Adjustments due to exchange rates fluctuations	24,287	-	(1,763)	-	(221)	22,303	(27)
Balance at the End of the Year	**590,584**	**460,649**	**158,736**	**5,617**	**7,629,567**	**8,845,153**	**10,206,853**

Indirect credit facilities distribution was as follows:

A. Letter of credit	As of December 31, 2020						As of December 31, 2019
	Stage One		Stage Two		Stage Three	Total	
Item	Individual Level	Collective Level	Individual Level	Collective Level			Total
Credit risk rating based on the Bank's internal credit rating system:							
1	-	-	-	-	-	-	-
2	-	-	-	-	-	-	12,728,446
3	2,039,917	-	-	-	-	2,039,917	236,924
4	14,554,251	-	69,575	-	-	14,623,826	5,656,506
5	34,544,393	-	-	-	-	34,544,393	21,227,495
6	1,100,314	-	-	-	-	1,100,314	25,353,646
7	-	-	-	-	-	-	3,949,511
8	-	-	-	-	-	-	61,683
9	-	-	-	-	-	-	-
10	-	-	-	-	-	-	-
Total	**52,238,875**	**-**	**69,575**	**-**	**-**	**52,308,450**	**69,214,211**

Indirect facilities movement disclosure:

	As of December 31, 2020						As of December 31, 2019
	Stage One		Stage Two				
Item	Individual Level	Collective Level	Individual Level	Collective Level	Stage Three	Total	Total
Balance at the beginning of the year	65,203,017	-	3,949,511	-	61,683	69,214,211	65,119,225
New facilities during the year	18,855,351	-	-	-	-	18,855,351	26,089,575
Facilities paid	(26,835,098)	-	(418,536)	-	(61,683)	(27,315,317)	(20,506,199)
	57,223,270	-	3,530,975	-	-	60,754,245	70,702,601
Transferred to Stage One	3,452,185	-	(3,452,185)	-	-	-	-
Transferred to Stage Two	(6,834,712)	-	6,834,712	-	-	-	-
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	(3,254,309)	-	(6,828,960)	-	-	(10,083,269)	1,776,422
Changes resulting from modification	1,652,441	-	(14,967)	-	-	1,637,474	(3,264,812)
Adjustments due to changes in exchange rates	-	-	-	-	-	-	-
Total Balance at the End of the Year	**52,237,875**	**-**	**69,575**	**-**	**-**	**52,308,450**	**69,214,211**

Impairment provision movement diclosure:	As of December 31, 2020						As of December 31, 2019
	Stage One		Stage Two		Stage Three	Total	
Item	Individual Level	Collective Level	Individual Level	Collective Level			Total
Balance at the beginning of the year	82,950	-	45,283	-	40,257	168,490	93,358
Impairment Loss of new balances during the year	2,408	-	-	-	-	2,408	15,770
Recoveries from impairment loss on investments due	(34,025)	-	(4,404)	-	(40,257)	(78,686)	(7,684)
	51,333	-	40,879	-	-	92,212	101,444
Transferred to Stage One	40,402	-	(40,402)	-	-	-	-
Transferred to Stage Two	(15,088)	-	15,088	-	-	-	-
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	(40,281)	-	(15,076)	-	-	(55,357)	60,532
Changes resulting from modifications	56,387	-	(350)	-	-	56,037	6,514
Adjustments due to changes in exchange rates	-	-	-	-	-	-	-
Total Balance at the End of the Year	**92,753**	**-**	**139**	**-**	**-**	**92,892**	**168,490**

	As of December 31, 2020						As of December 31, 2019
B. Acceptances	Stage One		Stage Two		Stage Three	Total	
Item	Individual Level	Collective Level	Individual Level	Collective Level			Total
Credit risk rating based on the Bank's internal credit rating system:							
1	-	-	-	-	-	-	-
2	-	-	-	-	-	-	-
3	1,385,571	-	-	-	-	1,385,571	-
4	10,815,298	-	13,105	-	-	10,828,403	1,820,830
5	1,438,633	-	882,314	-	-	2,320,947	1,137,972
6	4,015,143	-	77,386	-	-	4,092,529	7,739,181
7	-	-	-	-	-	-	8,651,156
8	-	-	-	-	-	-	-
9	-	-	-	-	-	-	-
10	-	-	-	-	-	-	-
Total	**17,654,645**	**-**	**972,805**	**-**	**-**	**18,627,450**	**19,349,139**

Indirect facilities movement disclosure:	As of December 31, 2020						As of December 31, 2019
	Stage One		Stage Two		Stage Three	Total	
Item	Individual Level	Collective Level	Individual Level	Collective Level			Total
Balance at the Beginning of the year	10,697,983	-	8,651,156	-	-	19,349,139	40,294,124
New facilities during the year	12,114,179	-	498,105	-	-	12,612,284	6,926,872
Facilities paid	(6,598,083)	-	(7,334,232)	-	-	(13,932,315)	(8,015,543)
	16,214,079	-	1,815,029	-	-	18,029,108	39,205,453
Transferred to Stage One	1,246,248	-	(1,246,248)	-	-	-	-
Transferred to Stage Two	(616,406)	-	616,406	-	-	-	-
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	(796,982)	-	(174,172)	-	-	(971,154)	(323,595)
Changes resulting from modification	1,607,706	-	(38,210)	-	-	1,569,496	(19,532,719)
Adjustments due to changes in exchange rates	-	-	-	-	-	-	-
Total Balance at the End of the Year	**17,654,645**	**-**	**972,805**	**-**	**-**	**18,627,450**	**19,349,139**

Impairment provision movement diclosure:	As of December 31, 2020						As of December 31, 2019
	Stage One		Stage Two		Stage Three	Total	
Item	Individual Level	Collective Level	Individual Level	Collective Level			Total
Balance at the Beginning of the year	39,986	-	35,688	-	-	75,674	58,905
Impairment Loss of new balances during the year	9,630	-	2,578	-	-	12,208	33,093
Recoveries from impairment loss on facilities due	(23,554)	-	(27,843)	-	-	(51,397)	(30,415)
	26,062	-	10,423	-	-	36,485	61,583
Transferred to Stage One	7,373	-	(7,373)	-	-	-	-
Transferred to Stage Two	(1,066)	-	1,066	-	-	-	-
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	(7,336)	-	572	-	-	(6,764)	3,913
Changes resulting from modifications	8,597	-	(456)	-	-	8,141	10,178
Adjustments due to changes in exchange rates	-	-	-	-	-	-	-
Total Balance at the End of the Year	**33,630**	**-**	**4,232**	**-**	**-**	**37,862**	**75,674**

C. Letters of guarantee	As of December 31, 2020						As of December 31, 2019
	Stage One		Stage Two		Stage Three	Total	
Item	Individual Level	Collective Level	Individual Level	Collective Level			Total
Credit risk rating based on the Bank's internal credit rating system:							
1	-	-	-	-	-	-	-
2	199,390	-	-	-	-	199,390	3,550,260
3	9,374,204	-	365,500	-	-	9,739,704	3,929,921
4	30,068,718	-	137,818	-	-	30,206,536	24,595,539
5	36,071,134	-	966,240	-	-	37,037,374	13,969,994
6	21,187,368	-	1,245,450	-	-	22,432,818	48,660,454
7	-	-	860,622	-	-	860,622	7,164,465
8	-	-	-	-	77,030	77,030	2,483,227
9	-	-	-	-	79,684	79,684	62,913
10	-	-	-	-	11,409,752	11,409,752	9,996,239
Total	**96,900,814**	**-**	**3,575,630**	**-**	**11,566,466**	**112,042,910**	**114,413,012**

Indirect facilities movement disclosure:	As of December 31, 2020						As of December 31, 2019
	Stage One		Stage Two		Stage Three	Total	
Item	Individual Level	Collective Level	Individual Level	Collective Level			Total
Balance at the beginning of the year	94,706,168	-	7,164,465	-	12,542,379	114,413,012	132,219,991
New facilities during the Year	2,704,115	-	738	-	-	2,704,853	22,881,396
Facilities paid	(4,033,469)	-	(137,221)	-	(1,183,578)	(5,354,268)	(33,195,489)
	93,376,814	-	7,028,982	-	11,358,801	111,763,597	121,905,898
Transferred to Stage One	4,676,450	-	(4,676,450)	-	-	-	-
Transferred to Stage Two	(1,618,642)	-	1,619,332	-	(870)	-	-
Transferred to Stage Three	(51,000)	-	(620,419)	-	671,419	-	-
The effect on the provision at the end of the year as a result of reclassification between the three stages during the year	239,193	-	33,422	-	(461,686)	(189,071)	(4,193,239)
Changes resulting from modification	938,420	-	1,272,468	-	-	2,210,888	(3,296,654)
Adjustments due to changes in exchange rates	(660,601)	-	(1,080,705)	-	(1,198)	(1,742,504)	(2,993)
Total balance at the end of the year	**96,900,814**	**-**	**3,575,630**	**-**	**11,566,466**	**112,042,910**	**114,413,012**

Impairment provision movement diclosure:	As of December 31, 2020						As of December 31, 2019
	Stage One		Stage Two		Stage Three	Total	
Item	Individual Level	Collective Level	Individual Level	Collective Level			Total
Balance at the beginning of the year	554,089	-	116,005	-	7,797,712	8,467,806	5,883,437
Impairment Loss of new balances during the year	16,344	-	31	-	386,631	403,006	698,863
Recoveries from impairment loss on facilities due	(23,187)	-	(2,772)	-	(678,450)	(704,409)	(114,871)
	547,246	-	113,264	-	7,505,893	8,166,403	6,467,429
Transferred to Stage One	64,133	-	(64,133)	-	-	-	-
Transferred to Stage Two	(16,076)	-	16,644	-	(568)	-	-
Transferred to Stage Three	(970)	-	(12,144)	-	13,114	-	-
The effect on the provision at the end of the year as a result of reclassification between the three stages during the year	(61,005)	-	(4,400)	-	111,451	46,046	1,692,465
Changes resulting from modifications	(284,709)	-	1,020	-	(102)	(283,791)	307,927
Adjustments due to changes in exchange rates	24,972	-	(52)	-	(221)	24,699	(15)
Total balance at the end of the year	**273,591**	**-**	**50,199**	**-**	**7,629,567**	**7,953,357**	**8,467,806**

D. Unutilized facilities limits	As of December 31, 2020						As of December 31, 2019
	Stage One		Stage Two		Stage Three	Total	
Item	Individual Level	Collective Level	Individual Level	Collective Level			Total
Credit risk rating based on the Bank's internal credit rating system:							
1	105,676	-	-	-	-	105,676	-
2	31,700,188	-	-	-	-	31,700,188	3,545,000
3	70,817,728	-	-	-	-	70,817,728	11,340,082
4	59,346,851	-	730,159	-	-	60,077,010	112,041,297
5	34,212,046	-	17,280,342	-	-	51,492,388	62,969,573
6	-	-	1,642,193	-	-	1,642,193	185,964,413
7	-	-	3,646,411	-	-	3,646,411	33,267,994
8	-	-	-	-	-	-	-
9	-	-	-	-	-	-	-
10	-	-	-	-	-	-	-
Unclassified	-	65,621,764	-	462,355	-	66,084,119	49,271,187
Total	**196,182,489**	**65,621,764**	**23,299,105**	**462,355**	**-**	**285,565,713**	**458,399,546**

Unutilized facilities movement disclosure:	As of December 31, 2020						As of December 31, 2019
	Stage One		Stage Two		Stage Three	Total	
Item	Individual Level	Collective Level	Individual Level	Collective Level			Total
Balance at the Beginning of the year	375,860,365	48,633,570	33,267,994	637,617	-	458,399,546	387,219,416
New facilities during the year	9,644,498	5,166,342	332,688	8,632	-	15,152,160	80,311,410
Facilities paid	(111,982,394)	(5,164,839)	(10,506,161)	(66,295)	-	(127,719,689)	(44,185,226)
	273,522,469	48,635,073	23,094,521	579,954	-	345,832,017	423,345,600
Transferred to Stage One	17,511,802	407,648	(17,511,802)	(407,648)	-	-	-
Transferred to Stage Two	(19,732,920)	(261,573)	19,732,920	261,573	-	-	-
Transferred to Stage Three	(2,740)	(111,897)	(365,506)	(55,324)	535,467	-	-
The effect on the provision at the end of the year as a result of reclassification between the three stages during the year	(4,298,703)	375,933	815,498	77,098	(535,467)	(3,565,641)	(13,129,891)
Changes due to adjustments	(69,206,376)	16,576,580	(2,140,498)	6,702	-	(54,763,592)	48,186,934
Written off facilities	-	-	-	-	-	-	-
Adjustments due to changes in exchange rates	(1,611,043)	-	(326,028)	-	-	(1,937,071)	(3,097)
Total Balance at the End of the Year	**196,182,489**	**65,621,764**	**23,299,105**	**462,355**	**-**	**285,565,713**	**458,399,546**

Impairment provision movement diclosure:	As of December 31, 2020						As of December 31, 2019
	Stage One		Stage Two				
Item	Individual Level	Collective Level	Individual Level	Collective Level	Stage Three	Total	Total
Balance at the Beginning of the year	582,801	635,663	268,507	7,912	-	1,494,883	1,562,785
Credit loss on new balances during the year	7,392	36,129	3,836	106	-	47,463	416,194
Expected credit loss reversal of matured facilities	(79,298)	(67,915)	(149,736)	(832)	-	(297,781)	(89,855)
	510,895	603,877	122,607	7,186	-	1,244,565	1,889,124
Transferred to Stage One	68,080	5,077	(68,080)	(5,077)	-	-	-
Transferred to Stage Two	(24,894)	(3,447)	24,894	3,447	-	-	-
Transferred to Stage Three	(20)	(1,630)	(6,180)	(242)	8,072	-	-
The effect on the provision at the end of the year as a result of reclassification between the three stages during the year	(63,970)	846	50,153	219	(8,072)	(20,824)	(419,538)
Changes due to adjustments	(298,796)	(144,074)	(17,517)	84	-	(460,303)	25,309
Written off facilities	-	-	-	-	-	-	-
Adjustments due to changes in exchange rates	(685)	-	(1,711)	-	-	(2,396)	(12)
Total Balance at the End of the Year	**190,610**	**460,649**	**104,166**	**5,617**	**-**	**761,042**	**1,494,883**

24. Paid_ Up Capital

- The authorized capital of the Bank is JD 200 million as of December 31, 2020, and 2019.
- 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	99,190,875	Companies and Banks Laws
General banking risks reserve	2,804,326	Regulatory bodies requirements
Special reserve	5,849,743	Regulatory bodies requirements

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:	2020 JD	2019 JD
Balance at the Beginning of the Year	(12,268,120)	(12,256,254)
Changes in the translation of net investment in the subsidiary Company during the year*	(587,401)	(11,866)
Balance at the End of the Year		**(12,268,120)**

* 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 2020 and 2019.

27. Fair Value Reserve The details of the fair value reserve are as follows:	2020 JD	2019 JD
Balance at the Beginnings of the Year	24,954,157	26,668,016
Unrealized gains – Equity instruments	722,343	(2,945,694)
Unrealized gains - debt instruments	(532,176)	938,964
Expected credit loss provision – debt instruments	134,933	77,271
(Loss) of equity instruments at fair value through comprehensive income transferred to retained earnings as a result of the sale	(34,403,592)	-
Deferred Tax Liabilities	3,032,119	215,600
Balance at the End of the Year*	**(6,092,218)**	**24,954,157**

* The fair value reserve is presented net of deferred tax in amount of JD 48,946.

28. Retained Earnings The details of this item are as follows:	2020 JD	2019 JD
Balance at the Beginning of the Year	99,400,640	101,289,732
Dividends distributed to shareholders	-	(36,000,000)
Profit for the year	35,794,598	40,163,256
Transferred (to) from reserves	(5,914,021)	(6,057,292)
Profit transferred as a result for sale of financial assets through comprehensive income*	33,712,044	-
Foreign currency translation differences	2,821,474	4,944
Balance at the End of the Year	**165,814,735**	**99,400,640**

- Retained earnings include an amount of JD 21,808,399 restricted against deferred tax assets as of December 31, 2020 (JD 22,804,298 as of December 31, 2019).
- Retained earnings include an amount of JD 439,810 as of December 31, 2020 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, 2020 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 Board of Directors recommended the distribution of 12% of capital as cash dividends to its shareholders related to the year 2020 in its meeting held during the year 2021 equivalent to JD 24 Million which remain subject to the approval of the General Assembly.

30. Interest Income

The details of this item are as follows:	2020	2019
	JD	JD
Direct Credit Facilities at amortized cost:		
Individual (retail customers):	45,729,532	48,474,467
Overdraft accounts	1,335,160	1,650,601
Loans and discounted bills	39,983,762	42,549,301
Credit cards	4,410,610	4,274,565
Real estate loans	16,662,155	18,961,088
Corporate Entities:	44,053,951	55,954,995
Large corporate customers:	27,426,194	36,370,792
Overdraft accounts	5,091,169	5,372,250
Loans and discounted bills	22,335,025	30,998,542
SMEs:	16,627,757	19,584,203
Overdraft accounts	3,688,834	4,131,069
Loans and discounted bills	12,938,923	15,453,134
Government and Public Sector	7,667,306	8,715,135
Other items:		
Balances with central banks	2,446,563	4,108,507
Balances and deposits with banks and financial institutions	6,591,623	13,570,149
Financial assets at amortized cost	12,282,740	10,030,613
Financial assets at fair value through comprehensive income	1,254,044	-
Total	**136,687,914**	**159,814,954**

31. Interest Expense

The details of this item are as follows:	2020	2019
	JD	JD
Banks and financial institution deposits	2,606,147	6,173,919
Customers' deposits		
Current and demand deposits	11,452	9,498
Saving accounts	2,188,283	4,189,378
Time and notice deposits	15,390,904	20,476,569
Certificates of deposit	3,166,341	7,049,635
Borrowed funds	247,236	106,111
Cash margins	1,728,108	1,728,632
Deposits insurance fees	2,597,671	2,966,421
Lease obligations interest	843,382	747,668
	28,779,524	**43,447,831**

32. Net – Commissions Income

The details of this item are as follows:	2020	2019
	JD	JD
Commission's Income:		
Direct credit facilities commissions	4,263,344	5,263,633
Indirect credit facilities commissions	2,810,037	3,262,080
Other commissions	13,888,986	15,809,462
Total	20,962,367	24,335,175
Less: Commissions Expense	1,115,155	591,990
Net Commissions Income	**19,847,212**	**23,743,185**

33. Foreign Currencies Income

The details of this item are as follows:	2020	2019
	JD	JD
From trading / dealing	112,160	(12,610)
From revaluation	2,530,549	3,246,156
	2,642,709	**3,233,546**

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

The details of this item are as follows:	Realized Gain	Unrealized (Losses)	Shares Dividends	Total
Year 2020	JD	JD	JD	JD
Local shares	63,580	(11,654)	4,296	56,222
	-	15,000,000	-	15,000,000
	63,580	**14,988,346**	**4,296**	**15,056,222**
Year 2019	JD	JD	JD	JD
Local shares	518	(22,192)	6,444	(15,230)
	518	**(22,192)**	**6,444**	**(15,230)**

35. Other Income

The details of this item are as follows:	2020	2019
	JD	JD
Revenues recovered from prior years	626,233	409,696
Gain from the sale of assets foreclosed by the Bank	338,603	673,459
Revenue from telephone, post, and swift	572,822	593,325
Rents received from the Bank's real estate	181,851	256,909
Gains (Losses) from the sale of property and equipment	717,916	(6,692)
Interest in suspense reversed to income	504,410	870,931
Financial assets foreclosed by the bank revaluation loss	-	(326,702)
Other revenues	923,440	2,866,051
	3,865,275	**5,336,976**

36. Employees Expenses

The details of this item are as follows:	2020	2019
	JD	JD
Salaries, bonuses, and employees' benefits	25,436,637	27,095,023
Bank's contribution to social security	2,089,018	2,254,086
Bank's contribution to provident fund	1,661,669	1,651,959
Medical expenses	1,117,072	1,327,592
Staff training expenses	246,455	365,630
Transportation and travel expenses	359,825	732,575
Life insurance	69,632	70,803
	30,980,308	**33,497,668**

37. Other Expenses

The details of this item are as follows:	2020	2019
	JD	JD
Rent	949,703	1,201,201
Printing and stationery	803,214	865,873
Telephone, post and swift	2,136,325	1,925,033
Maintenance, repairs, and cleaning	5,762,135	4,392,534
Fees, taxes, and licenses	3,569,617	3,842,973
Advertisements and subscriptions	6,584,749	6,672,140
Insurance expenses	3,402,643	2,549,649
Electricity and heating	608,593	713,212
Donations	1,602,697	681,566
Hospitality	198,647	442,381
Professional, consultancy and legal fees	1,918,133	1,749,460
Board of Directors members remunerations	55,000	55,000
Miscellaneous	1,289,932	1,401,581
	28,881,388	**26,492,603**

38. Financial Assets Expected Credit Losses Provision

	For the year ended December 31,	
The details on this item are as follows:	2020	2019
	JD	JD
Central banks balances	(32,537)	62,601
Balances with banks and financial institutions	2,687	(674)
Deposits with banks and financial institutions	(87,116)	108,551
Financial assets at fair value through comprehensive income – debt securities	134,933	77,271
Direct credit facilities at amortized cost	32,733,710	16,174,929
Financial assets at amortized cost	501,239	(401,717)
Off balance sheet items	(1,384,003)	2,608,395
	31,868,913	**18,629,356**

39. Earnings Per Share from Profit for the Year

The details of this item are as follows:	2020	2019
	JD	JD
Profit for the year (Bank's shareholders)	35,794,598	40,163,256
Weighted average number of shares	200,000,000	200,000,000
Net income for the year/share (Bank's shareholders)		
Basic	0,179	0,201
Diluted	0,179	0,201

40. Cash and Cash Equivalents

The details of this item are as follows:	December 31, 2020	December 31, 2019
	JD	JD
Cash and balances with Central Banks maturing within 3 months	338,993,477	374,017,791
Add: Balances with banks and other financial institutions maturing within 3 months	190,726,236	188,326,285
Less: Banks and financial institutions' deposits maturing within 3 months	(19,824,487)	(20,306,711)
Restricted balances	(96,977,030)	(107,594,399)
	412,918,196	434,442,966

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	Nominal Value Maturities: From 3 To 12 Months	Nominal Value Maturities: Total
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**
2019	JD	JD	JD	JD	JD	JD
Foreign currencies forward contracts (purchase)	41,020	(2,759)	5,919,885	2,812,250	3,107,335	5,919,585
Total	**41,020**	**(2,759)**	**5,919,885**	**2,812,250**	**3,107,335**	**5,919,585**

- 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: Subsidiaries*	Related party: Board of Directors Members	Related party: Executives Management	Related party: Staff Provident Fund	Related party: Other Parties	Total December 31, 2020	Total December 31, 2019
Assets:	JD	JD	JD	JD	JD	JD	JD
Investments	45,415,294	-	-	-	-	45,415,294	45,415,294
Credit Facilities	-	1,384,103	1,493,565	-	1,852,744	4,730,412	45,864,185
Current accounts and Deposits	576,234	-	-	-	-	576,234	799,195
Cash Margins	3,982,000	-	-	-	-	3,982,000	3,982,000
Liabilities:							
Customer Deposits and Margins	14,072,994	1,195,943	3,890,185	137,608	36,021,101	55,317,831	143,604,775
Bank Deposits	8,659,272	-	-	-	-	8,659,272	8,799,342
Borrowed funds	3,561,616	-	-	-	-	3,561,616	3,679,102
Off-consolidated balance sheet items							
Letters of guarantee	726,000	300	-	-	5,094,136	5,820,436	8,542,344
Acceptances and credits	-	-	-	-	2,302,281	2,302,281	3,391,097
						Total for the year ended December 31, 2020	Total for the year ended December 31, 2019
Consolidated Statement of Profit or Loss Items:						JD	JD
Credit interest and commission	11,732	102,192	58,760	216	277,471	450,371	3,609,254
Debit interest and commission	786,468	19,109	74,913	36,280	2,432,359	3,349,129	6,515,201

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 9,25%.
- No credit interest in foreign currency.
- Debit interest rates for JOD range from 0.0025% to 5.75%.
- Debit interest rates for foreign currency range from 0.06% to 1,06%.

* 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 43 customers as of Dec 31, 2020.

Bank's Executive Management Salaries and Remunerations Summary is as follows:	2020 JD	2019 JD
Salaries and executive benefits	2,587,570	2,395,460
Transportation and board secretary	36,032	27,000
Board of directors membership, transportation and bonuses	595,031	665,421
Total	**3,218,633**	**3,087,881**

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.
- Analyzing 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. 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 and includes the following:

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

These represent the risks that arise 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.

The Bank has set up a compliance department, staffed with qualified and trained personnel, equipped with automatic systems, and assigned with the task of managing this type of risk according to the following criteria:

- Risk of non-compliance with regulations, laws and regulations:
- Preparing, developing and reviewing the compliance policy at Bank of Jordan on group level periodically (at least one time/year), approving it by the Board of Directors, and enforcing it. This policy includes the principles for defining, measuring, and controlling risks.
- Applying an automatic system for managing compliance risks.
- Evaluating and adopting all work policies and procedures and ensuring their compliance with laws, regulations, and instructions governing the Bank's work.
- Preparing and applying compliance matrices, which include limiting the violation of laws and regulations and ensuring compliance with them periodically according to the nature and type of the matrix.
- Monitoring the implementation of the code of professional conduct.
- Preparing and monitoring implementation of a conflict of interest's management mechanism.
- Qualifying and training all Bank employees with regard to compliance management.
- Providing the Board of Directors and Executive Management with periodic reports that include violations and non-compliance at the Bank's unit level.

  Submiting periodic report on the results of its work and monitors its compliance to the compliance Committee/Board of Directors and the Risk Committee.
- Risks of money laundering and terrorist financing:

  As for Anti-Money Laundering activities, an autonomous unit within the Compliance Department has been set up with appropriate and qualified capabilities and systems. The Bank manages the unit of Anti-Money Laundering and Terrorism Finance as follows:
- Preparing the policy of combating money laundering and terrorism financing and approving it by the Board of Directors in accordance with the Law No. 46/2007 to combat money laundering and terrorist financing, and the instructions issued pursuant to it and to monitor its application on the ground and review it permanently.
- The implementation of an automated system to check daily customer's transactions.
- Rating of customers in accordance to their risk grade.
- Automated and periodic verification of the bank's customers not being included in the lists of persons prohibited from dealing with them internationally.
- Carry out enhanced due diligence regarding transactions with high-risk clients.
- Awareness and education for all bank employees on issues related to dealing with money laundering and terrorist financing.

- Identify and evaluate the risks of money laundering and terrorist financing that may arise in connection with the development of products within new business lines, and those that may arise from the use of new technologies within new business lines or under development with respect to both new and existing products, and take appropriate measures to manage and reduce those risks.
- Risks of FATCA Non-compliance and dealing with fraud cases:
  The Financial and Tax Verification Unit was established / within the umbrella of the Compliance Department, which includes both the Financial Verification Department which aims to combat and address cases of suspicion, fraud and forgery, and the Tax Verification Section that meets the tax compliance requirements of the FATCA law and this unit follows global best practices to prevent any risks related to its business this unit was provided with qualified human resources and requirements for managing the compliance process which was prepared according to the following:
  - Establish the organizational structure of the unit and determine the responsibility of each employee in it.
  - The preparation and adoption of anti-fraud policy, corruption, and periodic review of this policy.
  - Prepare and approve a program to comply with FATCA requirements and a policy to deal with the FATCA law to be reviewed and updated on periodic basis, as needed.
  - Take measures to reflect all FFI Agreement requirements where required (amend procedures, business models, etc.)
  - Contracting with a specialized company to implement a system to manage FATCA requirements.
  - To qualify and continuously train all bank employees in a manner that meets the requirements of the unit in relation to dealing with the FATCA law and the requirements of the financial verification department.
  - The compliance committee/Board of Directors is responsible for overseeing cases of fraud and suspicion by following up on the periodic reports submitted to the committee.
  - The unit submits a periodic report on compliance with the FATCA requirements to the compliance committee and Risk committee / Board of Directors.
- The Bank manages and handles customer complaints according to the following:
  - Based on the instructions of dealing with customers with the fairness and transparency of No. 56/2012 issued by the Central Bank of Jordan on 31/10/2012, a unit was established to manage and handle customer complaints and provide them with qualified human cadres and automated systems and administratively follow the Compliance Department. The unit complies to the following basis:
  - Prepare a mechanism for the management and handling of customer complaints and their adoption as required.
  - Preparation of the policy of dealing with customers fairly and transparently and duly adopted.
  - Preparing the policy of dealing with customer complaints and approving them according to the rules according to the internal procedures instructions to deal with the complaints of customers of financial and banking services providers No. 1/2017 dated 28/8/2017 issued by the Central Bank of Jordan.
  - Providing different communication channels to receive customer complaints

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 its 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 reflect 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
1-6	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 cover 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 watchlist, all its 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 probability 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 is calculated based on the total value of the contract and not on the value of the receivables (net of utilized), regardless of the percentage of utilization linked to the percentage of completion. The calculation of the loss given default, taking into consideration the good coverage through the percentage of contribution and real estate value coverage of the loan, as the percentage of the contribution is fixed whether the project is within the stages of completion or completed. Linking the customer's portfolio probability of default with the point in time probability of default PIT PD to be subject to economic scenarios. Accordingly, the expected credit loss results have been produced at the customer level by classifying them within the collective or individual portfolio.
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 probability of default with the point in time probability 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, including the following:
- 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) Individuals 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 crisis on customers was reassessed by the end of 2020 and compared with what was measured at the start of the pandemic, accordingly the size of the expected credit losses impact were reflected in 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):	2020	2019
Consolidated Statement of Financial Position items	JD	JD
Balances with central banks	283,016,956	311,972,465
Balances with banks and financial institutions	190,722,330	188,323,327
Deposits with banks and financial institutions	89,525,567	208,123,765
Financial assets through comprehensive income – debt instruments at fair value	25,344,463	25,909,988
Credit facilities:	1,466,739,098	1,409,525,437
Individuals (retail customers)	510,934,395	450,266,813
Real estate loans	247,351,731	230,192,310
Corporates	527,426,549	606,717,530
Large corporate customers	319,177,566	393,044,807
SMEs	208,248,983	213,672,723
Government and public sector	181,026,423	122,348,784
Financial assets at amortized cost (Bonds & Treasury Bills)	348,454,969	272,535,799
	2,403,803,383	**2,416,390,781**
Off-Balance Sheet		
Letters of guarantee	104,089,553	105,945,206
Letters of credit	52,214,558	69,045,721
Acceptances	18,589,588	19,273,465
Un-utilized direct and indirect facilities limits	284,804,671	456,904,663
Total	**2,863,502,753**	**3,067,559,836**

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 distribution according to the risk grades:

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	226,246,688	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**	

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)%
				December 31, 2019			
1	Performing	486,612,699	-	0.008%	Aaa	486,612,699	0.000%
2	Performing	157,953,756	2,811	0.012% - 0.028%	Aa1 - Aa3	140,386,517	30.834%
3	Performing	140,419,604	15,839	0.042% - 0.100%	A1 - A3	136,752,004	24.195%
4	Performing	270,185,762	118,586	0.150% - 0.35%	Baa1 - Baa3	253,721,137	26.178%
5	Performing	335,897,333	445,474	0.51% - 1.30%	Ba1 - Ba3	328,679,368	30.257%
6	Performing	826,745,540	3,371,349	1.90% - 4.20%	B1 - B3	808,944,391	22.229%
7	Performing	153,790,628	12,262,776	6.50% - 15%	Caa1 - Caa3	150,992,585	49.582%
Unclassified	Performing	701,522,587	6,985,557	0.212%	-	686,168,518	51.015%
Non - Performing exposure							
8	Non-performing	9,883,143	8,013,667	100%	Default	10,532,311	40.300%
Unclassified	Non-performing	5,557,512	2,280,911	100%	Default	5,638,141	31.521%
9	Non-performing	16,692,175	13,801,521	100%	Default	16,425,662	52.472%
Unclassified	Non-performing	6,721,724	4,104,865	100%	Default	6,729,531	21.572%
10	Non-performing	46,910,115	41,999,986	100%	Default	46,864,385	41.332%
Unclassified	Non-performing	31,562,652	29,569,323	100%	Default	31,904,850	55.555%
Total		**3,190,455,230**	**122,972,665**			**3,110,352,099**	

- 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, 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
Direct 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	338,078
Bonds and Treasury Bills:										
Within financial assets at amortized cost	349,154,840	-	-	-	-	-	-	-	349,154,840	699,871
Total	2,546,361,636	43,512,481	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**	**48,848,134**	**14,399,363**	**68,614**	**396,674,278**	**72,868,496**	**9,500,000**	**542,358,886**	**2,472,547,273**	**151,615,610**

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, 2019									
		Fair value of collaterals								
Balances with central banks	312,229,080	-	-	-	-	-	-	-	312,229,080	256,615
Balances with banks and financial institutions	188,326,285	-	-	-	-	-	-	-	188,326,285	2,958
Deposits with banks and financial institutions	208,249,314	-	-	-	-	-	-	-	208,249,314	125,549
Financial assets at fair value through comprehensive income - debt instruments	25,909,988	-	-	-	-	-	-	-	25,909,988	77,271
Direct credit facilities at amortized cost:										
Individuals	486,461,294	19,143,467	-	-	14,168,934	40,483,920	-	73,796,321	412,664,973	36,194,481
Real estate loans	237,326,584	843,603	-	-	204,715,044	15,628,520	-	221,187,167	16,139,417	7,134,274
Corporate:										
Large corporate customers	435,440,500	16,432,944	9,765,566	121,500	52,869,867	1,559,311	-	80,749,188	354,691,312	42,395,693
SMEs	239,710,590	17,292,822	5,071,027	2,194	90,995,568	8,312,921	-	121,674,532	118,036,059	26,037,867
Government and Public Sector	122,691,256	285,265	-	-	-	-	28,500,000	28,785,265	93,905,991	342,472
Bonds and Treasury Bills:										
Within financial assets at amortized cost	272,734,431	-	-	-	-	-	-	-	272,734,431	198,632
Total	2,529,079,322	53,998,101	14,836,593	123,694	362,749,413	65,984,672	28,500,000	526,192,473	2,002,886,850	112,765,812
Financial Guarantees	114,413,012	1,969,814	8,500	-	7,028,377	42,014	-	9,048,705	105,364,307	8,467,806
Letters of Credit and acceptances	88,563,350	2,412,045	-	-	270,371	-	-	2,682,416	85,880,934	244,164
Other Liabilities	458,399,546	6,346	-	-	648,746	-	-	655,092	457,744,454	1,494,883
Gross total	**3,190,455,230**	**58,386,306**	**14,845,093**	**123,694**	**370,696,907**	**66,026,686**	**28,500,000**	**538,578,686**	**2,651,876,545**	**122,972,665**

Exposure under stage 3:

Item	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)
	December 31, 2020									
		Fair value of collaterals								
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**

Exposure under stage 3:

Item	Total Exposure Value	December 31, 2019								
		Fair value of collaterals								
		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)	33,748,322	54,755	-	-	392,811	14,218	-	461,784	33,284,243	30,798,145
Real estate Loans	12,249,742	16,934	-	-	11,499,001	2,456	-	11,518,391	731,350	6,118,823
Corporate:										
Large corporate customers	30,051,750	-	-	121,500	4,728,903	39,740	-	4,890,143	25,161,607	29,906,211
SMEs	28,673,445	416,089	956	2,194	9,774,012	312,503	-	10,505,754	18,167,691	25,109,127
Government and Public Sector	-	-	-	-	-	-	-	-	-	-
Total	104,723,259	487,778	956	123,694	26,394,727	368,917	-	27,376,072	77,344,891	91,932,306
Financial Guarantees	12,542,379	-	-	-	672,830	2,591	-	675,421	11,866,958	7,797,712
Letters of credit	61,683	-	-	-	-	-	-	-	61,683	40,257
Gross total	**117,325,024**	**487,778**	**956**	**123,694**	**27,067,557**	**371,508**	**-**	**28,051,493**	**89,273,532**	**99,770,275**

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 8,069,952 as of December 31, 2020 (JD 7,276,037 as of December 31, 2019).
- 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 74,075,951 as of December 31, 2020 (JD 40,564,788 as of December 31, 2019).

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	A2	-	3,547,795	3,547,795
Foreign Bank Bonds	Moody's	A3	-	7,860,374	7,860,374
Foreign Bank Bonds	Moody's	Aa3	-	724,151	724,151
Foreign Corporate Bonds	Moody's	Ba3	-	11,045,616	11,045,616
Foreign Government Bonds	Moody's	Ba3	18,129,573	2,128,831	20,258,404
Jordanian Government Bonds	Moody's	B1	-	202,096,620	202,096,620
Jordanian Government Bills	Moody's	B1	-	17,546,472	17,546,472
Foreign Government Bonds	Moody's	B1	-	7,405,937	7,405,937
Foreign Bank Bonds	Moody's	B2	7,214,890	7,112,626	14,427,516
Foreign Government Bonds	Moody's	B2	-	22,317,679	22,317,679
Unrated Bonds			-	67,368,739	67,368,739
Total			**25,344,463**	**349,154,840**	**374,499,303**

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

A. Gross Distribution Exposures Based on Geographic Areas:

	December 31, 2020								December 31, 2019
Item	Inside Jordan	Other Middle East Countries	Europe	Asia	Africa	America	Other Countries	Total	Total
Balances with central banks	212,183,577	70,833,379	-	-	-	-	-	283,016,956	311,972,465
Balances with banks and financial institutions	14,999,931	29,991,184	12,321,429	2,366,683	-	131,043,103	-	190,722,330	188,323,327
Deposits with banks and financial institutions	88,961,572	563,995	-	-	-	-	-	89,525,567	208,123,765
Credit facilities	1,120,129,487	346,609,611	-	-	-	-	-	1,466,739,098	1,409,525,437
Bonds and Treasury Bills:									
Within financial assets at amortized cost	267,512,047	80,942,922	-	-	-	-	-	348,454,969	272,535,799
Within financial assets at fair value through comprehensive income - fair value	-	25,344,463	-	-	-	-	-	25,344,463	25,909,988
Total/Current year	1,703,786,614	554,285,554	12,321,429	2,366,683	-	131,043,103	-	2,403,803,383	2,416,390,781
Financial Guarantees	76,447,889	11,780,890	5,215,986	10,464,866	73,584	106,338	-	104,089,553	105,945,206
Letters of Credit	20,338,250	31,836,313	-	40,995	-	-	-	52,215,558	69,045,721
Acceptances	18,008,214	581,374	-	-	-	-	-	18,589,588	19,273,465
Un-utilized balances	239,182,150	45,622,521	-	-	-	-	-	284,804,671	456,904,663
Total	**2,057,763,117**	**644,106,652**	**17,537,415**	**12,872,544**	**73,584**	**13,149,441**	**-**	**2,863,502,753**	**3,067,559,836**

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

	December 31, 2020						December 31, 2019
	Stage One		Stage two		Stage Three	Total	
Item	Individual Level	Collective Level	Individual Level	Collective Level			Total
Inside Jordan	1,307,362,408	655,703,471	76,103,115	8,848,060	9,746,063	2,057,763,117	2,404,827,810
Other middle east countries	501,350,514	131,167,945	9,159,778	1,706,076	722,339	644,106,652	494,533,856
Europe	17,537,415	-	-	-	-	17,537,415	24,880,709
Asia	12,872,544	-	-	-	-	12,872,544	19,471,979
Africa	73,584	-	-	-	-	73,584	15,990,503
America	131,149,441	-	-	-	-	131,149,441	99,087,144
Other Countries	-	-	-	-	-	-	8,767,835
Total	**1,970,345,906**	**786,871,416**	**85,262,893**	**10,554,136**	**10,468,402**	**2,863,502,753**	**3,067,557,836**

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

A. Gross distribution exposures based on financial instruments:

	December 31, 2020										As of December 2019
Item	Financial	Industrial	Trading	Real Estate	Agriculture	Touristic Hotels Restaurants Public Facilities	Stock	Individuals	Government and Public Sector	Total	Total
Balances with central banks	283,016,956	-	-	-	-	-	-	-	-	283,016,956	311,972,465
Balances with banks and financial institutions	190,722,330	-	-	-	-	-	-	-	-	190,722,330	188,323,327
Deposits with banks and financial institutions	89,525,567	-	-	-	-	-	-	-	-	89,525,567	208,123,765
Financial assets at fair value through other comprehensive income	7,214,889	-	-	-	-	-	-	-	18,129,574	25,344,463	25,909,988
Credit facilities	7,370,943	139,608,210	244,532,161	272,906,456	6,052,297	84,358,632	10,712,433	520,171,543	181,026,423	1,466,739,098	1,409,525,437
Bonds and Treasury Bills:											
Within financial assets at amortized cost	77,926,471	15,567,964	2,832,314	-	-	24,993,900	-	-	227,134,320	348,454,969	272,535,799
Total current year	655,777,156	155,176,174	247,364,475	272,906,456	6,052,297	109,352,532	10,712,433	520,171,543	426,290,317	2,403,803,383	2,416,390,781
Financial Guarantees	20,011,405	6,910,712	37,803,710	22,720,449	199,054	12,768,464	813,167	2,862,592	-	104,089,553	105,945,206
Letters of Credit	4,004,030	41,154,083	6,166,392	855,674	-	35,379	-	-	-	52,215,558	69,045,721
Acceptances	581,372	1,368,111	13,914,685	889,987	1,835,433	-	-	-	-	18,589,588	19,273,465
Un-utilized balances	1,131,464	44,045,285	128,583,663	16,532,468	2,409,494	22,427,383	1,115,458	67,901,052	658,404	284,804,671	456,904,663
Gross Total	**681,505,427**	**248,654,365**	**433,832,925**	**313,905,034**	**10,496,278**	**144,583,758**	**12,641,058**	**590,935,187**	**426,948,721**	**2,863,502,753**	**3,067,559,836**

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

	As of December 2020						As of December 2019
	Stage One		Stage Two		Stage Three	Total	
Item	Individual Level	Collective Level	Individual Level	Collective Level			Total
Financial	680,874,624	-	482,985	-	147,818	681,505,427	816,976,795
Industrial	242,028,014	8,394	6,082,430	-	535,527	248,654,365	343,494,814
Trade	372,031,339	10,253	58,883,904	-	2,907,429	433,832,925	547,149,793
Real estates	78,888,088	212,931,736	11,337,241	6,723,086	4,024,883	313,905,034	321,621,900
Agriculture	9,440,453	-	1,036,060	-	19,765	10,496,278	8,578,987
Tourism, restaurants and public facilities	136,480,797	22,190	7,386,268	-	694,503	144,583,758	141,460,581
Stocks	12,641,058	-	-	-	-	12,641,058	11,882,806
Individuals	11,012,812	573,898,843	54,005	3,831,050	2,138,477	590,935,187	516,627,313
Government and Public Sector	426,948,821	-	-	-	-	426,948,721	359,766,847
Total	**1,970,345,906**	**786,871,416**	**85,262,893**	**10,554,136**	**10,468,402**	**2,863,502,753**	**3,067,559,836**

6. Re-classified credit exposures

A. Total re-classified credit exposure:

	December 31, 2020					
	Stage Two		Stage Three			
Item	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)	-4954%
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:

	December 31, 2020							
	Reclassified exposures			Expected credit loss for reclassified exposures				
				Stage Two		Stage Three		
Item	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)	123,997	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**

6. Re-classified credit exposures

A. Total re-classified credit exposure:

Item	December 31, 2019					
	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	-	-	-	-	-	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	133,756,482	62,201,023	114,630,680	31,993,839	94,194,862	37.92%
Bonds and Treasury Bills within financial assets at amortized cost	-	-	-	-	-	0.00%
Total	133,756,482	62,201,023	114,630,680	31,993,839	94,194,862	37.92%
Letters of guarantees	7,164,465	5,154,180	12,542,379	2,581,053	7,735,233	39.25%
Letters of credit	3,949,511	(2,725,532)	61,683	61,683	(2,663,849)	-66.41%
Acceptances	8,651,156	5,430,604	-	-	5,430,604	62.77%
Un-utilized balances	33,905,611	(2,542,133)	-	-	(2,542,133)	-7.50%
Gross total	**187,427,225**	**67,518,142**	**127,234,742**	**34,636,575**	**102,154,717**	**32.46%**

B. Expected credit loss against reclassified exposures:

Item	December 31, 2019							
	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	229,505	21,696,076	21,925,581	11,796,862	984,202	91,932,306	-	104,713,370
Bonds and Treasury Bills within financial assets at amortized cost	-	-	-	-	-	-	-	-
Total	229,505	21,696,076	21,925,581	11,796,862	984,202	91,932,306	-	104,713,370
Letters of guarantees	80,873	1,643,177	1,724,050	116,005	-	7,797,712	-	7,913,717
Letters of credit	6,604	40,257	46,861	45,283	-	40,257	-	85,540
Acceptances	7,208	-	7,208	35,688	-	-	-	35,688
Un-utilized balances	(369,328)	-	(369,328)	268,507	7,912	-	-	276,419
Gross total	**(45,138)**	**23,379,510**	**23,334,372**	**12,262,345**	**992,114**	**99,770,275**	**-**	**113,024,734**

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:
- IInterest 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 is using a good policy to manage its foreign currency positions.

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	2020	2019
	JD	JD
USD	9,602,601	14,157,575
GBP	(463,644)	123,954
Euro	953,644	71,089
JPY	4,417	3,282
Other currencies	(36,530,118)	(40,647,534)
	(26,433,100)	**(26,291,634)**

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.

Markets 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, 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%	(192,52)	-
GBP	2%	9,273	-
Euro	2%	(19,073)	-
JPY	2%	(88)	-
Other Currencies	2%	730,602	-
		December 31, 2019	
Currency	Increase in Interest Rate (%)	Sensitivity of Interest Revenue Analysis (Profits and Losses)	Sensitivity of Equity
		JD	JD
USD	2%	283,152	-
GBP	2%	2,479	-
Euro	2%	1,422	-
JPY	2%	66	-
Other Currencies	2%	(812,951)	-
Currency	Decrease in Interest Rate (%)	Sensitivity of Interest Revenue Analysis (Profits and Losses)	Sensitivity of Equity Analysis
		JD	JD
USD	2%	(283,152)	-
GBP	2%	(2,479)	-
Euro	2%	(1,422)	-
JPY	2%	(66)	-
Other Currencies	2%	812,951	-

2. Foreign Currency Risks		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)	-
		December 31, 2019	
Currency	Increase in Currency Exchange Rate (%)	Effect on Profits or Losses	Effect on Equity
		JD	JD
USD	5%	707,879	-
GBP	5%	6,198	-
Euro	5%	3,554	-
JPY	5%	164	-
Other Currencies	5%	(2,032,377)	-

3. Fluctuation in Share Prices Risks		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
		December 31, 2019	
Indicator	Increase in Index	Effect on Profits or Losses	Effect on Equity
		JD	JD
Amman Stock Exchange	5%	25,636	2,260,706
Palestine Stock Exchange	5%	-	279,004

Concentration of Foreign Currency Risk

Concentration of Foreign Currency Risk	December 31, 2020					
Currency	USD	GBP	Euro	JPY	Other	Total
Item	JD	JD	JD	JD	JD	JD
Assets:						
Cash and balances with Central Banks	65,276,656	953,272	28,572,052	137	42,550,333	137,352,450
Balances with banks and financial institutions	141,603,856	9,330,508	1,674,059	35,640	23,604,060	176,248,123
Financial assets through comprehensive income	27,615,278	-	-	-	48,130	27,663,408
Direct credit facilities at amortized cost	220,549,675	669,152	13,953,486	-	160,610,059	395,782,372
Financial assets (at amortized cost and at fair value and associates)	118,014,184	-	4,083,910	-	689,266	122,787,360
Other assets	4,007,714	1,645	232,793	45	8,917,246	13,159,443
Total assets	577,067,363	10,954,577	48,516,300	35,822	236,419,094	872,993,156
Liabilities:						
Banks and financial institutions' deposits	4,402,362	199	598,828	-	3,650,876	8,652,265
Customers' deposits	442,626,642	11,319,543	44,699,595	31,405	206,876,398	705,553,583
Cash margins	26,183,512	74,365	2,257,700	-	8,114,823	36,630,400
Other liabilities	94,252,246	24,114	6,533	-	54,307,115	148,590,008
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 2019	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 2019	**75,607,462**	**-**	**8,335,657**	**420,719**	**5,746,200**	**90,110,038**

Currency	December 31, 2019					
	USD	GBP	Euro	JPY	Other	Total
Item	JD	JD	JD	JD	JD	JD
Total Assets	641,617,925	7,891,752	23,379,821	71,714	210,668,560	883,629,772
Total Liabilities	627,460,350	7,767,798	23,308,732	68,432	251,316,094	909,921,406
Net concentration in the consolidated statement of financial position for the year 2019	14,157,575	123,954	71,089	3,282	(40,647,534)	(26,291,634)
Commitments and contingent liabilities off Balance Sheet for the year 2019	**94,463,700**	**192,385**	**9,086,043**	**2,529,925**	**6,857,695**	**113,129,748**

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 2020	JD	JD	JD	JD	JD	JD	JD	JD
Assets								
Cash and balances with Central Banks	100,265,558	-	-	-	-	10,635,000	238,637,431	349,537,989
Balances and deposit with banks and financial institutions	139,744,988	563,995	563,995	-	88,961,572	-	50,413,347	280,247,897
Financial derivatives	-	-	-	-	-	25,344,463	74,338,989	99,683,452
Financial assets at fair value	423,187,119	516,930,208	137,511,282	205,163,287	73,284,858	110,662,344	-	1,466,739,098
Direct credit facilities at amortized cost	6,000,639	18,063,915	20,602,842	15,567,964	247,002,070	41,217,539	-	348,454,969
Financial assets at amortized cost	-	-	-	-	-	-	53,993,594	53,993,594
Property and equipment – Net	-	-	-	-	-	-	6,872,445	6,872,445
Intangible assets	-	-	-	-	-	-	21,808,399	21,808,399
Deferred tax assets	-	-	-	-	-	-	85,076,144	85,076,144
Other assets	669,198,304	535,558,118	158,678,119	220,731,251	409,248,500	187,859,346	531,140,349	2,712,413,978
Total Assets	442,617,582	172,257,188	222,764,502	160,961,902	714,295,130	544,648,834	450,556,388	2,708,101,526
Liabilities								
Banks and financial institutions' deposits	6,918,000	2,961,000	-	-	50,937,867	-	9,945,487	70,762,354
Customers' deposits	303,055,876	40,190,006	112,824,430	192,256,976	235,253,131	323,158,508	702,448,649	1,909,187,576
Cash margins	61,656,526	255,084	512,671	8,377,630	687,354	1,012,313	47,317,731	119,819,309
Sundry provisions	-	-	-	-	-	-	5,302,150	5,302,150
Income tax provision	-	-	-	-	-	-	19,881,866	19,881,866
Borrowed funds	231,458	7,603,003	863,554	4,151,929	29,251,954	9,351,843	33,128,585	84,582,326
Deferred tax liabilities	-	-	-	-	-	-	48,946	48,946
Other liabilities	-	-	-	-	-	-	40,422,412	40,422,412
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
Year 2019								
Total Assets	442,617,582	172,257,188	222,764,502	160,961,902	714,295,130	544,648,834	450,556,388	2,708,101,526
Total Liabilities	310,312,586	101,997,292	224,354,441	209,548,681	121,027,593	250,765,238	1,069,987,670	2,287,994,501
Interest Re-Pricing Gap	**132,304,996**	**70,259,896**	**(1,589,939)**	**(48,586,779)**	**593,267,537**	**293,883,596**	**(619,431,282)**	**420,107,025**

Liquidity Risk

First: this table summarizes the (undiscounted) liabilities on the remaining period for contractual maturities at the date of consolidated financial statements:

December 31, 2020	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
	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**
December 31, 2019	JD	JD	JD	JD	JD	JD	JD	JD
Liabilities								
Banks and financial institutions' deposits	20,306,711	-	10,000,000	-	120,937,867	-	-	151,244,578
Customers' deposits	352,780,645	124,428,738	252,420,828	319,483,705	406,493,207	463,490,984	-	1,919,098,107
Cash margins	44,709,014	2,113,211	5,026,313	12,314,141	23,704,355	32,726,887	-	120,593,921
Borrowed funds	225,545	451,265	644,054	3,772,367	9,729,129	8,845,561	-	23,667,921
Sundry provisions	-	-	-	-	-	-	5,011,211	5,011,211
Income tax provision	9,521,557	-	4,760,780	9,521,558	-	-	-	23,803,895
Deferred tax liabilities	-	-	-	-		-	3,081,065	3,081,065
Other liabilities	2,641,003	2,827,191	2,224,209	1,938,795	759,804	-	31,102,801	41,493,803
Total liabilities	430,184,475	129,820,405	275,076,184	347,030,566	561,624,362	505,063,432	39,195,077	2,287,994,501
Total Assets (According to expected maturity)	**674,859,622**	**174,701,403**	**231,048,305**	**167,404,923**	**787,009,461**	**466,850,693**	**206,277,119**	**2,708,151,526**

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, 2020			December 31, 2019		
	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	(15,056,025)	(1,001,190)	(16,057,213)	(3,704,431)	(2,215,154)	(5,919,585)
Inflow	14,809,032	1,009,927	15,818,959	3,729,732	2,228,114	5,957,846
Total	**(246,993)**	**8,737**	**(238,254)**	**25,301**	**12,960**	**38,261**

Items off-consolidated statement of financial position:	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**
	December 31, 2019			
	Up to 1 Year	1 to 5 Years	Over 5 Years	Total
	JD	JD	JD	JD
Letters of credit and acceptances	88,563,350	-	-	88,563,350
Un-utilized balances	458,399,546	-	-	458,399,546
Letters of guarantee	114,370,472	42,540	-	114,413,012
Operational lease contracts	2,535,281	7,393,887	4,815,212	14,744,380
Capital commitments	3,417,296	-	-	3,417,296
Total	**667,285,945**	**7,436,427**	**4,815,212**	**679,537,584**

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: 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	2020	2019
	JD	JD	JD	JD	JD	JD	JD
Total Revenues	54,530,231	59,859,748	37,716,437	307,650	1,068,494	153,482,560	149,404,551
Expected credit loss allowance	(10,003,135)	(21,323,808)	(560,214)	18,244	-	(31,868,913)	(18,629,356)
Segments operations results	44,527,096	38,535,940	37,156,223	325,894	1,068,494	121,613,647	130,775,195
Other expenses	(40,642,721)	(20,362,549)	(3,479,995)	(186,469)	(4,868,335)	(69,540,069)	(69,645,034)
Profit before tax	3,884,375	18,173,391	33,676,228	139,425	(3,799,841)	52,073,578	61,130,161
Income tax	(688,316)	(9,751,343)	(6,050,482)	(22,851)	(93,524)	(16,606,516)	(20,752,116)
Net profit for the Year	3,196,059	8,422,048	27,625,746	116,574	(3,893,365)	35,467,062	40,378,045
Other information							
Capital Expenditures	2,564,437	265,276	13,029	93,717	3,940,634	6,877,093	7,036,457
Depreciation and amortization	5,659,627	229,925	6,844	25,752	3,332,790	9,254,938	8,726,851
Total Assets	729,680,734	770,382,881	1,070,626,898	1,003,515	140,719,959	2,712,413,987	2,708,101,526
Total Liabilities	1,636,191,669	429,411,384	134,628,767	162,961	49,612,158	2,250,006,939	2,287,994,501

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	
	2020	2019	2020	2019	2020	2019
	JD	JD	JD	JD	JD	JD
Total Revenues	149,665,584	160,434,820	33,711,656	33,009,552	183,377,240	193,444,372
Total Assets	1,874,618,417	1,963,880,915	837,795,570	744,220,611	2,712,413,987	2,708,101,526
Capital expenditures	**5,779,323**	**5,896,220**	**1,097,770**	**1,140,237**	**6,877,093**	**7,036,457**

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, 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 Assets	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**

The following table provides analysis of assets and liabilities according to the expected period of its recovery or settlement:	December 31, 2019		
	Up to 1 Year	Over 1 Year	Total
	JD	JD	JD
Assets			
Cash and balances with Central Banks	384,396,176	-	384,396,176
Balances with banks and financial institutions	188,323,327	-	188,323,327
Deposits with banks and financial institutions	38,056,946	170,066,819	208,123,765
Financial assets at fair value through profit or loss	628,716	-	628,716
Financial assets at fair value through comprehensive income	-	80,865,636	80,865,636
Direct credit facilities at amortized cost	572,966,810	836,558,627	1,409,525,437
Financial assets at amortized cost	56,968,956	215,566,843	272,535,799
Property and equipment – Net	-	52,802,587	52,802,587
Intangible assets	-	5,986,282	5,986,282
Deferred tax assets	-	22,804,298	22,804,298
Other Assets	7,340,299	74,769,204	82,109,503
Total Assets	1,248,681,230	1,459,420,296	2,708,101,526
Liabilities			
Banks and financial institutions' deposits	30,306,711	120,937,867	151,244,578
Customers' deposits	1,049,113,916	869,984,191	1,919,098,107
Cash margins	64,162,679	56,431,242	120,593,921
Financial derivatives	-	-	-
Other provisions	-	5,011,211	5,011,211
Income tax provision	23,803,895	-	23,803,895
Borrowed funds	5,093,231	18,574,690	23,667,921
Deferred tax liabilities	-	3,081,065	3,081,065
Other liabilities	9,631,198	31,862,605	41,493,803
Total Liabilities	1,182,111,630	1,105,882,871	2,287,994,501
Net	**66,569,600**	**353,537,425**	**420,107,025**

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, 2020	December 31, 2019				
	JD	JD				
Financial Assets at Fair Value Through Income Statement						
Shares that have an available market price	32,883	512,720	Level One	Stated Rates in financial markets	Does Not Apply	Does Not Apply
Shares that do not have an available market price	124,158	115,996	Level Two	Financial Statements issued by companies	Does Not Apply	Does Not Apply
Receive rights at fair value	15,000,000	-	Level One	Determined price	Does Not Apply	Does Not Apply
Total	15,157,041	628,716				
Financial Assets at Fair Value through Comprehensive Income						
Shares that have available market price	9,999,393	50,794,195	Level One	Stated Rates in financial markets	Does Not Apply	Does Not Apply
Shares that do not have available market price	49,182,554	4,161,453	Level Two	Financial Statements issued by companies or observable market input	Does Not Apply	Does Not Apply
Total	59,181,947	54,955,648				
Bonds that have available market price	25,344,463	25,909,988	Level One	Stated Rates in financial markets	Does Not Apply	Does Not Apply
Total	25,344,463	25,909,988				
Assets Foreclosed by Bank	-	-	Level One	Stated Rates in financial markets	Does Not Apply	Does Not Apply
Forward contracts foreign currency	-	38,261	Level One	Stated Rates in financial markets	Does Not Apply	Does Not Apply
Total Financial Assets at Fair Value	99,683,452	81,532,613				
Financial Liabilities at Fair Value:						
Forward contracts foreign currency	238,254	-	Level One	Stated Rates in financial markets	Does Not Apply	Does Not Apply
Total	238,254	-				

There were no transfers between level 1 and level 2 during the year of 2020.

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, 2020		December 31, 2019		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	283,107,444	283,121,142	312,229,080	312,241,852	Level Two
Balances at banks and financial institutions	190,726,236	190,748,749	188,326,285	188,476,380	Level Two
Deposits at banks and financial institutions	89,564,000	90,818,151	208,249,314	213,803,299	Level Two
Loans, bills and other	1,465,186,407	1,469,103,909	1,364,163,670	1,367,341,050	Level Two
Financial assets at amortized cost	349,154,840	353,782,663	272,734,431	276,726,076	Level Two
Total Financial Assets of non-specified Fair Value	**2,377,738,927**	**2,387,574,614**	**2,345,702,780**	**2,358,588,657**	
Financial Liabilities of Non-Specified Fair Value					
Deposits at banks and financial institutions	70,762,354	70,906,640	151,244,578	152,150,581	Level Two
Customers' deposits	1,909,187,576	1,914,526,143	1,919,098,107	1,928,585,706	Level Two
cash margin	119,819,309	119,821,325	120,593,921	120,598,195	Level Two
Total Financial Liabilities of Non-Specified Fair Value	**2,099,769,239**	**2,105,254,108**	**2,190,936,606**	**2,201,334,482**	

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, 2020		December 31, 2019		The Level of
	Book Value	Fair Value	Book Value	Fair Value	Fair Value
	JD	JD	JD	JD	JD
Other assets	68,067,305	114,485,914	64,202,177	110,857,621	Level Two
	68,067,305	114,485,914	64,202,177	110,857,621	

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

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 14.5% 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 reserves and retained earning

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 2020	In Thousands of JD 2019
Paid-up capital	200,000	200,000
Statutory reserve	99,191	94,066
Voluntary reserve	47	134
Other reserves	5,850	5,850
Fair value reserve	(6,092)	24,954
Retained earnings	140,561	95,285
Non-controlling interest in the capital of subsidiaries	3,236	3,432
Less: Regulatory capital adjustments	(41,536)	(41,059)
Total Primary Capital Ordinary Shareholder (CET 1)	401,257	382,662

Additional Capital Items		
Stage one provision balance against debt instruments not exceeding 1.25% of the total risk weighted assets	7,405	9,870
General banking risk reserve	2,804	2,196
Total additional capital	10,209	12,066
Total regulatory capital	411,466	398,728
Total risk weighted assets	2,156,718	2,155,969
Capital adequacy ratio (%)	19,08%	18,31%
Primary capital for ordinary shareholders (CET 1) %	18,60%	17,75%
Capital adequacy Tier 1 (%)	18,60%	17,75%

48. Commitments and Contingent Liabilities

a. Contingent Liabilities:	2020	2019
	JD	JD
Letters of credit include:	52,308,450	69,214,211
Acceptances	18,627,450	19,349,139
Letters of guarantee:		
Payment	35,257,524	36,787,251
Performance	46,805,604	51,317,006
Other	29,979,782	26,308,755
Un-utilized direct and indirect credit facilities limits	285,565,713	458,399,546
Total	**468,544,523**	**661,375,908**

Expected credit loss provision based on IFRS (9) requirements on the off – balance sheet items (unfunded) amounted to JD 8,845,153 for the year ended December 31, 2020 (JD 10,206,853 as of December 31, 2019).

b. Contractual Obligations:	2020	2019
	JD	JD
Contracts for purchasing of property and equipment*	1,125,912	3,417,296
Contracts for operating and financing lease**	15,523,423	14,744,380
Total	**16,649,335**	**18,161,676**

* 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 7,910,297 as of December 31, 2020 (JD 19,113,597 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 832,435 as of December 31, 2020 (JD 863,478 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.

49. Comparative Figures

Some comparative figures have been reclassified to conform with the current year classification, this amendment did not have any impact on the consolidated statement of changes in equity, the consolidated statement of profit or loss and consolidated statement of comprehensive income for the year ended and as of December 31, 2019.

Additional Information as Required by the Jordan Securities Commission 2020

- 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 2020

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 (80) branches and (3) exchange offices in Jordan, in addition to (16) 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 (1851). 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	868	Zarqa	8	Marj Al Hamam	8	Al Hurrieh Mall	10
Regional Management	154	Faisal St./Zarqa	9	Al Jeezah	6	Dahyet El Nakheel	5
Al Shmeisani	18	New Zarqa	6	Dahyet Al Yasmeen	8	Radio and Television St.	6
Amman/ Downtown	7	North Shuneh	7	Al Sweifieh	10	Medical City St.	9
Karak	7	Kufranjah	4	Al Wehdat	8	Hay Al-Zaytouna	8
Irbid	13	Al Qweismeh	12	Al Jabal Al Shamali	7	Dahyet Al-Rasheed	8
Al Hussun St.	7	Third Circle	4	Durret Khalda	11	Al-Ameer Rashid District	4
Eidoun St./Irbid	6	Mecca St.	13	Al Ruseifa	6	Ramallah	26
Ma’an	7	University of Jordan	5	Al Madina Al Monawara St./Tla'a Al Ali	8	Hebron	18
Rumtha	7	Thirty St. /Irbid	8	Abu Alanda	8	Jenin	20
Al Turrah	5	Al Nuzha	7	Khalda	8	Nablus	23
Salt	8	Al Hassan Industrial city	7	City Mall	14	Gaza	16
Jerash	7	Al Gardens	18	Um Uthaina	9	Al Ram/Ramallah	8
Al Mahatta	7	Al Madina Al Monawara St.	7	Al Rabiyeh	6	Al Eizaryeh/Jerusalem	7
Al Yarmouk St./Al Nasser	8	Aqaba	11	Abdoun	9	Industrial Area/Ramallah	8
Marka	12	Al Bayader	7	Al Hurrieh St./Mogablain	8	Bethlehem	9
Ajloun	7	Industrial Area/Al Bayader	6	Al Rawnaq	9	Tulkarm	9
Jabal Al Hussein	11	Al Mafraq	10	Sport City	7	Qabatiya	7
Al Khalidi	4	North Azraq	6	Taj Mall	9	Rafidia	7
Al Jubaiha	9	Jabal Al Weibdeh	9	Abu Nsair	6	Al Naser	11
Commercial Market	6	Deir Abi Saeed	6	North Hashmi	7	Al Eersal	8
Wadi Al Seer	4	Sweileh	7	Sahab	6	Al Braid Suburb / Jerusalem	7
Airport	4	Al Fuheis	7	Al Abdali Mall	11	Al Tirah / Ramallah	8
Free Zone / QAIA	5	Tareq	6	Madaba	7	Bahrain	8
Hakama St./Irbid	8	Zarqa Free Zone	6	First Circle	10		

1. c- Capital Investment Volume:

The Capital investment amounted to JD 9,001,765 at the end of 2020 compared to JD 9,022,954 at the end of 2019.

2. Subsidiaries:

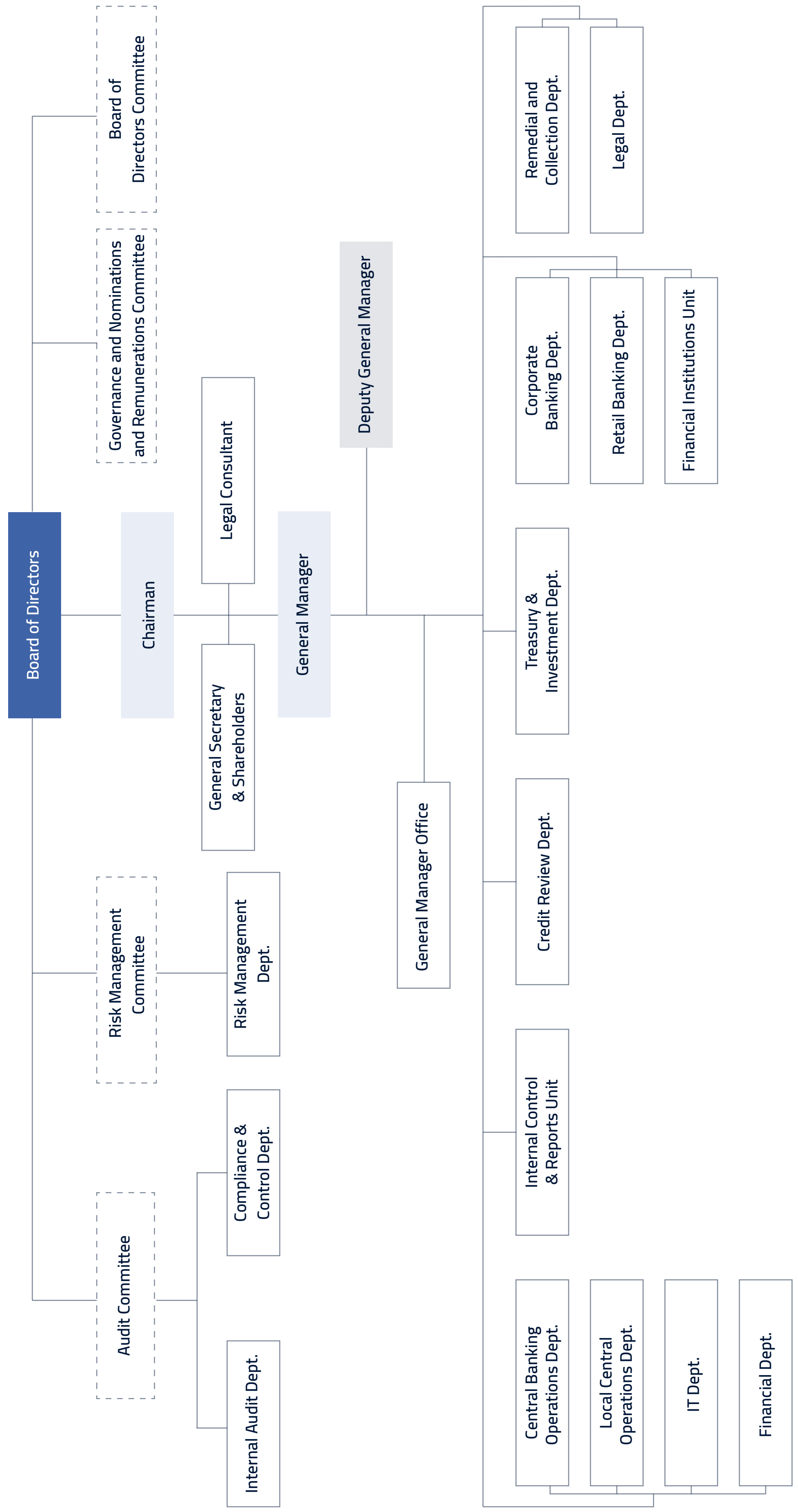
a. Bank of Jordan - Syria / Syrian Arab Republic

Name of Company	Bank of Jordan - Syria
Type of Company	Joint Stock Company
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: 00963-11-2317267
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	9
Abaseen Branch	Damascus - Abaseen Square	00963-11-4438261	00963-11-4438267	P.O. Box 8058 Damascus, Syria	7
Jarmana Branch	Damascus Suburban – Jarmana – Al Raees Square	00963-11-5662273	00963-11-5659377	P.O. Box 8058 Damascus, Syria	7
Harasta Branch (Temporarily closed)	Damascus Suburban – Harasta	00963-11-5376711	00963-11-5376717	P.O. Box 8058 Damascus, Syria	None
Sahnaya Branch	Damascus Suburban – Daraa Highway	00963-11-22911300	00963-11-22911311	P.O. Box 8058 Damascus, Syria	5
Al Faisal St. Branch / Aleppo	Aleppo – Al Malek Faisal St.	00963-21-2228071	00963-21-2228071	P.O. Box 8058 Aleppo, Syria	7
Alazeziah Branch / Aleppo	Aleppo – Alazeziah Area – Alzahraa Cinema St.	00963-21-2122697	00963-21-2125672	P.O. Box 8058 Aleppo, Syria	6
Hamdanieh Branch / Aleppo (Temporarily closed)	Aleppo – Almartini Hotel – Hamdanieh	00963-21-5120152	00963-21-5120156	P.O. Box 8058 Aleppo, Syria	None
Homs Branch	Homs – Square 94 – Abou Tammam St.	00963-31-2220603	00963-31-2222305	P.O. Box 3058 Homs, Syria	4
Lattakia Branch	Lattakia - Al-Korneish Al-Gharbee St.	00963-41-2557623	00963-41-2556768	P.O. Box 58 Lattakia, Syria	11
Tartous Branch	Tartous – Al Thawra St.	00963-43-2313733	00963-43-2313793	P.O. Box 8058 Damascus, Syria	6
Al-Swaidaa Branch	Swaidaa – Qanawat St.	00963-16-324188	00963-16-324288	P.O. Box 88 Swaidaa, Syria	8

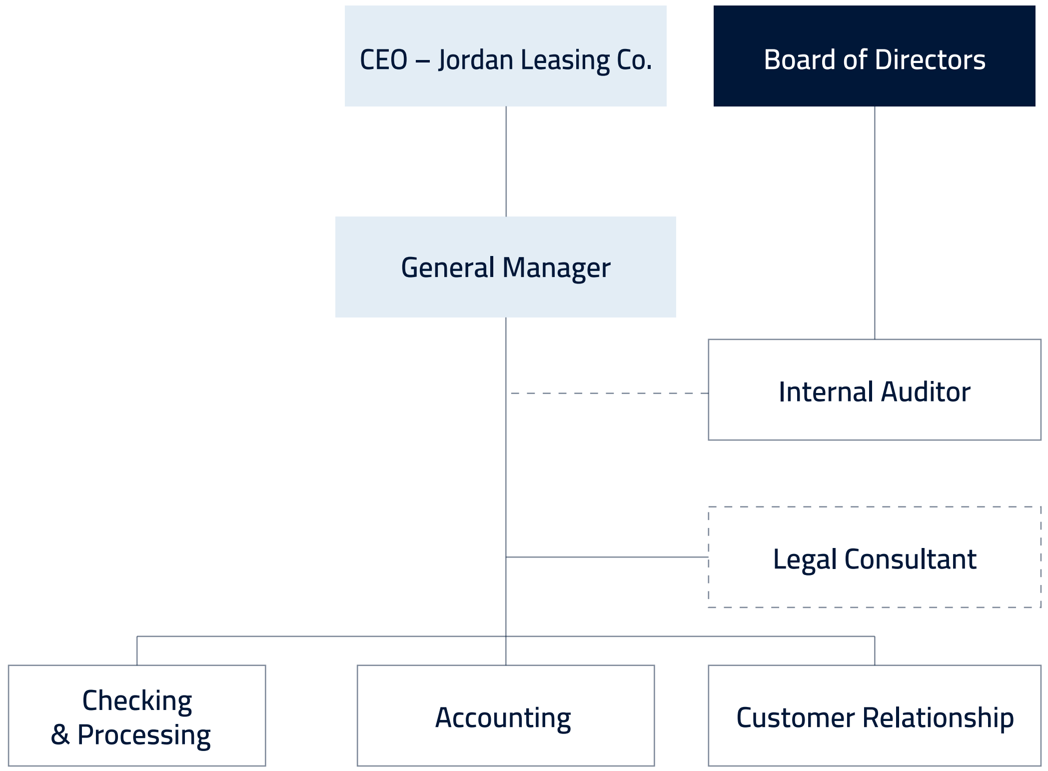
Organizational Structure / Bank of Jordan – Syria



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	7 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 Representative of Al-Ekbal Jordanian General Trading (LLC).

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/ Representative of Al Tawfiq Investment House - Jordan

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-Yamama for General Investments Co. (Limited Liability)

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-Araka for Investments Co.

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. Mohammad Anwar Hamdan
Board Member

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. Husam Rashed Manna'
Board Member

Date of Birth: 6/9/1963 **Date of Membership:** 30/7/2015
Nature of Membership: Non-Executive/ 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.

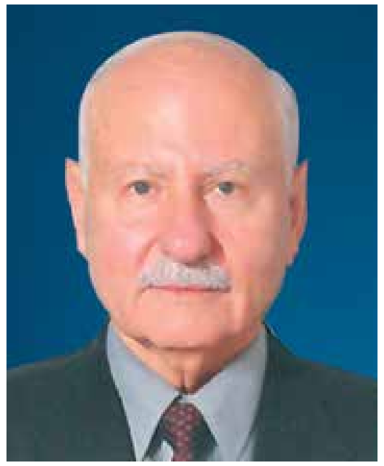
Mr. Walid Mohammad Al-Jamal
Board Member/ Representative of Al Pharaenah Int'l for Industrial Investments Co.

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.



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. Wissam Rabee' Saab
Board Member

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.

Mr. "Mohammad Sa-ed" Ishaq Jarallah
Board Member as of 18/10/2020

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.

Dr. Mazen Mohammad Al-Basheir
Board Member/ Representative of Arab Gulf General Inv. & Transport Co. until 4/3/2020 (Deceased)

Date of Birth: 6/7/1955 **Date of Membership:** 22/10/2008
Nature of Membership: Non-Executive/ Non-Independent

Educational Background:
– M.Sc. in Family Medicine, London University/ UK, 1990.
– Membership of the Royal College of Family Physicians/ UK, 1987.
– M.B, B.Ch. in Medicine from Cairo University/ Egypt, 1980.

Professional Experience:
- Founder and Director of the Jordan Center of Family Medicine, as of 10/1991.
- Family Physician in the private sector, as of 1992.
- Part-time Lecturer at Liverpool University, University of Jordan, Jordan University of Science and Technology, from 1987 until 2000.
- President of the Jordanian Society of Family Physicians, serving several terms from 7/1993 until 2012.

Other previous Board Memberships:
-Board Chairman and Chief Executive Officer of the Consultant and Investment Group Company (Istishari Hospital) since 6/2007 until 1/2016.

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.

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.

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.

Mr. Nader Essa Al-Khawaja
Executive Manager/ Strategic Planning & Projects Management.
As of 25/10/2020

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 as of 25/10/2020 to date.
- 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. 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 / Iraq branch (Under establishment)

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 Manager / Bank of Jordan - Iraq branch (Under establishment), as of 14/10/2019 to date.
- 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 as of 28/5/2020.

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 as of 1/9/2020.

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. Mousa Yousef Mousa
Treasurer/ Treasury & Investment Department

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, as of 3/2016 to date.
- 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.

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.

Mr. Yousef Mousa Abu Humaid
Manager /Central Operations Management

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:
- 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.

Mrs. Sahar Shafek Al-Ziadat
Executive Manager / Human Resources Department, (Acting)

Date of Birth: 26/9/1984 Date of Appointment: 18/12/2017

Educational Background:
- B.A. in Industrial engineering/ University of Jordan/ Jordan, 2007.

Professional Experience:
- Executive Manager / HR Department (Acting) at Bank of Jordan, as of March 2019 to date.
- HR Business Partnership/ HR Department/ Bank of Jordan from 18/12/2017 until 18/03/2019.
- Human Resource Development and Administration Manager / Airport International Group from 20/6/2010 until 12/10/2017.
- Senior Business Analyst / Business Insights Consultancy from 11/2/2007 until 03/06/2010.

Mr. Ra'f Yousef Abu Dahoud
Executive Manager/Commercial Business Development Department (until 8/3/2020)

Date of Birth: 8/12/1968 Date of Appointment: 27/6/2016

Educational Background:
- Bachelor in Accounting, Yarmouk University/ Jordan, 1994.

Professional Experience:
- Executive Manager/ Commercial Business Development Dept. at Bank of Jordan as of June/2016 until March 2020.
- Executive Manager/ Commercial Business Development Dept. at Bank of Jordan from September 2008 to April 2016.
- Manager/ Small and Medium Enterprises Dept. at Bank al Etihad from 2001 until 2008.
- Credit Facilities Manager/ Shmeisani branch at Bank al Etihad from 1999 until 2001.
- Inspector in the Audit Department/ Head Office at Bank al Etihad from October 1997 until October 1999.
- Head of the Bills Section/ Ramtha Branch at Bank al Etihad from September 1994 until October 1997.

Membership in other Boards of Director:
- Vice Chairman of the Jordan Leasing Company.
- Board Member of Excel Investment Company.

Mr. Mohammad Hikmat AlSawalqa
Executive Manager/Corporate Business Development Department
(Until 31/3/2020)

Date of Birth: 9/3/1971 Date of Appointment: 22/3/2015

Educational Background:
- B.A in Economics, Yarmouk University, 1994.

Professional Experience:
- Executive Manager/ Corporate Banking Group/ Bank of Jordan as of March 2015 until March 2020.
- AVP / Corporate Banking Group / United Arab Bank/ UAE from June 2010 until March 2015.
- Team Leader/ Large Corporate Banking / Arab Banking Corporation, Jordan from June 2009 until May 2010.
- Commercial Center Manager/ Commercial Bank of Dubai, United Arab Emirates from October 2004 until October 2008.
- Deputy Branch Manager & Corporate Manager for Two Branches / Commercial Bank International from October 1998 until October 2004.
- Credit Officer / Arab Banking Corporation, Jordan from June 1995 until October 1998.

4. Shareholders who own 1% or more of the Bank's shares (2020 & 2019):

Name	Nationality	No. of Shares 2020	Percentage 2020	No. of Shares 2019	Percentage 2019	The ultimate beneficiary of shares 2020	No. of Shares mortgaged 2020	Percentage Shares mortgaged 2020	Mortgage lenders 2020
Mrs. Maha Nasri Khalil Nasser	Jordanian	-	-	3,000,000	1.500%	Herself	None	-	-
Mr. Michelle Fayiq Al-Sayegh	Jordanian	3,528,054	1.746%	398,825	0.199%	Himself	3,062,785	86.81%	Jordan Commercial Bank / Main Branch
Mr. Hussni Jalal AlKurdi	Jordanian	3,914,653	1.957%	3,914,653	1.957%	Himself	None	-	-
Mr. Shaker Tawfiq Fakhouri	Jordanian	5,391,490	2.695 %	5,391,490	2.695%	Himself	None	-	-
Mrs. Awatef Mohammed Almasri	Jordanian	5,603,838	2.802%	5,603,838	2.802%	Herself	None	-	-
Mr. Graeme Allah bin Raddad Al-Zahrani	Saudi Arabia	8,033,561	4.016%	8,033,561	4.016%	Himself	None	-	-
Libyan Foreign Bank	Libyan	9,090,909	4.545%	9,090,909	4.545%	Himself The capital is fully owned by the Central Bank of Libya	None	-	-
ALARRAKKA FOR GENERAL INVESTMENTS	Cayman Islands	12,231,424	6.115%	12,231,424	6.115%	Tawfiq Shaker Fakhouri (Deceased on 26/11/2020)	None	-	-
AL EQBAL FOR GENERAL INVESTMENTS	Cayman Islands	16,000,000	8%	16,000,000	8%	Tawfiq Shaker Fakhouri (Deceased on 26/11/2020)	None	-	-
ALYAMAMA FOR GENERAL INVESTMENTS	Cayman Islands	17,371,178	8.685%	17,371,178	8.685%	Tawfiq Shaker Fakhouri (Deceased on 26/11/2020)	None	-	-
AL LOLOUA FOR GENERAL INVESTMENTS	Cayman Islands	18,000,000	9%	18,000,000	9%	Tawfiq Shaker Fakhouri (Deceased on 26/11/2020)	12,150,000	67.5%	Housing Bank
ARAB GULF FOR GENERAL INVESTMENTS	Cayman Islands	18,000,000	9%	18,000,000	9%	Tawfiq Shaker Fakhouri (Deceased on 26/11/2020)	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 2020 (page 22).

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 (260).
- Bank of Jordan – Syria Organizational Structure can be found on (page 209).
- Jordan Leasing Company Organizational Structure can be found on (page 210).
- Excel for Financial Investments Company Organizational Structure can be found on (page 211).

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	97	8	1	1
Higher Diploma	5	1	-	-
Bachelor's Degree	1,405	150	2	5
Diploma	210	26	-	-
General Secondary Education	57	10	-	-
Pre-Secondary Education	72	12	1	1
Total	**1,851**	**208**	**4**	**7**

C. Details of training programs in 2020 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)	40	6,589
External Courses	110	209
Total	**150**	**6,798**

Areas of training at the level of Bank of Jordan Group:

Topic	No. of Courses	No. of Participants
New Employees Orientation Program	10	1,598
Credit	19	126
Banking	35	1,636
Computer	9	44
Compliance & Risk Management	29	3,208
Administrative Skills	19	67
Marketing and Sales Skills	6	84
Professional Skills	2	3
Finance & Auditing	14	20
Legal	1	2
Others	6	10
Total	**150**	**6,798**

10. Description of Risks:

Mentioned within the corporate governance on (page 250). 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 2020:

Mentioned in the Board of Directors' Report under a separate section (page 20), supported with figures and a description of the Bank's main events in 2020.

12. There is no financial impact of non-recurring operations during 2020 and no intervention in the Bank's main activities.

13. Realized Profits/Losses, Dividends, Bank Shareholders' Equity, and the Closing Price of Shares 2016-2020:

Financial Indicators for the past five years (2016-2020)									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	%		
2016	405,447	6,989	62,315	36,000	18%	36,000	18%	-	2.88
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%	-	2.1
2020**	454,758	7,649	52,074	-	-	24,000	12%	-	1.93

* 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 2020:

Mentioned in the Board of Directors' Report, under a separate section (page 32). Below are the main financial ratios:

No.	Financial Ratios	2020	2019
1	**Return on Average Bank Shareholders' Equity**	8.24%	9.72%
2	**Return on Capital**	17.7%	20.2%
3	**Return on Average Assets**	1.31%	1.52%
4	**Profitability per Employee (After tax)**	JD 17,134	JD 18,886
5	**Interest Income to Average Assets**	5.04%	6.00%
6	**Interest Expense to Average Assets**	0.71%	1.63%
7	**Interest Margin to Average Assets**	2.66%	4.37%
8	**Non-Performing Loans (after deducting interest in suspense) to Total Credit Facilities**	7.80%	6.90%

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 2021, listed under a separate section (page 41).

16. Auditors' Remuneration (for Bank of Jordan and its Subsidiaries):

Statement	Auditors' Remuneration (JD)
Bank of Jordan	135,233
Bank of Jordan – Syria	5,640
Excel For Financial Investments Company	4,640
Jordan Leasing Company	4,495
Total	**150,008**

Auditors were paid an amount of (JD15,660) in 2020 against Tax consulting services and other consulting (JD32,250.007).

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:

Name	Status	Nationality	No. of Shares 2020	No. of Shares 2019
Al-Ekbal Jordanian General Trading (LLC)	Board Member	Jordanian	5,000	5,000
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	16,396	10,218
Salma Shaker Fakhouri	Daughter	Jordanian	10,018	10,018
Tamara Shaker Fakhouri	Daughter	Jordanian	10,018	10,018
Tawfiq Shaker Fakhouri	Son	Jordanian	352,000	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	6,447	6,447
Mrs. Dana Kayd Sagha	Wife	Jordanian	927,796	844,890
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	12,393	5,908
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. Mohammad Anwar Hamdan	Board Member	Jordanian	6,447	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	15,000	10,000
Mr. Wissam Rabee' Saab	Board Member	Lebanese	5,000	5,000
Mr. "Mohammad Sa-ed" Ishaq Jarallah	Board Member as of 18/10/2020	Jordanian	5,000	5,000
Arab Gulf General Inv. & Transport Co.	Board Member until 4/3/2020	Jordanian	10,569	10,569
Dr. Mazen Mohammad Al-Basheir	Board Member/ Representative of the Company until 4/3/2020 (Deceased)	Jordanian	138,039	138,039
Dr. Farihan Fakhri Barghouti	Wife	Jordanian	51,579	51,579

B. Number of Shares Owned by the Executive Managers and/or their Relatives:

Name	Status	Nationality	No. of Shares	
			2020	2019
Mr. Saleh Rajab Hammad	Chief Executive Officer	Jordanian	42,079	42,079
Dr. Nasser Mustafa Khraishi	AGM / Chief Operating Officer	Jordanian	18,000	18,000
Mrs. Shereen Yousef Khraishi	Wife	Jordanian	31,113	-
Mr. Osama Samih Sukkari	Legal Advisor	Jordanian	188,379	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	-	-
Mr. Nader Essa Al-Khawaja	Executive Manager / Strategic Planning & Projects Management as of 25/10/2020	Jordanian	-	-
Mr. Hatem Nafi' Foqahaa	Regional Manager / Palestine Branches Management	Palestinian	-	-
Mr. Turki Yousef Al-Jabour	Executive Manager / Internal Audit Department	Jordanian	114,000	105,000
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 - Iraq Branch (Under establishment)	Jordanian	-	-
Mr. Yasser "Mohd Suhail" Tahboub	Executive Manager / Transaction Banking Department as of 28/5/2020	Jordanian	-	-
Ms. Lana Fayez Al-Barrishi	Executive Manager / Compliance Department as of 1/9/2020	Jordanian	-	-
Mr. Mousa Yousef Mousa	Treasurer / Treasury & Investment Department	Jordanian	-	-
Mr. Hani Hasan Mansi	Manager / Financial Control Management	Jordanian	-	-
Mr. Yousef Mousa Abu Humaid	Manager/Central Operations Management	Jordanian	-	-
Mrs. May Abdelrrahman Jeitem	Wife	Jordanian	273	273
Mrs. Sahar Shafek Al Ziadat	Executive Manager / Human Resources Department (Acting)	Jordanian	-	-
Mr. Ra'f Yousef Abu Dahoud	Executive Manager/Commercial Business Development Department until 8/3/2020	Jordanian	-	-
Mr. Mohammad Hikmat AlSawalqa	Executive Manager/corporate Business Development Department until 31/3/2020	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 2020 and 2019:

Name	Position	Company	Equity Share in Bank of Jordan	
			2020	2019
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 2020:

Name	Position	Annual Transport Allowance And Committees Attendance	Allowance membership	Annual Remuneration	Annual Travel Expenses	Total
		JD	JD	JD	JD	JD
Mr. Shaker Tawfiq Fakhouri	Chairman of the Board/ Dedicated/ Representative of Al-Ekbal Jordanian General Trading (LLC)	47,640	43,749.60	5,000	-	96,389.60
Mr. Walid Tawfiq Fakhouri	Vice Chairman of the Board/ Representative of Al Tawfiq Investment House – Jordan	8,100	24,999.60	5,000	-	38,099.60
Dr. Yanal Mawloud Zakaria	Board Member/ Representative of AL Yamama for General Investments Co. (Limited liability)	35,100	24,999.60	5,000	-	65,099.60
Mr. "Shadi Ramzi" Abd Al-Salam Al-Majali	Board Member / Representative of Al Araka for Investments Co.	24,840	24,999.60	5,000	-	54,839.60
Mr. Haitham Mohammed Samih Barakat	Board Member / Representative of Al Lu'lu'a Trading & Investment Co.	34,530	24,999.60	5,000	745	65,274.60
Mr. Mohammad Anwar Hamdan	Board Member	18,000	24,999.60	5,000	-	47,999.60
Mr. Husam Rashed Manna'	Board Member	42,510	24,999.60	5,000	-	72,509.60
Mr. Walid Mohammad Al-Jamal	Board Member/ Representative of Al Pharaenah Int'l for Industrial Investments Co.	8,100	24,999.60	5,000	-	38,099,60
Mr. Walid Rafiq Anabtawi	Board Member	21,420	24,999.60	5,000	-	51,419.60
Mr. Wissam Rabee' Saab	Board Member	10,590	24,999.60	5,000	927	41,516.60
Mr. "Mohammad Sa-ed" Ishaq Jarallah	Board Member as of 18/10/2020	8,400	4,166.60	-	-	12,566.60
Dr. Mazen Mohammad Al-Basheir (Deceased)	Board Member/ Representative of Arab Gulf General Inv. & Transport Co. until 4/3/2020	7,050	4,166.60	-	-	11,216.60
Total		**266,280**	**277,079.20**	**50,000**	**1,672**	**595,031.20**

B. Benefits and Remuneration of the Executive Managers for the Year 2020:

Name	Position	Annual Salary	Annual Remuneration	Annual Allowance for Transportation & Assuming Board Secretary Position	Other Benefits (Housing Allowance, School, Phone)	Total
		JD	JD	JD		JD
Mr. Saleh Rajab Hammad	Chief Executive Officer	263,836	230,000	-	-	493,836
Dr. Nasser Mustafa Khraishi	AGM/ Chief Operating Officer	178,770	100,000	-	-	278,770
Mr. Osama Samih Sukkari	Legal Advisor	232,478	75,000	-	-	307,478
Mr. Nader Mohammad Sarhan	Executive Manager/ Chief Risk Officer/ Board Secretary	119,132	-	18,000	-	137,132
Mr. Khaled Atef Abu Jawid	Executive Manager/ Retail Banking Management	134,580	42,488	-	-	177,068
Mr. Nader Essa Al-Khawaja	Executive Manager/ Strategic Planning & Projects Management as of 25/10/2020	22,270	-	-	-	22,270
Mr. Hatem Nafi' Foqahaa	Regional Manager/ Palestine Branches Management	127,046	25,144	9,000	-	161,190
Mr. Turki Yousef Al-Jabour	Executive Manager/ Internal Audit Department	88,540	-	-	-	88,540
Mr. Omar Ahmad Mustafa	Executive Manager/ Corporate Business Development Department	103,792	-	-	-	103,792
Mr. Salam Salameh Gamoah	Chief Executive Officer - Bahrain Branch	191,931	-	9,032	32,117	233,080
Mr. Rami Jamal Mahmood	Executive Manager/ Commercial Business Development Department	80,880	-	-	-	80,880
Mr. Yasser "Mohd Suhail" Tahboub	Executive Manager/ Transaction Banking Department as of 28/5/2020	83,678	-	-	-	83,678
Mr. Samer Khalil Mirai	Executive Manager/ Iraq Branch (Under establishment)	96,000	-	-	-	96,000
Ms. Lana Fayez Al-Barrishi	Executive Manager/ Compliance Department as of 1/9/2020	63,812	-	-	-	63,812
Mr. Mousa Yousef Mousa	Treasurer/ Treasury & Investment Department	69,903	2,112	-	-	72,015
Mr. Hani Hasan Mansi	Manager/ Financial Control Management	61,678	-	-	-	61,678
Mr. Yousef Mousa Abu Humaid	Manager/ Central Operations Management	57,756	14,324	-	-	72,080
Mrs. Sahar Shafek Al-Ziadat	Executive Manager/ Human Resources Department (Acting)	35,412	5,990	-	-	41,402
Mr. Ra'f Yousef Abu Dahoud	Executive Manager/ Commercial Business Development Department (Until 8/3/2020)	23,258	-	-	-	23,258
Mr. Mohammad Hikmat AlSawalqa	Executive Manager/ Corporate Business Development Department (Until 31/3/2020)	57,760	-	-	-	57,760
		2,092,512	**495,058**	**36,032**	**32,117**	**2,655,719**

19. 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 1.6 million, as detailed below:

Activity	Amount (JD)
Supporting the "Himmat Watan Fund" - Jordan	1,000,000
Supporting the "Waqfit Izz Fund" - Palestine	151,560.50
Supporting the National Financial Literacy Program	123,199
Two student scholarships in the King's Academy	70,900
Supporting the Children's Museum - Jordan	51,400
Supporting the Taawon Foundation	17,725
Supporting Social and Charitable Organizations and Activities	93,710.70
Supporting Educational Activities	10,804
Supporting Cultural Activities	3,625
Supporting Environmental Activities	6,000
Supporting Sports Activities	5,000
Supporting Medical Activities	36,680
Miscellaneous	32,000
Total	1,602,604.20

A computer was donated to the Jordanian Club for the Deaf, with a face value of JD 253 and a book value of JD 1.

20. 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.

21. The Bank's Contribution to Environmental Protection and Community Service:

A. Contribution to Environmental Protection

Seeking to be at the forefront of supporters of environmental activities, the Bank supported the Green Caravan Program organized by the Arab Group for the Protection of Nature, which involved planting 360 trees with an eye to increasing green areas, combating desertification, achieving food security and providing a source of income for families. Moreover, the Bank supported a project to build a garden at the Preparatory School for Girls at the UNRWA-Gaza/Jerash Refugee Camp (Color Garden).

B. Contribution to Community Service

Consistent with the Bank's vision and directions to support national institutions and contribute to the advancement of society in various educational, health, cultural, social and sports fields, Bank of Jordan continued to support charitable societies and volunteer bodies in implementing initiatives concerned with the development and prosperity of local communities.

Recognizing the importance of the education sector and its major role in empowering local communities, the Bank renewed its agreement with the Queen Rania Foundation for Education and Development by supporting the "Museum for All" initiative at the Children's Museum Jordan. The Bank also supported the Jerusalem Studies Center and the Royal Institute for Inter-Faith Studies (RIIFS). Not only that, but the Bank sponsored several scholarships for students in the King's Academy and acted as the golden sponsor of Injaz's School Adoption Program (SAP). Furthermore, the Bank extended the necessary support for completing the implementation of the National Financial Literacy Program launched by the CBJ in cooperation with the Ministry of Education and Injaz. Moreover, the Bank recently renewed its strategic partnership with the Elia Nuqul Foundation, whereby financial support would be provided to two students for 4 academic years. In Palestine, the Bank renewed its membership, for the sixth year, with Taawon (Welfare Association).

Bank of Jordan continued to adopt many charitable initiatives, activities, and events. It extended financial support to Himmat Watan Fund, which was established to assist official efforts in combating the COVID-19 pandemic and protecting the health and safety of people in Jordan. In Palestine, the Bank provided support to Waqfet Izz Fund to back its efforts in combating the pandemic. The Bank also supported Tkiyet Um Ali by sponsoring 15 families for a year under the Monthly Food Parcels program. Additionally, the Bank supported Al-Najat Charity and Ramallah and Al-Bireh Governorate in distributing food parcels and meat of sacrificed animals to needy families in Palestine during the holy month of Ramadan and Eid Al-Adha. Last but not least, in its endeavor to assist in implementing charitable initiatives and goals to serve community, the Bank extended support to several charities, including, for example, the National Forum for Awareness and Development, Princess Taghrid Institute for Development and Training, Alooun Humanitarian Club, the Jordanian Club for the Deaf, Sakeena, Young Muslim Women Association, the Mental Health Association (Badwa Center for Special Education), Ibdaa, Kafr A'ana People Association, Association for Islamic Cemetery Affairs, the King Hussein Cancer Center, White Beds Society, and Jordan Forum for Business and Professional Women.

Mentioned within the Bank's Achievements in 2020 (Page 20).

C. Annual Financial Statements - 2020

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 44).

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 45).

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, and 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 2020. 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 Representative of Al-Ekbal Jordanian General Trading (LLC)	Non-Executive/ Non-Independent	7	1,212,011
Mr. Walid Tawfiq Fakhouri	Vice Chairman/Representative of Al Tawfiq Investment House - Jordan	Non-Executive/ Non-Independent	6	3
Dr. Mazen Mohammad Al-Basheir	Board Member/Representative of Arab Gulf General Inv. & Transport Co. (Deceased on 4/3/2020)	Non-Executive/ Non-Independent	1	-
Dr. Yanal Mawloud Zakaria	Board Member/Representative of Al-Yamama for General Investments Co. (Limited Liability)	Non-Executive/ Non-Independent	7	-
Mr. "Shadi Ramzi" Abd Al-Salam Al-Majali	Board Member/Representative of Al-Araka for Investments Co.	Non-Executive/ Non-Independent	7	22,312
Mr. Haitham Mohammed Samih Barakat	Board Member/Representative of Al Lu’lu’a Trading & Investment Co.	Non-Executive/ Non-Independent	7	73,339
Mr. Mohammad Anwar Hamdan	Board Member	Non-Executive/ Independent	7	76
Mr. Husam Rashed Manna’	Board Member	Non-Executive/ Independent	7	18,873
Mr. Walid Mohammad Al-Jamal	Board Member/Representative of Al Pharaenah Int’l for Industrial Investments Co.	Non-Executive/ Non-Independent	6	49,480
Mr. Walid Rafiq Anabtawi	Board Member	Non-Executive/ Independent	7	4,887
Mr. Wissam Rabee’ Saab	Board Member	Non-Executive/ Independent	7	3,123
Mr. "Mohammad Sa-ed" Ishaq Jarallah	Board Member as of 18/10/2020	Non-Executive/ Independent	2	-
Mr. Nader Mohammad Sarhan	Executive Manager/ Chief Risk Officer/Board Secretary	-	7	Not Applicable

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/Dedicated Representative of Al-Ekbal Jordanian General Trading (LLC)	Board Member of the Middle East Company for Insurance
Mr. Walid Tawfiq Fakhouri Vice Chairman Representative of Al Tawfiq Inv. House - Jordan	None
Dr. Mazen Mohammad Al-Basheir Board Member (Deceased on 4/3/2020) Representative of Arab Gulf General Inv. & Transport Co.	None
Dr. Yanal Mawloud Zakaria Board Member Representative of Al-Yamama for General Investments Co. (Limited Liability)	None
Mr. "Shadi Ramzi" Abd Al-Salam Al-Majali Board Member Representative of Al-Araka for Investments Co.	Chairman of Jordan Investment Trust, as of October 2017
Mr. Haitham Mohammed Samih Barakat Board Member Representative of Al Lu'lu'a Trading & Investment Co.	None
Mr. Mohammad Anwar Hamdan Board Member	None
Mr. Husam Rashed Manna' Board Member	None
Mr. Walid Mohammad Al-Jamal Board Member 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. Wissam Rabee' Saab Board Member	None
Mr. "Mohammad Sa-ed" Ishaq Jarallah Board Member as of 18/10/2020	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. Mohammad Anwar Hamdan Head of the Committee (Independent)	5	- 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. "Shadi Ramzi" Abd Al-Salam Al-Majali Member of the Committee (Non-independent) until 4/8/2020	3	- 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.	▪ 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.
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. ▪ 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
Mr. Wissam Rabee' Saab Member of the Committee as of 5/8/2020	2	- 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. Turki Yousef Al-Jabour Executive Manager/Internal Audit Department Committee Rapporteur	5	-	-
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 2020.
- 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 2020.
- The Committee was restructured in the Board of Directors meeting No. 625 on 5/8/2020, designating Mr. Wissam Rabee' Saab as a member of the committee.

- 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. Shaker Tawfiq Fakhouri	- Head of the Committee (Non independent) until 4/8/2020. - Member (Non-Independent) as of 5/8/2020	3
Mr. Husam Rashed Manna'	- Member (Independent) until 4/8/2020. - Head of the Committee as of 5/8/2020	3
Mr. Walid Rafiq Anabtawi	Member (Independent)	3
Mr. Nader Mohammad Sarhan Executive Manager/Chief Risk Officer	Board Secretary/ Committee Rapporteur	3

The Corporate Governance and Strategy Committee held (3) meetings during 2020
The Committee was restructured in the Board of Directors meeting No. 625 on 5/8/2020, designating Mr. Husam Rashed Manna' as Head of the Committee.

- 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
Dr. Mazen Mohammad Al Basheir	Head of the Committee (Non-independent) (Deceased on 4/3/2020)	-
Mr. Shaker Tawfiq Fakhouri	- Member (Non-independent) until 4/8/2020 - Head of the Committee as of 5/8/2020	3
Mr. Mohammad Anwar Hamdan	Member (Independent)	3
Mr. "Shadi Ramzi" Abd Al-Salam Al-Majali	Member (Non-Independent) as of 5/8/2020	1
Mr. Saleh Rajab Hammad	Member	3
Dr. Nasser Mustafa Khraishi	Member	3
Mr. Nader Mohammad Sarhan Executive Manager/Chief Risk Officer	Member / Board Secretary / Committee Rapporteur	3

The Risk Management Committee held (3) meetings during 2020
The Committee was restructured in the Board of Directors meeting No. 625 on 5/8/2020, designating Mr. Shaker Tawfiq Shaker Fakhouri as Head of the Committee and Mr. "Shadi Ramzi" Abd Al-Salam Al-Majali as a member of the committee.

- The Executive Committee:

Six board members were elected to the Executive Committee, other members of the senior executive management may join the committee's 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)	48
Dr. Mazen Mohammad Al Basheir	Member (Non-independent) Deceased on 4/3/2020	9
Dr. Yanal Mawloud Zakaria	Member (Non-independent)	45
Mr. Haitham Mohammed Samih Barakat	Member (Non-independent)	44
Mr. Husam Rashed Manna'	Member (Independent)	48
Mr. "Shadi Ramzi" Abd Al-Salam Al-Majali	Member (Non-Independent) as of 5/8/2020	21
Mr. "Mohammad Sa-ed" Ishaq Jarallah	Member (Independent) as of 28/10/2020	10
Facilities Committee's Rapporteur/ Committee's Rapporteur		48

- The Executive Committee held (48) meetings in 2020.
- The Committee was restructured in the Board of Directors meeting No. 625 on 5/8/2020, designating Mr. "Shadi-Ramzi" Abd Al-Salam Al-Majali as a member of the committee.
- The Committee was restructured in the Board of Directors meeting No. 625 on 28/10/2020, designating Mr. "Mohammad Sa-ed" Ishaq Jarallah as a member of the committee.

- 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. Walid Rafiq Anabtawi	Head of the Committee (Independent)	7
Mr. Shaker Tawfiq Fakhouri	Member (Non-independent)	7
Mr. Mohammad Anwar Hamdan	Member (Independent)	7
Mr. Nader Mohammad Sarhan Executive Manager/Chief Risk Officer	Board Secretary/ Committee Rapporteur	7

The Nominations and Remunerations Committee held (7) meetings in 2020.

- 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)	1
Mr. Shaker Tawfiq Fakhouri	Member (Non-independent)	1
Mr. Husam Rashed Manna'	Member (Independent)	1
Mr. Walid Rafiq Anabtawi	Member (Independent)	1
Mr. Nader Mohammad Sarhan Executive Manager/Chief Risk Officer	Board Secretary/ Committee Rapporteur	1

The Information Technology Governance committee was held one time in 2020.

- 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. Husam Rashed Manna’	Head of the Committee (Independent)	5
Mr. Shaker Tawfiq Fakhouri	Member (Non-Independent)	5
Mr. Walid Rafiq Anabtawi	Member (Independent)	5
Mr. Nader Mohammad Sarhan Executive Manager/Chief Risk Officer	Board Secretary/ Committee Rapporteur	5

The Compliance Committee held (5) meetings in 2020.

- The Board Secretary:

Minutes of meetings are significant for the Bank, shareholders, and supervisory agencies because they are a permanent register that demonstrates 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/Board Secretary
Mr. Khaled Atef Abu Jawid	Executive Manager/Retail Banking Management
Mr. Nader Essa Al-Khawaja	Executive Manager / Strategic Planning & Projects Management as of 25/10/2020
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 / Iraq Branch (Under establishment)
Mr. Yasser "Mohd Suhail" Tahboub	Executive Manager / Transaction Banking Dept. as of 28/5/2020
Ms. Lana Fayez Al-Barrishi	Executive Manager / Compliance Dept. as of 1/9/2020
Mr. Mousa Yousef Mousa	Treasurer/Treasury & Investment Dept.
Mr. Hani Hasan Mansi	Manager/Financial Control Management
Mr. Yousef Mousa Abu Humaid	Manager/Central Operations Management
Mrs. Sahar Shafek Al Ziadat	Executive Manager / Human Resources Dept. (Acting)
Mr. Ra'f Yousef Abu Dahoud	Executive Manager/Commercial Business Development Dept. (Until 8/3/2020)
Mr. Mohammad Hikmat AlSawalqa	Executive Manager/Corporate Business Development Dept. (Until 31/3/2020)

- 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's 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

Disclosure and Transparency

Disclosure and Transparency

Bank of Jordan believes that customer complaints can be a very important tool to monitor any violations of the Bank's general policies and procedures and a means to raise the quality of services provided to customers. Complaints are managed and handled through a dedicated unit established in line with the Instructions on Dealing with Customers Fairly and Transparently No. 56/2012, issued by the Central Bank of Jordan on 31/10/2012.

- The customer complaints management and handling procedures are circulated to all the Bank employees.
- Bank of Jordan group's policy to deal with customers fairly and transparently, and its customer complaint handling policy are approved by the board and circulated.
- The provision of different communication channels for receiving customer complaints through the following ways:
  - Direct call by dialing (06-5692527) or calling the free number (080022335) which is available (24/7).
  - Email complainthandling@bankofjordan.com.jo
  - Fax to 06-5600918.
  - A telephone allocated for customer complaints at the bank branches.
  - Personal visit to the General Administration Building.
- Approved service level agreement (SLA) and escalation procedures in case of any delay responding to customer complaints by any of our various units, in order to meet the customers' requirements within the specified time frame.
- Study and evaluation of the customer complaints in order to find out the causes, classifications, and impacts of those complaints.
- Provide the Board of Directors and senior management members with periodic disclosures including 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 periodic (quarterly) statistics of the complaints received by the unit.

Following is the statistical report of the complaints that were received from customers in 2020 through various channels distributed according to the nature and type of complaint 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	Letters of Guarantee	Others	Total
25	22	30	17	4	69	37	17	206	1	1	29	458

These complaints were resolved within the following framework:

- Complaints were given a reference number which was also provided to customers with the aim of follow-up.
- Complaints were studied, analyzed and responded to within the time frame 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.
  - Taking disciplinary measures against underperforming employees.
  - Rehabilitation and training of staff on working procedures, products, communication skills with customers, etc.
  - Development of the Bank's various sites to receive customers and improve the service provided to them.

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.: 5600926 Fax: 4910038 P.O.Box 2140 Amman 11181 Jordan

First Circle Branch
Tel.: 4653205 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.: 07968856/508001 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: 4380683 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

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.: 4451155 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

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

Bahrain Branch

Bahrain Financial Harbour/ West Tower
Tel.: +97316676767 Fax: +97316676768
P.O.Box 60676 Manama - Bahrain